

A Study on Balenciaga's Social Media Marketing Strategy

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Abstract:

This essay focuses on addressing how the 2022 Balenciaga marketing campaign scandal has influenced the brand's consumer behavior as well as social media marketing strategies. The debate surrounding the narrative of their Gift Shop campaign involved accusations of advocating inappropriate content and provoked outrage throughout the internet, compelling consumers to discuss about the brand's idea of style. Hence, this research examines the impact of this event on the general public's attitudes, purchasing behavior, and consumer brand loyalty. In addition, it incorporates the adjustments in Balenciaga's social media marketing strategy in response to the consequences of this disaster, changing their content and promotion tactics. The study also takes consideration of how this has caused larger implications for the entire fashion industry, specifically the reactions of adjacent luxury brands to this incident and how they approach ethics with marketing practices. Understanding this dynamic allows the research to provide insight on the significance of launching marketing strategies in correlation with the expectations of consumers and the moral criteria of the generation today. The observations of this study emphasize on the critical role of social media in crisis management and the lingering effects of brand conflicts on consumer confidence and loyalty.

Keywords: Balenciaga, social media marketing, consumer behavior, brand scandal, marketing ethics.

1. Introduction

The fashion industry has always been expeditiously growing, motivating brands to seize every opportunity to experiment with social media content that appeals to their consumers in order to secure their competitive place in the market. In the digital age, social media platforms have transformed into an important

tool in the dynamics of promoting and molding public perceptions as well as leveraging consumer behavior. In this environment, luxury fashion brands must separate the nuances between being iconoclastic and pernicious when launching boundary pushing campaigns. It is essential that in order to achieve success, the equilibrium between creativity and ethical responsibility must be present [1]. The 2022 Balen-

ciaga campaign scandal serves as demonstration of the consequences when such operations are not executed with caution.

Starting in 2015, Balenciaga's new creative director Demna reinvented the brand into a motif for discussion due to his controversial works: such as IKEA's 99 cent shopping bags into expensive products, adding heels to the Crocs design, pricing destroyed sneakers for up to \$2000, and organizing a runway show with models portrayed as refugees clutching trash bags made with expensive leather [2]. The dispute quickly brought more publicity and conversation towards the style of Balenciaga. The release of one holiday campaign in particular, put children holding handbags resembling teddy bears in harnesses under the spotlight, extended by another spring 2023 campaign containing documents related to child protection laws. This combination immediately caused a hurricane of controversy online, fueled by claims that Balenciaga was endorsing inappropriate content [1].

This scandal undoubtedly had a tremendous impact on the brand in the aspect of their consumer presence, purchasing choices, and loyalty. The negative comments on social media compelled Balenciaga to reevaluate their online marketing tactics, which resulted in considerable adjustments to their content, message, and engagement with audiences. These modifications directed to reestablish control to this crisis and restore their credibility and trust with consumers. This was imperative as brand image is extremely pivotal for the market especially in the ethical practices of luxury fashion. Acknowledging the relationship between these components opens the horizons to how these incidents shift consumer actions and determine brand procedures.

The study will examine the instant and long-term effects of the debate on consumer purchasing patterns and strategic changes Balenciaga applied to social media marketing plans. Furthermore, the research will also amplify how these implications for the brand in turn has simultaneously enlightened similar competitors in the fashion industry, specifically how they have also made improvements and alteration to their executions in consideration to the outcomes of the Balenciaga incident. Thus, the essay persists to address the correlation between ethical marketing responsibilities with consumer patterns in this digital generation. Observations will conclude insight towards the significance of synthesizing marketing tactics with principled approaches and the ramifications of underestimating its importance.

2. Impact on Consumer Behavior

2.1 Initial Consumer Reaction

Audiences responded to Balenciaga's publication of the Gift Shop campaign and the Garde-Robe advertising campaign immediately with extreme backlash. The campaigns which were widely criticized online due to their inappropriate and offensive content, using the hashtags #burnbalenciaga and #cancelbalenciaga which have amassed to over 300 million views [3]. These trending hashtags, along with the shock and disappointment of Balenciaga breaching moral perimeters quickly augmented public resentment. Many loyal consumers of the brand responded robustly, sending a substantial amount of hate to the staff and celebrities who were associated with the brand [1]. The flood of denunciation while personalized to the imagery portrayed by Balenciaga's campaign, however, reflected a larger issue about the fashion industry's mindfulness towards constructing ethical messages for audiences. The public reception supports this criteria and emphasizes the increasing standards for brands to take consideration of societal principles and apply accordingly to their responsibilities and practices.

2.2 Impact on Sales Volume

Consequential changes in purchasing patterns became observable as a chain reaction to this scandal. The adverse attention revolving around the campaign resulted in an accountable decrease in the number of sales as customers disassociated themselves with the brand. During the first nine months of the year, Kering's Other Houses which includes Balenciaga, observed a decrease of 10%, dropping from \$3.1 billion to \$2.9 billion. In the third quarter itself, there was also a significant decline of 19% [4]. Their following on Instagram has also experienced a drastic drop of 100,000 followers after the incident [5].

Kim Kardashian also stated that she was rethinking her ties with the brand as she prioritizes protecting children, advocating that child abuse is never acceptable and should have no place in society [6]. This also highlights how influential ethics are in purchasing decisions, especially for luxury brands where their representation holds massive weight.

2.3 Long-Term Effects on Brand Perception

The 2022 scandal has also left lingering effects on the brand's image, damaging their reputation as well as a long-term switch in consumer perception. While the backfire gradually flattened, this smudge could not be entirely relinquished, making it arduous for consumers to regain

their faith in the brand. Luxury brand advisor Nicoletti, who served as the chief marketing officer for Sergio Rossi during its ownership by Kering shows concerns for Balenciaga's recovery from this fallout of their advertising disaster which was worsened by poor crisis communication managing [4]. Hence, Balenciaga has implemented numerous strategies in attempt to rebuild its status.

3. Social Media Marketing Strategy

3.1 Strategy before the Controversy

Before the occurrence of the scandal, Balenciaga's marketing approach was always bold and fearless, often ridiculing and challenging the hackneyed trends embedded into the industry of fashion and its enthusiasts. Under the leadership of Demna Gvsalia, the brand effectively leverages digital platforms to promote their new brand image [7]. This separates Balenciaga amongst the rest of the competition through the utilization of provocative tactics in their promotions, setting itself as a brand that deliberately embraces conversation and controversy, leading to optimistic quantitative outcome. Adopting an audacious mode of advertising has secured the attention of the media, dilating the capacity and prominence of their label. The image of this brand has been defined as insane and wild by a majority of people, as their social media content does not abide with the normal conventions and expectations for a luxury brand. Balenciaga stands out in the market, particularly when it comes to the younger generation. Cedric Charbit, the CEO of Balenciaga revealed in a 2018 interview with Reuters that millennials have played a significant role in the brand's growth, accounting for 60% of their sales. Along with men, they are the fastest-growing consumer segment [7]. Their focus in social media undoubtedly makes it a crucial asset contributing to the growth and success of the brand: Twitter, Instagram, and TikTok are all channels that set the fundamental base for which the brand identity became established upon, gaining a diversified community online that sustained its pioneering status in fashion.

3.2 Response to the Controversy

In response to the cancel calls, Balenciaga implemented a series of measures to control the crisis. They withdrew the holiday campaign from all platforms and issued an apology recognizing that the Plus Bear bags and children were a bad choice [5]. They then released a second apology targeted towards their Spring 2023 campaign claiming that the information displayed in the Garde-Robe campaign was supplied by third parties, stating that their

negligent wrongdoings was accomplished beyond the brand's consciousness. The company initiated a lawsuit in preposition to the production company and set designer involved in the Garde-Robe campaign, but the case was withdrawn later on [8]. This lawsuit accounted to be 25 million against North Six and Nicholas des Jardins [1]. On November 28th, another announcement was published by Balenciaga explaining the virtuous initial intentions that were misunderstood after Kim Kardashian posted that she is re-evaluating her relationship with the trademark along with Demna's invitation declination to accept the Global Voices Award at Business of Fashion's 2022 Voices conference [9]. Thenceforth, a new action plan was posted on Instagram which was signed by CEO and President Cedric Charbit declaring that they have abandoned their charges towards North Six and des Jardins. New commands were also established that demonstrated the dedication to re-viewing and examining the connotations of their content from idea to execution. Balenciaga also subsidized an affluent amount of funds towards organizations to support child protection.

3.3 Strategic Shifts

The scandal compelled Balenciaga to reconsider their marketing strategies in order to recover from the consequences of its reputation, recognizing that provoking controversy was not a lasting method for the long run with the increasing sensitivity towards ethical morals. In the first strategy, the brand utilized a transparent approach to regain trust from their stakeholders by including them with regular updates to eliminate hindering information about their actions [7]. This was done through platforms where high levels of engagement are present such as Instagram and Vogue to illustrate the issue, take down images, launch legal procedures, as well as constructing an action plan for its internal stakeholders. The second strategy is the implementation of effective communication through various platforms that also aided the establishment of trust with their consumers, assuring them that there is urgency to make corrections to resolve the issue. Balenciaga has shown remorse towards the controversial contents and has held liability for this oversight. The third strategy which is admitting and taking responsibility is also important to their crisis management strategy. Blatantly accepting their misstep and vowing to improve has also showed their engagement to learning from the incident and elevating future practices. The remedial action to collaborate with child protection organizations have also displayed the commitment to make valid changes and take consideration of external voices. The final strategy is media management, which is essential in forming a narrative and main-

taining control over the message in a disaster. Balenciaga and Demna have both presented their perspective and addressed any misunderstandings. This proactive media management approach is exemplary in crisis communication [7].

4. Implications for the Fashion Industry

4.1 Influence on Other Brands

The Balenciaga scandal has not only exerted immense pressure to its own trademark, but has also caused a ripple effect throughout the luxury fashion industry. Moshu Lundström Halburt states that Balenciaga has redefined the definition of cancel culture. Rather than merely serving as an example for crisis mismanagement, the company also offers insights about how to strategize recovery without publicly blaming or dismissing the main decision-makers [2]. This incident has also prompted other consumers to analyze similar cases of misconduct, making it obvious that audiences were no longer inclined to overlook ethical negligences even with distinguished brands. Fashion brands have learned to embed scandals into their marketing or promotional tactics, but they now have evolved to become sensitive subjects that need careful management to avoid destruction of their reputation [1]. Especially with heightened integration of social media, crises impacting fashion brands have surged to a considerable amount over the past five years. For instance, accusations of racism involving Dolce & Gabbana, Prada, Uniqlo, and H&M, in addition to claims of cultural appropriation against Carolina Herrera and Gucci. With consumers investigating the past and present actions of other luxury houses, controversial and mindless behavior that were undetected were brought into the public eye once more. Balenciaga's scandal has warned the broader industry to implement considerate and proactive methods to safeguard their reputation.

4.2 Ethical Marketing Practices

Balenciaga's 2022 campaign has brought emphasis of the critical importance of incorporating ethical actions in the fashion industry. This incident reflects the urgent and serious need for all brand to approach their marketing campaigns with careful thought, especially in the digital age where public outrage ferments quickly online. Ethical marketing is inseparable with brands that aim to develop good and loyal relationships with their consumers. After the previous backlashes received by Balenciaga, Demna's corrective action claimed that the brand will apply more

thorough checks and validation before releasing new content [6]. Consumers are seeking brands that represent their ethical and social values and beliefs, administering the industry to adopt a more socially responsible criteria, recognizing the necessity of being transparent and aware of their social impacts particularly towards people who care about nature [10]. Thus, social responsibility has become imperative in the fashion business rather than a trend in order to qualify for the ascending insistences of consumers as well as contributing to a more sustainable world. Prestigious fashion brands are utilizing comprehensive ethical practices that are embedded in all of their operating departments including the process from designing to making, rather than solely using it as their marketing strategy. Innovative brands such as Nike, GAP, Levi's, C&A, Inditex group, Nude Jeans exhibit how fashion can be a powerful force advocating for positive change, creating a balance between profitability and commitment to social and environmental causes [10].

4.3 Consumer Expectations

The power and role of consumers are no longer passive, as they hold brands accountable for their misconducts, resulting their expectations to become a crucial priority for brands who survive and grow in the market. Balenciaga is an example of a consequential outcome when brands fail to meet these evolving standards over a widespread area. Over the years, there has been an increasing need for diversity and inclusivity in the industry, expecting brands to serve different body types: size, shape, skin color, gender, and physical capabilities [11]. Consumers also expect more contemporary and interactive digital experiences in marketing campaigns normally facilitated through augmented reality [12]. Another popular topic also includes sustainability where consumers favor more durable and long lasting fashion alternatives over fast fashion [10]. Social media and influencer marketing have also largely influenced consumers as fashion influencers have expertise to affect others compared to traditional celebrity marketing, allowing brands to promote products through more authentic styles and reach designated audiences [13].

5. Conclusion

This study has delved into the consequential impacts of the 2022 Balenciaga marketing campaign scandal on consumer behavior, the company's social media marketing strategy, and the wider implications of the fashion industry. The outrage ignited by this scandal resulted in a prominent change in the perceptions of the general public, leading to a downturn in sales as well as trust amongst their consumers. The boycott on social media has empha-

sized the increasing demand for brands to act with ethical responsibility in order to avoid similar emanations. Balenciaga was forced to make adjustments to enhance their marketing strategies, utilizing transparency, effective communication, and accepting accountability for their wrongdoings in their crisis management methods to regain their trust in fashion. The research highlights the necessity of aligning campaign content with societal values and ethical standards. It has become evident that consumer criteria expects brands to execute socially responsible practices, and when unable, will result with serious reputational contamination. This event has also affected the fashion industry on a larger scale, calling other brands to approach their marketing strategies with careful and mindful consideration to achieve ethical promotions. However, there are still limitations to this study. The data is heavily reliant on public responses and sales figures, leaving information for further research in analyzing the long-term recoveries for the brand. Future research can focus on the longstanding effects of these scandals on customer loyalty, providing better understanding of the broader ramifications of unethical marketing on brand prosperity. This investigation will benefit brands aiming to withstand a progressively consumer value-oriented marketplace.

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