The Center of Excellence in Luxury, Art & Culture

The pioneering spirit
CREATED IN 1907, ESSEC BUSINESS SCHOOL IS AN ACADEMIC INSTITUTION OF EXCELLENCE WHICH THROUGHOUT ITS HISTORY HAS BEEN CHARACTERIZED BY ITS PIONEERING SPIRIT.

In both full-time education and executive education, **ESSEC proposes a wide range of programs** to all those wanting to obtain an extraordinary learning experience, strengthen their talent, express their leadership and become truly high-level managers.

A centennial institution with a wide network of academic and corporate partners throughout the world, ESSEC has opted to focus its strategic development on three principles: **innovation, involvement and internationalization** which compose the three axes of the ESSEC 3i strategy that will be implemented from here until 2020.

An institution nourished by research and committed to an ambitious development of alliances with leading institutions, **ESSEC constantly strives to bring its students face to face with cutting-edge knowledge at the crossroads of discipline and to provide them with the latest technologies.**

Hallmarked by a profound humanistic tradition, ESSEC has succeeded not only in making the link between business and society a major subject of research, but it is also one of the fundamental components in the training of responsible managers. ESSEC thereby affirms the necessity of putting innovation, knowledge and the creation of value at the service of the wider community.

With students coming from 84 different countries, a largely international faculty body and a campus in the Asia-Pacific region since 2005, **ESSEC is both an international and multicultural institution.** This internationalization is strengthened by the building of a new, 6,500 m² campus in Singapore and the implementation of development projects in Africa and Latin America.

These three axes – innovation, involvement and internationalization – forge ESSEC’s learning philosophy that is common to all its programs: **accompany our students throughout a learning journey aimed at opening them up to new, unthought-of opportunities.** Studying at ESSEC means creating your own path towards the future and joining a supportive community of 47,000 graduates worldwide!

Welcome to ESSEC!
For more than a quarter century, luxury has been one of the key areas of expertise at ESSEC, demonstrated by our advanced research capabilities, courses that attract students from around the world, partnerships with the best academic and the most prestigious cultural institutions and of course close and constant ties with the leading companies in the sector. The breadth of our network of alumni, many of whom lead successful careers in the leading luxury houses, is evidence of the strength of our expertise in this field.

Today, ESSEC launches the Center of Excellence in Luxury, Art & Culture in order to unite all of these strengths and propose one global project. With this Center of Excellence, we want to propose a global project inspired by the idea that luxury is fully realized through its expression in art and culture. We aim to be involved in all areas of the academic value chain, strengthen our expertise, expand our research capabilities, provide our students the means to implement their plans for the future and help our partners to meet the challenges of the 21st century.

With this new development, we wish to demonstrate our deep conviction: luxury is based on the marriage between tradition and modernity, between history and the future. In fact, luxury is rooted in the history, culture, knowledge and heritage of the past which in turn allows us to constantly transform, renew and reinvent. This ability to draw on history in order to innovate is also a distinguishing characteristic of France, something we wish to showcase to the world.

Jean-Michel BLANQUER
Dean and President,
ESSEC Business School
A pioneering vision of luxury

ESSEC, in partnership with the Château de Versailles, has created the Center of Excellence in Luxury, Art & Culture. It is an ecosystem which integrates the Savoir-Faire d’Exception Management Chair; the LVMH chair; the MBA in International Luxury Brand Management; and the Asian Institute of Luxury.

The newly created Savoir-Faire d’Exception Management Chair – developed in partnership with Chanel, Van Cleef & Arpels and Dom Pérignon for LVMH – will help train students and will also aid in conducting research projects focusing on savoir-faire, the artisanal know-how France is famous for, which forms the backbone of its successful luxury industry.

The luxury programs at ESSEC, which originally focused on branding and retailing (LVMH Chair and the MBA in International Luxury Brand Management), will now expand to integrate the whole value chain of the luxury industry, from suppliers’ workshops to logistics and the supply chain to retailing and the consumer. Through the Center of Excellence in Luxury, Art & Culture, ESSEC wants to ensure that the programs embrace every luxury category, from wine to perfumes and cosmetics to fashion and art. The Center of Excellence will, in a way, be a sort of mini-Versailles: the Château de Versailles was the first luxury ecosystem in which one could find a concentration of artisanal excellence ranging from art, architecture and the decorative arts to theater, fashion, cuisine, landscaping, gardening, weaving and embroidery. In terms of innovation, it was something of the Silicon Valley of its era.

ESSEC’s goal is to place the luxury brand management programs at the heart of a similar ecosystem. As luxury has become a global business, the new Center of Excellence is also building international partnerships which will allow ESSEC students to be exposed to other models and benefit from the fashion expertise of Bocconi University in Milan, which recently announced a cooperation agreement with ESSEC. This partnership will lead to specific joint programs in the domain of luxury and fashion.

Simon NYECK
Professor, Marketing Department
Director, Center of Excellence in Luxury, Art & Culture
Chaired Professor of the Savoir-Faire d’Exception Management Chair
Academic Director for the MBA in International Luxury Brand Management
The Center of Excellence in Luxury, Art & Culture

ESSEC HAS CHOSEN TO ORGANIZE ITS AREAS OF EXPERTISE IN SEVEN THEMATIC CENTERS OF EXCELLENCE WHICH CORRESPOND TO MAJOR FIELDS OF ECONOMIC ACTIVITY AS WELL AS RESEARCH AND TEACHING OBJECTIVES.

Present in and through all areas of the value chain – from research to speaking in public debates, through initial training and executive education – the centers of excellence aim to develop solutions in anticipation of future challenges and meet the needs of their partners. Bolstered by leading research produced by ESSEC professors, they truly foster educational innovation.

Through the creation of the Center of Excellence in Luxury, Art & Culture, ESSEC intends to showcase the unrivaled expertise that it has acquired over more than twenty years in this sector; both in terms of research and teaching as well as in regards to the support it receives from luxury companies. ESSEC, by way of its esteemed partnerships, also aims to promote a responsible vision regarding know-how and the art of French living and also help the luxury industry stakeholders meet the challenges of the future.

The center of excellence regroups:
- The LVMH Chair, created in 1991;
- The MBA in International Luxury Brand Management, launched in 1995;
- The new Savoir-Faire d’Exception Management Chair, created in January 2016;
- A new partnership with SDA Bocconi School of Management;
- A partnership with the Château de Versailles.

The Center of Excellence will also work in close collaboration with the dual degree program offered in partnership with the Ecole du Louvre which was created in 2011.

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ESSEC BUSINESS SCHOOL HAS BEEN THE FIRST BUSINESS SCHOOL TO CREATE A PROGRAM DEDICATED TO THE LUXURY INDUSTRY. CREATED IN 1991, BY ESSEC BUSINESS SCHOOL AND THE LVMH (LOUIS VUITTON - MOËT HENNESSY) GROUP, THE LVMH CHAIR IS THE LONGEST-STANDING PROGRAM WORLDWIDE SPECIFICALLY DEDICATED TO LUXURY BRAND MANAGEMENT.

LVMH and ESSEC Business School have announced the renewal of the LVMH-ESSEC Chair for four years. More than 25 years after its creation, the chair will become a pillar of the Center of Excellence in Luxury, Art & Culture.

“Close collaboration with LVMH over the last quarter of a century has shaped the LVMH chair into an exceptional experience for the students who have the passion to work in the luxury industry. In addition, the caliber and the quality of the students that are selected for the chair makes this program one of a kind”.

The Chair also provides participants with hands-on experience through company visits, field projects and internships. Field projects are another unique opportunity provided by the LVMH Chair where students are assigned to a real project with one of the LVMH houses and get to work in close contact with the assigned brand’s management. The field project is conducted in teams of 4-5 students and has to be completed in one term (2 1/2 months). The topics are related to luxury brand management issues. Here are two examples of field projects that were completed in 2014/2015:

- BERLUTI - How will digital technologies transform the custom-made business?
- MAKE UP FOR EVER - Define the future location of the MAKE UP FOR EVER Boutiques in France.

A Chair training tomorrow’s talented individuals

The ultimate objective of this highly selective program is to prepare students to become efficient managers in the luxury industry upon graduation. Specifically, they should be ready to play an active role in firms in which excellence and international economic performance are jointly sought after.

The Chair offers students from the MSc in Management and the Advanced Master in Strategy & Management of International Business a unique program that integrates theoretical knowledge through courses given by ESSEC professors and practical expertise through seminars given by LVMH managers. The seminars given by the LVMH managers are the highlight for many LVMH Chair students as they are exposed to various LVMH houses and topics, ranging from launching a new fragrance to managing the digital strategy of a luxury brand.

Mentoring, a major asset for the students

During the LVMH Chair selected students are mentored by ESSEC alumni who are also managers from the LVMH Group. Mentors share information about their daily activities, provide guidance regarding potential career paths, and help students acquire a network of contacts.
“LVMH is the world leader in luxury and this partnership reaffirms our ability to share expertise, savoir-faire and experience with new generations through the talented people in our ecosystem. We are very proud that the talents who today drive the success of our Houses are helping transmit and promote key skills in a continually evolving industry.”

Chantal Gaemperle,
Group Executive Vice-President,
Human Resources and Synergies

“I joined the Chair during my third year at ESSEC, parallel to an apprenticeship in the luxury fragrance industry. The Chair has been a wonderful experience on several levels and it brought me much more than I would have expected.

I particularly enjoyed the Chair seminars, which enabled us to meet various people working within the LVMH Group. This made us see the different Maisons under a new, more professional angle and helped us contemplate different careers, discovering unexpected thrilling positions within the brands. I also very much enjoyed the field project, which was a great challenge and a wonderful opportunity to work closer as a team and with the LVMH Group. I had always been passionate about Champagne and had the chance to be a part of the team working on Veuve Clicquot. We were able to really dive into the brand’s DNA and work on its core, which was probably the most important take-away from this experience. Lastly, joining the Chair also represents joining a community of alumni, which is a great strength and a wonderful opportunity to have throughout ESSEC and afterwards.”

Claire Desjardins,
LVMH Chair Alumni 2013 - Chaumet Promotion
Current Position: Junior Product Manager – Fragrance, Louis Vuitton

The LVMH Chair:
Key Figures

Created in 1991
A network of 440 alumni.
8 unique seminars given by LVMH managers.
3 scheduled trips to boutiques, workshops or iconic locations.
3 expo/museum visits in 2014/2015.
4 field projects with LVMH Houses.
The ESSEC MBA in International Luxury Brand Management, 20 years of excellence

ESSEC BUSINESS SCHOOL CREATED THE FIRST PROGRAM OF ITS KIND EVER TO BE LAUNCHED WORLDWIDE IN 1995 IN PARTNERSHIP WITH LVMH AND L’ORÉAL LUXE WITH THE OBJECTIVE TO CREATE A TALENT POOL OF SPECIALIZED LEADERS ABLE TO HELP DEVELOP THE LUXURY BRANDS IN INTERNATIONAL MARKETS.

Today, the program is a reference, is unequalled and has strong partnerships with all major luxury players, including independent houses, publicly listed companies and trade associations.

The MBA in International Luxury Brand Management is a selective program designed for high-potential young professionals with a minimum 3 years of quality work experience after their Bachelor’s degree. Applicants are open-minded, internationally oriented, sensitive to the world around them and have leadership potential.

“The ESSEC MBA in International Luxury Brand Management, which originally focused on branding and retailing, now integrates the whole value chain of the luxury industry, from suppliers’ workshops through logistics and the supply chain to retailing and the digital experience. Participants will understand how to manage the creative process and the relationship with artisanal suppliers, while having in mind the economics. In short, they will learn how to manage luxury paradoxes of staying true to the heritage whilst being relevant in modern times. Our objective is to train future leaders by providing them with a holistic view of the sector and by easing connections with major luxury partners and renowned cultural partners displaying the artisanal know-how France is famous for, which forms the backbone of its successful luxury industry.”

The educational approach

The program is designed to help participants become permanent learners, able to develop a global vision of business, with leadership and managerial abilities to successfully manage a luxury brand.

• Building a vision by learning to approach problems from global perspectives, integrating academic and technical knowledge, assessing situations from business, economic and cultural standpoints.
• Developing action based on a strong theoretical framework and concepts, and focusing on experiential learning with company visits, exchanges with managers, educational field trips in major luxury markets (Asia, USA, Dubai, Italy) and working on consultancy projects for companies.
• Developing the communication and organizational skills to secure team commitment and projects management during the year by working within international diverse teams.
The consultancy luxury global field project

The consultancy project enables participants to apply their newly acquired skills and knowledge. It may include several aspects within a prestige company: new product development, brand extensions and positioning, distribution, retailing, digital strategy and communication, etc. Each team is monitored by an ESSEC Business School professor and a company executive.

The mentor program

Each participant is assigned a mentor from one of the sectors of the luxury goods industry. The mentor’s role is to provide students with information and useful advice to help him/her understand career prospects and opportunities within the luxury goods sector. Ideally participants meet with their mentor about 5 times during the year.

“I chose this MBA as a bridge. Thanks to the relationships with my mentor and with professionals formed during the course, I managed to build my career plan for the next 10 years.”

Yuki, Class of 2000, President Bottega Veneta Japan

“I had great exposure to each facet of the luxury industry and learned about every sector: perfumes and cosmetics, fashion, watches and jewelry, leather goods, wines and spirits.”

Elena, Class of 1998, Brand Manager, Piaget

“The MBA taught me to respect the heritage while being able to innovate – how to be timeless and modern at the same time”.

Elisabeth, Class of 2005, Founder of Visoanska

The MBA in International Luxury Brand Management: Key Figures

More than 600 MBA in International Luxury Brand Management graduates, representing over 55 nationalities and spanning 45 countries.

90% of participants are international.

15-20 nationalities represented each year.

Average age: 28 years.

Average of 6 years professional experience.

50% have a professional background in luxury.
The creation of the new
Savoir-Faire d’Exception
Management Chair
in partnership with Chanel, LVMH and
Van Cleef & Arpels

THE MANIFESTATION OF AGE-OLD MANNERS AND AN EXCEPTIONAL KNOW-HOW, FOR WHICH VERSAILLES WAS THE IDEAL PILLAR OF EXPRESSION, TODAY REPRESENTS A MAJOR CHALLENGE FOR LUXURY PLAYERS. IN A GLOBALIZED ENVIRONMENT, THESE SKILLS REQUIRE NOT ONLY CONSERVATION EFFORTS BUT ALSO THOSE OF VALUE CREATION AND PROMOTION. TO SHOWCASE SUCH EXCEPTIONAL KNOW-HOW TO THE WORLD PRESUPPOSES CONSTANT EFFORT TO INNOVATE IN ORDER TO REINVENT THE INHERITED LEGACY, BUT ALSO TO DESIGN VERY SPECIFIC BUSINESS MODELS TO ENSURE THEIR ADVANCEMENT.

In order to respond to these challenges, ESSEC, in partnership with CHANEL, LVHM – represented by Dom Pérignon – and Van Cleef & Arpels, launched the ESSEC Savoir-Faire d’Exception Management Chair in January 2016.

Designed to train managers, investors, entrepreneurs and artisans to understand and appreciate the uniqueness of these trades, the Chair is a space for teaching, reflection, research and exchange. Each year, it will enable approximately twenty students from ESSEC’s Master of Science in Management program to learn about the challenges and development strategies, acquisition, industrialization, transmission and internationalization of these trades and understand their specificities in regards to management techniques and their business models.

The Chair also intends to develop research programs in collaboration with its partners as well as with major institutions such as the Château de Versailles - which will also take part in the aforementioned collaborations.

“The sustainability of artisanal expertise is now a critical issue for luxury houses. The objective of the Chair is to train managers to learn how to remain faithful to their heritage and culture while also embracing modernity; this, all to be done while also innovating and constantly reinterpreting in order to advance.” remarks Simon Nyeck, Chaired Professor of the Savoir-Faire d’Exception Management Chair.

Bruno PAVLOVSKY,
President of Fashion at CHANEL

LVMH représenté par
Dom Pérignon

“By partnering with ESSEC’s Savoir-Faire d’Exception Management Chair, LVMH, the world leader in luxury, reaffirms its willingness to share its passion for excellence with younger generations and transmit its know-how and experiences which are at the heart of its ecosystem and which it strives to preserve daily. The Group’s commitment to the Chair is realized through the support of the Dom Pérignon brand, a centuries-old luxury house which embodies the most noble, creative and innovative know-how. This new partnership further strengthens the historical link between ESSEC and the Group, which have been partners for 25 years through the LVMH Chair.”

Chantal GAEMPERLE, Group Executive Vice-President, Human Resources and Synergies

Van Cleef & Arpels

“Throughout its history, Van Cleef & Arpels has continuously expressed its commitment to the values of excellence and innovation. Today, Van Cleef & Arpels is committed to preserve High Jewelry and High Watchmaking crafts and support their development on a daily basis. This explains our commitment towards ESSEC’s Savoir-Faire d’Exception Management Chair.”

Nicolas BOS,
President and CEO of Van Cleef & Arpels
A new partnership with

**SDA Bocconi School of Management in the luxury sector**

**FOR MORE THAN A CENTURY, LEADING ACADEMIC INSTITUTIONS, ESSEC BUSINESS SCHOOL AND BOCCONI UNIVERSITY, HAVE SHARED A COMMON VISION ABOUT THE USE OF KNOWLEDGE TRANSMISSION IN ORDER TO FOSTER INNOVATION, VALUE CREATION AND ECONOMIC GROWTH.**

For a number of years, ESSEC and Bocconi University have maintained close ties, notably in regards to a joint double degree program available since July 2015 to Master of Science in Management students from both institutions. Additionally, both schools, in collaboration with IREBS, facilitate the Empire Program, a curriculum designed for real estate professionals.

ESSEC Business School and SDA Bocconi School of Management, the school of management of Bocconi University, wished to further strengthen their partnership by developing joint executive education initiatives and more specifically in the field of luxury.

**Luxury, a constantly changing sector**

Beyond its cultural significance, luxury is a dynamic economic sector whose management is characterized by a certain particularity: staying true to its heritage and know-how whilst also innovating and adapting to modernity. With their respective experience and expertise in the field of fashion and luxury, ESSEC and SDA Bocconi will launch a joint Executive Master in Fashion and Luxury Brand Management which is set to begin in the autumn of 2017.

The program aims to expose participants to the industry specific issues and to allow them to master the management techniques of the sector’s value chain starting from the expertise of artisans all the way to the end customer experience, be it real or virtual.

The participants will benefit from the extensive expertise of both institutions within the luxury industry and their strong understanding of the iconic fashion and luxury markets in which they operate: Paris and Singapore for ESSEC and Mumbai and Milan for SDA Bocconi.

In 2016, ESSEC and SDA Bocconi will also develop a joint MOOC on the Business of Luxury which will be offered on the Coursera platform.

This program is aimed at:

- Operational level employees in the luxury sector who wish to attain managerial positions.
- Managers from other sectors who wish to understand the success factors of luxury brands in order to adapt them to their own industries.
- Professionals who work with the fashion and luxury industries that wish to better understand their business models and operating modes (bankers, lawyers, advertising executives, real estate agents, etc.).
An esteemed partnership with the Château de Versailles

THE CHÂTEAU DE VERSAILLES AND ESSEC BUSINESS SCHOOL UNITE TO CREATE AN ECOSYSTEM DEDICATED TO THE TRANSMISSION OF THE ART OF FRENCH LIVING, KNOW-HOW, LUXURY CAREERS, HERITAGE AND CREATION.

“The Château de Versailles and ESSEC have always shared a passion for excellence and the desire to contribute to the increased influence of France as a brand. It was only natural that our two institutions came together in support of our shared ideas.” explains Catherine Pegard, President of the Château de Versailles.

This partnership is based on three major areas of development:

• **Strengthening our common actions in the field of education in regards to both initial training and executive education.** Essentially, this will allow students and executive education participants from ESSEC to participate in activities organized at the Château de Versailles and potentially do internships there as well.

  The Château de Versailles and ESSEC will also develop specific modules for ESSEC students who intend to develop their careers in the field of culture and art management. Summer school programs will also be jointly organized by the two institutions. Additionally, professors from ESSEC will work with teams at the Château de Versailles to identify the issues they face and in turn develop business case studies about them.

• **Jointly contributing to the awareness and appreciation of the luxury sector as well as that of culture and the arts.** The Château de Versailles is one of the founding partners of the Center of Excellence in Luxury, Art & Culture, created by ESSEC in aim of understanding and accentuating a responsible vision of luxury which is embodied by the French art of living. The Château de Versailles will in particular facilitate meetings and exchanges between ESSEC students and the artisans working in these trades. ESSEC, by way of the Center of Excellence, will regularly work on the issues proposed by the Château de Versailles.

• **Spreading the French know-how in Asia:** ESSEC and the Château de Versailles intend to contribute to the promotion of French culture and know-how in the Asia-Pacific region primarily by relying on the anchor that is the ESSEC Asia-Pacific campus in Singapore.
ESSEC’s Luxury Experts

ESSEC LEADERSHIP IS BASED ON ITS ABILITY TO BRING OUT NEW, RELEVANT AND IMPACTFUL KNOWLEDGE THANKS TO THE WORK OF AN EXCEPTIONAL FACULTY BODY.

Today, many ESSEC professors have acquired a strong expertise in the field of luxury thanks to their research:

► Professors

• Simon NYECK, Professor, Marketing Department; Director, Center of Excellence in Luxury, Art & Culture; Chaired Professor of the Savoir-Faire d’Exception Management Chair; Academic Director for the MBA in International Luxury Brand Management.
• Delphine DION, Associate Professor, Marketing Department.
• Sonja PROKOPEC, Associate Professor, Marketing Department; Chaired Professor of ESSEC’s LVMH Chair.
• Stoyan SGOUREV, Professor, Management Department.
• Ashok SOM, Professor, Management Department.

► Professors associated with the Center of Excellence in regards to specific themes

• Francis DECLERCK, Associate Professor, Finance Department.
• Nicolas GLADY, Professor, Marketing Department; Chaired Professor of the Accenture Strategic Business Analytics Chair.
• Ashwin MALSHE, Assistant Professor, Marketing Department.
• Félix PAPIER, Associate Professor, Operations Management Department.

► Associated Experts

• Véronique DRECQ, lecturer for the Marketing Department, the LVMH Chair and the MBA in International Luxury Brand Management.
• Anne-Flore MAMAN-LARRAUFIE (PhD.), Academic Director of the MS SMIB, Founder & Owner of SemioConsult.
• Denis MORISSET, lecturer for the Marketing Department and the MBA in International Luxury Brand Management.
Love Wins

The changing dynamics in the luxury brand-consumer relationship: How to keep the dream alive

DOM PÉRIGNON EST. 1668; HERMÈS EST. 1837; AUDEMARS PIGUET EST. 1875; VAN CLEEF & ARPELS EST. 1906; CHANEL EST. 1910.

Many of today’s most recognizable luxury brands were born in the 19th century and are rooted in the traditions and rituals of the time. These rituals dictated the elite’s consumption habits: when two wealthy families married their children, a ring and other jewels would be exchanged. When they celebrated the nuptials, Champagne would be needed for the toast. A night at the Opera called for the finest brocades and laces.

Luxury houses exercised a kind of brand dictatorship over their consumers, telling them what to consume, when, and exactly how to do it, according to the strictest rules of etiquette. Everything was steeped in meaning and tradition.

With the spirit of the industrial revolution, expertise and craftsmanship also became increasingly important ingredients to the luxury status. Just as the Eiffel Tower was the pinnacle of engineering expertise, Mont Blanc writing instrument demonstrated the pinnacle of savoir faire in that domain. And if an elite were in need of a trunk for a sea voyage, there were few brands “Malletier” which mastered the savoir-faire: Louis Vuitton, Moynat.

Changing with the times

Today, our consumption habits have changed. We’ve gone from the brand dictatorship of the 19th century, to the birth of the consumer citizen-artist. We’ve gone from obeying cultural authority to cultivating ‘self’. We’ve gone from a top-down, brand monologue, to multiple dialogues. And from a long-term orientation, with a focus on tradition, to a present orientation.

To date, the success and longevity of luxury brands has been based primarily on the respect they command. This respect is derived through four key factors: Most true luxury brands have been around for a long time and this sense of history is a major source of legitimacy. A lot of importance is also placed on their place of origin: many high fashion houses originate in Paris, and Champagne doesn’t merit the name unless it comes from the region. Luxury brands are also attached to the character of their primary consumers: Louis Vuitton trunks and bags earned their status as luxury items because, for the most part, only the elite could afford to travel. Finally, luxury goods are about savoir-faire and craftsmanship, with products often made to order for elite clientele.

But is this respect enough? Are luxury brands keeping up with the changing times and the evolution of other brand-consumer relationships?

What we call ‘love brands’, like Apple, focus on tapping into our emotions by creating connections through experience. Future generations of luxury consumers will be looking for that ‘experience’ through 4 dimensions:
• **Consumers are looking for sensorial experience**

Where luxury products were once the ‘establishment’, today’s consumers are challenging the establishment. They want more than the product. To delight the consumer, sensorial experiences – sight, smell, taste, touch and sound smell – are a must. Beautiful flagships, architecture, music are adding the dream factor. The Chanel Lumiere Tower Ginza, designed by Peter Marino is a conceptual rendering of a classic Chanel tweed. BEIGE is the penthouse Ducasse restaurant open 7 days a week to give the experiential pleasure. Chanel’s culture is engrained in the colors of the restaurant, black, white, beige. The restaurant gives customers another «reason» to come to the Chanel Lumière Tower.

• **Consumers want to learn and discover**

Today’s customers also want to be informed when they make a significant purchase – historic reputation isn’t quite enough: to maximize a luxury experience, they want to know how the product was crafted. Whereas brands in the 19th century dictated to their consumers what they should do, today’s consumers want to discover, enrich themselves, and understand first-hand. They want to see behind the curtain at the ‘Making of’ their purchase.

This is a growing trend amongst luxury brands. For example, the Chanel atelier experience gives a select few clients a back-stage peek at how their products are made. And events like cooking classes at the Ritz are increasingly popular.

• **Consumers want the brands to care about them**

For a long time, the luxury brand-consumer relationship was a long distance love affair. Brands were distant and dictated consumer behavior in a top-down monologue. Today’s consumers understand that long distance relationships fizzle.

If luxury brands are to command more than just respect, and tap into an emotional connection with consumers – to become ‘love brands’ – they need to open up a dialogue, listen, understand, share, and make their consumers feel truly special.

Today, this in an area where luxury brands have the opportunity to shine by becoming consumer centric: their products aren’t industrial, so the ingredients are there to make them unique, special, and made-to order.

• **Consumers want to be involved, to be part of the brand**

In a sense, we’re going back to the origins or luxury: where once upon a time, kings and queens would order products based on their specifications, today’s luxury consumer want to the opportunity to be involved in the creation process. The future is one where popular culture can claim a luxury brand for itself, make it what they want – and this is a reality to which luxury brands must adapt.

Involving the consumer takes the caring experience one step further. It’s about caring for the planet as well as fellow citizens. Love brands give their consumer the sense that they belong to a social community where they can co-create and co-design.

As the times change, it’s critical that luxury brands keep up, or risk becoming dinosaurs. Commanding your client’s respect is important, but tapping into their emotion is perhaps even more-so. After all, you can’t be luxury without having people to dream about you.

Prof. Nyeck is a professor in the Marketing Department, Director of the Center of Excellence in Luxury, Art & Culture, the Savoir-Faire d’Exception Management Chaired Professor and the Academic Director of the MBA International Luxury Brand Management. Prior to joining ESSEC he was a marketing professor at Laval University, Canada (1992 – 2000). Prof. Nyeck received his Ph.D. in Marketing from ESSEC Business School, and a Doctoral degree from Paris Dauphine University. Prof. Nyeck is GloColl Fellow on Participant-Centered Learning from Harvard Business School and ITP (International Teacher’s Program) Fellow from IMD, Lausanne. He has taught Brand Management at Bocconi University (Mafed) in Milan, FUDAN University in Shanghai and Instituto de Empresas of Madrid. Nyeck has been a Visiting Scholar at HEC Montreal. His teaching and research interests include: brand anthropology, the management of “savoir-faire”, luxury brand management, semiotics and luxury consumption and shopping behavior. His articles have been published in the *Journal of Service Research, The European Retail Digest*, *European Marketing Academy Conference, American Marketing Association, Sport Marketing Quarterly, Recherches et Applications en Marketing, Revue Française du Marketing, and Décisions Marketing.*
LUXURY BRANDS USE CODES TO BUILD A SACRED AURA AROUND THEIR HISTORIC BOUTIQUES, THOSE LOCATIONS WHICH LIE AT THE HEART OF BRAND IDENTITY AND HERITAGE. CODES ARE CREATED THROUGH A SYSTEM OF SYMBOLIC STRUCTURES DEFINED BY A SET OF MYTHS AND RITUAL PRACTICES. THIS ARTICLE IS TAKEN FROM A RESEARCH ARTICLE ENTITLED “MANAGING HERITAGE BRANDS: A STUDY OF THE SACRALIZATION OF HERITAGE STORES IN THE LUXURY INDUSTRY” PUBLISHED IN THE JOURNAL OF RETAILING AND CONSUMER SERVICES.

“With sitting rooms painted in Trianon grey, Louis XVI chairs, and pristine moldings… in central Shanghai, the magic of 30 Avenue Montaigne provides a backdrop for the haute couture silhouettes of Raf Simons’ spring-summer collection for Dior”. This description of the 2013 haute couture show in Shanghai illustrates one of the many ways the emblematic elements from Dior’s heritage boutique on Avenue Montaigne in Paris can come into play. These same iconic elements can also be found within the brand’s communications materials and at points of sale around the world, as well as within the collections themselves. 30, Avenue Montaigne appears as a central reference point for the Dior brand. It is a sacred space at the heart of the brand’s identity and heritage.

Many luxury brands sanctify their heritage stores in a similar fashion. This is the case for the Chanel boutique at 31, Rue Cambon, for the Chaumet boutique at 12, Place Vendôme, and for the Cartier boutique at 13, Rue de la Paix. Indeed, this strategy seems all the more prevalent today, now that other luxury codes are increasingly adopted by mass market retailers. Therefore, it’s important to ask: how do luxury brands create the symbolic codes to turn these heritage boutiques into sacred places?

Working from in-store observations as well as from interviews with store managers and sales representatives in the luxury sector, we explore how luxury brands sanctify their heritage stores. By transposing the characteristics of the sacred onto the luxury retail experience, we show that these sacred spaces are integrated into each brand’s myths, and are at the heart of rituals.

The Myths

Since the dawn of History, sacred meaning is derived from the myths and origin stories that are handed down from generation to generation. These myths lend meaning to the origin stories, to existence, and to the future. They become an absolute point of reference, the “center of the world”, so to speak. In this same way, French luxury brands create myths that draw on their history and often specifically focus on their heritage store location. In other words, they seek to give these spaces – which are integral to the identity and history of each brand – a mythical aura.

These mythical places are closely linked to the brand’s founders. Brands use several tricks to highlight the footprint of the founders within their heritage boutiques. For example, one often finds one
or more portraits of the founder. This is the case for the lobby of the Dior boutique on Avenue Montaigne, as well as in the Cartier boutique on Rue de la Paix. At Cartier, they recreate, to a certain extent, what the store would have looked like when Louis Cartier first moved to Rue de la Paix back in the late 19th century. The idea, however, isn’t to perfectly copy, but rather to draw inspiration from the past, and from the richness of the Cartier archives. The architects who designed the current layout immersed themselves in the Cartier archives in order to design the boutique that Louis Cartier might have dreamed about. This explains the intricate woodworking, which was so dear to Louis Cartier. His portrait greets visitors at the top of the stairs and the spirit of Louis Cartier is everywhere, as if he were still there. On the 150th anniversary of the brand, Cartier created the XIII jewelry collection to strengthen the mythology of its heritage boutique at 13, Rue de la Paix, inspired by the iconic elements of that historic location.

Iconic elements from these historic locations are then integrated into the brand identity. They are introduced into the myths of the brand, and broadcast through communications materials. For example, the Dior store on Avenue Montaigne represents, as in our previous analysis of sacred meaning, an absolute reference point, «a center of the world» for the Dior brand. This is why the brand has created the Dior gray: as a reference to the emblematic color of the store on Avenue Montaigne. Through the use of iconic furniture pieces and architectural and decorative elements (including Louis XIV chairs and ‘hausmannienne’ moldings), the store on Avenue Montaigne also provides the backdrop for other points of sale around the world.

**The Rituals**

The sacred is not only institutionalized through mythical storytelling, but also through ritual practices. Traditionally, rituals are restricted to the realm of the sacred. Mauss defines rituals as “the set of rules that tell men how to behave around sacred things”. Rituals go above and beyond storytelling in the sense that they are the acting out of the sacred.

Fashion shows can undoubtedly be described as collective rituals, and are the most important symbolic branding event for luxury brands. Iconic features from heritage stores are often reproduced in fashion shows - as when, in 2009, Chanel paraded models in front of a reproduction of the shop front at Rue Cambon. The following year, the catwalk was organized around a giant reproduction of a lion sculpture from Coco Chanel’s apartment at Rue Cambon.

This is how luxury brands create the codes that lend a sacred aura to heritage boutiques. For not only are these locations essential to brand identity, they help keep the dream alive for luxury consumers and differentiate true luxury from the commonplace. Luxury brands have learned to manipulate sacred, symbolic structures through myths and ritual practices. The act of giving a historic store location a sacred aura is the result of an intimate bond between a brand, place, personality, heritage and history.

Delphine Dion is an Associate Professor at ESSEC Business School where she teaches luxury retailing. Her current research projects explore luxury brand management and luxury retailing. In particular, they analyze the management of heritage brands, human brands, and consumer experience in luxury stores. She is also doing research on materiality and visual methodologies. Her research has been published in many books and academic journals including the *Journal of Consumer Research*, *Journal of Retailing*, *Consumption Markets & Culture*, *Journal of Retailing and Consumer Services*, *Journal of Marketing Management*, etc. Her research has received several prizes and awards.
How Luxury Brands Use Subtle Signals to Speak With an Increasingly Savvy Clientele

Brands build their luxury status and earn international recognition through brand storytelling which builds the links between their different products and gives an idea of a complete lifestyle. These stories are communicated through a complex system of codes or signals: present in almost every product, these signals give the impression of a complete environment.

Throughout much of the 20th century, many of the strongest luxury brands relied on what we call “loud signals” including monograms like the Louis Vuitton LV, logos like Prada or even recognizable prints like the Burberry plaid.

More recently, the democratization of luxury brands and the rise of accessible luxury mean that these loud signals are becoming increasingly visible and losing their luxury cachet. At the same time, luxury consumers are evolving and looking for more discreet ways of expressing themselves.

Of course, signals are still important to consumers – after all, if you’re going to spend a substantial amount of money on a product, you want that purchase to be recognized. The difference today is that luxury consumers are looking to convey this to a smaller, initiated inner circle. Subtlety and discretion are key.

Many luxury brands are taking these new types of behaviors into consideration as they look to reduce their use of loud signals, and focus on what we call subtle signals.

A subtle signal can take many forms:

• It could be a color: like Tiffany blue, or Hermès orange.
• An emblem: like Cartier’s recurring panther motif, or the Chanel camellia flower.
• A specific material: Gucci’s recurring use of bamboo, or the Balenciaga studs primarily seen on their bags.
• Or a way of using that material: Bottega Veneta’s interlinking leather – intrecciatto – is one of the primary markers for a brand that has never used a logo. Their motto is: “when your own initials are enough”.

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These signals can also change over time: a brand might choose to focus on one code more than the others, drop a code that is not relevant any more, or develop a new one. Identifying the right codes to develop often involves looking through the archives and choosing a reference that best suits attitudes of contemporary customers.

Many brands have multiple codes. Take the Dior brand for example. Christian Dior grew up in Granville, Normandy, where the dominant colors were grey and pink. His home there was surrounded by a beautiful garden, was furnished in the Napoleon III style and frequently decorated with vases of lilies. These historical references explain why the dominant colors in Dior stores today are grey and pink and feature Napoleon III style furnishings and why one of the most recognizable of Dior’s subtle signals is the lily.

Indeed, the most successful “subtle signals” have two common characteristics:

• They are unique: the Red sole of the Louboutin shoe is so unique a feature that many consumers can recognize the product without seeing a logo.
• And they reflect the brand’s heritage: Christian Dior also liked the stitching used on the chairs at his very first fashion show in 1947. This Cannage stitching has since become a powerful subtle signal by drawing from the life of the brand’s creator.

Today, even those brands with really strong loud signals are actively trying to downplay them. But brands need to familiarize their customers with subtle signals by exposing them in a variety of ways.

For example, after choosing the Serpenti – a snake shape – as a subtle signal, Bvlgari slowly began to create the link between the brand and the emblem: customers might have noticed an actress wearing a serpenti shaped bracelet at a red carpet event, or subconsciously taken note of the serpenti shaped Christmas light installation put on the flagship store.

Christian Dior again is yet again a great example of this: Dior store interiors are decorated in such a way as to reflect the style, art and elegance he appreciated in his personal life. Store exteriors gently remind consumers of the brand’s subtle signals – some feature a cannage motif, and others, images of the brand’s signature products like the tailleur bar.

Louis Vuitton is another striking example of a brand with a powerful monogram that is making a transition to focus on more subtle signals. In their more recent shows, including this week’s show in Paris, it’s clear that they’re trying to reduce their use of the traditional LV monogram and damier prints and focus on subtle signals. They’ve chosen a more subtle muse in Michelle Williams and everything about their more recent marketing campaigns point to this trend: their more subtle tone, color palate and the modern reinterpretation of the LV monogram and logo. Their retail concepts are focusing more on travel, a very important part of their DNA, by featuring another important subtle signal: the Louis Vuitton trunk.

Luxury is going back to its roots – inconspicuous consumption – and these subtle signals are going to be an increasingly big part of this.