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The Tesla Brake Failure Protestor Scandal: A Case Study of Situational Crisis Communication Theory on Chinese Media

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The Tesla Brake Failure Protestor Scandal:
A Case Study of Situational Crisis Communication Theory on Chinese Media

by

Jiajun Liu

A thesis submitted in partial fulfillment
of the requirements for the degree of
Master of Arts
Zimmerman School of Advertising and Mass Communications
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DEDICATION

I want to dedicate this thesis to my girlfriend, Diman Nai, who gives me courage and strength all the time. And this thesis is also dedicated to my parents, who support me and give me so much love that I could use to get over so many difficulties. Thank you all.

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ABSTRACT

The aim of this thesis is to test how Tesla handles a protestor in Tesla's booth in Shanghai. This thesis evaluated the effectiveness and acceptance of Tesla's public relations and crisis communication through analyzing domestic Chinese official news articles and consumers' attitude on China's most used social media platform, Weibo. The electric vehicle industry is relatively a newer industry than traditional automobile manufacturing industries. Therefore, the immaturity of the industry could bring different types of crises, and traditional vehicle problems could also be the problems of electric vehicles, such as engine failure, brake failure, safety concerns and security threats, and so on. A proper crisis communication strategy is an essential and significant part for these electric vehicle companies. This study utilized situational crisis communication theory as the theoretical framework, as it could provide a structure for analyzing the crisis facing the company. This paper provides insights for the electric vehicle industry or even the other same kinds of automobile field. As the consequence of the application of theory, this study aims to figure out what are the strategies that Tesla used in its crisis communication, according to situational crisis communication theory (SCCT), and what are not included in the SCCT. This study explored how domestic news media portrayed this case and Netizens' attitudes on social media towards this case. This study used a content analysis method through analyzing news reports and consumers' attitudes on social media to examine Tesla's crisis communication during the crisis period. If the crisis communication strategies were thoughtfully utilized, Tesla could recover from the crisis as soon as possible

rather than facing a period time of decline. After examination of the SCCT in Tesla's crisis communication, the results learned from this case could be regarded as precious experience for the new energy automobile car industry in China. And, also the relationships between Tesla and the public in China could be considered as one of optional communication strategies when other automobile manufacturers are facing any kind of crisis in the future.

Chapter One: Introduction

Case Background

On the morning of April 19, 2021, at the Tesla booth at the Shanghai International Automobile Industry Exhibition, a woman wearing a white T-shirt with the Tesla logo printed on it, screamed “Brake failure” and “Tesla brake failure”. The woman’s actions attracted many onlookers and people were filming the incident. Two on-site security personnel took her away from the scene, and the area was cordoned off. As the consequence of the protest, the woman was sentenced to administrative detention for five days for disrupting public order. According to witnesses at the scene, as of 12 p.m. that day, the Tesla booth had returned to normal and continued to be open to the public. In the afternoon, Tesla issued a statement stating that the woman was “Speeding perpetrator in Anyang, Henan Province in February” and that the owner “Does not accept any form of third-party testing”. Subsequently, the vice president of Tesla responded that “We have offered to pay for vehicle inspections, she disagreed and demanded compensation. We think her request is unreasonable, and we cannot agree to it. It is impossible for Tesla to compromise” (Kharpal, 2021).

On the afternoon of April 20, the Zhengzhou Municipal Supervision Bureau stated that it had started to deal with the complaint, but Tesla Motors Sales Service (Zhengzhou) Co., Ltd. refused to provide relevant data because of concerns that the data would be used by the parties for hype and publicity. Due to the large differences between the two parties, they could not reach an agreement. On the evening of April 20, Tesla officially issued a letter of apology late

at night, stating that a special handling team was set up to conduct special affairs and do its best to meet the demands of car owners. On April 21, the China Consumers Association issued a statement, hoping that the companies involved will actively cooperate with the investigation, proactively provide data and information, properly handle consumer disputes, and effectively protect the legitimate rights and interests of consumers. On April 21, Tesla issued an announcement on the third day night after the crisis outbreak. Tesla stated that the company was willing to cooperate fully and provide raw data of the vehicle half an hour before the incident to a third-party appraisal agency or government-designated technical regulatory agency or the consumer. Tesla would bear all costs incurred in the appraisal. On April 22, Tesla submitted original vehicle data. On April 23, Tesla responded to tampering with driving data. On April 25, the car owner was released, and the owner's family members said they would continue to defend their rights.

Tesla, with 23% of the Chinese electric vehicle market in the first half of 2020 (Sina tech, 2020), has always been a hot topic for public opinion, and its brake failure incidents occur frequently in many parts of the country. Multiple accidents have made people pay more attention to the safety of Tesla's function but have also caused consumers to worry about the new energy market.

As Tesla's booth protestor crisis burst out on Weibo, Tesla posted a response in the afternoon of April 19, 2021, attributing the negative consequences to the protestor and blaming the protestor, and with the escalating of the crisis, the public became more and more aggressive on this case. To reduce the perceived threat from the crisis, Tesla delivered another statement at midnight that day, reminding consumers of Tesla's past good performance, and good service

of the company. In the following days, the whole crisis has been escalating and going viral on social media, even China Central Television had reported on the case. Tesla's official Weibo kept consumers updated with statements, whereas with its organizational broadcasting and advertising as well. Above all, the immediate communication made the in-time interaction possible, what is more, this could not be accomplished through traditional media, such as TV, newspapers, etc. Moreover, Tesla's public relations department is so sophisticated with the usage of Weibo that could earn extra time for the organization to deal with the post-crisis and handle the public's emotions so well. However, if an organization lacks knowledge of how to communicate with the public during a crisis, it may result in an inferior position while competing with other companies in the same situation. In addition, different tools' efficiency varies a lot.

The Electric Vehicle Market Background in China

The Chinese government has been trying to reduce domestic carbon emissions for years. China is considered the world's largest car market, and for this reason, Tesla entered China to build a domestic factory. China, with its large automobile market, however, has a low rate of electric vehicle ownership in the domestic market, which is an excellent opportunity for Tesla to participate in it. China has made a good choice introducing Tesla into the country, and the arrival of Tesla helped China develop a cleaner and lower carbon ecosystem in the electric vehicle industry (Merano, 2021). The reason why Tesla has been accepted by the Chinese consumers is that, the consumers in China considered Tesla luxury a higher level, younger luxury than traditional vehicle brands. It's not like traditional vehicle brands, which mainly

sells traditional stuff. Tesla represents technology and the future, which is in line with the tone of today's era. Today, more and more young people in China, are buying cars. They prefer to buy a fashion car instead of the one which may be considered as old fashion. They hope that the car they buy will not only be expensive, but also have a label that pays attention to environmental protection, avant-garde thinking, and represents the future (Chejiahao, 2021). Today's Tesla, like Apple in ten years ago, has always been a regular in global news headlines. Making himself the center of public opinion is clearly what Musk does best, fanaticism, madness, ambition, scandal, whatever it is. No matter whether these reports are controversial or even criticized, this does not prevent him from subtly refreshing people's cognition. Musk is known as a marketing genius because he always surprises people. In fact, Musk is not only marketing Tesla, but also his omnipotent personality. Whether it's a Space X rocket carrying people into the sky, or a burrowing company sports car into the ground (快科技, 2020).

However, Tesla needs China more than China needs Tesla, since China is one of the essential markets all over the world in automobile manufacturing. Moreover, China exceeded the United States as the world's largest car market in 2009, and China has been concentrating more on the environment, and new energy vehicle these years, which brought more opportunities and challenges for electric vehicle brands (Lu, 2022).

Thus, Tesla decided to build a Gigafactory 3 since it got huge support from the local government, and China provided Tesla with high speed and efficient manufacturing power, which helped the whole launch process be more successful (Korosec, 2018). Because of the local production, Tesla occupied 23% of Chinese domestic electric vehicle sales in the first half of 2020 (Sina tech, 2020).

Chapter Two: Literature Review

Organizational Crisis

Crises are undesired or unpleasant events that may take place in organization's daily performance. From the aspect of organizations, the situation is "A negative event that may jeopardize the interest of its related holders and may undermine an organization's performance." (Coombs, 2012). According to Coombs (2012), a crisis is an event which may bring organizations or stakeholders harmful or undesirable consequences. According to Seeger, Reynolds, and Sellnow (2009), situations are events that will make a thing escalate into a high level of uncertainty and "threaten or are perceived to threaten an organization's high priority goals" (p. 233). In this study, the crisis is considered as a broad and complex one. The crisis of Tesla attracted much attention within a day on a social media platform, and the severity of this crisis is deemed critical from both the inner of organization and the external public.

Crisis Communication

When an organization confronts any kind of crisis, the priority of the organization is to identify the crisis. If under some circumstances, a situation is perceived as severe and dangerous by the organization or the public relation teams, the public is more willing to offer help to the organization. Then, people must determine how they will help, from which aspect, and with what methods (Fischer et al., 2006; Fischer et al., 2011).

To generate efforts for preventing and reducing the harmful consequences, crisis

communication could be an excellent support to help with the processes mentioned above (Coombs, 2012; Seeger, 2006). When a crisis goes viral on social media, internet users tend to search for more information online, especially on Weibo (one of biggest social media platforms in China), under the context of Chinese domestic crisis. And under this circumstance, Weibo is used as a vehicle for Tesla to collect reactions and comments from the public to deploy corresponding crisis communication strategies in the crisis and post-crisis status.

Situational Crisis Communication Theory

Coombs introduced the situational crisis communication theory in 1995, and the theory provides organizations or individuals with strategies that could be used to maximize the reputational protection for them based on its evidence-based framework (Coombs, 2007). The situational crisis communication theory was originated and developed from the image repair theory, and the image repair theory states that the crisis communication strategies are the essential parts (Benoit, 1997). To explore situational crisis communication theory more thoroughly, attribution theory needs mentioning before going further about situational crisis communication theory. Attribution theory is based on the premise that the public tends to ascribe causes to events or crises, especially those with negative, undesirable, and unexpected results (Weiner, 1986). According to Weiner, attributions are “perceptions of the causality or the perceived reasons for a particular event’s occurrence” (Weiner, 1986). Attribution theory explains how people make attributions to events and how they attribute the cause of an event to an individual involved or external influence. Attribution theory indicates whether people involved could get the cause of the event or crisis under control (McAuley et al., 1992; Weiner,

1986). Attributions are important, since the event and future interactions with people involved could affect emotions (Weiner, 1986). The crisis attributions relate with feelings and behaviors toward the organization when there is a crisis (Coombs, 1995). When people attribute more responsibility to an individual or organization, they have stronger feelings of anger and negative views toward the individual or organization (Weiner et al., 1987). The connections between the attribution theory and situational crisis communication theory had been confirmed, since individual or organization would coordinate with evaluated attribution of responsibility to conduct crisis response strategies (Coombs, 2004; Coombs & Holladay, 1996; Coombs & Holladay, 2002).

To explain situational crisis communication theory, scholars raised propositions to identify the variables and relationships between each part in the theory (Coombs, 2007).

Additionally, to test the key factors of situational crisis communication theory, Figure 1 was used as a guide.

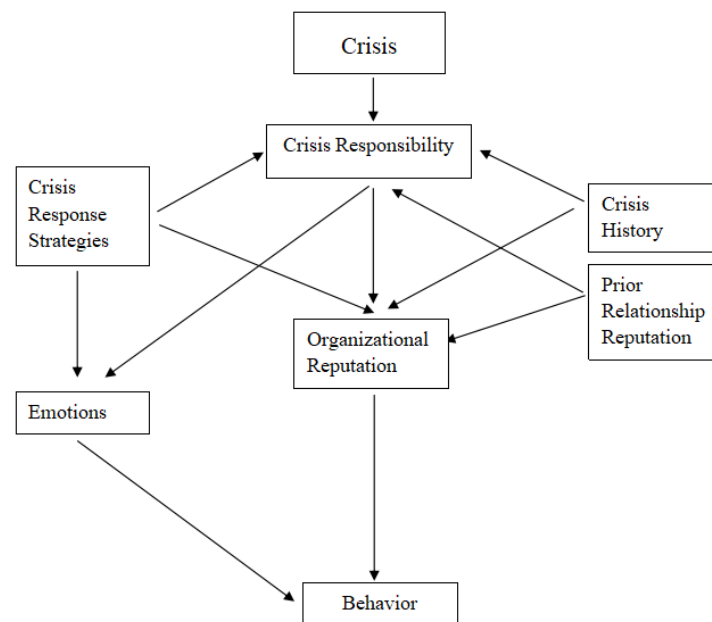


Figure 1. *Crisis situation model of SCCT*

Source: Coombs, W. T. (2007)

To give a better demonstration of this model, the discussion of the propositions above is to test various aspects of SCCT (Coombs, 2007). When there is a crisis, stakeholders would attribute responsibility to the organization, and the level of attribution is related to crisis types. According to Coombs (2007), there are three main clusters: victim, accidental, and intentional cluster. After consideration of crisis type, the stakeholders would attribute responsibility to the organization. For the crisis responsibility-organizational reputation proposition, according to Coombs (2007), Figure 1 shows that as stakeholders attribute much crisis responsibility to the organization, their perceptions toward the organizational reputation will decline. Crisis responsibility is negatively related to organizational reputation (Coombs, 1996; Coombs & Holladay, 2001).

Crisis history and prior relationship reputation propositions influence initial assessment of the reputational threat. When come to assessing the reputational threat, crisis history and negative prior relationship reputation would generate the same reputational threat whether the organization is a victim or the crisis is an accident.

The two arrows from crisis history to crisis responsibility and organizational reputation in the model show how an organization would take more responsibility and receive more reputational damage if there was a same crisis in the past than an organization without same previous crisis. The prior relationship reputation to crisis responsibility and organizational reputation in this model states that if an organization treated its stakeholders badly in the past, it would take more crisis responsibility and suffer more from reputational damage than an organization which treated its stakeholders fairly. Research supports the view that crisis history

and poor prior relationship reputation strengthen the attribution sensitivity of crisis response, leading to a direct impact on reputation (Coombs, 2004; Coombs & Holladay, 2001).

The arrow from crisis responsibility to emotions proposition states that if an organization's crisis responsibility keeps increasing, the crisis would arouse more negative feelings such as anger, than positive feelings, such as sympathy toward the organization. Positive feelings could help the organization gain trust from the stakeholders and public, while negative feelings may cause stakeholders to attack or even cut off interactions with the organization (Coombs & Holladay, 2004).

The arrow from Organizational Reputation to Behavior proposition states the point that the worse the organization's reputation is, the less the stakeholders would support the organization. According to Coombs and Holladay (2001) and Siomkos and Kurzbard (1994), the purchase intention and support for an organization could be regarded as reactions towards post-crisis reputation.

The arrow from the Emotions to Behavioral Intention proposition represents negative feelings of an organization that would likely result in non-supported Behavioral Intention, such as negative word of mouth. Crisis responsibility could also influence public behavioral intentions through emotions.

The arrows from Crisis response strategies to crisis responsibility, organizational reputation, and emotions are the three objectives related to protecting organization's reputation. First, crisis communication practitioners are supposed to analyze the perceived attributions of the crisis. Second, they should change the perceptions of the organization for the crisis outbreak. Lastly, they are supposed to take efforts to reduce the generated negative influences by the

crisis (Coombs, 1995). To apply the crisis response strategies to a correlated crisis, crisis communication practitioners could make any combinations of these three objectives to take good care of the organization's reputation and interest.

When an organization deploys crisis management, the efforts it took could be separated into multiple parts. Preventing and protecting the organization from potential and inevitable crises is significant. Additionally, the lessons learned in these crises are also significant (Coombs, 2012; Mitroff & Anagnos, 2001).

The situational crisis communication theory, as it implies, is the theory that provides a framework to coordinate specific crisis types with specific crisis response strategies. Crisis communication managers are supposed to take all mentioned details in advance while employing any further crisis response strategy to deal with the event. The response strategies are what actual efforts an organization will take after a crisis breaking out (Coombs, 2006), and further, crisis response strategies are taken to solve the problem and achieve specific outcomes (Coombs, 2011). SCCT pays attention to crisis managers to check the crisis in order to assess the level of reputation threat brought by the crisis (Coombs, 2007). The threat is that if no effort is done, the crisis may damage the reputation of the organization. Three factors in a crisis affect reputation threats: (1) initial crisis responsibility, (2) crisis history, and (3) previous relationship reputation (Coombs, 2007).

According to Coombs (2007), we could identify the characteristics of the crisis event. There are mainly three crisis clusters in the situational crisis communication theory, including the victim, accidental, and preventable. The victim cluster is that the organization is also a victim suffering from unpredictable natural disasters, rumors, workplace violence, and product

tampering. Unintentional actions from the organization cause the crisis called accidental cluster. This cluster includes challenges, technical-error accidents, and technical-error products. The last cluster of crisis types is the preventable one, in which the crisis is caused by inappropriate actions or violating a law or a regulation. In this case, the organization knows that the impending crisis will put people in danger or at risk. However, the organization still carries out the actions, bringing the organization the worst reputational threat (Coombs, 2007). Identifying which crisis cluster the organization is in, is the priority of the related practitioners in assessing the crisis. An organization could select a most appropriate crisis response strategy, if the organization could identify which type of crisis clusters that fits most into.

From previous statements of Tesla's crisis, the case could be categorized into following crisis communication cluster. In this case, the crisis could be considered as the victim cluster. The woman's action was considered as undesirable to Tesla and those actions brought massive negative comments and accusations towards Tesla on social media platforms. Additionally, the buzz that the protestor made also brought up detrimental influences on Chinese domestic news sites, even some of them lacked evidences and facts, which greatly damaged Tesla's reputation, and aroused bad consequences for both Tesla's financial and reputational interest. The post-crisis situation could be identified as a preventable cluster, since the organization could admit that there are some misunderstandings and Tesla will work on it, and take the responsibility for the crisis, instead of offering an offensive response and blaming its consumers. Table 1 would give a comprehensive list of the three main types of crisis cluster, and to which degree these crises will influence the organization's reputation.

Table 1. *Crisis Clusters of SCCT*

<p>Victim cluster: The individual or the organization is also a victim of the crisis.</p> <p>Mild reputational threat</p> <p><i>Natural disaster:</i> Unpredictable acts of nature damage crisis.</p> <p><i>Rumor:</i> Misleading or false and damaging information towards the organization.</p> <p><i>Workplace violence:</i> The physical or oral conflict between the employees onsite.</p> <p><i>Product tampering/ Malevolence:</i> External agent causes damage to the organization.</p>
<hr/> <p>Accidental cluster: The ongoing or the past crisis was caused by unintentional actions.</p> <p>Moderate reputational threat</p> <p><i>Challenges:</i> Organization is operating in an inappropriate manner.</p> <p><i>Technical-error:</i> Technology or equipment failure caused accident.</p> <p><i>Technical-error product harm:</i> Technology or equipment failure caused recall of products.</p>
<hr/> <p>Preventable cluster: The organization placed people or employees at risk intentionally, took inappropriate actions or violations of law/regulation.</p> <p>Severe reputational threat</p> <p><i>Human-error accident:</i> Human caused an accident</p> <p><i>Human-error product harm:</i> Human caused products to be recalled.</p> <p><i>Organizational misdeed:</i> Stakeholders are places at risk by organization, and management actions violated laws/regulations.</p>

Source: Coombs, W. T. (2007)

The four cluster response strategies could be identified as denial, diminishment, rebuilding, and bolstering (Coombs, 2012).

First, the denial strategy aims to avoid all excuses and accusations towards the organization, and then demonstrate that the organization will not be responsible for the crisis. This strategy includes: 1) Attack the accuser, which means that the crisis manager claims that the accusing organization has malicious and harmful intentions; 2) Denial, where the crisis manager claims that there is no crisis at all; and 3) Scapegoat, in which the crisis communication managers blame other organizations or people outside the company.

Second, the purpose of diminishment in crisis response strategies is to use approaches to

reduce the current negative effect caused by the crisis. The two strategies of diminishment are 1) Excuse, where the crisis communication managers minimize the organization's responsibility by claiming that they intended to do good; and 2) Justification, which means that the managers try to mitigate the perceived harm of the crisis.

Third, to rebuild the public's relationship, the organization will repair its reputation by compensating and apologizing to its interest related holders. The two strategies of rebuilding are: 1) Compensation, which is where the crisis communication managers offer the victims money or gifts; and 2) Apology, which means the organization would take full responsibility for the crisis and ask the victims and stakeholders for forgiveness.

The last one is bolstering. Bolstering is the strategy which helps the organization build a positive and desirable connection between itself and its stakeholders. Bolstering involves following strategies: 1) Reminder which helps organization could help the public recall the good memories by reminding the public of the organization's former excellent performance and significant operation; 2) Ingratiation, where the organization gives credit to the stakeholders and reminds them of the organization's past good performance; and, 3) Victimage where the organization reminds the public audience and stakeholders that the organization is also a victim of the current crisis. Table 2 provides a comprehensive overview of the SCCT crisis response strategies.

Table 2. SCCT Crisis Response Strategies

Denial

Attack the accuser: Crisis manager accuses that the person claiming something untrue with the organization.

Denial: Crisis manager claims there is no crisis.

Scapegoat: Crisis manager ascribes the crisis to some person or group outside.

Diminish

Excuse: Crisis manager alleviates organizational responsibility by claiming the organization was not do harm or trigger the crisis on purpose.

Justification: Crisis manager alleviated the perceived damage caused by the crisis.

Rebuild

Compensation: Crisis manager offers gifts or money to the victims.

Apology: Crisis manager claims the organization will take the whole responsibility for the ongoing crisis and apologize to its stakeholders.

Bolstering

Reminder: Crisis manager tells the past good performance of the organization.

Ingratiation: Crisis manager praises stakeholders and/or reminds them of past good performance by the organization.

Victimage: Crisis manager reminds the stakeholders that the organization is one of the victims too.

Source: Coombs, W. T. (2007)

Coombs and Holladay (2002) suggested that situational crisis communication theory could help organizations select the most appropriate response strategies to reduce malicious reputational threats. However, the organization's responsibility always requires accountability and answers for the ongoing crisis (Weiner, 2006). Additionally, extra crisis communication may backfire on the current situation. For the stakeholders, they would possibly think this crisis must be much worse than their expectation, since the aggressive response may seem overwhelming to the stakeholders, and make crisis worse (Siomkos & Kurzbard, 1994).

Coombs (2007) also provided this thesis that how to relate perceived crisis and crisis response strategies. Organizations or companies, when their crisis has minimal attributions of crisis responsibility, no history of similar crises, and a neutral or positive reputation, information alone may suffice. Rumor and challenge crises should be addressed using the deny posture crisis response strategy. A victimage response can be used in response to workplace violence, product tampering, and natural disasters. The diminish strategy could be used in the case of crises with minimal attributions of crisis responsibility coupled with history of similar crises and/or negative reputations. If there is a low degree of attributions of crisis responsibility (accident crises), as well as a history of similar crises and/or a negative reputation for prior relationships, and in this case, rebuild strategy could be used. Bolstering strategy could be used if the crisis was with minimal attributions of crisis responsibility, and this strategy should be used align with other three crisis response strategies (Coombs, 2007).

In this study, according to later responses from Tesla, the organization officials employed a tough and uncompromising response to the crisis rather than taking the appropriate responses. Its overseas vice president blamed some of its consumers. “(They are) not sophisticated with the driving skill, and consumers are supposed to strengthen its educational level.” Tesla was facing a crisis with multiple kinds of issues due to all mentioned problems. What were the crisis response strategies that Tesla employed? And what were the crisis responses that had been applied by Tesla? Could those crisis responses be identified according to the situational crisis communication theory? In order to acquire more information, this case was analyzed in the following section.

Cultural Differences in China and Western Countries

The cultural differences are essential to managing an international enterprise. It is important to understand the cultural differences in China and Western countries. As an international company, Tesla needs to face the challenges from different cultural backgrounds, and Chinese domestic social media under this context, which means the well-structured Western crisis response strategies may result in totally different effects in Chinese situation. To saving face (面子), some of the Chinese crisis communication practitioners are more likely to adapt strategies with indirect and abstract ones, such as diversion and avoidance strategies (Wu et al., 2016). People in China when in crises, normally would make apologies, and then they would take actions to find solutions of the problem. Additionally, Chinese people generally would give chances to someone who made a mistake and let them amend the problem. As the problem was solved, the relationship would be alleviated, and customers would be more apt to build connection again. While the response from the Tesla's vice president is considered as arrogant which contradicts with Western companies' regular strategies such as apology, showing sympathy, and compensating victims (Austin & Jin, 2022). Moreover, the theory applied in this study, situational crisis communication theory, is also developed and originated in Western countries, therefore, whenever international enterprises want to deploy crisis communication strategies, they are supposed to consider the region of difference and adjust the strategies to specific area conditions.

Applications of SCCT in the Automobile Industry

In the automobile industry, Toyota is one example of a company that faced a severe crisis

over 10 years ago. Toyota was able to survive its crisis. The way it got through a crisis during that time is a good model for Tesla to learn what to do or what not to do during a crisis outbreak.

Toyota was confronting a recall crisis in 2009, and Toyota had been receiving hundreds of complaints because of the sudden acceleration of vehicles. The situation was not getting much attention until a car crashed into another car and caused all passengers in the vehicle to die due to the acceleration problem.

First, Toyota shifted the responsibility to defective floor mats and recalled millions of vehicles to remove the potential crisis. And later, Toyota tried to avoid accusations from the public by scapegoating the crisis to consumers' floor mats, and Toyota directly called Toyota owners to remove the floor mats on their own to address the acceleration problems. This strategy is one of the diminishment strategies in situational crisis communication theory. Toyota tried to reduce most of its responsibility by attributing the problem to defective floor mats. However, four months after the first acceleration crash, another accident happened again. One of the recalled vehicles, due to the uncontrollable acceleration, ran into a pond and caused four passenger deaths. The vehicle driver had removed the floor mats according to Toyota's safety guidelines. This time, Toyota still tried to diminish the crisis by rectifying the uncontrollable acceleration to "sticky pedals". Toyota's crisis response was considered interest-directed since Toyota put the real problems and public safety behind its reputation and financial interest (Seeger, 2010).

Additionally, Toyota's apology was regarded as less sincere, and it did not feel the same as what its consumers felt. The apology was one of the rebuilding strategies, therefore it could help an organization gain back its reputation. But when the public cannot feel your apology

was sincere, and you were acting lack empathy, it may undermine your reputation even more.

Toyota's crisis response strategies were analyzed by subsequent academic studies. The crisis communication from Toyota was deemed an undesirable and slow crisis response strategy at that time (Heller & Darling, 2011). Toyota's crisis communication was a lack of communication one, to its public and consumers, although it did resolve some internal problems. Toyota had been trying so hard to avoid responsibility towards its "Pedal Gate" and acted less sincere when it delivered the apology to the public; However, those inappropriate crisis response strategies finally backfired its interest and reputation (Rajasekera, 2010).

Because of the characteristics of the Toyota recall crisis, the whole case could be regarded as a severe preventable crisis, and the public attributed the responsibility to the organization (Choi & Chung, 2013). Therefore, the organization apologized to its public and stakeholders and admitted its fault. Choi and Chung (2013) hypothesized that the apology strategy from the situational crisis communication theory would be the most appropriate strategy for Toyota to restore its reputation and image. However, they found that the results showed the apology response strategy was not as desirable as they hypothesized, since the participants in that study scored the same on the reputation items, whether they were exposed to Toyota's apology or not. They also assumed that "The use of apology is more effective in restoring Toyota's reputation with people who perceive the apology as sincere than it is with those who do not perceive it as sincere." The results showed that the participants who perceived the apology as more sincere would consider the apology as more effective than participants who perceived the apology as less sincere considered the apology as less effective. They found that after the exposure of the apology to highly involved participants, the apology was considered more effective than

participants who were less involved. The last hypothesis stated that “The use of apology is more effective in restoring Toyota’s reputation with people who have high levels of involvement and perceive the apology as sincere than it is with those who have low levels of involvement and do not perceive the apology as sincere.” The researcher found from their test results that the participants, who were highly involved and perceived the apology as highly sincere, were considered as most helpful when Toyota tried to rebuild and restore its reputation.

Choi and Chung (2013) concluded that the apology response strategy was only effective when the public perceived the released apology as highly sincere and appropriate. In contrast, if the public perceived the apology as less sincere, they were apt to still hold the negative perceptions toward the organization. This study concluded that the apology response strategy may not be suitable for every organization to apply when dealing with a preventable crisis. Secondly, the apology response strategy was influenced by the involvement of the public, and the apology response strategy was an effective one when it was delivered to the highly involved participants. Thirdly, if the audience were highly involved and perceived the apology as sincere and appropriate, the apology could be regarded as effective. Additionally, the participants who were highly involved with the organization and perceived the apology as sincere would accept the apology more easily than the participants who were less involved and perceived the apology as less sincere. According to Choi and Chung (2013), involvement and sincerity were the two significant factors that may influence the delivery of an apology from an organization.

Choi and Chung (2013) found that, it referred that the apology strategy would be a good crisis communication strategy only if the consumers are loyal to the brand and perceived the apology as sincere. They also suggested that compensation may be a good option for

organizations, which could deliver a compensation strategy along with an apology. Moreover, they stated that long-term strategy was also necessary with people who may be the potential customers, holding a negative thought toward the organization at present, but who may have a favorable feeling toward the organization in the future.

Weibo and Crisis Communication

As one of the most influential social media platforms in China, Weibo can be used as a crisis communication medium (Jin, Liu, & Austin, 2014). Users on Weibo can deliver a huge variety of contents such as texts, pictures, videos, music, and post to discussion groups. The reason why Weibo is utilized as a data retrieving platform is that Weibo posts are generally visible to the public, unlike Wechat, which is considered as a more private and Wechat posts could only be visible to selected users. Weibo is interactive in that the organization could deliver a tremendous amount of information to the audience and receive responses from the audience (Schultz, Utz, & Goritz, 2011).

By reviewing all the literature reviews above, this study will show how situational crisis communication theory and social media collaborate during the crisis. This study's primary purpose is to understand how an organization uses the combination of situational crisis communication theory and social media to deploy its public relations strategies to the public, and how the public evaluates the response from the organization. The secondary goal is to help other organizations develop a well-structured crisis communication strategy when confronting any kind of crisis, and this study could be regarded as a good model for practitioners.

Research Questions

This study sought to understand how Tesla delivered its crisis communication about the protestor was interpreted by domestic news site articles, and how public (especially Weibo users) portrayed this protestor scandal crisis is the main purpose of this thesis.

1. Did Tesla utilize the crisis communication strategies suggested from situational crisis communication theory?
2. How did the Chinese public respond to the Tesla crisis?

Chapter Three: Methodology

This study tested the efficiency of Tesla to apply the situational crisis communication theory to handle the accusations in the Tesla booth and other related accusations on social media and how the Chinese domestic media portrayed the communication response strategies when this crisis went viral on social media. The study applied content analysis as the research method, which is a quantitative research method. The news articles were retrieved from well-known domestic online news sites' articles and were analyzed to understand how the crisis and response were portrayed. Additionally, this research used official statements shared by Tesla on Weibo. Comments on Weibo were examined to understand the public's reaction. The study investigated the significance of how the media and public perceive Tesla's crisis communication strategies towards this protest's scandal on news sites and Weibo.

Data

The collection of various sources was all from the Internet, which included domestic online news articles and posts on Weibo.

In this thesis, domestic news sites' articles were selected since the official news sites' practitioners had professional viewpoints and with professional public relations knowledge. The selected domestic news articles were retrieved from the Baidu search engine. In order to achieve data validity and reliability and to avoid bias and prejudice, all news articles were retrieved from domestic news sites, such as People's Daily, Xinhua News Agency, China Youth,

Beijing News, CNR Site, the Paper News, Financial and News, China Daily. Personal blogs and comments were not selected. The retrieved news articles, therefore, could be identified as official references. Thus, the domestic news sites' articles could be considered as a reliable source of information. The whole protest scenario was included in the news articles. In order to collect news articles from the websites, the coder used Python to retrieve all news articles. By using this program, all the articles contained the term "Tesla" were collected during the time period between April 19 and May 3.

Meanwhile, the response from Tesla's Official Weibo account was regarded as an important resource for this study, so that the public could learn the attitude and present responses from the Tesla official site. Researcher can also use Weibo to observe how the organization responds to the crisis (Gruber et al., 2015; Sung & Hwang, 2014; Xia, 2013). The researcher could collect information and data for the usage of qualitative method research in the methodology part, especially in this Tesla's crisis communication. To collect Weibo posts, Python was also applied to collect posts from Weibo websites as well. All posts related to Tesla protestor crisis were collected during the time period of April 19 to May 3.

Data Collection

To answer the first research question, this study collected 1,124 released articles on Chinese domestic news sites. The selected articles contained the term "Tesla". This searching term was included in the title or the first 100 Chinese characters of the article. The selected articles were from April 19 to May 3, 2021. Tesla had been posting responses to the crisis on Weibo, and this was the time period that there was relatively intense discussion and public

response within domestic media sites. The search process utilized Baidu as the search engine, which is known as the biggest search platform in China, and Baidu has a huge global library of Chinese web pages. As of 2020, there were more than 1.1 billion users all over the world who chose Baidu as their search engine (Joyce, 2022). Additionally, Baidu is also referred as “Chinese Google”, and stood as the top 10 most visited sites around the world (Alex, 2022).

The researchers collected all news articles from domestic news sites, and the included categories ranged from country, province, business, sports, technology, entertainment, security, and so on. The news articles in entertainment, sports, and some other news briefs were removed from the collection, since those categories could not express relevant information, and news briefs are too short to be analyzed. Besides all irrelevant news articles, it leaves 146 news articles for analysis. To demonstrate the reason why these 146 news articles remained, is because of that, those contents included the most related response from Tesla and necessary information that how Tesla handled its crisis for the aspect of the brake failure scandal, as well as the protestor in Tesla’s booth. All selected news articles were analyzed in terms of Tesla’s crisis communication responses and strategies to its organizational crisis.

The second part was to conduct the content analysis of the public responses under Tesla’s official Weibo account, including all Tesla’s official Weibo posts during and after the crisis outbreak from the Tesla’s protestor crisis outbreak date April 19 to May 3, 2021. Overall, 161,403 @Tesla Official Weibo account’s posts were presented in the period. These contents were retrieved from Tesla’s official Weibo site, would be used as social media resources. Based on Weibo’s restriction and regulation, posts with verbal abuse were automatically filtered. The bots and irrelevant posts were also removed from the data as well. The researcher also provided

a list of expression of offensive language, and the posts included these expressions were removed. The posts from the users who registered less than 6 months were also removed, since those users may be hired by Tesla or other companies to post things with bias and prejudice. After last procedure, the researcher used MAXQDA software to analyze the most frequently emerging words, and selected most relevant words for the category analysis. Also, the MAXQDA software provided researcher with the usage of lemmatization, which could summarize emerged words with same stem, and then categorize them into same categories (MAXQDA, 2022). The researcher organized emerged words into different categories, which based on following suggestions, 1) national (different countries), 2) attitude (positive, neutral, and negative), 3) solutions (such as response, comments, message delivering), 4) interest-related stakeholders (such as: society, stakeholders, consumers, Chinese domestic electric vehicle markets), 5) case related (such as accident). In this case, the left 13,428 posts were coded by using MAXQDA software. The MAXQDA software in this thesis is applied to collect and code the Weibo posts, since it allows to explore the content and structure of Weibo posts without needing to read or code a single sentence in advance. The use of certain terms, could be located by using the 'Keyword-in-context' feature, and this could put context in an interactive results table. More importantly, this software could emerge words frequency of search terms (MAXQDA, 2022). According to the characteristics of MAXQDA, the most frequently appearing words would be automatically extracted and coded. The keywords extracted from the posts were automatically coded by using MAXQDA coding program, and researcher provided a guide for both researcher and coders to categorize emerged words. Doing this identified study keywords and the keywords were based on researcher analysis of the whole

study, and the selected data were categorized manually by the researcher.

Social Media Content Analysis

Weibo is one of the biggest social media platforms in China (Thomala, 2021) and is a well-known social media platform, with over 573 million monthly active users as of Q3 2021 (Corporation, 2022). In China, Sina Weibo is regarded as equivalent to Twitter in Western countries. Additionally, Weibo is also considered as one of the most influential social media platforms in China (Austin & Jin, 2022). Therefore, Weibo could be regarded as a solid resource platform. Additionally, numerous business groups, institutions, and organizations have their own official social media accounts nowadays. Weibo provides Tesla with a connection between consumers and Tesla's products. Therefore, Tesla's official Weibo account was selected by the research to collect information. Not only Tesla's consumers, but also its stakeholders and the public, could receive the latest information about the crisis. Additionally, the stakeholders and could engage with the organization's communication campaign when there was a crisis outbreak.

Above all, to cooperate and interact with its public, Tesla could deliver a better crisis communication response, and more importantly have two-way communication with its public, rather than solely handle problems on its own.

Coding Procedures of Domestic News Articles

In this thesis, there are overall two data sets, one is domestic news release articles and the other one is the comments under Tesla's official Weibo posts as mentioned above. In terms of

two different kinds of sources of information, the coding procedures were demonstrated separately. And the coding categories would be demonstrated in the next part.

For the aspect of domestic news sites' articles, in order to test the first research question "Did Tesla utilize the crisis communication strategies suggested from situational crisis communication theory?" the collected domestic news sites articles were coded. Before the actual coding process, the coders were requested to code 10% of the collected news articles, and the reason for doing this was to ensure that the coding guideline was clear and this was also set for the intercoder reliability. It was utilized as a valid reference for the actual coding action after some minor adjustments to the coding guidelines. Furthermore, all participating coders were supposed to read the whole body of the articles. To code the domestic news sites' articles, the researcher designed a coding guideline for this study. Therefore, the situational crisis communication theory (Coombs, 2007) was used as guidance for the coders to categorize data properly. The emerged categories would all be guided by the situational crisis communication theory. All the categories included related information about Tesla's crisis communication responses and information related to the whole crisis.

Categories

For the first part, in terms of the domestic news releases, the coders first identified whether the news articles were related to Tesla's current crisis. The articles were categorized which based on the requirement that whether the articles include "Tesla". Subsequently, this study, following the situational crisis communication theory, and categorized these articles into "Victim", "Accident", and "Preventable". These three categories were coded according to how

the domestic news sites portrayed and described the crisis, and this would be considered as to how the public perceived Tesla. These three factors would be considered as the variables. If in these articles, Tesla was considered as having no-fault and not playing an important part in this crisis, then the coders would identify these situations as “Victim”. If Tesla’s negligence caused the crisis, the articles would be categorized as “Preventable”. If the crisis were regarded as not a particular party’s fault, these types of articles would be categorized into the “Accident” cluster. The Table 3 demonstrated coded categories according to SCCT guidance. The followed Table 4 showed the news media sources and the allocation of each media.

Table 3.

<i>Crisis Situation and Identified Crisis Cluster</i>				
	Victim	Accident	Preventable	Total
Protestor Scandal	41 (28.1%)	16 (11%)	89 (61%)	146 (100%)

Table 4.

<i>News Sites Sources</i>	
Name	Retrieved Quantity
CNR (央广网)	23 (15.8%)
CHINA YOUTH (中国青年网)	17 (11.6%)
BJNEWS (新京报)	24 (16.4%)
NEWS (新华网)	31 (21.2%)
PEOPLE (人民网)	19 (13%)
CHINADAILY (中国日报)	12 (8.2%)
FINANCIAL AND NEWS(财新网)	11 (7.5%)
PAPERNEWS (澎湃新闻)	9 (6.2%)
Total Amount	146 (100%)

The coders then identified the articles with Tesla's response, and the coders categorized the responses according to the four crisis response strategies. Coders categorize these articles into the following categories: "Deny", "Diminish", "Rebuild" and "Bolstering". If Tesla denied its faults in this crisis, and attack the protestor or blame other institutions or agencies, in this case, these responses would be considered as "Deny". If Tesla made excuses or made the justification of the crisis, these responses would be considered as "Diminishment". "Rebuild" crisis response strategy was when Tesla tried to compensate or apologize to the public. And last, if Tesla tried to remind the public with its past excellent performance and its healthy and concrete solid bond with its consumers and interest-related holders, these kinds of responses would be considered as "Bolstering".

The mentioned four crisis response strategies and three crisis clusters categories were guided by situational crisis communication theory (Coombs, 2007). The news articles which cannot be categorized into those parts were removed from the data collection. The standard of ascribing these articles to different clusters was how domestic news media draw the portrait of Tesla. Additionally, the researcher also applied a Chi-square test in the thesis, and by carrying out this test, it could show whether there was a connection between selected crisis response strategies and crisis clusters. The analyzed news articles could display that whether Tesla had selected one of the crisis response strategies suggested by SCCT, and to see how Tesla selected a different crisis response strategy towards different crisis clusters. By doing all the mentioned procedures, the RQ 1 would be analyzed.

In the second part, for the aspect of social media platform comments, the whole coding process was based on the analysis of the Weibo contents which included public responses and

attitudes. The coding categories for these contents were constantly emerging while analyzing current contents. Subsequently, as for this thesis, the coding categories included following categories: 1) national (different countries), 2) attitude (positive, neutral, and negative), 3) solutions (such as response, comments, message delivering), 4) interest-related stakeholders (such as: society, stakeholders, consumers, Chinese domestic electric vehicle markets), 5) case related (such as accident). As the coding procedures went through, the discrepancy between the researcher and coders was presented. In order to solve the discrepancy, the researcher and coders set aside the ones that caused the discrepancy and came back to discuss them, eventually, the researcher and coders came to an agreement, and the discrepancy was solved.

Coder Reliability

In terms of intercoder reliability, the researcher provided 10% of collected articles for coders to manually code them ($n = 15$), and then determine the coefficient. The whole coding process followed the basic coding protocol. Subsequently, the coders were requested to code the remaining articles. The Krippendorff's Alpha was utilized to measure the reliability. After calculating, it represented average 0.89 and with the lowest value 0.66 for the mentioned analyzation. Therefore, it was considered as acceptable, and after the intercoder reliability was confirmed, the coded articles would be included into the data set, and the following coding progress would be continued.

Chapter Four: Results

Chinese Domestic News Articles

The 146 articles analyzed for this study included 87 (59.6%) of these articles with Tesla's response and 59 (40.4%) with neither response nor comment. As shown in Table 3, most of the articles portrayed this crisis as a preventable crisis (61%, $n = 89$); and some of the articles see Tesla in the crisis as a victim (28.1%, $n = 41$); and last, few articles considered Tesla's crisis as an accident (11%, $n = 16$).

Since RQ 1 was aimed to figure out whether the strategy selected by Tesla could match the SCCT suggestions, the articles that did not include responses were removed, and after this, and 87 articles remained. Followed Coombs' model (2007), coders categorized the remaining 87 articles, in order to figure out what crisis communication strategies were applied by Tesla. The coders followed the guidance mentioned in the methodology section. Therefore, the coders identified how domestic news articles portrayed Tesla in its protestor scandal.

Research Question 1

The first research question asked whether Tesla utilize the crisis communication strategies suggested from situational crisis communication strategy theory. The total amount of analyzed articles was 146, and 87 (59.6%) of them present a response from Tesla, 59 (40.4%) of them did not include a response from Tesla. There were 87 articles that included responses from Tesla, and 39.1% ($n = 34$) of responses could be regarded as bolstering strategy. In the

responses, 32.2% ($n = 28$) of them could be identified as deny strategy. The diminish strategy was found in 28.7% ($n = 25$) of response articles. However, there were no rebuild strategy founded in coded articles. The specific information was shown in Table 5. Based on Coombs (2007), rebuild strategy was to make compensation to the victims such as giving money or gifts, and to make an apology to the victims. However, in the collected articles, the researcher and the coders did not discover any of the rebuild strategy in any of the articles and that made the rebuild strategy row in the Table 5 not presented any data.

Table 5.

<i>Crisis Situation and Response Strategy</i>				
	Victim	Accident	Preventable	Total
Deny	15 (55.6%)	3 (33.3%)	10 (19.6%)	28 (32.2%)
Diminish	7 (25.9%)	3 (33.3%)	15 (29.4%)	25 (28.7%)
Rebuild				
Bolstering	5 (18.5%)	3 (33.3%)	26 (51%)	34 (39.1%)
Total	27 (31%)	9 (10.3%)	51(58.6%)	87 (100%)

In the analyzed articles, when Tesla was considered as in victim cluster type, the denial strategy was applied most (55.6%, $n = 15$), and diminish strategy was presented as followed (25.9%, $n = 7$), and the bolstering strategy (18.5%, $n = 5$), and no rebuild strategy. As Coombs (2007) suggested, that when Tesla was regarded as a victim, Tesla could apply deny and diminish strategy to handle crisis. In the articles with the accident cluster type, the denial, diminish and bolstering strategies were equally applied (33.3%, $n = 3$) and no rebuild strategy. In the articles with the preventable cluster type, the bolstering strategy was applied most (51%, $n = 26$), and diminish strategy was presented as followed (29.4%, $n = 15$), and the denial strategy (19.6%, $n = 10$), and no rebuild strategy. According to the analysis, the bolstering strategy was most

used when Tesla’s crisis was considered as preventable, and from Coombs (2007) said that organization with strong attribution of responsibility should apply bolstering strategy. To test the significant difference between the variable “crisis cluster” and the variable with “crisis response strategies”, a Chi-square test was applied in this thesis paper. Because of the row of rebuild strategy was not mentioned in any of the news articles, and the column of accident cluster only represented 3 units for each crisis response strategy, therefore, these two were removed from the test table, and the cross-tabulation was presented, see Table 6.

Table 6.

<i>Chi-square Test</i>			
	Victim	Preventable	Total
Deny	15	10	25
Diminish	7	15	22
Bolstering	5	26	31
Total	27	51	78
	Victim	Preventable	
Deny	9	16	
Diminish	8	14	
Bolstering	11	20	
	Victim	Preventable	
Deny	4	2.25	
Diminish	0.125	0.07	
Bolstering	3.27	1.8	
$\chi^2 = 11.515$			

Based on Table 6, it demonstrated a significant difference ($\chi^2 = 11.515$, degree of freedom = 2, $p = 0.0032 < 0.05$).

Public response on Weibo under Tesla official account

According to Weibo posts analysis through MAXQDA software, the coders concluded five categories for the main public response. The categories are: *National* (18.63%, $n = 2501$),

around 16% ($n = 391$) mentioned the United States, and around 13% ($n = 314$) mentioned the concept of the nation.

China

Many of Weibo posts mentioned *China* (72%, $n = 1796$). The posts' attitude varied a lot. For example, some posts expressed negative feelings, one post madly blamed Tesla, said: "Tesla has been arrogant to China!" And other post blamed Tesla's Chinese PR teams, said: "Is it true that no one at Tesla China's executives understands PR? I study Journalism, and I really can't stand this." While few posts expressed positive feelings, for example: "Tesla helped Chinese domestic electric vehicle grow a lot, good job."

The United States

Some of the post mentioned the United States (16%, $n = 391$). The posts were mainly about the international enterprise operating overseas. For example, one posts referenced that: "To be honest, it is all about Tesla is a foreign brand. When foreign brand made a mistake, it would be exaggerated in Chinese environment." And some of the posts showed supports: "Used in the U.S. for so many years! There is no problem! In a country where life comes first! If there is a quality problem, it is impossible to sell all over the world!" A post states that: "Tesla is so afraid to make a same statement in the United States. Don't you dare?"

Public Concerned about the Case

Many of Weibo posts contained the information about the case itself. This category

included brake failure (19.85%, $n = 2666$), accident (14.18%, $n = 1904$), and crisis (3.2%, $n = 430$). Unlike the prevailing rumors that Weibo users had took over Tesla's comments area, indeed, Weibo users cared about the case.

Brake Failure

For example, a post said: "Is the speeding violation and Tesla's braking the same thing, or is it deliberately guided because the lady has a speeding violation before, so driving your car is not in compliance with the traffic laws? Don't deliberately mislead this matter." And the other post said: "I remembered the time when the Mercedes-Benz brake failure, and then forced to slap in the face. Disgrace the face of Henan people. . . State compulsory identification. Check it out. Why not allow testing? Is the team behind protestor not working well after the test?" Some posts hold a point of view that it is all about Tesla's brake failure: "There are many incidents of Tesla's brake failure".

Accident

Some of the posts made fun of Tesla's inhumanly behavior to the protestor. For example, one post said, "Astonishing! The protestor accidentally slipped! And Tesla's staffs moved out the protestor immediately." While another post mentioned, "Life comes first. Accident is a number and a probability to the public, and it is 100% for the parties involved. It is a disaster." This post showed sorrowful feelings to the people who suffered from the accident.

Stakeholders

In this paper, stakeholders mentioned in Weibo posts included car owners and consumers, other parts were less mentioned in the posts. Basically, the stakeholders in the paper only included these two components.

Car owners

According to our analysis, the most frequent mentioned stakeholder group was car owners. In this paper, the most mentioned relationship was the one between Tesla and car owners (10.87%, $n = 1460$). Lots of posts mentioned the relationship between Tesla and its car owners. As one post stated, “The impact of this incident is no longer limited to the right and wrong between Tesla and the car owner. It has already affected most Tesla’s car owners to some extent. Here, I strongly suggest that Tesla should give an explanation to all car owners and a truth to the society regarding this protest thing.” Furthermore, a Weibo post suggested that, “If you really want to solve the problem, please show your attitude: 1. Communicate with the car owner honestly and sincerely to solve the problem! 2. Improve your vehicle problems, don't take too big steps, and learn the experience from the traditional car companies. 3. Please, train your own PR team.”

Consumers

Many of the posts mentioned the identity of the protestor, and Chinese public. According to the analyzed data, the identity was described as consumers (3.81%, $n = 512$). One post said, “Is it just only one consumer? Those consumers who don't speak up for themselves, you

just don't care? Is your product a lottery draw, and accident is the prize? How many times?

Please show some sincerity to your consumers.” One post mentioned the relationship between international enterprise and Chinese domestic consumers, “A good business is willing to accept and bear consumer criticism, but Tesla does not. None of our Chinese consumers discriminate against Tesla. Case involves life, no matter in any country, it should be well managed.”

Attitude from both Tesla and Weibo users

This category included mainly four components, *attitude* (2.82%, $n = 378$), *compromise* (5.57%, $n = 748$), *arrogant* (2.2%, $n = 295$), and *supportive* (3.75%, $n = 504$). This category indicated two-way communication between Tesla and Weibo users. Tesla’s statement included that “Tesla will never compromise to unreasonable demands.” Additionally, a post mentioned: “Uncompromising on unreasonable demands is eventually taken out of context as ‘uncompromising’.” While some of the posts considered Tesla’s statement as arrogant: “We, as Chinese consumers, don’t really appreciate arrogant attitude.” “Tesla had a good start, but the vice president ruined it!” Besides condemning Tesla as an arrogant international enterprise, some posts expressed supportive feelings to Tesla: “Support Tesla! Use legal way to solve the problem.” “Tesla was supposed to act tough on this protestor crisis, otherwise, this atmosphere will get worse.”

Solution

This category included public relations (6.96%, $n = 935$), response (3.32%, $n = 446$),

and comment (4.83%, $n = 649$). Based on Tesla's lately performance in China, many of Weibo users were looking forward that Tesla could carry out a good solution towards its own crisis.

Public Relations

Most of the posts mentioned that Tesla's bad public relation performance. A post stated that: "You really need to change your PR department." "The protestor thing is no longer an accident, but it is a serious social event. Tesla, please be aware of that." Public regarded Tesla's PR team as neither good nor sophisticated: "Did the person in charge of the PR department just graduate from college?"

Response

The public preferred Tesla to give a direct response to the brake failure scandal and the protestor situation. A post stated that: "Why don't you just make an official statement towards the rumors and gossips?" The response from the vice president was considered as an arrogant and condescending one: "Tesla's will never compromise? Chinese consumers will never compromise as well! Let's see!" Some of the posts showed supportive attitude towards Tesla, and considered this crisis was just bad PR performance: "Tesla is literally a good brand, but it has been smeared by an arrogant vice president and a misleading Weibo response."

Comment

Some of the posts doubted the reliability of the comments, said: "Did you all get hired

by Tesla? To say good of it?” “I think Tesla is spending money to manipulate people to comment here.” “Comments area has been taken by Tesla’s water army (hired people).”

Chapter Five: Discussion

This thesis paper sought to understand whether Tesla applied crisis communication strategies suggested by SCCT, and how the public perceived Tesla's crisis communication on social media. Research Question 1 asked what strategies Tesla applied that suggested by Coombs' situational crisis communication theory. According to the analysis, Tesla took three major crisis communication strategies denial, diminish and bolster. From the Chi-square test above, the researcher found out that the different type of crisis clusters did influence Tesla to select different crisis response strategies. If in this crisis, Tesla had been portrayed as victim, Tesla would take aggressive response strategy, to deny the accusations. If the crisis was considered as an accidental crisis, Tesla may take diminish and rebuild strategies, to minimize perceived damage, and apologize to the stakeholders. If the crisis was regarded as preventable, Tesla may take bolstering strategy, to remind past good performance of Tesla, and promised this kind of crisis would never happen again (Coombs, 2007). Based on what has been demonstrated in the previous chapter, Tesla blamed the protestor for being hired by competitor and this crisis was organized. But the findings suggested that Tesla aroused massive accusations and blame from Chinese media. Therefore, Tesla started to shift its strategy to diminish strategy, which trying to make justification for its behavior in both reality and Weibo and to take relatively minimal responsibility for this crisis, but Tesla was still not being accepted by the netizens. However, with Tesla being the hot topic during the period from April 19 to May 3, 2021, the situation was not significantly alleviated. And under the pressure from related

departments and media, Tesla shifted its strategy to bolster. It tried every method to restore its damaged reputation. Although Tesla took the bolstering strategy, it did not take all crisis responsibility on its own, but still said to cooperate with related protestors and departments to solve the problem, and finally admitted that this crisis was preventable indeed. Nevertheless, Tesla took a bolstering strategy, it took Tesla so long to choose this strategy, and it brought massive negative comments from Chinese domestic media, and according to Coombs (2007), it also stated that it is important to maintain a constant crisis response strategy, since the effectiveness of crisis response strategies can be eroded by combining deny to any other strategies, and Tesla's reputation was greatly damaged during the crisis period. Because of the characteristics of the Chinese cultural background, "seeking truth for the facts" is extremely important while handling the crisis. People in China prefer organizations to admit there are mistakes and find solutions for the public, instead of making excuses and shifting the blame.

As for Research Question 2, the social media content analysis showed that the public did have a strong opinion during this crisis. Based on Weibo posts, although Tesla was facing plenty of accusations and suffering from reputation damage during that time, however Tesla's sales were 33,155 vehicles in June 2021, which increased by 122% year-on-year (Chejiahao, 2021). During this period, Weibo users were getting a critical viewpoint and holding various perception towards this crisis. The interesting thing is that Weibo users were not always closely standing in a line with each other about the crisis, and they preferred to speak out what they wanted to say on Weibo.

Public opinion and posts on social media were essential parts of organization crisis communication, it could help Tesla gain two-sided communication in a short period of time.

Additionally, Tesla could observe posts and opinions on social media and then develop a corresponding crisis communication strategy based on SCCT.

This study provided SCCT a model, for how a Western oriented theory could be applied in China, which was a totally different country with different cultural background. More importantly, to apply a theory in different country should take a whole investigation on culture, market, media, and any other factors that may cause an absolute different response from the public. This study applied situational crisis communication theory to see this theory could offer a more practical approach to help organizations or companies to protect reputation during a crisis outbreak (Coombs, 2007). By analyzing the type of crisis, crisis managers can anticipate how public will perceive and react to the crisis, and more significantly, the managers could apply appropriate crisis response strategies towards the crisis (Coombs, 2007).

Limitation and Future Research

In this study, the following limitations should be acknowledged. The whole media context is limited to how Chinese domestic news sites and Weibo portrayed Tesla, but not so much analysis about Tesla official Weibo announcements, which could be regarded as unilateral analysis. And because of the two data resources were not necessarily related to each other, the reactions from Weibo could not directly connected to the news articles, the reactions from the Weibo posts could not related to specific news articles.

Furthermore, the analysis of domestic news sites could not represent the whole news environment in China, and this study could also utilize Tesla's performance in other similar cultural background countries such as Japan or Korea.

The Weibo analysis cannot ignore bots, although this paper used software to remove some

bots (the bots in China are also called *Shuijun*). There were still several of them that could not be eliminated. The bots could post misleading and hateful information which may lead to cyberbullying, and this could be problematic when dealing with crises on social media platforms. Moreover, in this study, only Weibo was applied as a social media platform dominated by text and pictures, and this cannot be representative enough of the whole social media context. Other platforms such as Wechat, Xiaohongshu, and Tiktok are also good platforms to deploy a social media analysis in the future. Research Question 2 only focused on how the public responded to Tesla on Weibo, but word-of-mouth should also be considered, even if there are fewer transcripts about it and the timeline is short, which means it cannot show long-term influence.

In future research, interviews and surveys could be designed and sent to owners of Tesla's vehicles to collect information directly, to see what are the product owners thinking when confronting Tesla's crisis, and that may be a different angle to include. And this study applied situational crisis communication theory to the Chinese context and demonstrated how an international enterprise collaborates with domestic media to handle its own crisis, which could be regarded as a reference for future research.

Conclusion

This study mainly investigated what crisis response strategy suggested by the SCCT Tesla applied, and how Weibo users responded to Tesla's crisis. Crisis communication is very common in China and choosing an appropriate crisis communication strategy needs public relations practitioners to put more effort into studying the relevant knowledge. The analysis

and findings revealed that an international enterprise could face multiple challenges from a different cultural background, and launching a new product in China is also challenging.

Not only Tesla, but also other international enterprises are supposed to take the cultural differences seriously, and more importantly, they are supposed to coordinate Western theory with Chinese cultural background, since the systemized theory structure may not fit in different cultural contexts. Because of the robust growth of social media in China, social media platforms are necessary tools for organizations to deliver a message, and companies should be aware of the importance of social media.

The traditional automobile industry is facing challenges from new energy vehicles, however, under this context, respect for consumers and cultural differences is significant, no matter what field or industry.

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