THE ROLE OF CHINESE SOCIAL MEDIA IN REPUTATION MANAGEMENT: THE CASE OF FONTERA

Shenghan Fu

A dissertation submitted in partial fulfillment of the requirements for the degree of

Master of International Communication

Unitec Institute of Technology, 2014
ABSTRACT

In this research project, Fonterra was chosen as a case study in order to evaluate the effectiveness of its reputation management in the Chinese market, and to see Chinese social media's impact on its reputation management during a time of crisis. The researcher explored how Fonterra managed its online responses to negative news about its 2013 crisis situation over a quality issue in order to improve its reputation. The aim of the study was to explore the role of Chinese social media in a New Zealand company's reputation management during a crisis situation. In general, the goal of the research was to contribute to the research field of reputation management communication and social media.

In order to complete the research project, a mixed-methodology approach was chosen for the data collection. Data was collected from a semi-structured interview with a Fonterra staff member whose position is social media specialist. Also, postings were selected from Chinese social media platform Weibo and Xinhuanet within given time frames in order to conduct a content analysis. The interview with the Fonterra staff member aimed to gain information about Fonterra's communication strategies and guidelines concerning their social media uses. The data gathered from Xinhuanet and Weibo helped the researcher to assess whether or not there were differences between Chinese mainstream media and social media content during Fonterra's recent quality
crisis situation. Also, data from Fonterra’s Weibo account helped the researcher to assess its reputation management on Weibo.

The dissertation found that even though Weibo postings indicated much public opinion (including ones with different point of views) when compared with Xinhua Net, it did not indicate that Weibo is out of the influence from the mainstream media and the political and social environment. Fonterra did provide official statements about the quality issue, and also updated detailed information about its own investigation of the quality issue. There were three strategies utilised by Fonterra during this time which were then evaluated for their usefulness in its reputation management on Weibo. The three strategies were 'precautionary recall', organising a campaign called 'Fonterra Dialogue-Please Ask Me', and appropriately selected leadership words. However, it was concluded that Fonterra was not fully successful in its management of public opinion postings on its Weibo accounts, engagement with Weibo users, and thus reputation management of the quality crisis on Weibo.
ACKNOWLEDGEMENTS

The dissertation would not have been able to be completed without acknowledging a number of people’s support, encouragement, and understanding.

Firstly, I would like to thank to my supervisors Deborah Rolland and Dr. Jocelyn Williams. Even though they were so busy every day, they guided my research, encouraged me, and even responded to my questions in the weekends.

Then, I would like to thank to my colleagues Bharat Chawla and Valerie Hirsch. They gave me a lot of encouragement. Sometimes, I had to take working time to meet my supervisors. Bharat supported me a lot and never said no.

Finally, I would like to thank to my mum, my husband, and my parents in law. Normally, parents in China begin to expect grandchildren just after their children’s wedding. However, my parents fully understand and support me to finish this Master degree first. Also, my husband shared housework to ensure I have enough time to study.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>1</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>III</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>IV</td>
</tr>
<tr>
<td>CHAPTER 1</td>
<td>1</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>BACKGROUND</td>
<td>2</td>
</tr>
<tr>
<td>RATIONALE AND PURPOSE</td>
<td>4</td>
</tr>
<tr>
<td>RESEARCH QUESTIONS</td>
<td>5</td>
</tr>
<tr>
<td>SUB-QUESTIONS</td>
<td>5</td>
</tr>
<tr>
<td>OPERATIONAL DEFINITIONS</td>
<td>6</td>
</tr>
<tr>
<td>CHAPTER 2: LITERATURE REVIEW</td>
<td>10</td>
</tr>
<tr>
<td>CHAPTER 3: RESEARCH DESIGN</td>
<td>20</td>
</tr>
<tr>
<td>METHODOLOGY</td>
<td>20</td>
</tr>
<tr>
<td>DATA COLLECTION AND ANALYSIS</td>
<td>21</td>
</tr>
<tr>
<td>DATA COLLECTION AND SAMPLING</td>
<td>21</td>
</tr>
<tr>
<td>Semi-structured interviews (Fonterra)</td>
<td>22</td>
</tr>
<tr>
<td>Content Analysis</td>
<td>23</td>
</tr>
<tr>
<td>DATA ANALYSIS</td>
<td>25</td>
</tr>
<tr>
<td>ETHICAL CONSIDERATIONS</td>
<td>28</td>
</tr>
<tr>
<td>CHAPTER 4: FINDINGS</td>
<td>29</td>
</tr>
<tr>
<td>INTERVIEW WITH FONTERRA STAFF MEMBER</td>
<td>29</td>
</tr>
<tr>
<td>GENERAL DATA FROM XINHUA NET AND WEIBO</td>
<td>38</td>
</tr>
<tr>
<td>DATA FROM XINHUA NET</td>
<td>40</td>
</tr>
<tr>
<td>DATA FROM WEIBO POSTS</td>
<td>42</td>
</tr>
<tr>
<td>DATA FROM FONTERRA'S WEIBO ACCOUNTS</td>
<td>44</td>
</tr>
<tr>
<td>CHAPTER 5: DISCUSSION</td>
<td>46</td>
</tr>
</tbody>
</table>
CHAPTER 1:

In this chapter, the general topic and background will be introduced. The researcher will indicate the rationale and purpose of this research, and apply one research question and three sub questions.

INTRODUCTION

In the public relations field, corporate reputation has been the focus of research in recent years, which has resulted in many publications (Fombrun, 1996, Helm, Liehr-Gobbers & Storck, 2011). A positive reputation could bring various benefits to a corporation. In contrast, a negative reputation may lead to disaster for the firm. In August 2013, Fonterra, a New Zealand company that is well known for dairy products, announced a precautionary recall for all involved risky products. As three companies in China were involved in this recall, news about Fonterra was reported on Chinese mainstream news media and subsequently was discussed on Chinese social media platforms. The news undoubtedly will have affected Fonterra's reputation, so the proposed research will investigate the influence of social media on reputation management. Also, Fonterra has been chosen as a case study to see how Chinese social media affected Fonterra's reputation management in its Chinese market. The research project aimed to contribute to the field of social media and reputation
management. Many NZ firms are extending their businesses to China, so the research findings may give some insights on how NZ companies may manage more effectively their online reputation in China. The proposed research project sits within a mixed methodology approach, and it uses research methods such as quantitative content analysis and a semi-structured interview for collecting data.

**BACKGROUND**

In the research project, Fonterra was chosen as a case study to evaluate the effectiveness of its reputation management in the Chinese market, and to see Chinese social media's impact on their reputation management. Fonterra Co-operative Group has emerged as a significant player in the New Zealand economy now, and it is both a prominent and the largest company in New Zealand so far (Gray & Herson, 2010). According to Fonterra (2013), the largest corporation in the country contributes to the NZ’s GDP approximately 7%, and earns about 20% of New Zealand's foreign exchange. Moreover, Fonterra is the fourth largest dairy company in the world (Dairy News, 2012).

In the era of globalisation, interactions between countries become frequent and significant. China, which is a developing country, has been evaluated as a rising economic power. Many NZ enterprises have seen a potential there, and intend to extend their market to China. With the base of FTA (Free Trade Agreement) and NZ Inc China Strategy that the strategy aims to "greater efficiency and
effectiveness across all government agencies that work in and with China, and more targeted and cohesive services to help NZ successful businesses develop and grow in China” (China FTA Network, 2008), companies such as Fonterra have promoted their brands and products to Chinese people. According to the Statistics New Zealand (2012), China has become the second-largest export market and import market for New Zealand. New Zealand mainly exports a large amount of animal husbandry products and natural products to China, and the percentage of dairy products is the largest number in the total export. After the Sanlu Disaster (2008) which had decreased Chinese consumers’ confidence of milk powder that made in China, Fonterra gained the opportunity to further develop their Chinese market. The brand name "Fonterra" has its own variation in Chinese "恒天然", that is translated into English as "forever natural", which is also a strategy designed to attract Chinese customers.

Recently, Fonterra has generated media publicity about their quality management issues. On the 2nd August 2013, Fonterra found it had a potential product safety risk and decided to announce a precautionary recall. As the Chinese market was affected by contaminated milk powder and three beverage companies in China were involved, Theo Spierings, the CEO of Fonterra went to China and made an apology just three days after the problem was reported (Phoenix, 2013). Then, Xinhua News Agency, which is the most widespread mainstream media in China, reported that John Key, the New Zealand Prime Minister would apologise to Chinese consumers at the end of the year (Xinhua
News Agency, 2013). Also, many Chinese newspapers quoted Xinhua's report, and said there was clostridium botulinum in Fonterra's products.

As a result, Fonterra was facing financial loss, and what is more critical, the loss of reputation. The negative news from news media and not positive comments from Chinese people spread rapidly. However, there were some different comments on Chinese social media. Fonterra has created three accounts on one of the most popular Chinese social media platform - Weibo, and a lot of Weibo users posted comments about Fonterra's quality issues. The researcher intended to see what were Fonterra's reactions to those negative or positive comments about itself and to assess the effect on Fonterra's online reputation management. In addition, the researcher investigated the usefulness of Weibo for corporate reputation management and the impact of online public opinion.

RATIONALE AND PURPOSE

New Zealand and China celebrated the 40th anniversary of the establishment of their diplomatic relations in 2012. The New Zealand government has promoted local organisations to the China market on the basis of the FTA and NZ Inc Strategy. For New Zealand companies, China is a potential country to extend their business. By analysing news about the latest Fonterra scandal and evaluating Fonterra's reputation management in terms of Chinese social media, the researcher intends to give some insights on how do New Zealand
corporations manage their reputation on Chinese social media. As the Chinese government owns the most of mainstream media in China, governmental policies affect the news from Chinese mainstream media directly. The researcher intends to see how does Fonterra manage their online responses to negative news to improve their reputation. The aim of this study is to explore the role of Chinese social media in NZ companies’ reputation management. In general, the goal of the research is to contribute to the research field of reputation management and social media.

**RESEARCH QUESTIONS**

**Research Question:**

How did Chinese social media Weibo contribute to New Zealand Fonterra's reputation during a time of crisis?

**Sub-questions:**

**RSQ 1:** Is there a difference in the way Xinhua Net and Weibo users reported on Fonterra's quality issue?

**RSQ 2:** How useful is Fonterra's Weibo account in relation to its reputation management in China?
RSQ 3: What kind of action can Fonterra’s governance take to further improve their reputation management on Weibo?

OPERATIONAL DEFINITIONS

• Corporate Reputation

Corporate reputation has been defined in many different ways in the past two decades (Fombrun, 1996; Whetten & Mackey, 2002; Barnett, Jermier & Lafferty, 2006; Mahon, 2002). There are many definitions of organisational reputation, and it is not easy to evaluate which one is the best. In Walker’s (2010) investigation, 26% researchers choose to use Fombrun’s definition in a total of 19 well-cited articles. So, the researcher will apply this definition in this research. Fombrun (1996) defined corporate reputation as "a perceptual representation of a company’s past actions and future prospects that describe the firm’s overall appeal to all of its key constituents when compared with other leading rivals" (p.72).

• Reputation Management

Reputation management has been defined as the practice of attempting to shape public perception of a person or an organisation by influencing information about the corporation (Rouse, Maguire & Harrison, 2011).
Reputation management has been seen as "firms taking substantive and responsible actions" for gaining “the esteem of the public” (Gotsi & Wilson, 2001, p27). Helm, Liehr-Gobbers and Storck (2011) present that the aim of managing reputation is to build "shared interests with stakeholders”. Reputation management has been divided into two different types, which are proactive management for taking steps to prepare for accidental reputational damage, and reactive management that is putting procedures right to suffer the damage (Helm, Liehr-Gobbers & Storck, 2011).

• Crisis Communication

Ulmer, Sellnow & Seeger (2007) define crisis as a significant threat to corporate operations that can have negative consequences to a company's future profitability, growth and even survival. A crisis can occur unexpectedly, and catch a company off guard with the possible chaotic situation of a crisis. The destructiveness may be visible or invisible. Because of its unpredictability, a crisis can expand with destructive effect on the image of the enterprise. Crisis may cause the attention of the society and the attention of the media. The media coverage is likely to lead the trend of public opinion, and affect the crisis-spread direction. Augustine (1995) outlines six stages of a crisis: avoiding the crisis, preparing to manage the crisis, recognizing the crisis, containing the crisis, resolving the crisis, and profiting from the crisis.
Thiessen and Ingenhoff (2010) claim that crisis communication is a process that refers to individuals or organizations in order to prevent the occurrence of crisis, to mitigate the destruction caused by the crisis, or to get a reply from the crisis as soon as possible. The purpose of crisis communication is to avoid and resolve a crisis. Crisis communication also involves in internal communication, such as communication between managers and employees; involved in the external communication as well, including communication with media, government, communities, consumers (Thiessen & Ingenhoff, 2011).

- **News Media**

The news media, which belong to mass media, aims to deliver news to broad masses of people or target groups of audience. News media can be newspapers, news channels on television, and also Internet based news posters. Traditional news media, such as newspapers and TV, can be identified as "catch-all media" as they need to satisfy general public's varied interests (Hallin & Mancini, 2004). News media aims to hear from both sides of a news topic, and try to get actual information about the news (Wurff, 2011).

- **Social Media**

Social media includes some internet-based applications that show interactive dialogue alongside creation and exchange of user-generated content (Smith & Mouter, 2008). It is built on the foundations of Web 2.0 that allow people to
write, share, evaluate, discuss, and communicate with each other (Fiehl, 2012). It can be seen as a tool, a website, or a new technology. People share their opinions, insights, experiences and perspectives by using some social media tools, which currently include collaborative projects like Wikipedia, blogs like Blogger, micro blogs like Twitter, social networks like Facebook, and multimedia sharing like YouTube.

- **Public Opinion**

The term public opinion is often used in political communication research, but it is also applied in the field of reputation management. Researchers in the field of political communication examine public opinion in regards to its impact on a candidate’s image or how they view a political issue. Public opinion can be defined as the collection of individuals’ viewpoints, attitudes, and beliefs about a political, social or organisational topic (Kiousis, Popescu & Mitrook, 2007).

- **Opinion Leader**

An opinion leader has been defined as someone who provides information, opinions, comments, and influence to other people in the interpersonal communication networks. An opinion leader is a link to filter and intermediate information in the formation of public dissemination. When they get involved in mass communication, and send information after their processing, they accelerate the information's spread and expand its influence (Guo & Wu, 2012).
CHAPTER 2: LITERATURE REVIEW

This chapter outlines the relevant literature on reputation management and media, and also refers to the published Fonterra report commissioned by Fonterra Independent Board Committee on 29 October 2013.

Reputation comes from the Latin word "reputationem" that means consideration. It is how people consider, or label a person, a brand, or an organisation (Topp, 2012). Different people may have different opinions of what constitutes a corporate reputation, or a reputation of any kind. However, most researchers agree that reputation has to be earned (Ingram, 2011). The literature review includes researchers' and practitioners' relevant viewpoints, which are applicable to corporate reputation, social media, and public opinion. The study will help improve knowledge in this research field and also show the context of this research.

Corporate reputation is definitely a crucial asset for an organisation (Cravens, Oliver & Ramamoorti, 2003). A good reputation can create wealth for a company. There are advantages with managing reputation or maintaining a well-evaluated reputation. A positive reputation can attract more customers and investors. Products can be sold at higher prices. It could also help the company to entice more candidates and generate more productivity and loyalty from employees. The firm may pay lower prices to their suppliers, and have more stable profits. Furthermore, the corporation, which has a good reputation, may
get fewer risks from a crisis. Even if crises do happen, they can then survive with less financial loss.

In recent years, a corporation's reputation has become a central focus among public relations researchers and practitioners. In this regard, reputation management has emerged as an essential component in positioning a firm or product at the each stage of its maintenance, development, and evolution (Cravens et al., 2003). Reputation management is an important business function and a foundation of public relations (Hutton, Goodman, Alexander & Genest, 2001).

There are some useful theories and models for examining a reputation in terms of different time period such as the "pre-action, action, and post-action" stages model (Walker, 2010). In the pre-action stage, "institutional theory" can help organisations to obtain cultural support and rationality within their system background to build their reputation (Deephouse & Carter, 2005). "Signaling theory" is often used in the implementing (action) stage for building, maintaining, and defending reputation. It is applied to organisational reputation to figure out how the strategic choices of companies delegate signs, and which are then used by stakeholders to compose impressions of the corporations (Basdeo, Smith, Grimm, & Rindova, 2006). Another theory is the "resource-based-view", which is designed for the post-action stage and it is concerned with outcomes. It detects how reputation is a worthy treasure that leads to enduring competitive strengths (Walker, 2010).
There is no general consensus on how to measure reputation in the literature because various stakeholders may have different perspectives. Reputation measurement has already been used in practice and many companies believe and pay attention to the measurement. Fortune Magazine's reputation dimensions put reputation measurement into practice. Fortune Magazine's annual 'America's Most Admired Companies' Survey' use a series of dimensions to evaluate a firm's reputation. There are eight points: use of organisational assets; environmental and community responsibility; a capacity to attract, improve, and keep intelligent people; financial stability; innovativeness; worth as a sustained investment; management quality; and products quality or services quality (Flanagan, O'Shaughnessy & Palmer, 2011, p.5).

As research indicates, news media is one of the main channels that stakeholders and public use to learn about corporations, their actions, and their affiliations to the audiences' interests (Deephouse, 2000). The function of media relations is usually a section of the strategies that organisations implement for building and maintaining their reputation (Yoon, 2005). Organisations attempt to maintain a close relationship with the news media to communicate their viewpoints and also the remarkable performance of the firms. In terms of legitimacy theory, Michelon (2011) indicates that a corporation’s reputation is a determinant of sustainability disclosure. It can be seen that news media do have an effect on a company's reputation.
Media system dependency theory has been applied in the research about reputation and news media. Einwiller, Carrol and Korn (2010) presented that “media system dependency theory proposes an integral relationship among audiences, the news media and the larger social and economic system” (p.302). Companies depend on news media for delivering information that would lack credibility if sent by the company itself. On the other hand, news media need news content from companies to get audiences’ interests and to make connections for advertising profits. In terms of the need for orientation (Weaver, 1980) and media system dependency theory (Ball-Rokeach & DeFleur, 1976), Einwiller, Carrol and Korn (2010) discuss that stakeholders rely on news media to realise a firm's reputation attributes, which are important or relevant to them. In addition, these researchers argue that dependency is also an element of "information availability" (ibid 2010). This means that stakeholders rely more on news media to find corporate information about some features that are not easy to directly see or experience, such as corporate social responsibility or corporate strategies. Starting with news media becomes an appropriate and main source for gathering corporate information that helps stakeholders to know more about those hidden aspects (Demers, Craff, Choi, & Pessin, 1989).

A well evaluated corporate reputation is linked with a number of satisfying business indicators, such as loyalty, trust and customer satisfaction (Walsh & Beatty, 2007). Therefore, corporations put a lot of energy and time to manage and maintain their reputations. In recent years, the appearance of a number of Internet-based communication tools, known as Web 2.0, has widely spread
globally. The new communication platforms provide user generated content, and a vast number of videos, blogs, online forums, and wikis posted on online platforms such as Facebook, Wikipedia, and YouTube (Benkler, 2006). People find new ways to connect and communicate with each other on the Internet, and through social networking applications, such as Twitter and LinkedIn.

Organisations have seen not only threats from Web 2.0, but also new opportunities for their corporate reputation management (Jones, Temperley & Lima, 2009). As the blogosphere may connect or link with mainstream media, companies do need to face the threat to their reputation from online platforms. When bloggers create content about a firm's negative evaluations, those words may spread fast and widely. Companies are facing enormous challenges from blogosphere. However, companies also have potential opportunities to use Web 2.0 technologies to maintain and enhance corporate reputation. If online users generate positive information about a company, the firm has a chance to be talked about and to be a key word on the platform. Vecchio, Laubacher, Ndou, and Passiante (2011) discuss the interaction between Dell, a top computer technology company, and the blogosphere during a period of two years. They suggest that those established reputation management strategies and systems, which were created in the age of traditional media, do require to be transformed to adapt to the new realities in the era of Web 2.0.
While Western social media platforms like Facebook and Twitter have been studied, Chinese social media like Sina Weibo have not been researched widely. The People's Republic of China government's gate keeping and censorship make the research of Chinese social media more significant. The web structure and web content would be different in terms of different culture, different language and different policy. Although China has more than 2000 newspapers, 8000 magazines, and 374 television stations and 150 million Internet users, all of these media outlets and media consumers are under the control of the PRC government (Wetherbee, 2010).

The Chinese word "Weibo" means "microblog" in English. Sina Weibo is one of the most popular social media tools in China. Weibo is a current new social media platform and it is a micro blog that can immediate release messages. Weibo is evolved from Twitter. As Facebook and Twitter were not allowed in mainland China, after the birth of Twitter in 2006 in United States, some of the IT companies in China had tried the new ways of communication to meet the needs of Chinese online users and their expectations. In 2009, Chinese netizens began to enter into the Weibo world. The number of micro blog users in China has been increasing fast. China Internet Network Information Center (CNNIC) reports that at the end of December 2011, China's micro-blog users reached 250 million, representing an increase of 296.0% at the end of the year, and the rate for netizens using micro-blog in China was 48.7%. The Weibo that more and more non-Chinese speakers have known is actually from Sina which is one of the well known IT companies. Sina Weibo has attracted the most
micro-blog users in China. Even though Weibo seems to be a more open platform for people sharing thoughts and opinions, it is under the control of the PRC government. Weibo has a large numbers of users, and some users are from outside of Mainland China. Yu, Asur and Huberman (2011) state that even though Sina Weibo and Twitter are similar social media platforms, the content shared on the two platforms have a number of differences. In terms of reputation management on social media platform, the foreign companies who intend to manage their reputation in the Chinese market need to understand Weibo's characteristics.

Weibo has the following characteristics:

- **Weibo's civilianization**
  Weibo can only send 140 words for each post. From this perspective, grassroots Weibo users are very strong because they do not need to consider the full text writing to make sure it is logical. Weibo users do not need to do a long-winded speech as posting a blog. They can only write about their feelings, and it is easy to update new posts (Guo & Wu, 2012).

- **Disseminate information at anytime and anywhere**
  Weibo users could publish messages at anytime and anywhere through channels such as smart phone, iPad, laptop, or computer. It reduces the time of information dissemination comparing with some traditional media. Weibo
realizes the need to publish or receive information conveniently and quickly (Xiao, 2011).

- Simple and efficient information exchange

Weibo users can not only getting attention and forwarding messages, but also comment others’ messages, reply to others’ comments and have private chat options. These features provide a guarantee for the information exchange between the Weibo users. Weibo concentrates on information sharing that is based on customers’ relationships. Sometimes, valuable and interesting information tends to be forwarded thousands of times with some friends or strangers on Weibo (Liu & Cao, 2011).

In terms of reputation management and media, comparing traditional media and social media may give researchers some insights into future trend of reputation management. Social media can share some characteristics from traditional news media, and have a few advantages comparing with traditional media. At first, online users have opportunities to produce news by themselves and transform themselves from passive audience to active producers, whereas traditional media is limited by editor’s control and few channels (Chung, 2008; Nov, Naaman & Ye, 2010). Also, social media connects users who have same interests and can spread across online communities within a few minutes. In contrast, because of the physical distance, traditional media do not have the same effectiveness as social media. Furthermore, social media users can
interact with other online people, such as giving comments, voting, joining in
discussions about a news topic within their customised news choices (Dunne,
Lawlor & Rowley, 2010). Social media is a potential platform for reputation
management, and the strength of social media is news sharing (Lee & Ma,
2012). However, social media can generate reputation risks when the gap
between a corporation's reputation and its reality grows. The risks may be
increased by a change of customers' expectations (Eccless, Newquist & Schatz,
2007).

Public opinion reflects what various stakeholder groups think about the
corporation, so that the company can adapt messages according to the
stakeholder needs and views. Public opinion surveys have been used in
practice for tracking changes of the public's attitudes towards a firm in a time
period after corporate reputation strategies, or campaigns have been launched
(Weiner, 2006). From a theoretical perspective, agenda-setting theory is one of
the dominant theories with regard to public opinion and corporate reputation
(Carrol & McCombs, 2003). Even though the bulk of agenda setting research
illustrates the relationship between public opinion and media, studies on agenda
building suggests that public relations strategies and campaigns are crucial to
form the media agenda (Berger, 2001). In addition, the broader implication of
agenda building presents the salience formation process as one involving
bilateral effect among different groups, like policymakers, interest groups, and
corporations. With regard to social media, users have the opportunity to take
part in the agenda setting process by commenting, sharing, and creating news content (Goode, 2009). Social media encourages online users not only to submit, share and search for content, but also to interact and communicate with each other. These characteristics provided by social media have the potential to form online public opinions and change the function of news sharing. Public opinion is no longer dependent on the traditional press and their points of view, but various players can contribute to how an opinion is formed, and it can be formed in minutes. Social media takes a step further away from the control, towards shared arena where many produce in collaboration (Peltola, 2012).

After the crisis in August 2013, Fonterra Independent Board Committee (29 October 2013) presented an independent report. The independent Fonterra crisis report exposed failure to "adequately prepare and execute at both management and operational level" (Bernstein, 2013). The report stated there was "some lack of alignment" between the Government and Fonterra during the first critical two weeks of the crisis (Adams, 2013). Also, Fonterra's planning of its crisis management, including the communication with external stakeholders, was not well executed (ibid, 2013). The report suggested Fonterra's board should explicitly endorse the significant role of food safety to Fonterra's brand and reputation. In addition, the report recommended the board to develop and maintain relationships with Fonterra's external stakeholders locally and globally, which include media and government. Fonterra should review its ongoing progress actively (ibid, 2013).
CHAPTER 3: RESEARCH DESIGN

This chapter will evaluate and discuss the selected methodologies, research methods, data collection and data analysis.

METHODOLOGY

Research methodologies are essential for academic research, as different research paradigms may lead the same subject to different approaches and various outcomes. A mixed methodology has been chosen to approach the present research, as combining quantitative and qualitative approaches appropriately is helpful for avoiding restrictions and limitations by using a single methodology, and enhancing the credibility and trustworthiness of the research (Leahey, 2007). The quantitative paradigm is based on the belief in the scientific method, testable hypotheses, deductive logic, objective attitude, and the value of quantitative data (O'Leary, 2010). Stacks (2010) argues that the data gathered from quantitative methods cannot be explained broadly, and the research may be specifically restricted to the situations where the data were gathered. With regard to this, the qualitative methodology can cover the shortage of the quantitative methodology. As corporate reputation issues are various and of different types, qualitative methodology is vital for obtaining in-depth data from a particular corporate environment. It could provide in-depth
findings of how relevant stakeholders think and a specific context that the outcomes can be interpreted more confidently.

Mixed methods can be defined as “the integration of more than one method or data source to investigate a phenomenon” (Leahey, 2007, p 149). The present research has been combined with a semi-structured interview and quantitative content analysis. The researcher prepared for the semi-structured interview with Fonterra, as a general background and detailed information about the quality issue are needed. Semi-structured interviews use organised questions in a flexible framework and participants' responses will determine the order of additional questions (Dearnley, 2005). Also, the study is designed to utilise content analysis because statistics of keyword frequencies would give the researcher objective information to help answer the research question.

DATA COLLECTION AND ANALYSIS

Data Collection and Sampling

In order to complete the research a mixed-methodology has been chosen for the project. Data have been collected from a semi-structured interview with a Fonterra staff member whose position is social media specialist. Also, information was selected from Xinhuanet and Weibo in order to do content
analysis. The interview with the Fonterra staff member aims to get information about Fonterra's strategies and guidelines about their social media uses. The data gathered from Xinhuanet and Weibo helps the researcher to see if there are differences between China mainstream media and social media when reporting Fonterra's quality issue. Also, data from Fonterra's Weibo account will help the researcher to assess their reputation management on Weibo.

Semi-structured interview (Fonterra)

The researcher conducted a semi-structured interview with a social media specialist from Fonterra headquarters in Auckland. Interviewing the staff member from their New Zealand office is better than interviewing one from their China office because the data or information would be more comprehensive in the head office. The aim of the interview is to understand Fonterra's policies and guidelines for their social media uses. The data collected from the employee gives the researcher a deeper understanding about their points of social media use. Also, after talking with the Fonterra staff member, the evaluation of their online reputation management would be more appropriate. Guiding questions for the semi-structured interview were determined as follows:

- Could you outline Fonterra's policy and guidelines of social media?
- How did you select media platforms in New Zealand?
- Do you have any strategies on managing Fonterra's social media accounts?
- Have you read online public opinion on the social media platforms?
Do you think that you have sent the right messages to the right people from your social media platform? If so, how do you know that?

What kind of ways were you using to engage audiences or social media users?

What kind of content are you posting on social media platforms?

Do you have anything else to add?

Content Analysis

A quantitative content analysis has been conducted to see if there is a difference that the way Xinhua Net and Weibo users reported on Fonterra’s quality issue. Also, the content analysis of Fonterra’s Weibo account was intended to give the researcher some insights into Fonterra’s reputation management on social media. The researcher chose two time periods to do the content analysis. One period is from Fonterra’s product recall announcement (the 3rd Aug 2013) to eleven days before Fonterra’s announcement of no botulism in their products (the 17th Aug 2013). The second period is fifteen days after Fonterra’s announcement of no problem within their products (the 28th Aug 2013 - the 11 Sep 2013).

Two time periods: (15 days per period)


2. TIME 2: No Problem (the 28th Aug 2013 - the 11 Sep 2013)

Xinhua Net’s data has been collected from Baidu News Searching Platform in each period, which is one of the biggest news searching platform in China, and
comprehensive news from Xinhua Net can be got from the platform. Also, both Weibo users’ posts about Fonterra and Fonterra's posts in the two time periods are collected from Sina Weibo Searching Platform. The numbers of postings were intended to give the researcher valuable points to assess the effectiveness of Fonterra's reputation management in China, and may also assist with analysis of public perceptions of Fonterra's reputation.

The researcher chose six keywords for the two time periods. The reason for choosing 'Fonterra' as a keyword is obvious because this project is targeting Fonterra as a case study. Choosing ‘milk powder’ is because the quality issue influenced some milk powder companies in China, and Chinese people are sensitive about milk powder after the Sanlu crisis. Clostridium botulinum is the root of the quality issue, and the word 'poison' can be explained as an abbreviation word in Chinese for clostridium botulinum. 'Wulong' has been chosen as a keyword when searching for the news in the second time period. The word 'Wulong' originally come from Cantonese colloquialism with its literal meaning being “confused” or “unreal”. Metaphorically, it means 'a bogus claim' or 'bogus'. In football games, there is an item called 'own goal', which means a team player kicks the ball into his team's gate and let the competitor team win one point (Baidu, 2014). The word 'Wulong' is similar to the meaning of "own goal". In this research, 'Wulong' means that Fonterra announced there was no clostridium botulinum in their products after their statement of precautionary recall, and thus brought to itself unwanted loss. The original meaning of 'Wulong' is negative. However, 'Wulong' has been evaluated as a positive word
in this project. The reason for this is that audiences finally got the message that there was no problem within Fonterra's products, even though the recall already had brought financial and reputational loss to Fonterra. Also, the fourth searching word has been changed to 'Fonterra, no poison' to compare with the keyword 'Fonterra, poison' in TIME 1. A few different key words have been chosen because they are evaluated as the appropriate words to describe Fonterra's quality issue in each time period.

**Data Analysis**

The following section will explain how the data will be analysed in order to sustain credibility. Data has been collected by a semi-structured interview and quantitative content analysis, so the ways to analyse data would be different. The aim of an interview is to find how the interviewee thinks or reflects on a specific topic. In this project, the Fonterra staff member's words about Fonterra's policies and guidelines on their social media uses will give the researcher a general approach to understand the social media uses in this specific market. So, the aims will remind the researcher when analysing the data in order to get the most valuable information. Folkestad (2008) considered two steps in the analysing process: unitising and categorising. That would be the initial step when analysing interview data. Data reduction is needed when reading and categorising data. It is important to then seek the meaning and then make a summary on a limited part of data (Miles & Huberman, 1994).
When conducting the content analysis, the researcher has concentrated on keyword frequencies, such as the words "Fonterra", "Fonterra, Milk Powder", "Fonterra, Clostridium Botulinum", "Fonterra, poison", "Fonterra, Wulong", and "Fonterra, no poison". Guidelines from Stemler (2001) will be helpful when analysing data:

1. What data are analysed?
2. How are they defined?
3. What is the population from which they are drawn?
4. What is the content relative to which data are analysed?
5. What are the boundaries of the analysis?
6. What is the target of the inferences? (p1).

The researcher has created relevant categories for analysing data. For instance:

- The numbers of news postings and Weibo posts.
- The position of the Xinhua Net and Weibo responses (e.g. negative, neutral, or positive to Fonterra's reputation).
- Examples from the collected data.

After getting the numbers of the news postings, the researcher tried to analyse whether the news items were positive, neutral or negative for Fonterra's reputation. The headline is like "the eyes of the news". It is not only because the news headline is an important part of complete news coverage, but also
because it plays a vital role in passing on the news and information (Zhou, n.d.). The headline in the news is always the most prominent and striking part. Network news headlines have some guidelines, such as headlines are the combination of news and comments; the headline can either explicitly or implicitly indicate the fact and the views on the news; and thus influence public opinion and guide the audience’s values. Due to a favorable position for a headline, combined with concise and comprehensive words, the headline’s guiding role is more effective than the comments. As a result, the researcher chose to analyse the headlines of the news to see if they were negative or positive ones for Fonterra's reputation. The word 'negative' means "expressing or implying a denial, disagreement, or refusal" (Oxford Dictionaries, 2014). The way to recognise the news as a negative one is that there were words such as scandal, prohibition, substandard milk powder, products recall, make an apology, manager's resignation, problem, damage, etc. On the other hand, the word 'positive' is "expressing or implying affirmation, agreement, or permission" (Oxford Dictionaries, 2014). The way to recognise the news item as a positive one is from the words used such as Wulong. Other ones have been evaluated as neutral ones. As the researcher is not able to read all of the news content, the word 'available' showing in the tables means the numbers of news items that can be read.

Analysing the interview data and the data from the content analysis will ensure the credibility of the dissertation.
ETHICAL CONSIDERATIONS

In this research, as Fonterra was involved as the case study, the researcher has Fonterra’s permission to interview one key informant, who is the social media specialist based in Auckland, and the raw content they provided would only be seen by the researcher's supervisors and the researcher herself. No-one else had a chance to see the content without the prior agreement of Fonterra. Before the interview, the researcher explained the research project to the participant and gave her an information sheet. The researcher did not breach the participant's privacy and cultural or social sensitivity. The participant was free to ask not to use any of the information she has given, and she had the chance to see the dissertation before submission. All the information that was collected would be stored securely on a password protected computer at Unitec for a period of 5 years. As the researcher is Chinese which is in the main cultural group, and knows the culture and language, she understands and reads directly the Chinese language content from Xinhuanet news and Weibo. The researcher translated the keywords in the project by herself, and then she sought verification of the translations from a Chinese lecturer at Unitec (refer Appendix 6). An application for ethics approval was submitted to the Unitec Ethics Committee (UREC) and was approved on 14 April 2014 (refer Appendix 7).
CHAPTER 4: FINDINGS

As indicated in the previous chapter, this chapter will focus on the findings arising from the collected data. The interview with the Fonterra staff member will give a general background of Fonterra’s social media management. The data from Xinhua Net, Weibo posts, and Fonterra’s Weibo accounts will show the activities from the two groups of stakeholders and from Fonterra itself.

Interview with Fonterra Staff Member - 9 May 2014

The following are the views and information shared in the interview, and the sub-headings roughly equate with the interview questions shown on page 22.

Fonterra’s Social Media Accounts

Fonterra has five official social media accounts - on Facebook, Twitter, Google+, LinkedIn and Youtube. On Facebook, Fonterra runs three accounts: The official Fonterra Facebook page, the Fonterra Careers page, and the Fonterra Grassroots Fund page. In addition, Fonterra China has an official Weibo account. Fonterra chose these social media platforms because they are the most popular channels with most people engaging and communicating on them. Each channel offers them certain opportunities to engage with their audience(s).
Due to its role as a leading global dairy company, Fonterra has a very diverse audience: farmers, farmer shareholders, media, consumers, employees, organisations, etc.

1.) Fonterra has produced a range of videos over the last couple of years. They picked YouTube as their favourite place to manage them and make them accessible to the public. Their Youtube channel is divided into different sections that cover Business News, Sustainable Dairying, Fonterra Australia, Fonterra New Zealand, Fonterra Documentaries, Working for Fonterra, etc.

2.) Facebook is Fonterra’s community-based platform with a more people-based approach. Here, they invite people directly to engage with them and appreciate people’s comments and feedback. They also use Facebook to let people know what is happening.

3.) Twitter is Fonterra’s news channel. They use it in the same way as many other companies: spreading news quickly, sharing interesting facts about the company and engaging with farmers, customers and media.

4.) LinkedIn is used for people who might be interested in working for Fonterra. Fonterra’s LinkedIn page and the Fonterra Careers Facebook page
(https://www.facebook.com/FonterraCareers?fref=ts) give people a first impression of what it is like to be working at Fonterra.

Social Media Guidelines

Fonterra has similar social media guidelines for both the public and their employees. Fonterra communicates and engages with their audiences on all social media platforms. They do not differentiate between the content they send to the internal audience or the external audience. Fonterra tells their employees and the public the same things because this is the most honest and consistent way. Fonterra posts their content accustomed to their different social media platforms, though, because each social media platform is different regarding style, language, etc.

Separate Strategy for Each Channel

Fonterra’s social media strategy is to try its best for their audience. Their audience is very diverse, which makes this quite difficult. Each channel has different characteristics to acknowledge. People who think social media channels are all the same would be mistaken. Each channel needs different management and appropriate content. It is important, for example, to decide where it is appropriate to post certain content and where it is not.
Fonterra has made several changes to their social media channels. For example, Fonterra has connected its accounts on different social media channels between each other. If a video is posted on YouTube, it could also be a tweet, or a Facebook post. Fonterra has started to interconnect its social media channels because they are merging globally. This is also reflected in the online users’ behaviour. So, even though Fonterra looks at the channels separately according to their different characteristics, the content might be similar. But they always make sure it is appropriate for the channel.

Fonterra started a Youtube video campaign about sustainable dairying initiatives taking place in New Zealand in May 2014. They published a series of these videos on their Youtube channel, but they also posted them on Facebook and on Twitter with the hashtag #farmfocus. They have started creating and using the same hashtag on their different channels to bring all online activity on a certain subject together and make them better traceable. This is a strategic approach to give credit to the different characteristics of each channel, but still communicate the same message. At the end of the day, there can be a video, there can be texts, pictures or an info graphic - all carrying the same message. Fonterra wants to make its messages on social media more consistent and easier to find.
Strategy: Speed

Another strategy Fonterra is working on is speed. Social media is very important for Fonterra, especially thinking of the quality issue in August 2013. As a global dairy company, they need to ensure a very quick, even immediate response to any questions or problems being raised. This is why Fonterra has really tried to improve its speed – both in responding to questions and in communicating important business news, e.g. via Twitter.

Active & Passive

For Fonterra, social media is divided into two parts: the active part and the passive part. The passive part is where they have questions coming in from people at any time of the day, from anywhere in the world. They need to be answered in an accurate and timely manner. As Fonterra has grown its social media presence, the amount of daily input through social media has risen, and they welcome it. It does take some time and organisation to process all the questions, though. They have set themselves the goal to respond to every single question and they take the question to the specific department of the company that can provide the answer – e.g. sales, customer support, HR or the like. This is the passive part.

The active part is about informing people and engaging with them. There are a lot of public opinions about Fonterra. Fonterra’s attitude to public opinion is to
be open and tolerant, never hide anything, and never ignore anyone unless they violate their social media house rules.

**Strategy: Mixed Content**

A third strategy of Fonterra is trying to provide mixed content to their social media audience instead of focusing on only one kind of content, e.g. media releases. At the moment, Fonterra has 20,500 followers on Facebook and 6000 on Twitter. A few months ago, Fonterra held a meeting and discussed the question: "What do people really want to hear about Fonterra?" You cannot only have one direction of presenting your brand and just hope people like it. Fonterra wants to make sure that they answer all questions presented to them as they acknowledge they are a very important company in New Zealand. People have the right to know everything, and Fonterra really wants to talk to people and to show them what is going on. To find out what people would like to know from them, they posted a question mark on Facebook and Twitter and asked their followers directly: "Welcome to our page. We want this to be helpful for you. So tell us: What would you like to hear from us?". Fonterra got interesting feedback from the online community.

It showed two things to Fonterra: First, the public is really interested in their social media channels, they look at them, and they do expect useful information from them which is why they have tried to do their best. And the other thing is that the answers basically showed that Fonterra's audiences are extremely
diverse. They took this feedback and built their strategy on top of this: Trying to keep the content as diverse as possible. They have farmers, consumers, stakeholders, employees, media, etc. Listening, and all have different questions and interests in Fonterra. They have significant followers on social media. They were already telling the audience what was going on at the moment, but the answers showed people also wanted to be entertained and hear some community news, so Fonterra also does that. People also wanted to hear global business news and stories that are not represented in the mainstream media.

After listening to their social media audience, Fonterra staff take the feedback back to their teams, and they build their strategy on it. They welcome both negative and positive feedback on their social media channels, because this is the best way to be successful and they want to be successful. They want to present content that is interesting, and also give people the chance to have an impact on Fonterra. Listening to the audience is a significant part for Fonterra’s social media strategy. It helps Fonterra to send the right messages to the right people.

Social Media Development: Beginning or Intermediate Stage

Fonterra pointed out that they still consider themselves to be at the beginning or intermediate stage of their social media development. They are still far from reaching their goals. They are in the second stage now after setting up and improving their social media channels and building up their audiences. They
have made some good progress in the last few months. They think it is very important to focus on the content, put an appropriate amount of time and effort into it, and make it applicable to the channel, and also to listen to people, to learn what they want to hear, rather than just focusing on getting more followers and likes. "Know your channels and know your audiences". The likes and followers then come automatically. For instance, Fonterra is participating in a "live Twitter chat" that takes place every Wednesday at 8 pm on Twitter using the hashtag #agchatnz. The people who run it pick a subject, such as “how do we protect the brand New Zealand?”, “what does success mean to you to farmers?” and the like, and then everyone just talks about that publicly. There is no hierarchy and every one is sharing their opinions freely. Fonterra is the only dairy company that has participated, yet, and really enjoys getting close with a very engaged and informed online group. As a result, followers and likes increase.

Crisis: August 2013

With regard to the crisis in August 2013, obviously, if anything like that should occur again, they need to be able to respond very quickly. Social media, in case of an emergency, might be the first point of contact for people wanting to talk to Fonterra, and the quickest channel to inform the public about what is going on. Fonterra thinks the job that Weibo has done is good, but it recognises it must try to be even quicker, to get all the information as fast as possible, and to provide all information to the public on social media in case of an emergency
or crisis. The interviewee believes Fonterra is much better prepared now than in 2013.

**Leadership and Social Media**

With regard to using leadership figures engaging in Fonterra’s social media channels: it is an education process. Everything is in the process, on social media. For example, a young girl from Wellington, who is running the weekly #agchatnz, published a very interesting report about social media in 2013. She set up the Twitter #agchatnz to bring people of New Zealand’s agriculture together and create a room for them to discuss the topics they care about. Fonterra decided to engage there and to provide answers. It is the first time Fonterra did something like that; engaging and talking to people in an online chat. They wanted to open up to their followers, share their opinions and take back people’s feedback. Fonterra has many experts on various topics. All they have to do is to identify them and show them how to participate. It has been productive for Fonterra to be part of this activity and its engagement will continue. It is a win-win situation for both sides. For Fonterra, it is good because it means they take home direct feedback from a very active and interesting online community. For the other participants, it is good because Fonterra engages, shares their opinions and welcomes all direct questions.
Summary

As a result of the interview with the Fonterra employee, the researcher has gained general information about Fonterra's social media management. Fonterra has similar social media guidelines for internal and external stakeholders. It shows Fonterra's information transparency, honesty, and consistency. Different strategies have been delivered to each social media channel because every platform has its different audience and different function. However, Fonterra has tried to connect the channels and to post integrated content. The speed of response to audiences has been seen as a significant point for Fonterra's social media management. Fonterra has listened to its audience and divided its engagement with followers to active and passive parts. It has provided mixed content to its audiences. Regarding the crisis in August 2013, Fonterra aims to be even quicker if anything similar occur again. When talking about leadership and social media, Fonterra has begun to educate experts to engage with social media channels. Overall, Fonterra evaluates itself as at the beginning or intermediate stage of its social media development.

General Data from Xinhua Net and Weibo

As mentioned before, the data has been collected in two time periods. One period is from Fonterra's product recall announcement (3rd Aug 2013) to eleven days before Fonterra's announcement of no botulinum in their products
(17th Aug 2013), and this period will be shown as **TIME 1**. Another period is fifteen days after Fonterra's announcement of no problem within their products (28th Aug 2013 – 11th Sep 2013), and this time period will be shown as **TIME 2**. Before the detailed descriptions of the data collected from Xinhua Net and Weibo, the general posts numbers have been shown in Figure 1 and Figure 2:

**Figure 1: Xinhua Net News Items**

<table>
<thead>
<tr>
<th>PERIOD OF DATA COLLECTION</th>
<th>KEYWORDS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Fonterra</strong></td>
</tr>
<tr>
<td><strong>TIME 1</strong></td>
<td>26,500</td>
</tr>
<tr>
<td><strong>TIME 2</strong></td>
<td>263</td>
</tr>
</tbody>
</table>

**Figure 2: Weibo Posts**

<table>
<thead>
<tr>
<th>PERIOD OF DATA COLLECTION</th>
<th>KEYWORDS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Fonterra</strong></td>
</tr>
<tr>
<td><strong>TIME 1</strong></td>
<td>571,856</td>
</tr>
<tr>
<td><strong>TIME 2</strong></td>
<td>95,584</td>
</tr>
</tbody>
</table>
Data from Xinhua Net

Xinhuanet is directly deployed by the China Communist Party’s Central Committee, and it is a national news agency in China - Xinhua News Agency’s central news website. Xinhuanet was founded on 7 November 1997, and was formerly the site of Xinhua News Agency (Sina, 2006). In March 2000, its name was officially changed to Xinhuanet (Finance Ifeng, 2014). As one of China’s most important official website - Xinhuanet is constituted by the Beijing main network and distributed to more than 30 local channels throughout China, and more than a dozen of Xinhua News Agency’s websites. Xinhuanet is one of the most important Chinese news websites in the world. Every day, Xinhuanet uses Chinese, English, French, Spanish, Russian, Arabic and Japanese, to publish daily news 24x7, and news items updated by Xinhuanet every day is about 4500.

The researcher was looking for the news about Fonterra from Xinhuanet by using Baidu Searching Platform. Four groups of keywords have been chosen for searching in the first time period. They are Fonterra; Fonterra, and milk powder; Fonterra, and clostridium botulinum; Fonterra, and poison. All the keywords have been translated into Chinese. The data have been collected as shown in Figure 1.
Figure 3: Indicative Opinions Applied in News Postings

'Fonterra, Milk Powder'

<table>
<thead>
<tr>
<th>Time</th>
<th>Total Numbers</th>
<th>Available</th>
<th>Positive</th>
<th>Neutral</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME 1</td>
<td>854</td>
<td>400</td>
<td>0</td>
<td>18</td>
<td>382</td>
</tr>
<tr>
<td>TIME 2</td>
<td>96</td>
<td>34</td>
<td>5</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

'Fonterra, Clostridium Botulinum'

<table>
<thead>
<tr>
<th>Time</th>
<th>Total Numbers</th>
<th>Available</th>
<th>Positive</th>
<th>Neutral</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME 1</td>
<td>989</td>
<td>559</td>
<td>0</td>
<td>243</td>
<td>316</td>
</tr>
</tbody>
</table>

'Fonterra, Wulong'

<table>
<thead>
<tr>
<th>Time</th>
<th>Total Numbers</th>
<th>Available</th>
<th>Positive</th>
<th>Neutral</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME 2</td>
<td>50</td>
<td>21</td>
<td>3</td>
<td>12</td>
<td>6</td>
</tr>
</tbody>
</table>

'Fonterra, poison' and 'Fonterra, No Poison'

<table>
<thead>
<tr>
<th>Time</th>
<th>Total Numbers</th>
<th>Available</th>
<th>Positive</th>
<th>Neutral</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME 1</td>
<td>633</td>
<td>323</td>
<td>0</td>
<td>4</td>
<td>319</td>
</tr>
<tr>
<td>TIME 2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
In the total amount of 854 news items about 'Fonterra, milk powder' in the first time period, 400 of them were available and could be observed by the researcher. There were 382 news items have been identified as negative news to Fonterra, 18 news items have been identified as neutral ones, and zero news as positive ones. In the second time period, there were only 96 news items about "Fonterra, milk powder", and 34 of them were available. There are five positive news, eleven neutral ones, and eleven negative news. There are similar differences from other comparisons. As can be seen from the numbers, Xinhuanet posted far more news in the first time period comparing with the second time period.

**Data from Weibo Posts**

To be consistent with the data gathered from Xinhuanet, and to be able to compare the data, the same keywords have been searched in the same two time periods on Sina Weibo Searching Platform.

As can be seen from Figure 2, there were obviously more posts on Weibo regarding to Fonterra. However, it is impossible to read every Weibo post to see if it is positive or negative Fonterra's reputation. When searching on the platform, the posts that showing on the first page were randomly sorted, and they are considered as representative posts. So, the data showed on the first page from each keyword searching have been evaluated.
When searching on 'Fonterra' in the first time period, 20 Weibo posts have been randomly selected. Three of them are evaluated as positive opinions for Fonterra’s reputation, 12 are negative, and five are neutral. One of the positive posts stated that Fonterra took a big risk to announce the precautionary recall, and they are following the professional ethics; however, some media and specialists evaluated Fonterra’s quality issue with bias. Also, there are some posts from mainstream media's Weibo accounts, such as News Week from China Central Television. Some Weibo users reposted CCTV News Week's posts about Fonterra, and followed their points about Fonterra. For example, CCTV News Week mentioned that Fonterra invested in Sanlu, and Fonterra had grown fast in the China market after the Sanlu crisis.
Data from Fonterra's Weibo Accounts

Fonterra has three accounts on Weibo. They are Anlene Bone Nutrition Experts, Anmum China, and Fonterra China. The researcher searched posts from the three accounts on Sina Weibo Searching platform in terms of the two time periods. Then the data has been collected as shown in Figure 5:

**Figure 5: Fonterra's Weibo Posts Numbers**

<table>
<thead>
<tr>
<th>Weibo Account</th>
<th>TIME 1</th>
<th>TIME 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anlene Bone Nutrition Experts</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Anmum China</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Fonterra China</td>
<td>24</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28</strong></td>
<td><strong>21</strong></td>
</tr>
</tbody>
</table>

The only one post from Anlene Bone Nutrition Experts in the first time period is an announcement coming from Fonterra on the 4th August 2013. The content of the post is Fonterra declared that its products were not influenced by the quality issue stated on the 3rd August, 2013. Also, Fonterra let customers feel safe to eat its products, and introduced that Fonterra's brands that are selling in China include: Anlene, Annum, Anchor, and Country Goodness. Anmum China
posted three announcements to state the similar points with Anlene on the 4th, the 6th, and the 7th August 2013.

Compared with Anlene and Anmum China, the account 'Fonterra China' posted 24 Weibo posts in the first time period. This is far more than the Anlene and Anmum China account. Fonterra China used CEO Theo Spierings' words nine times. Two topics have been set up, which are #Operations Survey#, and #WPC80 Investigation Committee has been set up#. There are two posts relating to #WPC80 Investigation Committee has been set up#, and three posts about #Operations Investigation#. All the posts from Fonterra China from the 3rd August 2013 to the 17th August 2013 are all about the quality issue and are all originally posted by Fonterra. The content includes the CEO apologizing to Chinese customers. Fonterra posted answers for the customers' questions about the quality issue, and they emphasised Fonterra is always concerned with food safety and life safety.

In the second time period, which is fifteen days after Fonterra's announcement of no problem within their products (28th Aug 2013 - 11 Sep 2013), Anlene Bone Nutrition Experts posted three posts. Anlene's words were as follows: as the biggest dairy company in New Zealand, Fonterra always has been responsible to customers; finally, Fonterra gained the truth. This case shows Fonterra's attention to food safety, and customers are the priority for consideration. Also, Anlene posted one post to introduce their products. At the same time, Anmum China posted one post to say that there is no botulinum in
Fonterra’s products, and Anmum China translated Fonterra Head office’s media release - Fonterra Received about 'All Clear' from Clostridium Botulinum and posted on Weibo.

Fonterra China posted seventeen posts in the second time period. There are eleven posts relate to the quality issue, and the other six ones reported the latest news about Fonterra China. Furthermore, there are ten posts that mentioned Fonterra's senior managers' names and used their words. On the 31st August 2013, Fonterra China posted a Weibo that the title is 'Fonterra Dialogue- Please Ask Me'. This online approach allowed Fonterra to start to listen and answer customers' questions about Fonterra. Weibo users were able to ask Fonterra about their quality control, food safety, business in China, and strategies. This campaign approach let Weibo users and customers get to know more about Fonterra.

CHAPTER 5: DISCUSSION

The data analysis in Chapter 4 has allowed the researcher to synthesise a number of key outcomes of the research that will be discussed as follows. Chapter 5 will discuss the analysis with regard to answers to the research questions. The interview with Fonterra staff member provides Fonterra’s guidelines for social media management. The data collected from Xinhua Net and Weibo give the researcher clear numbers of news items and posts about
Fonterra. After the qualitative and quantitative analysis, the researcher gained some valuable points to discuss.

**News media & Social media in China**

As can be seen from the findings, Xinhua Net posted more news about Fonterra in TIME 1 than the numbers from TIME 2. On Weibo, there were far more numbers of posts about Fonterra, comparing with the numbers from Xinhua Net. During TIME 1, there was no positive news for Fonterra's reputation from Xinhua Net. However, random data from Weibo shows that there were six items that were positive for Fonterra's reputation in a total number of 74 posts. Weibo has some advantages in terms of technology development and communication possibility, so users can catch up a topic, and then participate and spread their comments. Weibo has been expected to be a vital tool to build online discussion of public opinion, and promote online public opinion in the Chinese social context. It would be valuable to see the development of Weibo, especially in the context of complex and obscured news from traditional news media (Yuan, 2010). Luan (2010) evaluated Weibo as an amplifier of public opinion because of its right to speak on Internet. Weibo becomes a space for online discussion of public opinion.

Even though Weibo signals public opinion and a few ones with a different point of view from Xinhua Net, it does not mean Weibo is out of the influence from the mainstream media and the political and social environment. In a total number of
74 posts, there were ten posts that are reposts from mainstream media's Weibo account. In regards to the numbers, Weibo, which relies on users' participation, is an ideal means of mobilizing public opinion or a tool for manipulating public opinion. On the Weibo platform, everyone can be a content publisher and also be an audience, so interpersonal communication stands a chance to become more like mass communication. As stated in the findings, there were positive, neutral, or negative posts for Fonterra's reputation. Because everyone is able to have different opinions on the same topic, it cannot be assumed which opinion is correct or incorrect. However, if the majority of Weibo users accepted only one point of view, the rational and critical construction of the online public sphere was affected. Many reposts have been seen from the collected data, which shows Weibo users followed their opinion leaders. During a period of crisis, individuals easily give out their own opinions or thoughts, easily accept unproven information, and are easily affected by the opinions from the large majority of people (Yuan, 2010).

When comparing the Weibo post numbers in TIME 1 and TIME 2, the post numbers obviously reduced in TIME 2. It would be a positive point for Fonterra's reputation because it means the public was less concerned about Fonterra's quality issue and over time the public might forget the crisis. However, it also means attention capacity was limited because fewer Weibo users reacted to the "no problem" statement, and they might not have received the "no problem" message. Various content has been posted on Weibo every day, and audiences are able to see 25 new posts per update. Users may enter into a Weibo
account's page only if they really want to know the latest news or information about it. Weibo is a platform for individuals sharing their words, photos, links, etc. It is not only for some organisations communicating with customers, but also a platform for satisfying individuals' curiosity on other's lives. To some degree, Weibo can be evaluated as an online discussion and also an area for sharing private lives. So, organisations need to pay careful attention to engaging with Weibo users to ensure they receive the message, which the organisation wants users to know about.

**Fonterra's Reputation Management on Weibo**

During between TIME 1 and TIME 2, Fonterra did provide official statements about the quality issue, and updated detailed information about the operation’s investigation. Two strategies can be evaluated as positive points for its reputation management on Weibo. Fonterra emphasised 'precautionary recall', organised a campaign approach called 'Fonterra Dialogue- Please Ask Me', and used the CEO's words. However, Fonterra was not fully successful in terms of responses to mainstream media's Weibo accounts, engagement with Weibo Users, and actual preparation for the crisis on Weibo.

"Precautionary Recall"

Before discussing Fonterra's reputation management, the reasons the products were recalled will be discussed. The precautionary recall actually showed
Fonterra is a responsible enterprise. As evaluated in the previous section, audiences’ rational perspectives on a crisis or an issue would be affected by the political or social environment, or by the ones they are following on social media channels. So, if a company does not have the confidence to let everyone believe the truth it states when a crisis occurred, it is better to do something to show responsibility and reliability. If people believe you, they will believe the truth you are telling to; if they no longer believe in you, then anything you say is no longer the truth. In addition, Fonterra really understands that the first step is to suffer a crisis rather than brand rebuilding. In fact, some organisations have unrealistic expectations for the first step of a crisis, and enlarge the crisis unwittingly. As shown in the findings, news or posts about Fonterra reduced in TIME 2 compared with TIME 1. Fonterra let itself be no longer a topic of concern or the focus of discussion. Finally, the recall is important to show that Fonterra is a responsible company. It does not matter how much probability that the products have some quality problems or not. Even one percentage probability can be to one customer, a 100% quality issue. As a responsible enterprise, precautionary recall is the most responsible conduct before verifying the facts, and customers would expect to see this. Also, the fact that Fonterra recalled large quantities of products shows itself as a competent and healthy enterprise. The recall strategy could win support and understanding from consumers.
"Please Ask Me" Campaign

During TIME 2, Fonterra China posted the campaign approach "Fonterra Dialogue - Please Ask Me". This campaign was designed for followers or customers on Weibo to ask questions about quality control, business in China, strategies, and food safety to Fonterra. As the campaign started in TIME 2 which was after the announcement of no problem in Fonterra's products, "Please Ask Me" campaign can be evaluated as an effective strategy for Fonterra's reputation management. Based on Walker's (2010) theories about reputation management, TIME 2 seems to be the action stage or post-action stage. In this stage, organisations need to spread corporate information actively, systematically and comprehensively. Fonterra's campaign shows that it has tried to undertake social responsibility and rebuild its positive image according to this model. Some organisations may have cognitive deviation about online public relations. They may rely on some PR companies to help them delete negative posts and create a large number of positive posts. However, this is not an ethical and honest strategy for reputation management, and it may lead to more and more negative points and, in this way, expand the crisis. Fonterra used the "Fonterra Dialogue" campaign as a platform for discussions about Fonterra, and allowed everyone to ask questions. It shows Fonterra's honesty and transparency. Fonterra's attitude during the crisis was undoubtedly positive. It was honest to the public and society, and was responsible to the public.
Leadership

During TIME 1 and also TIME 2, Fonterra used a lot of Fonterra's CEO's or senior managers' words to state the updated news about the quality issue. By using the organisation's leadership in this way, Fonterra increased the credibility and authority of its posts. Also, the engagement with leadership on Weibo during the crisis was significant for Fonterra's online reputation management. The traditional understanding of crisis is conflicts or disputes because different interest groups have different interests. The conflicts are sometimes unexpected, and can pose a threat or pressure to an organisation. The key of crisis management is to capture the initiative and control the crisis before it jeopardises the organisation. Developing a crisis management plan may help the organisation to get through the crisis period easier and faster. Now that China has already entered into a "Weibo era' (Zhang, 2012), the characteristics of the "Weibo era" give leaders and Public Relations practitioners more challenges for crisis management and reputation management. Leadership's participation in the specific crisis in the "Weibo era" can be an important point for reputation management. Even though Fonterra quoted senior managers' words in its posts, it does not mean that leadership had been fully engaged because there was only one single type of engagement with leadership - quotes. Fonterra still needs to develop some strategies to better involve leadership in its Weibo management or reputation management.
Communication with Weibo Users

The nature of networks is relationship and communication (Yuan, 2010). Social networks give a brand and customers a chance to communicate with each other online. Now, whether large enterprises or small brands, many of them have a positive and open attitude to integrate reputation management on Weibo. They hope to establish long-term relationships with Weibo users through interaction, and to achieve their diverse communication purposes. This is not just relying on high-quality content to attract the target population, carry out regular release of information outputs, and online activities to draw the user's attention. It is true that these tools can be very important, but do not forget the most basic social networking features - communication. This is precisely what many companies do not pay attention to, but the essential rules of survival on Weibo, involve tools and techniques of communication.

According to Media System Dependency theory (Einwiller, Carrol & Korn, 2010), corporations rely on news media to let audiences know their information, and audiences rely on news media to gather information about some brands. As a result of the development of social media networks, organisations and customers now have a new way to communicate with each other. Some companies use Weibo to Investigate or resolve product issues with followers. This situation usually occurs in certain brands, who want to know users' experience of their products and to state the problems when resolving product issues. The original intention of the service is to be beneficial to consumers.
However, if a company only uses Weibo as a customer service platform, it may generate distance between enterprises and internet users, not be well integrated with the followers, and lose the opportunity to enhance the relationships with the followers. Also, the key is to accurately grasp the information needs of users. But, most users do not go directly to express what kinds of products they want, or what types of services, feedback, comments and suggestions for the brand. In order to accurately understand and meet the user's needs, organisations need to have constant communication on Weibo and have in-depth understanding about users' comments, thus to improve products and services, and enhance the relationship with consumers (Han, 2008).

Corporate user accounts want to be friends with their followers, and try to respond to almost all their comments. They definitely have a positive attitude and energy to communicate. Some organisations that have little communication with their followers need to improve this (Luan, 2010). However, corporations do not need to participate in every conversation or topic discussion about themselves. Organisations should have clear guidelines about what kinds of conversation need to be joined, and also how to draft the words. In this regard, some organisations may use opinion leaders to disseminate information between Weibo users and corporate Weibo accounts. Opinion leaders can be an industry or team leader in a particular, who has some loyal followers. They may be the target users of a brand, or even loyal users. They may also be industry experts for the brand, or corporate executives, etc. So they are very
valuable for people to communicate. For instance, organisations should get to know opinion leaders, in order to assess their views or suggestions on the business or brand. Then companies should use some interactive skills, learn the meaning and ideas from an opinion leader's words, and further communicate with this person. Interactions with an opinion leader, ideally leads to justification of their business or products. Thus, organisations could make sure that opinion leaders give out correct information about a business or product to the followers, and through them to widely disseminate information to other Weibo users (Li, 2009).

A corporate official Weibo account is a significant way to interact with followers. Organisations can understand followers' observations from the products, and their recommendations and suggestions through these interactions (Yuan, 2010). Communication with Weibo users can not only to help to maintain the existing followers, enhance the relationship with Weibo users, but also attract the attention of new followers. Good communication and interactions with Weibo users could be crucial for effective reputation management on Weibo.

**Fonterra's Further Improvements**

As the Fonterra staff member stated, Fonterra is at the beginning or immediate stage of its social media development. Some points about Fonterra's Weibo management are suggested for its further improvements. Firstly, Fonterra needs to have some preparation for an eventual crisis. Before an
announcement of any organisational problem, Fonterra needs to be ready to respond on Weibo. Speed is significant in the pre-action and action stage of reputation management (Walker, 2010). After the announcement, Fonterra should keep monitoring mainstream media's and opinion leaders' posts about the announcement, and respond to the ones, which can be used as a support for its reputation management. Also, Fonterra should respond to the ones, which are from influential opinion leaders and that already have a large number of interactions.

Furthermore, Fonterra should proactively communicate with Weibo users as much as possible. This does not mean that Fonterra only waits for customers or stakeholders' questions, and then replies to them.

Fonterra should be more active than passive. Although there may be no questions from audiences, Fonterra should try to contact some mainstream media to get support from them. Also, Fonterra may create some questions for audiences as a way to explain or give more details about an organisational issue. In addition, social media users not only want to get news or information about a company from the platform, but also want to relax and have entertainment from the channel.

So, Fonterra should create more campaigns to engage with customers and Weibo users. Finally, as the Fonterra staff member said that Fonterra has similar social media guidelines for internal and external stakeholders, it should
engage with employees as well. When internal stakeholders engage with the Fonterra's Weibo account, many of their followers and friends may get the information about Fonterra. Employees can be effective opinion leaders for Fonterra.

During this quality issue, Fonterra quoted words from senior management. That is a way of engaging with the leadership. Fonterra might realise that using leadership's words could increase the credibility of the posted statements. If a senior manager has a Weibo account, manages well, and amasses numbers of followers, this account can be the best platform to post statements. It also can be the best channel to respond to organisational issues immediately. However, it needs long-term and development maintenance. Senior managers and the communications team should always monitor.

CHAPTER 6: CONCLUSIONS

The final chapter begins with answers to the research questions, that includes differences between Xinhua Net and Weibo when reporting Fonterra's quality issue, evaluation of Fonterra's Weibo management during Time 1 and Time 2, and recommendations for Fonterra's future improvements on Weibo. Also, this chapter states limitations of this research, and areas for future research. The dissertation ends with final concluding remarks.
Answers to the Research Questions

Fonterra was chosen as a case study in this research in order to evaluate the effectiveness of its reputation management in China, and to see Chinese news media and social media's impact on its reputation management. The researcher intended to see how Fonterra managed its online responses to negative or positive news items and posts to improve its reputation. The aim of the study was to explore the role of Chinese social media in a NZ company's reputation management.

In this mixed methodology study, data were collected from semi-structured interviews with the Fonterra staff member whose position is social media specialist. Also, information was selected from Xinhua Net and Weibo in order to do content analysis. The interview with the Fonterra staff member sought information about Fonterra's strategies and guidelines for their social media use. Data gathered from Xinhua Net and Weibo helped the researcher to see if there were differences between China mainstream media and social media when reporting Fonterra's quality issue. Also, data from Fonterra's Weibo account helped the researcher to assess their reputation management on Weibo.

From the collected data, the researcher is able to answer the three sub questions of this project. Firstly, Weibo has shown a few different public opinions comparing with news items posted from Xinhua Net. However, Weibo...
is still affected by mainstream media in some degree. Weibo is an effective platform to communicate with organisational stakeholders and public opinion, and to manage reputation. Secondly, during Time 1 and Time 2, Fonterra used some strategies to manage its reputation. It tried to communicate with customers and inform stakeholders the updated information about the quality issue. However, Fonterra needs to pay more attention to reputation management on Weibo. It needs to prepare for a crisis, communicate with all stakeholders include the public regularly, educate senior leaders to build their images on Weibo and to support reputation management on Weibo.

**Limitations**

This research is a 60 credit dissertation, so the data collection reflects dissertation requirements. But clearly, the issue about social media and reputation management is very big. Interviews with Weibo users were not possible, so the researcher could not get detailed analysis of Weibo users’ perception about Fonterra’s quality issue in any depth. Also, the researcher could not interview Fonterra China about its Weibo corporate management. Instead, an interview with a staff member from the Fonterra head office in Auckland NZ was conducted, and data collected as guidelines of Fonterra’s social media management. In addition, limited literature has been found about reputation management on Chinese social media, and also the relationship between Chinese news media and Chinese social media. The general numbers
of news items from Xinhua Net were not consistent with the numbers that were available to read.

**Areas for Future Research**

As the dissertation requirement limited the research scale, there are some areas for future research that arise. This research finds that although there are different voices from social media, mainstream media still affects social media. Further investigation is needed in terms of the Chinese mainstream media's influence on Chinese social media. In addition, due to limitations for this dissertation's size, it was not possible to conduct interviews with Weibo users in this project. Yet further research about how social media users' perceptions influence reputation management can contribute to this research field. Finally, this research explored Weibo, a social media platform from China. Researchers could conduct a project to see the difference between Chinese social media and social media from other countries, to see the similarities and differences in terms of users' behaviours and corporate information transmission.

**Conclusion**

The dissertation focused its research on Fonterra’s reputation management on a Chinese social media channel - Weibo. It can be a useful tool for New Zealand companies who want to open their China market and want to build their reputation in China. Because of the specific social context and different media
system in China that comparing with New Zealand, companies need to think about Chinese mainstream media's influence on their reputation management. Fonterra used a few strategies to send messages to stakeholders and communicate with customers. However, Fonterra really needs to improve its social media management for building a positive reputation in China.

This project illustrated Weibo's impact on Fonterra's reputation management in China, and also Fonterra's effectiveness of their Weibo management. However, this research has a few limitations, such as the lack of possibility of interviewing Weibo users, the lack of possibility of interviewing Fonterra China, and limited literature about Chinese social media and reputation management. This project also gives some ideas about future research in terms of Chinese mainstream media's impact on social media in China, the influence from social media users' perceptions on reputation management, and a comparison between social media in China and other countries. Readers may understand Chinese social media more from these areas of research. New Zealand and China are enhancing their relationship, especially in economic area. More and more NZ firms have seen potential in China's markets. As a result, more and more research is needed for guiding NZ companies to have a successful reputation in China.
REFERENCES


Liu, H. & Cao, Jun. (2010 August). To see the rise of Weibo from the perspective of communication. *News World*.


Thiessen, A. & Ingenhoff, D. (2011). Safeguarding reputation through strategic,
intergrated and situational crisis communication management:


Appendices

Appendix 1 - Information Form (Fonterra)
Appendix 2 - Consent Form
Appendix 3 - Organisational Consent
Appendix 4 - Fonterra's Social Media Guidelines for Facebook and Youtube
Appendix 5 - A List of Translated Words
Appendix 6 - Anna Guo's Endorsement
Appendix 7 - Ethics Approval Letter
Appendix 1: Information Form (Fonterra)

My name is Shenghan Fu. I am currently enrolled in the Master of International Communication in the Department of Communication Studies at Unitec New Zealand and seek your help in meeting the requirements of research for a Dissertation course which forms a substantial part of this degree.

The aim of my project is to investigate how Chinese social media may have influenced Fonterra’s reputation management in China. The research project may provide some insights as to how New Zealand companies manage their reputation in Chinese social media.

I request your participation in an interview that may take you one hour. The interview is for gaining:

• The general information about Fonterra’s use of social media in New Zealand.
• Your view of the social media policy and usefulness for Fonterra.

Your organisation will be identified in the Dissertation. The results of the research activity will not be seen by any other person in your organisation without your prior agreement. There maybe a possible publication in an academic communication journal, in which case, Fonterra's name will not be anonymised, and the emphasis will be on social media's relationship with an organization during a time of crisis. You are free to ask me not to use any of the information from you up to two weeks after the interview, or you can withdraw from the project up to two weeks after interview, and you can, if you wish, ask to see the Dissertation before it is submitted for examination.

I hope that you will agree to take part and that you will find your involvement interesting. If you have any queries about the research, you may contact my principal supervisor at Unitec New Zealand.

My supervisors are: Deborah Rolland. Phone: (09) 815 4321 ext. 8361, or email: drolland@unitec.ac.nz and Dr Jocelyn Williams. Phone: (09) 815 4321 ext. 8829, or email: jwilliams@unitec.ac.nz

UREC REGISTRATION NUMBER: (2014-1016)
This study has been approved by the UNITEC Research Ethics Committee from (April 7th 2014) to (April 6th 2015). If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 2: Consent Form

Research Project Title: "The role of Chinese social media in reputation management: The case of Fonterra"

I have had the research project explained to me and I have read and understand the information sheet given to me.

I understand that I don't have to be part of this project if I don't want to and I can withdraw at any time up to two weeks after my interview.

I understand that everything I say is confidential and none of the information I give will identify me and that the only persons who will know what I have said will be the researcher and her supervisors. I also understand that all the information that I give will be stored securely on a password-protected computer at Unitec for a period of 5 years.

I understand that my discussion with the researcher will be taped and transcribed.

I understand that I can see the finished research document if I wish to.

I have had time to consider everything and I give my consent to be a part of this project.

Participant Signature: .................................. Date: ................................

Project Researcher: ................................. Date: .................................

UREC REGISTRATION NUMBER: (2014-1016)
This study has been approved by the UNITEC Research Ethics Committee from (April 7th 2014) to (April 6th 2015). If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 3: Organisational Consent

I (name) (position in organisation) of (organisation) give consent for Shenghan Fu to undertake research in this organisation as discussed with the researcher.

The consent is subject to approval of research ethics application no 2014-1016 by the Unitec Research Ethics Committee and a copy of the approval letter being forwarded to the organisation as soon as possible.

Signature:

Date:
Appendix 4 - Fonterra's Social Media Guidelines for Facebook and Youtube - 09 May 2014 (As per email from the Fonterra staff member)

FACEBOOK:

About Official FB page of Fonterra, a global, co-operatively-owned dairy company with its roots firmly planted in New Zealand’s rich land. [www.fonterra.com](http://www.fonterra.com)

Description

Join our Facebook community and keep connected!

We're on Facebook to engage with our customers, employees and partners and want you to get the most out of this channel. We'll do our best to answer your questions as quickly as possible.

This is a community for everyone and we'll do our part to keep it fair and fun. We'd like you to do the same by treating everyone with respect. We don't tolerate foul language, trolling, nor abusive behavior towards anyone.

Other than that, tell us what you think!

House Rules

We welcome you to leave comments, photos and links here. However we ask you to please be respectful of the entire community and refrain posting comments that:

- Contain curse words or offensive language
- Contain hate speech
• Contain degrading content
• Contain false statements and claims
• Contain personal attacks or discriminate against others
• Are harmful to children
• Contain inflammatory religious or racial content
• Reference a third party page or website including posting a link (unless previously agreed with Fonterra in writing)
• Soliciting for fundraising for initiative or projects on the Fonterra Facebook Timeline (unless previously agreed with Fonterra in writing)
• Contain confidential information relating to other users
• Endorse or proclaim any illegal activity
• Contain spam links
• Use the page to promote personal causes, charities or business activities

We reserve the right to remove any comments or posts that do not play by these rules, without warning or explanation. Any individual or group found to repeatedly violate this policy will be blocked from this page. Fonterra claims no liability in any way connected to the use of or access to the Fonterra page on Facebook.

By making any contribution to the Fonterra Facebook page - including comments, photos or videos – you are granting Fonterra permission to reuse this content inside the Facebook platform. Permission will be sought via an individual request to the owner of the comment if Fonterra wishes to utilise the content outside of the Facebook platform. Please direct message the page admin with any questions or concerns.

YOUTUBE:

Welcome to the official YouTube channel of Fonterra, a global, co-operatively-owned company with its roots firmly planted in New Zealand's rich land.
Fonterra is a global leader in dairy nutrition and a preferred supplier of dairy ingredients to many of the world’s leading food companies. Fonterra is also a market leader with consumer dairy brands in Australia/New Zealand, Asia/Africa, Middle East and Latin America.

Our more than 16,000 staff work across the dairy spectrum from advising farmers on sustainable farming and milk production to ensuring we live up to exacting quality standards and delivering every day on our customer promise in more than 100 markets around the world.

We’re here to show you a little bit of what Fonterra is about.

We welcome you to comment on our videos. However we ask you to please be respectful and refrain posting comments that contain curse words, offensive language, hate speech or degrading content. Thank you!
Appendix 5 - A List of Translated Words (Verified by Anna Guo)

This is the list of all the words translated from collected data and has been used in this research.

scandal: 丑闻
prohibition：禁止
substandard milk powder：毒奶粉
returned products：召回的产品
make apology：道歉
manager's resignation：高层辞职
problem：问题
damage：损失
Wulong：乌龙
#Operations Investigation#: 运营调查
#WPC80 Investigation Committee has been set up#: WPC80 调查委员会成立
food safety：食品安全
life safety：生命安全
Sanlu’s crisis：三鹿事件
CCTV News Week：CCTV 新闻周刊
‘ Fonterra Dialogue- Please Ask Me’：‘对话恒天然：请问我’
quality control：质量管控
business in China：在华业务
strategies：战略方向
Below is the translation for a Weibo post from Anlene’s Weibo account on 28 August 2013:

“As the biggest dairy company in New Zealand, Fonterra always have been responsible to customers, finally, Fonterra got the truth; this case shows Fonterra’s attention at food safety, and customers are the priority to consider about.”：作为新西兰最大的乳品公司，恒天然一直本着对消费者负责的态度，而今终于真相大白！此事件完全可以看出恒天然对于食品安全给予的重视，永远是消费者放在第一位！
Appendix 6 – Anna Guo’s Endorsement

27th June, 2014

An Endorsement Letter

To whom it may concern,

I am writing to support the validity of the translation data collected by Shenghan Fu who is currently enrolled in Master of International Communication at Unitec Institute of Technology, New Zealand. Her student ID is 1392506. The translated data has been used to support her academic research on The Role of Social Media in Reputation Management: The case of Fonterra.

Shenghan has showed me the raw data collected from the media and the social media in China. Hereby I wish to prove that I have been provided with the raw data as well as a list of key words extracted for her data analysis. The list of words has been translated from Chinese into English with high degree of accuracy within the best of her ability.

The criteria used for assessing accuracy of her translation are in consistency with the Certificate in Liaison Interpreting at the Department of Language Studies at Unitec. If you have any further concern, please feel free to contact me.

Warm regards,

Anna Guo
Senior Lecturer
Curriculum Leader
Liaison Interpreting Course
Department of Language Studies
Phone: 09 815 4321 x 8619
Email: aguo@unitec.ac.nz
Appendix 7: Ethics Approval Letter

Dear Connie,

Your file number for this application: 2014-1016
Title: The role of Chinese social media in reputation management: The case of NZ Fonterra

Your application for ethics approval has been reviewed by the Unitec Research Ethics Committee (UREC) and has been approved for the following period:

Start date: 7.4.14
Finish date: 7.4.15

Please note that:

1. The above dates must be referred to on the information AND consent forms given to all participants.
2. You must inform UREC, in advance, of any ethically-relevant deviation in the project. This may require additional approval.
3. Organisational consent/s must be cited and approved by your primary reader prior to any organisations or corporations participating in your research. You may only conduct research with organisations for which you have consent.

You may now commence your research according to the protocols approved by UREC. We wish you every success with your project.

Yours sincerely,

Gillian Whalley
Deputy Chair, UREC

cc: Deborah Rolland
Cynthia Almeida

Connie Fu
76M Edmonton Rd
Henderson
Auckland, 0612.

30.4.14