

MARKETING

## Do brand scandals follow familiar patterns in China?

October 21, 2022



Decisive moves helped Dior nip a potential scandal in the bud in China in 2021. Image credit: Shutterstock

By [Jing Daily](#)

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The following is an excerpt from Jing Daily's Insight Report, "[Surviving Scandal in China's Luxury Market](#)." Packed with market research, best practices and case studies, the report is a must-read for anyone interested in avoiding or limiting the fallout from controversies when they arise. Download your copy of the report [here](#).

Looking historically, there is no indication that international, or indeed even domestic, brands will ever fully escape the cycle of outrage and boycott in mainland China whether manufactured or encouraged by central government authorities, amplified by bots or sock-puppet accounts, or led by grassroots consumers. Economic pressure is, and has always been, a powerful tool for Chinese authorities to keep international brands operating within its particular business parameters at risk of fines, expulsion from the market, or other punitive measures.

However, by recognizing the general patterns of context around which these types of scandals and boycotts occur, companies can, at least, develop rapid response plans in advance for multiple scenarios.

In the event that they are caught up in a wider geopolitical controversy that sees their home country in a dispute with the People's Republic of China such as South Korea's THAAD deployment or Japan's Senkaku/Diaoyu island dispute a specific response plan can include official statements of being apolitical and reiterating that China operations will not be impacted by the political dispute.

In the event of more violent boycotts such as the 2012 anti-Japan boycott that saw Japanese businesses in China incur an estimated \$100 million in damages pre-emptive store closures and statements of why these closures have happened could be necessary.

But for houses that have the means, a pre-emptive move used by Japanese beauty brands, in particular is to consider launching China-only or sub-brands, which are less likely to be targeted by nationalistic consumers during boycotts. One example here is [Shiseido](#), which rolled out exclusive China-only lines such as Aupres and Urara in recent years.

Another strategy to insulate oneself from anti-foreign boycotts is to invest in local startups, as in the case of Spanish fashion and fragrance company Puig's backing of upstart fragrance brand Scent Library in 2021.

Addressing manufactured or exaggerated outrage, however, can be a far more nebulous endeavor, with a brand left to its own judgment and often struggling to discern whether a particular reaction is warranted and if an official response is necessary.

One example of this is Dior's response to the "[slanted eyes controversy](#)" in 2021, which was in reality a largely sock-puppet and bot-fueled scandal that lacked widespread support among consumers familiar with Dior or the work of Chinese photographer Chen Man.

Although the brand likely recognized the manufactured nature of this controversy, Dior moved quickly to counter it, clarifying that the image featuring a model with small eyes was not a commercial advertisement for the brand.

The luxury name also confirmed that all related content had been removed both online and off, and published a Weibo post saying it would continue to respect the feelings of the Chinese people, abide by Chinese laws, and cooperate with related authorities to strictly review works to go on public display.

Dior fans who were unmoved by the attempted cancellation from the beginning remained, and further attempts to stir up controversy simply failed to gain traction.

*Download your copy of "[Surviving Scandal in China's Luxury Market](#)" on [Jing Daily's Reports](#) page.*

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