

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

TEACHING NOTES

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

Teaching Plan

The ultimate aim of this written teaching plan is to provide a comprehensive and complete guide for teachers and presenters to how to properly communicate, vehiculate and present this extremely recent and meaningful case, as well as how its repercussions and consequences can be helpful for other brands in the future. In addition, this excerpt will be a helpful instrument to get an idea on how to prepare and structure this case. Following these instructions will allow the presenters to manage a compelling case and fascinate the audience by engaging it in captivating discussions. Finally, besides giving directions on how to manage this case in the best possible way, these teaching notes also have another intent, which is to provide important insights and data which can enrich and add even more significance to this case.

Case Synopsis

Founded in 1919 by the Spanish designer Cristóbal Balenciaga, today the brand - which has an annual turnover of almost €2 billion - is owned by the Kering group (also owner of Gucci and Yves Saint Laurent).

Everything started on the 16th of November 2022, when the Spanish brand published its Christmas campaign "Balenciaga Gift Shop", shot by the Italian photographer Gabriele Galimberti, winner of the 2021 World Press Photo prize. The pictures portrayed children cuddling bags that looked like teddy bears wearing BDSM accessories and, in the background, there were also elements that recalled the sexual sphere and alcohol consumption. The advertising campaign that, from the beginning, wanted to be talked about, soon found itself in a totally unexpected media storm. After these first dramatic events, Balenciaga removed the campaign from its platforms, especially after the comments had started to criticize the choice of approaching children to such a vision.

Five days later, on November 21, Balenciaga launched a new campaign for spring 2023 entitled "Garde-Robe 2023" where, by enlarging the photos, it is noted that not only the documents scattered around the set are the decisions of the American supreme court of 2008 concerning the child pornography laws (United States v. Williams) but, in the background of another picture, there's Borremans' book *Fire from the Sun*. For those who do not know, Michaël Borremans is a Belgian artist who is known for portraying naked children engaged in some violent activities.

The brand did not respond immediately but issued a statement on the 24th of November apologizing for the first campaign and promising to remove it from all their platforms and social media. Later that day also came the apologies for the second campaign, even if Balenciaga distanced itself from the parties responsible for the creation of the set, strongly condemning what had happened.

The next day, the Spanish brand filed documents in the New York court for a \$ 25 million lawsuit against the North Six production company and the production designer Nicholas De Jardins, responsible for the Garde-Robe campaign.

Therefore, these two scandals bring up two main questions that need to be tackled by **the executive team**: *“In the luxury fashion field, is attention always positive?”* and *“How far would you say that a brand like Balenciaga can and should go with their communication without hurting the brand?”*.

Rationale for being an evergreen case

We believe that, given the novelty and importance of the issues deriving from it, this case could represent an evergreen. When such delicate situations are created, they can be fatal because they affect both the moral and ethical sense of the brand; this case therefore wants to act as an example and as a warning to all companies that are not fully aware of when is the right time to say "enough".

Learning Objectives

This Balenciaga case entails a vast array of theoretical implications, from corporate brand identity to brand reputation and corporate communication. The case presenter must have the right preparation to ensure that the case is not just a superficial narrative, but that it is supported and, in a certain sense, even enriched by these theoretical cues and references. The important thing is that the public knows how to interpret and recognize these dangerous and harmful patterns even outside this Balenciaga case, in everyday life. To make sure that this is the final result, the next section suggests the theoretical lessons that can be drawn from this case and underlines the objectives taking into account the available material, concepts, theories, and main models.

Corporate Brand Identity

When a crisis like this hits a company, it influences and has a resonance on every facet of the brand. That is why it is important to start the preparation of this case from Urde's Corporate Brand Identity Matrix (2013), to get a clear idea of all the various internal and external factors that contributed to creating Balenciaga as we know it today. Composed by nine elements, this matrix is essential to clearly understand and embrace a brand's identity and essence. Out of all the elements, the most crucial one, in this case, is expression, which is defined as the distinctiveness of the way a brand communicates and expresses itself and what makes it possible to recognize it from a distance; it is an element that is influenced and influences both the internal and external layers of a brand. In this case, it is probably necessary to underline how, despite having always had a controversial and very personal way of expression, the two Balenciaga campaigns were still perceived to be too much, regardless of the brand's history and known communication style.

The creative director of the brand, Demna, has always tried to oppose that “veil of perfection” continuously worn and narrated by most luxury brands by transforming

Balenciaga into something bizarre and out of the box. We must also bear in mind that the history of the brand is dotted with disruptive actions, most often created ad hoc to raise a discussion. As Dorian Gray (1890) said, "there is only one thing in the world worse than being talked about, and that is not being talked about".

Nowadays the concept of political correctness, although some consider it brought it to an extreme, can no longer be considered an option, but the rule. Whether it's bad advertising or initiatives purposely designed to create buzz, it is clear that today's public is no longer willing to put up with certain lapses in style.

<p><u>VALUE PROPOSITION</u></p> <p>Excellence, value and uniqueness Diversity and inclusion</p>	<p><u>RELATIONSHIPS</u></p> <p>Commitment towards the satisfaction of the consumer</p>	<p><u>POSITION</u></p> <p>Top ranking high fashion brand Millennials make up 60% of the clientele Status symbol, high in the fashion food chain</p>
<p><u>EXPRESSION</u></p> <p>Often bizarre, sarcastic and unforgettable</p>	<p><u>BRAND PROMISE</u></p> <p>Nothing but quality Long-lasting revolutionary impressions in women's fashion clothes, top-notch quality clothes, handbags, sneakers and shoes</p>	<p><u>PERSONALITY</u></p> <p>Unconventional, avant-garde, free from any logical scheme</p>
<p><u>MISSION & VISION</u></p> <p>Luxury clothes can only be worn, not for storage, desirable products with no loss in integrity are something practical</p>	<p><u>CULTURE</u></p> <p>Managerial support Challenging workload Trust and collaboration Organizational culture Friendly and casual</p>	<p><u>COMPETENCES</u></p> <p>Esteemed craftsmanship with the transformation of unconventional fabrics, materials and techniques into fashion designs.</p>

Figure 1: Balenciaga's Corporate Brand Identity Matrix

Corporate Reputation

In their book, Roper & Fill (2012) offer different definitions of corporate reputation; when considering this case, the most representative ones are probably "reputation is built on the impressions held by several different classes of people in addition to the consumers of the end product or service" (Roper & Fill, 2012) and Fombrum's "a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders" (Roper & Fill, 2012). Common to both these interpretations are two main elements, the concept of value and the fact that a corporate brand always has to keep in mind all of its stakeholders, not just its customers and employees.

Balenciaga in this case has not kept into consideration either of these aspects; the campaigns not only did not communicate any kind of value but also did not even try to consider what the stakeholders' reactions or perceptions would have been. This could probably be considered a symptom of what Brown & Turner (2008) describe as "hubris",

the danger of when a company and its management become too confident in themselves and their performances.

Corporate reputation is also part of the Corporate Brand Image and Reputation Matrix extension developed in 2016 by Geysers & Urde; in this matrix, related to every element of the original matrix, there's a new one that is concerned with the reputational sphere of a company. This matrix comes in handy when a person tries to understand how much and in what particular areas Balenciaga's reputation was particularly hit. Even if it is obvious that the whole company's reputation has been and will be long influenced by these episodes, it goes without saying that some particular components were still more affected than others; among them, trustworthiness, credibility, and responsibility.

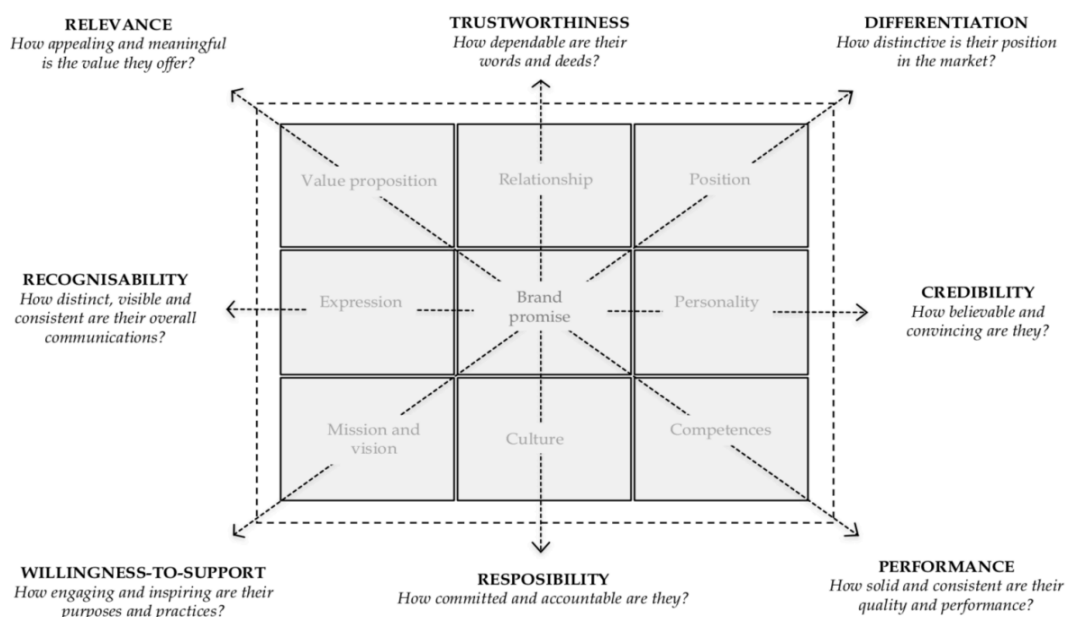


Figure 2: Corporate Brand Identity and Reputation Matrix (Geyser & Urde, 2016)

Corporate Communication

One of the ways a corporate brand can communicate with its stakeholders is through crisis communication which, according to Roper & Fill (2012), plays a critical role when defending an organization's reputation in times of crisis or disasters. Crises normally go through three or four phases, but the core ones are always pre-impact, impact, and readjustment; the duration of these can vary considerably and it is important to use communication in different ways according to their characteristics (Roper & Fill, 2012).

With this Balenciaga case, the most crucial phase has probably been the crisis one, which is commonly described as the period when the crisis breaks out; in these cases, it is usually recommended to develop and implement a plan to ameliorate the damage inflicted by the crisis.

According to Benoit (1997), there are five general approaches to image restoration after an organizational crisis and, for these specific episodes, Balenciaga used three of them: simple denial, corrective action, and mortification ((Roper & Fill, 2012). The former was used after the “Garde-Robe 2023” campaign since the luxury brand refused to take responsibility for it and put the blame on other people, also bringing them to court. The latter were instead used regarding the first campaign, “Balenciaga Gift Shop”, since the brand both released an apology statement and expressed the intention to collaborate with some organizations supporting children’s safety and rights.

Key Learning Objectives

In 1956, Bloom developed the Taxonomy Classification, which is a helpful framework to organize and classify educational objectives and goals. This taxonomy presents six different levels, from the less complicated to the most sophisticated one, each of which represents a particular thinking competence. It needs to be highlighted as the lower levels act as foundations for the higher ones.

This is a tool that helps the teacher - or the case presenter - to identify both the learning objectives and activities to target disparate levels of thinking skills. By applying this framework and putting it into practice, teachers can help their students to develop higher-level thinking skills, while also providing them with more autonomy and independence.

KEY LEARNING OBJECTIVES		
Knowledge	..the recall of information like facts, dates and definitions	Getting a clear idea of the brand and identity of Balenciaga as well as the scandals of the last year, also thanks to the use of the CBIM by Urde
Comprehension	..the audience/class is able to recall and interpret the meaning of the information they've gathered	The class clearly understands the consequences, implication and the extent of these scandals on both the brand and its stakeholders
Application	..learners are able to use the acquired understanding and knowledge to solve or sort similar cases	The audience is able to identify similar motifs and preliminary behaviors, recognize them, and know how to solve them
Analysis	.. the class is able to break down complex information into its component parts and identify relationships among them	Using matrices like the CBIM or the CBIRM can help the audience identify the single elements of both the brand's identity and reputation and get a grip of the relationships between all the different parts

Synthesis	... the audience is now ready to combine its knowledge and understanding of different models to create something new	This objective could be compared with the discussion phase, where the public is pushed to create hypotheses and proposals starting from their knowledge and insights
Evaluation	..listeners are now capable of assessing the value or quality of a certain fact/episode based on a set of criteria	This is the last objective, the most sophisticated one, what the case presenter hopes to obtain at the end of the case.

Table 1: Key Learning Objectives (Bloom)

Discussion Questions

To really understand the serious implication of this case and to get to the bottom of it, it is of fundamental importance to involve the students or the audience in the discussion. These following questions are just some starting points to develop a captivating and insightful conversation; once the consultation starts, it should bounce naturally from one student to the other with the presenter always paying attention and making sure that the debate follows the right direction and stays on track. Ideally, the class, based on its theoretical background and the new insights offered by this case, should be able to answer these questions and formulate some engaging and captivating proposals.

Main questions:

- In the luxury fashion field, is attention always positive?
- How far would you say that a brand like Balenciaga can and should go with their communication without hurting the brand?

Assisting potential questions:

- As a member of the executive team of Balenciaga, what would you suggest doing in the short-term, right after the scandal exploded?
- Do you think that canceling everything and disappearing from the internet was a good choice?
- What do you think that celebrities that have always supported Balenciaga (like Kim Kardashian) should have done after these scandals?
- Is it acceptable for the brand to still have a platform and a strong audience after these facts?

Time Plan

Before diving into the teaching suggestions, it is important to outline the suggested structure of the case to know the advisable amount of time to spend on each different part of the case. This is just a suggestion, a guide if you will, to ensure that all the parts are covered and that both the presentation and the discussion are dedicated enough time. Keeping in mind that the presentation should last 45 minutes in total, the following is a scheme on how to effectively use the time at your disposal.

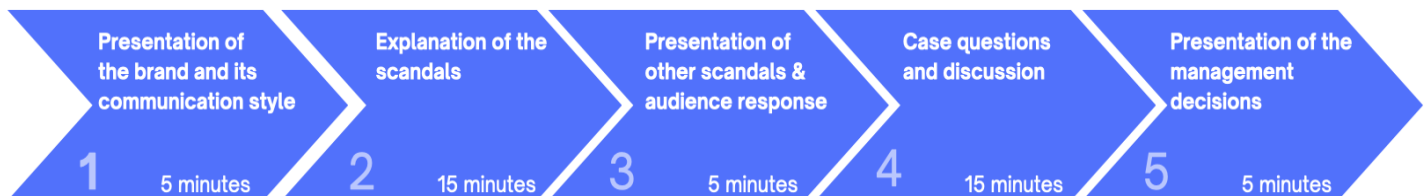


Figure 3: Proposed time plan

Teaching Suggestions

This section intends to provide the case presenter or teacher with some guidelines and advice on how to prepare the case, how to present it to the class, and, finally, how to manage the questions and discussion with the audience. Since the case is pretty rich with events, dates, and unexpected turns, it is advisable to follow all these different phases to make sure to truly get a grip on the extent of this case.

Pre-presentation phase

For our case it is not required that the class reads the material beforehand, as a big part of the discussion phase relies on spontaneity and on the natural flow of thoughts; if the audience had access to the case papers before the presentation, the discussion would probably be too controlled and less natural, and that is something we suggest to avoid.

The only person who should thoroughly read all the documents is the teacher, who needs to have a satisfying preparation not only on the case itself but also on the brand and its identity. Even if in the previous sections we have made a list of both main and assisting questions, the case presenter is invited to customize them to make the case more personal and warm.

It is also recommended to accompany the presentation of the case with both a visual presentation and a board plan, which should come in helpful when the discussion phase takes place.

Introduction phase

Before jumping into the presentation of the brand and the explanation of the case, it can be interesting to ask the class if they have ever heard about these scandals, just to understand what is the general perception and extent of this case. After this first icebreaker, it is time to dive into the case by first giving some insights regarding not only Balenciaga as a brand, but also explaining its history and its highly distinctive communication style because the case's essence relates directly back to this. After this first part - which should occupy 20% of the total time -, it is finally the moment to present the case, paying a lot of attention to clearly distinguish between the two campaigns, because they are often confused and mistaken for one. This explanation should take a third of the overall time because of its intricacy and complexity and, of course, this whole introductory phase should be accompanied by a visual representation.

Before starting the discussion phase, one last activity we recommend doing to create a certain level of engagement with the crowd is, always with the help of the PowerPoint presentation, showing some other examples of scandals in the fashion industry and asking the audience for their opinion, whether they would let them pass or not, to understand how the general perception changes when different sensitive topics are touched. Some functional examples could be:

- Gucci's "Tiger" campaign (2022) : some people claimed that it glamorized the possession of typically exotic and wild animals by portraying the tiger as a pet;
- Gucci's "Symposium in Selinunte" (2019): it generated some media buzz because Selinunte is seen by some as a sacred place and two people kissing (of which one is transgender) was labeled as "unholy" and "blasphemous";
- Dolce&Gabbana's Ready-to-Wear collection (2007): many said that this campaign appeared to be promoting rape and "gangbangs", especially because the woman is in such a subjected pose;
- Dolce&Gabbana's "D&G loves China" (2017): the issues here were two, on one side the mocking and stereotyping of the Chinese culture and, on the other, the sexualization of something normal like eating;
- Miu Miu's Spring-Summer campaign (2015): it was public opinion that not only did the model look like a kid (she was 22 at that time), but the setting - that some said looked like a brothel - seemed to promote child prostitution;
- Mariner's "Watches USA" campaigns (2019): common to both the campaigns was the fact that the woman was always subject to the men, and in one of them, some claimed that alcohol consumption was promoted.

Some of these examples should not generate much controversy (like the Symposium in Selinunte), while others have been shown precisely because they are evidently controversial and scandalous. Another example of an advertising campaign that, while scandalous for its time, was extremely informative and also helped spark a conversation on several important fronts would be the collaboration between Benetton and Oliviero Toscani in the late 1990s. Toscani's shots, with their originality and frankness, have helped to break down many taboos and should serve as an example to many luxury brands that try to achieve the same result but obviously fail.

Please mind that this last part should cover 20% of the overall time.

Discussion phase

If for the previous phase, the students' opinions were more informal, coming now into the discussion phase it is recommended to create a more formal and "professional" environment because the class will take the role of Balenciaga's executive team. The discussion should start from the main questions (which are likely to take most of the time) and then move on to the assisting ones which should be easier and quicker to answer.

Regarding the former questions, we would suggest using a whiteboard to keep track and have an overview of the suggested proposals from the audience and to compare them with the actual management decision. Since there are quite a lot of questions, the teacher should manage the time efficiently while also making sure to keep up an engaging conversation. It is also important to keep in mind that the case presenter should always be objective and not influence in any way the thoughts and opinions of the audience.

Conclusive phase

The ultimate objective of this final phase is to bring the case to a conclusion and, to do this, it is needed to narrate and describe Balenciaga's actual management decision (what the luxury brand decided to do after the scandals), maybe also including some real evidence like statements or press releases. To make sure that the case was effective and fully understood, it could be nice to quickly engage the audience one last time to ask them what are the main key concepts they deducted from this case.

Reflections

At the end of January, we began the journey towards this case study by presenting three very different proposals to our Corporate Reputation and Brand Management teacher Mats Urde; the topics ranged from luxury brands' communication to salmonella cases in the food industry and online marketplaces monopolies. Despite this, it was immediately clear to everyone that this Balenciaga case would make the best one given its recentness and its multiple implications for both the company and all of its stakeholders. This case doesn't have many similar ones as pedophilia rarely comes up in scandals related to luxury brands. Furthermore, the case is still in development and has not yet fully reached its conclusion, therefore it will be interesting to see if the observations and predictions made in class will prove to be correct or if the corporate brand decides to act differently.

Being able to study and prepare a case in first person was not only insightful but also a precious experience to embrace the frameworks and theories studied in class and put them into practice. Also, being used to always writing purely academic papers, this case study was a breath of fresh air despite having some freedom was at times weirdly destabilizing (but in a positive way). Narrating a case objectively and not solving it hasn't been easy, but, probably, the biggest challenge was to individuate the right point of view

to tackle these episodes and, from that, to identify which were the best questions to bring to the audience.

It has been very helpful to be able to understand how a case study works by collaborating in all the various phases, from the ideation to the visual preparation and, finally, to the presentation to the class. Working on so many different documents and parts can sometimes be a little disorienting, so it's crucial to create a general objective and be consistent and coherent with it throughout the process, from the beginning to the end.

Another valued insight was learning how to combine theories and "classical" data with all the news and the sources concerning this case, which, for the most part, come from the Internet. There is something refreshing in using classical frameworks and models to tackle such a recent episode, it reveals some facets that, normally, would have remained hidden.

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