## Final Paper: The Balenciaga Crisis

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Balenciaga House, more commonly known as Balenciaga, is one of the most popular high-fashion brands in the world today. Founded in Paris, France, in 1937 by Cristobal Balenciaga, the brand quickly rose to international fame (Kering, n.d.). In 2001, it was acquired by Kering, the luxury holding company that also owns Gucci and Alexander McQueen (Kering, n.d.). In 2015, Demna Gvasalia was named creative director of Balenciaga, and in 2016, Cédric Charbit became CEO of the fashion house (Kering, n.d.). Since then, Balenciaga has continued to gain prominence around the globe, almost always being featured in exclusive runway events, such as Paris Fashion Week. The brand's luxury clothing and accessories, although often only worn by the most prominent celebrities in society, have garnered major attention and acclaim from the general public due to their avant-garde nature. However, the brand's high status in society does not make it immune to crises.

In November 2022, Balenciaga found itself in the middle of a major crisis after it released two advertising (ad) campaigns that made members of the public question the brand's values, specifically those concerning protecting the safety of children (Garcia, 2022). First, on Nov. 16, 2022, Balenciaga released its "Gift Shop" ad campaign, showcasing its new products available for the holiday season (Ng, 2022). This campaign, photographed by Gabriele Galimberti, featured images of children holding teddy bears dressed in bondage (Garcia, 2022). These teddy bears also doubled as handbags (Garcia, 2022). Then, on Nov. 21, 2022, the brand released its "Garde-Robe" ad campaign, unveiling its spring line of clothing and accessories (Garcia, 2022). This campaign was photographed by Joshua Bright (Imbimbo, 2022). In one of the campaign's images, a handbag was pictured sitting on documents that referenced the Supreme Court case *United States v. Williams* (Garcia, 2022). This Supreme Court case resulted in a ruling that made

it easier for law enforcement to prevent and prosecute child pornography (Garcia, 2022). Another image from this campaign featured the book entitled "As Sweet as It Gets" by painter Michaël Borremans (Garcia, 2022). This book contains paintings that depict young children in disturbing, violent settings (Garcia, 2022).

The public did not respond positively to either of these campaigns. Many members of the public took to social media to express their outrage, using the #cancelBalenciaga hashtag (Issawi, 2023). Others accused Gvasalia, the creative director of Balenciaga, of creating a company culture that condones pedophilia and child exploitation (Issawi, 2023). Some customers even decided to burn their Balenciaga clothing and accessories and post videos of themselves doing so on social media (Parker, 2022). Other outraged members of the public decided to protest outside of the brand's stores with some opting to vandalize them with graffiti (Parker, 2022). Thus, it was imperative for Balenciaga to act efficiently and effectively when responding to this crisis to not only repair its reputation but also regain the public's trust.

Unfortunately, Balenciaga did not handle this crisis in the most efficient manner. When analyzing Balenciaga's crisis response using Agnes' (2014) "Crisis Ready Flowchart," the brand followed the steps of the flowchart; however, it did so at a slower pace than recommended.

Beginning at the top of the flowchart, Balenciaga's crisis was garnering a multitude of negative attention, and the facts were correct (Agnes, 2014). However, Balenciaga hesitated to release a response to the crisis, which is the next step of the flowchart (Agnes, 2014). In fact, Galimberti, the photographer of the "Gift Shop" ad campaign, released a statement in response to the crisis via Instagram on Nov. 23, 2022, a day before the brand did (Garcia, 2022). In his statement, Galimberti explained he was not involved in selecting the models, props or products used in the campaign (Garcia, 2022). He was solely responsible for photographing them (Garcia, 2022).

The brand did not release a statement until Nov. 24, 2022, more than a week after the initial release of its "Gift Shop" ad campaign, which began the crisis (Garcia, 2022). The first statement Balenciaga made that day via Instagram solely addressed its "Gift Shop" ad campaign (Garcia, 2022). Before making this statement, the brand, in alignment with the next step of the flowchart, reflected and decided to take responsibility for distastefully having children hold teddy bears dressed in bondage (Agnes, 2014; Garcia, 2022). Thus, when Balenciaga released its statement, as suggested by the flowchart, it immediately apologized to the public, admitted it made a mistake and discontinued the use of the campaign on all platforms (Agnes 2014; Garcia, 2022).

The second statement the brand released via Instagram on Nov. 24, 2022, was in reference to its "Garde-Robe" ad campaign. Before making this statement, the brand decided to reflect and not take responsibility for the offensive props placed on the set of this campaign (Agnes, 2014; Garcia, 2022). When Balenciaga released its statement, as suggested by the flowchart, it apologized for the inclusion of these props in the campaign's images; however, it did not take responsibility for them being placed on the set. (Agnes, 2014; Garcia, 2022). The brand also explained it would be taking legal action against those involved in designing the campaign's set, as they were responsible for the offensive props being placed on the set in the first place (Garcia, 2022). Lastly, the brand stated it values upholding the safety and well-being of children (Garcia, 2022).

On Nov. 25, 2022, Balenciaga filed a \$25 million lawsuit against the production company North Six as well as set designer Nicholas Des Jardins, as both were involved in designing the set for the "Garde-Robe" ad campaign (Garcia, 2022). The lawsuit accused North Six and Des Jardins of making either malicious or reckless set design choices by placing documents

referencing the Supreme Court case *United States v. Williams* on set without the brand's approval (Paton et al., 2022). Furthermore, Balenciaga claimed their set design choices led the public to associate Balenciaga with child pornography (Paton et al., 2022) However, the public did not react positively to this lawsuit. Many members of the public believed Balenciaga was refusing to take responsibility for including the Supreme Court case documents in its campaign and was deflecting blame onto other parties (Garcia, 2022).

In response to this lawsuit, Des Jardins' attorney released a statement in which she disclosed representatives from Balenciaga had been on set during the shoot for the "Garde-Robe" ad campaign, overseeing its production and handling props (Paton et al., 2022). She also reiterated her client was solely a set designer and had no influence on the documents photographed in the images Balenciaga decided to publish for the campaign (Paton et al., 2022).

In response to the public's increased outrage as well as this statement from Des Jardins' attorney, Balenciaga, in alignment with the flowchart's suggestion, continued to monitor the situation and eventually released another statement via Instagram on Nov. 28, 2022 (Agnes, 2014; Garcia, 2022). In this statement, the brand explained all of the documents in its "Garde-Robe" ad campaign were rented from the production company North Six and were supposed to be fake office documents (Paton et al., 2022). However, they ended up being real legal documents that were used on the set of a television drama (Paton et al., 2022).

Thus, Balenciaga, revisiting the previous step in the flowchart, ultimately decided to reflect once again and take responsibility for the inclusion of the documents in the images for this campaign (Agnes, 2014; Paton et al., 2022). The brand explained the inclusion of these documents in the campaign's images was a matter of oversight and acknowledged it should have been more careful and attentive when reviewing them (Paton et al., 2022). Unfortunately,

Balenciaga never explained why Borremans' book "As Sweet as It Gets" was used as a prop on the campaign's set. However, this may have been due to the fact the public was primarily outraged by the inclusion of the Supreme Court case documents in the campaign's images.

In the statement made on Nov. 28, 2022, Balenciaga also stated the images photographed for the "Gift Shop" and "Garde-Robe" ad campaigns were the result of many errors made by the brand (Paton et al., 2022). Furthermore, it explained it was conducting internal and external investigations to determine how such errors were made as well as implementing a new system of controls to ensure similar mistakes are never made when creating campaigns in the future (Paton et al., 2022). Balenciaga also stated it was contacting organizations dedicated to protecting children and ending child abuse (Paton et al., 2022). The brand also firmly promised to learn from its mistakes and take action to protect children (Paton et al., 2022).

Five days later on Dec. 2, 2022, Charbit, the CEO of Balenciaga, and Gvasalia, the creative director of the fashion house, released separate statements for the first time via Instagram (Paton et al., 2022). Prior statements released by Balenciaga were made on behalf of the fashion house as a whole (Garcia, 2022). In accordance with the flowchart, Charbit's and Gvasalia's statements were made to rebuild relationships with stakeholders and inform the public of the actions Balenciaga was taking to learn and grow from its mistakes as well as the resulting crisis (Agnes, 2014; Paton et al., 2022).

Using Balenciaga's Instagram account, Charbit apologized to the public for the brand's recent ad campaigns and gave an overview of the actions he and the company were taking in response to the crisis (Paton et al., 2022). These actions included dropping the lawsuit against North Six and Des Jardins, reorganizing Balenciaga's image department, planning a tour to engage with and donate money to advocacy groups dedicated to protecting children and

designating internal and external parties to review the brand's content before it is published (Garcia, 2022; Paton et al., 2022).

Gvasalia also used Balenciaga's Instagram account to release a statement in which he apologized and took responsibility for the brand's recent campaigns (Paton et al., 2022). He also explained he does not condone child abuse of any kind, and he promised to learn and grow from his mistakes by engaging with organizations dedicated to protecting children (Garcia, 2022). Lastly, Gvasalia reiterated Balenciaga is committed to protecting the welfare of children and preventing itself from making the same mistakes again in the future (Garcia, 2022).

Therefore, while Balenciaga did follow Agnes' (2014) "Crisis Ready Flowchart," it did not follow it in the most efficient way possible. By neglecting to immediately release a response to the crisis and repeating the penultimate step of the flowchart multiple times, Balenciaga ultimately extended the life cycle of this crisis. In doing so, it received far more backlash from the public than it would have received if it had quickly and confidently followed the steps of this flowchart as soon as this crisis began to develop.

When reflecting on William Benoit's Image Restoration Theory, I believe Balenciaga did a satisfactory job of handling this crisis. According to this theory, when a crisis occurs, an organization will use communication to repair its image (PublicApologyCentral, 2011). In this communication, the organization will either deny its responsibility for the crisis, make an excuse as to why its actions led to the crisis or apologize for the crisis and commit to repairing its image (PublicApologyCentral, 2011). Through this communication, the organization hopes to regain the public's trust and, as a result, once again have a positive image (PublicApologyCentral, 2011).

Thus, by employing Benoit's Image Restoration Theory, Balenciaga ultimately decided to apologize for creating both campaigns and commit to repairing its image (PublicApologyCentral, 2011). While the brand immediately took responsibility for its "Gift Shop" ad campaign, it initially attempted to make an excuse and deflect responsibility for the distasteful props included in its "Garde-Robe" ad campaign (Paton et al., 2022). However, once it discovered this would not be the most effective way to repair its image, Balenciaga decided to apologize and take responsibility for this campaign as well (Paton et al., 2022; PublicApologyCentral, 2011).

By following Benoit's Image Restoration Theory, Balenciaga apologized for its mistakes and promised to take action to repair its image by rebuilding relationships with members of the public and advancing the welfare of children (Garcia, 2022; PublicApologyCentral, 2011). Therefore, I believe Balenciaga effectively handled this crisis in accordance with Benoit's Image Restoration Theory. By apologizing and actively working to learn and grow from its mistakes, Balenciaga took active measures to repair its image and resolve the crisis.

All organizations experience crises. Unfortunately, it is not a matter of if but when these crises will occur. When they do, organizations need to be prepared to efficiently and effectively respond to them in a manner that allows them to learn and grow while also regaining the public's trust. Balenciaga effectively managed the crisis created by its "Gift Shop" and "Garde-Robe" ad campaigns. However, a few of its actions detracted from its ability to efficiently resolve it.

Balenciaga's delay in issuing an initial statement in reference to either ad campaign as well as its failure to immediately take responsibility for the inclusion of the Supreme Court documents in its "Garde-Robe" ad campaign ultimately delayed the resolution of this crisis (Paton et al., 2022). However, despite these missteps, Balenciaga was eventually able to resolve this crisis in a way that aligned with Agnes' (2014) "Crisis Ready Flowchart" as well as Benoit's Image Restoration

Theory (PublicApologyCentral, 2011). In doing so, the brand took responsibility, apologized for its mistakes and committed to taking action to protect the welfare of children (Garcia, 2022). Therefore, Balenciaga effectively, although not necessarily efficiently, resolved this crisis, rebuilding its image and regaining the public's trust in the process.

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