

Luke Hurtado

### Brand Analysis Letter for Balenciaga Leadership

Hello, my name is Luke Hurtado and I'm a senior manager for "Fix It!" Strategies, America's leading public relations firm. I am writing to Balenciaga's CEO, CCO, CLO, and CSO today to offer my professional insight into Balenciaga's 2022 Gift Collection campaign crisis. In this letter, I will aim to break down and analyze this crisis and Balenciaga's immediate response. Then, I'll be making three recommendations on how Balenciaga can regain consumer trust and fortify the long-term relationship built between consumers and the brand.

After the 2022 Gift Collection crisis initially broke, Balenciaga's immediate response was enacted in two stages. In the first stage, Balenciaga sought to contain the initial crisis, removing all imagery of the 2022 Gift Collection campaign from their website and social media. This first action was an effective response, as it demonstrated acknowledgment of the criticism that was being received by their consumer base. The second stage in Balenciaga's initial response, however, exacerbated the already intensifying crisis. In the company's first statement addressing the crisis, CEO Charbit apologized for the harm caused by the disturbing images of both the 2022 Gift Collection campaign and the Balenciaga x Adidas Spring 2023 collaboration that featured an offensive prop. This statement failed to prove effective in resolving the crisis for two reasons. The first reason is the timing, as it took Balenciaga's leadership almost a full week to address. The failure to release a timely response addressing the crisis allowed for the crisis' impact to spread, making containment efforts extremely challenging. The second reason lies in the content of Charbit's apology, where he failed to demonstrate a meaningful sense of accountability to Balenciaga's key stakeholders. Additionally, Charbit's inclusion of how Balenciaga was seeking to take legal action against the production company responsible for the

campaign photoshoot set conveyed a lack of accountability to his audience. Instead, audiences perceived this statement as an effort by Balenciaga to “point fingers” at other parties involved rather than take ownership of their shortcomings.

This initial response lacked the key component of addressing how Balenciaga will fix the crisis going forward. This key component was not conveyed until the final statement released on Instagram by Charbit, laying out a course of action that includes reinforcing campaign oversight processes and a vow to work with child protection organizations. However, I must point out that the reason this messaging did not reach its resolution potential is because of its vague nature. While Charbit accomplished the key component of addressing how Balenciaga seeks to improve itself in the future, he failed to list specifics in his course of action, such as naming specific child protection organizations or in what capacity Balenciaga will partner with these organizations.

After a holistic analysis of this response, I believe the major areas of failure in Balenciaga’s initial crisis response lie in the selection of an initial spokesperson, the timing of these statements, the explanation of why this crisis occurred, and how the company conveyed the steps they will take to reduce the harm they’ve caused.

When choosing an initial spokesperson, Balenciaga chose CEO Cedric Charbit. Charbit was the wrong choice because of his lack of proximity to the creative elements that caused the crisis. Instead, the messaging would’ve been more effective if it had been initially delivered by Balenciaga’s creative director Demna Gvasalia. As the highest artistic executive at Balenciaga, Gvasalia would’ve been a more logical entity to take accountability for the oversight failures in the controversial campaigns. Additionally, Gvasalia’s ability to deliver a humanizing narrative while taking accountability was showcased in his personal apology to Balenciaga’s audience,

where he was able to use more emotionally charged language while immediately ensuring that he would set out a course of action to prevent similar mistakes.

Next, I identified Balenciaga's response timing and explanation of the crisis as another area of failure. When issuing an initial crisis response after being briefed on the situation, the goal is to be as swift and concise as possible while still delivering a comprehensive response. In Balenciaga's case, their initial crisis response was not until almost a week after the controversy broke. Furthermore, Balenciaga would go on to release two more statements with inconsistent messaging, failing to efficiently address and explain the crisis until after the brand suffered a devastating blow to its reputation. A remedy to this failure would have been releasing a singular comprehensive statement within a few days of the crisis, if not sooner. Additionally, this remedy would also include a concise explanation for why this crisis occurred, avoiding any messaging that shifted blame onto other entities and conveyed complete accountability on behalf of the brand's leadership.

Lastly, Balenciaga's inability to elaborate on how the brand will strive to improve in the future and provide audiences with a resolution to the crisis is what dealt a lasting blow to Balenciaga's reputation. While Charbit mentioned that planned to engage with child protection organizations and reform its creative oversight processes, the vague nature of this claim is what left key stakeholders skeptical of the brand's commitment to change. When delivering messaging on steps that a brand seeks to enact, it is vital to use specific, concrete language to avoid being perceived as performative. A remedy to this would've been providing the name of a specific child protection organization that Balenciaga would work with in the future and providing a blueprint of how Balenciaga will reform its creative oversight processes. Additionally, listing specific ways Balenciaga aims to support this organization and how their work will make a lasting impact

would've successfully demonstrated to Balenciaga's key stakeholders that the brand's leadership has an overall mission they aim to accomplish that will make a lasting impact on society.

While vestiges of this crisis may still linger on Balenciaga's reputation, all is not lost. Through enacting these three recommendations, Balenciaga has the opportunity to not only rebuild lost trust but to transform the relationship with its audience and strengthen consumer loyalty.

The first recommendation I would have to Balenciaga leadership to accomplish this goal would be to strategically invest in more CSR/ESG initiatives. Through utilizing a three-dimensional approach that prioritizes brand relevance, opportunities of issue ownership, and level of public concern surrounding the social topic, strategically investing in CSR/ESG is the first major step in building a strong foundation of long-term trust between Balenciaga and their consumer. While Balenciaga has already publicized its partnership with the National Children's Alliance, I believe there is still more to be done. Some specific actions Balenciaga could implement could be expanding the scope of their partnerships with organizations that protect women in the workplace. The modeling industry is notorious for being a hostile environment for young female models and the various accounts of sexual harassment and verbal abuse models have shared throughout the decades. If Balenciaga were to publicly partner with a women's rights advocacy organization, such as Project WHEN, that works to fight harassment in the workplace, I believe the brand would emerge as a reputational leader in the fashion industry. This partnership strategy will be effective because not only would this social topic be relevant to Balenciaga's key stakeholders but would also present a unique opportunity to lead the industry in the fight to protect the workplace safety of their models from predatory work environments.

The next recommendation I would offer is to appoint creative director Demna Gvasalia as the crisis communication spokesperson for Balenciaga. Throughout the course of Balenciaga's crisis, Gvasalia has stayed concise, consistent, and transparent about the ways he intends to improve the brand and prevent a similar crisis from occurring. Additionally, Gvasalia's messaging is more effective because of his role as creative director, meaning that he has a direct relationship with the artistic choices and themes of Balenciaga's campaigns. Therefore, if another scandal of a similar nature were to occur, Gvasalia would be able to quickly provide a comprehensive explanation of how the crisis occurred and how he intends to utilize his power over Balenciaga's artistic choices to remedy the situation.

In the same vein, my third recommendation would be for Gvasalia, as the new crisis spokesperson for Balenciaga, to make the campaign set design process more transparent. While Balenciaga has affirmed to its audience that it would be taking steps to reform its creative oversight processes to prevent a similar crisis from occurring, the statement failed to use concrete language to convey these reforms. Therefore, Balenciaga has the opportunity to rebuild trust by utilizing Gvasalia to document his creative process (after the campaign has already been released) on social media and visually show Balenciaga's key stakeholders the improved oversight processes in action. Through showcasing Gvasalia's creative process and how effective Balenciaga's new oversight processes are, the power of narrative transportation and visualization will create tangible messaging that will stick with consumers, ultimately rebuilding trust in the brand.

In closing, my critical analysis of Balenciaga's crisis management of the 2022 Gift Collection campaign crisis identified the major areas of failure being Balenciaga's selection of an initial spokesperson, the timing of these statements, the explanation of why this crisis occurred,

and how the company conveyed the steps they will take to reduce the harm they've caused.

While Balenciaga did eventually take effective steps in containing the crisis through taking accountability, vowing to reform their creative oversight processes, and their partnership with the National Children's Alliance, I believe there is still more work to be done to rebuild the trust lost with consumers. Through implementing my previously mentioned recommendations, I am confident that the brand can not only rebuild trust but transform the relationship they have with consumers.