

CBS Course / Spring 2023
The Business of Aesthetics & Experiences
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NOTE: SYLLABUS IS A DRAFT. BASED ON GUEST PRESENTATIONS AND EXPLORATIONS, CONTENT AND SESSIONS MAY SHIFT.

COURSE DESCRIPTION

Aesthetic businesses sell goods and services that elicit pleasurable experiences 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, e.g., in the luxury sector. However, the value of aesthetics and experiences 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. Aesthetics also makes a difference in the marketing of cars, kitchen appliances and food. It can differentiate travel and hospitality brands, and technology products.

The Business of Aesthetics and experiences is an 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.

Through assignments and explorations, 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 of Aesthetics and Experiences 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 assignments and explorations, in-class 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? How can a brand be enhanced through aesthetics and experiences?
- **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, AI and NFTs (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.

ORGANIZATION

The course will consist of 12 sessions. Grading is based on class participation (25%), assignments (25%), explorations (10%) and a final team project (40%).

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.

Homework assignments will include short written individual assignments. Explorations will be done outside the classroom in groups in New York City. For example, you will be asked to visit a museum, a performance or a store.

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.

COURSE TOPICS

The course consists of two parts, with six three-hour sessions each.

Part 1: Aesthetics and its applications in marketing

1. Introduction: The New AI – Aesthetic Intelligence
 - What is it? Why is it important? Is there a neurological base for aesthetics?
2. Strategy
 - How can aesthetic intelligence be used for developing and differentiating products, building brands and creating customer experiences?
3. Sensory and Experiential Marketing
 - How can marketers immerse their customers in experiences that leave powerful memories?
4. Luxury Marketing

- How can aesthetics and experiences be used to manage luxury brands and justify the immense price premium?
5. Branding and Communications
 - How can marketers convey aesthetic values, messages and stories through brand identity and marketing communications?
 6. Aesthetic Environments
 - How can marketers use space design (in retail stores, offices, other built environments) to create powerful aesthetic experiences?

Part 2: The role of aesthetics in management, business, and society

7. Aesthetics and Sustainability
 - How can aesthetics be incorporated into “green” and “sustainable” initiatives?
8. The Challenges of Nurturing Creative Talent, Building Creative Organizations, and Institutionalizing Creative Production
 - How can managers balance the conflicting demands of creative and functional/technical teams? How are aesthetic businesses structurally organized and managed?
9. The Role of Society and Culture
 - What is the role of societal and cultural factors in shaping taste? How can socio-cultural aspects of aesthetics be used to create unique experiences?

10. Digital Impact on Aesthetics

- What digital tools and strategies can be used to optimize the aesthetic experience online?

11. Future Technologies and Aesthetics

- How does aesthetics affect next-generation technologies and how do new technologies affect aesthetics and experiences?

12. Final Presentations

DETAILED COURSE PLAN

CLASS	TOPIC	ASSIGNMENTS AND EXPLORATIONS	PRE-CLASS READINGS
1	Introduction: The New A.I. – Artificial Intelligence		<p><i>Aesthetic Intelligence</i> by Pauline Brown -Chapters 1, 2 and 3: Mastering the Other A.I. -Chapter 4: Designed to Last</p> <p><i>Marketing Aesthetics</i> by Bernd Schmitt and Alex Simonson Chapter 1: Aesthetics – The New Marketing Paradigm</p> <p><i>Mapping of the Mind</i> by Rita Carter-Chapter 5: A World of One’s Own</p>
2	Strategy	<p>Assignments: Beauty Marks/Keepsakes Eyesores Style Icons</p> <p>Exploration: The new Columbia Business School building</p>	<p><i>Happy Customers Everywhere</i> by Bernd Schmitt 1-2 Chapters</p> <p>HBS Case Study on Estee Lauder</p>

3	Sensory and experiential marketing	<p>Assignment: My Experiential Week</p> <p>Exploration: TBD</p>	<p>Ted Talk: <u>Designing for All Five Senses</u></p> <p><i>Experiential Marketing</i> by Bernd Schmitt Chapter 3: A Framework for Managing Customer Experiences</p> <p><i>Customer Experience Management</i> by Bernd Schmitt Chapter 2: An Overview of the CEM Framework</p> <p><i>Why Fonts Matter</i> by Sarah Hyndman Chapter 7: Setting the Mood Chapter 9: Fonts Give Words a Personality</p>
4	Luxury Marketing	<p>Assignment: Aesthetic Epiphany</p> <p>Exploration: Four brands in one of the latest luxury retail corners in NYC -- 59 St (between 5th and Madison): Dior, Balenciaga, Balmain, Celine</p>	<p>Luxury brand marketing – The Experience is Everything! by Glyn Atwal, Alistar Williams</p> <p>Bain Report on Luxury</p> <p>Stanford Case Study on LVMH</p>

5	Branding and Communications	Assignment: Mood board and brand codes Exploration: TBD	The Economist – Marketing, What Are Brands For? Article: <u>Basics of Visual Communications</u>
6	Aesthetic Environments	Assignment: Detecting invisible designs Exploration: Nordstrom, Bergdorf Goodman, Saks Fifth Avenue	TED Talk: The Emotional Impact of Architecture New Yorker article: The science of shopping TED Talk: Why Architects Need to Use their Ears HBR Article on Scent Branding
7	Aesthetics and Sustainability	Exploration: TBD	Aesthetics of Sustainability by Morteza Hemmati Fast Company: Green Must Be Beautiful Christian Science Monitor: Art and Environmental Activist
8	Creative Management	Exploration: Louis Vuitton store on Fifth	Chanel

		Ave. AND Louis Vuitton store(s) in SoHo	<p>HBS case study: Coco Chanel: Creating Fashion for the Modern Woman</p> <p>New Yorker article: Mother of Invention</p> <p>Vinvoy article: Why Chanel Would Cease to Exist Without Karl?</p> <p>CNN: What Will Chanel Look Like Without Karl Lagerfeld?</p> <p>Louis Vuitton</p> <p>New Yorker article on Virgil Abloe: Virgil Abloe, Menswears' Biggest Star</p> <p>Hypebeast: Will Vuitton Honor Virgil Abloe in Selecting his Successor</p>
9	Role of Society and Culture	<p>Assignment: Generational Exercise</p> <p>Explorations: TBD</p>	<p>The Cut article: The Tyranny of Terrazzo</p> <p>New Yorker Article: It's Time to Stop Talking about Generations</p> <p>Vox: Is Anything Cool Anymore</p> <p>LA Times: Gen Z v. Millennials</p>
10	Digital Impact on Aesthetics	<p>Assignment: Website review</p> <p>Exploration: Gucci online garden</p>	<p>Wired Magazine: An Essay on the New Aesthetic</p> <p>Guardian: How Tech is Changing Tastes</p> <p>Ted Talk by Joe Gebbia, co-founder AirBnB: "Designing for Trust"</p> <p>Guardian article on AirBnB</p>
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	Future Technologies and Aesthetics	Explorations: Films -- Ich bin dein Mensch OR Ex-Machina	McKinsey Report: <u>The Future of Business: Reimagining 2020 and Beyond</u> Robot Design: The Curious Case of Social Robot Aesthetics Medium: Five Industries That Will Be Revolutionized by NFTs
12	Final presentations		