



A COMPARATIVE STUDY OF STRATEGIC COMMUNICATION APPLICATION BY CHINESE AND FOREIGN-OWNED ENTERPRISES TO BRAND CRISIS MANAGEMENT

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This study is a mega-analysis to reconcile Carl Botan's Grand Strategy Models for strategic communication with actual cases. Invoking Botan's six-factor and four grand-strategy models proposition as an analytical framework, this study conducted a multi-case analysis on selected Chinese and international brands during the period of 2005-2014. Its preliminary findings revealed significant differences between Chinese and international corporations in applying strategic communication to brand crisis communication and management. The results also showed that, first, Chinese corporations tended to have lower level of understanding on all the six dimensions of grand strategies; second, they were more likely to rely on resistant strategy (70%), with 30% on intransigent strategy, but NONE on cooperative strategy and integrative strategy. This study hence asserts that the differences between the Chinese and international corporations in handling brand crises via strategic communication are, first and foremost, rooted in their different values attached to brands; second, effected by their different attitudes toward publics and competencies in issue management; and third, as a result of their different maturity level in crisis management.

Keywords: Brand crisis, Strategic communication, Transmission patterns, Public relations.

Introduction

Today, as the relationship among organization, public and environment changes fast and unexpectedly, any type of crisis becomes the worst temporal niche. Critical incidents would incur publics questions and challenge the legality of an organization (Chen, 2006). Although crisis can be an isolated episode at a point in time, its consequences will certainly last and linger. The strained relationship would take time to repair and the mutual trust that might have been shaken by the crisis would not be restored on its own. So crisis management is required to "help organization prepares for uncertain future" (Zerfass & Huck, 2007) by deliberating "behavior and purposeful communication" (Hallahan et al. 2007). This is where strategic communication can play a critical role.

Strategic communication (SC) in crisis management leads to strategic and long-term responses to issues. This process is shaped, according to Carl Botan (2005), by such factors as strategic target

environment, revolution, publics, proposition, communication and public relations practitioners. How so? And how can this assumption be tested against the practices of brand-crisis management by Chinese and foreign-owned enterprises in China, and how may Chinese enterprises behave differently from their foreign counterparts in apply SC in crisis management?

Literature Review

While studies on brand crisis communication focus mostly on strategies, tactics and required skills, not enough scholarly attention has been accorded to strategic communication and organizational situation (Chen & Liu, 2013). In elaborating his “windows theory” of crisis communication, for example, Ian I. Mitroff (2000) divides crisis strategies into two dimensions: “the willing of notification” and “whether have been told”, each requiring different communication strategies. Grunig’s “crisis situation theory” (Grunig, 1992) proposes a set of strategies in managing organizational-public relations for crisis in different stages and situations. The contingency theory of conflict management concerns mainly how a variety of unexpected factors influences the organization’s standpoint to publics (Cancel et al., 1997). The “issue management theory” and “exculpatory rhetorical theory”, on the other hand, employ rhetoric to discussing issue management and exculpatory strategies (Seeger et al., 2002). Further, situational crisis communication theory (SCCT) describes largely how crisis responses should match crisis situations by examining specifically deny, decrease, rebuild and consolidate response behaviors (Coombs, 1995; 1996; 2004; 2009).

Strategic dimension of crisis communication has drawn some scholarly attention. Kathleen Fern-Banks (2007), for instance, believes that “the radical role [that] crisis communication plays is to influence public opinion process”, which involves finding, avoiding, controlling, recovering from a crisis and learning lessons from it. The 4D model of crisis management touches on dimensions of management, politics, mentality, and culture and so on. If the most important property for organization is its reputation, reputation or public image should be preserved from a strategic height. To do so, according to Benoit (1997, 2015), five strategies tend to be employed to recover damaged organization image: deny, escape from responsibility, scale down offensive, correct mistakes and self-discipline (ask for forgiveness). Overall, with some exception, majority of brand crisis communication studies attach importance to technical and short-term management of communication, little on strategic communication.

The essence of strategic communication is to achieve organizational missions by purposefully using communication (Hallahan, Holtzhausen, Van Ruler, Verčič, & Sriramesh, 2007). Much as public diplomacy, SC requires organization to adopt multidisciplinary perspectives (van Dyke & Verčič, 2009). They include (but not limited to) six areas, such as management, marketing, public relations, technology, political communication and information and social marketing campaign. An outstanding one is exemplified in integrating public relations, marketing and health communication as core subject fields of strategic communication (Botan, 2005).

Further, strategic communication may take place at three levels: grand-strategic, strategic and tactical (Botan, 2005). They are analogous to but different from each other and often mixed up by practitioners. Grand strategy involves policy level decisions that an organization makes about goals, alignments, ethics and relationships with public-organization and organization- environment, which represents the highest level of policy making. Strategy concerns decision making at campaign level, such as maneuvering and allocating resources and fostering arguments to carry out organizational grand strategies. Tactics are specific activities and outputs through which strategies are implemented. Strategy constrains tactics. What tactics can be used is determined by strategies in a plan. SC can only become real when it begins and ends by thinking about publics.

More important is how strategic communication is executed at grand-strategic level. A grand strategy ought to grow out of and with organizational culture. To some degree, grand strategy is a reflection of organization’s world view. Carl Botan (2005) uses four models -- intransigent, resistant, collaborative and integrated -- to categorize an organization’s grand strategies. Usually appearing in the

majority of individual organizations, *intransigent grand strategy* is rare in professionally run organizations but can be adopted largely by organization that is autonomous. Treating organizational autonomy as the highest asset of it, such organizations resist any call for change, which is deemed as external organizational interference to legitimacy of management and ownership. The goal of such a strategy is to subject environment to wishes of organization just to “conquer” publics and environment. When organization is under threat in a crisis, the first instinct reaction is to “pull up the drawbridge” and shut publics out. Change is considered as bad and costly and ought to be avoided as much as possible; publics are viewed as dangerous as they are believed lacking knowledge and having no moral rights; issues are seen as impudence as they are regarded as outside attacks from troublemakers such as media and aggressive publics. So the mission of communication is just one-way campaign to inform publics of facts and deceive public when deemed desirable. SC practitioners are just low or medium skilled personnel.

Resistant grand strategy assumes that, although it subordinates to integral environment, it should resist any control from outside environment as much as possible. Change is viewed as expensive and disruptive and should be avoided or at least delayed as long as possible; even when compelled to change, it operates on a MiniMax principle in which the minimum amount of change publics will accept is the absolute maximum amount the organization will accept. Publics are seen as necessary evil, having negative potential more than positive potential. Issues are treated as obstacles imposed on the organization from the environment and should be handled quickly. So, organization finds it desirable to carry out some two-way communication, aimed largely to persuade publics that organization would somehow meet their requirements. SC practitioners are just technicians to carry out decisions made by others.

Assuming that organizations are interdependent with the environment, the goal of *collaborative grand strategy* is to shape issues to meet their needs. Changes are seen as a natural part of life, sometimes even great for organizations and acceptable. Treating publics as a constructive force, organizations would be prepared to meet their need by, for example, carrying out environmental scanning work and sufficient issues research. To prevent little issues from turning into big crisis, organization stresses both intra-and inter-communication as lifeblood. Dialogic communication skill is essential. SC practitioners including the CEO are highly respected as professionals and communication specialist.

Integrated grand strategy thinks organizations as uniformed with environment, requiring open two-way communication and collaborative meanings and decisions. The best way to build stable relationship is open to persuasive messages. Ethics and common beliefs foster the key of integrated grand strategy. Integrative organizations embrace and sometimes even pursue change. While publics are viewed neither as an extra part of or threat to organization, such a strategy aligns publics and organizations both as elements of environment, mutually creating and recreating. Issues are believed to be products of communication processes; in other words, issues are result of sustaining communication between organization-publics and inter-publics, and organization cannot unilaterally control communication. Organization is literally a product of communication: only when communication starts will publics adopt mutual goals, accept coordination and distribution of responsibilities and will an organization be completed. SC practitioners play a role of strategic advisers, assuming core leadership of organization.

What model, then, will an organization tend to adopt? Botan (2005) believes that six factors seem highly relevant. They include: (1) goal/environment of organization, (2) attitude towards change, (3) attitude towards publics, (4) attitude towards issues, (5) attitude towards communication, and (6) attitude towards SC practitioners.

Using Botan’s four models and six factors of strategic communication as an analytic framework, this study aims to compare and contrast how Chinese and foreign-owned enterprises employ SC in managing a brand crisis so as to test the validity of the models and identify impact factors. Hence three research questions are formed:

RQ1 : What are strategic communication factors and models that foreign-owned enterprises tend to adopt when dealing with brand crisis?

- RQ2: What are strategic communication factors and models that Chinese enterprises tend to adopt when dealing with brand crisis?
- RQ3 : Is there any difference between strategic communication models that Chinese and foreign-owned enterprises adopt when dealing with brand crisis?

Research Methods

This study employs a *multiple-case analysis* method to study SC activities in brand crisis incidents, which follows the principle of replication logic (Yin, 1984). Multiple cases could be regarded as a series of research, with every case offering services for the testing of the captioned SC models and impact factors.

For its *data sources*, this research selects ten years as a time-frame for sampling, covering from 2005 to 2014. This is so mainly because, in 2005, Chinese enterprise brand crisis incident saw a sudden blowout, amounting to over 10 cases in the first half of the year and three or four times of those in 2003. In 2014, enterprise brand crisis incident continued occurring in a high number. It was also during this period that academic attention to and discourse about “brand crisis” saw an extraordinary increasing. According to Chinese National Knowledge Index (CNKI) statistics, the term was referred to in published academic journal articles only 11 times in 2000, but 126 in 2005, a 114.5% increase. Studies of brand crisis became abundant in 2005-2014. There’s reason to assume that the selected time-frame for this study is plausible.

In selecting cases within this time-frame, this study relies heavily on public sources and complies with sampling rules. In the first round, altogether 100 cases are collected from the lists of “top ten brand crises” published in the January issue of *China Top Brand* (a publication by the Chinese brand monitoring center) every year in 2005-2014. Then, a total of 400 cases are selected from the “top ten brand crisis incidents” that are annually issued by China Call Center & BPO Association (CNCBA), Key Point media and public communication research, public communication research institute of Huazhong University of Science and Technology and *China Economic Weekly* respectively. Of the 500 cases, in the second round, the brand crises of listed enterprises are kept to form 100 typical samples. These cases are then categorized into brand crises by either Chinese enterprises or foreign-owned enterprises, which are tested by double sampling in two sampling frames and one sample to select in each year of 2005-2014. Finally, 20 samples are selected (See Figure 1).

<i>year</i>	<i>Chinese enterprise brand</i>	<i>Foreign-owned enterprise brand</i>
2014	Ctrip “Cable -gate”	Nikon “black spots-gate”
2013	Nong fu spring “standard-gate”	Fonterra suspected Botox
2012	Jiu gu wine “Plasticizer issues”	KFC “fast unripe chicken”
2011	Davinci fraud	Wal-Mart false advertising and marketing fake
2010	Midea purple clay cookers affairs	HP “Q-gate”
2009	Nong fu spring “Triple Gate-gate”	Toyota “faulty accelerator”, “faulty climb” and super recall

2008	Vanke CO Wang Shi Donation-gate”	Refused Carrefour on Internet
2007	Huawei “thousands of workers send resignation-gate”	Forbidden City Store of Starbucks is in question
2006	HNA is suspected of refusing to load which cause a girl get disabled	Disney refused to load guest in spring festival
2005	Bright Dairy sell overdue milk	KFC Sudan incident

Figure 1. Final 20 samples

In regard to *data coding*, this study follows closely with the four strategic communication models and six impact factors that Carl Batton proposes. Assuming that different SC models entail different performance by the six key factors, a SC factors coding chart of enterprise brand crisis incidents is generated (See Figure 2).

Factor	Index	Features	Samples' performance
environment	external environment	self-reclusive, reject outside, interference	
		subordinate to environment, avoid influence of outside environment	
		interdependent with outside environment	
		as a part of environment, pursue the unity between themselves and the goal of environment	
Changes	intension to change	bad, avoid/oppose, change implying current leadership's failure	
		lack of passion, reluctance and unwillingness	
		understand its legitimacy but painfully	
		risky endeavor, necessary for organizational production and prosperity	
	Change action	hard to avoid changes, put into practice	
		execute reluctantly and unwillingly, foot dragging, following the MiniMax Principle	
		execute selectively	
		execute proactively	
Publics	Public interests	Subordinate completely to interests of organization	
		subordinate to interests of organization	
		respect interests of publics and organization	
		pursue consistently national interest and the common interest of international society	

	Public role	<p>exist for meeting organizations' needs, not stockholders in legislation</p> <p>interfere with normal operation of organization, not stockholders in legislation</p> <p>constructive power, legal stockholders</p> <p>a part of strategic communication environment, publics and organizations mutually create and recreate themselves, the process of persistently discussing a certain question with organization</p>				
Issues	Issue product	<p>results of improper outside infringement, media and public as producers of issues</p> <p>results of reference from outside organizations</p> <p>define issues, want to inform organizations, necessary to make changes in some ways</p> <p>production of sustaining communication between organization-publics and inter-publics, define issues and play a key role</p>				
		Issue management	<p>keep deaf ears at latent stage, enable self-defense and avoid responsibilities at key stage</p> <p>start to solve at latent stages, hope to quickly handle, solve and drive away at key stage</p> <p>pay attention to environmental scanning and issues research, try to avoid as much as possible</p> <p>pay attention to environmental scanning and issues research, regard issues as opportunities</p>			
			Communication	Communication attitude	<p>organization is right, communication is in order to educate publics and tell "facts"</p> <p>need to communicate with publics, inform them the great efforts that organization has made, try to persuade them understand and support organization.</p> <p>communication is lifeblood of organization, communication skill with publics is especially important</p> <p>organization is the production of communication , not a organization without communication</p>	
					Communication skills	<p>one-way communication, hide information, deceive public and try to avoid communicating with publics for controlling situation</p> <p>improved one-way communication , more one-way than two-way to adapt to environment</p> <p>two-way communication, emphasize conversation between media and publics, stress the important role of leadership in communication</p> <p>two-way communication, communication as a vitally important skill, exquisite communication skills as prerequisite for core leadership</p>

SC Practitioners	Composition and responsibilities	primarily skilled personnel, leadership takes charge of decision-making and ethical judgment, others just explain to publics, communicate decisions from leadership and submit to organization on ethical decision.	
		primarily skilled personnel, leadership takes charge of decision-making and ethical judgment, others just explain to publics and communicate decisions by leadership, need to master indispensable communication skills and submit to organization on ethical decision	
		CEO and communication specialists responsible for promoting relationship between organization and publics, have their own ethical standard, excellent communication specialist as also a high level member.	
		CEO and communication specialist responsible only for a part of high-level leadership, little role in organization strategy making	
	Skills of practitioners	no professional training, lack primary knowledge of crisis management	
		primary communication skills	
		no professional training, professional personnel with special skills	
		strategic communication focusing on systemic and specialty	

Figure 2. SC factors coding chart

Data Analysis

A simple statistical analysis of the 20 samples finds that not all of the cases are completely in line with the Baton-proposed SC models or factors. In both of the Nong fu spring cases among Chinese enterprises, for example, the company adopts resistant strategy that is driven largely by the factors of environment, change, publics and SC practitioners. The factors of issues and communication lead the organization toward intransigent strategy. In the case of Jiugui wine “Plasticizer issues”, the factor of issues helps the organization to go for intransigent strategy; but in all of the other factor areas, the case embodies resistant strategy.

In the 10 foreign cases, two are not in alignment with the six factors. The Forbidden City Store of Starbucks embodies resistant strategic features on the factors of change, publics, issues, communication and SC practitioners. But for environment, it reveals the adoption of collaborative strategy. In the KFC “fast unripe chicken” case, resistant strategy is identified in the factor areas of environment, change, publics and communication, whereas collaborative strategic features are found on issues and SC practitioners.

Bearing in mind Carl Boton’s (2005) assertion that “all factors have a significant effect on understanding strategies and tactics, but Public and Issues are the most important factors, because they are the core of strategic communication,” this study focuses on performance of such core factors as Publics and Issues and use them as the most important criterion. Strategic communication model types of the 20 samples are categorized as in Figure 3.

	Intransigent grand strategy	Resistant grand strategy	Collaborative grand strategy	Integrated grand strategy
Chinese cases	Huawei “thousands of workers send resignation-gate” ;	Ctrip “Cable-gate” ; Nong fu spring “standard-gate” ;		

	HNA is suspected of refusing to load which cause a girl get disabled; Bright Dairy sell overdue milk	Jiugui wine “Plasticizer issues”; Davinci fraud ; Midea purple clay cookers-gate ; Nong fu spring “Triple Gate-gate” ; Vanke CO Wang Shi” Donation-gate”		
Number	3	7	0	0
Foreign cases	Wal-Mart false advertising and marketing fake	Nikon “black spots -gate” ; KFC “fast unripe chicken” ; HP”Q-gate” ; Toyota super recall ; Forbidden City Store of Starbucks is in question	Disney refused to load guest in spring festival	Fonterra suspected Botox; Refused Carrefour on Internet ; KFC Sudan incident
Number	1	5	1	3

Figure 3. SC model types by enterprise response to brand crisis

Secondary classification is then conducted with the two groups (Chinese and foreign) respectively by two different dimensions. First, in terms of whether or not the case is product crisis or value crisis, it is found that the Chinese group is 8 (product):4 (value) and the foreign group is 8:2. Second, in terms of whether or not the relevant enterprise is responsible of the crisis, the results are both 8 (responsible):2 (not responsible). The results for the Chinese group are shown in Figure 4 and for the foreign group in Figure 5.

	Intransigent grand strategy	Resistant grand strategy	Collaborative grand strategy	Integrated grand strategy
Product crisis incidents	Bright Dairy sell overdue milk	Ctrip “Cable-gate “ ; Nong fu spring “standard-gate “; Jiugui wine “Plasticizer issues”; Davinci fraud ; Midea purple clay cookers ; Nong fu spring “headwaters-gate”; Nong fu spring “arsenic-gate”		
Number	1	7		

Values crisis incidents	Huawei “thousands of workers send resignation-gate” ; HNA is suspected of refusing to load which cause a girl get disabled	Nong fu spring “ Donation-gate”; Vanke CO Wang Shi” Donation-gate”		
Number	2	2		
Enterprise responsible crisis incidents	Bright Dairy sell overdue milk; Huawei “thousands of workers send resignation-gate” ; HNA is suspected of refusing to load which cause a girl get disabled	Ctrip “Cable-gate “ ; Jiugui wine “Plasticizer issues; Davinci fraud ; Midea purple clay cookers ; Vanke CO Wang Shi” Donation-gate” ;		
Number	3	5	0	0
Non-Enterprise responsible crisis incidents		Nong fu spring “Triple Gate-gate” ; Nong fu spring “standard-gate “;		
Number	0	2	0	0

Figure 4. SC model type by Chinese enterprise response to brand crisis

	Intransigent grand strategy	Resistant grand strategy	Collaborative grand strategy	Integrated grand strategy
Product crisis incidents	Wal-Mart false advertising and marketing fake	Nikon “black spots -gate “ ; KFC “fast unripe chicken” ; HP”Q-gate” ; Toyota super recall ;	Disney refused to load guest in spring festival	Fonterra suspected Botox ; KFC Sudan incident
Number	1	4	1	2
Values crisis incidents		Forbidden City Store of Starbucks is in question		Refused Carrefour on Internet
Number	0	1	0	1
Enterprise responsible crisis incidents	Wal-Mart false advertising and marketing fake	Nikon “black spots -gate “ ;	Disney refused to load guest in spring festival	Fonterra suspected Botox ; KFC Sudan

		KFC “fast unripe chicken” ; HP”Q-gate” ; Toyota super recall ;		incident
Number	1	4	1	2
Non-Enterprise responsible crisis incidents		Forbidden City Store of Starbucks is in question		Refused Carrefour on Internet
Number	0	1	0	1

Figure 5. SC model type by foreign-owned enterprise response to brand crisis

There seems to be conspicuous differences between the Chinese and foreign-owned enterprises in applying strategic communication to brand crises management (see Figure 6). By grand SC strategy, about 70% of Chinese enterprises go for resistant grand strategy and 30% for intransigent grand strategy, whereas 50% of foreign enterprises go for resistant strategy, 30% for integrated strategy and 10% for collaborative strategy. Though both are more likely (50% and above) to adopt resistance strategy, the foreign group account for 40% of collaborative grand strategy and integrated grand strategy with its Chinese counterpart scoring zero in these two. Further, 30% of the Chinese cases prefer intransigent strategy and only 10% of the foreign-owned enterprises have the same preference. As shown below.

A comparative study of strategic communication model by Chinese and foreign-owned enterprises to brand crisis management

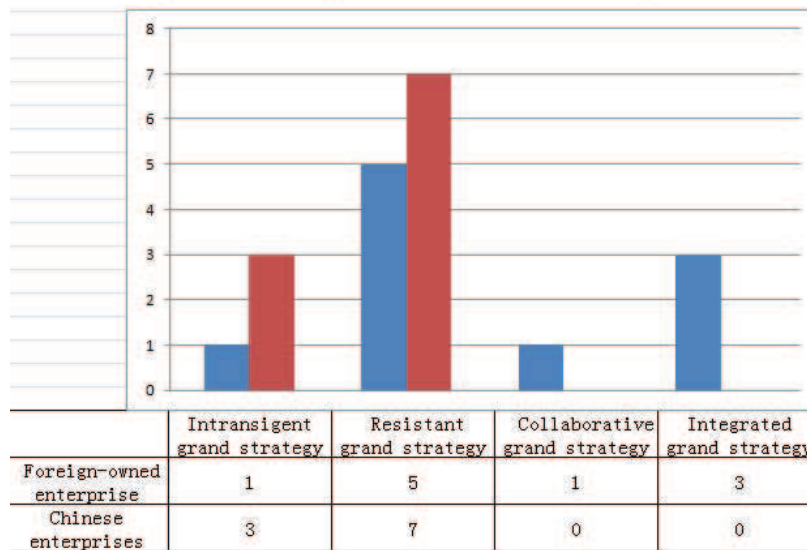


Figure 6. Different SC model types for Chinese and foreign-owned enterprise response to brand crisis

The overall level of Chinese enterprises in employing strategic communication to manage brand crisis is lower than their foreign counterparts. When they do, they tend to adopt intransigent and resistant grand strategies, with little (zero) evidence of engaging collaborative and integrated grand strategies. While exhibiting a large preference on resistant strategy, the foreign-owned enterprises exhibits a higher

level of preference for collaborative and integrated strategies (40%). More interestingly, the assembled data offers important clues of how the proposed six factors may explain the identified gap between Chinese and foreign-owned enterprises in respect to their preferences of strategic communication models.

In the first place, the factor of environment plays a role. The relationship of enterprise-publics-environment as defined by ecosystem affects how enterprises think about and manage the relationship between themselves and environment particularly in a crisis situation, which determines how they deal with publics and issues, what communication action they take and subsequently what strategic communication they may engage. There's reason to assert that enterprises' attitude to and interaction with environment may play a large part in shaping their brand-crisis management strategy. A recent study (Chen, Chen & Liu, 2015) indicates, an enterprise tends to adopt different attitudes toward environment, which can be described as closed type, evasive type, dependent-type and co-create type.

By this measure, this study finds that the Chinese and foreign-owned enterprises reveal significant differences on their attitudes toward environment. The Chinese enterprises mainly focus on "evasive type" of view of and attitude toward environment, accounting for 70% of the total including Ctrip, Nong fu spring, Jiugui wine, Media, Vanke and DaVinci. About 30% of them such as Huawei, HNA and Bright Dairy lean toward a "closed type". Their foreign counterparts' view of and attitude toward environment is more diverse with 40% of "evasive type" such as Nikon, HP, Toyota, KFC "fast unripe chicken", 30% "co-create type" including Fonterra, Carrefour and KFC Sudan, 20% "dependent-type" such as Starbucks and Disney), and only 10% "closed type" (Wal-Mart).

It's interesting to note that the "evasive type" seem to dominate both groups (70% vs 40%), implying that though regarding themselves as an integral part of environment, enterprises are worried about environmental pressure. In time of crisis, they are naturally inclined to avoiding interaction with outside. In this regard, however, the foreign-owned enterprises are much less closed and evasive toward environment than their Chinese counterparts. A majority of them keep an open attitude toward environment, pay close attention to common interest between enterprises and environment, show willingness to compromise with the environment, and maintain open and direct communication with outside stakeholders so as to move toward having the crisis resolved. In the Forbidden City Store of Starbucks case, for example, the company erased all representative color and icons to adapt for the integrity of the Forbidden city; Carrefour openly voiced their rejection of the Tibet Independence and supported the Beijing Olympics; and Fonterra initiated vigorous test of Botox for its food products, kept the public informed of the test results and recalled questioned products, aiming to demonstrate that the company shares the same goal with consumers on food safety, takes seriously responsibility for consumers' health, as well as downstream customers' commercial reputation.

Second, enterprises' attitude toward change is significant. The open and ever-changing environment always challenges enterprises: to survive and thrive, they have to change accordingly. In dealing with a brand crisis, the attitudes of enterprise to change seem to affect directly their choices of communication strategies. An early research (Chen, Chen N & Liu, 2015) categorizes the attitudes of enterprise to change into four types: evasive, conservative, gradual, and active. The data for this study shows that the two groups have considerable differences by this measure. The Chinese enterprises mainly (70%) appear "conservative" when it comes to change and 30% of them are "evasive" to change concepts. While 50% of the foreign group is "conservative", 30% appear "active", with 10% "evasive" and "gradual" each.

Both the Chinese and foreign groups are heavily (70% vs 40%) inclined to adopt a conservative attitude toward possible change. Many view change as "costly" and "full of unknown risks" and consequently are reluctant and unwilling to change. The Chinese enterprises maintain a more negative attitude toward change than their foreign counterparts by treating change as "of no use", "with big risks" and "meddling". On the other hand, 40% of the foreign-owned enterprises understand the necessity and desirability of changes for the sake of surviving and thriving in a crisis situation. Many of them show willingness to change partly in accordance with environmental change, though some – particularly those appearing "conservative" -- still regard change as "dramatic".

Thirdly, the factor of publics plays a crucial role in affecting enterprises' way of dealing with brand crisis. Whether it's about agenda setting or media relations, strategic decisions on communication are all

aimed at striking an influence on publics so as to repair and maintain the relationships between one's brand and its publics. The SC theory hence treats publics as the core of strategic communication. Chen, Chen and Liu (2015) believe that enterprises' attitudes toward publics are embedded in four different concepts: "public threat concept", "public disaster concept", "public power concept" and "public co-creation concept".

With these concepts in mind, this study finds some -- but not significant -- differences between the Chinese and foreign enterprises. As much as 70% of the Chinese enterprises are into "public disaster concept", with 30% into "public threat concept". As for the foreign group, 50% accepts "public disaster concept" and 30% into "public co-creation concept", with 10% with "public threat concept" and "public power concept" each. It's nevertheless important to point out that a majority of both groups adopts "public disaster concept", viewing publics as "necessary evil" and fearing that "disruptive power of publics may cause interference to normal operation of enterprises". As a result, they prefer to "stay at a respectful distance from publics".

In regard to the fourth factor, issues are equally important in affecting enterprises' strategic communication behavior in a crisis situation. When publics focus on a certain question of public concerns, issues are generated. Defined by publics, issues often evolve over five stages, namely, prior, latent, public, key and dormant stages. In time of a brand crisis, enterprises manage it by choosing topic, setting issues, leading public opinions all to a favorable direction for enterprises. The attitude of enterprises toward issues is found to be shaped by four different issue concepts: outside infringement concept, outside inference concept, public definition concept and communication result concept (Chen, Chen & Liu, 2015).

On the factor of issues, there exists significant difference between the performance of Chinese and foreign enterprises in this study. Of the total, six (60%) Chinese enterprises accept "outside infringement concept", four (40%) into "outside inference concept". As for the foreign-owned enterprises, four (40%) prefer "outside inference concept" with three (30%) adopting "communication result concept", two (20%) "public definition concept" and one (10%) "outside infringement concept".

A large part (40%) of both groups accepts "outside inference concept" while more than a half of the Chinese enterprises prefers "outside infringement concept" with only 10% of the foreign enterprises goes for the concept. There seems to be a general belief among all the sampled enterprises that outside environment can be "unfair" and "abusive". In the Nong fu spring "Triple Gate-gate" and Nong fu spring "standard-gate" crises, for example, particular outside organizations as *Beijing Times* (a popular newspaper in China) and government agencies for industry and commerce in Hainan province are believed by the relevant enterprises to have aggravated the situations. While the Chinese enterprises tend to blame outside influences for defining and accelerating issues in a brand crisis, however, 50% of the foreign enterprises seem to clearly understand the role of publics (media or government agencies) in defining and affecting issues and act accordingly: they respect and use public opinions as guidance of their crisis managements and, in the end, are able to greatly reduce complaint and dissatisfaction and even draw sympathies.

Fifth, this study suggests some interesting findings on the factor of communication. Brand crisis management is in essence a process of communication, in which communication strategy, tactics, technics and actions are bound to affect publics' attitude toward and relationship with fractured enterprises. Specifically, an earlier study finds (Chen, Chen & Liu, 2015), four types of communication concepts -- educating publics, persuasion, lifeblood of organization and organization generation -- may lead to different effects.

By these measures, this study notes that five (50%) of the Chinese enterprises tend to embrace "educating publics concept", with the other five accepting "persuasive concept". Their foreign counterparts seem more diverse: 50% of them prefer "educating publics concept" and "persuasive concept", 30% of them are into "organization generation concept" and 20% into "lifeblood of organization concept". More specifically, for those of the Chinese enterprises which go with "educating publics", they reveal a tendency to "conquer" publics by feeding publics of "fact" and making publics to accept "endeavor of enterprise", which is at best one-way communication. The foreign-owned enterprises

tend to employ two-way communication to communicate with publics. Moreover, they seem to understand that communication is not just a skill to talk to other powers but a value or at least a process to produce values that will generate and maintain an enterprise.

Lastly, SC practitioners are key personnel in a brand-crisis communication. They communicate directly with publics before, in and after a crisis; their different roles and levels of definition and specialization would have different effects on results. Specifically, there are four different types of SC practitioners: operation-executive practitioner, communication-technology practitioner, strategic consulting expert and communication strategy expert.

On this factor, this study finds significant differences between the Chinese and foreign companies. Of the Chinese group, seven (70%) are “communication-technology practitioners”, and three (30%) “operation-executive practitioners”. With the foreign group, four (40%) are “communication-technology practitioners”, three (30%) “strategic consulting experts”, and two (20%) “communication strategy expert” and only one (10%) “operation-executive practitioners”.

This finding is, in fact, in alignment with the reality of strategic communication practitioners in today’s China. Within Chinese enterprises, SC practitioners are generally technicians, of whom many have little professional training or acquire hardly any communication skills. They tend to play much a role as a “megaphone”, conveying top-management’s decision to publics. The foreign-owned enterprises have built-in channels that help companies to communicate with publics in more an interactive way. Also, they tend to value more the responsibility to weigh up the interests of all groups in the ecosystem of company-public-environment relations, making each relationship sufficiently stable.

Conclusion

This study is a comparative and descriptive effort to reconcile the strategic communication models/factors proposed by Carl Botan. As a multidisciplinary application, SC blends together theories and approaches of many fields including (but not limited to) public relations, marketing, advertising, management, organizational communication, politics and health, social marketing, international relations, public diplomacy, and more (Hallahan, Holtzhausen, van Ruler, Vercic, & Sriramesh, 2007). By invoking a multiple-case analysis, this study focuses on how companies communicate strategically when trying to manage a brand crisis and how the Chinese companies may behave differently from their foreign-owned counterparts in China.

With these questions in mind, this preliminary study finds that the Botan-proposed SC models and factors seem generally, though not completely, applicable to the cases selected. It is also found that both the Chinese and the foreign-owned enterprises tend to be at the low level of strategic communication in dealing with their individual brand crisis: a large number adopting either intransigent strategy or resistant strategy. Of course, the foreign group is evidently better than the Chinese group. Further, when testing how the proposed factors may affect enterprises’ SC behavior or preference, this study identifies from-considerable-to-significant differences between the Chinese and foreign enterprises. The Chinese group scores more poorly than the foreign group and rather consistently. Such a discrepancy, in effect, is rooted in inappropriate conception of brand values, crisis management maturity, attitudes toward publics and issue management ability by the Chinese enterprises.

There can be little doubt that the proposed SC models/factors are useful in describing and even measuring enterprises’ brand-crisis management. More importantly, this study implies, the SC concepts and requirements should be applied to and complied with in brand-crisis management. Brand crisis, for example, should not be conceived of as purely an urgent need for brand protection, but as reflection of enterprises brand values. Hence, brand crisis management ought not to be a short-term action but a long-term program for brand development. Accordingly, one’s communication response to brand crisis must not entail conciliation or explanation to publics but intentions to adjust relationships between enterprises, publics and environment to achieve a balance.

In a final analysis, it's high time that enterprises in China, local or foreign, ought to build SC concepts into their brand-crisis management system at the strategic level, enabling them to make changes to adapt to environment, publics, and issues. Such a subversive cognitive challenge and practice pressure has to be met.

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