CRISIS COMMUNICATION AND IMAGE REPAIR
FROM A CULTURAL ASPECT:
A CASE STUDY OF KING CAR’S IMAGE REPAIR PROGRAM IN TAIWAN

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CHAPTER 1: INTRODUCTION

Compared with other countries around the world, the field of public relations in the United States is much more developed and mature. Because major public relations theories were shaped and practiced in the United States, these theories and models tend to only reflect situations in Anglo-Saxon countries. However, after the border of public relations became wider, practitioners realized that western-built theories and models have to be adjusted in order to apply to different cultures. Hence, how to organize an overbridging theory of public relations has become a hot topic in academia in the 21st century (Moss & DeSanto, 2002)

Distinguished by the eruption of the crisis, crisis management can be divided into two sections, which are the pre-crisis stage and the post-crisis stage. Image repair theory is an important section of crisis management. Because the credibility and reputation of an organization is worthy of protection and maintenance, regaining a favorable impression of the public after image damage is a significant goal for public relations practitioners.

According to Benoit and Pang (2007), the image repair model contains five broad categories, which are denial, evasion of responsibility, reducing offensiveness of event, corrective action, and mortification. There are also several sub-forms of image repair
strategies that belong to some of the broad categories.

The melamine milk event is a hot scandal which was revealed in China in September 2008. At least nine countries besides China were involved in this scandal. King Car, a leading brand food and beverage company in Taiwan, also suffered a crisis in this melamine case.

Through discussing this case study by analyzing 45 Taiwanese local news reports which directly related to King Car’s image repair program, this study wishes to answer whether image repair model can be utilized, how well did it work, and what aspects of the model can be specifically applied in eastern cultures, especially Taiwanese culture.

During the melamine milk crisis, King Car conducted seven of the 14 image repair strategies delineated by Image Repair Theory, which were corrective action, bolstering, minimization, defeasibility, shift the blame, mortification, and good intentions. Among these strategies, based on king Car’s experience, the application of corrective action, minimization, defeasibility, and good intentions were similar with western culture. However, with the soft appeal, sympathy, and humbleness preferences in Taiwanese culture, the PR practitioner should pay attention to the application of bolstering, shifting the blame, and mortification.

According to King Car’s case, mortification is a suggested response to use in every case unless there is no relation or responsibility between the person or organization and the mistake. Both bolstering and shifting the blame strategies should be used in different strength levels in different timing, usually from a soft tone to a tough tone.

By exploring these areas of research, this study looks for providing the PR practitioners in Taiwan a more complete understanding of the image repair model as a guide to deal with image damages or crises in the food and beverage industry in the future.
CHAPTER 2: CASE HISTORY

BACKGROUND

In Taiwan, nearly New Taiwan dollar (NT$) 12.3 billion (about $362 million U. S.) dairy products are consumed every year and more than 90 percent of them rely on importing from other countries (Formasa TV, September 23, 2008). After Taiwan opened the policy to import dairy products from mainland China in 2003, the amount of Chinese dairy materials and products increased. In 2007, 15,977 tons of Chinese dairy products were exported to Taiwan. Mainland China now has become the third largest dairy sources of Taiwan next to New Zealand and Australia.

Founded in 1956, the Sanlu Group, literally meaning "three deer," is a Chinese dairy products company which mainly produces milk. Based in Shijiazhuang, the capital city of the Hebei Province, Sanlu has been the best selling dairy company for the past fifteen years in China. In September of 2008, Sanlu was proved to adulterate industrial chemical melamine to its baby formula. Melamine is a white and tasteless organic compound, which can artificially inflate the nitrogen content of food products. With high nitrogen, the product can appear to contain higher quantities of enough protein to pass the protein test. The melamine baby formula has caused 53,000 babies in China to suffer from kidney stones and
also killed four babies.

According to Reuters (September 2008), besides mainland China, at least nine other countries, including Taiwan, Japan, Singapore, Malaysia, and Bangladesh, were involved in this scandal. In Taiwan, many factories imported materials from China. After the exposure of the Sanlu formula case, half of the processed food in Taiwan was shrouded in the suspicion of containing melamine. Among numerous affected companies, King Car, one of the leading food and beverage companies in Taiwan, actively sent its samples to go through testing. On September 21, 2008, it was identified that seven flavors of instant coffee and one chicken corn soup were contaminated.

KING CAR GROUP AND MR. BROWN COFFEE

Based on Global Views Monthly Magazine (May 2006), King Car’s CEO, Tian-tsai Lee, started his first business with his brothers in 1956. Mr. Lee’s first company, Chu-cheng Corporation, sells insecticide and is still one of the popular brands on the market now. In 1980, Mr. Lee extended his business to the beverage industry and founded the King Car Group in Taoyuan county.

Now, according to King Car’s Web site, King Car owns series of beverage products including coffee, energy drink, soda, tea, instant rice soup, 3-in-1 coffee powder, bottled water, whisky, and yogurt drinks. In Taiwan, King Car launched its first beverage series, Mr. Brown Coffee, but did not gain popularity due to the bitter flavor. In that time, coffee represented high price and social status, but most felt that it was a harsh taste. Also, the atmosphere of drinking coffee made people feel a lack of friendliness (Brain. Com, April 10,
Since 1980, King Car has spent NT 200 to 300 million (about $6 – 9 million U.S.) on advertising and promotion every year. Through the qualitative advertising combined with famous sightseeing locations in Taiwan, Mr. Brown Coffee built its image with art and humanities accomplishment. In addition, the commercial jingle for Mr. Brown Coffee is so recognizable that nearly everyone in Taiwan knows it. Furthermore, the packaging uses a character with a beard who looks like Pavarotti to introduce the brand to Taiwanese people (Brain. Com, April 10, 2008). Through the investment of NT6 billion (about $176 million U.S.) yearly, Mr. Brown Coffee has continuously occupied about 60% of the canned coffee market share in Taiwan each year, with the closest competitor at 5% (Global Views Monthly Magazine, May 2006).

ERUPTION OF THE CRISIS AND CRISIS MANAGEMENT

Based on the announcement of Mr. Ma, on September 13, 2008, the Department of Health announced that the “Shanghsiao Coffee” produced in Changhua county used the melamine milk powder from Sanlu. The package of carbonized Shanghsiao coffee that was shown on the TV news is almost the same as King Car’s Blue Mountain Blend Coffee. On September 13-14, the sales of King Car’s canned coffee dropped about 10% immediately.

On September 15, King Car’s 72 year old CEO, Tian-tsai Lee, held an emergency meeting discussing the sources of King Car’s materials. During the meeting, materials imported from China were the focus. Some managers of King Car thought that there is no reason to add melamine in the vegetable cream powder. Nevertheless, the CEO and the VP,
Yu-ting Lee, the son of Tian-tsai Lee, thought the results should not be guessed, but be tested. (*Business Today Magazine*, September 24, 2008; *Economic Daily News*, September 29, 2008)

Thus, to protect the reputation of King Car and the customers’ rights, King Car sent all its samples, which include materials not only from China but from New Zealand, Australia, Thailand, and Korea, to the Food Industry Research and Development Institute (FIRDI) for testing on September 16 (*Epoch Times*, October 9, 2008). On September 18, the positive results showed that part of the products that from China may contain melamine. After the double test on September 19, eight products were proved to contain melamine on the morning of September 21. Through the cross validation, it was determined that the problem came from four batches, about 70 tons, of vegetable cream powder imported from Duqing Company on December 2007 (*Union Daily News*, September 22, 2008; *Economic Daily News*, September 29, 2008; *Common Wealth Magazine*, October 8, 2008). Duqing Company is located in the Shandong Province, China, which is one of the branches of Sanlu.

In terms of this information, the suspected products would be the seven flavors including Mr. Brown instant Coffee serious, including 3-in-1 Mandheling Blend Coffee, 3-in-1 Blue Mountain Blend Coffee, 3-in-1 Caramel Macchiato, 2 in 1 Mandheling Blend Coffee, 3-in-1 Arabica Blend Coffee, 3-in-1 French Vanilla coffee, 3-in-1 Mr. Brown Milk Tea, and one easy cook chicken corn soup that were made from April, 9 to September, 12, 2008. (*Epoch Times, Now News, Info Times, Union Daily News*, September 21, 2008)

While waiting for the testing results, King Car started the crisis management team on September 19. After the results were verified, one manager of King Car suggested to the
CEO that because King Car was not on the suspected list and the contaminated materials ran out before September 12, the company could secretly recall the products without publishing the results and taking a risk with the company’s reputation. However, Tian-tsai Lee insisted that being honest is the best way and decided to publish the results and issue a recall. In order to protect and repair the company’s damaged reputation, the CEO also commanded that there was to be no limit for the budget. (*Business Weekly Magazine*, October 6, 2008)

**REACTIONS AND STRATEGIES TOWARD THE CRISIS**

As soon as the contamination of Mr. Brown Coffee series was confirmed, King Car informed the Department of Health and held a press conference to announce the results of testing on September 21, 2008. The VP Yu-Ding Lee called every journalist and asked them to join the press conference (*Economic Daily News*, September 29, 2008). In addition, the CEO urged that there must be a management level person of King Car at the press conference to apologize to the public (*Business Today Magazine*, September 24, 2008). Hence, before the declaration, vice president Yu-ding Lee, spokesperson Ming-hao Ma, and the vice director of laboratory, Yi-ling Wu, represented the King Car corporation and bowed in front of cameras to show their regret for consumers who purchased its melamine contaminated products (*Epoch Times*, September 21, 2008; *China Times, China Review News, Union Daily News, Taiwan TV, Formosa TV*, September 22, 2008; *Business Today Magazine*, September 24, 2008).

In the press conference, King Car published the test results and the list of the potentially contaminated products. Also, King Car promised that it would cope with this
crisis in an honest and responsible way. The responses include: (1) recall 120,000 boxes (about 21.6 million packages) of products in one week; (2) consumers who purchased the products, no matter it was produced outside the time period, opened or not, can get the refund or switch to the new King Car products by taking the products to King Car’s 15 locations or to the retailers, without receipts; (3) stop using all melamine suspected material, replace the materials from China to materials that imported from Thailand and Korea; (4) send all materials from every country to the Department of Health, Executive Yuan, R.O.C. (Taiwan) to verify all materials are safe and publish the results; (5) open two free hot lines to answer customers’ questions and help to deal with the refund; (6) clarify that compared with other materials that were imported from other places, Chinese material just reduced NT 10 (about $30 cent U.S.) per kilogram. Hence, cost reduction was not the reason why King Car imported materials from China.

To relieve the public’s concerns and questions, King Car explained why the company imported material from China and clarified the safety of King Car’s other products. Mr. Ma explained that due to the price rise of material internationally, King Car dispersed the material sources to maintain the steady supply (Now News, September 21, 2008; China Times, China Review News, Taiwan TV, September 22, 2008; Business Today Magazine, September 24, 2008; Economic Daily News, October 1, 2008; Business Weekly Magazine, October 6, 2008). From April 2007, King Car added the Duqing Company as one of the new suppliers and imported the material through the Festsun Enterprise Corporation in Taiwan. King Car thought Duqing Company was trustworthy because Duqing Company claimed that the major materials are imported from Germany, and many big international companies also
import materials from the company (Business Today Magazine, September 24, 2008).

Mr. Ma also stressed that King Car’s best selling canned coffee have used cream powder from New Zealand and Australia for the past 25 years. Therefore, the canned coffee products are safe and contain no melamine (Now News, Epoch Times, September 21, 2008; China Times, China Review News, September 22, 2008; Epoch Times, September 28, 2008). From the 120,000 boxes of potentially contaminated products, King Car planned to recall 75% of the products in three days from 9/21 and recall 95% in one week (Now News, Epoch Times, September 21, 2008; Info Times, China Review News, Union Daily News, Taiwan TV, September 22, 2008; China Times, September 23, 2008).

In the health aspect, King Car pointed out the different impacts of melamine between infants and adults. Milk powder, as a major food for infants, will cause infants to get kidney stones because babies eat a large amount of melamine every day. However, melamine is water-soluble, therefore, compared with infants, even drinking four packages of 3-in-1 coffee every day, the melamine can still be eliminated by the metabolism if an adult drinks water normally (Now News, China Review News, September 22, 2008; Business Today Magazine, September 23, 2008).

In addition, in the conference, King Car invited its employees, the vice chair of Food Industry Research and Development Institute (FIRDI), and a lawyer to witness its announcements. (Union Daily News, September 22, 2008; Brain.com, September 24, 2008)

Furthermore, King Car posted the refund process of the Mr. Brown series on its Web site. The addresses and telephone numbers of the 16 refunding locations in Taiwan were listed. In addition, King Car posted the test report from FIRDI on-line to prove that all the
material of the Mr. Brown series can-packaged coffee was imported from New Zealand without melamine contamination. What is more, accompanied with the announcements that explain the melamine products and clarify the other safe products, King Car also posted the standard of Tolerable Daily Intake (TDI) of melamine, which is issued by the Food and Drug Administration (FDA) of the United States.

According to Economic Daily News (September 29, 2008), on September 22, the day after to the press conference, King Car invited journalists to visit and take pictures of how King Car seals the recalled products in the factory located in Taoyuan county. Also, King Car published the new package of the new ingredients products.

RESULTS

To recall the melamine-contained products, King Car expended about NT 100 million dollars (about $3 million U.S.) including the recall fine (Business Today Magazine, September 24, 2008). By September 23, 99% of the contaminated products were recalled (Business Weekly Magazine, October 6, 2008). King Car also stated that the company would trace and recall a few products which export to Germany, America, and Japan (Info Times, Union Daily News, Taiwan TV, September 22, 2008). To cover this loss, King Car indicated that the company may sue the branch of Sanlu in the Shandong Province in China (Now News, China Review News, September 22, 2008; Union Daily News, September 24, 2008).

On September 23, 2008, the new package Brown series were launched into the market. King Car appealed the customers to remind the new 2008/09/18 produce date. Because the time pressure does not allow King Car to design a new package, in order to make sure the
customers can tell the new products from the original one, a green tag printed “New Ingredients: Produced after September 18” was temporarily man-pasted on the left-top corner of the new package. (Now News, September 22; Liberty Times, Epoch Times, China Times, September 23, 2008)

REACTION OF THE TAIWANESE GOVERNMENT

The Department of Health in Taiwan published a policy to forbid importing Chinese dairy products on September 22. On September 24, the government announced another policy. According to this policy, all food and beverage that contained Chinese dairy material must be off the shelves in 24 hours until the products are cleared. Additionally, 23 hospitals in Taiwan, which belong to the Department of Health, provided free kidney stone examination.

On September 29, Chin-chuan Yeh, the minister of the Department of Health, visited King Car’s factory in Taoyuan to inspect the product recall and production of the “New Ingredients” products. During the night on the same day, Chin-chuan Yeh stressed that King Car and other companies in Taiwan that were influenced by melamine milk are all victims. In addition, he drank King Car’s “New Ingredients” coffee in front of the media to show the government’s confidence. (Apple Daily News, September 30, 2008)

On October 15, 2008, Chin-chuan Yeh published the report of the melamine event. From the report, the government verified that on September 21, King Car notified the government that parts of its products were contaminated by melamine. The government also indicated that King Car had recalled the polluted products actively and reported the program plan and results to the Department of Health. In addition, the Department of
Health announced the policies, which included pausing the importation of Chinese dairy materials and products, fortifying the food tests, establishing the Taiwan Food and Drug Administration (TFDA) as soon as possible, and setting up the center of risk evaluation. Also, and perhaps most importantly, the Department of Health also claimed the government will assist King Car in seeking compensation from the Duqing Company.

EPILOGUE

After King Car threw the melamine bomb to the public at the press conference, the responsible attitude and series of crisis management actions made King Car’s products return to the regular selling in about one week. Furthermore, not only the government, but also the media, customers, and even competitors admired King Car’s self-revealing courage and responsible behavior. (Now News, September 21, 2008; Epoch Times, Liberty Times, September 22, 2008; Union Daily News, September 23, 2008; Business Weekly Magazine, October 6, 2008; Epoch Times, October 9, 2008)

On October 30, 2008, 30 Magazine published the results of an investigation that investigate people’s opinion and behavior toward brands and investment. The investigation was conducted by telephone targeted at people between 25 – 35 years old. Among the effective 542 responses, the study discussed how the news influences audiences’ purchasing behavior and investment. In addition, the study asked people’s opinion toward brands to see if people trust the brand value and brand reputation. The subjects could have multiple choices for each question. (30 Magazine, October 30, 2008)

The results showed that 71.1% of those surveyed think the brand is the guarantee of
product quality. In addition, in response to the question “other than brand, what kind of information would you notice on the package?”, 51.7% of respondents said they will pay attention to the place of origin of the products, and 44.7% said they will pay attention to the ingredients. Furthermore, as the place of origin of food, people in Taiwan trust Japan the most. Taiwan occupies the second place and the followings are the United States (46.4%), New Zealand and Australia (28.4%), and Europe (23.6%). On the other hands, as the place of origin of food, 95.9% of subjects answered that they do not want to purchase food products that come from China. The following countries are Thailand (24.6%), Vietnam (23.5%), Indonesia (13.2%), and Philippines (10.5%). (30 Magazine, October 30, 2008)

Lastly, in answer to the question “after the melamine milk scandal, which brands of food products including beverages, instant food, and instant soup that contain milk or cream are trust worthy?”, no brand received overwhelming victory. However, the top three brands are all Taiwanese brands that sell dairy products. The fourth and fifth places are Campbell’s and Quaker. Mr. Brown series of King Car was rated sixth. (30 Magazine, October 30, 2008)

Furthermore, for the honest attitude and responsible reactions toward the melamine milk crisis, King Car’s CEO, Tian-tsai Lee, won the election of “2008 Taiwan Power 30,” the most powerful or influential people in Taiwan in 2008, which was conducted by Business Today Magazine.

Based on the case history and information that were collected from local Taiwanese media, this study will review King Car’s melamine milk crisis and discuss King Car’s crisis management under Benoit’s image repair model (2007) in the later chapters.
CHAPTER 3: LITERATURE REVIEW

INTERNATIONAL PUBLIC RELATIONS

Accompanied with the development of the internet and digital communication technology, globalization has become the trend of every industry. Greenberg (2000) indicates that international public relations acts as one of “the specialty areas that will rule the public relations world after the year 2000” (Gaither and Curtin 2007, 281).

When conducting public relations programs globally, however, not all theories and models can totally fit each cultural area. Standing on the leading position, most public relations knowledge was created, developed, and demonstrated in the United States. Although, generally, there are some similarities around the world, cultural differences can make western-built theories less effective globally. “Taylor and Kent (1999) wrote, ‘Many of the assumptions that guide Western theories and practices are not applicable in other regions of the world’” (Gaither and Curtin 2007, 283).

Characterized with American logic and culture, these conceptions should be adjusted to meet different lifestyles and customs. Toth and Trujillo (1987) said “a cross-disciplinary approach was needed to develop an “overbridging theory of public relations” (Gaither and Curtin 2007, 282). Hence, from Gaither and Curtin (2007), two major questions toward this
“overbridging theory of public relations” concept are posted by Taylor (2001). These questions are “How will public relations be different in other parts of the world?” and “How will we have to adapt to communicate with international publics?” (282)

Sharpe and Pritchard (2004) point that three historically developed social conditions will influence the development of public relations as a profession globally: communication, democracy, and global social interdependence. According to Sharpe and Pritchard (2004), the definitions and scopes of the three areas are as follows: by Cutlip et al. (2000), global communication refers to “Instantaneous communication capable of transcending artificial barriers, made possible with the emergence of an international language and with nondependence on media gatekeepers for access or interpretation”; democracy, suggested by Newsom, Scott, and VanSlyke Turk (1992), stands for “a representative process that gives people voice in their governments and in what takes place within their social systems”; social interdependence, also cited by Cutlip et al. (2000), represents “clear recognition of the need for global cooperation in maintaining the existence of life on earth and its quality, and for preserving our ability to learn what we yet do not know about ourselves and our planet” (Sharpe and Pritchard 2004, 17).

Further, based on the excellence theory, the generic principles, by Grunig, Grunig, and Dozier (2002), signify the abstract public relations principles, “which are the same worldwide...must be applied differently in different settings” (57). There are six contextual conditions that Grunig et al. (2002) recommend international public relations practitioners to take into account: (1) culture, including language; (2) the political system; (3) the economic system; (4) the media system; (5) the level of economic development; and (6) the
In the social science field, public relations is a growing domain to which more and more people and organizations pay attention. There are numerous types of public relations, such as personal, corporate, or international public relations. In the corporate public relations area, crisis management is an important public relations function. A well-managed crisis can help a corporation to overcome a predicament and even enter into a better condition; however, a poorly-managed crisis can make a corporation go out of business.

Coombs (1999) states, “A crisis can be defined as an event that is an unpredictable, major threat that can have a negative effect on the organization, industry, or shareholders if handled improperly.” Crises, differentiated by variant threats, can be classified into nine typologies, which are natural disasters, malevolence, technical breakdowns, human breakdowns, challenges, megadamage, organizational misdeeds, workplace violence, and rumors (Coombs, 1999).

In contrast to emergency and risk management, which deal primarily with natural disasters, crisis management deals mainly with man-made or human-caused crises. Since human-caused crises are not inevitable, they do not need to happen. This is also the reason why the public is extremely critical of the organizations that are responsible for the crises (Mitroff 2000).

However, crisis is not necessarily a confusion, a trial, or a breakdown for a person or an organization (Ogrizek and Guillery, 1999), but rather can merely be characterized as a certain
degree of risk and uncertainty (Fink, 1986). If the crisis is handled well, it can become an opportunity. Thus, a crisis can best be seen as a turning point for better or worse (Fink, 1986). As Henry J. Kaiser said, “I always view problems as opportunities in work clothes.”

Stages of Crises

When it comes to crisis management, it is usually discussed by two categories, pre-crisis and post-crisis. Pre-crisis discusses issues of avoiding the crisis, including proactive management, environment scanning, and signal detection. Post-crisis considers how to deal with the crisis and how to rebuild the organization’s or individual’s damaged reputation after the crisis occurs, such as strategies setting, communication actions, image repair, and evaluation.

Based on Fink (1986), a crisis can also be viewed by four phases: the prodromal crisis stage, the acute crisis stage, the chronic crisis stage, and the crisis resolution stage. The prodromal crisis stage, which belongs to the pre-crisis category, is the warning stage of a potential crisis and could be a turning point for the organization to stop the crisis and turn the potential risk to an opportunity. Since crises are mostly caused by man, many of them can be predicted and prevented. Further, through detecting and fixing an organization’s weakness, the organization may become more integrated and better than it used to be. However, if this prodromal stage is missed entirely, the following stages are merely damage control. In this stage, the goal of a public relations practitioner is finding the most expedient and direct way to achieve the final stage and trying to turn the crisis into an opportunity.

When speaking of a crisis, what most people think about is the acute crisis stage. The
acute stage reveals the crisis is erupted and it usually is accompanied with and characterized by speed and intensity. When a crisis comes to this stage, a certain level of damage has been done; what one can do is to control how much additional damage would occur. The goals of the public relations practitioners during this stage are to speed up the period of the crisis process and resolve the problem.

The chronic crisis stage is also called the clean-up phase or post-mortem. It is the period for the company to recover, review, doubt, and analyze itself. Usually it will associate with financial fluctuation, bankruptcy, changing of personnel, and a hostile takeover attempt. During this stage, a public relations practitioner should collect the experiences about which action led to a positive result and vice versa to develop a management planning for future crises.

The last stage is the crisis resolution stage. In this stage, a practitioner should do the crisis management evaluation. Evaluation reveals hard experience to the organization and must be remembered as a part of institutional memory (Coombs, 1999). Crises have a cyclical nature, drawing lessons from the former crisis management and making these experiences become the light of the oncoming crisis will help the organization to perform better while facing the next challenge.

Also part of the crisis resolution stage, Weick (1979) adds that the practitioner should gather information from retention (the past experiences) to direct enactment (the interpretation) and selection (the response toward the crisis) to the issue. By the cycle of enactment, selection, and retention, a regular crisis management plan (CMP) (Coombs, 1999; Chong, 2004) could form to cope with similar situations in the future.
Other than Fink’s four stages model, Benoit and Pang (2007) include three stages to discuss how a public relations practitioner should manage a crisis: preparation for crisis, identifying the nature of the crisis, and coping with the crisis. In the crisis management field, proactive public relations management is more effective than reactive repair. During the preparation stage, in order to speed up the response and help avoid mistakes, it is important to monitor the environment, anticipate potential crises, and prepare contingency plans (Benoit & Pang, 2007), which can also be called the regular crisis management plan (CMP) (Chong, 2004). These contingency plans should not only be reviewed periodically and updated as necessary, but also be thoughtfully and flexibly implemented. Organizations should better identify a key executive who is able to take quick action when the need arises to take the responsibility for developing and implementing a crisis response (Benoit and Pang, 2007).

Throughout the stage of identifying the nature of the crisis, a public relations practitioner’s responsibility is to figure out which kind of crisis he or she is facing, and set the priority of the audiences. An organization needs to communicate with many audiences. For example, the audiences may include the employees, the customers, the community, the government, the media, and the activist groups. Also, there are numerous forms of threats. According to the Situational Crisis Communication Theory (SCCT) published by Coombs (2007), crises can be categorized into human error accidents: human error causes an industrial accident, human error product harm: product is defective or potentially harmful because of human error, organizational misdeed with no injuries: stakeholders are deceived without injury, organizational misdeed management misconduct: laws or regulations are
violated by management, organizational misdeed with injuries: stakeholders are placed at risk by management and injuries occur, challenges: stakeholders claim an organization is operating an inappropriate manner, technical error accidents: a technology or equipment failure causes an industrial accident, technical error product harm: a technology or equipment failure causes a product to be defective or potentially harmful, natural disaster: acts of nature that damage an organization, such as an earthquake, rumors: false and damaging information about an organization is being circulated, workplace violence: current or former employee attacks current employees onsite, and product tampering/malevolence: external agent causes damage to an organization. Based on Benoit and Pang (2007), when a crisis arises, a public relations practitioner should understand both the nature of the accusations and the relevant audiences. To achieve the best response to a crisis, the communication message should be tailored to both the problem and the audiences. The public relations practitioner should identify the following questions: What are the accusations or suspicions? How severe is the threat? Who is the most important audience and what is the major concern of the audience?

Once the accusation(s) and audience(s) have been identified, then comes the phase of coping with the crisis. Numerous strategies are included in this phase. This paper will focus on the Benoit and Pang’s image repair model (2007), which will be discussed in the next section of this chapter. One point that the practitioner should remember in this crisis coping phase is that not every accusation is important to the audience. In order to utilize limited time, money, and human resources, some threats may be ignored or slighted (Benoit & Pang, 2007).
IMAGE REPAIR DISCOURSE

Image repair is part of post-crisis management. When a crisis happens, the corporation’s image also suffers a certain level of damage. In order to decrease the damage, a series of image repair operations usually accompany the damage control efforts.

Value of Corporate Credibility

When people know nothing about one stranger or an unfamiliar company, product, organization, city, or country, people judge it by appearances (Howard, 1998). The image has its value as the appearance of an organization and does influence an organization’s operation. According to Howard (1998), the value of a good corporate image comes from three aspects: financial value, marketplace value, and human resource value.

According to Howard (1998), the financial value of an image can be observed by knowing that building a product brand name from scratch is much more costly than buying an existing one. He also states that the financial value in a good corporate image is worth every bit as much, and sometimes more than the value found in the hard assets on the balance sheet.

The marketplace value discusses a corporation with a clearly defined identity and a coherent and concise image is more likely to stand out in the marketplace as a beacon drawing both repeat customers and trial users. The stronger a company’s image is, the more likely the purchasing public will assume that the products produced and the services tendered by that company are better, have higher quality, and are worth more in actual price (Howard, 1998).
Just as people prefer to purchase more highly regarded products, so too do people favor working for more highly regarded companies (Fombrun, 1996). Finally, Howard (1998) mentions that a strong corporate image is a valuable human resource tool for two reasons. First, having a good reputation makes the company easier to attract and recruit the talents to grow the business and to develop deeper customer relationships. Second, a positive corporate image reduces the recruitment costs.

On the other hand, Dowling (2001) concludes four statements to reveal how a poor reputation can endanger a corporation’s health. First, many CEOs of low reputation companies say that share market analysts do not like their company and undervalue its share price. Second, journalists seem to pay particular attention to companies with poor reputations, and even when these companies do something good, the journalists may remind their audience that this company has a bad history. Third, customers seem more concerned and price sensitive about products and services from less well-respected companies. Last, poor external reputations tend to “feed” poor employee morale.

A company’s image is a subjective impression of the business held by other people. The subjective impression is formed through one’s experience with the organization and interpreted based on other past experiences. Since the impression is subjective, a corporation’s image will vary from one person to another. For a person, the sources of experiences with a company could be the company’s words and deeds and how other people feel and speak about the company. Sometimes, an image may be at odds with reality because perceptions are more important than reality. Based on this statement, the company’s image can be altered or damaged by the accusations, complaints, and behavior
of others. At the same time, the image can also be repaired by communication (Benoit & Pang, 2007).

“The key to understand the image repair efforts is to understand the nature of the accusations, attacks, or complaints that threaten corporate images” (Benoit & Pang 2007, 246). Cited by Benoit and Pang (2007), Pomerantz (1978) indicated that there are two basic elements of an organization’s image attack: (1) an offensive act has occurred, and (2) the accused is responsible for that act.

A crisis usually happens when the company performs, orders, encourages, facilitates, or permits an offense to occur. Sometimes, it also occurs when a company is expected to do something but fails to do so. After an offense has occurred, it would form a negative impression for the company if the public think the company is supposed to take the responsibility for the offensive act.

Benoit’s and Pang’s Image repair Model (2007)

There are numerous models of image repair reported by many scholars, such as Skyes and Matza (1957), Scott and Lyman (1968), Goffman (1971), and Benoit (1999; 2007). According to Benoit’s model (1995) and, similarly, Benoit and Pang’s image repair model (2007) focuses on the content of the communication message and offers five broad categories of image repair strategies, which are denial, evasion of responsibility, reducing offensiveness of event, correct action, and mortification.

First, the denial strategy should only be used if a corporation has 100 percent confidence that it is not linked with the mistake. Otherwise, the corporation will get into a
more serious situation because the public will have a worse impression towards the company after finding it told a lie or was not responsible enough. However, when a company is at fault, it should admit this immediately (Benoit & Pang, 2007). The denial strategy can be executed by two major forms, which are simple denial and shift the blame. Based on Benoit and Pang (2007), simple denial is to deny the wrongful act that occurred, or the accused committed act. As cited in Benoit (1999), Ware and Linkugel (1973) suggest, the speaker may deny performing the wrongful act. Benoit (1999) also cited, as stating Goffman (1971), that the accused may deny the offensive act occurred or deny that the accused should take the responsibility of it. Schonbach (1980) is also cited in Benoit (1999) and indicates that the accused may claim the offensive act did not occur (Benoit, 1995).

However, simple denial cannot satisfy the public’s suspicion, unless the accused person or company can prove its innocent or provide another “target” to take the responsibility, which is the other kind of denial – shift the blame. Shifting the blame can be described as admitting that the act occurred but claiming that another person or organization should take the responsibility to the offensive act (Benoit & Pang, 2007). Schonbach (1980) also points out that a form of refusal is applying guilt to another person (Benoit, 1999). It is possible to successfully shift the blame. To execute the strategy successfully, the person or organization to whom one shifts the blame must be seen as a reasonable candidate for blame by the audience (Benoit & Pang, 2007). Since shifting the blame draws out another reasonable target to take the burden and to transfer people’s dissatisfaction, it is more effective than just simply denying the offensive act. Besides, those who are accused of wrongdoing, at times, are completely innocent. When this
happens, a persuasive denial may be able to thwart the threat to image.

Benoit and Pang (2007) cite evasion of responsibility as another image repair strategy. There are four variants of the evasion of responsibility category: provocation, defeasibility, accident, and good intentions. The first one is provocation, which is explaining that the firm’s offensive act was a reasonable response to a prior offensive act. Therefore, instead of having all the blame on the accused, part of the blame may be allocated on another person or organization that provoked the offensive act (Benoit & Pang, 2007). When Scott and Lyman (1968) brought up this idea about scapegoat, which was renamed to provocation by Benoit (1999), they suggested that the accused may claim that the offensive act was performed in order to respond to another wrongful act, which was caused by another person or organization. If the public agrees that somebody else did provoke the act, the responsibility may be held by the provocateur instead of the accused (Benoit, 1999).

The second strategy in the evasion of responsibility category is defeasibility (Scott and Lyman, 1968). When using defeasibility for evasion of responsibility, the actor explains that a lack of information about or a lack of control over key aspects of the situation contributes to the offensive act (Benoit & Pang, 2007). Hence, the actor may have the chance to reduce the responsibility for the offensive act (Benoit, 1999).

The third strategy of evading responsibility is attributing the offensive act to an accident, which was mentioned as part of image repair strategies by Scott and Lyman (1968), Tedeschi and Reiss (1981), Semin and Manstead (1983), and Benoit (1999). As mentioned before, a crisis is referred to a man-made mistake, rather than a natural disaster. One key point is that the accused holds the control ability. If the key point cannot be established, the
accused can evade the responsibility to an uncontrollable and unexpected accident.

And finally, the last strategy in the evasion of responsibility category is to emphasize the good intentions of the accused. Since the offensive act came from a good intention without malice, even the accused should take the responsibility for the act. The audiences may put less criticism to the accused compared with actors who intend to do something bad (Benoit, 1999).

Next, Benoit and Pang (2007) posit that the third category of the image repair strategy is reducing offensiveness of event. Rather than denying responsibility, this strategy focuses on how to reduce the negative impression of the audiences (Benoit, 1999). There are six sub-forms in this category, which are bolstering, minimization, differentiation, transcendence, attack accuser, and compensation.

First, bolstering (Waew and Linkugel, 1973, Benoit, 1999) is defined as attempting to strengthen the positive act that the accused did in the past. By increasing audience’s positive feelings toward the accused, the negative feelings from the wrongful deed can be offset (Benoit & Pang, 2007). The bolstering strategy might be more effective if these positive images appear relevant to the accusation or suspicions (Benoit, 1999).

Minimization, on the other hand, is directly lessening the negative feelings associated with the wrongful act and minimizing offensiveness (Benoit & Pang, 2007). If the accused can convince that the offensive act is not as serious as the audiences’ first impression, the ill feeling may be decreased (Benoit, 1999). Nevertheless, minimization cannot always be expected to improve one’s image. An attempt to make a serious problem seem trivial can create a backlash in the audience (Benoit & Pang, 2007). What is important for one may
not have the equal weight for another. Thus, when the minimization strategy gets involved to a value question, the practitioner should take additional care to it.

The third way to reduce offensiveness is differentiation. Through distinguishing the offensive act from similar but more offensive actions, the offensive act does not seem so serious after the comparison (Benoit & Pang, 2007). Likewise, Benoit and Pang (2007) suggest transcendence as the fourth subcategory, which is similar to frame theory that discusses how people use expectations of certain issues and generate different senses in everyday life (Goffman, 1974). Transcendence is putting the act in a more favorable context, thereby making it appear less offensive (Benoit & Pang, 2007).

Ware and Linkugel recommend using transcendence, suggesting that the accused should place the act in a broader context (Benoit, 1999). When the frame is transferred to a higher level or broader vision, other elements may become involved into the discussion, and as a result, the offensive act seems less important. What is more, according to Benoit (1999), if the new context is a positive one, the strategy not only may help the accused to reduce criticism but also may help the accused to improve its reputation. Regardless, it is risky to suggest that the audiences’ attention will shift from the original accusation, because once the audiences are aware of the intention, the organization would suffer a more serious image damage.

Sometimes, attack accuser may also divert the audience’s attention away from the original accusation and reduce the image damage of the accused (Benoit, 1999). What the organization needs to remember is that never attack people whom the audiences could view as sympathetic victims such as children and elderly (Benoit & Pang, 2007). In addition,
attack accuser is another tactic that could be used in two ways. The first way is to suggest that the victim of the offensive act deserved what he or she received, thus lessening offensiveness. The other method is to criticize the accuser. While the accuser’s credibility is undermined, his or her attack would also be less effective (Benoit & Pang, 2007).

Compensation is the final subcategory identified by Benoit and Pang (2007) for reducing offensiveness. It is to compensate the victims with a certain amount of goods, money, or services depending on the seriousness of the situation, so that the victim’s dissatisfaction could be balanced. Generally speaking, if the compensation is acceptable to the victim, the firm’s image should be restored, sometimes even improved (Benoit & Pang, 2007).

Corrective action is the fourth broad category identified by Benoit and Pang’s image repair model (2007). Corrective action is one of the most effective image repair strategies, which is the company promise to correct the problem. Sometimes identifying and punishing the guilty is important, but the public also wants the problems to be resolved and prevented in the future. Corrective action can take one or both of two forms: fix the problem, which is to restore the state of affair existing before the offensive action and promise to prevent the offensive act happens again (Benoit, 1999; Benoit & Pang, 2007). Here, what needs to be noticed is that the accused may execute the corrective action without admitting its guilt (Benoit, 1999). However, a corrective action cannot guarantee success. What is more, if a company’s actions do not redeem its promise, there is a risk that this strategy will fail and possibly even make things worse (Benoit & Pang, 2007).

Finally, Benoit and Pang’s image repair model (2007) cite mortification is to admit the
wrongdoing, apologize for the act, and ask for forgiveness (Benoit, 1999; Benoit & Pang, 2007). Even though this strategy is just to prove the actualities, if the apology is honest and sincere, the audiences may view the wrongful act in a more forgiving way.

Figure 2-2 lists the five major image repair strategies with its individual subunits that are advocated by Benoit and Pang (2007). Each of the strategies can be performed separately or worked together. Nevertheless, some strategies are incompatible. The public relations practitioners should remember that the communication strategy needs to be consistent (Benoit & Pang, 2007).

**FIGURE 3-1. Image Restoration Strategies**

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>KEY CHARACTERISTIC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Denial</strong></td>
<td></td>
</tr>
<tr>
<td>Simple denial</td>
<td>Did not perform act</td>
</tr>
<tr>
<td>Shift the blame</td>
<td>Act performed by another</td>
</tr>
<tr>
<td><strong>Evasion of responsibility</strong></td>
<td></td>
</tr>
<tr>
<td>Provocation</td>
<td>Responded to act of another</td>
</tr>
<tr>
<td>Defeasibility</td>
<td>Lack of information or ability</td>
</tr>
<tr>
<td>Accident</td>
<td>Act was a mishap</td>
</tr>
<tr>
<td>Good intentions</td>
<td>Meant well in act</td>
</tr>
<tr>
<td><strong>Reducing offensiveness of event</strong></td>
<td></td>
</tr>
<tr>
<td>Bolstering</td>
<td>Stress good traits</td>
</tr>
<tr>
<td>Minimization</td>
<td>Act not serious</td>
</tr>
<tr>
<td>Differentiation</td>
<td>Act less offensive than similar ones</td>
</tr>
<tr>
<td>Transcendence</td>
<td>More important considerations</td>
</tr>
<tr>
<td>Attack accuser</td>
<td>Reduce credibility of accuser</td>
</tr>
<tr>
<td>Compensation</td>
<td>Reimburse victim</td>
</tr>
<tr>
<td><strong>Corrective action</strong></td>
<td>Plan to solve or prevent problem</td>
</tr>
<tr>
<td><strong>Mortification</strong></td>
<td>Apologize for act</td>
</tr>
</tbody>
</table>


Among these strategies, “bolstering and corrective action have been proven to be effective strategies in earlier studies (Brinson and Benoit, 1999), and pleading defeasibility (it lacked the necessary knowledge to make informal decisions) also proved to be effective”
(Benoit & Pang 2007, 258).

However, the power of persuasion is limited. Some offenses are so heinous that forgiveness is impossible (Benoit & Pang, 2007). Like what the rhetoric of social intervention theory claims, a system never returns to the same place but assumed to move like a spiral (Opt, 2007). What had happened has happened, and no strategy has the ability to erase the truth. A tarnished image cannot be completely restored, and that is why rather than “image restoration,” the name “image repair” is preferred (Benoit & Pang, 2007).
RESEARCH QUESTIONS

Compared with several well known social sciences, such as history, economics, and psychology, public relations is a fairly new knowledge. Narrowing down the scope, public relations has developed in the United States from early 1900s, while it started to grow in 1980s in Eastern society. Most public relations theories and models are posted and authenticated in western society; however, they may not fit in eastern culture.

In this study, Benoit and Pang’s 2007 image repair model will be reviewed by analyzing King Car’s image repair program to the melamine products crisis in Taiwan in 2008. Through discussion, this study tries to answer the following questions:

RQ1 : Can a well-established western theory, the image repair model, be useful in an eastern culture, particularly Taiwan?

RQ2 : What strategies, if any, worked in the King Car melamine contamination case in responding to this crisis?

RQ2A: How did those strategies, employed by King Car, work to diffuse the crisis situation?

RQ3 : What, if any, strategies must be given special attention in image repair in eastern cultures, particularly Taiwan?
CHAPTER 4: METHODOLOGY

CASE STUDY

Case study is one sort of qualitative research methodology and an extension of secondary research. From Brewerton and Millward (2001), a case study “involves the description of an ongoing event in relation to a particular outcome of interest over a fixed time in the ‘here and now’” (53). The purpose of the case study methodology, cited by Hartley (2004), “is to provide an analysis of the context and processes which illuminate the theoretical issues being studied” (323).

According to Yin (1989), the case study methodology is used when: (1) the study questions are “how” or “why” questions, (2) the researcher has little control over the event, and (3) when a contemporary phenomenon or an event with a real-life context case study is emphasized. For Stacks (2002), the case studies are particularly suited for answering research questions of definition, fact, value, and policy.

Cited from Hartley (2004), with the rich data of context, case study is particularly fitting questions that require detailed understanding of social or organizational processes. Hartley (2004) also specifically points out seven types of questions that a case study methodology can be used to address: “(1) how the organizational and environmental
context is having an impact on or influencing social processes; (2) for exploring new or emerging processes or behaviors; (3) to explore not typicality but unusualness or extremity with the intention of illuminating processes; (4) capturing the emergent and changing properties of life in organizations; (5) where exploration is being made of organizational behavior which is informal, unusual, secret or even illicit; (6) to understand everyday practices and their meanings to those involved, which would not be revealed in brief contact; and (7) the essential in cross-national comparative research” (325).

In this study, for the purpose of understanding how King Car uses Benoit and Pang’s 2007 image repair model to deal with the melamine crisis, reports about this event are going to be analyzed. Since it is a contemporary event with rich real-life contexts, the case study research is the best suited methodology.

Stake (1981) claims that there are four characteristics to differentiate case study from other research methodologies, which are: more concrete, more contextual, more developed by reader interpretation, and based more on reference populations determined by the reader.

When conducting a case study, in order to get more detailed information, multiple methodologies are usually included. Methodologies that especially work well with case studies are participant observation, interviews, focus groups, and documentary analysis.

According to Stacks (2002), there are six advantages of case studies: (1) what is being studied has already taken place so that case studies can have the ability to look back and explain the situation; (2) the ability to provide detailed information so that what strategies worked and why they worked can be established; (3) the ability to evaluate policy; (4) the
ability to examine the particular person and organization’s impact toward a certain industry; (5) “describe and provide examples” (72); and (6) supply a ground theory about how public relations work.

In contrast with the advantages, there are four major limitations of a case study. The first drawback of case studies is the inability to generalize its findings. Second, case studies are usually time-consuming. The third limitation is that if the researchers were so involved in the situation, it would be easy to lose impartiality. Fourth, the participants of the study are easy to perform unnaturally and result in the study to deviate the realistic situation (Brewerton and Millward, 2001; Stacks, 2002).

When conducting a case study, identified by Yin (1989), there are four types of case studies that can be designed and chosen from (Figure 3-1). “Single-Case Design is appropriate when the research tends to: (1) represent the critical case to test, confirm, challenge, or extend a well-formulated theory; (2) represent an extreme or unique case; or (3) act as a revelatory case which was inaccessible to scientific investigation previously” (Yin 1989, 47). On the other hand, by Yin (1989), the Multiple-Case Design involves more complex logic, and follows cross-experiment design, rather than within-experiment design. Because of the complication, Multiple-Case Design is more expensive and time-consuming. In addition, in Multiple-Case Design, “each case should be carefully selected so that it either predicts similar results (a literal replication) or produces contrary results but for predictable reasons (a theoretical replication)” (48).

The other option of the case study types are holistic and embedded case studies. According to Yin (1989), the holistic case studies just review a single unit, which is the global
nature of the program; however, the embedded case studies, in contrast, check multiple units within a single case.

**FIGURE 4-1. Types of Case Studies**

<table>
<thead>
<tr>
<th>Single-Case Designs</th>
<th>Multiple-Case Designs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holistic (Single unit of analysis)</td>
<td>TYPE 1</td>
</tr>
<tr>
<td>Embedded (multiple units of analysis)</td>
<td>TYPE 2</td>
</tr>
</tbody>
</table>

Source: Yin (1989)

In this study, the image repair program King Car conducted for the “melamine products” recall crisis happened in Taiwan, 2008 will be organized. From the information analysis, this study wishes to explore why certain image strategies were chosen by King Car. How the strategies worked? Why these strategies worked or not? And whether the culture plays an influential role? Therefore, in order to obtain rich detailed information of a single case, case study methodology was chosen.

In addition, because there are five broad categories and several subunits involved in Benoit and Pang’s image repair model (2007), with the view to check each unit, this paper will conduct the type 2 case study, which is the embedded Singe-Case Design.
When starting to do research, historical research helps to answer the definition questions and to set the baselines of the study (Stacks, 2002). Based on Stacks (2002), three types of information sources are listed: primary sources, secondary sources, and tertiary sources. Primary sources are the firsthand articles, reports, or books that were written by the researchers (Stack 2002). Cited by Sproull (1988), two “chief characteristics of primary sources are: (1) being present during the experience, event or time and (2) consequently being close in time with the data” (153). Primary sources are most treasured, but are also hardest to get because of a lack of knowledge of the general area or lack of physical access to the actual data (Stacks, 2002).

Secondary sources are reports and summaries based on primary sources. According to Sproull (1988), different from the primary sources, secondary sources involve a second person’s intervention between the actual event and the data. With the potential of subjective interpretation, the disadvantages of secondary sources are the risk of bias and not necessarily correct (Sproull 1988; Stacks 2002). However, secondary resources may be valuable for “more information about more aspects of the event than did a primary source” (Sproull 1988, 153).

Tertiary sources are information that is based on secondary sources (Stacks, 2002). Some scholars, such as Sproull (1988), also include tertiary as a part of secondary sources, and the sources may be more than fifth or sixth hand (Sproull, 1988). Since more people get involved in the interpretation, authors’ biases can be more intense and the accuracy can be
decreased.

Stacks (2002) concludes four types of documents to reach primary sources, secondary sources, and tertiary sources. These four types of documents are books, periodicals, databases, and unpublished papers. Among these documents, periodicals are documents that are published on a particular cycle such as magazines, journals, newspapers, and newsletters (Stacks, 2002).

According to Stacks (2002), “secondary research represents the analysis of findings already published.” Stacks (2002) cites that Brody and Stone conclude secondary research can be divided into three categories: organizational research, industry research, and stakeholder research. First, organizational research focuses on a single organization or company, “which measures attitudes and opinions held by management and employees, customers, and shareholders” (Stacks, 2002). Compared to organizational research, the second type of secondary research, industry research, emphasizes the whole industry. Sources of industry resources mainly come from trade sources, governmental sources, and third-party sources (Stacks, 2002). The last is stakeholder research. From Stacks (2002), the four major groups of stakeholders include prospective employees, shareholders, government agencies, and special-interest groups.

In addition, business history, which can be defined as “the systematic study of individual firms on the basis of their business records, and is virtually synonymous with the historical analysis of company documentation (Rowlinsin, 2004),” is also part of organizational research. Denzin (1982) suggests life history materials reveal the experiences and meanings held by a person or an organization. However, further than merely personal
or organizational experiences, as cited by Denzin (1982), Mills (1958) points that life histories upgrade the individual experiences level into a social history level, “thereby linking private problems with their public institutional representations.” As time passed by, the life history of an organization becomes part of the culture of the organization and influences how an organization performs. Nevertheless, the risk to use organizational research is that the source, for the future’s sake, tends to present the positive and favorable parts of the organization (Clemens and Hughes, 2002).

To evaluate the performance of a program, according to Broom and Dozier (1990), two steps should be completed. First, records about the program implementation need to be gathered. These records act as feedbacks, and help to identify where and how the program should be adjusted. Second, complete program records need to be held as the cause-and-effect documents; with the information, the program can be tested and evaluated.

Historical and secondary research are the information sources of this research. In this study, the author is going to collect the case information and the records of King Car’s image repair program through on-line newspaper reports about the “melamine milk”. Major sources used are on-line newspapers, including Union Daily Newspaper, China Times, The Liberty Times, The Epoch Times, China Review News, Info Times, NOW News, Central Daily News, Apple Daily, Taiwan TV, Formosa TV, Economic Daily News, and the Central News Agency. In addition, relevant articles in Taiwanese business magazines, which include Business Today, Business Weekly, Common Wealth Magazine, Brain.com, World Journal, and Global Views Monthly Magazine, are collected. On top of magazines and newspapers, this study will also make use of announcements and information from the Taiwanese
government’s Department of Health. The government’s Web sites will be used as formal sources of data. Collection of information went from September 22, 2008 to October 31, 2008.

There is a large amount of information about the melamine milk event. For the purpose of this study, only 67 news reports from Taiwan will be used. These reports link directly to King Car, Taiwan’s government policies, the situation of the victims, and the food industry. Among these reports, 45 articles discuss King Car’s response strategies directly.

Besides, serving as the source of the organizational research and life history, the corporate information from King Car’s Web site, which includes the mission statement, product information, news, and announcements, will also be used. Based on the information, this study will evaluate the following two aspects: how the corporate credibility influences the effects of the image repair program, and how the corporate culture affects the strategy content.
TRIANGULATION RESEARCH

Quantitative Research

Quantitative research methodology, also known as formal research methodology, is “the controlled, objective, and systematic gathering of data (Stacks, 2002, p.6).” Based on Broom and Dozier (1990), quantitative researches usually involve a large amount of units. Throughout carefully defining and objectively evaluating by following the organized rules, the units of the quantitative research are able to be measured for reliability and validity. Therefore, outcomes of quantitative research can be generalized from a small sampling group to a larger population. (Stacks, 2002)

Disadvantage of quantitative research is the inability to understand the details about a single person or event. With the ability to answer the “what” and “how” questions, quantitative research fails to answer questions about “why.” (Stacks, 2002)

Qualitative Research

Compared to the quantitative research method, which usually contains “a large number of units of observation,” the qualitative methodology includes intensive observation (Broom and Dozier, 1990). Qualitative research involves only a few cases but provides a great amount of details for each unit.

According to Lofland (1971), also cited by Patton (1982), there are four points of qualitative data collection. First, in order to obtain the in-depth information, the research should get close enough to the people and the situations that are being studied. Second,
qualitative methodology should try to capture how things actually occur and what people actually say. Third, the research should contain “a great deal of pure description of people, activities, and interactions,” and lastly, the qualitative method involves the direct quotations of what people say and write down.

Moreover, Gaither and Curtin (2007) stated that du Gay et al., (1997) and Rhee (2002) indicate “qualitative methods are better suited for capturing meaning, particularly when cultural context is taken into account” (291).

Holding the advantage to provide rich detailed information of each unit; however, the disadvantage of qualitative research is the inability to generalize the research results.

Triangulation Research

Having different advantages and disadvantages, quantitative methodology and qualitative methodology complement each other. Triangulated research methodology combines both the quantitative and qualitative methodologies and allows the study to “both predict how groups acted or reacted as they did and provide richer detail and understanding as to why they did (Stacks, 2002, p.7).”

For the King Car case, this study used a triangulated research methodology. Through collecting the historical and secondary information, the local Taiwanese news reports, this study coded the information in a quantitative way and analyzed each image repair strategy qualitatively.

Quantitative results, in this study, provided information of when the articles were
published, where the information came from, who the sources were, what image repair strategies were conducted, when these strategies were conducted, and the percentage of each strategy in King Car’s image repair program.

Qualitative methodology, on the other hand, provided rich details about how and why King Car conducted these image repair strategies; in addition, allowed this study to further discuss how Taiwanese cultural influenced King Car’s image repair program.
CONTENT ANALYSIS

Broom and Dozier (1990) define content analysis as “the objective, systematic, and quantitative description of the content of documents, including print media and broadcast media coverage (p.139).” One of the most important functions of content analysis methodology, based on Stacks (2002), is working as a bridge between formal methodologies and informal methodologies. Through coding the collected information into defined units, content analysis allows qualitative data to be countable. Therefore, qualitative data can be transformed into quantitative data.

This study collected Taiwanese local news reports discussing the melamine milk scandal in Taiwan and King Car’s image repair program. The collecting period lasted from September 21 to October 30, 2008. There were 67 news articles collected from newspapers, TV news, broadcast news, and magazines. Among these 67 articles, 45 of them discuss King Car’s crisis management and image repair program toward the melamine crisis directly.

To code these 45 news articles, this study ordered the articles by its publishing date and coded them from 1 through 45. The publishing date, name of the media agency, word count, article tone, number of information sources, information sources, and quotes that came from King Car were recorded. The tones of the articles were divided into positive, negative, and neutral.

After all units were written down, each news source was given a representative number and coded. The sources of information were divided into 12 types: the Department of Health in Taiwan, King Car’s executives including the CEO and VP, King Car’s spokesperson Ming-hao Ma, other King Car employees, outside experts, King Car’s customers, the Food
Industry Research and Development Institute (FIRDI), foreign governments, Chinese government, distributions, and others in King Car. Some articles just wrote “King Car” as the news source without mentioning the name or the title of the news sources. All these news sources were counted as “others in King Car.”

Content of the quotes was defined into 15 categories, which were (1) explain the reason why part of King Car’s products contain melamine, (2) test the samples actively, (3) recall policy, amount, and estimated results, (4) list the potentially contaminated products, (5) clarify the safety of other products, (6) inform the Department of Health, (7) apologize to the public, (8) launch of the new packaged products, (9) actions toward other countries, (10) attitude and response to the Duqing Company or Chinese government, (11) evaluation or estimation of the financial loss, (12) CEO’s position and operating value, (13) King Car’s corporate value, and the principle of operating a business, (14) health information about melamine, and (15) others.

With the coded information, the data was keyed into the Self-Propelled Semi-Submersible (SPSS) software to get the mean, median, frequency, and percent information. By this way, this study evaluated whether King Car’s image repair program was successful or not, what image repair strategies were conducted, and how these strategies were conducted.

Then, this study further separated the articles’ collection date into three time periods, September 21 to 22, 2008, September 23 to 24, 2008, and September 27 to October 30, 2008, to analyze the changing percentage of the content of quotes. Throughout analyzing the increasing or decreasing frequency and percentage of these quotes, this study
tries to conclude how and why these image repair strategies were used in different stages of crisis.
CHAPTER 5: RESULTS

Through analyzing the 45 news report which discuss King Car’s crisis and image repair program directly, this study tries to answer the research questions by the quantitative results and qualitative results. The research questions are:

RQ1: Can a well-established western theory, the image repair model, be useful in an eastern culture, particularly Taiwan?

RQ2: What strategies, if any, worked in the King Car melamine contamination case in responding to this crisis?

RQ2A: How did those strategies, employed by King Car, work to diffuse the crisis situation?

RQ3: What, if any, strategies must be given special attention in image repair in eastern cultures, particularly Taiwan?
[RQ1]:

According to the statistics and analysis of the collected 45 reports that directly discuss the melamine milk crisis of King Car, the following results were produced. The mean of the word count is 834. All of the news reports come from 17 sources. Among these sources, Now News (24.4%) and Epoch Times (20%) are the major sources.

For the sources of information, the mean of number of sources is two. The Department of Health, which is used in 17 articles, is the most frequently used source. King Car’s spokesperson, Ming-hao Ma, which appeared 14 times, is the second most frequently used source. Next, both King Car’s executives, which include the CEO Tian-tsai Lee and the VP Yu-ding Lee, and others in King Car, which stands for sources from King Car that were not specifically identified in the articles, are used 10 times each. Other employees of King Car are used 7 times. Nevertheless, if the study counts King Car’s individuals as one source, King Car is the major source of information that covers 69% of sources in the articles. Other sources include outside experts, customers, Food Industry Research and Development Institute (FIRDI), foreign government, the Chinese Government Source Distribution, Taiwanese government, the Duqing Company, distributions, and competitors.

Under the report tone section, 18 articles (40%) hold positive attitudes toward King Car, 26 articles (57.8%) are in the neutral position, and only one article (2.2%) presents a customer’s concern about the healthy impact of the product, so it was counted as a negative tone. Therefore, the tone result answers the first research question that a well-established western theory, the image repair model, can also match and be useful in eastern culture, especially in Taiwan.
[RQ2]:

In addition, this study calculates the quotes from King Car in each article. By these quotes, this study tries to answer the second research questions: What strategies, if any, worked in the King Car melamine contamination case in responding to this crisis?

From analyzing the contents of these quotes, quotes talking about the “recall policy, amount, and estimated results” category appear 24 times. Quotes about “CEO’s position and operating value” category appear 30 times, but most of them come from the magazines’ interview of the CEO. Therefore, the “recall policy, amount, and estimated results” quotes from King Car showed up the most in the newspapers. “Test the samples actively” is the next category, which is quoted 12 times. Quotes about “explain the reason why part of King Car’s products contain melamine” and “clarify the safety of other products” are both used 10 times. Next on the descending list of frequency, which are all quoted 8 times, “list the potentially contaminated products,” “launch of the new packaged products,” and “attitude and response to the Duqing Company or Chinese government.”

Based on Benoit and Pang’s 2007 image repair theory, this study categories each quote’s content into one or two image repair subunit strategies. According to the frequency of the quote content, seven image repair strategies were conducted by King Car, which include bolstering, corrective action, good intention, shift the blame, minimization, and mortification. Because not all of the 14 image repair strategies were used, this study can only answer what subunit strategies worked.

Show in Figure 5-1, as a successful image repair program, bolstering strategy and corrective action strategy were used most and worked best. Good intention, shift the blame,
and minimization strategy also worked and played important roles in King Car’s image repair program. Even though it just occupied 1.3% of frequency, mortification strategy was a necessary strategy and the first action King Car used in front of the media and public. Most of the mortification content was shown by the images or mentioned by the news reports; thus, cannot reflect on the frequency results.

**FIGURE 5-1. Quotes Frequency and the Corresponding Strategy**

<table>
<thead>
<tr>
<th>Corresponding strategy</th>
<th>Quote content</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolstering</td>
<td>CEO’s position and operating value</td>
<td>30</td>
<td>18.6%</td>
</tr>
<tr>
<td>Corrective Action</td>
<td>Recall policy, amount, and estimated results</td>
<td>24</td>
<td>15.0%</td>
</tr>
<tr>
<td>Bolstering / Corrective Action (Investigation)</td>
<td>Test the samples actively</td>
<td>12</td>
<td>7.5%</td>
</tr>
<tr>
<td>Good Intention / Shift the Blame</td>
<td>Explain the reason why part of King Car’s products contain melamine</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>Minimization</td>
<td>Clarify the safety of other products</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td></td>
<td>List the potentially contaminated products</td>
<td>8</td>
<td>5.0%</td>
</tr>
<tr>
<td>Corrective Action</td>
<td>Launch of the new packaged products</td>
<td>8</td>
<td>5.0%</td>
</tr>
<tr>
<td>Shift the Blame</td>
<td>Attitude and response to the Duqing Company or Chinese government</td>
<td>8</td>
<td>5.0%</td>
</tr>
<tr>
<td></td>
<td>Inform the Department of Health</td>
<td>6</td>
<td>3.8%</td>
</tr>
<tr>
<td>Bolstering</td>
<td>King Car’s corporate value and the principle of operating a business</td>
<td>6</td>
<td>3.8%</td>
</tr>
<tr>
<td></td>
<td>Evaluation or estimation of the financial loss</td>
<td>4</td>
<td>2.5%</td>
</tr>
<tr>
<td>Corrective Action</td>
<td>Actions toward other countries</td>
<td>4</td>
<td>2.5%</td>
</tr>
<tr>
<td>Mortification</td>
<td>Apologize to the public</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>Minimization</td>
<td>Health information about melamine</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td></td>
<td>Others (other single piece of information)</td>
<td>26</td>
<td>16.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>160</strong></td>
<td><strong>100.2%</strong></td>
</tr>
</tbody>
</table>
Other than frequency, the time order of quotes is also very important. This study divides the date of the collected reports into three time periods (Figure 5-2). The first period is from September 21 to September 22, 2008, which are the two days counted from the press conference. The second period is from September 23 to September 24, 2008. The last period category is from September 27 to October 30, 2008. Also, these three periods can be seen as the acute crisis stage, the crisis chronic stage, and the crisis resolution stage. From the interview reports that collected from the magazines during the third period, information of the prodromal crisis stage was also collected. Based on Figure 5-2, this study tries to answer the next research question: How did those strategies, employed by King Car, work to diffuse the crisis situation?
**FIGURE 5-2. Quotes Frequency in Three Crisis Stages**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
<td>Frequency</td>
</tr>
<tr>
<td>CEO’s position and operating value</td>
<td>2</td>
<td>3.3%</td>
<td>7</td>
</tr>
<tr>
<td>Recall policy, amount, and estimated results</td>
<td>14</td>
<td>23.0%</td>
<td>5</td>
</tr>
<tr>
<td>Test the samples actively</td>
<td>4</td>
<td>6.6%</td>
<td>0</td>
</tr>
<tr>
<td>Explain the reason why part of King Car’s products contain melamine</td>
<td>8</td>
<td>13.1%</td>
<td>1</td>
</tr>
<tr>
<td>Clarify the safety of other products</td>
<td>6</td>
<td>9.8%</td>
<td>1</td>
</tr>
<tr>
<td>List the potentially contaminated products</td>
<td>6</td>
<td>9.8%</td>
<td>1</td>
</tr>
<tr>
<td>Launch of the new packaged products</td>
<td>1</td>
<td>1.6%</td>
<td>6</td>
</tr>
<tr>
<td>Attitude and response to the Duqing Company or Chinese government</td>
<td>1</td>
<td>1.6%</td>
<td>2</td>
</tr>
<tr>
<td>Inform the Department of Health</td>
<td>3</td>
<td>4.9%</td>
<td>0</td>
</tr>
<tr>
<td>King Car’s corporate value and the principle of operating a business</td>
<td>0</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>Evaluation or estimation of the financial loss</td>
<td>0</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>Actions toward other countries</td>
<td>3</td>
<td>4.9%</td>
<td>0</td>
</tr>
<tr>
<td>Apologize to the public</td>
<td>2</td>
<td>3.3%</td>
<td>0</td>
</tr>
<tr>
<td>Health information about melamine</td>
<td>1</td>
<td>1.6%</td>
<td>1</td>
</tr>
<tr>
<td>Others (other single piece of information)</td>
<td>10</td>
<td>16.3%</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61</td>
<td>99.8%</td>
<td>29</td>
</tr>
</tbody>
</table>
[RQ2A]:

When King Car’s melamine milk crisis happened, the public was eager to know what products were contaminated, why they were contaminated, and how to protect themselves from health threat and money loss. Therefore, as soon as the crisis happened, the media tried to answer these questions and quoted King Car’s responses about the recall policy, amount, and estimated results, the potentially contaminated products, the reason why part of King Car’s products contain melamine, and what products are safe.

In the acute crisis stage, King Car must anticipate and answer the publics’ questions toward the crisis and King Car itself. Otherwise, the media or other competitors will take over the information vacuum and tell the public their own opinions. In order to show King Car is the authentic information source and has controlled the situation, King Car should make the decision and reply to these questions immediately.

When the next crisis stage, the chronic crisis stage, came, King Car started to work on the reputation repair. The CEO’s position and operating value of King Car was repeated and stressed; at the same time, King Car also launched the new packaged products. In addition, because King Car promised to recall more than 75% of potentially contaminated products in three days and recall 95% of potentially contaminated products in one week, September 23 and 24 are also under the period and the quotes about the recall policy, amount, and estimated results are still used as the third frequency.

During the last crisis stage, the crisis resolution stage, the continually image repair and crisis management evaluation were the major concerns for King Car. Even King Car’s CEO asked his employees not to count the loss, three quotes about King Car’s crisis
management evaluation or estimation of the financial loss, are presented. Compared with the other two periods, the crisis resolution stage covers the most information, which was three out of four times instances, of King Car’s evaluation and financial loss estimation.

Other than the evaluation, it is clear that King Car was persistently working on its image. The CEO accepted many interview invitations and told the public about his business operating value, King Car’s corporate value and principles, and how King Car dealt with this crisis, tested the samples and revealed itself actively. On the other hand, after recalling the potentially contaminated products and launching the new products, King Car started to communicate with the Duqing Company and the Chinese government in this stage.

[RQ3]:

The interesting thing on Figure 5-2 is the continuously increasing frequency on “CEO’s position and operating value,” “Attitude and response to the Duqing Company or Chinese government,” and “King Car’s corporate value and the principle of operating a business” categories. By the increasing frequencies, it was shown that King Car conducted the bolstering strategy and the blame shifting strategy in different strength levels during different time periods. This result provided the answer of the last research question: What, if any, strategies must be given special attention in image repair in eastern cultures, particularly Taiwan?

During the first time period, September 21-22, 2008, King Car used shift the blame strategy more softly and indirectly. In order to paint a fresh image that King Car took the responsibility of the melamine crisis, King Car only pointed out that the problematic
materials were imported from one batch of the Duqing Company. Most of these statements came from the quotes about “explain the reason why part of King Car’s products contain melamine.”

The direct and tough shifting blame strategy was used mainly on the second time period, September 23-24, 2008, and the third time period, September 27 to October 30, 2008. The “attitude and response to the Duqing Company or Chinese government” quotes showed the shifting blame strategy. When facing the denial of the Duqing Company, King Car asked Duqing through the Taiwanese media in an attacked tone, “Is it possible that we (King Car) will ask Duqing to make us the cream powder containing melamine? (Union Daily News, September 24, 2008)” On September 24, Ming-hao Ma also indicated that when King Car chose Duqing as one of their material suppliers, the Duqing Company claimed that “the major materials, like Casein, oil, and sugar, are imported from Germany.” In addition, Duqing also claimed that “many international big companies import material from them (Duqing) (Business Today Magazine, September 24, 2008).” In October, King Car’s CEO also signed for Duqing and told the Economic Daily News that “they (Duqing) are wasting time. They still are not willing to hold the chance to rebuild their image until now,” which means the Duqing Company still refused to tell the truth (Economic Daily News, October 1, 2008).

King Car conducted the bolstering strategy also in a graduate and moderate way. On the crisis acute state, King Car’s bolstering strategy started by pointing out the company tested the samples actively and did the self-revealing (Epoch Times, September 21; Info Times, China Review News, and Union Daily News, September 22, 2008). However, the main bolstering began from the crisis chronic stage. During the crisis chronic stage and the crisis
resolution stage, King Car conducted bolstering by emphasizing the CEO’s position and operating value through accepting newspapers’ and magazines’ interviews (Business Today Magazine, Economic Daily News, Business Weekly Magazine, and Common Wealth Magazine).

For the crisis chronic stage, the CEO focused on talking about his attitudes toward this melamine crisis. When it came to the crisis resolution stage, the CEO shared not only the opinion about the crisis, but also the corporate value of King Car.

Other than shift the blame and bolstering, mortification strategy should also be paid attention when conducting in Taiwan. At the press conference, King Car’s VP, Yu- ding Lee bowed and apologized to the public in front of the media before clarifying or explaining anything. Even though the melamine milk crisis was caused by the Chinese Duqing Company, as an innocent victim, King Car chose not to cry for its misfortune but take the responsibility.

The cultural preference explains why King Car chose to conduct mortification strategy and the increasing strength on the blame shifting and bolstering strategies. Thus, back to the last research question, the shift the blame, bolstering, and mortification strategies should be notified and paid attention when conducting image repair strategies in eastern culture, especially in Taiwanese culture and Chinese culture.

Deeper discussion about how the cultural aspects influenced King Car’s image repair program will be presented on the next chapter.
From the statistics and analyses of the news reports that are presented above, King Car did communicate with the public through the media and conducted a crisis management program. Based on the 40% of positive reports and the praise of the Taiwanese government, King Car’s customers, and the competitors, King Car won the victory in the fight of the melamine milk crisis. Take King Car’s melamine milk crisis as a successful image repair case, this study will now analyze King Car’s image repair program under the frame of Benoit and Pang’s image repair model (2007) and try to provide the answers of the research questions.

Through the information provided by the collected news reports, the image repair strategies that King Car used were mortification, minimization, shift the blame, corrective action, defeasibility, good intentions, and bolstering. The compensation strategy was mentioned by King Car but no example and report presenting any customers asked for the compensation of clinical treatment. Thus, the compensation strategy was not counted as one of King Car’s image repair strategies.
Mortification

As a sympathetic race, the Taiwanese people usually start communication in a soft appeal opening. Even when the purpose of a conversation is trying to make the audience to accept an idea, the audience expects to hear something from the communicator that showing the respect, understanding, and even agreement of the audience’s value or position in the very beginning. Therefore, in the King Car crisis, the customers were innocent and suffered from the threat of kidney stones directly. As the company which produced the potentially contaminated products, it is unwise for King Car to cry as an innocent victim at the very beginning, but to show the company’s understanding and regret for the victimized customers.

What’s more, in Taiwanese culture, apology is not necessarily understood as an admission for guilt or a mistake. For the Taiwanese, saying sorry is not as serious as what the Americans think because Taiwanese are taught to be tender and avoid conflicts or arguments. Hence, in this case, the action that the VP bowed and apologized to the public could also be understood as “King Car feels regret that some of the customers may be under the threat of this case.” In addition, this soft position made the public sympathize with the King Car Company, supposing the company already has a self-criticism, and most importantly, more willing to hear future statements.

The importance of mortification cannot be proved directly by the statistics of the articles’ quotes because most articles described the movement or showed the pictures of the bowed VP without quoting the VP’s words.
Minimization

In this case, King Car made two announcements to minimize the seriousness of the melamine crisis. First, King Car’s spokesperson, Ming-hao Ma, listed the eight potentially contaminated products and clarified that other King Car products were all safe. Moreover, to protect King Car’s best selling canned coffee, Min-hao Ma emphasized that King Car’s canned coffee has used the material from New Zealand and Australia for the past 25 years.

The second minimization was conducted by the vice director of King Car’s laboratory, Yi-ling Wu. At the press conference, Ms. Wu explained that based on the melamine standard published by the U.S. Food and Drug Administration (FDA), a 60kg adult can eat 37.8mg of melamine per day without lifelong harm. To fortify the same information, King Car’s spokesperson, Ming-hao Ma, claimed that doctors indicate that melamine is water-soluble. Hence, compared with infants who eat milk powder as the major food, an adult can drink four packages of 3-in-1 coffee every day and the melamine can be eliminated by the metabolism if he or she drinks water normally (Now News, China Review News, September 22, 2008; Business Today Magazine, September 23, 2008).

Quotes about “clarify the safety of other products,” which occupied 10%, were the forth position on the frequency list. Its ranking shows its value. Minimizing the company’s potential loss and reduce the panic of customers who have drank King Car’s other products helped King Car effectively control the extension of the crisis. Otherwise, King Car may have lost its brand and its business.

On the contrary, as the last frequency quotes, the health information about
melamine was not the point that King Car wanted to stress. After all, the melamine scandal in China took babies’ lives away. Even though the influence of melamine is not as serious for adults, nobody would willingly put himself or herself at risk. In addition, minimizing the seriousness of melamine would cause people to doubt that King Car tried to hide something and refuse to take the responsibility. For that reason, repeating the information that melamine in the 3-in-1 coffee was not so serious that would not relieve people’s concerns, but rather increase the antipathy toward King Car.

Under the minimization strategy category, there is no obvious difference between the U.S. culture and Taiwanese culture.

**Shift the Blame**

Shifting the blame strategy was used in King Car’s case when King Car explained the reason why part of its products were contaminated. The target is clearly the Duqing Company. In this case, the Department of Health in Taiwan was also blamed; however, the attacker was the media. From many food and beverage industries in Taiwan suffered by the melamine milk scandal, with the delayed reaction and the incomplete policy, the Department of Health was scolded by the media and legislators. Seeing the Department of Health as the boss, King Car did not shift the blame to the Department of Health in this case.

Shifting the blame is useful when the shifted target is blame-worthy. In this case, this strategy is particularly useful because King Car is the victim and Duqing’s denying attitude enhanced the responsible image of King Car. Furthermore, in the crisis acute stage, King Car has started to softly shift the blame to the Duqing Company. Then, this action helped the
audience to accept King Car’s later blames toward Duqing.

The only potential difference under this shifting blame strategy between western and eastern culture may be the timing to use this strategy and the strength of the blame shifting. As the soft appeal and sympathy preference of Taiwanese culture, shifting the blame strategy needs to be used carefully. In the King Car case, King Car decided to take the responsibility of the contamination but also release information to do a soft blame shifting. After the crisis was controlled, image rebuilding became the King Car’s major topic. With the support of the government, King Car started to shift the blame to the Duqing Company in a tough attitude.

From King Car’s experience, the shifting blame strategy may be divided to different levels and be used in different period of the crisis. A soft shifting blame in the very beginning may weaken the power of this strategy because soft appeal may make the audience feel doubt of the information. But in certain situation, a soft shifting blame strategy can test the acceptability of the audience. Even though crises have numerous natures, different elements, and altered situation, in eastern culture, this soft appeal start may especially useful.

Corrective Action

Corrective action is the most effective image repair strategy in the western culture, and also, in the King Car case, the most effective one in Taiwan. Doing an investigation, recalling the potentially contaminated products, launching the new ingredient products, and changing the material suppliers, are the corrective actions King Car conducted in this
melamine milk crisis.

When the crisis erupted in China and started to extend to Taiwan, one of King Car’s canned coffee products, the Mr. Brown blue mountain style coffee, also suffered from the TV news for the similar package with the carbonized Shanghsiao coffee. After knowing part of the 3-in-1 coffee powder was contaminated, King Car conducted a series of investigations that included double testing all samples, finding the source of the contaminated material, tracing the serial number, and finding the potentially contaminated products.

With the list of potentially contaminated products, King Car processed the recall and published it at the press conference and its Web site. Based on King Car’s recall policy, customers who purchased the King Car 3-in-1 instant coffee powder or easy cook chicken corn soup could get the refund by applying online, calling the hotline, taking the products to the purchasing markets, or the 16 King Car selling locations. Customers could get the refund no matter if the products were opened or not, produced during the listed date or not, or without the receipt. Also, all 3-in-1 instant coffee powder was recalled from the shelves. In addition, King Car set a high standard and quick deadline for itself – recalling 75% of potentially contaminated products in three days and 95% in one week.

On September 23, the new products were launched. King Car switched the material supplying location from China to Korea and Thailand. The green label said “New Ingredients: Produced after September 18,” so customers could identify the new products. (Now News, September 22; Liberty Times, Epoch Times, China Times, September 23, 2008)

Corrective action was the most important image repair strategy King Car conducted. Quotes about the corrective actions include “recall policy, amount, and estimated
results,” “launch of the new packaged products,” “actions toward other countries,” and part of “test the sample actively,” which cover the investigation. For each time period, “recall policy, amount, and estimated results” quotes are listed in the top three in the frequency. In addition, it is the most important information that King Car stressed during the first time period, the crisis acute stage.

Throughout the second time period, the crisis chronic stage, the “CEO’s position and operating value” and “launch of the new packaged products” became the most important message that King Car wanted to communicate to the public. Also, because the recall was proceeding, information about the “recall policy, amount, and estimated results” was continually focused.

The combined quotes about corrective actions including “recall policy, amount, and estimated results,” “launch of the new packaged products,” and “actions toward other countries,” the corrective action strategy was the significant image repair strategy that King Car used for the first two crisis stages, which occupied 29.5% and 37.9% of the coverage.

As the most stressed strategy of a successful image repair program, corrective action fit the most effective image repair strategy in this Taiwanese case, as in western culture.

Defeasibility

Defeasibility image repair strategy, under the “evasion of responsibility” category, means showing the lack of information or ability. Before the melamine milk scandal in 2008, there was no clear policy in Taiwan restricting the usage and amount of melamine. The melamine test was also not on the list of the tested items. In that time, nobody could
imagine that melamine would be put in milk powder and vegetable cream powder.

King Car’s spokesperson Ming-hao Ma claimed, “We (King Car) will double test every batch of imported material; however, we did not think that they (Duqing) would add melamine so we did not test this item specifically (Business Today Magazine, September 24, 2008).” Tian-tsai Lee, the CEO of King Car also pointed that “after testing the quality of the material, it all passed. However, King Car’s QC (quality control) did not include the test of melamine that time. Nobody had this concept to predict melamine and also the quality control of the government” (Common Wealth Magazine, October 10, 2008).

The defeasibility strategy was presented in part of the quotes about “explain the reason why part of King Car’s products contain melamine.” Defeasibility was not the major image repair strategy King Car stressed out and only two statements mentioned the lack of information or ability. However, what should be noticed is that the Department of Health provided the defeasibility of the whole industry and took the responsibility. Therefore, in this case, the guarantee of the third-party made this strategy work.

However, as the leading brand, to maintain the responsible image for the crisis management, King Car did not conduct a powerful defeasibility strategy. With the limited quotes, this case cannot show any significant difference between Taiwanese culture and western culture.

Good Intentions

King Car used the good intentions image repair strategy mainly in the crisis acute stage. Several news reports quoted King Car’s explain of the reason why King Car imported
materials from China during September 21 to 22, 2008. (*Now News, Epoch Times, Info Times, China Review News, Taiwan TV, and Union Daily News*) Quotes about “explain the reason why part of King Car’s products contain melamine” stand for this section and occupied the second position (13.1%) of frequency during the first time period.

At the press conference, King Car explained that the reason why King Car imported materials from China is to disperse the material suppliers. The spokesperson, Ming-hao Ma, indicated that the price of material rose up internationally, in order to maintain the steady supply, King Car dispersed its material suppliers and started to import material from the Duqing Company in April 2007. (*Now News, Epoch Times, Info Times, China Review News, Taiwan TV, and Union Daily News, September 2008*) Also, both Ming-hao Ma and the CEO Tian-tsai Lee stressed that importing material from China only saved NT 10 dollar (about $.30 U.S.) per kilogram. Therefore, cost reduction was not the reason why King Car imported materials from China. (*Info Times, China Review News, and Union Daily News, September 22, 2008*)

Generally speaking, Taiwanese people think Chinese products are mostly low price and low quality. To prevent the public assuming that King Car imported Chinese material for saving costs but put the customers under the risk, King Car stressed its good intention in the very beginning. In order to gain the trust of the public, King Car provided the actual price difference per kilogram to prove and fortify the statement. Therefore, from the King Car experience, being timely and specific are the two keys for conducting good intentions image strategies in Taiwan. Nevertheless, there is no difference under this subunit strategy between Taiwanese culture and western culture.
Bolstering

Bolstering strategy was one of the most hard working image repair strategies King Car conducted during this crisis. This strategy was presented by quotes about “CEO’s position and operating value,” “test the samples actively,” and “King Car’s corporate value and the principle of operating a business.” Among these three categories, “CEO’s position and operating value” was most highlighted, which was the top frequency for both the second and third time periods and occupies 19% of the total quotes (30 out of 160).

From analyzing the quotes in the CEO’s interview, King Car achieved a successful bolstering strategy in this crisis by practicing two keys – set a central topic and make it attractive.

The central topic that Tian-tsai Lee held was being honest. With this simple and clear message, King Car continually fortified its responsible and honest image through vivid stories about the CEO and King Car. For example, the CEO described the crisis as a sickness of King Car: when encountering this crisis, King Car set the mind to deal with it perfectly so we can face our customers. It is like you are sick, only surgery and treatment can make you recover (Common Wealth Magazine, October 8, 2008). Also, he claimed that he refused to do the “plundering business” and explained it with cultivation: the agriculturist told you that the land can be harvested twice a year; however, the shortsighted people fertilize the land with chemical fertilizer to allow the land to be harvested three times or four times a year. The over farming destroys the ecosystem and disobeys the natural rule, this is plundering. Operating a business is like cultivation. We need to plow and weed for a long time, rather
than damage the justice for pursuing speed or the short benefit (*Business Weekly*, October 6, 2008). Then, Tian-tsai Lee shared the story about honesty happened in his first insecticide business 50 years ago (*Business Weekly*, October 6, 2008).

Furthermore, the age and background of the CEO was also one point contributing to the success of the bolstering strategy. Tian-tsai Lee was 72 years old when the crisis happened in 2008. Tian-tsai Lee’s father died in his childhood, he took the expenses of his family from age 10 and started his first insecticide business when he was 20. In Taiwanese culture, the older generations are respected and sympathy attracting. Hence, an old man’s life struggle and success experiences made King Car’s bolstering message newsworthy and easy to be accepted.

King Car packaged the bolstering strategy with numerous stories tied in the honest corporate value and allowed the audience to receive the message repeatedly. Accompanied with the repeating bolstering message, the reasonableness of other image repair strategies include good intentions, blame shifting, and defeasibility increased. Thus, the bolstering image repair strategy was especially effective in this case because the strategy echoed other strategies and made the whole image repair program completed.

As a humble race, using bolstering strategy in the crisis acute stage is very risky in Taiwan. Taiwanese people do not like self-satisfied image, even when the company or the person is guilt free. In the King Car case, the company apologized to the public at the very beginning and started to conduct the recall. With the praise of the Department of Health and the foundation of positive reaction from the audience, King Car began its bolstering strategy from the crisis chronic stage to convince its honesty and fortify the former
strategies. Through the bolstering strategy, more Taiwanese people knew the King Car Company and the reputation of King Car improved.

Accordingly, compared with western culture which encourages self confidence, bolstering strategy in eastern culture may need to be considered more and conducted gradually and moderately.
CONCLUSION

Testing the samples actively, revealing the results by the company itself, apologizing to the public, recalling the potentially contaminated products in one week, and launching the new ingredient products in two days, King Car’s instant reactions and completed image repair program helped the company save the 25 years of Mr. Brown’s brand reputation and set a standard of crisis management for the food and beverage industry in Taiwan.

According to Benoit and Pang’s image repair strategy (2007), the King Car Company conducted mortification, minimization, shifting the blame, corrective action, defeasibility, good intentions, and bolstering image repair strategies. Among these strategies, corrective action and bolstering are the two major image repair strategies King Car conducted. Based on the statistics and analysis of 45 Taiwanese local news reports which were published from September 21 to October 30, 2008, this study concludes the following results about how a western built model was used in an eastern culture, the Taiwanese culture.

Generally speaking, Benoit and Pang’s image repair model (2007) worked in the melamine milk crisis of King Car in Taiwan. From the King Car experience, the corrective action strategy is the most effective and useful strategy during the crisis. Also, the corrective action strategy is the most effective strategy in the western culture. There is no significant difference in the application of minimization between Taiwanese culture and other western cultures. With the limited information, the defeasibility strategy cannot be discussed under the cultural frame even though it was used in King Car’s crisis. Being timely and showing the specific numbers or evidences to prove the good intention specifically are the two lessons
learned from King Car’s experience to execute the good intentions strategy. Other than these two points under the melamine crisis situation, there are no other differences found between Taiwan and the west.

According to the King Car experience, the sympathy characteristic and soft appeal preference form the major dissimilitude of conducting image repair in Taiwan. To meet the expectation of the audience, a person or an organization should show mortification in the very beginning unless there is no relation between the mortified and the mistake. To say sorry does not necessarily mean the person or the organization needs to take the responsibility of the mistake; however, it represents the self review and the understanding for the victims, and also leads the audience to listen to the continuous statements in a more comfortable emotion.

The sympathy and soft appeal nature also influence the blame shifting strategy conductions in Taiwanese culture. In the melamine milk crisis, King Car used the shifting blame strategy from soft to tough. The soft starter allowed King Car to test the audience’s attitude toward the strategy and decide the following strategy strength. Dividing the strength of the blame shifting into different levels and timings are the lessons which were earned from King Car’s image repair program.

Last but not least, the bolstering image repair strategy of King Car showed the alterations when processing the subunit in eastern culture. Compared with the self confidence requirement, the asking for humbleness causes the conduction of bolstering strategy usually appearing in a more gradual and moderate way in Taiwan.
Therefore, with the seven of the 14 image repair subunit strategies, which were used in King Car’s melamine milk crisis in 2008, Benoit and Pang’s image repair model (2007) generally fits in the Taiwanese culture. Nevertheless, the mortification strategy should be used usually, and the blame shifting and bolstering image repair strategies need to be refined in a more gentle way to meet the soft appeal and sympathy preference in Taiwanese culture.
LIMITATIONS

For the characteristics and disadvantages of historical and secondary research and case studies, this research has the following limitations. First, part of the information is not directly obtained from the practitioners of King Car. As the shortcoming of secondary research, the information is not necessarily accurate and may contain biases. For example, one of the news reports claims that there are 1.2 million boxes of products contaminated by melamine while other reports indicate the number as 120,000 boxes. Also, media bias is another limitation of this study. Because newspapers in Taiwan are mainly belonged to two major political parties, the reports of the newspapers belong to the opposition party that would tend to criticize the government by admiring the corporation.

Second, King Car’s case is just a single case study that belongs to one type of crises. Same as the limitation of case studies, the conclusion of this study may not generalize to Taiwanese culture, or be operated as a rule.

The next limitation is the lack of integrity of the organizational data. The achievable organizational data from King Car’s Web site may provide only positive and embellished information. The channels to understand the reasons why King Car chooses to operate such an image repair program are limited. In addition, there is no financial statistic data on its Web site. Hence, the exact cost of the crisis and the expense of the program cannot be known.

In addition, the results of this study are concluded by observation from the collected reports and information. There is no formal interview or survey to prove the publics’
satisfaction at King Car’s program or if the company’s reputation is influenced by the strategies. Last but not least, there may be other reasons to influence the results of the evaluation. Nevertheless, there is no way to determine and discover them for the limitation of information.
RECOMMENDATIONS FOR FUTURE STUDY

There are numerous case studies discussing how the western-build image repair theory worked or not internationally; nevertheless, the database about the recall cases of food and beverage industry in Chinese culture area is still not enough. Crises which cause healthy threat are easily happen in the food and beverage industry. When health becomes the topic, people are eager to know information to relieve their panic. This special situation makes the image repair program differ from other crisis management.

In the King Car’s melamine milk crisis case study, only seven of the 14 image repair strategies were used and discussed. The other half of strategies demanded include simple denial, provocation, accident, differentiation, transcendence, attack accuser, and compensation strategies. Sympathy, soft appeal, and humbleness are the three preferences this study fund to influence the application of image repair strategy in Taiwanese culture. In addition, crises have numerous natures and result different image repair reactions. Therefore, to set up a database of how to deal with crises about health threats in Taiwanese and Chinese culture is continuously needed and requires more studies to enrich it.
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