


# CORPORATE BRAND MANAGEMENT AND REPUTATION

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## MASTER CASES

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**Balenciaga: Is there anything worse than  
not being talked about?**

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## **Corporate Brand Management and Reputation: Master's Cases**

The "Corporate Brand Management and Reputation: Master's cases" is a case series for applying the case method of teaching and learning in higher education. The cases are relevant to brand strategists in private and public sector organizations, as well as academics and students at universities, business schools, and executive education.

The cases are written by groups of master's students as a course project. The specially developed case format is defined as: *"A management decision case describes a real business situation leading up to a question(s) that requires assessment, analysis, and a decision reached by discussion in class. The alternative approaches and recommendations from the class discussion are followed by a description of the choices made by the case company. This description is then discussed by the class."*

The student groups select the topics of their case providing updated and relevant insights into the corporate brand management. The cases can be used as "written cases" (handed out and read in advance, later to be discussed in class) and/or as "live case" (presented by the teacher following a discussion in class). Each case includes teaching notes, visuals with speaker's notes, learning objectives, board plans, and references.

The mission of the series is *"to develop cases for discussion providing insights into the theory and practice of corporate brand management and reputation, with the intent of bridging the gap between academic teaching and managerial practice."*

The series is a result of co-creation between students and teachers at the elective course Corporate Brand Management (BUSN35 – five-credit course/eight-week half-time studies), part of the master's program International Marketing and Brand Management at Lund School of Economics and Management, Sweden. The cases represent the result of the intellectual work of students under the supervision of the head of course.

Although based on real events and despite references to actual companies, the cases are solely intended to be a basis for class discussion, not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. The cases are free to be used and are to be cited following international conventions.

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## **WRITTEN CASE**

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## Balenciaga: Where do we draw the line?

“Finally at home.” You whispered while throwing yourself on the couch, a glass of wine in one hand and the noises of the city far away. Being the creative director of a luxury brand such as Balenciaga can be exhausting, and today the 16th of November 2022, could definitely be marked as an intense one. Holidays are approaching, and not only have your kids asked you to buy some Christmas decorations together, but the morning was draining because of the launch of the ‘Gift Shop’ campaign. And now, some well-deserved rest, right? Or maybe not, because after only two minutes onto your favorite tv show, your phone started to ring no-stop. “It’s 11:39 pm, I can’t believe you are calling me at this hour, work can wait-” and you were stopped mid-sentence because apparently no, work cannot wait, not when your fresh new campaign is receiving so much backlash online, with tons of negative articles being published from every side of the world. ‘Pedophilia’, ‘Child pornography’, and ‘Child exploitation’, are just some of the words used to describe the photo shoot that featured the children models in what was presented as a punk-rock layout. Heavy accusations. Therefore, the executive team has been called for an urgent meeting the next morning at 8:00 am, to understand what should be done to save the brand from such a critical situation. While this is definitely important, one specific thing happened the following morning during the meeting, which made the latter last hours longer. The chief communications officer stood up, all eyes on him, and said: “We are a luxury brand, we need to shock, impress, surprise, we need to leave them speechless, we need to create, shape and perpetuate our universe... But how far should we go? How far can we actually go without seeing our beautiful universe collapse?”. And with that, the meeting was declared closed at 11:57 pm while another one was scheduled for the day after.

### Background and History

Balenciaga is a luxury brand that has its origin rooted in 1919, when Cristóbal Balenciaga opened the first haute couture house in San Sebastian, Spain. The brand was soon appreciated by many, to the point that the Spanish royal family was a frequent customer of Balenciaga. Nonetheless, due to the Spanish Civil War later on, the designer decided to close all the stores and move to France, opening new boutiques

in Paris. He was quick to be successful even in the new country, and this is mainly because the brand was categorized as 'revolutionary' from the beginning. Even during World War II, people were traveling from far away just to see their dresses made with sleek and linear lines, which transformed the concept of the silhouette by significantly differing from the so popular hourglass shape at the time.

Balenciaga did not stop to be different and out of the scheme once the war ended, and throughout the 1950s and the 1960s, the press was constantly addressing the brand as the one that was able to revolutionize the women's fashion world. It was so innovative that multiple trademarks were developed during those years, like the b-collar and the bracelet sleeves. Loved by important figures such as the Queen Fabiola of Belgium, Jackie Kennedy, and Mona von Bismarck, the brand continued to grow until 1968 when Cristóbal Balenciaga closed the fashion house to then die a few years later.

It was only when Jacques Bogart bought the rights in 1986 that the brand left its dormant state. From this year, a succession of creative directors and fashion icons tried to restore the brand and its elite status, but no one managed to capture what was the essence of the brand as well as Nicolas Ghesquière and Alexander Wang. While the first one reintroduced Balenciaga to the public by perpetuating the agenda of it being a brand for strong women, with some futuristic and abstract contaminations in the designs, Wang was able to push this to the highest level.

The new creative director launched his first collection in 2013 by taking inspiration from the old portfolios of the brand, with every detail being meticulously studied to pay a proper tribute to Cristóbal Balenciaga. Specifically, he continued with this approach even in future projects and decided to emphasize Balenciaga's legacy. His idea was to aliment the universe created by the founder by consolidating the brand as something that feels liberating, different, avant-garde and inspiring, while also instilling new nuances: Balenciaga to be youthful and edgy. This process, coupled with the brand being acquired by the Kering group in 2001, helped Balenciaga to achieve the success it has in the present and be considered as one of the most profitable luxury brands of the decade.

## **Balenciaga's communication style**

What has made Balenciaga special since the very beginning, relies upon the ability to bring new ideas into the spotlight. In this way, the concept of uniqueness is brought to the next level, and it is what can be described as the pivotal point of the brand itself. The luxury fashion brand in question is constantly working on searching for innovative ways to approach the market both in terms of product design and communication-wise. For Balenciaga, the boldness is not only in having the courage to launch new pieces of clothing that challenge the status quo of luxury fashion with never-seen-before details and the use of new fabrics, but this boldness should also be reflected in the communication strategy. Therefore, since the year of its foundation, the brand focused much of its attention on trying to shape and reinforce the Balenciaga

universe by developing messages that captured the attention for being out of the schemes, that engaged people for the fascination of a youthful and liberating atmosphere, and that made them fall in love by portraying a world in which people were not scared to be different but that, on the contrary, craved for it.

It was the year 1951 when Balenciaga was featured in Vogue with a provocative picture that was all about women being independent, with the symbolic gesture of them lighting each other's cigarettes instead of having a man doing it like it was typical at the time (see **exhibit 1**). Moreover, it was the year 1967 when the campaign for the Balenciaga wedding dresses was launched (see **exhibit 2**), which portrayed the models having their faces entirely covered; a thought-provoking message regarding the way women were considered merely as objects, relevant for their marriage dowries and, frequently, nothing more.

Flashforward to contemporary communication projects, it is hard to anticipate Balenciaga's next move as it keeps on being unconventional. A few examples of recent campaigns that demonstrate this approach are the ones illustrated in **exhibit 3** and **exhibit 4**. The first one was presented for the Paris Fashion Week for the 2022 spring/summer collection, having the characters of the animated sitcom The Simpson as the models that showed off the new clothes on the runway. This choice was not casual as the cartoon is a parody of today's culture, society, and human condition, and the video was posted on their online platforms afterward. Finally, the second example is a social media campaign that pictures the models being distorted (also with videos of them melting down the floor), a way that Balenciaga has found to capture the concept of body dysmorphia.

## **The incident**

Since Demna Gvasalia assumed the role of artistic director in 2015, the communication campaigns tried to portray the edgy and young soul of the brand by referring to the codes of the punk style. A couple of campaigns with this aura were particularly successful and Gvasalia decided to opt for the same concept with the 2022 holiday campaign and involve the same photographer: Gabriele Galimberti. The 'Gift Shop' campaign was launched on the 16th of November 2022, followed five days later by another one for the Spring 2023 collection, which had a major focus on the clothes and accessories, to give a better view of their details.

The 'Gift Shop' campaign (see **exhibit 5**) was peculiar because instead of having adults as models, children were chosen. Specifically, their age ranged from 3 to 6 years old, and both genders were included. When looking at the photos, each of them has a child placed in a home environment, with several different objects surrounding them (most of the items placed on the floor or on a table, in perfect order). The children were either standing in the center of the room holding a teddy bear or laying down on the sofa with the same toy placed next to them.

After being published on Balenciaga's website and their social media platforms, it took only a couple of hours for the campaign to receive a strong negative reaction online and generate a big media buzz, while also experiencing backlash from the media and having dozens of articles published minute after minute. The campaign was addressed as problematic because the imagery had sexual references and a languid atmosphere; consequently by having children as its subject, people were referring to it as something that resembled child pornography, pedophilia and abuse.

The main reasons behind these accusations were not about generally using children as models per se, but about the allusive scenario in which they were placed. Starting from the teddy bear that the kids had as a toy, which was decorated with studded collars and bondage lingerie. Continuing with the items in the background, where we can find: handcuffs, studded dog's bawls and leashes (interpreted as a suggestion to the pet kink by the majority of people online), rope, alcohol flasks, beer cans, wine/champagne glasses, chains, tape, and many others. Ending with the suggestive poses that some of these children had to interpret, such as laying down on their bellies or having their legs wide open, all while looking frightened at the camera or with an emotionless expression.

To add fuel to the situation, people started searching online for more information regarding the ones involved with the creation of the campaign and they found out that the commissioned photographer already had a problematic past regarding the same specific issue, because of some tweets that he published and deleted after he was called out, as you can see in the **exhibit 6**.

In this case, one thing that played a significant role is the connection between the communication projects and campaigns. Specifically, different stakeholders attentively looked at Balenciaga's communication messages, in search of details that could have further aggravated the situation, and two specific things were discovered (see **exhibit 7**). The first is that in one of the pictures of the other campaign launched right after the 'Gift Shop' one, over the desk scattered with different pieces of paper and hidden under the advertised bag, an important document about a sensitive topic appeared. It was paperwork from the US Supreme Court 'United States vs Williams' case, about the law that criminalized the promotion and distribution of child pornography as well as allusive images that can remind of the sexualization of minors. The other thing that people brought up is that in this same campaign, another picture had on display a book from Michael Borremans, titled 'Fire From the Sun'. In the introduction to the art contained in this publication, there is a painting of naked children playing around in a creepy scene that suggested an environment of violence and aggression. Therefore, by connecting the different communication projects, people were even more convinced that Balenciaga was purposely making allusions to child abuse in the 'Gift Shop' campaign.

Overall, this quickly led to a crisis for the brand, and Balenciaga not only witnessed a drastic fall in the stock price, but the brand came out with a damaged reputation, which went downhill after this event.

Therefore, keeping in mind that when these triggering situations happen, the public expects immediate reactions from the brands, **as a member of the executive team of Balenciaga**, *what would you suggest to do in the short-term, right after the scandal exploded?*

Moreover, since restoring a reputation is harder than keeping a good one, and considering that luxury fashion brands need to create and perpetuate their sublime and unique universe: *in the luxury field, how far would you say that a brand can and should go with their communication without hurting the brand? Is attention always good?*



**Exhibit 1** Balenciaga 1951 Spring Collection Campaign



**Exhibit 2** Balenciaga 1967 Wedding Dresses Collection Campaign



**Exhibit 3** Balenciaga ft. The Simpsons: Spring/Summer 2022 Collection Campaign



**Exhibit 4** Balenciaga 2019 Spring Ready-To-Wear Collection Campaign



Exhibit 5 Balenciaga 2022 "Gift Shop" Collection Campaign



**Exhibit 6** An old problematic tweet from the photographer Gabriele Galimberti



**Exhibit 7** Some questionable elements of the campaign launched 5 days after the 'Gift Shop' one



