

BLOGGING AND CORPORATE CRISIS MANAGEMENT IN CHINA

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On January 12, 2007, China Central Television (CCTV) host Rui Chenggang wrote a post on his blog about a Starbucks cafe sitting inside China's Forbidden City in Beijing, asserting that a coffee shop imported from the U.S. "opening inside the imperial palace isn't globalization" but "the erosion of Chinese culture."ⁱ "Rui's post has been viewed more than half a million times, according to the blog's counter, and his demand to shut the cafe has tuned into a national cause."ⁱⁱ The Palace Museum is working with Starbucks to find a solution by this June in response to the protests. One will find it not surprising to see the symbol of Western popular culture fail to escape the fate of being evicted from the sacred heart of the 2000-year Oriental civilization.

Starbucks' agony is only one recent example of the many cases where international brands are trapped in image crises initiated and amplified by blogs, the grass-roots social media channel that has grabbed the attention of both marketers and public relations personnel. According to The Wall Street Journal and other media outlets, this past April, Kentucky Fried Chicken was forced to replace an ad that Chinese bloggers complained insulted students. In September, online uproar escalated into street demonstrations and outlets being smashed when Procter & Gamble (Japan) failed to make speedy apologies and refunds to customers after banned substances had been found in its SK- cosmetics. And just less than a month ago, chewing gum manufacturer Wrigley pulled a television commercial in Russia after China's Moscow embassy protested, once again urged by Chinese bloggers, over the use of China's national anthem.

China boasts 132 million Internet users, second only to the U.S. A report recently released by the state-run Internet Laboratory estimates 63.4 million Chinese bloggers, with the number reaching 150 million by 2008.ⁱⁱⁱ In light of the exploding development of this online community and its potential impact on corporate crisis management practices, a considerable number of marketers and scholars have conducted research and prescribed corresponding solutions.

Shanghai-based crisis adviser Sam Flemming, whose clients include Pepsi and Nike, argues that the best strategy is to monitor for these crises and catch them early before they get so big. "And then you should react quickly. Consumers feel like they should be listened to. If they feel like they're being ignored, it makes things even worse."^{iv} His comment, however, fails to address the real challenge that the Chinese style of blogging imposes on companies: the popularity of bulletin board systems (BBS) and readers' responses can quickly upgrade the voice of a single blogger onstage to the national arena.

Bearing this in mind, Roland Song, a blogger and expert on China's Internet culture, points out that the companies' real problem is their unwise attempt to use the methods of dealing with traditional media to cope with bloggers. Rohit Bhargava, vice president of Interactive Marketing for Ogilvy Public Relations, goes on to analyze the "dark side" of blogs and throws a laundry list of "five ways to avoid it" as follows:

- Be as transparent as you can.
- Don't be afraid to "admit" you are marketing.
- Understand who your detractors are, and assume they will always hate you.
- Make sure you have supporters that will fight for you.
- Listen, participate and respond.

The study of Dave Taylor, an expert on technical and business issues, further highlights the importance of crisis management blogs. If opinion leaders are not writing their own blogs, "they are certainly not paying attention to the so-called blogosphere," he writes in his blog.

In general, all these studies demonstrate the fact that marketers and scholars are already aware of the vital role of blogs in securing business success in China. There are some other equally if not more important issues, however, that still need immediate attention and deeper probing. National pride and patriotic sensitivity need to be carefully watched and properly addressed. Regulation and policy issues are still complex and need further clarification. Rumor has it that the Chinese government will issue new rules to limit the number of blogs, while discussion is under way inside the International Olympic Committee about whether to allow athletes to write blogs and disclose game-related information during the 2008 Beijing Games. Besides, all parties should indeed start thinking about how to leverage the blogosphere for crisis management and damage control caused by scandals of any kind such as drug use.

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ⁱ http://blog.cctv.com/detail_463_13198_1.shtml#article_status

ⁱⁱ <http://www.post-gazette.com/pg/07019/755195-9tm6.s>

ⁱⁱⁱ <http://fxd.bokee.com/>

^{iv} <http://www.post-gazette.com/pg/07019/755195-9tm6.s>