Public Relations Journal Vol. 3, No. 4, Fall 2009

Public Relations Contingencies in a Globalized World Where Even "Glocalization" is Not Sufficient

Robert I. Wakefield, Ph.D., APR

Over the years, phrases such as think global, act local or think local, act global have been developed as different mantra to guide strategic thinking in the context of globalization. Glocalization, a shorter term for think global, act local, has been in greater vogue recently, and the somewhat sarcastic term, globaloney, has been used by those who oppose the entire notion of globalization and do not believe that it is necessarily a concept that is here to stay. But how have the public relations industry and its practitioners applied these phrases or terms as they assist multinational organizations through the years? Are any of these terms most appropriate for international public relations practice, or are none of them applicable in an ultra-high-tech environment where any organization can instantly communicate with or feel pressure from individuals or publics in any place and at any given moment? How should the balance of global and local imperatives be handled today, or is this balance no longer relevant? This paper discusses these questions, and suggests that in today's environment none of the terms or phrases above are adequate for explaining how public relations practitioners, particularly those within multinational entities, should properly function. The paper discusses four different scenarios, or contingencies as they are called here, which detail how organizations get into trouble both locally and globally as they try to implement any one of these suggested mantra of the past. The paper then proposes a more comprehensive and appropriate approach to relationship building and reputation management which better balances the important combination of global and local oversight in the international arena.

INTRODUCTION

Globalization. Think global, act local. Think local, act global. Glocalization. Globaloney. Over the years, with more and more organizations launching into world commerce, these different words or phrases have gained or lost favor in the business lexicon. The words and phrases all have their reasons for being. But sometimes, for those who practice public relations across cultural and political boundaries—and particularly those who are just beginning—the words or phrases can add to the confusion and complexity that already exists in this

---

Robert I. Wakefield, Ph.D., APR is Associate Professor of Public Relations at Brigham Young University, robert_wakefield@byu.edu.

arena. Which of the terms may be most relevant in today's world of reputation management, and why? Or, in context of seemingly unquestioned globalization, have all of the other terms been rendered as unnecessary?

This paper will discuss these terms and explain their meaning and applicability for public relations practitioners. It will produce various scenarios in which corporate reputations are put at risk in the international arena—describing and naming, for example, different categories of reputational challenges or mistakes that multinational entities are still making locally, regionally, or globally as they struggle with these terms. Ultimately, the paper will suggest that a more comprehensive term may be needed to guide practitioners in today's global strategic planning and implementation activities.

The Globalization Pendulum

For decades, international business has negotiated between the global and the local. While the world in earlier eras was somewhat connected by communication and travel, the modern roots of globalization surfaced after World War II (Friedman, 2000), when U.S. businesses looked beyond their own borders (elsewhere, this had already been happening, but American business has, for good or ill, led the current vanguard into global commerce). The fall of the Berlin Wall and advent of the Internet accelerated this phenomenon that Miller (2003) thus called "globalization, American style" (p. 2). Berger (2009) explained, "There is indeed an emerging global culture, and it is indeed heavily American in origin and content. It is not the only game in town … but it is the biggest game going and it will likely stay that way for the foreseeable future" (p. 1).

Because of this American domination, Berger (2009) explained that "the term 'globalization' has come to be emotionally charged in public discourse. For some, it implies the promise of an international civil society, conducive to a new era of peace and democratization. For others, it implies the threat of an American economic and political hegemony, with its cultural consequence being a homogenized world resembling a sort of metastasized Disneyland" (p. 1).

It could be argued, however, that American global domination is waning and that the context of globalization today is becoming more truly worldwide. Long-time business consultants Sirkin, Hemerling, and Bhattacharya (2008) claimed that today's global business environment is vastly different from what it was just a decade or two ago: "Business flows in every direction," they said. "Companies have no centers. The idea of foreignness is foreign…. Western business orthodoxy entwines with eastern business philosophy and creates a whole new mind-set that embraces profit and competition as well as sustainability and collaboration" (pp. 1-2). Indeed, this new environment is evidenced by the latest listing of Fortune Global 500 corporations, in which 112 of the firms are headquartered outside the United States, Western Europe, or Japan (money.cnn.com, 2009). Economist Michael Panzner (2009) also has pointed out that "not only is the United States losing its grip on the reigns of global leadership, but other nations, including China, Russia, India, Iran, and Venezuela, are asserting their right to set the international agenda," economically as well as politically (p. xvi).

Multinational entities operating within the context of globalization have always sought the best ways to structure their operations to accommodate both global imperatives and local values and attitudes. They have tended to either centralize their finances and strategies or to scatter divisions around the world with little or no coordination. Sometimes, they would seek some combination of the two. But regardless of structure, managerial philosophy always seemed to boil down to how much centralized restriction to place on host country units in the entity (Bartlett & Ghoshal, 1989). Some managers or scholars believed that centralization was necessary to maintain control; others argued that cultural, political and economic factors varied so widely around the world that such control was futile, if not dangerous (Adler & Doktor, 1986).

In marketing and communications, as well, these structural debates surfaced (Ovaitt, 1988; Traverse-Healy, 1991; Botan, 1992; Baalbaki & Malhotra, 1993). Public relations consultant Gavin Anderson (1989) interpreted the poles as *global* and *international* public relations. Apparently he supported the global approach, writing that modern imperatives "demand that programs in distinctive markets be interrelated" because "they will share more than they differ" (p. 13). Authors like Angell (1990) countered that the variance between local countries was so great as to preclude any possibility of globalized communication efforts.

As organizations struggled to make sense of the complexities of globalization, various philosophers and academics attempted to create terminology to help simplify the concepts and challenges. As a result, over the years several terms have gained favor, only to be replaced by other terms or phrases that were thought to more accurately describe the processes for dealing with the global environment. These terms, their originations, and their implications are described below.

Think global, act local

As early as the 1970s, international sojourners attempted to bridge the extremes of global and local thinking. Interestingly, the first to recognize the need for this were not business leaders but environmentalists. Their focus was not to suggest some overall strategy, as business leaders might have done. Instead, they advocated the need for environmental groups to expand their views on local issues and integrate that thinking into a more global perspective so as to generate more success in their activities.

The first bridging effort was the now common phrase, *think global, act local*. Its origin is debated. Friends of the Earth, the non-governmental organization dedicated to conserving nature, claimed that its founder, David

Brower, created the phrase in 1969 (Friends of the Earth, 2000). Another source argued that the originator was the Canadian environmental economist Hazel Henderson (Fisher, 2007). But most attribute the phrase to René Dubos, the French-American microbiologist, while he was advising the United Nations Conference on the Human Environment in 1972 (Eblen & Eblen, 1994).

At any rate, the adage encouraged local action coupled with overarching strategy. Early emphases moved from the local to the global, exhorting individuals or groups "to change the world, starting with actions within one's own local community" (Stoeckert, 2003). Yet, because of its inherent logic, *think global, act local* was adopted by business as more firms went international. Once this occurred, the emphasis was reversed: entities saw it as global, top-down strategy first, then local adaptation and action (Miller, 2003).

Public relations practitioners also accepted the concept. Morley (1998) stated, "There is not likely to be a phrase you will hear in … public relations as often as 'think global, act local'" (p. 29). He explained that multinational firms had to fail in making superficial local adaptations in order to advance from early *think global, act global* standardization to the more nuanced *think global, act local* concepts. He illustrated this with beef steak: Its acceptance and flavor depends on local or even individual tastes, and in some countries it is an offense that "beef cattle are raised to end up on the dining table"; thus, "mere customization, after all, is insufficient" (p. 29).

Think local, act global

According to Fisher (2007), the phrase *think local, act global* was conceived by Japanese Internet pioneer Izumi Aizu in 1985. The flip side of the original phrase, *think local, act global* posits that seemingly small local actions can have broad global impacts—particularly in today's Internet environment. Fisher (2007) said that "those who have gone [global] know that the most compelling result of going global is developing a healthy appreciation of differences" (p. 1).

Yet again, though, the business world seems to interpret this phrase within global frameworks that ignore or downplay local differences. One source interpreted the model this way: "While the global offices remain sensitive to cultural and compliance issues in the markets they serve, the organization functions as an integrated, global enterprise" (ameinfo.com, 2002, p. 1). If so, the business model of *think local, act global* advocates moving away from loose local affiliations to a more standardized mode of operation. "Change of this scale and magnitude cannot be requested, it must be mandated," the source asserted. "Globalization cannot be implemented in an ad hoc fashion" (p. 2).

Perhaps this standardized worldview has some merit. When multinationals leave each local unit to its own strategies, they can get into trouble over the "weeks, even months" it takes to "collect, reconcile, translate, and analyze a company's regional and overall performance" (ameinfo.com, p. 1). And the once-reputed Arthur Andersen consulting firm collapsed in the Enron scandal when the global entity lost track of what the local advisors were doing—in this case, in the United States. When the crisis occurred, Andersen's units in other parts of the world could not distance themselves from the global scandal and the whole corporation then lost legitimacy and fell apart (Peterson, 2006). Perhaps better integration might have helped save the company from ruin. Therefore, this phrase, *think local, act global* also harbors insufficiencies.

Glocalization

While *think global, act local* is just four words strung together, the term apparently was not brief enough for some who used it. Thus was born the single, amalgamated word *glocalization*, coined in the 1980s by Japanese academics (Robertson, 1995). One scholar called it "one of the most grotesque words that academics have managed to coin" (Boyd, 2006, p. 1). She described glocalization as "the ugliness that ensues when the global and local are shoved uncomfortably into the same concept. It doesn't sit well on your palette, it doesn't have a nice euphoric ring. It implies all sorts of linguistic and cognitive discomfort" (p. 1).

Despite its awkwardness, *glocalization* has gained caché partly because somewhat reconsiders the need for cultural accommodation. With roots in sociology, anthropology, economics, and other disciplines, the word has different meanings in each domain (Boyd, 2006). In business, however, glocalization again seems little more than a terminological adjustment of the *think global, act local* notion. Robertson (1996) said, "The basic idea of glocalization is the simultaneous promotion of what is, in one sense, a standardized product, for particular markets, in particular flavors" (p. 224). Maynard (2003) saw it as a tailoring of products and marketing to meet variations in consumer demand. Either way the term still emphasizes a standardized mindset coupled with some acknowledgment of local priorities and tastes. Maynard (2003) explained:

> Whereas "globalization" suggests a monolithic sameness as a result of convergent worldwide economic, financial, and cultural flows … "glocalization," at the very least, suggests some sort of accommodation…. In the marketing sense, glocalization means that companies have to deal not only with worldwide considerations, but also, very expressly, with the specific rules and conditions of each country in which they operate. Glocalization represents the need for multinationals to be global and local at the same time. Put simply, whereas globalization is a move toward centralization, glocalization is a move toward decentralization. (p. 57).

Such accommodation, however, is still seen by some as mere "window dressing" to push sales as broadly as possible throughout the world. Morley (1998) clarified why this approach could be unwelcome in local markets: "The relentless rise of the multinational corporation posed a series of threats, or, at least, perceived threats, to local communities," he said (pp. 30-31). Glocalizing does not always benefit multinationals because each locale can accept or reject not just distant product offerings but the entire corporate presence. Multinationals, then, must align with these local values and choices or face long-term consequences of their actions—often regardless of their products.

Like the term *glocalization* itself, the basis behind the notion that multinational entities often confront local agents of change extends back to Japan:

> Given that the term glocalization is … coined by Japanese marketing professionals, a closer look at how it is translated into Japanese is instructive. Glocalization is translated as *dochakuka* in Japanese. English translations of the three ideographs, *do, chaku*, and *ka* are "land," "arrive at," and "process of." Thus, a most literal translation of *dochakuka* … conceptualizes the relationship between the multinational marketer and the host country as one of agency, i.e., the outsider arrives and acts upon the host culture, attempting to be perceived as native (Maynard, 2003, pp. 60-61).

As the *Glocal Forum* (2007) suggests, multinational corporations that enter local markets inevitably run into public biases that are beyond their control. "Glocalization entails a shift in the international system, from … a balance of power between nation states to a balance of cultural interests and local needs with global opportunities, always taking into account the importance of local actors as agents of change," noted the site. Nevertheless, the ultimate goal behind glocalization is to push global priorities with simple adjustments in each locale so that those priorities can be achieved.

An example of how businesses attempt to accommodate local marketplaces simply to achieve ultimate global success can be seen in Africa. Eko (2007) explained how United States technology companies, funded with millions of U.S. dollars by the United States Agency for International Development (USAID), laid fiber-optic cable into Africa, established additional satellite links, "and proceeded to create Web pages advertising local products and services from the outside world" (pp. 22-23). They also created Windows code that was accessible mostly in English and French, ignoring the hundreds of different languages spoken on the African continent.

Certainly there is an inherent value in connecting Africa to the rest of the world through modern technology. However, Eko (2007) argued that the purpose of this project was not just to assist the Africans, but to enhance global revenues for the companies. Eko quoted former Hewlett-Packard chief executive Carly Fiorna as predicting that Africa would be the next big growth market for technology. Eko also noted that these types of projects "have accelerated the transfer of … the Western culture of 'expressive individualism' to Africa, a continent with a decidedly communitarian ethic" (p. 23). The projects "effectively made the African continent part of the market-based, laissez-faire, neoliberal, e-commerce regime" advanced by U.S. administrations and businesses (p. 22). Therefore, Africa became part of the global priorities that still exist even within the supposed context of glocalization. To join this global club, African academics and technological experts—not experts from the business ranks involved in the initial project—had to then implement a painstaking process of "reinventing, Africanizing, and localizing [these] information and communication technologies" so that they would actually benefit Africans (Eko, p. 24). So, once again, we see a term, *glocalization*, that looks good on paper but which fails to adequately carry out the balance of global and local priorities that is necessary for long-term success in the globalized world.

Globaloney

Some of the inherent weaknesses in the phrases or terms described above are seen as operational or logistical. Rather than challenging the terms themselves, however, significant numbers of scholars, politicians, and activists question the underlying roots of the terms. Arising from these challenges is the term *globaloney*, which is proposed basically as a reactionary measure to the entire notion of a globalized, highly interconnected, and overpoweringly commercial world.

Miller (2003) noted that *globaloney* was first used by U.S. Congresswoman Clare Boothe Luce in 1943 to trash what vice president Henry Wallace called "global thinking." Since then, and particularly since the Cold War ended, globalization has assumed "the aura of an elemental force, like time or gravity" (p. 1). Spurred on by the Internet, global emails, cross-border mergers, and other economic and social phenomena, advocates proclaimed that globalization was here to stay and that those who eschewed the global bandwagon would be left behind (Friedman, 2000). Yet, as Miller (2003) argued, "The G word now faces such deep skepticism that much of it has probably gone too far. Globalization is far from 'dead,' as some claim. But it's a good deal more ill than you might think" (p. 1).

The term *globaloney* is pejorative and perhaps could be dismissed as frivolous. However, its importance is magnified through frustrations and criticisms against those in power who see the world as nothing more than a large, unfettered market for business and its products. Associated with the term are activist groups and anti-business movements that resist multinational entities and keep them from being successful in their efforts. These groups operate globally, as in the highly visible protests at international conferences of the World Trade Organization or at summits of the major political leaders of the world (Berger, 2005)***.*** But anti-business resistance also surfaces daily in various locales, targeted against specific corporations. The resistance often comes seemingly for no other reason than that the firms represent the globalized commercial movements that can so easily overpower local culture. Perhaps beneath the surface of mere anti-globalization, more deep-seated frustrations are occurring.

Implications for International Reputation Management

So, what does all of this mean for international reputation management and public relations practitioners? Is it useful or necessary to understand what each concept means? Is any one adage or term more applicable to public relations than the others? In our increasingly interconnected world, do none of them matter anymore? Or, is it possible that while important to understand the terms or phrases, each of them is still insufficient for international reputation building?

I propose, first, that even in today's world, multinational entities avoid a careful balancing of global and local priorities at their own peril. I also propose that *none* of the terms described above adequately captures the essential combination needed to practice relationship building and reputation management internationally.

Each of the phrases discussed above is still somewhat pertinent. For example, *think local, act global* places local action into a broader global context. For a multinational, anything that happens anywhere in the world can quickly spread and embroil the entire entity in a crisis. It is important to have consistencies in overall themes, policies, and messages, but equally essential to be prepared to handle globally any contingency that arises in any location (Doorley and Garcia, 2007). Also, the decentralizing processes related to *think global, act local* and to the subsequent notion of *glocalization* acknowledge that multinationals can be affected as much by attitudes and actions wherever they operate as by those at headquarters.

Still, many corporations persist in viewing the world largely in terms of needing local adaptations so that their global products and marketing efforts can be successful. Considering the profit motive of corporations, this is understandable; however, too often it also harbors the misconception that multinationals can reach and influence publics in host countries simply by modifying more-or-less centralized products and messages. With this "inside-out" view of the world, multinational entities inevitably get caught up in their own interests, while ignoring the needs, interests, and attitudes of various publics in countries where they operate (Wakefield, 2000). The multinationals are then left vulnerable to global crises because local perceptions of multinational corporations extend beyond mere choices over products and product messages. When local publics are negatively affected by the actions of multinationals, they strike back.

J. Grunig and Repper (1992) contended that organizations do not choose publics; rather, publics choose organizations—and usually because they are upset with them. In a book edited by Polish scholar Ryszard Lawniczak, J. Grunig and L. Grunig (2005) elaborated on how this concept plays out particularly in developing nations. “In the transitional societies,” they said, “organizations are tempted to use public relations to try to asymmetrically impose their idea of change on the publics that are affected by the change…. Often, the consequences of organizational decisions fall on people who were not part of the decision-making process but who suffer the effects economists term ‘externalities’” (p. 5). The externalities can be positive, providing benefits to local publics such as new tax revenues or greater employment possibilities, but often the effects are negative. Such effects include pollution or other environmental problems, poor working conditions, lower wages, etc. When this harm occurs, publics form to push back at the organization—usually in equally asymmetrical ways like strikes, boycotts, lawsuits, government regulations, and other means. These situations create a lose/lose scenario which needs to be resolved in order for the organization to successfully continue its operations. As the Grunigs (2005) argued, “Public relations is the most efficient way of dealing with the costs of externalities” (p. 7) because its practitioners can help detour organizational decisions before those decisions create harm. Practitioners also are trained to seek long-term win/win scenarios through relationship building instead of worrying only about selling products or gaining organizational revenue.

Even the most powerful multinational entities can never escape the reality that they operate as guests in any given culture. If local publics become dissatisfied with the behaviors of their corporate “outsiders,” as Maynard (2003) suggested, they can easily unite to put pressure on the outsiders—both in the given community or nation and across borders. These issues can quickly become global, but they always begin s*omewhere*—and that somewhere, in fact *everywhere* the multinational operates, must be included in the entity’s effort to protect its reputation.

For this reason, a centralized marketing mindset can be woefully inadequate for long-term relationships. International public relations managers must construct reputation programs that do not simply mirror or support marketing efforts but that locally and globally build relationships to help preserve the profitability that marketing can bring. Such public relations programs must be attuned to local politics, socioeconomics, and culture, to media differences, to the formation and changes in public opinion, and to activist possibilities around the world. They must also respond to instantaneous and constant global Internet communication. When these efforts somehow go awry either through headquarters mismanagement or by local *faux pas*, the multinational invariably suffers negative consequences.

What is needed, then, is a more complex way of looking at publics and conducting public relations in the multinational entity. This need includes an underlying philosophy of global public relations that closes the gaps left by the insufficient phrases discussed above. Unlike all of these attempts to address the global/local balance, an organizational or industry worldview that addresses these realities may not easily roll off the tongue. In fact, it may not be another coined and widely used phrase at all. Indeed, the real need for international reputation management is to **think global *and* local *and* act global *and* local**, constantly integrating and reinforcing these levels of strategy and action. Without a comprehensive strategic combination like this, multinational organizations face a strong possibility that their programs will fail.

Contingencies That Demand Comprehensive Thought and Action

Below are four different scenarios or contingencies that can occur due to organizational ineffectiveness in the international arena. Included in the descriptions are examples where multinational entities actually faced crises because of failures in these various categories. I call each of the four categories *contingencies* because whether they arise from traditional failures or from new global forces that directly affect multinational entities, they represent possible types of situations that the entities could encounter and need to be prepared for in creating effective international reputation programs.

Contingency I: Insufficient Global Oversight -- *Caught Sleeping*

This situation occurs when multinationals give too much latitude to local units without any system for monitoring their activities or integrating them into some global framework. There actually is solid rationale for having local units conduct their own relationship building programs. Traverse-Healy (1991) said that “the public is ‘out there’ … and therefore ‘out there’ is where the action has to be” (p. 34). Doorley and Garcia (2007) more recently added, “A frequent obstacle to clear communication in large organizations is distrust of central authority, particularly when that authority is … in another country, and part of a different culture. It is easy to believe that distant authorities with such different backgrounds and cultures cannot possibly understand local problems” (p. 245). However, a multinational that offers local units unbridled autonomy can incur major disasters when one or more of those local entities do something that raises global dissatisfaction. If headquarters is unaware of warning signs around the world, the firm can be left reacting poorly to crises that could and should have been anticipated.

Subway, the multinational sandwich chain, became a stark example of this scenario in 2004 when franchisees in Germany launched a tray-liner promotion intended to be humorous. The liners displayed an image of an overweight Statue of Liberty with the headline, “Why are Americans so fat?” The ads were a cross-promotion for the documentary “Super Size Me,” about Subway’s rival, McDonald’s. The promotion settled well in Germany but was blasted in the U.S. after Congressman Tom DeLay publicly criticized it for perpetuating American stereotypes. Conservative groups demanded an apology from Subway (Barnett, 2007).

Porter Novelli chief executive Alan Hilburg called it “a gross example of American overreaction," but many still believed that Subway handled the situation poorly. Instead of defending the appropriateness of local message variances, Subway forced the German franchises to pull the promotion and issued a public apology in the United States, “on behalf of Subway’s German franchisees”—which likely believed they had no need to apologize (Barnett, 2007). The company also clarified that the liners had not been prepared in the United States.

This case carries important lessons. Barnett (2007) explained that Subway had no procedure to examine new ideas for potential problems beyond local borders. With such provisions, the crisis could have been avoided. Subway’s public relations manager, Kevin Kane, said: “If somebody had mentioned [the promotion] to headquarters someone would have said this was not the best idea” (cited by Barnett, 2007, p. 1). He added that such provisions will be implemented in the future. Barnett (2007) noted that Subway also had no plan for anticipating when problems at local units could turn into global crises. Therefore, the company reacted defensively when this preventable crisis occurred.

Despite the opportunity to learn from Subway’s crisis, other firms continue to scale the cliff of insufficient oversight. Mattel unleashed criticism in 2007 when it recalled almost 20 million products made in China. More than two million products were contaminated with lead-based paint and 17-plus million contained powerful magnets that could break loose and potentially be swallowed by young children (Thottam, 2007). Mattel initially placed blame on its Chinese manufacturers, which produce 65 percent of Mattel products. This created a relationship problem wherein the Chinese government lost face. Recognizing a need for *guanxi*, or face-saving, Mattel executives travelled to China and issued an apology, stating that it was not a manufacturing issue but Mattel’s own design problem and insufficient oversight over their factories in China (Goldman, 2007). This action helped restore relationships in China, but increased criticism by media, government leaders, and others towards its headquarters in the United States. American media accused Mattel of “kowtowing” to China (Story, 2007). They also noted that Chinese products had already received negative scrutiny for recalls of tainted dog food, toothpaste and then seafood with a banned antibiotic (Merle and Mui, 2007). As one reporter wrote, “That isn't a happy situation for anyone, from families in the U.S. to workers in Chinese factories who face a daily risk of lead poisoning. It will take much more than yet another apology from Mattel to fix that” (Thottam, 2007, p. 1).

In the Subway case, Hilburg proposed that the company should have conducted a "vulnerability audit” to assess the risks in various corporate responses to potential criticisms (Barnett, 2007). The same type of audit certainly could have helped Mattel. More importantly, multinationals should have an established program for ongoing communication among their communication professionals at each unit and between local units and headquarters, to avoid locally generated global crises in the first place.

Contingency II: Overaggressive Centralization

The problems encountered by Subway and Mattel segue into an opposite contingency: overbearing centralization. How far should these companies have gone in putting into place provisions for monitoring or advising local units? Crises encountered by other corporations can be instructive in these situations.

In 1999, after 250 people complained of illness from drinking Coca-Cola products bottled in Europe, 17 million cases of Coke were destroyed. The European Commission dismissed Coca-Cola's insistence that its plants were not at fault. Seven nations banned Coke beverages or issued consumer alerts. Coca-Cola's centralized response was slow and inappropriate. Chief executive Douglas Ivester was in Paris when the news broke but returned to Atlanta and kept silent for eight days (Kaye & Argenti, 2005). When Atlanta staff finally traveled to Europe, its response was seen as self-serving and arrogant. Meanwhile, European staff was given little authority to diffuse the crisis. Consequently, the company lost millions of dollars in revenue, its reputation and stocks plummeted, and Ivester ultimately lost his job (Wakefield, 2000).

The company learned from its mistakes when another crisis arose in India in 2003. The Indian government alleged that Coca-Cola and other companies had produced contaminated beverages. This time, Coca-Cola India handled the issue with support from Atlanta specialists (Kaye & Argenti, 2005). Among other interventions, Coca-Cola worked with Indian non-governmental organizations to help preserve precious water supplies and address other environmental issues. As a result, in 2003, the government of Delhi, India, recognized Coca-Cola India for its rainwater collection programs (Doorley and Garcia, 2007). This model, therefore, serves as a better example of how crises can be mitigated through equal cooperation of local units and headquarters.

More recently the pharmaceutical industry has faced issues over the accessibility of drugs that would help fight AIDS in Africa and other underdeveloped regions. Stephen Lewis, a former Canadian Ambassador to the United Nations, called this issue "the greatest human tragedy of our age" (Lewis, 2001, p. 1). Spar and LaMure (2003) said that AIDS afflicts 39 million victims, most of whom are women, in Africa, Asia, and Latin America, and kills three million people every year. Seeing this tragedy that they believe is preventable, interest groups accuse pharmaceuticals of "greed that borders on murder" (p. 92). But Lewis (2001) explained that:

> Until the middle of the year 2000, the focus was overwhelmingly on prevention and care. Then, abruptly, at the international conference on AIDS in Durban in July, and again at the African Development

> Forum in Addis Ababa last December, the ground shifted. Suddenly, 'People Living with AIDS' began to make their voices heard, and their voices cried out for treatment (Lewis, 2001, p. 1).

After 2000, pharmaceutical firms felt increased pressure. One briefing noted: "The juxtaposition of images of terrible human suffering caused by disease alongside high-tech treatments offered to the rich represents a growing reputation risk to companies in a world of instant communication" (Oxfam, 2000, p. 3). Early pharmaceutical industry response varied from defensiveness to Novartis' preemptive accommodation. Slowly, however, the industry conceded, agreeing to lower prices in some cases and even allowing for the manufacture of generic drugs (Spar & LaMure, 2003).

After many years of dealing with the issue, most public relations practitioners in the pharmaceutical companies believe that we now live in a world where only centralized strategies make sense. In fact, in a study conducted by Dougall and Straughan (2006), they concurred that there are no longer any local issues at all:

> One executive explained, 'there is no compartmentalization of issues to national boundaries.' Another described the place of the Internet in connecting people and creating communities: 'The old model was that [of] the playing field. And there was a government and regulators and companies. And everybody was in the stands watching the game go on. And now, because of the Internet, everyone who was in the stands is now in the playing field. That's why it's becoming exceedingly more complex' (p. 76).

With an entire industry caught up in this international issue, it is understandable that they would view everything as globalized. When dealing with NGOs worldwide, participating in United Nations conferences and negotiating with the U.N. over drug prices and accessibility (Spar & LaMure, 2003), it could surely seem that there was no local voice in the debate. However, it still is dangerous to assume that local opinions, attitudes, and even hostilities toward multinationals can be wiped away as if they do not exist. Perhaps pharmaceuticals believe there is no local because African victims had no means to activate until recent years. Even then, such a small voice is overwhelmed by the global reach of the U.N., governments, and NGOs. Yet, the issue started in Africa, and those local influences ultimately led to the global cacophony against pharmaceuticals.

It is instructive that one pharmaceutical, Switzerland-based Novartis, reached out to the Africans and the activist organizations that supported them before the firm was even on the activists' radar screen. Novartis committed early to establish dialogue with the AIDs communities, to be transparent with activist groups, and to seek mutual solutions. Novartis also created a foundation to assist

AIDs victims in the developing world. Whether directly related or not to this outreach, in the early 2000s the firm's stocks outperformed the S&P 500 average by 33 percent (Spar and LaMure, 2003).

Coordinating a global mission, themes and messages, and activist outreach strategies between headquarters and all local units in a multinational is never easy. With today's technologies, it is tempting to say it is not necessary. Yet, imagine a multinational having success in China without consulting the local *feng shui* (Morley, 1998; Swann, 2008). Even in Europe, there still are vast differences from country to country that require local strategies and messages (Heath & Coombs, 2006). Additional evidence shows that this combination of global and local strategy and action is the best approach for long-term reputational effectiveness (Wakefield, 2000).

Perhaps one reason this balance is still difficult is that multinationals do not direct adequate resources to the task. Newsom, VanSlyke Turk, and Kruckeberg (2007) noted that 'in only a few countries is public relations practiced at the strategic level where the public relations person has the power and authority to affect policy" (p. 346). Doorley and Garcia (2007) added that "Outside of the largest multinationals, there are rarely dedicated resources at the regional or local level" (p. 247). There could be a few reasons for this: First, many countries have not had development programs in public relations to produce quality practitioners; but this is changing as the profession spreads over the world. It could also be that the senior managers in the local entities have not hired public relations people to help make good local decisions. And, of course, with multinationals concerned about revenues and efficiencies, many do not wish to dedicate sufficient funding to extend public relations out to local or regional markets. If so, this indicts both local managers *and* headquarters for not making global reputation preservation a priority.

The absence of qualified local practitioners increases the burden on headquarters to handle issues that arise in distant countries, usually with little recognition of local interactions that can lead to problems around the world. (Doorley and Garcia, 2007). This exacerbates this problem of overaggressive centralization, weakens the organization's understanding of, or communication support from, local units and, therefore, again renders organizations vulnerable to reactive crises.

Contingency III: *Globalutionaries* – Activism from "Somewhere Else"

When Disneyland opened in Hong Kong in 2005, it seemed to be glocalization at its best: through a joint venture with the Hong Kong government, the park incorporated local adaptations "to ensure its Asian guests felt comfortable while still getting an authentic Disney experience" (Swann, 2008, p. 295). The firm followed *feng shui* advice and positioned three boulders at the entrance to the park to foster harmony. The park's Chinese ambiance meant every attraction was presented in Mandarin, Cantonese, and English. Food was distinctly local. Some 18,000 jobs and 5.6 million visitors were anticipated in the first year (Swann, 2008).

Unfortunately, even with Hong Kong residents excited about the venture, Disney still encountered opposition—this time from afar, from activist groups located outside of Hong Kong. Accommodating the Chinese penchant for elaborate weddings, the park even catered up the local delicacy, shark fin soup. As Chi Chung-cheung of the Shark Fin Trade Merchants Association said, “Without shark fin, a Chinese banquet does not look like one at all” (Forero, 2006). Shark fin eaters advocate its aphrodisiac qualities, and one bowl of soup can cost up to $200. But environmentalists criticize the sharp decline in the world’s shark species, and particularly the common practice (called *shark finning*) of chopping off the fin and throwing the rest of the shark back into the ocean to die. Therefore, environmentalists reacted vociferously to Disney’s decision to add shark fin soup to its weddings. As Swann (2008) explained:

> Protests came from groups such as the Sea Shepherd Conservation Society and the World Wildlife Fund …. At first, the park responded to the controversy by offering to give guests leaflets describing the ecological harm of shark finning in hopes of dissuading shark fin soup orders. It also said it would buy from only ‘reliable and responsible suppliers,’ and it would offer non-shark fin soup options for banquets. After a month of protests, Disney president Robert Iger announced the park was removing shark fin soup from its wedding menu” (Swann, 2008, p. 297).

The lesson from this case is not so much that such a mammoth undertaking attracted opposition, but that the brunt of the opposition came from outside of Hong Kong. And unlike Subway, whose headquarters did not think about local imperatives at all, Disney worked hard to glocalize its efforts, from collaborating with the government to its years of planning to make the park culturally appropriate. No doubt headquarters and the local Disney offices worked closely together to ensure that all went well with the park. Despite all of this coordination, a crisis still ensued because apparently no one anticipated the problems that today can so easily arise from global activists.

It is true that local environmentalists helped spark this issue; but global activists outside China also saw the opportunity to promote their cause by making an example of a highly visible multinational entity. Whether or not the activists’ cause was legitimate, this is a vital lesson for all multinationals—that often in today’s interconnected world, even careful and appropriate glocalization is insufficient for protecting reputation if the entity is ignoring global publics in its accounting for local needs and priorities.

Friedman (2000) referred to this opposition which arises from outside a country as *globalution*, or "revolution from beyond" (p. 169). Globalution occurs when individuals or groups perceive a need to change the system, but lack the clout or freedom in their country to revolt on their own. To triumph over traditional constraints, they recruit powerful interest groups from other countries. An example Friedman cited was the overthrow of long-time dictator Suharto in Indonesia, where an Indonesian financial analyst was quoted as saying, "The global market will force upon us business practices and disciplines that we cannot generate internally" (p. 169).

Although Friedman's (2000) globalutions seem focused on political regimes, they also apply in pressuring multinational entities. Before the spread of the Internet and social media, multinationals could contain problems within any given country. If companies failed to "act local," or if the "act local" philosophy went awry, the consequences trickled home slowly if at all. Now, within hours or even minutes, issues can jump from local markets to headquarters and around the world. Expanding Friedman's concept, it is often these outside activists, or *globalutionaries*, who spread the pressure. Because of this possibility of *globalution* directed at multinationals, international public relations practitioners must be prepared to deal globally with *any* contingency in *any* country.

Contingency IV: *Cyberactivism*

Increasingly, multinational entities find themselves besieged by an entirely new and unsettling kind of globalution: Internet blogging and other forms of *cyberactivism*. In a realm where issues span the world in minutes and appetites for information are satisfied instantaneously, it is difficult if not impossible for multinationals to keep pace. Corporations increasingly are caught in the headlights of cyberactivism, and tried-and-true responses often fail in this context.

One of the first companies that faced an Internet crisis was Kryptonite, a bicycle lock maker. In 2004, a bike enthusiast learned that his Kryptonite lock could be opened easily with the flick of a Bic pen. The biker turned to *bikeforums.net* and warned his peers, "Your brand new bicycle u-lock is not safe!"—then added 175 words of vivid explanation (Swann, 2008, p. 130). In a few days, an estimated 340,000 Internet users viewed the warning. Another biker then filmed his own lock opening and posted it in a blog. In days, the video was downloaded three million times—whereupon word then spread to mainstream media (Swann, 2008).

Kryptonite's response was typically traditional—not surprising, since the firm's lone public relations person was overwhelmed by this "inconceivable product failure" (Swann, 2008, p. 133). Kryptonite had no crisis plan, but assembled an administrative team to "provide constant and honest communication" (Swann, 2008, p. 133). Two days after the video appeared, Kryptonite's public relations staffer sent emails to media promising a response within two more days. The one hundred reporters who called the first week were asked to leave an e-mail address so the firm could get back to them—which the staffer later did by e-mail. Only "top-tier" media like the *New York Times* were answered in person (Swann, 2008).

Kryptonite's real crisis resulted from its inexperience with the Internet. For one thing, the flood of activity crashed both the company's phone system and Web site. When Kryptonite finally responded to the bloggers directly via Internet, five days had passed—an eternity to bloggers who are used to having immediate answers. To make matters worse, the company replied simply that the locks would still deter theft, even though three million bloggers knew this was false. The company also offered consumers updated, secure locks but gave no time frame for delivery. Within normal manufacturing schedules, Kryptonite's responses might have sufficed; but in the nanosecond world of social media, they were not acceptable. Because of this crisis, Kryptonite lost an estimated $10 million (Swann, 2008).

Most corporations today are hyperventilating over how to negotiate the random, rapid-fire arena of cyberactivism. If effective public relations means interacting with any public that can affect or be affected by the entity's decisions and actions (Heath & Coombs, 2006), then traditional communication through mass media is doomed to fail here. Blogosphere publics expect responses through their own direct medium in highly transparent ways. Anything less exacerbates the problem. Kryptonite's general manager Steve Down put it best:

> I don't think anything can fully prepare you for this [blogosphere crisis]. That wasn't only new to our company but to our industry and all industries. …. The difficulty with Weblogs is that anyone can put out information in an anonymous way. For any business, Weblogs are a reality, and companies have to look at what they do and be able to respond adequately to concerns that are raised in such a forum (*PR News*, 2005).

Of course, Kryptonite is no longer alone in the crises generated by social media publics; new incidents constantly show how social media are rapidly changing the traditional ways of conducting public relations. Just a couple of examples: When U.S. Airways Flight 1549 crash landed into the Hudson River in January 2009, Floridian Janis Krums posted photos onto Twitter from his iPhone in less than 35 minutes. MSNBC then interviewed Krum as an eyewitness. Both actions occurred before U.S. Airways spokespeople had a chance to "control the message" with their own press briefing (Hannah, 2009). In April 2009, employees from one of the Eastern U.S. outlets of Domino's Pizza posted a YouTube video of them doing disgusting things to pizzas before allegedly delivering them to customers. Domino's handled the situation as well as possible, but only after more than a million viewers accessed the video (Kiley, 2009).

While these instances occurred in the United States and affected U.S.-based corporations, they caused global problems because anything that gets online can be accessed instantaneously from anywhere in the world. In addition, these situations often get reported by mainstream media, which extends the global reach and thus exacerbates the problem for the entity. When this occurs, corporations again need to be prepared to accommodate both global and local communication needs—global because the information can quickly get disseminated anywhere in the world; local because interpretations of the information will play out differently in each locale, and where the corporation has outlets or divisions the information can play into local attitudes about the corporation in ways that are best dealt with by local practitioners who best know the attitudinal environment toward the entity.

It may seem that dot.com corporations would be exceptions to Internet pressures, given their own technological sophistication. Increasingly, though, these companies also are vulnerable to the instantaneous and radically non-traditional Internet activists.

Google, Yahoo, and Microsoft (MSN) faced opposition from groups angered by the firms' agreement to censor Internet sites in China in compliance with Chinese government mandates. The companies blocked sites critical of the government and altered searches that contained words like *democracy, Falun Gong, or Tiananmen massacre*. Worse, opponents believed, the companies handed over Internet records that helped land Chinese *cyberdissidents* in jail. Opponents questioned how the companies "could reconcile doing business in China when it meant curtailing freedom of expression" and incarcerating Chinese citizens (Swann, 2008, p. 299).

Yahoo's general counsel responded that Yahoo China was "legally obligated to comply with the requirements of Chinese law enforcement." Google spokespeople added, "Our decision was based on a judgment that Google.cn will make a meaningful—though imperfect—contribution to the overall expansion of access to information in China" (both cited in Swann, 2008, p. 300). None admitted that the companies also might not have wanted to risk losing the billions of dollars of revenue available in China.

This case is useful because Internet companies are considered to be borderless, yet these multinationals chose to abide the laws of a host country at the expense of relationships with their home government. In complying with the laws of China, the companies have unleashed global opposition. In addition to ongoing accusations and subsequent scrutiny from the U.S. Congress, the firms now face lawsuits for human rights violations and threats from investor groups to withdraw funding (Blakely, 2007).

So, how do Internet companies and other entities operating over the Internet balance the global and the local? To whom are firms accountable in this uncontrollable global arena? Host governments, local governments, or no government at all? Does the responsibility of dot.com corporations to international morality ultimately get reduced to a battle between the companies and the extent of activist pressure they can endure? These are all questions that any multinational entity and their public relations practitioners increasingly confront with the global forces of the Internet and social media.

CONCLUSION

This paper has discussed various phrases related to the operations of multinational entities and their reputations around the world. The phrase *think global, act local* moves from the central to the periphery in mindset and action, while *think local, act global* moves in the opposite direction. The term *glocalization*, in a business sense, is an abbreviation of the former phrase. Scholars outside of business, however, clarify that local action is embedded in local values and attitudes rather than serving as a venue for simple adaptations of corporate messages. This clarification should push multinationals into actual relationship programs with individuals and groups worldwide who can be both affected by and affect the organization through activist pressure if they feel the multinational “outsider” is not behaving appropriately in their host countries. Likewise, the term *globaloney* should provide plenty of reminders to multinationals that a variety of activist groups and individuals despise the very root system of globalization that allows multinationals to flourish. Those activists and individuals are constantly monitoring multinational behaviors, ready to vent frustrations through direct and indirect pressures against these organizations which most visibly represent the globalization movement.

The paper argued that no current phrase or term effectively guides practitioners responsible for building and maintaining corporate reputation in multinationals. Instead, although it makes for inelegant terminology, reputation managers need to make sure that they *think global and local and act global and local.* Without constant vigilance and patient relationship building at both levels, and without constant internal interaction at both levels to ensure message and behavioral consistency while at the same time accommodating local tastes and nuances, a multinational entity is opening itself up to inevitable crisis somewhere in the future.

This is not an either/or proposition. In today’s interconnected, fast-paced communication environment, effective reputation programs will gather and utilize the best possible public relations talent in all of their local units around the world to cooperatively produce programs that combine these strategies and actions in a way that anticipates and protects the firm from any or all contingencies. This would be the case whether the issue arises close to headquarters, in some remote corner of the world or on the Internet, and in whatever form of activist pressure it may take.

REFERENCES

Adler, N.J., & Doktor, R. (with Redding, S.G.) (1986). From the Atlantic to the Pacific century: Cross-cultural management reviewed. *Journal of Management*, 12, 295-318.

Anderson, G. (1989). A global look at public relations. In B. Cantor (Ed.) *Experts in action* (2nd. ed.) (pp. 412-422). White Plains, NY: Longman.

Angell, R.J. (1990, October). “International PR” a misnomer. *Public Relations Journal, 46,* 8.

Baalbaki, I.B., & Malhotra, N.K. (1993). Marketing management bases for international market segmentation: An alternate look at the standardization/customization debate. *International Marketing Review, 10*(1), 19-44.

Barnett, N. (2007). “Subway's 'Humorous' Promotion is No Laughing Matter for PR Execs.” *pr news online*, April 3, 2007. http://www.prnewsonline.com /legalpr/case_subway.html.

Bartlett, C.A., & Ghoshal, S. (1989). *Managing across borders: The transnational solution*. Boston: Harvard Business School Press.

Berger, S. (2005). From Aldermaston marcher to Internet activist. In W. deJong, M. Shaw, and N.Stammers (Eds.), *Global activism, global media*. London: Pluto Press, pp.84-91.

Berger, P.L. (2009. July 1). The cultural dynamics of globalization. http://speakingoffaith.publicradio.org/programs/globalization/manyglobalizations-berger.shtml

Blakely, R. (2007). Yahoo! sued over torture of Chinese dissident. *Times Online*, April 19. http://business.timesonline.co.uk/tol/business/industry_sectors/technology/article1678306.ece

Botan, C. (1992). International public relations: Critique and reformulation. *Public Relations Review, 18*(2), 149-159.

Boyd, D. (2006). "G/localization: When global information and local interaction collide." *O'Reilly Emerging Technology Conference*, San Diego, CA. March 6.

Doorley, J., & Garcia, H.F. (2007). *Reputation management: The key to successful public relations and corporate communications*. New York: Routledge—Taylor & Francis Group.

Dougall, E.K., & Straughan, D. (2006). "Top communicators from global pharma firms talk about transforming times." Proceedings of the 10th Annual International Public Relations Research Conference, South Miami, FL March 8-11. http://www.instituteforpr.org/files/uploads/IPRRC10_Proceedings.pdf, pp. 70-80.

Eblen, R. A. & Eblen W. (1994). *The Encyclopedia of the Environment.* Boston: Houghton-Mifflin.

Eko, L. (2007). Africa: Life in the margins of globalization. In L. Artz and Y.R. Kamalipour (Eds.), *The media globe: Trends in international mass media*. Lanham, MD: Rowan and Littlefield.

Epley, J.S. (1992). Public relations in the global village: An American perspective. *Public Relations Review, 18*(2), 109-116.

Fisher, D. (2007). *Think local, act global!* http://www.origin.to/global.html.

Friends of the Earth (2000, November 7). *FOE mourns death of founder*. Organizational press release. http://www.foe.co.uk/resource/press_releases/20001107132336.html.

Friedman, T.L. (2000). *The Lexus and the olive tree*. New York: Anchor Books.

Glocal Forum (2005). *What is glocalization?* http://www.glocalforum.org/?id=197&id_p=193&lng=en.

Goldman, A. (2007, Sept. 22). Mattel apologizes to China. *Los Angeles Times* online edition. http://www.latimes.com/business/printedition/la-fi-mattel22sep22,0,3156433.story

Grunig, J., & Grunig, L. (2005). The role of public relations in transitional societies. In R. Lawniczak (Ed.), *Introducing market economy institutions and instruments: The role of public relations in transition economies*. Warsaw: Piar.pl., 3-25.

Grunig, J.E. & Repper, F.C. (1992). Strategic management, publics, and issues. In J. Grunig (Ed.), *Excellence in public relations and communication management*. Hillsdale, NJ: Lawrence Erlbaum, 117-158.

Hannah, M. (2009, Feb. 5). *In Hudson River landing, PR pros were not first responders*. http://www.pbs.org/mediashift/2009/02/in-hudson-river-landing-pr-pros-were-not-first-responders036.html.

Heath, R.L., & Coombs, T. (2006). *Today's public relations: An introduction*. Thousand Oaks, CA: Sage.

Kaye, J., & Argenti, P.A. (2005). *Coca-Cola India*. Grand prize-winning paper in the Arthur Page Society annual case studies competition.

Kiley, D. (2009, April 15). "Domino's Pizza YouTube video lesson: Focus on standards, and pack your own lunch." *Business Week* online edition. http://www.businessweek.com/ the_thread/brandnewday/archives/2009/04/dominos_pizza_y.html.

Lewis, S. (2001, Jan. 26). "Silence = Death: AIDS, Africa, and pharmaceuticals." *Toronto Globe and Mail*. Cited in CorpWatch.com. http://www.corpwatch.org/article.php?id=491

Maynard, M.L. (2003). From global to glocal: How Gillette's SensorExcel accommodates to Japan." *In Keio Communication Review*, No. 25, pp. 57-75.

Merle, R., & Mui, Y.Q. (2007, Sept. 22). "Mattel and China differ on apology." *Washington Post*, p. D01.

Miller, K.L. (2003). "The new buzzword: Globaloney." *Newsweek International*. http://veseth.8bit-micro.com/Buzzword.pdf.

money.cnn.com (2009). *Global 500: Our annual ranking of the world's largest corporations*. http://money.cnn.com/magazines/fortune/global500/2008/full_list.

Morley, M. (1998). *How to manage your global reputation: A guide to the dynamics of international public relations*. London: Macmillan.

Newsom, D., VanSlyke Turk, J., & Kruckeberg, D. (2007). *This is PR: The realities of public relations,* 9th ed. Belmont, CA: Thompson Wadsworth.

Ovaitt, F., Jr. (1988). PR without boundaries: Is globalization an option? *Public Relations Quarterly, 33*(1), 5-9.

Panzner, M.J. (2009). *When giants fall: An economic roadmap for the end of the American era.* Hoboken, NJ: John Wiley & Sons.

Peterson, J. (2006). "Think local, act global?" *International Herald Tribune*, Mar. 10. http://www.iht.com/articles/2006/03/10/yourmoney/maccount11.php

Robertson, R. (1995). Glocalization: Time-space and homogeneity and heterogeneity." In Featherstone, M., Lash, S., and Robertson, R. (eds.), *Global modernities*. London: Sage, 23-44.

Robertson, R. (1996). “Comments on the ‘global triad’ and ‘glocalization’”. In Inoue, N., (ed.), *Globalization and indigenous culture*. Tokyo: Kokugakuin University. Pp. 217-225.

Sirkin, H.L., Hemerling, J.W., & Bhattacharya, A.K. (2008). *Globality: Competing with everyone from everywhere for everything*. London: Headline Publishing Group.

Spar, D.L., & LaMure, L.T. (2003). “The power of activism: Assessing the impact of NGOs on global business. *California Management Review*, *45*(3), 78-101.

Stoeckert, C.J., Jr. (2003). “Common objects: Think global, act local.” *OMICS: A Journal of Integrative Biology, 7*(1), 103-104.

Story, L. (2007, Sept. 21). Mattel official apologizes in China. New York Times online edition. http://www.nytimes.com/2007/09/21/business/worldbusiness/21cnd-toys.html.

Swann, P. (2008). *Cases in public relations management*. Boston: McGraw-Hill.
Thottam, J. (2007, Sept. 21). “Why Mattel apologized to China.” *Time* Magazine. http://www.time.com/time/business/article/0,8599,1664428,00.html

Traverse-Healy, T. (1991). The corporate aspect. In M. Nally (Ed.), *International public relations in practice* (pp. 31-39). London: Kogan Page.

Wakefield, R. (2000). “World-class public relations: A model for effective public relations in the multinational,” *Journal of Communication Management*, 5(1), pp. 59-71.