

EDUCATION

Students give luxury leaders food for thought via retail, experiential plans

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One of the groups focused on Chanel's beauty boutiques. Image credit: Chanel

By SARAH JONES

NEW YORK As luxury brands seek innovative ways to communicate with and engage modern consumers, students from Columbia Business School and The New School's Parsons School of Design are providing a fresh perspective in marketing strategies developed in tandem with fashion, beauty and jewelry houses.

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Marking the culmination of a semester-long project as part of the Luxury Education Foundation's Luxury Design and Strategy masterclass, students presented their final mock case studies to faculty and guests gathered at LVMH's headquarters on Dec. 4. From developing ideas to connect directly with customers to envisioning large-scale events, a key focus for the student teams was reaching younger luxury buyers.

"I've always been incredibly impressed with the program," said Kay Unger, fashion designer and chairwoman of the **Parsons** board of governors. "I've supported it for years.

"I think the combination of Parsons and Columbia, the groups together come up with the most innovative and really usable, amazing ideas," she said. "What I've seen over the years is the astonishing results and how difficult it is for all of you companies who participate to even choose just one."

Students as strategists

The masterclass was designed by Ketty Maisonrouge, LEF president and adjunct professor at Columbia Business School, who teaches alongside Jessica Corr, assistant professor at Parsons. Teams of eight students are asked to develop hypothetical case studies for brands based on a brief or goal.

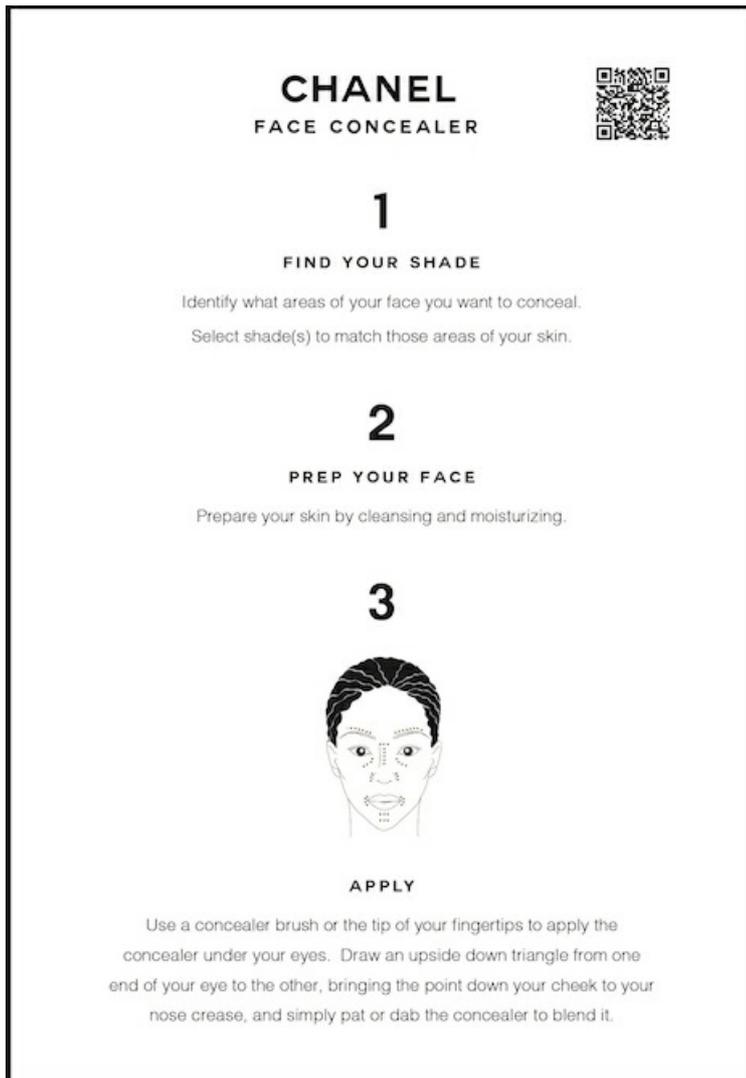
Chanel asked its student team to develop strategies to help it connect more directly with its beauty customers. This is a focus for the label, with plans to expand its network of dedicated fragrance and cosmetic stores.

Opening these boutiques is a diversion from beauty's usual wholesale-driven approach to retail.

The imagined store experience developed by the LEF students starts with wafting scents outside the store as an "invitation" to shop. Once inside the boutique, the team envisions giving the customer the chance to explore on her

OWN.

Individual samples can be taken home and tried on at shoppers' leisure. There would also be cards explaining application techniques that would be available to the consumer in-store and provided to the her at point of sale.



Mockup of Chanel instruction card. Image courtesy of LEF

The team also emphasized inclusivity and community. The instruction cards will feature diverse imagery of women, and QR codes will point shoppers towards social media content from real women.

Seeking to ease the beauty buying process, there would be a five-minute mobile checkout option and the ability to buy in-store and have items delivered to the shopper's home.

"This year Chanel had the great opportunity to host an executive workshop with Columbia Business School students," said Joyce Green, general manager of fashion at Chanel, in a statement.

"The executive workshop program allows a LEF member company to present a current business challenge to a group of promising students in order to gain a new perspective and develop creative ideas," she said. "My team was fascinated by the insights drawn by the students and the program spurred conversations that led to actionable solutions."

While Chanel's team was focused on building direct retail relationships, a team collaborating with Shiseido's Cl de Peau Beaut developed a plan to grow the beauty label's presence in the U.S.

Taking inspiration from Shiseido's S/Park innovation center in Japan, the team designed experiences that would cater to two types of audiences skincare obsesses who take their cues from dermatologists and aestheticians and makeup junkies who are interested in experimenting.

A conference for the expert-inspired group would include free samples and the chance to win a spa trip to experience Cl de Peau. A pop-up experience for the makeup junkies would guide them through a tour of the brand.



The imagined Cl de Peau experience. Image courtesy of LEF

Cartier tasked its student team with finding a new way to communicate its craftsmanship. With a younger audience in mind, the group developed an idea for a pop-up space that would center on the past, present and future of the brand.

Starting in a 1920s-themed space, visitors would be able to use their phones to interact with then artistic director Jeanne Toussaint's desk.

For modern day Cartier, guests could use an interactive touchpoint to design their own piece. A photo booth would let them virtually try on and model their creation in an image.

Pointing towards the future, the pop-up would take a look at Cartier's forward-looking projects, such as its Women's Initiative.

Similarly celebrating women, a team that worked with Dior developed a month-long string of events catering to Gen Z's love of social causes and technology-infused experiences. While the group came up with activations for multiple cities, it presented ideas for an Aspen Women's Month series.

Events spread throughout Aspen would include celebrity snow polo and a party at Cloud 9 Bistro. Connecting with a broader audience, these moments would be documented on social media by influencers.

Next generation

From product creation to marketing, attracting luxury buyers today is more about creating a story and experience that consumers can buy into than strictly selling.

During a panel on Nov. 19 at the Italy-America Chamber of Commerce's Luxury Summit 2019 moderated by Shullman Research Center CEO Bob Shullman, speakers discussed how the luxury business is changing, and how that is translating to the ways in which colleges are teaching students. The business is at a point where it needs to self-disrupt to remain relevant, with transparency, sustainability and authenticity the paths to consumers' hearts ([see story](#)).

The millennial and Gen Z focus of many of the presentations reflects the growing purchasing power of these age groups.

Through 2019, the luxury market is projected to grow 4 percent at constant exchange rates to 1.3 trillion euros, or about \$1.4 trillion, with all of the growth driven by Asian consumers and younger generations.

According to the 2019 edition of the Bain & Company Luxury Study, luxury brands need to be focused on the next generations of consumers. In 2019, millennials are 35 percent of the personal luxury goods market and Gen Zers represent 4 percent of luxury sales.

By 2025, millennials will be 45 percent of the market, while Gen Z will be 10 percent. A decade later in 2035, millennials will remain stable at 45 percent while Gen Z will increase their spending to comprise up to 40 percent of the market ([see story](#)).

"When you look at the world of fashion, it was restricted to the wealthy from the wealthy countries," said Alonso

Martinez, senior lecturer at [Columbia Business School](#). "And the world of fashion is increasingly affordable to people throughout the world.

"So this is not just an opportunity here on 57th Avenue, this is an opportunity that's growing in Shanghai, Indonesia and Lagos," he said. "So everybody who is more prepared to travel this journey is going to have a huge professional opportunity ahead of them."

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