

Studie

China Is Big News! – International Media Relations by Multinational Enterprises in China

Sebastian Huber

Abstract

In the build-up to the Beijing 2008 Olympics, the role of international media reporting from China is becoming widely apparent. Increasing media reports from China since its admission to the WTO in 2001 are both a threat and an opportunity for multinational enterprises (MNEs) on location. Their China activities are frequently in the spotlight of the international media. This paper aims at understanding the significance, dimensions and basic concepts of media relations with the international media in China from the perspective of multinational enterprises based in the People's Republic. It investigates whether and why China's relations with the international media differ from those of other countries, taking into account the media relations research and local market particularities while exploring best practices amongst ten MNEs in case studies. Many media relations concepts applied elsewhere could also be validated for the Chinese market. The need for a strategy in international media relations for China has emerged as one of the key findings. (Manuscript received March 11, 2008; accepted for publication April 22, 2008)

Keywords: China, Beijing 2008 Olympic Games, international media relations, media management, multinational enterprises

The Author

Sebastian Huber received a dual Master's/MBA degree in International Business and Economics (MIBE) with a focus on China from the University of Hamburg and Fudan University (Shanghai, China) in 2007. He was awarded the Montblanc Excellence Award for Outstanding Student Achievement for his work on international media relations in China. Since 2004 he has been working as a lecturer at the University of Applied Sciences Northwestern Switzerland, and prior to this he managed academic co-operations with more than 70 institutions across Central and Eastern Europe for a US technology vendor. He holds guest lectures at universities throughout Europe. E-Mail: sebastian.huber@fhnw.ch

Studie

China macht Schlagzeilen – Internationale Medienarbeit multinationaler Unternehmen in China

Sebastian Huber

Abstract

Die Rolle der aus China berichtenden internationalen Medien wird im Vorfeld der Olympischen Spiele in Beijing im Jahr 2008 weithin sichtbar. Die seit dem WTO-Beitritt Chinas im Jahr 2001 zunehmend aus China berichtenden Medien stellen für lokal präsente, multinationale Unternehmen (MNE) sowohl eine Chance als auch eine Gefahr dar. Ihre Chinaaktivitäten sind stark im Scheinwerferlicht der internationalen Medien. Aus der Perspektive multinationaler Unternehmen mit Niederlassungen in China beabsichtigt der Autor dieses Aufsatzes, ein Verständnis über die Bedeutung, Dimensionen und grundlegende Konzepte der Medienarbeit mit internationalen Medien in China zu erarbeiten. Es wird untersucht, ob und weshalb die Zusammenarbeit mit den internationalen Medien in China sich von anderen Ländern unterscheidet, dabei werden die Forschung zur Medienarbeit und zu Besonderheiten des lokalen Marktes besonders berücksichtigt und anhand von Fallstudien die Best Practice von zehn MNEs untersucht. Viele Konzepte der Medienarbeit aus anderen Märkten konnten für China bestätigt werden, wobei sich der Bedarf für eine gesonderte Strategie der internationalen Medienarbeit von China als ein entscheidendes Ergebnis herausbildete. (Manuskript eingereicht am 11.03.2008; zur Veröffentlichung angenommen am 22.04.2008)

Keywords: China, Olympische Spiele Beijing 2008, internationale Medienarbeit, Medienarbeit, multinationale Unternehmen

Der Autor

Sebastian Huber hält einen Doppelabschluss als Master/MBA in International Business and Economics (MIBE) – China Focus der Universität Hamburg und der Fudan Universität (Shanghai, China) aus dem Jahr 2007. Für seine Untersuchungen zur internationalen Medienarbeit in China erhielt er den Montblanc Excellence Award for Outstanding Student Achievement. Seit dem Jahr 2004 doziert er an der Fachhochschule Nordwestschweiz und leitete zuvor die akademische Zusammenarbeit mit mehr als 70 Partnern in Zentral- und Osteuropa für einen US-amerikanischen Technologielieferanten. Er hält Gastvorträge an Universitäten in Europa. E-Mail: sebastian.huber@fhnw.ch

1 Introduction

Since the initiation of its opening policy and reforms in three waves in 1978, 1992 and 2001, China has drawn an unprecedented degree of attention from interest groups around the world that have viewed it from many different angles: political, social and economical. Foreign audiences have naturally been most interested in matters concerning themselves, i.e. the impact of events in China on their own environment. With the tremendous wave of foreign investment taking place in China and the growing presence of foreign companies there (NBSC 2007), the media have found an ample supply of news to report back to their home countries – both to the advantage and disadvantage of companies operating in China.

Nike's manufacturing units being accused of employing children (Connor 2001) or Google's surrender to censorship by the Chinese government (Smith 2006) are just two typical and prominent examples of multinational enterprises (MNEs) suffering from unfortunate global publicity due to their conduct in China. The news travelled swiftly through the international media, which were present on location, keeping their eyes on multinationals, in particular. Both companies incurred significant global public relations expenses in the follow-up as well as suffering blows to their brands. Following several weeks of headline news in the United States about poisonous toys from China, US toy manufacturer Mattel, on the other hand, received quite favourable reports from the media when its CEO formally apologised to the Chinese government, thereby taking responsibility for the quality issues concerning Mattel's products (Bartsch 2007).

A simple data analysis was conducted by the author to understand just how much the international media (i.e. TV stations such as CNN, newspapers such as *Handelsblatt* or *Le Monde*, as well as news magazines such as *The Economist* and *TIME*) report from China. As a proxy, the online archives of some prominent newspapers in Europe and the USA were counted for the yearly impressions of the keyword "China" from 1987 to 2007 (Table 1). We can observe an upward trend for the various media listed, some doubling or tripling the number of impressions within 20 years. Reports on China in the international media have increased significantly, particularly since China's WTO admission in 2001 (Figure 1). This trend can be expected to continue, assuming that international media interest in China goes hand in hand with the international public's growing interest in the nation.

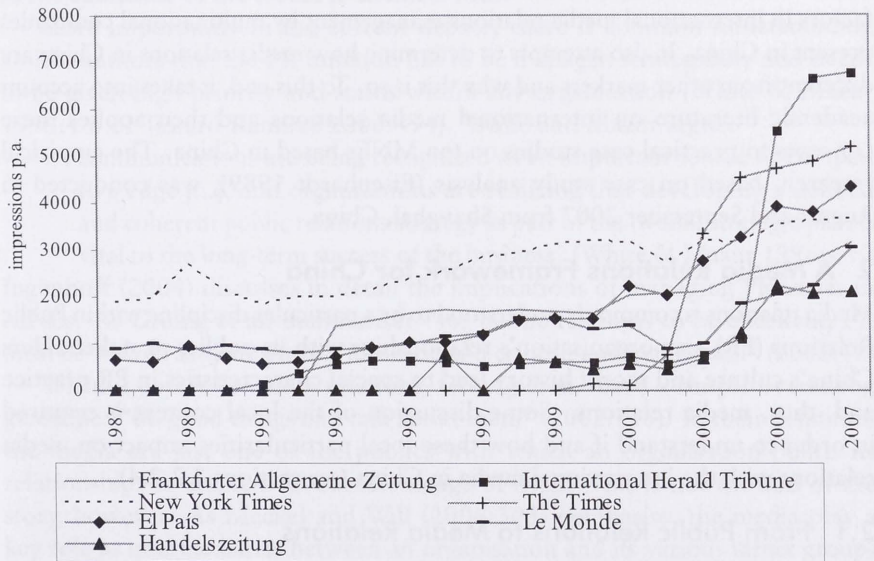
Table 1 Page Impressions for "China", Selected International Media, 1987-2007

	New York Times	El País	International Herald Tribune	Frankfurter Allgemeine Zeitung	The Times	Le Monde*	Handelszeitung*
HQ	USA	Spain	USA	Germany	United Kingdom	France	Switzerland
Data Source	ny-times.com	elpais.es	iht.com	faz.de	timesonline.co.uk	lemonde.fr	handelszeitung.ch
Published	daily	daily	daily	daily	daily	daily	bi-weekly
Search term used	China	China	China	China	China	China	China
1987	1,868	645	n/a	n/a	n/a	890	n/a
1988	1,972	610	n/a	n/a	n/a	990	n/a
1989	2,703	949	n/a	n/a	n/a	880	n/a
1990	2,124	674	n/a	n/a	n/a	960	n/a
1991	1,831	593	151	n/a	n/a	870	n/a
1992	2,008	610	368	n/a	n/a	810	n/a
1993	1,999	737	594	1,400	n/a	900	n/a
1994	2,154	936	663	1,496	n/a	910	n/a
1995	2,397	1,041	668	1,653	n/a	1,010	0
1996	2,539	1,029	611	1,722	n/a	1,140	790
1997	2,833	1,181	530	1,700	n/a	1,230	0
1998	2,909	1,507	587	1,748	n/a	1,540	705
1999	3,127	1,546	600	1,702	n/a	1,520	605
2000	3,185	1,553	617	1,670	171	1,300	455
2001	3,151	2,214	744	2,036	107	1,370	565
2002	2,714	2,044	566	2,077	782	880	455
2003	3,207	2,752	753	2,098	3,337	1,010	695
2004	3,154	3,261	1,116	2,463	4,536	1,850	1,235
2005	3,521	3,932	5,542	2,614	4,737	2,030	2,240
2006	3,622	3,802	6,672	2,776	4,878	2,230	2,060
2007, Q1-4	2,748	3,257	5,082	2,354	3,885	2,270	1,580
2007*	3,664	4,343	6,776	3,139	5,180	3,027	2,107

* The data stated for Le Monde is ten times the number of page impressions registered each January because yearly data is not readily available. Data for Handelszeitung is five times the number of page impressions, adjusted for only bi-weekly publication in comparison. 2007* estimates are a linear annual projection of the number of page impressions from 1 January to 25 September 2007. All the data indicated was retrieved from these websites on 25 September 2007.

Source: Own compilation.

Figure 1 Annual Impressions for "China" in Selected International Media, 1987-2007



Source: Own graph.

The Chinese government is undoubtedly aware of these developments and has accommodated them in various stages over the past 25 years of its opening-up policy. Two truly worldwide events, the Beijing Olympic Games in 2008 and the World Expo in Shanghai in 2010, are likely to boost the interest in China. Supporting these communication opportunities, the Chinese government has vigorously issued new legislation since 1 January 2007, more openly inviting foreign journalists to report from China. The foreign media are also given more

freedom in their work, whilst registration and approval procedures have been relaxed (State Council 2006). This embracing gesture seems to be paying off: many media representatives from abroad relocated in order to be able to report from China in the first half of 2007, the numbering rising by 16 percent, while some 2,000 journalists visited the country on a reporting tour (Liu Jianchao, Director-General of the Information Department of the Chinese Foreign Ministry, quoted in Li & Su 2007).

Given these developments, this research paper aims at identifying key success factors in international media relations management by multinational companies present in China. It also attempts to determine how media relations in China are different from other markets and why this is so. To this end, it takes into account academic literature on international media relations and then applies these concepts to practical case studies on ten MNEs based in China. The empirical research, based on case study analysis (Eisenhardt 1989), was conducted in August and September 2007 from Shanghai, China.

2 A Media Relations Framework for China

Media relations is commonly understood to be a particular discipline within Public Relations (PR) – an organisation's relationships with its publics or stakeholders. China's culture and recent history lead to special characteristics in PR practice and, thus, media relations. Some discussion of the local context is required in order to understand if and how these local particularities impact on media relations with the international media in China (see sections 2.2-2.4).

2.1 From Public Relations to Media Relations

PR is a relatively new discipline in business and recently attracted the attention of social and managerial science. Its roots can be traced back to propaganda initiatives by railway and mining companies in the United States at the end of the 19th century (Oeckl 1993:16). Predominantly used in connection with war propaganda in the first half of the 20th century, the PR approach gained considerable momentum after the end of World War II and then grew into an industry in itself. First a sub-domain of many companies' marketing or communications departments, PR was quickly recognised as an independent discipline. Growth rates of 6 percent, 9.5 percent and 13 percent from 2003 to 2005 reported by the US Council of Public Relations Firms (2005:6) underline the growing importance of PR, well in line with earlier years (Oeckl 1993:26).

There is a heated debate amongst academics about using the terms “public relations”, “corporate communications”, “issues management” and other expressions for a company’s function of communicating with its publics and building relationships with its stakeholders (Grunig et al. 2002:2). In the context of this research, we use Grunig’s definition of PR as “the management of communication between an organisation and its publics” (1992:4). In particular, this concept includes media relations as intermediaries in reaching an organisation’s publics as the audiences of the media it interacts with.

More importantly in the current debate, there is common understanding amongst authors that the PR function has to be managed strategically and needs to be given high priority and status within any organisation (White & Mazur 1996:4-6 or Testard-Ramírez 2006:494). White and Mazur argue:

communications are being recognized as an important source of competitive edge [...], and organisations are realizing that developing a defined and coherent public relations strategy as part of the overall strategic plan is vital to the long-term success of the business. (White & Mazur 1996:v-vi)

Ingenhoff (2004) discusses in detail the implications of managing PR issues in MNEs. As Grunig et al. summarise: “for public relations to be excellent, PR must be viewed as symmetrical, idealistic and critical, and managerial” (2002:11).

When it comes to media relations, Grunig et al. have a simple overriding guideline: “do good things and talk about them” (2002:138). In their definition, the media are just one of the publics with which an organisation builds its relationships to create a favourable image of itself. This is not the end of the story, however. As Meckel and Will (2006:303) emphasise, the media play a key role as intermediaries between an organisation and its various target groups, namely shareholders, employees, customers, public society and – interestingly enough – the media itself. Meckel and Will (*ibid.*:301) further highlight the media’s operation in a “double dualistic market”: the media’s products compete in two markets, on quality of the publication and economic survival, but they also offer content to their readers whilst offering advertising space to the industry. This double duality, they argue, has augmented pressures in the media industry in recent years, both from a market competition perspective and social systems’ expectations as regards media performance (e.g. politics). Getting information across from an organisation to the media – particularly in a favourable tone – is not an easy task, as Grossenbacher (1991) discusses and analyses.

Meckel and Will (2006:305-315) further point out that some target groups cannot be reached directly without the bridging function of the media. This is particularly true when imparting financial information to the many shareholders of quoted companies. To fully understand the media and their network effects, the direct interaction, enforcement and multiplication of media and analysts with each other must be taken into account as well.

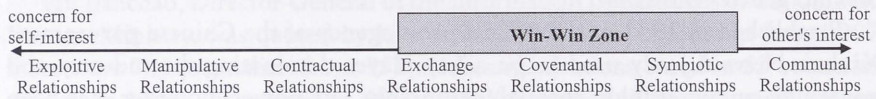
In summary, media relations deals with one of the eight publics in the discipline of PR. Furthermore, the media play a bridging role with all the other seven stakeholder groups in their dual role of a communicator and provider of services to an organisation.

2.2 Media Relations in China

Whilst the discipline of PR (alongside media relations) came to life in many countries in the 1950s, China's political leadership mostly instrumentalised PR and related techniques for propaganda purposes during the planned economy in the years from 1949 to 1980 (Chen & Culbertson 1992:36). Quite naturally, there were no PR activities by any other players than the state and Party due to the absolutist ruling of the Chinese Communist Party in all domains of the economy and public life. There was no communication besides Party-controlled propaganda, which is quite similar to the early understanding of PR in the United States. Direct censoring of the media by the government rendered media relations superfluous.

By definition, media relations builds on the concept of the relationship of an organisation to its publics. Grunig and Hung (2002) have shown that good relationships with its publics contribute to an organisation's reputation. As Grunig et al. (2002:95-96) note, it is the combination of relationships and communications that create both capacity and limits of an organisation's autonomy within its environment. These organisation/public relationships are defined by Hung as arising "when organisations and their strategic publics are interdependent and this interdependence results in consequences to each other" (2005:396). In interviews with executives of multinational companies based in China, Hung researched a continuum of relationships along the axis of how much one's self-interest versus the concern for the other's interest is taken into account (see Figure 2) (2005:416). Beyond the five types of relationships suggested by theory, she also discovered two new types: manipulative and symbiotic relationships.

Figure 2 The Continuum of Types of Relationships



Source: Adapted from Hung 2005:416.

More specifically, Hung found that most companies in China describe their relationships with the media as win-win or covenantal relationships, one interviewee using the term “partnership” to describe his company’s relationship with the media in China (2005:403). Whilst companies in China appear to maintain different types of relationships with different publics, Hung found that relationships outside the win-win zone where both parties benefit from maintaining a relationship were not sustainable in China and would certainly harm a company’s presence in the long run. This, she found, is particularly true for media relations (2005:405-409).

In China and elsewhere, the media relations discipline within PR did not play much of a role until the media sector developed. Before China’s opening in the late 1970s, there were only 257 official print media, all state-owned and fully state-controlled. The Chinese media industry then developed quickly: 930 publications were registered in 1978; more than 5,000 by 1985 and a growing number ever since then: 8,000 in 1988; 8,725 in 2000 and 9,029 in 2002 (all data from Hardebeck et al. 2006). Looking more closely at the media landscape (most recent and consistent data from GAAP 2007; Friese 2007; Schlotter 2006; Bielenberg 2005; Carmosky 2005), we note some impressive facts and figures: 96.6 million newspaper copies sold daily, 2,100 daily newspapers, 9,000 magazines, 370 TV stations (1,200 channels) and 300 radio channels. For 2006, GAAP (2007) reports over 230 billion CNY of sales in the publications industry.

Recently, due to China’s WTO accession in 2001 and the subsequent opening of even more markets, international media were able to build up their presence in and start reporting from China (*People’s Daily Online* 2007). Foreign media successfully established local versions of their magazines (Bielenberg 2005:48). This also applies to *Cosmopolitan* and *Vogue*, for a recent example, visit <http://www.vogue.com.cn/>. The Chinese Communist Party further loosened its grip on the media by inviting foreign players and reducing subsidies and compulsory subscriptions in 2003 (Carmosky 2005:34). Most recently, Chinese lawmakers

have been discussing freeing journalists of government authorisation for reporting on emergencies (Zhe 2007).

Established in 1931 as the official press agency of the Chinese government, Xinhua News Agency used to be a key player dominating the industry and governing public opinion through censorship. Its power, however, has been fading in recent years, with the government cutting its budget support – nowadays this covers a mere 40 percent of Xinhua's operating expenses. Xinhua's control of foreign media in China was clearly criticised by Liu Binjie, Deputy Director of the General Administration of Press and Publication, when he was quoted as saying: "Other agencies of the Government will ensure that Xinhua will not monopolise the news industry" (Cheng 2006).

Media censoring can still be observed and influences the range of subjects reported. However, censoring does not appear to restrict the reported content itself, but rather limits the topics permitted for reporting. Many areas of business appear quite free of censoring. And as for delicate issues, journalists tend to censor their own reporting, thus preventing formal intervention by government agencies before publication of such content (Friese 2007:8; Schlotter 2006:51). In this respect, the censoring sensitivity of journalists makes them key partners in the media relations of organisations in China, both national and international.

With a view to the international media and in the advent of the Beijing Olympics in 2008, the Chinese Government (State Council 2006) announced a set of rules on international reporting entitled "Regulations on Reporting Activities in China by Foreign Journalists during the Beijing Olympic Games and the Preparatory Period", which – as of 1 January 2007 – allows foreign journalists to operate with much more freedom in mainland China, interviewing people without official approval, a significant change after rules were tightened in the 1990s (Ching 2007).

2.3 International Media in China

The Chinese Communist Party has long understood the power of the foreign press and in particular its outreach to the 2.4 million overseas Chinese (d'Hooghe 2005:90-95). Nonetheless, Chinese government officials have repeatedly accused Western media of creating a negative international picture of China (Liang 2007). The establishment of a media centre for the international press by China's Foreign Ministry in 2000 expresses this concern and the attributed importance of smoothing out relationships with the international media on a government

level (d'Hooghe 2005:99).

Liu Jianchao, Director-General of the Information Department of the Chinese Foreign Ministry, was quoted by Li and Su (2007) as saying that in June 2007 there were 705 journalists from 351 media organisations based in 53 countries present in China, compared to 606 journalists from 315 media organisations from 49 countries only seven months earlier. Meanwhile, some 2,060 foreign journalists are reported to have visited China during the first half of 2007. Liu Jianchao undoubtedly attributes this increase and success to the newly passed legislation (State Council 2006) and hopes this trend will continue into the Beijing Olympics. His department is making a great effort to accommodate journalists in China

to cover their stories in China in a more comprehensive, objective and balanced way and enable their audiences and readers to understand what is happening in China. (Ibid.)

During the Olympic Games in 2008, some 20,000 journalists (both national and international) are expected to report from China (Brahm 2007).

2.4 Internationalisation of Media Relations

Grunig et al. (2002:xii) highlight clearly the new challenge for PR: globalisation. When developing their framework of excellence in PR, they unambiguously attributed differences to the understanding of excellence in various countries (Grunig et al. 2002:80). White and Mazur (1996:50) emphasise: “nowhere does an international outlook count for more than in communications”. This is actually even more apparent in media relations.

With economies, politics and social life increasingly interlinked across borders and continents, the media display a growing interest in reporting stories from around the world to their audiences. From a company perspective, White and Mazur summarise: “global reputation for how [companies] do business and how their activities affect the environment is under intense scrutiny from the world’s media” (1996:vi). Due to its growing importance and increasing role in world politics, international business, trade and economics, China plays a central and increasingly prominent role here. These trends of globalisation in the media and the growing focus on China are leading to an increasing presence of foreign media in China.

The media itself have internationalised rapidly as a result of technological development in the late 1990s, with Internet technologies and Web 2.0¹ being the most prominent areas. With increased international interest in China, the worldwide media industry was able to distribute content instantly around the world irrespective of time zones and physical distances (Weber 2005).

Following Banks (1995:112-113), only by knowing about cultural conditioning of facts and values, learning about cultural norms, languages and rituals can a PR effort be re-defined situationally. What he calls the “global/local approach to managing international public relations” should finally allow communicating effectively with an organisation’s publics: interactivity through genuine dialogue.

With China much in the worldwide focus of political and economical developments, media presence and media activity from China has increased significantly. These trends are certain to accelerate in the advent and during major forthcoming events of a global scale such as the Beijing Olympics in 2008 and the World Expo in Shanghai in 2010. The international media reporting from China touches on many aspects of daily life, society, the economy and politics in the republic, of course, depending on each media’s target audience and format. Looking at the international business press such as the *Financial Times*, *Wirtschaftswoche* or *Wall Street Journal*, one finds a high interest in the activities of foreign-invested companies headquartered or listed in the home countries of these media. Not surprisingly, shareholders in Germany are interested in the performance of their German company’s Chinese subsidiary and in its activities in China, which may itself be the fastest-growing market for the company, with many hopes for the future pinned on it.

Consequently, foreign companies in China are now finding themselves under close observation by journalists working for their home country’s media. News from China does, indeed, make cover-page headlines. Take, for example, the German paper *Handelsblatt* (2007a), which reported “Rückschlag für Transrapid. Baustopp in China – Siemens und Thyssen-Krupp droht hoher Verlust“ [Setback for Transrapid – construction halted in China, Siemens and Thyssen-Krupp risk high losses] on 29 May 2007. The article, written by a Beijing correspondent of

¹ Web 2.0 is a term often applied to a perceived ongoing transition of the World Wide Web from a collection of websites to a fully fledged computing platform serving Web applications to end users. The phenomenon is accompanied by the increasing publication of content and direct interaction of individuals through blogs, networking, etc. using Internet technologies and services.

the newspaper, explained that the magnetic levitation train project from Shanghai to Hangzhou was ultimately cancelled due to citizens' health concerns and the high cost. To make matters worse, the same newspaper (*Handelsblatt* 2007b) reported just one day later on 30 May 2007: "Kein Hinweis auf Baustopp in China. Transrapid-Konsortium setzt auf Shanghai und München" [No sign of construction halts in China – Transrapid consortium pins hopes on Shanghai and Munich]. The German construction consortium quoted by a news agency denies that the railway project in China was halted. Intriguingly, both articles featured the same picture of the maglev train in Shanghai. Readers who were so inclined could not help but notice the obvious incongruence of news emitted in two countries by the companies and their construction consortium.

Other examples of headlines emerged on the announcement of renegotiations by the Chinese car manufacturer Cherry with Chrysler following the Daimler-Chrysler split (*Handelsblatt* 2007c). More rarely, good news from China makes it into the international press as well. *Welt am Sonntag*, for example, reported on 15 April 2007 about the fashion company H&M's shop opening in Shanghai (*Welt am Sonntag* 2007a). The same newspaper reported favourably on Faber-Castell's efforts at socialised globalisation in China, producing a two-page feature on the subject (*Welt am Sonntag* 2007b).

People's Daily Online (2007) took the 22 January 2007 edition of *TIME* magazine to summarise the recent interest in Chinese affairs on the part of foreign media, calling it "China Fever". Michael Elliott, editor of *TIME* magazine's international edition, put the interest in a nutshell:

What happens to China and what happens within China will affect all of us in one way or another, and we [TIME magazine] will be there reporting it for you. (*People's Daily Online* 2007)

Most recent data indicates a strong growth in the international media's presence and in the number of visits by journalists from overseas as the new regulations in force since January 2007 took effect (Li & Su 2007). These developments indicate an increasing need for foreign companies operating in China to excel in their communications with the international media present in China, which observe their every move.

In summary, relations with the international media in China are moderated by the special characteristics of the local market: the relatively short tradition of public relations practice, the bewilderingly fast growth of the local media market, the tradition of censorship there and the growing interest in developments

in China on the part of the worldwide community. International media are increasingly being granted access to the Chinese market for reporting abroad and publishing local editions. Consequently, news from China is highly visible with the international media, whose direct presence in the country is growing.

3 Empirical Case Study Research

Linking theory to practice enables us to explore what actually makes foreign companies successful at the international media relations they conduct from China. In particular, the influence, development and perception of the local market environment with respect to international media relations will be elaborated. Actual practice can help us to confirm whether (and why) relations with the international media differ in China compared with other countries.

The empirical research outlined here is based on case studies of ten multinational companies in China. For reasons of confidentiality, neither company names nor interviewee names and titles can be revealed. One anonymous case study is presented in section 3.2 to illustrate the research conducted, however.

3.1 Methodology Used

Academic literature on international media relations is quite diverse, but very little specific research on China is available. No theory on international media relations from China can be found at this time. In other words, the topic researched is quite new and relatively unexplored.

These are precisely the characteristics Eisenhardt (1989:532) highlights as being suitable for case study research, describing it as “a research strategy which focuses on understanding the dynamics present within single settings” (ibid.:534). In the single and precise setting of China, international media relations face a certain dynamic, as seen above. This case study could easily be classified in line with other examples mentioned by Eisenhardt (1989:table p.353), as in Table 2.

While quantitative analysis would be desirable, the measurement of the objective (successful international media relations from China) and all the influencing factors (culture, organisational structure, strategy, local market conditions, etc.) are extremely difficult to quantify. Comparing the experiences and judgments of various multinationals in China, however, promises to result in a diverse yet condensed collection of new findings.

Table 2 Case Study Research Classification

Study	International Media Relations by Multinational Enterprises Based in China
Description of Cases	10 MNEs with diverse origins and lines of business
Research Problem	International Media Relations
Data Sources	Interviews, some observations, public data sources
Investigators	Single investigator
Output	Recommendations to businesses and academia

Source: Eisenhardt 1989:353.

Table 3 Categorisation of Companies

Criterion for diversity	Measures
Size, both in China and Internationally	Turnover, employees
China Experience	Time since market entry to China
Headquarters	Various European countries and the USA
Profile of the Media Representatives	Organisational position and job title, nationality, previous experience, professional and educational background
Business and Industry	Business-to-business (B2B), industrial goods, consumer industries (B2C) including health care, information technology, engineering, property market, etc.
Degree of Diversification	Diversified business with activities in a number of business areas as well as focused niche players
Visibility	Media attention in number of clippings in their home market, internationally and in China, inter-linkage with government initiatives and highly visible projects

Source: Own categories.

Eisenhardt (1989:534-545) has developed a framework and process for case study research which was strictly followed here. Case study research offers several advantages of which full use was made in discussing the cases – by analysing each case individually and by comparing cases. A number of diverse companies were selected in accordance with case study research theory. To fit into the research objective, all the companies had to be MNEs with a base (office or subsidiary) in China.

The companies were purposefully selected with diversity in mind. Diversity in case study research allows one to explore a new topic in a broad sense. Companies were chosen that are different in several ways (see Table 3).

Because China is largely perceived as a single entity in international media reports, there appeared to be little need to search for diversity with respect to the location of the multinationals within China. As far as their China operations are concerned, all the companies chosen were either headquartered in Beijing or Shanghai, simplifying practical aspects of interviewing.

All the interviews were conducted between 8 August and 26 September 2007. This allowed me to use the same frame of reference for the media market conditions and the international visibility of China. The time period luckily coincided to some extent with an increase in media attention to China due to the FIFA Women's Soccer World Cup 2007 (10 to 30 September 2007) in Shanghai and the Special Olympics in Shanghai (2 to 11 October 2007). The weeks of August and September also saw continued reporting on product quality concerns on animal food and poisonous children's toys, particularly in the USA. Reports on the crisis in Burma only emerged at the end of September, after the interviews had been conducted.

3.2 Case Study Example

A large electrical and electronics company headquartered in Germany participated in the empirical research. From publicly available sources (e.g. their website, financial reports, newspaper articles and the like), a company profile was developed with regard to its China activities, with a particular focus being put on recent media reports of the company's China activity.

In a second step, semi-structured interviews were conducted with members of management responsible for media relations at this organisation. The questionnaires included standardised questions for later comparison with other cases as well as specific questions related to the company profile and the recent media coverage to understand how this company responds to the particular challenges of international media relations from China.

For analysis, the company profile and questionnaire results were separately studied to extract any links between the company's specifics and its experience with international media relations in China. For example, the size of this company was expected to lead to high visibility with the German media present in China (an assumption which was confirmed).

One interviewee also validated the general research hypothesis of high visibility of China on an international level:

China is often taken as an example because the country is so important. Over there, these developments are actually happening now: urbanisation/huge city development. Some global trends can be explained by examples from China. [...] In the international media, there is more attention to China than other markets. [...] But] there is less trust with foreign correspondents of German media. Compare this: *Süddeutsche Zeitung* has two correspondents reporting exclusively about our company in Germany. Although there is close interaction [in China], there is not the same level of trust with their correspondents here.

Taking the findings of early cases into account, the research was increasingly focused on later case studies, and for each case, the particular backgrounds of the expert and the company were considered. Expert opinions on the challenges of the particular cases were collected, for example the intercultural dimension of media relations:

Chinese reporters will not ask as many critical questions, they will just write a critical article, whereas German reporters might ask more questions in the first place.

When questioned specifically about this company's recent international media coverage from China, a company representative said:

With the B2B target groups, non-company issues dominate the perception via the media reports, such as the German-Chinese political relationship represented by Chancellor Merkel, which has a very big impact indeed.

In a number of aspects, views from several companies were compared in further cross-case analysis. This company, for example, contrasted with others due to its size and therefore distributed power and media relations responsibility more across departments: "in the vertical business groups (SBUs), there is product-specific PR and allocatmarketing", one of my contacts stated. On other questions, agreement between cases was found, as this company again reported: "the media is growing strongly, especially in the business, government and trade magazines and focused media. There are a lot more than a few years ago."

In an iterative process, interviews, theory and public sources were consulted and results from earlier interviews were brought up for more specific discussion with later interviewees to deepen the understanding and either confirm or reject statements across and between cases.

4 Findings

Each of the ten cases was intensively analysed independently, combining publicly available sources and interview data. The cases were also compared in the search for cross-case patterns or contradictions. In an ongoing manner, theory and literature were consulted to sharpen later cases. Diverse findings emerged from this empirical research addressing various stakeholders of international media relations conducted by multinational enterprises in China.

4.1 Multinational Enterprises

There appear to be many opportunities for MNEs in the media – both in the local market in China and with the international media reporting from China to the world. Much of the value of media relations lies in network effects, forwarding information from enterprises to other stakeholders and publics, such as the government, customers and employees. To seize these opportunities, MNEs should allocate resources in media relations early on, i.e. from the moment they enter the Chinese market, and build up relationships and their image over time. During the start-up phase, they can also use media relations to collect market intelligence in bi-directional exchanges with journalists. Allocating media relations as a staff function to the local top management seems to be the most promising organisational choice.

This research found that the staffing decision for a media relations officer widely determines the success of international media relations. Not surprisingly, Chinese nationals work much better with the local media market, while foreigners more easily interact with international media representatives. More importantly, they tend to perceive the other media group (i.e. the foreign media from a Chinese perspective and the Chinese media from a foreigner's perspective) quite negatively, which impedes working with them. To be responsive to both media groups as a company, a diverse team with two spokespersons – a foreign and a local one – appears to make a great deal of sense. With a very particular local market and a tremendous international exposure, this duality is needed to address different media counterparts.

MNEs should be very careful in choosing a PR agency that can add value to their media relations. Large international players seem to be only of partial help and a more focussed local agency a more promising choice in general. Making sure that the agency truly understands the company's industry and business

should be the main decision-making criterion for highly specialised enterprises. Alternatively, it appears to be a popular choice to in-source media relations and delegate simpler and more repetitive work to an agency.

In media relations, the local market in China is very different to other markets, which impacts on both relations with the Chinese and international media. MNEs should be aware of the particular risk of emotional reporting and a certain tendency to criticise foreign players more than local companies. Having an emergency plan might not entirely avoid negative reports, but hopefully reduce the spread. Only truly close relationships with journalists can reduce negative exposure. Furthermore, MNEs must be aware of the immaturity of the market and its fast development. Particularly the intertwining of commercial and journalistic activities might surprise people at first. Similar to other areas of doing business in China, the MNEs must decide how far to stretch their international business policies in adapting to local requests. Also, companies need to be prepared to participate in educating journalists about their business, including the technicalities, and to provide industry knowledge. MNEs get much more exposure and attention in China at the moment, and there are several distinct communication opportunities: first, they are happily quoted as representatives of their industry, home country or the MNE community. Second, the local media in China is increasingly looking for international news related to China, and MNEs in general can offer such information. Similarly, the international media tend to report frequently about companies from their home country, which makes maintaining a close relationship with them potentially beneficial.

MNEs with a subsidiary in China have plenty of opportunities to cope with the attention they get from the international media. In most cases the group of journalists reporting from China to a company's home country is a fairly small one, so there should be an incentive for the Chinese operation to target these international media. The Chinese operation must understand the background of these international media while receiving acclaim and reward for successful clippings. These days, it might be easier to encourage a report in a prestigious US newspaper when reporting on a company's experience and knowledge of China rather than issuing general news to the US media's headquarters. The visibility a company's China operations get inside the organisation through such an international clipping could be an incentive in itself. The research conducted here has also shown that inviting journalists from a company's home country to visit its China operation capitalises on China's visibility and news value. That

might prove an interesting (albeit costly) activity for MNEs as well.

Further along this line, an MNE might consider introducing more multilateral co-ordination of media relations to address the increasingly networked international media across the globe with a uniform but local voice. Developing a portfolio with profiles of international media might prove useful in addressing them in various countries, China being one of the most visible locations at the moment. By dealing with the international media in the same way as the local media in China, companies risk ignoring significant cultural differences. Their need for information, their working style and their objectives are quite different from the local media. A proper and distinctive concept of dealing with the international media in China seems appropriate. In an effort to focus resources, companies should make an effort to network with and communicate to international media representatives from the company's home country.

When working together with the international media, MNEs must be aware that the relations between foreign governments and the Chinese leadership not only impact on their business and trade, but also on international media reports. Following these developments closely to identify communication opportunities can prove very valuable.

4.2 Media Relations Officers

Judging by the experience of the companies interviewed in this research study, only news and information about a company's China activities should be addressed to the media in China. There is little interest – even from foreign journalists – in a company's activities abroad. International experiences are only requested for news that is truly international; and in this case, the international media might be given much better support by the company's headquarters – and so should be directed there instead.

The increasing presence of foreign media in China is leading to a more diversified crowd of journalists to deal with. In this context, it is important to understand not only the background of the journalist, but also part of the background of the media he or she works for as well as this media's audience. It appears that having both a Chinese and non-Chinese spokesperson available broadens the interview opportunities. Matching the right spokesperson with the enquiring journalist is more important than one might think.

There is a need for cross-cultural communications training for any non-Chinese staff interacting with a Chinese journalist and likewise for a Chinese

media officer working with a foreign journalist. Many journalists reporting from China to the international media are actually of Chinese nationality, background and culture. So it is not only the media itself which needs to be taken into account for successful communication, but also the journalist's personal background.

Media officers need to be aware of the local media's bias towards MNEs. And they will experience the inquisitive and analytical reporting methods of foreign journalists. On the other hand, knowledge of the local market and its inherent way of functioning is imperative to be able to successfully run media relations in China. In many other aspects of media relations, the activities and challenges in China are similar to other markets. Events and interviews with company executives, however, seem to be more popular and effective for media coverage.

4.3 International Media

Many international media have already picked up on reporting from China by sending journalists there or recruiting them locally. Clearly, they rely on MNEs as a reliable and representative source of insights on developments in China. With a growing MNE community, these resources are becoming even more widely available and should be tapped by the international media.

International media and their staff should be aware that in China they are still perceived as representatives of their country to some extent. Their reporting on events from China can have quite an impact on political affairs between the two countries and some caution might be required. While the general press and some TV stations mostly report from China, there is actually a tremendous opportunity for specialised media, the radio and Internet media to follow suit; there are plenty of MNEs in specialised industries who would be perfectly willing to share their China background with the international media.

Finally, there appears to be some disagreement between the media officers questioned in this study about the local market opportunities for foreign media, i.e. if foreign media can and should establish a local China edition to tap into the large Chinese reader base. With the current regulations, access appears to be somewhat easier in specialised media and non-sensitive areas such as lifestyle, sports or entertainment. In the general media, political opinion and guidance restrains foreign entry and is unlikely to change swiftly. However, the local market is very interested in and in need of international insights and support, so partnering with media in China might be a suitable and attractive way of getting an early foothold in this large market.

4.4 The PR Industry in China

According to the findings of our research study, it seems the value of PR agencies lies in specialisation; understanding a company's industry and business is a key value. This will gain further weight when the media industry in China becomes uniform on a national level. With specialised media developing a national reach, it will be potentially more viable for any agency to specialise in certain industries. The business volume generated from its knowledge and network in an industry can then originate from customers of such industries across the country.

Also, there is an opportunity to target the international media as a specialised service for MNEs. This might include an "international media representative" solely catering to the small but growing community of foreign journalists and media. Such a service offering could be developed both by local Chinese agencies or locally present international players.

In their position between companies and the media, agencies could accelerate the development of transparency with respect to commercial and journalistic activities. MNEs with restrictive and very clear ethical guidelines, in particular, would appreciate this effort from their PR agencies.

Agencies as much as media relations officers should consider diverse teams of foreign and Chinese nationals to cater to the MNEs and their decision-makers as well as the international media. Besides using an agency for local media relations, companies are unlikely to appoint a different agency for handling their international media relations in China. But it could definitely be a distinctive feature and a valuable service to have resources and knowledge dedicated and available to the growing and increasingly important foreign press.

5 Conclusion

This research demonstrates that international media are increasingly reporting from China, which is due to several simultaneous developments. First, the information and telecommunications infrastructure advanced enormously in the late 1990s, allowing literally instant transmission of information from anywhere in the world. Second, the interest in China has grown since the opening policy was adopted in the early 1980s, in the second wave of reinstated reforms after 1992 and WTO membership in 2001. Along with increasing foreign investment in China and rapidly strengthening global economic ties, interest in affairs in China has grown. Most recently, relaxed legislation has motivated foreign media

to report directly from China. At the same time, and to bolster this development, the local media industry in China has been growing at double-digit rates year after year.

In researching ten MNEs based in China, it was found that these organisations do not include any particular strategies in their media relations for addressing the opportunities and risks of international media reports from China. What's more, the enterprises' representatives unanimously agree that their China activities are highly visible due to the international media and therefore deserve special attention. While the community of the international media journalists in China is still relatively small, managing the relations with these media might generate a relatively high degree of visibility with the international media by building on China's worldwide exposure and prominence. Opportunities for MNEs in terms of media content emerge from two areas: they are a trusted source on very general perspectives on the developments in China and their industry; and there is an increasing trend regarding international news in the local media in China, where MNEs are a welcome source of information.

Through case study analysis and research into the local market characteristics in China, it has not only been proven that media relations with the international media differ in China, but also that understanding the local media market is very important due to its moderating effects on the international media reporting from China. This research further highlighted the importance of staffing the media relations function in China. Foreign nationals and Chinese nationals display distinctively different perceptions of the local and international media in China.

From a more conceptual viewpoint, this study underlines the dual market role of the media and its bridging function towards politics and international publics. News from an MNE that emerges from China not only reaches Chinese political leaders swiftly, but also employees, executive staff and government representatives in the company's home country, or even around the world.

PR agencies seem to be facing a dilemma: either the enterprises were large enough to maintain the necessary functions in-house or they judged their business to be too specific for an agency to cover. Furthermore, the company representatives interviewed did not perceive any initiatives from PR agencies with a view to supporting their international media relations in particular.

6 Further Research

While conducting this research, a number of interesting areas for further research surfaced, both in theory and practice. Most evidently, a wider empirical analysis would be desirable, using statistical methods for generating models on determinants of success in international media relations for MNEs in China.

In general, it seems that the measurement and management of international media relations deserves more attention from the academic community as the media industry undoubtedly continues to internationalise at a fast pace. China could continue to serve as a prominent object to be studied in this area.

Without a doubt, China itself and the local media industry offer a multitude of research opportunities: regional differences within China, the dual role of the media and the role of industry analysts in specialised media are just a few of them. The continuing development within the media industry presents an opportunity for a great deal of further research. Following the PR boom in the US and Europe, it is now time to turn the focus to China for the 21st century.

References

- Banks, Stephen P. (1995), *Multicultural Public Relations: A social-interpretive approach*, London: Sage Publications
- Bartsch, Bernhard (2007), "Mattel hilft China aus der Patsche", in: *NZZ am Sonntag*, 23 September, p.3
- Bielenberg, Gerd (2005), "Mediaplanung: warten auf die harte Währung: verkaufen in China", in: *Absatzwirtschaft*, vol.48, no.5, pp.46-50
- Brahm, Laurence (2007), "Guessing games", in: *South China Morning Post*, 31 July
- Carmosky, Janet (2005), "For immediate release", in: *The China Business Review*, vol.32, no.5, pp.34-38
- Chen, Ni & Hugh M. Culbertson (1992), "Two Contrasting Approaches of Government Public Relations in Mainland China", in: *Public Relations Quarterly*, vol.37, no.3, pp.36-41
- Cheng, Allen (2006), "China backs open news media move", in: *The Age*, 15 September. Online: <http://www.theage.com.au/news/business/china-backs-open-news-media-move/2006/09/14/1157827090991.html> (accessed 12 August 2007)
- Ching, Frank (2007), "Free the Press", in: *South China Morning Post*, 10 January

- Connor, Tim (2001), "Still Waiting For Nike to Do It", in: *Global Exchange*, May. Online: <http://www.globalexchange.org/campaigns/sweatshops/nike/stillwaiting.html> (accessed 26 March 2007)
- Council of Public Relations Firms (2005), *Member Meeting Presentation: 2005 Business Benchmarks & Council Actions*, New York, 26 October. Online: <http://www.prfirms.org/resources/publications/default.asp> (accessed 12 August 2007)
- d'Hooghe, Ingrid (2005), "Public Diplomacy in the People's Republic of China", in: Jan Melissen (ed.), *The New Public Diplomacy – Soft Power in International Relations*, Palgrave: Macmillan, pp.88-105
- Eisenhardt, Kathleen M. (1989), "Building Theories from Case Study Research", in: *Academy of Management Review*, vol.14, no.4, pp.532-550
- Friese, Marianne (2007), *PR und Kommunikation in China* (PR and communications in China), notes to the DPRG international telephone conference, 26 January
- GAAP see Zhonghua Renmin Gongheguo xinwen chuban zongshu
- Grossenbacher, René (1991), "Hat die "Vierte Gewalt" ausgedient? Zur Beziehung zwischen Public Relations und Medien", in: Johanna Dorer & Klaus Lojka (eds.), *Öffentlichkeitsarbeit: theoretische Ansätze, empirische Befunde und Berufspraxis der Public Relations*, Wien: Braunmüller, pp.42-49
- Grunig, James E. (1992), *Excellence in Public Relations and Communications Management*, Hillsdale: Erlbaum
- Grunig, James E., Larissa A. Grunig & David M. Dozier (2002), *Excellent Public Relations and Effective Organizations – A Study of Communication Management in Three Countries*, London: Erlbaum
- Grunig, James E. & Chun-ju Flora Hung (2002), "The effect of relationships on reputation: A cognitive, behavioural study", paper presented at the Conference of Public Relations Society of America, Miami: Educator's Academy
- Handelsblatt* (2007a), "Rückschlag für Transrapid", 29 May, p.1
- (2007b), "Kein Hinweis auf Baustopp in China", 30 May, p.19
- (2007c), "Chinesen stoppen Projekt mit Chrysler", 21 May, pp.1, 14
- Hardebeck, Gina, Heidrun Haug & Udo Hoffmann (2006), "Die Suche nach der Nadel im Heuhaufen – Über den chinesischen Medienmarkt", in: storymaker (ed.), *Media Guide China 2006*, Thüringen: Die Kavallerie, pp.8-11
- Hung, Chun-ju Flora (2005), "Exploring Types of Organization – Public Re-

- relationships and Their Implications for Relationship Management in Public Relations”, in: *Journal of Public Relations Research*, vol.17, no.4, pp.393-426
- Ingenhoff, Diana (2004), *Corporate Issues Management in multinationalen Unternehmen – eine Studie zu organisationalen Strukturen und Prozessen*, Bamberg: Difo-Druck
- Li, Xing & Qiang Su (2007), “Foreign media enjoy greater access”, in: *China Daily*, 3 August
- Liang, Yan (2007), “Chinese official urges foreign media to stick to truth in reporting”, in: Xinhua, 18 July. Online: http://news.xinhuanet.com/english/2007-07/19/content_6395788.htm (accessed 12 August 2007)
- Meckel, Miriam & Markus Will (2006), “Media Relations als Teil der Netzwerkkommunikation”, in: Beat F. Schmid & Boris Lyczek (eds.), *Unternehmenskommunikation*, Wiesbaden: Gabler, pp.287-319
- National Bureau of Statistics of China (2007), *Statistical Yearbook 2006*. Online: <http://www.stats.gov.cn/english/> (accessed 29 September 2007)
- NBSC see National Bureau of Statistics of China
- Oeckl, Albert (1993), “Anfänge und Entwicklung der Öffentlichkeitsarbeit”, in: Heinz-D. Fischer & Ulrike G. Wahl (eds.), *Public Relations. Geschichte – Grundlagen – Grenzziehungen = Öffentlichkeitsarbeit*, Frankfurt am Main: Lang, pp.15-31
- People’s Daily Online* (2007), “Observation: Overseas media catch “China fever””, 26 January. Online: http://english.people.com.cn/200701/26/eng20070126_345124.html (accessed 12 August 2007)
- Schlotter, Katrin (2006), “Fremder Markt China”, in: *PR-Magazin*, vol.37, no.8, pp.50-53
- Smith, David (2006), “Google defiant over censorship in China”, in: *The Observer*, 29 October. Online: <http://observer.guardian.co.uk/world/story/0,,1934297,00.html> (accessed 26 March 2007)
- State Council (2006), *Regulations on Reporting Activities in China by Foreign Journalists during the Beijing Olympic Games and the Preparatory Period*, Decree No. 477 of the State Council. Online: <http://www.fmprc.gov.cn/eng/xwfw/jzfw/t326215.htm> (accessed 12 August 2007)
- Testard-Ramírez, Sylvie (2006), “International Communication”, in: Tamara L. Gillis (ed.), *The IABC handbook of organizational communication*, San Francisco: Jossey-Bass, pp.491-503

- Weber, Markus (2005), "Kampagnen werden internationaler: Agenturen", in: *Werben und Verkaufen*, vol.43, no.24, pp.40-41
- Welt am Sonntag* (2007a), "Hosen und Röcke für kurze Beine", 15 April, p.33
- (2007b), "Wie Faber-Castell in China um eine soziale Globalisierung ringt", 3 June, pp.24-25
- White, Jon & Laura Mazur (1996), *Strategic Communications Management: Making public relations work*, Harlow: Addison-Wesley
- Zhe, Zhu (2007), "Loose media rules move closer to law", in: *China Daily*, 25 June
- Zhonghua Renmin Gongheguo xinwen chuban zongshu (General Administration of Press and Publication of the People's Republic of China) (2007), *2006 nian quanguo xinwen chuban ye jiben qingkuang* (General situation of the national news publication industry in 2006), 10 July. Online: <http://www.gapp.gov.cn/GalaxyPortal/inner/zsww/zongsu3.jsp?articleid=11438&boardpid=145&boardid1=1150101011150f> (accessed 9 September 2007)