

The Russian Roulette of The Fashion Industry The Case of Balmain

MANAGEMENT DECISIONS

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Decisions & Reactions

Appointment of a new Creative Director

Following Christophe Decarnin's departure, there was much speculation on his successor. Given the house's history of big fashion designers such as Pierre Balmain himself and Oscar de la Renta, industry experts expected the appointment of another famous designer. On April 26th, 2011, chairman Alain Hivelin appointed the unknown 24-year-old, Olivier Rousteing as Christophe Decarnin's successor and the creative director for Balmain, with full control of the design and production of both the men's and women's ready-to-wear lines.

This decision caused great surprise in the industry and news, since hiring big names was more common in that time. However, Christophe Decarnin's exit being the latest in a string of departures and separations, among which was also the John Galliano debacle at Dior, luxury fashion houses became less inclined to promote lively personalities and rather focused on protecting their brands. In addition to his low profile, Olivier Rousteing's appointment also generated news because of his age and ethnicity.

At the same time, exactly these points were the reasons why Olivier Rousteing was chosen.ⁱ His anonymity meant lower investment costs, his age opened up a new demographic target group and his ethnicity made the brand a forerunner in promoting diversity in an otherwise all-white industry.ⁱⁱ However, the appointment of Rousteing was not without risk. "In appointing Olivier we were not really aware of where it will lead us [...]" admitted Emmanuel Diemoz, the former CEO of Balmain. Alain Hivelin, however had the vision to turn Balmain into a global, strong and powerful empire and that vision is strongly followed by Olivier Rousteing.ⁱⁱⁱ

Olivier Rousteing joined Balmain in 2009 as a designer for the brand's women's ready-to-wear line, where he worked closely with Christophe Decarnin. Rousteing chose not to break too quickly from the style of his predecessor, especially because the management board expected a continuation of Decarnin's profitable cult. Nevertheless, Rousteing gradually incorporated his own style which leans more towards glamour and pop culture. Together with the introduction of the Balmain Army, a group of celebrities and influencers including Kanye West, Kim Kardashian-West, Rihanna, Rosie Huntington-Whitely and other famous personalities, Rousteing has managed to raise Balmain's global brand awareness and to reach a new, young audience and to completely transform the brand. "When we appointed him, we were expecting an evolution, but not a revolution." said Emmanuel Diemoz, former CEO of Balmain about Olivier Rousteing.

As a privately-owned company, Balmain does not release financial figures, but due to Rousteing's success Balmain reports growth figures between 15% and 20% from 2012 to 2015.

Stepping Into the New Age of Digitalization

In his new role as Creative Director, Olivier Rousteing took it upon himself to lead the traditional brand into the digital age. "I was born with Facebook and Twitter and Instagram and Skype. The fact is I love communicating with people. I love pop culture, and pop, for me, is popular and population," said Rousteing in an interview.^{iv} In order to increase Balmain's visibility and to raise engagement with its customers and admirers, in 2012 Rousteing started to take ridiculous photos of himself wearing the clothes he designed.^v This boosted his profile and consequently also Balmain's. Next, he opened up his creative process by posting photos of his designs prior to the official release date which allowed Balmain to assess customer reaction before the product was actually finalized and to generate excitement and anticipation among followers. All these efforts were also a mean to democratize fashion and to make the brand accessible to everyone.^{vi}

The transformation into a digital brand was seen rather sceptical by the Management Board. "At first, to be perfectly honest, I was scared, " admitted Emmanuel Diemoz, "The way that we communicated, traditionally speaking, is through very high fashion, very selective magazines, in order to maintain the brand as very exclusive. So the fact that Olivier proposed to us to communicate through social media, and especially through Instagram, was really a revolution for us." Nevertheless, the suggested communication and marketing approach proved to be successful. Today, Balmain and the Balmain Army, including Justin Bieber, Kendall Jenner and Gigi Hadid, together reach more than 47 million followers. Olivier Rousteing is now the most followed French fashion designer on Instagram with over 4 million followers. Rousteing's personal relationships and social media activities represent an integral part to the international growth of the company that helped to reach new customers and increase sales figures from estimated 30 million Euros in 2012 to 120 million Euros in 2015.

End Notes

- ⁱ Van Meter, W. (2015). Olivier Rousteing: A Self(ie)-Made Man, Available Online: <https://www.out.com/fashion/2015/4/02/olivier-rousteing-selfie-made-man> [Accessed 13 February 2018]
- ⁱⁱ Givhan, R. (2011). Balmain's Olivier Rousteing: French Fashion's Race Breakthrough, *The Daily Beast*, 27 April, Available Online: <https://www.thedailybeast.com/balmains-olivier-rousteing-french-fashions-race-breakthrough> [Accessed 13 February 2018]
- ⁱⁱⁱ Business of Fashion (2018), Olivier Rousteing, Available Online: <https://www.businessoffashion.com/community/people/olivier-rousteing> [Accessed 13 February 2018]
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- ^v Metro, G. (2016). Balmain And Spring - The Power Of Growth Hacking In Luxury Fashion, *Forbes*, 06 May, Available Online: <https://www.forbes.com/sites/gregpetro/2016/05/06/balmain-and-spring-the-power-of-growth-hacking-in-luxury-fashion/#43feed234ac2> [Accessed 13 February 2018]
- ^{vi} Stansfield, T. (2015). Balmain's Instagram reach is bigger than the UK population, *Dazed*, 02 October, Available Online: <http://www.dazeddigital.com/fashion/article/26807/1/balmain-s-instagram-reach-is-bigger-than-the-uk-population> [Accessed 13 February 2018]