

# Analysis of Brand Crisis Public Relations

## -- Take FuYao Glass Brand Crisis in 2014 as an Example

Yidan Chen

School of Faculty of Arts, Design and Architecture, The University of New South Wales, Sydney, Australia

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### ABSTRACT

This article delves into the case of Fuyao Glass, a Chinese company that purchased a General Motors assembly plant in Dayton, Ohio, in 2014, investing heavily to establish operations in 2016. Amid speculation about the company's business focus shifting to the United States, Chairman Cao Dewang reassured the public that their primary focus remains in China. However, the incident highlighted the importance of crisis communication in the new media era, where crises can spread rapidly and have far-reaching consequences. Understanding public relations as a means of managing relationships between organizations and the public is crucial, especially in crisis situations. The text emphasizes the need for proactive crisis management strategies, including real-time monitoring of public opinion and the development of contingency plans. Additionally, it underscores the significance of corporate social responsibility in maintaining a positive brand image and navigating crises effectively. Ultimately, the article underscores the importance of strategic communication and crisis preparedness in safeguarding a company's reputation and mitigating potential risks.

### KEYWORDS

Public Opinion; Strategic Communications; Crisis Management; Brand Image.

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## 1. INTRODUCTION

In the fast-paced era of new media, the process of public access to information is simple and convenient. When an enterprise is faced with an emergency, it needs to be prepared for the rapid dissemination of information, and the correct handling of the contact with the public has become the key to reverse public opinion. In order to maintain brand reputation and alleviate trust crisis, timely and effective communication strategy is particularly important in managing enterprise crisis. Taking Fuyao Glass's acquisition of a factory in the United States as an example, this paper analyzes the public relations strategy of the company in order to ultimately achieve public trust and stability of the company.

## 2. ORGANIZATION OF THE TEXT

In 2014, Fuyao Glass spent \$15 million to buy a General Motors assembly plant in Dayton, Ohio, investing 1 billion dollars to build the plant and put it into operation in 2016. As we all know, Fuyao Glass is a famous Chinese company and after this incident was reported, the media posted articles speculating whether Fuyao Glass would relocate its business focus to the United States, causing common concern among the Chinese public. In an attempt to alleviate the public's crisis of confidence

in Fuyao Glass, the company's chairman Cao Dewang clarified the incident in an interview, stating that he does not intend to take the focus of the business out of China. This was a way to eliminate the negative impact of the crisis on the company's brand and to provide an opportunity to enhance the company's reputation and visibility, thus providing strong brand support for product sales. However, the most important reason for the incident was the comments made by Dewang Cao, chairman of the company, in a video interview. However, the failure to clarify the facts in a timely manner and to issue a credible official response has gone in front to the spread of the incident.

Fuyao Glass is understood in terms of the properties of its products. Fuyao Glass is mainly a glass supplier to vehicle manufacturers, and it is a supporting enterprise for vehicles, which means that the customer base of Fuyao Glass is not individual customers, but corporate customers who manufacture vehicles. This is the only way to respond to the needs of vehicle manufacturers and to better serve their customers, and demonstrate the value of their own existence. It is a normal business practice for Fuyao Glass to set up factories in the United States at the request of Ford, which is not only in line with Ford's strategic needs but also in line with Fuyao Glass' need to better serve its customers.

Corporate crises in the new media era also present characteristics that are different from those of the traditional media era [1]: the possibility of crisis outbreaks increases, the duration of crisis outbreaks shortens, the scope of crises is wider, and the destructiveness of corporate crises increases. However, many enterprises still do not have a clear understanding of the challenges that the new media era brings to crisis communication, nor have they formed a clear crisis awareness and formulated a corresponding crisis communication strategy. In the face of this crisis of confidence, the company should react promptly and make use of mainstream media to clarify the situation.

Public relations have emerged in tandem with the progress of human society [2]. And through the means of communication to achieve the purpose of communication. Public relation is a kind of information communication and dissemination activity between organizations and the public, a management function, and an artistic display of unity and perfection, and harmonious development. The public, as the object of public relations work, has an actual or potential interest and influence on the existence and development of the subject of public relations. In modern society, no organization can operate without a certain public environment; the public does not exist in a single form, but in a complex and diverse one; the public is a group with some inherent commonality; the public is not a static, closed and rigid object, but an open system that is in a process of constant change and development; the public is not an abstract, vague concept, but is linked to a specific social organization. The public is not an abstract and empty concept but is linked to a specific social organization, so it has five basic characteristics: group, diversity, homogeneity, variability and relevance [3]. Public scenario theory [4] classifies the different stages of public development as non-publics, potential public, aware publics and active publics. Identifying an organization's corresponding public is fundamental to the development of a PR campaign plan, and only once the publics have been identified can priorities be set. In today's public relations practice, we devote the vast majority of our communication resources to active publics because they have a direct impact on the organization, and because they are more aware of and involved with the organization, so it is necessary to engage in two-way symmetrical communication with them. For the informed public, who are more knowledgeable about the organization but less involved, a public information model should be adopted to disseminate relevant organizational information to them. This one-way messaging helps the aware public to further develop their understanding of the organization and potentially turn into an active public. For the potential public, who have some understanding of the organization but are not highly involved, a two-way asymmetric model of communication should be adopted to induce and persuade the public to accept a certain viewpoint of the organization and, in turn, to support the way the organization behaves through scientific methods, to the benefit of the organization, with public relations staff acting as information providers to attract feedback from the public and to improve the effectiveness of the inducement and persuasion efforts. Organizations can create topics to appeal to non-publics and should adopt a press agent model, which is designed to

create a buzz through press campaigns in order to attract the public's attention, with communication being one-way in nature [5]. Therefore, organizations do not need to pursue a two-way symmetrical communication strategy as the highest goal of public relations practice. Instead, they should manage their communication strategy dynamically and adopt different communication strategies for different audiences, so as to increase the effectiveness of public relations communication and save costs for the organization [6].

Once a crisis breaks out, it can spread rapidly and, if not controlled in time, can be devastating for an enterprise. Crisis PR is a double-edged sword. If handled properly, it can help companies to overcome difficulties and enhance their brand image; if not handled properly, it can lead to irreparable losses and a brand trust crisis, and eventually become a booster for their demise. This is why crisis communication has four characteristics: unexpectedness, aggregation, destructiveness and urgency [7].

Public relations is the basis of the contact between the organization and the public, which is essentially a kind of interest relationship[8]. Organizations engage with the public for their own benefit and to gain their understanding and support. The public relates to the organization and supports its policies and actions in order to obtain certain benefits. In different societies, due to different systems, people have different perceptions and different ways of gaining benefits. Public relations is essentially a relationship of collective interest, where organizations and the public need to consider each other's interests, support each other, and work together so that society can develop better in a harmonious relationship.

The lack of a fatal crisis was due to the responsible corporate social responsibility image of Fuyao Glass in previous years [9]. Over the years, it has been involved in countless charitable donations, contributing to disaster areas, building roads and schools, and setting up scholarships. Corporate social responsibility is not only conducive to promoting social welfare, but also to building a good corporate image, which is one of the core competencies of companies today. Operating with integrity and a high degree of responsibility. Focus on the training and development of staff and care for their lives. Improving production processes, energy-saving and environmental protection, their core values are actively practicing hard work, simplicity, learning and innovation. Through its own pioneering and development, it has improved corporate governance, improved product quality, put people first, committed to protecting the environment and actively engaged in public welfare, realizing the unity of the company's economic and social benefits. All these reflect Fuyao Glass' commitment to and pursuit of social responsibility.

The emergence and strong development of new media is a major communication revolution [10]. According to the crisis life cycle theory, the crisis communication process can be divided into three stages: prior monitoring and defense, crisis management and communication, and post-crisis evaluation and image reconstruction. In addition to the maintenance of daily communication channels and the positive communication of corporate brand and product images is very important, enterprises should also build a monitoring system to monitor relevant public opinion information involving the enterprise in real-time. Crises in the new media environment are unpredictable and at the same time fast-spreading, so it is often easy to miss the best time to deal with a crisis after it has occurred. Therefore, before a crisis occurs, enterprises should formulate and improve crisis contingency plans, and consider other situations that may accompany a crisis thoroughly. Establish a crisis communication leadership team in advance, define the crisis management system and process, prepare all the information to deal with the crisis in advance, analyze the potential crisis types that may be faced, optimize the process of crisis reporting and personnel coordination, determine the list of crisis management team members, and plan the steps to be taken immediately in a crisis. Companies should normally carry out crisis communication exercises to deepen the awareness of their employees to prepare for a rainy day so that they can respond in an orderly manner even after a crisis has occurred and improve their crisis communication capabilities.

### 3. CONCLUSION

The text discusses proactive crisis management strategies and the significance of corporate social responsibility in shaping brand perception and underscores the role of public relations in managing relationships with diverse audiences.

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