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LAMP-L 216

Luxury: From Mortal Sin to Market Sector

Luxury sells. The luxury sector has more than trebled since 1994. Yet there is a paradox here: businesses expect to grow, but luxury has historically been defined as rare, exclusive, or exceptional. Can luxury continue to expand and still be luxury? What forms of luxury might be suited to an era when sustainability and social inequality are among consumers' most pressing political concerns?

In this course, we will first examine how the definition of luxury has changed with time and what its development tells us about society and culture. We will then take a sustained look at luxury industries today (focusing on two case studies) before turning our attention to predictions for luxury's future. Our readings throughout the semester will be drawn from many Liberal Arts disciplines (including history, social theory, anthropology, economics, literature, and religious studies) as well as from business. The course aims both to teach you something about the luxury space today and to inform how you think about framing and solving business questions more generally.

This course satisfies the Intensive Writing requirement, and in it we will think carefully about both reading and writing. Our weekly readings will average 100-150 pages, and will be drawn from many disciplines (including history, social theory, anthropology, economics, literature, and religious studies). Students should be prepared to present their own work and to comment constructively on each others' writing. Final grades will be based on: class participation; writing and re-writing a very short paper (3-4 pages); writing a slightly longer paper on an assigned topic; researching and writing a longer paper on a topic of your own choice. This is a demanding course; it is my hope that it will also be an especially rewarding one.

Course Requirements and Grading

Final grades will be calculated on the basis of:

- class participation—15%;
- four short reports (1.5-2 single-spaced pages) on assigned readings—5% each (see Canvas for details), 20% total;
- writing and re-writing a short paper (4 pages)—each version 7.5%;
- writing a short paper (5-6 pages) on an assigned topic—20%;
- final report on a luxury firm, area, issue of your choice (8-10 pages)—30%.

Policy on Attendance and Participation: You are expected to attend all classes. **If you miss more than 2 sessions, you may be in danger of failing the course.** Remember that being present—even being present and talking—is not necessarily the same as constructive participation! Please do not disrupt class by attending to personal matters (such as reading e-mail, answering a cell phone, sending text messages, or eating).

ALL STUDENTS are required to have completed the Key Readings (those listed on this handout) before each class. No excuse for failure to do the reading will be accepted! All readings can be found on-line via the Library's website, the course Canvas site, or a simple web search. **If you have difficulty accessing the readings, or with understanding them, please let me know immediately.** I will try to answer all e-mail messages within 48 hours (rlspang@indiana.edu).

Disabilities: I will do everything I can to make this course accessible to students with varying needs and those who require academic accommodation for a disability. If you will require such support, please contact me as soon as possible (in office hours, after class, or by e-mail). University policy requires that you establish eligibility via the Office of Disability Services for Students in Wells Library (W-302); telephone: 855-7578; (<http://studentaffairs.indiana.edu/disability-services-students/index.shtml>) This Office will provide you with a memorandum specifying the academic modifications and accommodations to which you are entitled.

Policy on deadlines for written work: Extensions to the deadline will only be granted in the case of serious illness, bereavement, or other grave personal circumstances. Students facing such circumstances should notify me as soon as possible. In the absence of any valid excuse, late papers will be marked down 1/3 of a letter grade for each day late (i.e., from a "B" to a "B-"). An assignment will be counted as a "day" late as soon as it misses the deadline (i.e., work due at the *beginning* of class will be marked down if it is submitted in the middle or at the end of class).

Policy on Academic Honesty: All papers must include consistently formatted notes and a full bibliography. Ignorance of scholarly reference form is no excuse and papers submitted without full references will be returned unmarked. (If you need help with this, please e-mail or come see me in office hours.)

Plagiarism and misuse of sources constitute intellectual theft and will result in automatic failure of the course and a report being filed with the Dean's Office. Plagiarism means claiming somebody else's words, ideas, or analysis as your own. To avoid plagiarism, you must cite the source of all material in your work that is neither "general knowledge" (e.g., "the twentieth century is the period from 1900 to 2000") nor your own interpretation. Please see the course Canvas site for paper topics, guidelines on essay writing, and explanation of proper reference format.

This syllabus is provisional and may change throughout the semester. If they differ, information found on the course Canvas site supersedes that provided here.

Luxury: For and Against

Jan. 09 Can we define luxury? (no required reading)

Jan. 11 Luxury Now

William Goetzmann, Jean Rosenthal, Jaan Elias, Edoardo Pasinato, Lukas Cejnar, Ellie Champion, "Fondaco dei Tedeschi, A New Luxury Shopping Destination for Venice," *Yale SOM Case 17-020*, November 9, 2017.

Rachel Sanderson, "Dolce & Gabbana's not so sweet reckoning in China," *Financial Times* (Nov. 23, 2018).

Dhani Mau, "Inside the New Dover Street Market Los Angeles," *Fashionista* (Nov. 5, 2018).

Jan. 16 Martin Luther King Day (class does not meet)

Jan. 18 Luxury in the Twenty-First Century

Deloitte Consulting, "Global Powers of Luxury Goods 2018".

Deloitte Consulting, "Fashion & Luxury Private Equity and Investors Survey 2018."

Deloitte Consulting, "Global Powers of Luxury Goods. In the Hands of the Consumer, 2014."

Rachel Sanderson, "Luxury goods companies learn to mix craft and tech," *FT* (Nov. 20, 2018).

Paul Mason, "Piketty's Real Challenge is to the *FT* Rolex Types," *The Guardian* (May 26, 2014).

Jan. 23 Luxury: For and Against

David Cloutier, "The Problem of Luxury in the Christian Life," *Journal of the Society of Christian Ethics* 32:1 (2012), 3-20.

* First short write-up (about Cloutier article) due at noon. Every student is responsible for this assignment. See Canvas site for details.

Luxury: Medieval and Modern

Jan. 25 Luxury: Ancient, Archaeological, Magical

Kenneth Lapatin, "Roman Luxury from Home to Tomb to Sanctuary," in Lapatin, ed., *The Berthouville Silver Treasury and Roman Luxury* (Getty Museum, 2014), 127-148 (scan available via Canvas).

Elizabeth Ann Pollard, "Indian Spices and Roman 'Magic' in Imperial and Late Antique Indomediterranea," *Journal of World History* 24:1 (2013), 1-23.

Jan. 30 Modern Wealth

Sam Bowles, Wendy Carlin, et. al., *CORE economics* (on-line), chapter 1.

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776),
Book I, chapters 1-2.

Feb. 01 Religious Practice and Expense in the Middle Ages: A Luxury?

Xinru Liu, "Silks and Religion in Eurasia, c. 600-1200," *Journal of World History* 6:1
(1995), 25-48.

Adrian Bell and Richard Dale, "The Medieval Pilgrimage Business," *Enterprise &
Society* 12:3 (Sept. 2011), 601-627.

Peter McNeil and Giorgio Riello, "Luxury, the Church and the Court..." in their *Luxury,
A Rich History* (2016).

Feb. 06 Luxury: East and West

Maxine Berg, "In Pursuit of Luxury: Global History and British Consumer Goods in the
Eighteenth Century," *Past & Present* 182 (2002), 85-143.

Helen Clifford, "Chinese Wallpaper: From Canton to Country House," in Finn and Smith
eds., *The East India Company at Home* (2016), book available online via JSTOR.

* Second short report due. See Canvas site for details.

Feb. 08 The Eighteenth-Century Luxury Debate

David Hume, "Of Refinement in the Arts" in *Essays Moral, Political, Literary* (1742).

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776),
Book I, chapters 1-2.

Jean-Jacques Rousseau, *A Discourse on the Arts and Sciences* [also known as Rousseau's
"First Discourse"] (1750).

Feb. 13 Shopping, Sex, and Design

Emile Zola, *Au bonheur des dames* [*The Ladies' Paradise*] (1883), selection.

"Kleptomania: The Case of Mrs. Castle," *British Medical Journal* (November 14, 1896),
pp. 1462-1463.

William Leach, *Land of Desire: Merchants, Power, and the Rise of a New American
Culture* (1993), chapter one.

Feb. 15 [no class; Professor Spang out of town]

Feb. 20 When Less is More

Joanna Merwood-Salisbury, "On Luxury" *AA Files* 58 (2009), 20-27.

Laura Sodano, "The Luxury of Keeping it Simple," *YUN* (Berlin), Nov. 15, 2018, on-line.
optional Margaret Dilloway, "What White Western Audiences Don't Understand about
Marie Kondo's 'Tidying Up,'" *HuffPost* (January 22, 2019).

Case studies: Hotels and Diamonds

Feb. 22 Markets and Customers

Sam Bowles, Wendy Carlin, et. al., *CORE economics* (on-line), chapters 7, 10.

Feb. 27 Hotel Life

Caroline Field Levander and Matthew Pratt Guterl, *Hotel Life* (Chapel Hill: University of North Carolina Press, 2015), chapters 1 and 3.

Mar. 1 Hotel Builders and Workers

Alice Friedman, “Merchandising Miami Beach: Morris Lapidus and the Architecture of Abundance,” *Journal of Decorative and Propaganda Arts* 25 (2005), 216-253.

Rachel Sherman, “Producing the Superior Self: Strategic Comparison and Symbolic Boundaries among Luxury Hotel Workers,” *Ethnography* 6 (2005), 131-158.

Annabel Wharton, “Two Waldorf-Astorias: Spatial Economies as Totem and Fetish,” *Art Bulletin* 85 (Sept. 2003), 523-543.

Mar. 6 Hotel and other Service Workers

Erving Goffman, *The Presentation of Self in Everyday Life* (1959), selection.

Rachel Sherman, “Producing the Superior Self: Strategic Comparison and Symbolic Boundaries among Luxury Hotel Workers,” *Ethnography* 6 (2005), 131-158.

Izabella Kaminska, “No room for tips in the gig economy,” *Financial Times* (December 18, 2016).

Mar. 8 Hotel Luxury

Websites of Shangri-La Hotel (London), Dolder Grand Hotel (Zurich), Ballyfin Demesne (Ireland), Fairmont Pacific Rim (Vancouver), One and Only Royal Mirage (Dubai), and Southern Ocean Lodge (Kangaroo Island, Australia)—look at several of these.

HAVE A LUXURIOUS SPRING BREAK

Mar. 20 Having it all

F. Scott Fitzgerald, *The Diamond as Big as the Ritz* (1922).

Emily Post, *Etiquette* (1922), at least chapters 12 (“The Well-Appointed House”) and 25 (“The Country House and its Hospitality”) [on-line or via Canvas].

Mar. 22 Rings and Things

Edward Jay Epstein, “Have You Ever Tried to Sell a Diamond?” *The Atlantic* (1982).

De Beers’ “Right-Hand Ring” campaign (2003), on-line.

David McAdams and Cate Reavis, *DeBeers’s Diamond Dilemma* (2008), MIT Sloan School Case Studies, on-line.

Mar. 27 Dealing in Diamonds

Barak Richman, “How Community Institutions Create Economic Advantage; Jewish Diamond Merchants in New York,” *Law and Social Inquiry* 31 (2006), 383-420.

* Short report due.

Mar. 29 Diamonds, People, Dirt

Francis Wilson, “Minerals and Migrants: How the Mining Industry has Shaped South Africa,” *Daedalus* 130:1 (2001), 99-121.

Future Luxuries

April 03 Luxury: How to Manage It

Ashok Som and Christian Blanckaert, *The Road To Luxury: The Evolution, Markets, and Strategies of Luxury Brand Management* (2015), chapters 7 and 10 “Management Styles in the Luxury Industry” and “Systems and Operations.”

Laurent Hervé, “Financial Reporting and Communication in the Luxury Industry,” in E. Rigaud-Lacresse and F Maria Pini eds. *New Luxury Management* (2017).

April 05 Luxury: How to Sell It

Vincent Bastien and Jean-Noël Kapferer, “Anti-Laws of Marketing,” chapter three of their *The Luxury Strategy: Break the Rules of Marketing* (2012).

April 10 Luxury—Extended, Expanded, Exported

Maureen Morrin, et. al., “Determinants of Trademark Dilution,” *Journal of Consumer Research* 33 (2006), 248-257.

Mergen Reddy, et. al., “How far can luxury brands travel? Avoiding the pitfalls of luxury brand extension,” *Business Horizons* 52 (2009), 187-197.

Lindsay Whipp, “Mondelez sinks its teeth into China’s chocolate market,” *Financial Times* (July 26, 2016).

Andrew Hill, “Aston Martin risks its soul among the fun-free luxury brands” *Financial Times* (Sept. 3, 2018).

Laura McReddie-Doak, “Tiffany chief seeks an end to old ideas of luxury,” *Financial Times* (Nov. 9, 2018).

April 12 Faking It

Simona Romani et. al., “When Counterfeits Raise the Appeal of Luxury Brands,” *Marketing Letters* 23 (2012), 807-824.

Harriet Agnew, “Shoe designer Christian Louboutin wins ECJ case over red soles,” *Financial Times* (June 12, 2018).

Frank Bruni, "Alessandro Michele, Fashion's Modern Mastermind," *New York Times Style Magazine* (Oct. 2018).
Karen Kay, "Never mind the logo" [debranding], *The Guardian-Observer* Dec. 30, 2018.

April 17 The Ethics of Luxury
Ian Davies et. al., "Do Consumers Care about Ethical Luxury?" *Journal of Business Ethics* 106 (2012), 37-51.
Rachel Sanderson, "Brunello Cucinelli, philosopher and cashmere capitalist," *Financial Times* (May 22, 2016).
Olaf Storbeck, "German manufacturers stand up to Far Right's rise," *Financial Times* (November 9, 2018).
Kavita Parmar, "The IOU Project: Turning Supply Chains into Prosperity Chains," in Miguel Angel Gardetti and Eugenia Girón, eds., *Sustainable Luxury and Social Entrepreneurship: Stories from the Pioneers* (2014), 49-56 [available via library catalog].
optional Sumana Chatterjee and Jaan Elias, "Cadbury: An Ethical Company Struggles to Insure the Integrity of its Supply Chain," *Yale SOM Case 07-039*, November 27, 2007.

April 19 Is Luxury Sustainable?
Jean-Noël Kapferer and Vincent Bastien, *The Luxury Strategy*, second edition (2012), chapter 16 ("Luxury and Sustainable Development").
Vero Bourg-Meyer, Doreen Kum, Jaan Elias, and Kosuke Uetake, "Marina Bay Sands: Sustainability Challenges and Opportunities in the Events Industry," *Yale Global Network Case 101-18*, March 30, 2018.
Laura Fraser, "Buzzy foodie brands have deep roots in rural California. Is it being ruined?" *The Guardian* Nov. 9, 2018.

April 24 What's a Necessity, Anyway?
Audre Lorde, "Poetry is Not a Luxury" (1977).
Angus Deaton, "Measuring Poverty" in Abhijit Vinayak Banerjee, Roland Bénabou, and Dilip Mookherjee, eds., *Understanding Poverty* (Oxford: Oxford University Press, 2006), 1-15.

* All students have a short report due at noon. See Canvas for details.

May 1 and May 6: Student presentations on final projects.

May 8 (no class): Final written work due by 5:00 p.m. You should each be researching a luxury firm, area, or specific issue and preparing a 8-10 page write up in which you present the current situation, relevant historical context, and future prospects.