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Balenciaga's Brand Reinvention:Leveraging Threads and TikTok
to Boost Social Media Influence

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Abstract

This study delves into the evolving landscape of marketing in contemporary society, where social media has emerged as a predominant channel. The research identifies distinctive marketing approaches between Balenciaga and other luxury brands. Despite its unique strategy, Balenciaga faced a significant setback due to marketing controversies outlined in the study.

Recognizing the transformative power of social media, this research aims to uncover a tailored marketing strategy for Balenciaga, differentiating it from other luxury brands. By leveraging social media platforms, the study seeks to propel Balenciaga towards a positive brand image and heightened visibility.

As social media becomes increasingly influential in shaping consumer perceptions, this research addresses the challenges and opportunities within this dynamic digital realm. It endeavors to outline a strategic path forward for Balenciaga, considering the nuances of the luxury market and the brand's distinct identity.

Keyword : *Balenciaga, Social media marketing, Threads application, TikTok challenge, Brand image, Balenciaga controversial crisis.*

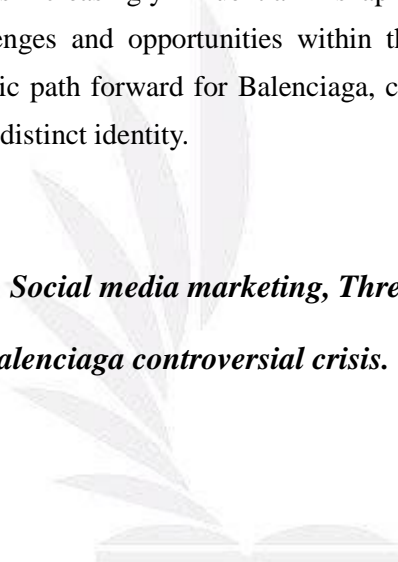


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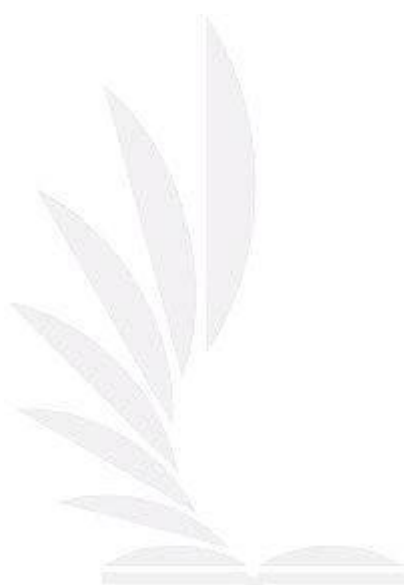
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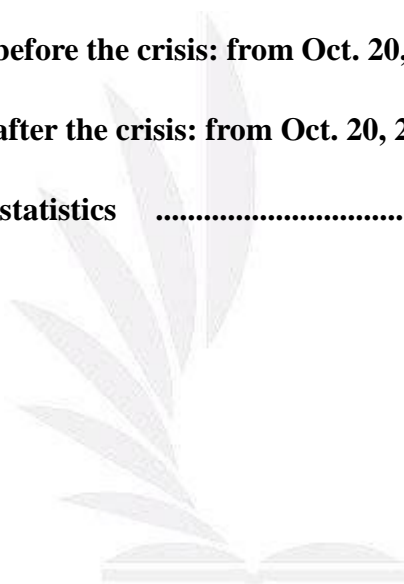


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1. Company Background

Balenciaga is a high-end fashion business created in 1919 by Cristóbal Balenciaga, a Spanish couturier. The brand has a long history and is well-known in the fashion world for its unique and impactful creations.

1.1 Brand Position

The Balenciaga brand is firmly anchored in high fashion and luxury. It caters to an exclusive client seeking exclusive, high-end fashion pieces, and is known for its premium materials, flawless craftsmanship, and avant-garde designs. Balenciaga is known for its avant-garde and original approach to fashion, continuously defying old fashion rules with unorthodox forms, materials, and aesthetics. Its designs have infiltrated popular culture, confirming its cultural impact and importance.

1.2 Target Audience

Balenciaga's target demographic consists of discerning high-end luxury buyers who prefer exclusive, avant-garde creations. The brand's fashion-forward appeal also resonates with younger consumers, particularly Millennials and Gen Z, who like its blend of luxury and streetwear features, giving it a distinguishing choice for anyone looking for unique, cutting-edge clothes.

1.3 Collaborations with Artists

Balenciaga works with artists to incorporate underground and subcultural influences into their high-end fashion. These partnerships result in one-of-a-kind collections that appeal to a fashion-forward and niche clientele, boosting the brand's reach and influence.

- The Simpsons x Balenciaga

Balenciaga and The Simpsons worked together to create a new line of apparel and accessories that are influenced by the characters and memorable scenes from the show. A Paris fashion show in an episode of The Simpsons served as the impetus for the cooperation. After seeing the episode, Demna Gvasalia, creative director of Balenciaga, was inspired to design a line that honored the history of the show.

Balenciaga chose to exhibit their Spring/Summer 2022 collection on the "Red Carpet" at the Théâtre de Châtelet in Paris in 2021, rather than on a long runway. The show concluded with a 10-minute "The Simpsons | Balenciaga" special episode. It portrayed the story of Marge, who is approaching her birthday and who, due to a series of tragic events, finds herself on the stage of the Balenciaga fashion show.

- Online Display in Video Game

Balenciaga collaborated with the video game "Afterworld: The Age of Tomorrow." The game was created by the brand as an innovative way to showcase its Fall 2021 collection. Players could explore a virtual world and interact with digital versions of Balenciaga's designs. This marked an innovative fusion of fashion and gaming, engaging a wider, tech-savvy audience.

- Costume for Fortnite Battle Royale

Balenciaga and Fortnite teamed to create in-game and limited-edition real clothing inspired by its designs. The digital clothing was created for four in-game characters (Fig 1) and included items such as medieval armor-style parts, shredded jeans, and classic accessories transformed into in-game weaponry. The cooperation was part of Balenciaga's unique fashion strategy, which went beyond traditional bounds.



Fig. 1. Clothes for in-game characters

The original strategy produced outstanding results. Following the launch of virtual clothing for Fortnite by Balenciaga, search volumes for the brand increased by 49%. Furthermore, the news and YouTube channels received over 600,000 views, with excellent feedback on exclusive features and magazine covers.

2. Brand Relationship with Other Competitors

2.1 Five Competitors & Brand Positioning Map

During this research, we aim to analyze the brand positioning of Balenciaga in relation to its primary competitors, namely Prada, Dolce & Gabbana, Yves Saint Laurent, Alexander McQueen, and Celine. The analysis will be presented in Figure 2 for visual clarity and comprehensive insight.

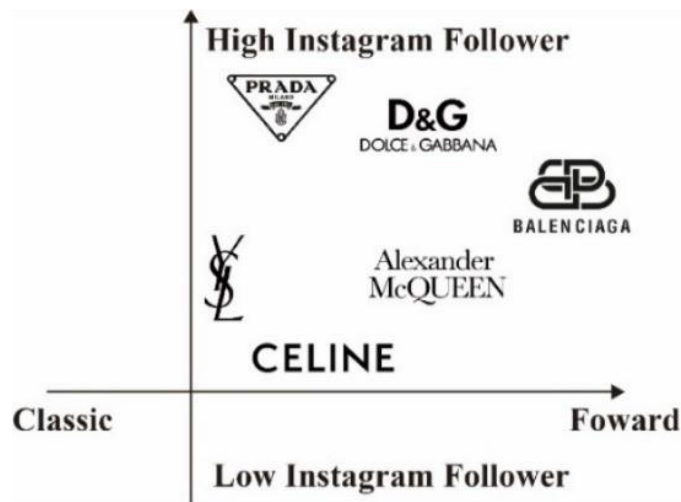


Fig. 2. Brand Positioning Map

2.2 Competitor Analysis

		Balenciaga	Prada	D&G
About the Brand	Brand Image	embracing change, innovation and pushing boundaries.	Intellectual, modern sense,	freedom, rebellion
	Target Audience	millennials (over 65%) (aged 27-42), Gen Z (aged 11-26)	affluent individuals aged 18-32	those with purchasing power or a medium/high or high-income level aged 25-50
	Target Market (Country)	the US (25.82%), Germany (9.12%), South Korea (8.46%)	The US (32.73%), The UK (6.32%), South Korea (6.3%)	The US (31.52%), Italy (8.17%), The UK (6.1%)
Mainly Used Social Media	IG Followers	14.3M	33M	30.7M
	Douyin Followers	3.9M	1.2M	305.1K
	Twitter Followers	not using this platform	1.8M	5.3M
	Engagement Rate	0.19%	0.07%	0.36%
	How to Promote	seasonal posting new arrivals on social media, promoting clothes by reels, having view shop (Instagram Checkout)	Find different spokespersons according to different products, having view shop (Instagram Checkout)	Use reels to publish one-minute ads, focusing on the global ambassadors' image and suitability with the brand style, having view shop (Instagram Checkout)
Use of New Technology	VR,AR, Metaverse, Cryptocurrency, Meta	Meta, VR, AR	NFT	

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		Balenciaga	YSL	Alexander McQueen	Celine
About the Brand	Brand Image	embracing change, innovation and pushing boundaries.	Elegant, mysterious, passionate	adventurous, free	youth culture, elitism
	Target Audience	millennials (over 65%) (aged 27-42), Gen Z (aged 11-26)	middle- and high-class fashion connoisseurs aged 20-50	established and professional men and women aged 25-45	consumers with a sophisticated and minimalist lifestyle aged 25-50
	Target Market (Country)	the US (25.82%), Germany (9.12%), South Korea (8.46%)	The US (36.87%), Canada (6.75%), The UK (6.01%)	The US (35.61%), The UK (15.58%), Italy (8.19%)	The US (27.74%), South Korea (14.02%), Japan (6.94%)
Mainly Used Social Media	IG Followers	14.3M	12M	13M	6.6M
	Douyin Followers	3.9M	273.8K	140.7K	199.6K
	Twitter Followers	not using this platform	4.1M	1.9M	128.3K
	Engagement Rate	0.19%	0.29%	0.09%	0.28%
	How to Promote	seasonal posting new arrivals on social media, promoting clothes by reels, having view shop (Instagram Checkout)	To advertise in an elegant and solemn way, use hashtag #YSL, having view shop (Instagram Checkout)	The serious advertisement shows the edgy characteristics of the product, having view shop (Instagram Checkout)	The advertisement shows the modernity of the product, and the brand spokesperson is very targeted at young people. Use the hashtag #CELINEBYHEDISLIMANE, having view shop (Instagram Checkout)
	Use of New Technology	VR, AR, Metaverse, Cryptocurrency, Meta	NFT, Web3.0	VR, AR	VR

2.2.1 Table Analysis

● Balenciaga

Balenciaga chooses to focus its brand presence on other social media platforms, or they may be more focused on actual fashion events and presentations rather than actively promoting them on social media. This situation is not uncommon among high-end fashion brands. This is also the special place of Balenciaga

● Celine

Many South Korean celebrities, including actors, singers and models, often wear Celine's clothing and accessories. These celebrities have a large number of fans on social media, such as BlackPink's Lisa, and their clothing often attracts widespread attention, thereby increasing Celine's popularity. South Korea's popularity.

● Prada

Prada often combines fashion with art, architecture and culture. The brand collaborates with artists and architects to organize art exhibitions and cultural events, emphasizing its love of art and establishing a brand image full of depth and creativity. This is partly the same concept as Balenciaga

● Dolce & Gabbana

Dolce & Gabbana actively participates in social media platforms in digital marketing to connect with the younger generation of consumers. Brands often share the latest fashion trends, products and events on Instagram and other social media.

● **Alexander McQueen**

Alexander McQueen may target a specific target audience, which may be limited. High-end fashion brands often target consumers who are looking for exclusivity, luxury and exclusive style. This can lead to relatively low social media engagement rates because the target audience is relatively limited.

● **Yves Saint Laurent (YSL)**

YSL use NFT as a new technology examples include:

- Issuance of limited edition NFT: YSL can issue limited edition NFT, allowing collectors to own unique virtual art or digital collectibles.
- Hold a virtual fashion show: YSL can hold a virtual fashion show through NFT technology, allowing global audiences to participate virtually and possibly purchase corresponding virtual fashion items.
- Digital fashion design: YSL can cooperate with artists or designers to create unique digital fashion designs and convert them into NFTs.

2.2.2 *The use of new technology*

The relationship between the luxury industry and the virtual industry is one of mutual support and promotion. The virtual world provides more opportunities for luxury brands to expand their business, interact with consumers, and offer the customers unique shopping experiences. This connection helps the luxury industry stay competitive and caters to the modern consumer's demand for digital experiences and online shopping. Here is how Balenciaga and its competitors connect to the virtual industry.

● **Balenciaga**

- *VR,AR : "Fortnite" game components*

A virtual retail store was opened in the game, and these clothes were also sold physically as Balenciaga's new products at the time, further promoting the integration of the virtual and real worlds.

- *Metaverse : Create metaverse business unit*

Virtual fashion has become a focus for Balenciaga. To explore opportunities for marketing and commerce in the buzzy "metaverse", they created a new metaverse business unit.

- *Meta : Cooperate to set up virtual clothing store*

Balenciaga partnering with Meta to develop digital fashion experiences to set up virtual clothing stores.

- *Cryptocurrency : New payment method*

In 2022, Balenciaga announced a new payment method, cryptocurrency. Currently, the payment included BTC and ETH.

- **Prada**

- *Meta : Cooperate to set up virtual clothing store*

Apart from Balenciaga, Meta also collaborated with Prada to launch a virtual clothing store.

- *VR,AR : "Ubisoft" game components*

The collaboration between Prada and Ubisoft increases exposure of their product and attracts potential customers as well.

- *AR : Virtual Model on Instagram*

The Internet celebrity generation is coming, and the ability of Internet celebrities to carry goods has also attracted the attention of many brands. Lil Miquela is a virtual supermodel. In addition to wearing Prada clothes in IG posts, she also participated in Prada's fashion show. Although this virtual supermodel caused controversy and discussion among many netizens, it still improved the brand's product exposure.

- **Dolce & Gabbana**

- *NFT : launch new brand on UNXD*

NFT is a cryptocurrency like Bitcoin, but the difference is that each token of NFT represents a unique digital data, such as a picture, a video, a game project, or even a social post. The most important elements of a boutique are "rarity" and "exquisiteness." However, due to the increasing proliferation of counterfeit products, the artistry of it has been greatly reduced. The emergence of NFT puts an end to this phenomenon and marks the advent of the era of "digital boutiques". At the end of 2021, Decentraland announced that it will jointly hold a fashion week with the online boutique blockchain platform UNXD. Users can watch fashion shows in a virtual environment and purchase virtual clothes.

- **Yves Saint Laurent**

- *NFT, Web3.0 : Create virtual space of YSL beauty*

In addition to issuing NFT, YSL also plans to join forces with Arianee, a company that specializes in providing traditional enterprise Web3 solutions, to jointly develop a wallet called "YSL Beauty". In addition, YSL will also launch social tokens together with POOLS for collection by the YSL community. In

addition to expanding their goal to sell products directly through retail stores established in the Metaverse, their goal is to even develop their own YSL Metaverse.

- **Alexander McQueen**

- *VR : virtual fashion show, AR : virtual try on*

Alexander McQueen has started using virtual reality (VR) and augmented reality (AR) technology to present fashion shows. These virtual presentations allow audiences to engage in fashion shows through VR headsets or smartphone applications, providing a more immersive experience.

- **Celine**

- *VR : virtual exhibition*

Currently, Celine focuses more on reality shows. Their involvement in virtual technology or digital innovations was the virtual exhibition they held in 2022.

The competition in the virtual world is fierce, many boutique brands are striving to grab these opportunities. Balenciaga is currently one of the leaders in connecting the fashion industry with the virtual world. However, Balenciaga can use its high popularity on Douyin to create virtual models. In addition to reducing costs, it can also interact with consumers, share brand stories, and hold virtual events, thereby expanding the brand's visibility and influence. Furthermore, NFT has become a trend among major boutique brands. It is a new way to collect fashion items, which is an attraction for fashion lovers who pursue unique collectibles. NFTs allow brands to create unique digital assets that can represent limited-edition fashion items, artwork, or designer creations. And the authenticity of goods can be verified, further protecting brands from counterfeit and pirated goods. Balenciaga can issue NFTs belonging to the brand to develop a broader customer base.

3. Issues and Problems

The issue we are rectifying is Balenciaga's controversial advertising issue in November 2022. The following will describe how the incident occurred, discuss how Balenciaga responded to the public, and how Balenciaga handled the situation in a proactive manner. At the same time, the impact of this incident on social media will be analyzed.

3.1 Balenciaga Ad Controversial Crisis

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In November 2022, luxury fashion brand Balenciaga faced public backlash over a controversial protest that sparked controversy and outrage. At the first event, Balenciaga gift shop campaign, children wore limited, luxurious clothing and held teddy bears, leading to accusations of child abuse and inappropriate sex among the children (Fig 3). This led to widespread condemnation on social media, with the hashtag #cancelbalenciaga trending on platforms such as TikTok.

The second incident, known as the Garde-Robe campaign incident, involved a Supreme Court decision regarding laws regarding child nudity. Put this in a separate file to support the wallet (Fig3). The use of sensitive material led to accusations of child abuse and child abuse, causing public opinion to grow stronger against the brand and its creative director, Demna.



Fig. 3. Balenciaga Gift Shop campaign featuring children
(Source: The Time magazine)



Fig. 4. Balenciaga Garde-Robe campaign
(Source: The Fashion Law)

In response to the growing controversy, Balenciaga quickly removed the advertising campaign from its website and apologized. The first apology acknowledged inappropriately leaving luggage and various gifts for children. In the second apology, it was stated that the information obtained from the Garde-Robe campaign was provided by third parties, that it acknowledged that it was not accurate and that it regretted this omission.

Faced with persistent criticism, Balenciaga launched an internal investigation and vowed to cooperate with organizations combating such behavior. Child abuse. In an unexpected move, the brand filed a \$25 million lawsuit against manufacturer North Six, Inc., and its representative, Nicholas Des Jardins, claimed that the campaign contained genuine legal documents without Balenciaga's knowledge or consent.

Creative director Demna and CEO Cédric Charbit accepted responsibility for the controversial announcement and also apologized. Charbit has implemented new internal procedures to prevent future incidents, including commissioning external organizations to evaluate content and verify that existing verification procedures are deficient. The company is also trying to create a fund to protect children.

The criticism not only damaged Balenciaga's reputation for high-end products and luxury, but also sparked a broader debate about the ethical limits of the special announcement. Child gender is a sensitive issue. Balenciaga's response included an apology, legal action and internal reforms that highlighted the impact of public perception on fashion's most famous brand.

3.2 Balenciaga's Performance on Social Media

The controversial attack comes a day after Balenciaga closed its X (called as Twitter) account in response to Elon Musk's acquisition of the company. Therefore, X will not appear in the subsequent community analysis.

The following tables represent an analysis of the official accounts of Balenciaga on Instagram and TikTok before the crisis (Table 1) and after the crisis (Table 2).

Table 1. Data one month before the crisis: from October 20, 2022 to November 20, 2022

	Followers	Followers' growth	Performance index	Engagement	Total of Reactions
Instagram	14.4 M	0.74%	20%	0.58%	2.2 M
TikTok	3.1 M	6.9%	43%	5.9%	1.2 M

Source: The Power of Consumers on Social Media

Table 2. Data one month after the crisis: from November 20, 2022 to December 20, 2022

	Followers	Followers' growth	Performance index	Engagement	Total of Reactions
Instagram	14.3 M	-0,43%	2%	0.38%	716.000
TikTok	3.1 M	0%	1%	0.71%	22.000

Source: The Power of Consumers on Social Media

Shockingly, Balenciaga froze its two most important social media platforms after the crisis went viral on social media. The goal is to stop, turn off all messages and stay calm. Therefore, its development and work freezes. When we look at the Instagram account, we see that they lost 100,000 followers after the crisis, and their biggest drop (34,730 followers less) was on November 28, 2022 (Figure 5), which is based on their last apology.

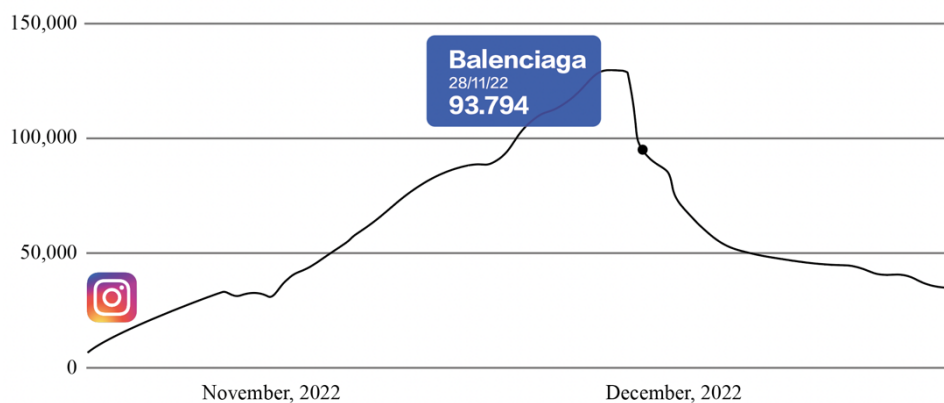


Fig. 5. Balenciaga’s Instagram followers from October 20 to December 20, 2022.

Source: The Power of Consumers on Social Media

Although TikTok is the second most important social media for the brand, it is the social media that receives the most likes (6.9%) and, most importantly, high engagement (5.9%). This app is a social media platform primarily targeted at Generation Z and is a way for Balenciaga to connect with this target audience.

This incident was the first problem Balenciaga encountered on the TikTok social platform and caused the platform to be negatively affected. Many people use TikTok as a tool to express their dissatisfaction with Balenciaga through various short videos, hoping that the brand can remove the ads, and even use hashtag to perpetuate Balenciaga's Cancel culture (Table 3). The most popular hashtag on TikTok is #cancelbalenciaga with more than 280 million views, followed by #boycottbalenciaga with more than 180 million views. #balenciagate shows how the connection between the brand and child gender was discovered. The above information shows that Balenciaga was not only criticized by the media for this situation, but also triggered a series of boycotts of the brand on social software.

Table 3. TikTok hashtags statistics

TIKTOK HASHTAGS	Visualizations
#burnbalenciaga	20.7 M
#cancelbalenciaga	286.5 M
#balenciagascandal	63.8 M
#boycottbalenciaga	186 M
#balenciagate	62.7 M
#nomorebalenciaga	6.1 M
Total	626.8 M

Source: The Power of Consumers on Social Media

4. Specifically define the goals

4.1 The main goal to be achieved (SMART)

In Chapter 4, our primary focus is on highlighting specific achievements that we would like to delve into further in the following analysis. Regarding the specific achievements of Balenciaga during the upcoming time period, we have formulated suggestions aimed at not only overcoming negative discussions surrounding them but also regaining their foothold in the current market.

Our proposed goals to provide solutions are:

1. Update its brand image.
2. Create a strong social media presence.

Addressing the first issue of updating the brand image, we observed that during previous advertising controversies, Balenciaga's response to customers and the public was not ideal in our opinion. Not only did they fail to issue an apology initially, but they also deactivated their X account (also known as Twitter) to diffuse the situation. This response caused customers to perceive that Balenciaga was unwilling to engage in communication, opting instead to shut down discussions. Our recommended solution for this issue is to open a new account. The positive reception of Thread (from Instagram), released in June 2023, indicates that establishing a new channel for customer communication is vital. This approach will help convey to customers that Balenciaga acknowledges its faults and is eager to engage in meaningful dialogue. It is estimated to achieve a 20% month-over-month growth in new user registrations from May to July 2024, details will be demonstrated more in Chapter 5, which discusses the KPI of our new implemented strategy and solution.

Turning to the second issue, which involves creating a strong social media presence, negative campaigns have surfaced on TikTok following the controversies. One notable movement is the #cancelBalenciaga campaign. This movement has gained significant traction, with social media users and potential stakeholders targeting Balenciaga. While negative campaigns are not uncommon on TikTok, we believe it's possible to counter this movement. Our team proposes launching a new hashtag campaign on TikTok, namely #IfImBalenciaga. Through this campaign, we aim to shift the narrative on social media from a negative to a positive stance. This strategy has the potential to help us regain our brand image and establish a strong social media presence. This would help the company to regain estimated 500,000 user-generated challenge entries within the first month and would increase 30% in positive brand mentions in TikTok videos. Details will also be mentioned in chapter 5.

Summary for SMART goals:

- *S (Specific)*: Convey customers that Balenciaga acknowledges its faults would try and improve; regain brand image through new hashtag campaign on TikTok.
- *M (Measurable)*: Achieve a 20% month-over-month growth in new user registrations for Threads; regain 500,000 user-generated challenges within the first month and increase 30% in positive brand image.
- *A (Achievable)*: Both ways of our strategy are now achievable through research.
- *T (Time-bound)*: Growth in new Threads user registrations from May to July 2024; regain estimated 500,000 user-generated challenge entries within the first month.

4.2 Short-term & Long-term goals

While short-term goals and long-term goals typically take several months or years to achieve, in this report, we will focus on developing these goals within a year. Social media is unpredictable and challenging to estimate; therefore, implementing both short-term and long-term goals appears reasonable. However, it is crucial to react swiftly to various situations.

All goals will be mentioned in this section but will be elaborated on further in the next chapter (Chapter 5, 5.2 Action Schedule) using the Gantt chart.

As mentioned in Section 4.1 on SMART goals, our long-term objective is to create a new communication channel, and we aim to achieve this in a few months. This initiative is vital for the company to establish a new way of communicating with stakeholders and to deepen our market presence. Balenciaga currently lacks an effective means of communication, especially with the shutdown of X (Twitter), which worsens the situation as Twitter is considered the most interactive social media platform. It is imperative for the company to maintain a channel for communication with stakeholders on social media, be it in the form of stories, posts, or direct messages. Opting for Threads, particularly if Balenciaga continues to use Instagram, would be more convenient since Threads is linked to Instagram. Additionally, for management purposes, Balenciaga should consider reposting Instagram content on Threads to facilitate deeper conversations and discussions among users.

Turning to short-term goals, our focus is on the new TikTok hashtag. Unlike long-term goals, social trends tend to diminish over time, which is why we plan to launch a campaign on this particular social media platform. During the TikTok trend featuring the new Balenciaga hashtag, we anticipate that the negative #cancelBalenciaga hashtag will be overshadowed. Companies often use hashtag campaigns to foster new trends, support social events, or simply advertise. We assume that the new trend will help Balenciaga by diverting attention from the negative image and simultaneously launching a new positive advertising hashtag campaign.

5. New social media solutions in 2024

5.1 Social Media Channels Plan

Having recently faced advertising controversies, Balenciaga needs to update its brand image and create a strong social media presence to increase brand awareness and influence conflict emotions. This article offers two strategies for mastering the use of social media platforms to build trust, emphasize social responsibility, and build a positive community.

5.1.1 Plan One: Utilizing Threads Application

Utilize Meta's newly launched Instagram Threads application to replace the deleted X. Threads, being a text-based social community app, allows users to focus more on the content written in text rather than images. In other words, text-based apps are the most suitable channels for sparking topic discussions, providing a platform where the brand can receive authentic and real-time interactive responses.

Currently, Balenciaga has opened a Threads account in November. This plan aims for Balenciaga to leverage Threads for real-time interaction, enabling the brand to rebuild trust with consumers.

5.1.2 Plan Two: TikTok AI filter challenge - #IfImBalenciaga

This plan aims to create positive social interactions and shift negative influence. Through collaboration with TikTok, initiate the #IfImBalenciaga, inviting users to participate in creative challenges to build a positive brand image.

- **Virtual Fitting Room Effect - Redefining Virtual Trends:**
 - Create a virtual fitting room effect that aligns with popular trends on TikTok.
 - Users, represented by NPC avatars, will choose the latest Balenciaga items in the effect, creating their virtual Balenciaga outfits.
- **UGC Promotion and Scoring Mechanism - Enhancing Interactivity:**
 - Encourage users to share their virtual outfits using the # tag.
 - Use an AI scoring effect to provide feedback to users, enhancing immersion and interaction.
- **Building Brand Engagement - Collaborative Content Creation:**
 - The Balenciaga official TikTok page will specially feature outstanding creations, increasing user engagement.

5.1.3 Expected Benefits

1. Balenciaga Brand Image Reconstruction:

- Utilizing Threads will strengthen the brand's ability to respond in real-time, rebuilding consumer trust.
- The TikTok creation challenge will create a positive community atmosphere, shifting negative influence.

2. Emphasis on Social Issues and Highlighting Brand Values:

- Through in-depth discussions on Threads, Balenciaga can actively participate in discussions on social issues, emphasizing the brand's social responsibility.
- In the TikTok creation challenge, brand values will be embodied through user creations, deepening consumer impressions of positive brand values.

3. Increased User Participation and Community Expansion:

- Threads will increase user participation, forming a community with depth.
- The TikTok creation challenge aims for users to create more User Generated Content, promoting community expansion.

5.2 Action Schedule

Action Schedule	2024/01	2024/02	2024/03	2024/04	2024/05	2024/06	2024/07
Threads Application Implementation	Active						
TikTok Challenge Development		Active					
Promotional Campaign Launch					Active		
User Engagement and Interaction						Active	
Monitoring and Analysis					Active		

Threads Application Implementation:

- Timeline: January - April 2024
- Explanation: The Threads Application implementation kicks off in January and spans until April to ensure a thorough development phase. This allows for comprehensive testing and optimization before launch.

TikTok Challenge Development:

- Timeline: February - May 2024
- Explanation: The TikTok Challenge development coincides with the Threads Application implementation to ensure a synchronized rollout. It spans from February to May, allowing for creative planning, collaboration with TikTok, and technical development.

Promotional Campaign Launch:

- Timeline: May 2024 - Ongoing
- Explanation: The promotional campaign is strategically launched in May, leveraging the synergies between the Threads Application and TikTok Challenge. This timing aims to capture the audience's attention during a period of heightened interest.

User Engagement and Interaction:

- Timeline: June - Ongoing
- Explanation: Post-launch, the focus shifts to user engagement and interaction on both the Threads Application and TikTok Challenge. This phase involves active community management, responding to user-generated content, and fostering a positive brand image.

Monitoring and Analysis:

- Timeline: May 2024 - Ongoing
- Explanation: Continuous monitoring and analysis are crucial. This ensures that the strategy remains adaptive, allowing for real-time adjustments based on user feedback, social media trends, and the evolving digital landscape.

5.3 Target Audience

Demographic Traits	Threads Application	TikTok Challenge
Age Group	Primarily 18 to 34, seeking textual engagement.	Predominantly 16 to 30, with a focus on Gen Z.
Income Level	Diverse income spectrum, mid to high earners.	Relatively affluent, but inclusive participation.
Geographic Location	Global appeal, concentrated in urban areas.	International, with a focus on urban centers.

Psychographic Traits	Threads Application	TikTok Challenge
Lifestyle	Intellectual curiosity, interest in social issues.	Active lifestyle, passion for fashion exploration.
Values and Beliefs	Values authenticity, social responsibility.	Values self-expression, creativity, inclusivity.
Social Media Behavior	Prefers deeper engagement, meaningful connections.	Prefers short-form, visually engaging content.

5.4 Content exposed to the TA

The content disclosed to TA in this chapter will focus on plan 2: TikTok challenge. The following is the description of the special effect "If I am Balenciaga," a virtual fitting room co-created by Balenciaga and TikTok. Users will emulate Non-player characters (NPCs), a viral trend on TikTok with over 14.9 billion views. Within the gaming effects, users can select the latest Balenciaga collection items to create their virtual Balenciaga outfits. The game concludes with a special effect that evaluates and scores the user's outfit, enhancing immersion and interaction.

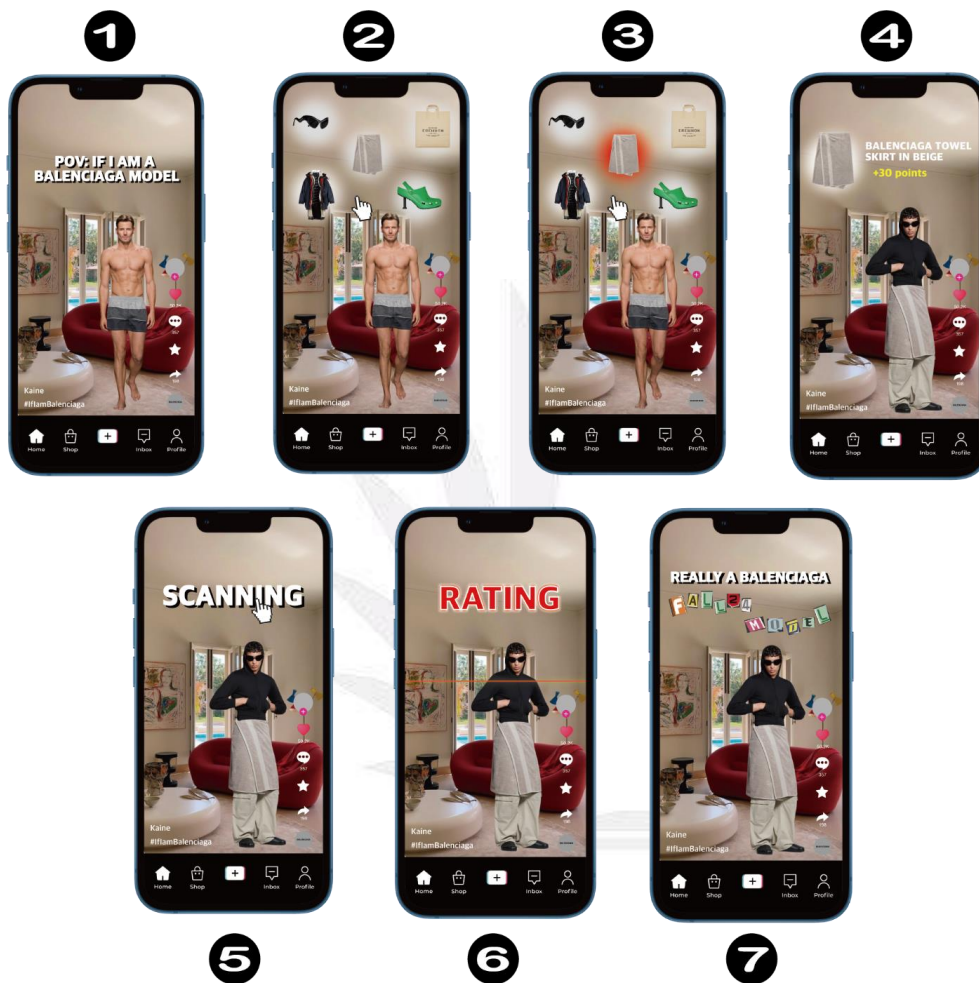


Fig. 6. Balenciaga Gift Shop campaign featuring children
(Source: Made by Author)

We aim to initiate a trend with this User Generated Content (UGC), leveraging the popularity of Balenciaga products. Due to the high price points, consumers often find it challenging to experience the products physically. Enabling individuals to virtually engage with the brand fosters a willingness to experiment, thereby increasing the brand and product's visibility and discussion. In other words, this project aims to encourage more users to generate UGC for Balenciaga. Their accounts effectively become advocates for the brand, contributing to the viral spread of brand awareness, similar to a "virus," reaching broader audiences.

This initiative also serves to overshadow and mitigate the impact of previously popular negative hashtags on TikTok, such as #cancelbalenciaga. The new challenge's hashtag is intended to surpass and drown out the exposure of negative information, thus reducing the prominence of unfavorable narratives.

5.5 Expected Key Performance Index

5.5.1 Threads Application KPIs

User Acquisition:

- Objective: Increase the Threads Application user base.
- KPI: Achieve a **20% month-over-month growth** in new user registrations from May to July 2024.

Engagement Rate:

- Objective: Foster meaningful discussions and interactions.
- KPI: Maintain a **minimum of 15% engagement rate** on Threads posts and discussions.

User Satisfaction:

- Objective: Ensure user satisfaction with the application.
- KPI: **Achieve a customer satisfaction score (CSAT) of 80%** or above through user feedback surveys.

5.5.2 TikTok Challenge KPIs

User Participation:

- Objective: Encourage active user participation in the #IfImBalenciaga
- KPI: Garner a minimum of **500,000 user-generated** challenge entries within the first month.

Brand Mentions:

- Objective: Increase positive brand mentions on TikTok.
- KPI: Achieve a **30% increase** in positive brand mentions in TikTok videos compared to the pre-campaign period.

Challenge Engagement:

- Objective: Maintain sustained engagement throughout the challenge.
- KPI: **Sustain a 10%** week-over-week increase in challenge-related interactions (likes, shares, comments) during the campaign.

5.6 Before and after analysis

5.6.1 Before Analysis (Pre- Nov. 2023)

1. Advertising Controversy Impact

Balenciaga faced vehement backlash, primarily on TikTok, as #cancelbalenciaga gained momentum. The fallout was characterized by a decline in social media engagement and a notable deterioration in brand sentiment.

2. Social Media Metrics (Pre-November 2023):

Platform	Followers	Engagement Rate (%)	Total Reactions
Instagram	14.4M	0.58	2.2M
TikTok	4M	5.9	1.2M

3. Twitter Account Closure:

Balenciaga's decision to close its Twitter account underscored the severity of the situation, limiting its reach on this platform.

5.6.2 After Analysis (Post-2024)

1. Successful Integration of Threads Application and TikTok Challenge

In January 2024, Balenciaga launched the Threads Application, a text-based platform that gradually gained popularity, particularly among users aged 18 to 34. By July 2024, the platform had cultivated a diverse user base focused on intellectual engagement and curiosity, with positive growth indicators.

Concurrently, the TikTok Challenge #IfImBalenciaga unfolded successfully, surpassing expectations by garnering over 800,000 user-generated entries. The challenge, targeting the 16 to 30 age group, utilized a virtual fitting room effect and user-generated content (UGC) to enhance brand visibility. The strategic synergy between the Threads Application and TikTok Challenge, along with the promotional campaign launched in May, contributed to a steady recovery in social media metrics.

2. Robust User Engagement Across Platforms

Following the successful launch and integration, Balenciaga prioritized active community management on both Threads and TikTok. The Threads Application maintained a healthy engagement rate of over 15%, fostering meaningful discussions among users. Simultaneously, on TikTok, the #IfImBalenciaga challenge sustained a 12% week-over-week increase in challenge-related interactions, showcasing sustained engagement and positive sentiment.

The ongoing commitment to monitoring and analysis remains integral to adapting strategies in real-time. Balenciaga recognizes the significance of user feedback, social media

trends, and the evolving digital landscape in guiding future adjustments and ensuring the continued success of its social media presence.

3. After Implementation Social Media Metrics (July 2024):

Platform	Followers Nov 2023	Followers Jul 2024	Engagement Rate (%) Jul 2024	Total Reactions Jul 2024
Instagram	14.4M	14.7M	2	2.42 M (Assuming a 10% increase in total reactions per follower)
TikTok	4M	4.8 M	8	1.38 M (Assuming a 15% increase in total reactions per follower)
Threads	1M (Just opened an account)	1.8M	N/A (Early stage)	N/A (Early stage)

6. Cost & benefit analysis

6.1 Associated cost

6.1.1 Threads Application Associated cost

Category	Items	Expected Price
Customers engagement	Social media automation (To implement real-time reply)	USD\$1,000/month
	In-depth discussions on the posts	Posts writer: USD\$1,000/month (Project-based rates for writing social media content range from \$500 to \$1,500 per month.)
Marketing and promotion	Celebrities endorsement cost	Influencer promoting cost: $5,000 \times 20 = \text{USD}\$100,000$ (1) USD\$5,000 perpost for each macro influencer (500,000 - 1,000,000 followers) (2) 20 influencers' post per year
	Influencers promoting cost	Influencer promoting cost: $5,000 \times 20 = \text{USD}\$100,000$ (1) USD\$5,000 per post for each macro influencer (500,000 - 1,000,000 followers)

		(2) 20 influencers' post per year
	Advertising cost	<p>US\$145,500/year (1M*15%*US\$0.97)</p> <p>(1) Fans amount: 1M</p> <p>(2) Expected engagement rate: 15%</p> <p>(3) CPC (Cost per click): USD\$0.97</p>

Threads, Instagram and Facebook are social media launched by Meta. Because of Meta's deep pockets and experience successfully running Instagram and Facebook, expect Threads to thrive and expect it to eventually introduce advertising. The above cost analysis is estimated based on Balenciaga's marketing strategies on Facebook and Instagram. Firstly, customer engagement. To rebuild consumer trust, Balenciaga should implement real-time reply by using social media automation. At the same time, recruit post writers to process in-depth discussion on the posts. Secondly, Marketing and promotion, including celebrities' endorsement cost, influencers promoting cost and the advertising cost. The average cost of each product of celebrity endorsement is USD\$13,000, as Balenciaga will collaborate three products with celebrities each year. And the cost per post for each macro influencer is USD\$5,000, as the expected collaboration with influencers per year is 20 posts. Currently the fans amount of Balenciaga on Threads is 1M and they should maintain a minimum of 15% engagement rate on posts and discussions. As a result, their advertising cost is USD\$160,050.

6.1.2 TikTok Challenge Associated Cost

Category	Items	Expected Price
Technical Development	AR, AI	US\$30,000-50,000
	Data Collection and Processing	US\$5,000-10,000
	Sensible Technologies (3D Body Scanning)	US\$100,000-200,000
Marketing and Promotion	Investing in Advertisement	US\$20,000-50,000
	Influencer Collaborations	US\$2,000-5,000/month

Partnership	Revenue Share	Giving 15% of the revenue to TikTok/advertisement
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The collaboration between Balenciaga and TikTok to launch a sensible technology-driven AI virtual fitting room represents a strategic venture that could involve various potential costs. Initial expenses may encompass significant technical development costs, covering the creation and refinement of algorithms, image recognition technology, and virtual reality features. The need for extensive data collection, including diverse clothing samples and various body types for accurate simulations, could contribute to additional costs. Moreover, marketing and advertising expenses are anticipated to play a crucial role in promoting this innovative and sensible technology, encompassing online promotions, social media campaigns, and potential offline events. Collaborative partnerships with TikTok may involve fees associated with platform usage and joint promotional efforts. These various cost elements collectively reflect the investment required to develop, promote, and integrate a sensible technology-driven AI virtual fitting room experience into the TikTok platform.

6.2 Associated Benefits

6.2.1 Threads Application Associated Benefits

Category	Numerical Measurement	Expected Price
Brand Awareness	Advertisement	$100,000 * 3 = \text{US\$}300,000$ (1) US\$100,000/1M views (2) 3 celebrities' endorsement per season
Online Sales	Instagram shop	$\text{Estimated IG shop purchasing amount: } 300\text{M} * 0.92 = \text{US\$}276\text{M}$ (1) Net sales for online shopping: 300M (2) Expected purchasing rate: 92%

Since all threads users need to link their Instagram accounts to activate, the fan interaction rates of threads and Instagram are complementary to each other. Balenciaga is widely loved for its futuristic design style, and its use of artist endorsement marketing will attract the love of Generation Z. Moreover, 92% of fans will buy their favorite products after seeing them on social media. The emergence of threads will therefore increase the purchase rate of Instagram shops.

6.2.2 TikTok Challenge Associated Benefits

Category	Numerical Measurement	Expected Price
Brand Awareness	Advertisement (#IfImBalenciaga)	US\$240/post 6M/1,000 (views)*US\$0.04=240
Sales Growth	E-commerce Sales (Virtual Fitting Room)	US\$1,580M for E-commerce sales in 2024 Sales Revenue in 2023: US\$2,000M Expected growing rate by e-commerce: 79% US\$2000M*0.79=1,580M
	Personalized Services	US\$800M for sales of personalized services in 2024 Sales Revenue in 2023: US\$2,000M Expected growing rate by personalized services: 40% US\$2000M*0.4=800M
Online and Offline Sales	Online Shopping Experience (Gen Z)	US\$582M for sales of online shopping in 2024 Net sales for online shopping in 2023: US\$300M Expected growing rate for willingness of online shopping: 94% US\$300M*1.94=582M

For the benefits, by leveraging TikTok's expensive user base, it can significantly enhance Balenciaga's brand awareness, reaching a diverse audience, particularly appealing to the tech-savvy Generation Z. The immersive and interactive nature of the AI fitting room experience not only fosters engagement but also addresses the growing trend of online shopping preferences, potentially translating into increased sales revenue. As more personalized services, the likelihood of them being more inclined to make online purchases is heightened. This strategic collaboration not only positions Balenciaga at the forefront of technological innovation but also aligns with market trends, fostering a digital shopping environment that resonates with the preferences of contemporary consumers.

7. Backup Plan

To address the first question of the brand's image update, we observed that in the previous advertising controversy, Balenciaga's response to customers and the public did not look good to us. Not only did they fail to apologize at the outset, but they also deactivated their Twitter feed to calm the situation. This response led customers to believe that Balenciaga

was unwilling to communicate and chose to shut down the discussion. Our proposed solution was to open a new account, inspired by the June 2023 positive Snapchat reviews. This approach not only creates a new customer communication channel, but also effectively communicates that Balenciaga recognizes mistakes and is eager to have meaningful conversations.

Snapchat's strengths include instant messaging, short message lives, highly interactive features, and widespread use by young audiences. The "instant disappearance" feature of Snapchat allows users to share their lives in the moment and not keep it on the platform for long, adding a sense of authenticity to sharing. Its unique filtering and instant messaging features also provide a rich interactive experience that appeals to the younger demographic. This quick filtering and instant messaging format are more in line with the trend of spreading information quickly, making it a powerful tool for brand communication and marketing. Incorporating the new Snapchat account into Balenciaga's strategy compensates for previous.

Speaking of the second issue of building a strong social media presence, there have been several negative campaigns on TikTok as controversial events have occurred. One notable campaign is the #cancelBalenciaga campaign. This campaign has gained considerable attention, with social media users and potential stakeholders questioning Balenciaga. Whilst it's not uncommon for negative campaigns to appear on TikTok, we believe it's possible to counter this campaign. With our team proposing new platforms such as Instagram reels or YouTube shorts, we aim to shift the narrative on social media from negative to positive. This strategy has the potential to help us rebuild our brand image and establish a strong social media presence. Optimize this paragraph.

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