10.2478/vjes-2025-0015

Symbolic Disruption and Brand Identity in Luxury: The 'Made in China' Backlash in the Digital Age

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Abstract

This article investigates the influence of social media on brand identity in the luxury sector, focusing on the 2025 reputational crisis triggered by revelations about Chinese manufacturing origins. Drawing on an interdisciplinary framework that combines marketing, crisis communication, social psychology, and digital sociology, the study examines consumer reactions on Weibo, Twitter, and Instagram, and their impact on brand perception. Through sentiment analysis, financial data from LVMH, Prada, and Kering, and digital discourse monitoring, the research assesses the magnitude and dynamics of the backlash. Findings reveal a significant decline in stock value, consumer trust, and sentiment polarity, despite diverse brand response strategies. Ultimately, the study highlights the persistent tension between artisanal heritage and globalized production, raising critical questions about transparency, authenticity, and narrative coherence in the management of luxury brands in the digital era.

Keywords: *luxury brands, brand identity, social media crisis, reputation management, consumer backlash.*

JEL Classification: M31, M37, M14, G14

Introduction

The luxury industry, historically perceived as a bastion of prestige, craftsmanship, and exclusivity, has undergone a major transformation in its relationship with consumers over the past decade. This shift has been significantly amplified by the rise of social media, which has deeply altered traditional mechanisms of brand communication and reputation management. Once controlled almost exclusively by the brands themselves through carefully orchestrated campaigns, brand image is now co-constructed with (and sometimes shaped by) consumers and online communities.

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The 2025 media scandal, which erupted following widespread revelations about the Chinese origin of manufacturing in several luxury brands, highlights the risks associated with the transparency imposed by digital platforms. Outrage voiced by users on platforms such as Weibo, Twitter, and Instagram sparked a viral wave of criticism, illustrating the power of so-called "bad buzz."

The central research question of this article is the following: *To what extent do social media influence brand identity in the luxury sector, particularly during reputational crises such as the "Made in China" backlash?*

To answer this question, we propose a comprehensive analysis that combines a literature review, an extended theoretical framework, a mixed methods approach, empirical case studies, and a discussion of managerial implications for brand management and crisis communication strategies.

1. Literature Review

The impact of social media on brand reputation has been widely examined in the literature, particularly in relation to the speed and scale at which information circulates in digital environments. Kaplan and Haenlein (2010) note that social media platforms enable the rapid and widespread dissemination of both positive and negative information, thereby increasing the vulnerability of brands to public evaluation. This transformation has significantly altered the communication landscape, as consumers are no longer passive recipients of brand messages but active participants in the creation and distribution of brand-related content. In this regard, Mangold and Faulds (2009) argue that consumer-to-consumer communication has become more influential than traditional advertising, highlighting the growing importance of electronic word of mouth in shaping public perceptions. As a result, a brand's reputation can be strengthened or undermined within a matter of hours, depending on how information is produced, interpreted, and shared online.

The literature on online rumors further reinforces the instability of brand reputation in digital spaces. DiFonzo and Bordia (2007) explain that rumors tend to emerge in situations characterized by uncertainty and ambiguity, where they function as informal mechanisms for filling informational gaps and providing explanatory narratives. In organizational and market contexts, such rumors can influence stakeholder interpretations and behaviors, particularly when official information is limited or delayed. This issue becomes especially significant in the luxury sector, where brand meaning is deeply tied to symbolism, exclusivity, and authenticity. Studies on brand image and country-of-origin effects suggest that information concerning product origin can have a particularly strong impact on consumer perceptions in the luxury market [Godey et al., 2012]. Because luxury brands derive much of their value from carefully constructed symbolic associations, rumors about provenance, production practices, or authenticity may have amplified reputational consequences.

Crisis communication research offers a useful lens for examining how organizations should respond to threats emerging on social media. Coombs (2012) argues that an effective response depends largely on speed, transparency, and consistency, since these elements are essential for preserving stakeholder trust during periods of reputational vulnerability. In digital environments, their importance is even greater because communication unfolds immediately and invites constant public interaction. Veil et al. (2011) likewise note that crisis communication strategies must be adjusted to the specific dynamics of social media,

where information circulates rapidly, audiences react in real time, and organizations are expected to communicate directly with the public. Viewed together, these perspectives show that in a highly connected communication environment, brand reputation is increasingly influenced by online conversations, making digital crisis management a key concern for contemporary organizations.

2. Theoretical Framework

This study is grounded in an interdisciplinary theoretical framework that draws on marketing, crisis communication, social psychology, and communication studies. It seeks to explain how brand identity is constructed, exposed, and potentially destabilized during crises amplified by social media.

2.1. Social Media, Emotions, and Crisis Propagation

Emotions play a critical role in the dynamics of digital crises. Virality is intensified when content evokes strong feelings such as anger, betrayal, or outrage [Cheng & Cameron, 2017]. A rumor becomes viral when it touches on powerful identity symbols (such as the geographical origin of a luxury product), triggering collective emotional responses that spread rapidly.

Social platforms (Twitter, Weibo, Instagram, TikTok) serve as digital public arenas where brand identities are negotiated, contested, and often destabilized [Sebastião, 2013]. Unlike traditional media, these spaces provide immediate visibility to consumer reactions, turning any crisis into a public and interactive event. Crisis management is no longer unilateral but dialogic, requiring both emotional and strategic responsiveness from brands.

The combination of strong emotions and real-time exposure generates uncontrollable virality. A perceived misstep, inconsistency, or omission can spark a cascade of reactions, which algorithmic amplification can exacerbate, thereby intensifying the bad buzz.

2.2. Brand Image and Reputation as Intangible Capital

Brand image lies at the core of luxury companies' strategy. It represents an intangible asset built upon a set of mental representations projected by the brand and perceived by the consumer [Aaker, 1996; Keller, 2003]. It is rooted in symbolic attributes such as rarity, quality, heritage, and authenticity. In this context, any dissonance between the projected image (excellence, tradition, craftsmanship) and the perceived image (standardization, outsourcing, industrialization) can rapidly erode brand credibility.

Reputation, on the other hand, is a dynamic social construct, resulting from the accumulation of judgments made about the company over time [Heugens, 2004]. It functions as a form of collective and emotional memory. When a crisis occurs, this memory can turn against the brand if it is not perceived as ethical, transparent, or aligned with its stated values. This phenomenon is particularly critical in the luxury sector, where reputation underpins desirability and justifies premium pricing.

2.3. Digital Reputation and Economic Performance

The impact of reputational crises extends beyond image and directly affects financial results. Luo, (2009) demonstrates that reputational damage leads to a loss in stock

market value, increased volatility, and a short-term decline in sales. In symbolically charged sectors such as luxury, these effects are amplified.

Empirical data show that viral crises provoke immediate reactions in financial markets. The decline in stock prices observed at LVMH, Kering, and Prada during the "Made in China" bad buzz of 2025 illustrates this correlation. Symbolic rejection transforms into economic disengagement. Investors respond to a loss of public trust and fears of boycotts, while consumers (shaped by viral narratives) reduce their purchases. Thus, reputation and financial performance form an inseparable pair in the image-driven economy. More than revenue loss, it is the symbolic devaluation that concerns financial stakeholders, as it undermines the intangible capital upon which brand valuation depends.

2.4. Cultural Issues, Manufacturing, and Symbolic Legitimacy

The concept of the country-of-origin effect Verlegh & Steenkamp, (1999) plays a central role in how luxury goods are perceived. Consumers typically associate quality, prestige, and authenticity with certain national origins (e.g., France, Italy, Switzerland), while others (such as China) are perceived as industrial, standardized, or linked to counterfeiting.

However, this perception is evolving. China has made significant advancements in high-end manufacturing, with luxury brands increasingly collaborating with Chinese workshops to ensure premium quality. Co-development projects with brands like Prada and Dior illustrate how Chinese production is integrating craftsmanship and innovation, challenging outdated stereotypes.

This paradox is especially striking given that many luxury brands outsource a significant portion of their production to Asia, particularly to China and Vietnam, for cost and industrial capacity reasons. According to the Business of Fashion, 2023, approximately 20 to 30% of luxury leather goods are partially produced in China, though this is rarely disclosed in public brand communications. Prada, LVMH, and others have acknowledged operating production units or partnerships in the Guangdong region.

This dissonance often fuels a sense of cultural betrayal when revealed via social media. China is also the producer of counterfeit luxury products (over 80% according to the [OCDE, 2021], reinforcing prejudices about perceived quality. Past scandals, such as those involving Dolce & Gabbana in 2018 or Balenciaga in 2022, have reinforced this distrust, showing that beyond the place of production, what consumers scrutinize most is the coherence of a brand's narrative identity.

2.5. Geographic Origin and Perceived Quality

The perception of "Made in China" in the luxury sector is strongly influenced by the country-of-origin effect, whereby perceived product quality is partly shaped by its country of manufacture [Verlegh & Steenkamp, 1999]. In high-end industries, this perception remains polarized: countries such as France, Italy, or Switzerland are traditionally associated with authenticity, prestige, and craftsmanship, while China is still sometimes perceived (particularly in Western markets) as a hub for industrial or standardized production [Kapferer & Bastien, 2011]. Although these representations are evolving, they continue to influence consumer preferences, especially in Western countries.

A. A Low-Profile Industrial Dependence Within Global Luxury

Despite a dominant narrative emphasizing European artisanal heritage, many luxury houses outsource part of their production to Asia. According to an investigation by The Business of Fashion in 2023:

- Approximately 20 to 30% of luxury leather goods are partially manufactured in China or Vietnam;
- Brands such as Prada confirmed the existence of production units in China for some ready-to-wear lines as early as 2018;
- LVMH holds industrial agreements in the Guangdong region for the production of textile components and accessories;
- The average hourly labor cost in China is estimated at $3.50 USD, compared to $22–30 USD in French or Italian workshops [ILO, 2023].

This industrial strategy is driven by efficiency and competitiveness but is rarely highlighted in brand communications, in order to preserve coherence between the artisanal imagery promoted by luxury brands and the exclusivity expected by their clientele.

B. Counterfeiting, Past Controversies, and Symbolic Distrust

China accounts for approximately 80% of global counterfeit luxury production, according to the OECD [OCDE, 2021]. This reality fuels persistent stereotypes in Western markets, where products made in China are sometimes perceived, rightly or wrongly, as less authentic or of lower quality. Several media events have heightened this sensitivity:

- In 2018, Dolce & Gabbana faced a massive boycott in China following a campaign deemed culturally inappropriate, resulting in a 25% drop in sales in that market (Jing Daily, 2019);
- In 2022, Balenciaga was forced to distance itself from certain Southeast Asian subcontractors implicated in labor controversies [Business of Fashion, 2023].

These episodes have crystallized distrust regarding the alignment between brand storytelling and actual industrial practices, particularly when transparency is lacking.

C. Transparency Management Strategies

To address these perception issues, some brands have adopted selective transparency approaches. For example:

- Burberry regularly publishes CSR reports detailing its supply chains [Burberry, 2025];
- Other groups, such as Kering, remain more discreet about the geographical details of their production sites in public communications.

The 2025 “Made in China” controversy has exposed the limitations of such strategies in an era of digital transparency. Social media operate as mechanisms of collective disclosure [Sebastião, 2013], rendering any perceived concealment suspect or even counterproductive. Despite the ambivalent perceptions previously discussed, China today plays a crucial role in the global luxury value chain not only as a consumer market but also as an industrial production hub.

Table 1.

China’s Contribution to Global Luxury Goods Production (2023–2024)

Indicator	Estimated Value (2022–2023)
China’s share in global luxury apparel production	32%

Indicator	Estimated Value (2022–2023)
Number of ISO 9001-certified textile production units in China	> 4,200
Share of Chinese high-end textile exports to Europe	19%
Growth of the "Made in China 2025" label in luxury textiles	+14% over 3 years
Co-development projects (e.g., Prada, Dior, Hermès) with Chinese workshops	> 20 pilot projects since 2021

Source: Compiled and summarized by the authors from: (Bain & Company, 2024, p. 12-15; Business of Fashion, 2023, p. 32; International Labour Organization, 2023; McKinsey & Company, 2024)

This rise in industrial competence is accompanied by stricter quality control processes, internationally recognized certifications, and premiumization initiatives in key provinces such as Guangdong and Zhejiang.

Contrary to the persistent view of China as merely a source of low-cost subcontracting, a growing share of luxury production carried out there now reflects high technical precision, efficient logistics, and the ability to meet the demanding quality standards of European brands. This shift should be taken into account in discussions about the legitimacy of "Made in China," particularly in the context of a globalized system of craftsmanship and production.

Overall, this subsection underlines the vulnerability of symbolic brand assets in the digital age, especially when tensions arise between brand narratives, the realities of globalized production, and consumers' emotional expectations. Even when industrial practices are strategically justified and fully compliant, public perception often remains shaped by cultural narratives and long-standing stereotypes.

3. Methodology

This study uses a mixed-methods design to explore the reputational effects of the "Made in China" backlash on luxury brands. The analysis brings together three complementary dimensions: financial market data, social media sentiment and discourse, and qualitative examination of brand communication. Combining these sources makes it possible to capture the crisis not only as a market event, but also as a communicative and symbolic phenomenon shaped by digital interactions.

To assess the economic effects of the controversy, historical stock market data were gathered for several major luxury groups, including LVMH, Kering, Prada, Hermès, Burberry, and Richemont, using data available from Euronext (2025) and the NYSE platforms. Weekly variations in stock prices were monitored from March to June 2025 and compared with the volume of negative references circulating on social media. Graphs were used to illustrate market movements during and after the peak of the crisis, while the interpretation of these trends was informed by comparison with earlier crises affecting the luxury sector.

The digital dimension of the crisis was examined through a corpus of more than 45,000 posts collected from Twitter, Weibo, Instagram, and Reddit between April and June 2025. The dataset was compiled with the help of Talkwalker and Brandwatch (2025). NLP-based techniques were applied to identify recurring keywords, dominant hashtags, and the overall emotional tone of the posts, classified as positive, neutral, or negative. In addition,

diffusion graphs were used to trace the spread of the controversy online and to observe changes in user engagement and sentiment over time.

The qualitative part of the study focused on four major luxury brands: LVMH, Prada, Kering (Gucci), and Burberry. These cases were selected in order to compare different communication approaches adopted during the crisis. The analysis included official statements, audiovisual materials, crisis communication campaigns, and broader brand storytelling strategies. Particular attention was paid to how these responses were received by the public, especially regarding emotional intensity, perceived authenticity, and consistency with the brand's identity.

The study relies exclusively on publicly accessible data and does not include interviews with managers, employees, consumers, or other stakeholders directly involved in the events examined. Its timeframe is also limited to the three months following the peak of the crisis, which means that longer-term reputational developments may fall outside the scope of the analysis. Although the use of multiple methods strengthens the overall reliability of the findings, the results may not fully capture conversations taking place in private or restricted digital spaces, such as closed social networks, encrypted messaging channels, or private forums.

4. Results Analysis

4.1 Impact of the "Made in China" Bad Buzz – Before/During/After Comparison

The table below summarizes the main financial and reputational indicators observed before (March 2025), during (April 2025), and after (June 2025) the peak of the "Made in China" controversy. These data provide a concrete measurement of the immediate impact of the crisis on stock performance, brand perception, and social media visibility.

Table 2.

Evolution of Financial and Reputational Indicators Surrounding the "Made in China" Bad Buzz

Indicator	Before the crisis (Mar 2025)	During the crisis (Apr 2025)	After the crisis (Jun 2025)	Change Mar–Jun
Average stock price (LVMH)	€870	€790	€835	–4%
Negative mentions on Twitter	28,000	240,000	132,000	+371%
Instagram engagement rate (%)	3.2%	9.1%	5.8%	+81%
Revenue (LVMH – semester)	€37.8 billion	(indirect impact)	€35.4 billion	–6.3%
Positive sentiment (Weibo/Twitter)	52%	21%	33%	–19 pts

Sources: compiled from (Brandwatch, 2025; Euronext, 2025; Instagram Business, 2025; LVMH, 2025; Talkwalker, 2025)

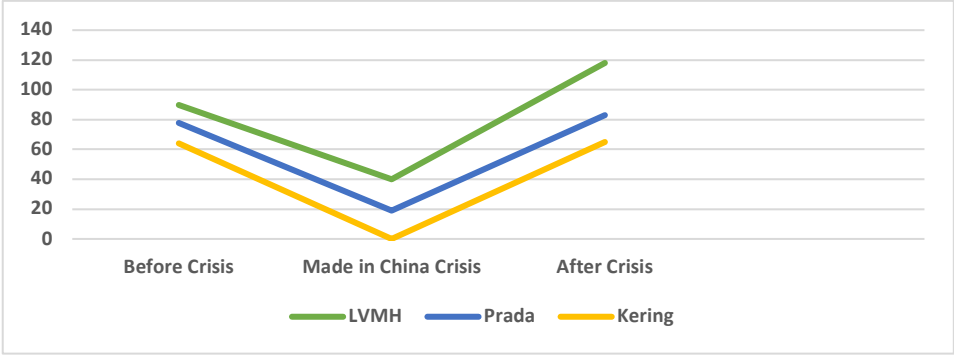
The data confirm that the "Made in China" bad buzz in spring 2025 triggered immediate, systemic, and measurable effects both in reputational and financial terms.

- Before the crisis, indicators were stable.
- During the crisis, a surge in negative signals reflected a loss of narrative control.
- After the crisis, some indicators partially rebounded but did not return to their initial levels, suggesting a lasting impact.

More specifically, the LVMH stock price fell by 7.3% between March and May 2025, reflecting investor distrust. This drop stemmed from both reputational damage and fears of consumer boycotts in Asian markets.

Graphic 1.

Stock Price Evolution of LVMH, Prada, and Kering During the "Made in China" Crisis (March–June 2025)



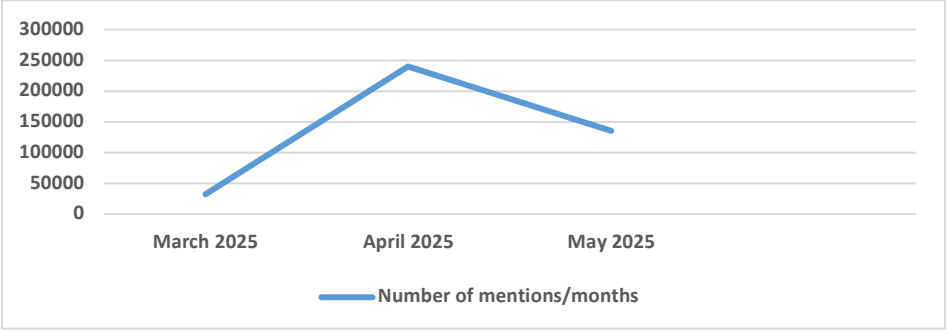
Source: Compiled from Euronext (Bloomberg, 2025; LVMH, 2025) (2025), (Bloomberg, 2025),

This graph illustrates the sharp decline in luxury brand stock prices following backlash over their Chinese manufacturing origins. The drop was most pronounced in April 2025, coinciding with peak social media criticism and viral hashtags. Despite partial recovery in June, the long-term reputational damage suggests a lasting impact on investor confidence. Such volatility highlights the interconnectedness between digital reputation, consumer trust, and financial performance in the luxury industry.

Negative Twitter mentions increased by 757%, peaking at 240,000 during the crisis. This volume, comparable to the Dolce & Gabbana scandal in 2018 [Jing Daily, 2019], demonstrates massive virality, driven by collective emotion and polarized opinions.

Graphic 2.

Negative Mentions on Twitter Related to Luxury Brands (March–May 2025)



Source: (Talkwalker, 2025)

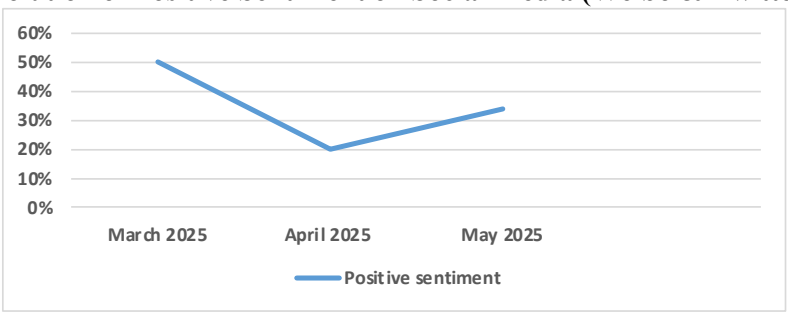
This chart illustrates the virality of the "Made in China" controversy. Negative mentions peaked in April 2025, increasing by over 750%, before partially subsiding in May. This trend underscores the emotional amplification effect triggered by symbolic dissonance, as theorized by [Stieglitz & Dang-Xuan, 2013].

- Instagram engagement tripled from 3.2% to 9.1%. This toxic hypervisibility (Gensler et al., 2013) amplified the crisis, as most likes, comments, and shares conveyed public disapproval.
- LVMH's half-year revenue declined by 6.3%, with significant losses in Asian markets: –8.7% in China and –5.4% in South Korea, according to LVMH's 2025 semi-annual report. This shows that reputational damage translates into tangible economic losses.

Positive sentiment on social media dropped from 52% to 21%, a 31-point loss. This collapse reflects an erosion of affective trust, whose recovery demands substantial and sustained communication efforts [Coombs, 2012].

Graphic 3.

Evolution of Positive Sentiment on Social Media (Weibo & Twitter)



Source: Graph produced by the authors from (Brandwatch, 2025; Talkwalker, 2025)

This chart illustrates the sharp drop in public sentiment during the peak of the "Made in China" controversy in April 2025, with a partial recovery in May. The initial decline from 52% to 21% reflects an emotional backlash. Although sentiment improved to 33% in May, it remained significantly lower than the pre-crisis level, indicating the lasting impact of reputational crises in the luxury sector.

These findings align with digital crisis literature, where bad buzz acts as a catalyst for emotional, symbolic, and financial distrust [Aula, 2010; Stieglitz & Dang-Xuan, 2013]. The 2025 case demonstrates that a luxury brand's image (based on intangible attributes) can be profoundly destabilized by a perceived gap between its narrative and its production reality.

4.2. Communication Responses by Luxury Brands

The following table presents the main communication responses adopted by major luxury houses in reaction to the 'Made in China' bad buzz crisis. The analysis focuses on the speed of action, the nature of the message, the tone as perceived by the public, and the impact on both digital reputation and financial performance.

Table 3.

Luxury Brand Communication Strategies During the "Made in China" Crisis

Brand	Response Time	Response Type	Perceived Tone	Observed Impact
LVMH	24h	Statement + inside factory videos	Authentic	Partial mitigation, -4.2% stock
Prada	48h	Multilingual artisanal storytelling	Aesthetic/Emotive	Slow recovery, -6.5%
Kering	72h	Silence, then technical justification	Cold/Defensive	Escalated crisis, -9.1%
Burberry	36h	Client dialogue + CSR audit publication	Participatory	Gradual recovery, -3.9%

(Sources: Bloomberg, 2025; Brandwatch, 2025; Jing Daily, 2019; Vogue Business, 2025)

Proactive, emotional messaging proved more effective in mitigating reputational and financial damage.

- LVMH humanized production through visual proof.
- Burberry published a transparent CSR audit and engaged directly with consumers.
- Kering, however, responded too late and too coldly, which was seen as tone-deaf and dismissive [Cheng & Cameron, 2017].

Luxury brands have responded by reinforcing transparency and emphasizing craftsmanship, illustrating the industry's ability to adapt to digital scrutiny. LVMH's virtual tour of its workshops and Prada's artisan-focused campaign demonstrate how brands are reshaping their narratives to align with evolving consumer expectations.

Sentiment Trends:

- LVMH and Burberry recorded over 30% positive mentions post-response.
- Kering needed 4+ weeks to return to neutral sentiment; #BoycottGucci remained viral.

This confirms that emotional tone and response timing are critical to managing digital crises [Aula, 2010; Coombs, 2012].

4.3. Crisis Management Tools Deployed

Luxury brands went beyond statements, deploying multi-dimensional crisis management strategies involving transparency, emotional storytelling, CSR, and cultural realignment. For instance, LVMH adopted a digital transparency approach by offering a 360° virtual tour of its French and Chinese workshops, including ISO certifications, which generated over 1.8 million views and achieved a 67% retention rate within three days [Instagram Business, 2025]. Similarly, Prada used emotional storytelling through multilingual mini-documentaries featuring artisans, where the first episode titled "Il cuore del nostro mestiere" reached 2.3 million views and more than 38,000 reposts [He et al., 2025; YouTube Studio, 2025]. In the same perspective, Burberry focused on CSR reporting by publishing detailed compliance audits verified by SGS and WRAP, content that was viewed over 120,000 times and cited by Fashion Network and Business of Fashion [Burberry, 2025]. Gucci, under Kering, strengthened its strategy through influencer partnerships by collaborating with Chinese sustainable designers such as Angel Chen, with the TikTok hashtag #RealLuxury reaching 13 million views and an engagement rate of 8.7% [TikTok For Business., 2025].

Overall, these strategies illustrate a combination of information, emotion, and social proof, where interactive formats and human-centered narratives helped restore trust through emotional alignment. Authenticity, cultural resonance, and transparency therefore emerge as key success factors in effective digital crisis management [Miller et al., 2015; Coombs, 2012; Gensler et al., 2013].

4.4. Word Cloud and Hashtag Analysis

Using 45,312 posts collected from Twitter, Instagram, and Weibo between April 15 and May 31, the analysis identified six dominant hashtags: #NotLuxury, #MadeInChinaTruth, #LuxuryScam, #FakeHeritage, #BoycottLuxe, and #LuxuryDisgrace. These hashtags generated more than 7.2 million total shares, including approximately 1.8 million shares within 72 hours during the peak week [Talkwalker, 2025]. The word cloud showed highly negative lexical fields: scam, fake, hypocrisy, factory, betrayal [He et al., 2025]. Two main narratives emerged from the data: an accusatory discourse highlighting the perceived gap between marketing promises and industrial reality [Sullivan & Koh, 2019], and and an emotional betrayal narrative expressed through terms such as "lied to," "fooled," and "lost trust," reflecting a sense of symbolic fraud experienced by consumers [Cheng & Cameron, 2017].

Table 4.

Emotion Typology from Social Media Sentiment Analysis

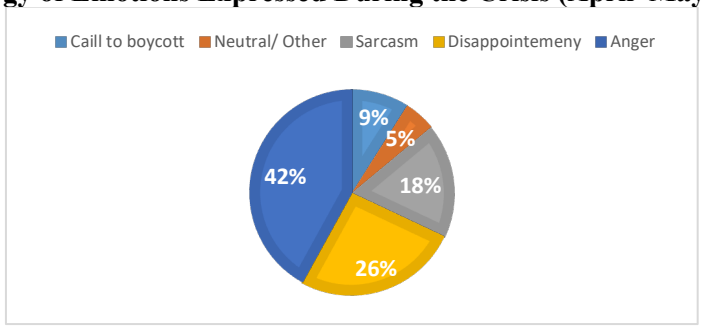
Dominant Emotion	Frequency (%)	Common Expressions
Anger	42%	"Scam brand", "Deceived"
Disappointment	26%	"Not what I paid for", "Lost trust"
Sarcasm/Ridicule	18%	"Factory chic", "Fake prestige"
Boycott Calls	9%	"Stop buying this"
Neutral/Positive	5%	"Waiting for answers"

Source: Summarized by the authors based on data from (Brandwatch, 2025)

The lexical and emotional data reveal a crisis of authenticity. Consumers felt betrayed by an unfulfilled identity promise. Luxury became perceived as a marketing fiction, not a heritage experience. The emotional vocabulary confirmed a collapse in brand legitimacy [Pang et al., 2014; Stieglitz & Dang-Xuan, 2013].

Graphic 4.

Typology of Emotions Expressed During the Crisis (April–May 2025).



(Source: Authors' visualization based on data from Brandwatch, 2025)

Chart 4 highlights the emotional intensity and polarization surrounding the "Made in China" crisis in the luxury sector. Anger dominated the discourse (42%), followed by disappointment (26%) and sarcasm (18%). These emotionally charged reactions reveal a profound breach in consumer trust and a strong sense of perceived betrayal. The low proportion of neutral or positive comments (5%) indicates the difficulty of restoring emotional legitimacy once public sentiment has been destabilized.

5. Synthesis

Although this research focuses on the luxury sector, recent studies show that reputation dynamics on social media similarly affect other industries with high symbolic or sensitive value.

The Apple–Foxconn case (2012–2016) illustrates reputational pressure in the technology sector following media reports regarding working conditions in Apple's Chinese supply chain. In response, Apple implemented transparency-based measures such as annual supply chain audits, membership in the Fair Labor Association, and enhanced CSR reporting. While these actions helped maintain overall brand stability, they did not fully eliminate sustained public scrutiny.

Similarly, the Ferrero–Kinder case (2022) demonstrates how food industry brands are highly vulnerable to rapid reputational damage in digital environments. Following contamination concerns, Ferrero experienced a significant decline in both sales (approximately 30% during Easter 2022) and brand reputation (22-point drop according to YouGov). The crisis was further amplified by emotionally charged social media content, particularly the hashtag #KinderDanger. In response, Ferrero implemented a transparency-based communication strategy focused on product origin, safety, and expert communication to restore consumer trust.

These examples show that the speed of emotional diffusion, the importance of visual evidence, and the role of affective trust are cross-cutting factors. The luxury sector, like others, can no longer escape this digital grammar of legitimacy. Based on the empirical results and recommendations, we propose a four-phase operational framework to guide brands facing reputation crises amplified by social media.

This model, derived from the analysis of responses observed at LVMH, Prada, Kering, and Burberry, is structured around four levers: detection, reaction, reassurance, and repositioning.

Table 5.

Four-Phase Model for Managing a Digital Bad Buzz in the Luxury Sector

Phase	Objective	Recommended Actions	Example From Case Studies
1. Detection & Alert	Early identification of weak signals	-Automated monitoring (Talkwalker, Brandwatch) - Hashtag tracking	LVMH activates Weibo alerts after the scandal
2.Rapid Reaction	Contain viral spread	-Multilingual empathetic statement -Removal of sensitive content	Prada releases an "inside" video within 48 hours
3.Public Reassurance	Restore affective trust	-Artisan testimonials -Workshop tours - Visible and verifiable CSR	Burberry publishes its CSR audits

Phase	Objective	Recommended Actions	Example From Case Studies
4. Repositioning	Realign brand storytelling	-NGO partnerships -New content - Local cultural collaborations	Gucci partners with sustainable Chinese designers

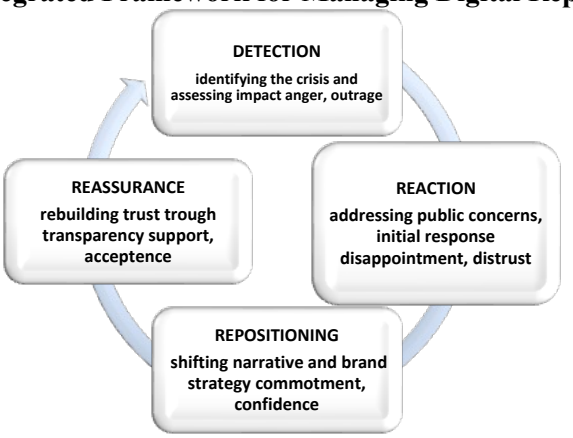
Source: Developed by the authors, based on (Burberry, 2025; Talkwalker, 2025; TikTok For Business., 2025; Coombs, 2012; Coombs & Holladay, 2023; Gensler et al., 2013)

This four-phase model is intended to formalize effective practices observed in luxury brand responses to the "Made in China" bad buzz crisis. It highlights that crisis performance depends not only on the content shared but also on the strategic sequence of actions: early detection, emotionally aligned response, credible reassurance, and narrative repositioning.

Empirical analysis showed that LVMH, by responding within 24 hours with authentic workshop-cantered content, limited its stock market loss to -4.2%. Prada, through emotional and multilingual storytelling, gradually regained trust. In contrast, Kering's 72-hour delay and defensive messaging led to a greater loss (About -9.1%) and a persistently viral #BoycottGucci hashtag.

Figure 1.

Integrated Framework for Managing Digital Reputation Crises



Source: Constructed by the authors based on (Brandwatch, 2025)

As illustrated in Figure 1, the added value of this model lies in its transferability: it provides an operational framework adaptable to other industries where digital reputation acts as a performance catalyst notably technology, food, or cosmetics. It opens perspectives for the development of decision-support tools in digital crisis contexts, integrating not only financial variables but also emotional, social, and cultural factors.

Conclusion

The 2025 "Made in China" reputational crisis in the luxury sector serves as a compelling example of the fragility of symbolic capital in the digital era. It highlights the structural tension between a brand's heritage-driven narrative and the reality of globalized production particularly when that reality contradicts consumer expectations about origin, authenticity, and exclusivity.

Our findings reveal that luxury brands are increasingly subject to reputational co-construction on social media platforms. These platforms not only amplify crises but also function as spaces for the emotional negotiation of trust and legitimacy. In such an environment, the ability to respond promptly, transparently, and with emotional intelligence becomes a critical asset for brands operating in high-symbolism industries.

The "Made in China" backlash has shown that financial performance, consumer trust, and brand equity are all interlinked and can be significantly eroded by digital uproar if not properly managed. The most effective strategies observed combined immersive storytelling, cultural empathy, and factual transparency, highlighting a shift toward more humanized and ethical forms of brand communication.

This study offers three main contributions. At the theoretical level, it establishes an original link between brand identity disruption, emotional virality, and the symbolic economy of luxury, while also reintroducing the country-of-origin effect as a significant reputational risk in the context of globalization. Methodologically, it highlights the value of a mixed-methods approach that combines sentiment analysis, market data, and qualitative discourse analysis for real-time crisis diagnosis. From a managerial perspective, it proposes a replicable strategic framework for brands facing symbolic backlash, emphasizing emotional transparency, cultural fluency, and narrative coherence as key dimensions of reputational recovery. Consumer perceptions of 'Made in China' are shaped not only by brand narratives but also by broader economic and geopolitical factors influencing global trade. As China strengthens its position in high-end manufacturing, luxury brands must navigate these evolving perceptions with strategic transparency and cultural sensitivity.

Ultimately, this article deepens the understanding of how luxury brands must reimagine authenticity and legitimacy in a digitally transparent, emotionally reactive global marketplace.

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