

Crisis PR Study on Samsung Galaxy Note 7 Explosion Incident

Wenjing Zhang¹

¹ School of English for International Business, Guangdong University of Foreign Studies, China

Correspondence: Wenjing Zhang, School of English for International Business, Guangdong University of Foreign Studies, China. E-mail: 1184543746@qq.com

Received: April 17, 2020

Accepted: May 26, 2020

Online Published: June 8, 2020

doi:10.5539/ijbm.v15n7p68

URL: <https://doi.org/10.5539/ijbm.v15n7p68>

Abstract

Today's business environment is much more complicated than ever before, and only the companies with the capability to make quick responses to all kinds of sudden crises could survive. Therefore, managing enterprise crisis in an appropriate and responsible manner has appeared increasingly crucial. This study aims to identify appropriate PR strategies for corporations in crisis situation, with special focus on the Samsung explosion incident in Chinese market. And the finding shows that the "double standard" strategies in China was a fatal mistake committed by Samsung in its crisis management and close cooperation with influential social media constitutes a significant factor in handling crisis. It is expected that the results of this research can help companies deal with crisis effectively.

Keywords: crisis management, crisis PR, Samsung note 7 explosion incident

1. Introduction

In today's society, companies are in a world where crises are almost everywhere. According to a survey on business crisis conducted by Steven Finks(1986), 80% of the entrepreneurs questioned hold the point that the crisis was as inevitable as death confronted by human beings and 74% of the respondents said that their companies had experienced serious crisis before. Those findings have revealed a trend that the crisis has gradually become a norm for enterprises. Under such circumstances, a corporation's ability to make appropriate response to the crisis events largely dictates the enterprise survival.

For corporations, the crisis comes from various sources including organizational misdeeds, man-made disaster, workplace violence etc (Wu, 2013). All these incidents could further result in severe PR disaster if not handled correctly. Especially today, with the growing number of social media, once a company gets into trouble, there will be widespread reporting about the company's scandal, and some media may even distort the truth of story in order to gain more public attention, causing severe damage to the company's reputation and business interests(Gou, 2016). Meanwhile, the company's negative attitude in dealing with the crisis incidents can make the situation even worse. In recent years, the PR crises faced by the enterprises are on the increase as a result of company's wrong way of handling their crisis incidents (Wu, 2013). Therefore, managing the enterprise crisis in an appropriate and responsible manner has appeared increasingly crucial. Establishing an appropriate crisis management mechanism with the help of principles of crisis PR also becomes an important area of scholarly study and professional practice.

Based on crisis management, this essay tries to provide a close look at crisis PR in business world by conducting a case study on Samsung's explosion incident, in the hope of getting some inspirations. This paper includes four sections: Section 1 introduces the research topic; Section 2 focuses on the relevant definitions and principles in the crisis PR field; Section three makes a description of the explosion incident and analyzes Samsung's major mistakes in the whole incident, then provides some constructive suggestions; Section four makes a conclusion of this research. It is expected to generate some inspirations for contemporary corporations in taking effective actions when confronted with serious crisis.

2. The Overview of Crisis Public Relation

Before coming to the exact case study, it is important to get a clear understanding of crisis PR. In this section, some basic notions of crisis PR will be exhibited.

2.1 The Definition of Crisis

The word “crisis” is derived from the Greek word “krinein” meaning analyzing the dangerous situation and making a prompt decision (Slaikeu, 1990). And Langman Dictionaries define crisis as “a situation in which there are a lot of problems that must be dealt with quickly so that the situation does not get worse or more dangerous”. Usually, in the eyes of most western scholars, crisis is deemed to be a term with negative meanings. Some representative definitions are presented below.

D'Humières (1993) argued that “crisis is assimilated to phenomena which dissuade the individual, as well as the organization, and is primarily determined by the duration of the inability to make a decision, an interval during which the functioning of the organization is disturbed, sometimes compromised.”

Dariusz Tworzydło (2016), Professor of Warsaw University, put more emphasis on the different phases when giving definition to the word “crisis”. He specified the term by stating that “a crisis consists of a number of adverse events which contribute to becoming a breakthrough between phases of development, turning point or a decision-making problem. It is also every change that causes a rise in tension in the structures of the entity that it concerns.”

Laurence Barton (1994), crisis PR expert, linked the crisis with unpredictable factors by elaborating the crisis as “a negative event with many uncertainties, which would cause great damage to the organization, employees, product, service and reputation.”

Although the definition of crisis proposed by these western scholars might be slightly different, it has been commonly accepted that crisis usually occurs unexpectedly and would cause serious damage to the organization. In China, crisis usually has a dual meaning (Wu, 2013). According to Xinhua Dictionary, crisis refers to “a situation in which the threat and opportunity co-exist”. Specifically, if corporations or individuals can make quick and accurate response to the emergency events, the crisis could be turned into an opportunity. Here, the key to turning the crisis into opportunity lies in the effective actions in dealing with the crisis events (Liu, 2017).

2.2 The Characteristics of Crisis

Despite the fact that the crisis can happen for many different reasons, they do share several defining characteristics when it comes to the corporate crisis (Wu, 2013). Based on the previous studies on the characteristics of crisis by scholars both at home and abroad, four typical characteristics are listed below.

1). Unexpectedness

The crisis usually comes suddenly as a result of managers' failure to notice the onset of the crisis. Like a virus, the crisis usually has an incubation period, during which some subtle signs of the crisis may appear. However, since the crises are most likely to take place in the unprepared places, it would be very difficult for people to identify the potential crisis in the early stage. In addition, most people lack the sense of crisis and pay less attention to their surrounding environment, making it even harder for people to realize that the crisis is on the way. Therefore, the crisis always hits people by surprise, causing anxiety and panic.

2). Harmfulness

Harmfulness is a distinctive nature of crisis as the occurrence of crisis will inevitably lead to serious damage and loss. Usually, when a company suffers an abrupt crisis, the aftermath of the crisis will not only be limited to the company's profit. Deeply influenced by the company scandal, both the image and the interests of shareholders could be adversely affected, promoting a sharp fall in the share price. In 21st century, the complicated business world presents a wide array of threats to the corporation and as a result, an increasing number of corporations which fail to manage the crisis situation suffer both in the reputational and financial damage.

3). Fast spreading

In China, there is a proverb saying “good news never goes beyond the gate, while bad news spreads far and wide.” which reflects another significant characteristic of crisis. In modern society, when a corporation is hit by a crisis, the crisis incident may suddenly grab the headlines in that many newspapers and televisions enjoy reporting the scandals of big companies to achieve public attention. Currently, with the rise of the mass media, the “fast spreading” characteristic has become much more predominant. The advent of new media, such as the weibo and BBS, has further accelerated the spread of corporation news, making the speed reach an unprecedented level. Under such condition, the golden 24hours rules that the company should take actions to handle the emergency events within 24 hours after the crisis breaking out has become obsolete. Considering the fast-speed of the crisis spreading, the golden 4 hours concept has been put forward in an attempt to minimize the damage, requiring that the crisis need be brought under control within 4 hours at the early stage, otherwise the

crisis situation would deteriorate and be covered by a great many social media.

4). Constructiveness

While it has been commonly confirmed that the crisis is harmful and always seen as a threat for organizations, it can also be beneficial depending on the company's capability to address the crisis incidents. Chinese culture believed that the crisis represents both danger and opportunity. For corporation, crisis is like a double-edged sword, which could bring either benefits or severe consequences. Those who deal with the crisis situation successfully will get a great chance to build their brand image and win credibility among the consumers, for example, the Johnson & Johnson has won the public approval by tackling the TYLENOL crisis successfully and effectively, while those who fail to handle the negative events will lose the loyalty of customers and may even go bankruptcy such as the SanLu milk power group. Here, the crisis management has played a significant role in deciding the companies' fate when the crisis strikes. And only when the company has the ability to manage the crisis situation well and make good use of the crisis incident, can the crisis be constructive and beneficial.

2.3 The Development Stages of Crisis

In the late 1980s, Steven Finks has identified five general development stages of crisis, which then have been commonly used by scholars both at home and abroad to explore the PR crisis field. According to Steven Finks, most crisis incidents could be divided into five development stages: prodromal stage, acute crisis stage, crisis extension stage, crisis management stage, crisis outcome and chronic crisis stage. And different development stages will bring different extent of damage and loss to the organization, which can be illustrated by the figure below.

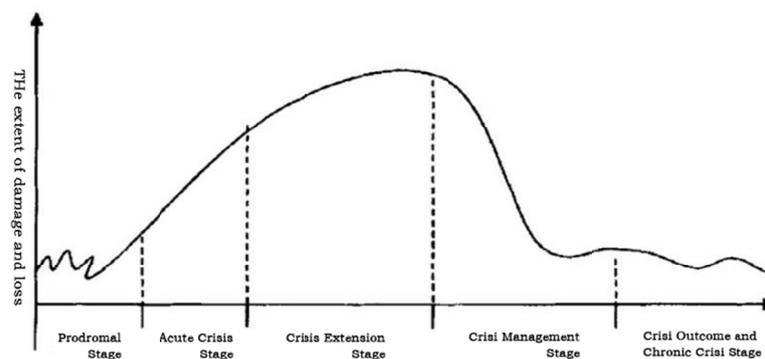


Figure 1. Development stages of crisis

Source: [Net.1].

2.3.1 Prodromal Stage

This stage can also be called formative stage. During this stage, the crisis will not break out, instead, it will show some subtle clues, indicating the occurrence of the negative affairs in the future. The damage suffered by the company is relatively small in this period. The duration of this stage could be months or even years, depending on the specific situation of the crisis. In this stage, the company has the opportunity to predict the potential crisis based on the clues and put an end to it before it begins. However, due to lack of crisis awareness, many companies are unable to identify these potential crises, therefore, often miss the best time to prevent the crisis.

2.3.2 Acute Crisis Stage

It is in this stage that crisis happens and starts to gain public attention. In this stage, immediate action-taking is very necessary in order to prevent the crisis situation from getting out of control, and usually the company's inability to make a timely response could lead the crisis to the next more serious phase. The damage brought by the crisis will appear to be an upward trend if the crisis cannot be handled effectively.

2.3.3 Crisis Extension Stage

In this stage, the crisis will cause pernicious influence and receive extensive media coverage. The negative news spread rampantly online, causing severe damage to the corporation image. Company reputation, brand image as well as its value in the marketplace all suffers greatly in the area of the crisis shadow. Under great pressure from

the mass media, the company will strike to rescue its credibility and begin to prepare crisis PR programs to minimize the bad effects for the crisis incidents. And the extent of damage tends to reach the highest level in this stage.

2.3.4 Crisis Management Stage

This stage is characterized by damage control. During this stage, the company will carry out extensive PR programs to manage the complicated crisis situation in the hope of maintaining the sustainability and the productivity of the organization. And the PR programs here usually include media contact, press release etc. With the help of those crisis PR activities, the damage suffered by the organization will gradually decrease. In the field of the crisis PR, this stage has been attached great importance.

2.3.5 Crisis Outcome and Chronic Crisis Stage.

The crisis Outcome and Chronic Crisis Stage is also known as post-crisis stage, during which the trouble is almost over as the public attention to the crisis incidents is defused. In this stage, the work of the organization is mainly about analyzing causes of the negative affairs, consequences of its crisis PR strategy, as well as implementing crisis preparedness to prevent such crisis from occurring again (Winni Johansen, 2017). And the damage will continue to decrease in this phase.

In spite of the fact that these development stages have played a significant role in providing guidance in crisis PR field, there is one point worthy of attention that the crisis does not necessarily have all these stages or develop exactly the same as the description of these stages. In reality, there can be exception to the overall tendency. Therefore, it's important to take a flexible attitude in dealing with the specific crisis cases.

2.4 The Principles of Crisis PR

In the previous studies on crisis PR, many useful principles have been put forward by different scholars in an attempt to give guidance to the organizations to overcome their crises. In this section, some important principles are to be reviewed.

2.4.1 Principle One: Make Accurate Situation Analysis

When crisis hits, an accurate situation analysis must be made immediately in order to create effective strategies to handle the crisis. Lack of such analysis will only result in inefficient planning and crisis-solving actions which thereby harm the organizations. Meanwhile, it also decreases the possibility to overcome the crisis smoothly. Thus, the situation analysis has been given the first priority and regarded as an important crisis management instrument. With the help of such instrument, the organization can not only get a clear understanding of the crisis situation they are facing but also optimize the resources available to the best extend .

2.4.2 Principle Two: Be Transparent and Authentic

When the crisis strikes as a result of misdeeds of the organization, most companies would choose to use "no comment" policy in the hope of preventing the crisis from deepening (Wu, 2013). However, a great number of real cases have proved such action to be very disadvantageous. In the event of crisis, the action of remaining silent will cause the information vacuum allowing false information and biased articles outspreading (Pines, Wayne,& L, 1900). And the situation will soon get out of control by letting someone outside the company tell the story of the crisis incident. Considering that the public have the right to know the truth, it's wise to be transparent and authentic. By being honest to handle the questions of the media and public, a positive position in addressing the crisis will be achieved.

2.4.3 Principle Three: Provide Professional and Effective Communication

In response to a crisis event, a comprehensive communication strategy can be very useful. Thus, organizations should devote great efforts to communicate with the outside world. On the one hand, the organization should cooperate with the media efficiently in order to create an atmosphere of openness and show its sincerity and genuine concern. Further, communicating effectively with the media can help reduce the spread of the biased information. Of course, some communication manners need to be paid attention to in dealing with the media. "It's important to communicate in a clear and honest way; to give facts without withholding important information; to communicate with timeliness in order to be able to set the agenda."(Winni Johansansen, 2017) On the other hand, the organization can also communicate with the professional or official agencies so as to resort to the external help. With powerful publicity mechanism, the concurrence of those agencies can help the organization win the customer's trust.

2.4.4 Principle Four: Build a Responsible Image

Crisis can also come with opportunity (Kolek, 2009). Responsible and appropriate actions in handling crisis can help company build a strong reputation, and sometimes even win a bright future (Strayer&Jacqueline, 2016). When the crisis occurs, rather than adopting defense strategies and shunning the responsibility, the company should first make a sincere apology to victims and other shareholders suffered in the crisis, then play a proactive role in making up for the mistakes. And sometimes, companies may make rash promises to win favors from the customers. In such case, the company has to put its words into action, instead of giving the public a blank check.

3. PR Research on Samsung Galaxy Note7 Explosion Crisis

In this part, the author will review the whole story of the event and make analysis on the basis of Samsung's response so as to make some constructive suggestions for the modern corporations.

3.1 Background of Galaxy Note7 Explosion Crisis

In 2016, Samsung launched Galaxy note 7, a 4G LTE phone, which features a better stylus, iris scanning capabilities and waterproof body to compete with Apple. Compared with the previous phones of Galaxy series, note 7 has many improvements aimed to provide a better user experience. For example, this handset gets a new "Secure Folder" capability, which sets up a separate folder with an extra layer of authentication to keep private. And it is equipped with a 3,500mAh battery with quick charging and wireless charging capabilities, a USB-C port and an always-on display (Weiss, 2016). All these features made Samsung capture great attention even before releasing and Samsung plan to further expand its market with the note 7. However, thing did not go well as Samsung expected. The launch of the note 7 has eventually turned out to be a severe disaster.

On August 19th, Samsung Electronics unveiled its latest flagship device, Galaxy note 7, in ten countries including America, Australia and Korea etc. Immediately, the note 7 becomes a hit in the market. On the first day of sale, the note 7 has been sold more than 35000 units which was a pretty exciting beginning. With favourable publicity, the sales of note 7 have remained strong growth. However, the delight situation didn't last long. On August 24th, there was report of the note 7 catching fire in the home market of South Korea. Suddenly, the photos of note 7 burning went viral online, causing concerns among the public. Some Korean media even ridiculed the note 7 as a "bomb of one million won". But Samsung didn't pay enough attention on this incident at very beginning, only suggesting that users should use the original phone charger and stay away from the handset while charging. Then several explosion incidents took place again at the end of August and under great pressure of public opinion, Samsung started to take actions in dealing with the exploding issue. On September 2nd, Samsung hold a press conference in Seoul, issuing a recall of the Galaxy note 7 and temporarily halting sales of note 7 in ten countries. The recall program, as part of Samsung's efforts to control the crisis situation, requires customers to return their note 7 by offering a refund or a replacement phone. However, the Chinese market is not included in the first-round recall plan and the note 7 was still being sold in Chinese market. Samsung claimed that it's the battery deficiency that makes the phone overheat or even explode and the note 7 sold in China have a different battery supplier, therefore are safe from exploding. Such statement has been interpreted as Samsung's unfair treatment which irritated Chinese customers. Then, on September 18th, the "safe" note 7 handset exploded in China for the first time. Instead of making effective communication immediately with the Chinese users, Samsung still insisted that the note 7 sold in China is safe and suspected that it's the customer's improper use that cause the exploding incident, consequently generating much negative press about Samsung in china. And on October 5th, even the replacement phone caught fire on the southwest Airlines flight which made the situation even worse. Due to safety concerns, many airlines have banned note 7 from their flights. At that time, Samsung's credibility has been suffered severely. Finally, consider the long term health of the company, Samsung ceased all sales and issued a second recall on October 10th, asking customers to return both the note 7 and the replacement devices by offering a refund or another Samsung model(Galaxy S7 or Galaxy S7 edge) along with some financial compensation for the price difference. Then on October 11th, Samsung officially discontinued the production of note 7 to end the business disaster.

3.2 Analysis of Samsung's Crisis PR Strategies

In order to minimize the damage brought by the PR crisis, Samsung has made its own strategies to deal with the crisis situation. This section is given much emphasis on Samsung's major strategies in addressing the explosion incident along with some suggestions based on the analysis of those strategies.

3.2.1.1 The Major Strategies in Dealing with the Explosion Crisis

On the basis of Samsung's practice in handling the explosion incident, it could be summarized into five major

strategies in the chronological order. Respectively, they are holding the press conference, pushing a software update, expanding its recall program, ceasing all the sales and releasing the cause of the investigation. All the strategies below taken by Samsung reflect Samsung's capability in crisis management field.

3.2.1.2 Hold Press Conference

As more and more media kept close focus on the note 7 exploding incident in Korea, generating increasing pressure, Samsung Electronics finally hold a press conference on September 2nd as response. And Samsung mobile president Koh Dong-jin has presented at the conference. Mr koh bowed in apology for the exploding incident on the conference and claimed that Samsung would recall the 2.5 million note 7 devices it had sold, showing their strong determination in solving the severe problem. Meanwhile, Samsung also made statement that the sales of note 7 would be temporarily ceased and promised the placement phones they offered in the recall program were absolutely safe.

3.2.1.3 Push an App Update

Considering that the recall of 2.5 million devices is a huge task which would take a long time, Samsung has designed an App update to help reduce the risk of overheating or exploding for users who haven't return their handsets. Samsung said this App update would limit the maximum battery charge to 60% so as to overcome the battery deficiency, indicating that users can continue to use their phones with this App update. And Samsung first issued the App update in its home country of South Korea on September 20th.

3.2.1.4 Expand the Recall Program

After several replacement phone exploded, Samsung Electronics realized that the cause of the explosion incident is not just the battery deficiency and therefore started to make some adjustments of its recall plan. Samsung expanded the product recall to all the replacement phones and this time, the Chinese version of the Note 7 was also included. During the recall process, Samsung has offered two options for customers: one is to get a refund and the other is to get another replacement phone of Galaxy S7 or Galaxy S7 edge. And Samsung also offered some credit gift to users who choose the latter option through the retainers and carriers in an attempt to retain the note 7 customers.

3.2.1.5 Cease all the Sales

Soon after the note 7 being banned from all flights in America by the Federal Aviation Administration, the four major carrier---AT&T, Sprint, T-Mobile, and Verizon stopped selling and exchanging the note 7 (Weiss, 2016). Then Samsung officially confirmed that all the sales of note 7 would be permanently ceased and decided to kill the production line of Galaxy note 7 in order to maintain control in the situation. (Ribeiro& John, 2016)

3.2.1.6 Officially Release the Root Cause of the Exploding Incident

Even when the crisis ended and the note 7 has been completely withdrawn from the worldwide market, the public were still waiting to see the real reasons that cause the note 7 catch fire and explode. Finally, at the start of 2017, Samsung revealed the causes of the explosion incident on Jan 22th. According to Samsung's announcements, it was the manufacturing defect as well as the battery flaw that contributed to the explosion crisis. "The issue with the first version of the Note 7 — with what Samsung calls "Battery A" offered by Samsung SDI Co — was that the battery's negative electrode had a slight deflection, allowing the positive and negative electrodes to meet. And when that happens, fires start. The second version of the Note 7 - the second model came with a new battery from Amperex Technology Ltd that was supposed to resolve the issue -- showed that "Battery B" had abnormal welding burrs (slight bumps leftover by welding) on the positive electrode. The welding burrs caused direct contact between the positive tab with the negative electrode." (Aaron, 2017)

3.2.2 Effects and problems of Samsung's Crisis-Rescuing

While Samsung have taken emergency measures to manage the note 7 incident, the effects it achieved were far from satisfactory. In the third quarter of 2016, the sales of Samsung Electronics have decreased by 7.5% along with the profits dropping by 30%. And Samsung's sales performance in Chinese market was even worse. Due to Samsung's "unequal treatment" strategy in the explosion crisis, its market share in Chinese market has fell to less than 10%, far behind Huawei and Apple. Meanwhile, Samsung's market value has erased more than 20 billion dollars (Du,2017). Further, in spite of the efforts Samsung has made in the crisis-rescuing, customers still felt disappointed at Samsung's response, generating adverse impacts on the brand image.

Given the unsatisfactory effects achieved by Samsung's crisis PR strategies, it is fair to say that there are some mistakes in Samsung's actions in dealing with crisis, which reflect Samsung's poor preparation for the sudden crisis. Here, some problems of Samsung's Crisis-rescuing will be examined..

First of all, lacking a crisis management plan is part of the reason why Samsung failed to properly handle the crisis incident. In the complicated commercial environment, setting up a thoughtful crisis management plan in advance can ensure effective action-taking in the first place when the crisis strikes, rather than a muted response aggravating the media pressure (Heaviside & Katherine, 2016). In the note 7 crisis, without an adequate preparation for emergency situations, Samsung was unable to make a quick and appropriate response. When the explosion incident first happened in Korea, instead of collecting information to assess the crisis situation immediately, Samsung just took a wait-and-see approach, therefore miss the chance to control the situation at the beginning of the crisis. Samsung's ignorance to the early sign of the exploding handset also sowed the seeds for the next mega crisis.

Secondly, Samsung's inconsistency in the causes of the explosion attributed to an image of dishonesty. During a crisis, it's essential to be transparent and let the public know the truth, rather than maintaining confidentiality and preventing the leaking of information (Pines, Wayne, & L, 1900). Samsung's several different declarations of the causes let down the customers. At the early stage of the explosion crisis, Samsung's official explanation was customer's improper use that caused the explosion. As more and more handsets were reported to have overheated or even exploded, Samsung changed its words, saying that the reason must be the flaw of the "battery A" made by one of Samsung's subsidiaries, Samsung SDI Co. Unfortunately, the latter explosion of the replacement phone turned out that the deficiency of "battery A" was not the root causes of its crisis. At that time, Samsung has already lost its credibility among the public and some customers even felt being cheated. Although, Samsung has finally disclosed the true causes of the exploding in 2017 after a long-term investigation, the image of dishonesty has been deep-rooted in some customer's minds.

Thirdly, Samsung's "unequal treatment" in the note 7 crisis intensely annoyed the Chinese customers, for which Samsung's market share suffered a rapid decline in Chinese phone market. When Samsung decided to make its first recall of the note 7 because of the overheating and exploding phenomenon, it was speculated that the launch of the note 7 in the Chinese market would be delayed. However, surprisingly, Samsung still launched its product as scheduled on September 1st. In the face of the skepticism over this product launch, Samsung responded that the Chinese version of note 7 had a different battery offered by another supplier, therefore had no quality problem. Apparently, such statement seemed quite ironic since soon after the product launch, the Chinese version handset also exploded, which capped the Chinese users' rage. Faced with the fact that the Chinese version phone also caught fire, Samsung insisted that the external heating was the reason of exploding and refused to recall the Chinese version phone. Under such circumstances, Chinese media and customers criticized Samsung for using "double standard" to deal with the explosion incident. And eventually, Samsung has gained a bad reputation for only focusing on the business profits, without considering the safety of customers in Chinese market.

3.3 Suggestions Based on Samsung's Crisis

From the perspective of Samsung, the note 7 crisis is not just an accident. Rather, it's a symptom of a deep problem: a long-term ignorance of the crisis management. Based on the above analysis of note 7 crisis, this section serves the purpose of making some suggestion.

Firstly, Samsung should build an awareness of crisis. A lack of crisis awareness usually leads to ignorance of the initial signs of the looming crisis, letting the situation go from bad to worse. Thus, the acute crisis awareness plays a very important role. And only when Samsung increases its awareness of risk, can it identify the potential crisis at the very beginning and take immediate actions to prevent the crisis from happening or exacerbating.

Secondly, Samsung should treat all the customers equally, no matter which market they are from. For companies, "Customer is the king" is a golden rule that never get out of date. It's essential to remember that customer deserve to be treated seriously. In the note 7 crisis, a huge mistake made by Samsung is its "double standard" strategies which hurt feelings of Chinese customer. Such "unequal treatment" strategy has made itself suffer a great loss in the Chinese market. In business, pursuing the business profits at the expense of public interests is strongly criticized. In order to win the customer's trust back, Samsung should take good care of customers, making them feel respected and valued. And most importantly, treat all customers fairly.

Thirdly, Samsung need to pay close attention to the quality control. For any business, the quality of their product is the lifeblood of their company. The high-quality product serves as the cornerstone for the company's long-term development, able to win the favors of the customer, while the low-quality product only brings troubles (Wu, 2012). For Samsung, the quality problem of note 7 is the root cause of its PR disaster, which also reflects negligence by the quality inspection department. In order to eradicate such incident, Samsung ought to improve its quality control procedure. It is worth noting that the quality enhancement is not only good for the customers but also good for the company.

Fourthly, Samsung should strengthen cooperation with the news media and provide accurate and precise information to the public. The most effective way to stop the spread of false stories is to provide the truth to the public by working closely with the mass media (Wu, 2013). During the crisis, both the media and the general public expect total honesty from the organization. An honesty attitude in the crisis will always be appreciated (Shang, 2016). Meanwhile, a good relationship with the news media constitutes a significant factor to success. By working closely with the news media, Samsung can not only achieve favourable publicity but also get the initiative to manage the news when the crisis abrupt. Therefore, the communication strategy with news media should be attached more importance.

4. Conclusion

Samsung's explosion incident has brought the crisis management into public view and more companies start to devote efforts to this area. Although, Samsung's attempts at managing the note 7 crisis have fallen flat, the author can still draw some inspirations from its crisis, such as build an awareness of crisis, strengthen cooperation with the news media ect. All these suggestions are expected to help companies to deal with crisis effectively and appropriately.

On account of author's limited knowledge and ability, there are many limitations in the research, and the analysis is mainly based on the information published on the Internet which makes this thesis far from perfect. Therefore, more research on crisis management is needed in the future.

Reference

- Aaron, T. (2017). Samsung Finally Opens Up On Investigation Into Note 7 Fires: Blame The Batteries. *Forbes Com*, 1.
- Barton, L. (1994). Crisis management: Preparing for and managing disasters. *Cornell Hotel and Restaurant Administration Quarterly*, 35(2), 59-65. <https://doi.org/10.1177/001088049403500219>
- D'Humières, P. (1993). *Management de la communication d'entreprise*. Paris: Ed. Eyrolles.
- Du, C. Z. (2017). On the crisis and turnaround of samsung's new business centered on the Note 7 explosion. *China Electronics Business*, (3), 27-30.
- Fink, S., & American Management Association. (1986). Crisis management: Planning for the inevitable. *Amacom*,.
- Gou, H. B. (2016). PR Case Study of TaoBao website. Master's thesis. *Shanghai International Studies University*.
- Gou, H. B. (2016). PR Csase Study of TaoBao website. Master's thesis. *Shanghai International Studies University*.
- Heavyside, K. (2016). Protecting Your Client — and Your Bottom Line — With a Crisis PR Plan. *Insurance Advocate*, 127(15), 32-35.
- Johansen, W. (2017). Understanding and practicing crisis consulting. *Journal of Communication Management*. <https://doi.org/10.1108/JCOM-12-2016-0104>
- Kolek, J. A. C. K. I. E. (2009). Managing a crisis—and becoming a stronger organization. *The Public Relations Strategist*, 36-37.
- Liu, F. (2017). Talking about the crisis management of enterprises based on the analysis of Samsung mobile phone explosion. *Enterprise Managers*.
- Pines, W. L. (1985). How to handle a PR crisis: Five dos and five don'ts. *Public Relations Quarterly*, 30(2), 16-19.
- Ribeiro, John.(2016).Samsung kills off the Galaxy Note7 to end the exploding battery debacle. *PC World*, 35(11), 27-29.
- Shang, Q. Y. (2016). On samsung's crisis management in the Note7 incident. *Modern Communication*, (13), 105-106.
- Slaikau, K. A. (1990). Crisis intervention: A handbook for practice and research. *Allyn & Bacon*.
- Strayer, J. (2016). The Five PR Opportunities of Crisis. *Sales & Service Excellence Essentials*, 15(6), 5-6.
- Tworzydło, D. (2016). Crisis management procedures and tools based on qualitative research. *Marketing of Scientific and Research Organizations*, 22(4), 53-66.

- Weiss. (2016). FAA's Samsung Galaxy Note7 Flight Ban Complicates Life for Travelers. *Eweek*, 2.
- Weiss. (2016). Samsung's Galaxy Note 7 Features Improved Stylus, Enterprise Security. *Eweek*, 1.
- Wu, M. F. (2013). Mass media's crisis PR strategy. *Chinese Film Press*.
- Wu, X. W. (2012). Research on product quality crisis management of multinational corporations in China. *Shandong University of Finance and Economics*.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).