Cultural Variance in Corporate Presentation:
Content Analysis of U.S. and Chinese Corporate Web Sites

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Abstract

This study examined the public relations strategies on corporate web sites for the top 100 companies in the U.S. and China in terms of power distance, one of Hofestede’s cultural dimensions. The quantitative content analysis revealed that corporate web sites for Chinese companies scored significantly higher on power distance than the web sites for American companies. Furthermore, this study compared the Chinese versions of web sites for American companies with their English versions, and found that those American companies localized their public relations strategies through their web sites in the Chinese language. This analysis revealed that the Chinese web sites for American companies score higher on power distance than their English counterparts.
The Internet is a new medium for corporate public relations. Most companies, large and small, have already built a web presence. While corporate web sites are used as a controlled channel for companies to communicate with their publics, they can also help the publics to understand the companies (Kent, Taylor, & White, 2003). Therefore, corporate web sites can serve as means to improve the balance of relationships between the companies and their publics (Coombs, 1998; Kent & Taylor, 1998; Kent et al., 2003). As a result, corporate web sites have been regarded as a significant component of corporate communication (Kent & Taylor, 2003).

According to Sullivan (1999), a corporate web site serves a number of functions, including electronic commerce, control of information flows between companies and their publics, disclosure of financial information to the interested parties, and reduction of communication expenses. An effective web site can help to achieve these goals in a number of ways. First, a corporate web site provides a convenient platform for both business-to-business and business-to-consumer commercial activities (Sullivan, 1999; see also Dou, Nielsen, & Tan, 2002; Quelch & Klein, 1996). Second, a corporate web site enables managers to disseminate positive information, to respond quickly to negative information about the company, and to facilitate the process of collecting and analyzing public opinion (Sullivan, 1999; see also Tracy, 1999). Third, companies use their web sites to disclose their financial information, which is important to managers who need to make investment decisions (Sullivan, 1999; see also Perry & Bodkin, 2000; Tracy, 1999). Finally, with corporate web sites, companies can decrease their cost, as the web is a cheaper, faster, and easier way for communication than traditional media (Sullivan, 1999; see also Chun & Davies, 2001).

This study focuses on the public relations functions of corporate web sites and investigates how cultural characteristics affect the public relations strategies on corporate web sites. Specifically, this study will examine the effects of power distance, one of Hofstede’s (1980, 1991, 2001) cultural dimensions, on the communication strategies on corporate web sites for leading companies in the U.S. and China.

Corporate Web Sites and Public Relations

Previous studies have revealed the role of corporate web sites as an important channel for public relations. Liu, Arnett, Capella, and Beatty (1997) suggested that large corporations use corporate web pages to promote their corporate image and to improve public relations. Similarly, Esrock and Leichty (1998) suggested that “image-building via the Internet has become an accepted public relations practice” (pp. 314-315). Esrock and Leichty (1998) examined how the corporate web sites for the Fortune 500 companies address issues related to social responsibility, which is an important part of corporate image management. They discovered that most corporate web sites are attempting to build the image of being socially responsible by presenting their concerns about such issues as ecology, environment, education, and community involvement through their web sites.

Through content analysis of the top 100 companies from the Fortune 500 list, Vattyam and Lubbers (1999) discovered that “provision,” which includes stock quotes, employment notices, press releases, general company overview, messages from CEO, and financial information, is the most important purpose of corporate web sites. According to Vattyam and Lubber, provision is more significant than promotion, which consists of: special sales or limited offers, new product announcements, product/service database search, customized product searches, listing of products and services, and listing of prices. As the items for provision are very much related to the activities of traditional public relations, the contents for promotion are more about direct marketing or transaction. In their study, Vattyam and Lubber confirmed the
notion that big companies are more likely to use the Internet for image building or public relations than for direct marketing or transaction processing (Liu et al., 1997).

Perry and Bodkin (2000) also conducted a content analysis of the web sites for the Fortune 100 companies. They divided the components of marketing communication through corporate web sites into four categories: advertising, sales promotions, public relations, and direct marketing. They found that advertising components are the most frequent components used on those corporate web sites. However, the most representative advertising components are logos and company-specific information, which suggested that “web site advertising is not particularly integrated with advertising in the physical market place” (p. 95). Logos and company-specific information can actually be looked at as public relations or image components. Furthermore, Perry and Bodkin reported that public relations components, focusing on news and shareholder information, are the second most frequent components on the corporate web sites they analyzed. Perry and Bodkin’s findings again confirmed that leading companies tend to use their web sites for public relations (Liu et al., 1997; Vattyam & Lubbers, 1999).

Building upon previous research, this study will examine the prominence of specific contents on corporate web sites in terms of strategies for public relations. What’s more, this study will explore this issue from a cross-cultural perspective. Cross-cultural study of the functions of corporate web sites in public relations is important, since corporate web sites, as a component of Internet communication, are inherently global. A corporate web site can help a company reach its publics or potential publics all over the world, which inevitably involves cross-cultural communication. Therefore, this study chooses a cross-cultural perspective to explore the functions of corporate web sites in public relations.

Cultural Dimensions and Internet Use

Hofstede (1991) describes culture as the “collective programming of the mind which distinguishes the members of one group or category of people from another” (p. 5). All social facts, which include institutions, behavioral patterns, norm systems, or societal formats, are made into “cultural goods” by the inherent bonds within a society (Servaes, 1988, p. 59). The differences among cultures result in the differences in many social dimensions across different countries (Servaes, 1988). Understanding the differences between national cultures is thought to contribute to cooperation among different nations (Hofstede, 1991). This is especially important for companies in this Internet age, as the Internet provides companies from different nations with more opportunities to interact with each other, to practice cross-national cooperation and to conduct transactions than traditional media.

In Hofstede’s (1980) original study of employees in the subsidiaries of IBM across 40 countries around the world, national culture (cultural traits that are related to a specific nation) can be identified through four dimensions, which are power distance, collectivism versus individualism, femininity versus masculinity, and uncertainty avoidance. The first dimension, power distance, refers to “the extent to which less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Hofstede, 1991, p. 28). The second dimension is collectivism versus individualism. Collectivism favors group interests and obligations above individual interests and pleasure, and it defines self by including group attributes, whereas individualism prefers individual interests to group interests, and it defines self independently (Hofstede, 1980, 1991, 2001; Marcus & Kitayama, 1991; Triandis, 1995). Femininity versus masculinity, the third dimension, measures the difference of social roles taken by men and women in a society. In a feminine society, men and women share similar personalities such as modesty and tenderness, while in a society of masculinity, men are
more assertive, tough and ambitious, whereas women are more tender and modest. In addition, the preoccupation with material goods and status characterizes a masculine society (Hofstede, 1980, 1991, 2001). The fourth dimension, uncertainty avoidance, is defined as “the extent to which the members of a culture feel threatened by uncertainty or unknown situations” (Hofstede, 1991, p. 113). A fifth dimension, long-term versus short-term orientation was added into the system later (Hofstede, 1991, 2001).

Researchers have applied Hofstede’s cultural dimensions to the studies of Internet-related communications. Stewart, Shields, and Sen (1998), for example, identified one of Hofstede’s cultural dimensions, collectivism versus individualism, through a text analysis of transcripts of a course’s listserv. They discovered that students from collectivistic cultures perform differently than students from an individualistic culture when they interacted in listserv. Asian students were found to be more group-oriented demonstrating a stronger sense of “we” in their posted messages, whereas white Americans, particularly males, were found to be more individual-oriented. In this study, then the usage pattern on a listserv, a popular form of Internet use in organizational communication, was demonstrated to be shaped by cultural traits (Stewart et al., 1998).

Marcus and Gould (2000) applied Hofstede’s framework to their study of user-interface designs, and they identified Hofstede’s cultural dimensions in different web pages from different cultures. Focusing on the structural and graphic elements of web page design, they found that a university web site from Malaysia, a culture with high power distance in Hofstede’s framework, tended to emphasize the official seal of the university and pictures of faculty or administration leaders, which could not be found on a university web site from the Netherlands, a culture with low power distance in Hofstede’s framework. Also, a web site for a national park from Costa Rica, a collectivistic culture, emphasized national agendas and political announcements, whereas a web site for a national park from the U.S., an individualistic culture, focused on the visitors and their activities.

Following Marcus and Gould (2000), Zahir, Dobing, and Hunter (2002) revealed cultural differences in their study of national web portals from 26 countries. They found that despite the fact that most national portals followed the basic format of Yahoo, cultural dimensions could be identified. For example, the Philippines, a culture of high power distance in Hofstede’s study, was found to be willing to demonstrate power difference in its web portal. Its national portal prioritized Filipinos working in foreign countries by providing them with special services, as these people made more money than those who worked within the Philippines. Another example was from Australia, an individualistic culture. The authors found that the national portal of Australia did not include items related to women’s issues, religion, and personals, which were believed to be the means of bringing people together. This finding demonstrated that Australians acted in a relatively independent manner, and group-oriented activities were not very important in their culture, as evidenced by their national portal.

To sum up the literature, use of the Internet is affected by cultural traits and can be clearly identified in public web sites. Hofstede’s cultural dimensions were identified in both personal and organizational use of the Internet, and these dimensions shape and predict the patterns of Internet use, commercially or non-commercially. This study will explore the interaction between cultural dimensions and public relations strategies in cyberspace by examining the web sites of the leading companies from the U.S. and China. The reasons for choosing companies from the U.S. are: 1) the Internet was launched in the U.S.; 2) the U.S. is playing a leading role both in development and adoption of information technology and in the
global economy; and 3) commercial use of the Internet is most sophisticated in the U.S. Chinese companies are chosen because: 1) China is the world’s largest market with a population of 1.3 billion; 2) China’s GDP is currently the sixth largest in the world, and its purchasing-power parity is an 11.8% share of world GDP, second only to the U.S. (The Economist, 2003, p. 73); 3) China is the world’s fastest growing nation in terms of its information and communication technology spending (ITAA, 2002), and 4) the number of Internet users of Internet users in China increased from 0.62 million in 1997 to 79.5 million in January 2004 (CNNIC, 2004). Therefore, this study will compare how the different cultural traits affect the public relations strategies of leading companies from these two dominant IT and economic powers. Specifically, this study will focus on the cultural dimension of power distance, since power distance has been a key factor that distinguishes the public relations practice in many developing countries from the practice in developed countries.

**Power Distance and International Public Relations**

Researchers have found that power distance is an important cultural dimension in international public relations. Taylor and Kent (1999), for example, argued that power distance has impact on organizations’ external communication in developing countries. Taylor and Kent analyzed the public relations practice in Malaysia, a culture with high power distance, and found that “government is the most important public” (p. 131) in public relations in developing countries, since “government has the power to approve or reject organizational requests” (p. 139). Furthermore, Taylor and Kent suggested that as Asian cultures are characterized by the respect for hierarchy and authority, which are the key components of power distance, power distance should be an important framework for understanding the theory and practice in international public relations.

The role of power distance was also confirmed by other studies concerning international public relations. In a case study of public response to the Coca-Cola tainting crisis in Western Europe in 1999, Taylor (2000) found that uncertainty avoidance and power distance are two important cultural factors that determined European countries’ response to the 1999 Coca-Cola tainting crisis. Taylor suggested that countries with high uncertainty avoidance and high power distance tended to react more strongly to the crisis than countries that were low on these two cultural dimensions. Consequently, power distance is identified as an important factor that should be integrated into international public relations in this study.

Given that 1) power distance is an important factor affecting both the patterns of Internet use and the theory and practice of international public relations, and 2) China is high in power distance (scoring 80), while the U.S. is low in power distance (scoring 40) in Hofstede’s theoretic framework of national cultures (2001), this study hypothesizes:

**H1:** Corporate web sites for Chinese companies score higher on power distance than web sites for American companies.

Furthermore, this study will examine if the Chinese versions of American corporate web sites are localized for the Chinese market in terms of power distance, since “glocalization”, an integration of globalization and localization, has become a strategy for international marketing and advertising (Robertson, 1995; Maynard, 2003). Global companies in public relations in cyberspace have also adopted this approach. Maynard and Tian (2004), for example, found that the majority of the 100 top global brands have a web site in the Chinese language. Those top global brands use their Chinese web sites to communicate with their local publics and to build the image of being socially responsible in the Chinese market. In addition, Maynard and Tian revealed that expressing concerns for local events and posting awards or honors from Chinese
government or local community were the two prominent factors of the Chinese web sites for top global brands. Government relations, an important aspect of power distance in public relations, are identified as an important function for corporate web sites.

Building upon the research by Maynard and Tian (2004), this study also hypothesizes that leading American companies, most of which are global companies, localize their Chinese web sites for the Chinese market and therefore should be characterized by high power distance as compared with their English counterparts.

H2: The Chinese versions of American corporate web sites score higher on power distance than the English versions of American corporate web sites.

Method

A content analysis was conducted to test these research hypotheses. Both the American and Chinese samples were drawn from the web site of Fortune magazine. For the American sample, the top 100 companies on the Fortune 500 list (Fortune, 2003) were chosen. For the Chinese sample, the list of China’s 100 Largest Companies, compiled by Fortune China and Anderson (Fortune, 2002), was used as a sample. Top companies from Fortune rankings were chosen as a sample for this study for two reasons. First, previous studies suggested that Fortune 500 companies have played a leading role in adopting information technology (McLeod & Rogers, 1982; Li, McLeod, & Rogers, 1993, 2001), and therefore these companies were assumed to be using their web sites in a more sophisticated way than other companies. Second, Fortune provided rankings for both American and Chinese top companies, which made the two subsamples in this study comparable since they were from the same evaluation system.

A codebook was developed. A pretest was conducted with 30 corporate web sites from the U.S. and China respectively. Two independent bilingual graduate students well-versed in computer and Internet use were trained as coders. Holsti’s (1969) formula was used to calculate inter-coder reliability. For those items on which the inter-coder reliability was below .80, detailed explanations of those items were provided, and appropriate adjustments were made. A second pretest was conducted to make certain that the inter-coder reliability was above .80 for every item in the codebook. After that, a formal coding of the corporate web sites for the top 100 American and Chinese companies was conducted.

For each company, the following basic features were coded: the company’s name, the company’s rank on the Fortune list, and the nationality of the company (the U.S. or China). Then the coders were instructed to code if the company had a website (1 = yes; 0 = no; 2 = there is a URL, but the link does not work). If a company was coded as ‘2’ for this item, the coders were instructed to check back with that link three times in three consecutive weeks. If the link was active once, its code was changed to ‘1.’ Coders also recorded the complete URL for each corporate website, active or in active, and the date when the website was accessed. For each American corporate web site, coders were instructed to code if it had a web site in one of more foreign languages, and if it has a Chinese web site. After coding these basic features, the coders were instructed to code the variables relevant to the cultural dimension power distance on corporate web sites.

Power distance was measured by three variables: 1) if the web site emphasized government relations (i.e., if the web site provided information about its relationship with the government, government agencies, government officers, and related authorities), 2) if the web site addressed its honors, certificates, awards, and major achievements, and 3) if the web site emphasized how the company was visited by authorities, government officers, and celebrities. These variables were used to measure power distance for two reasons: first, government
relations, an important component of power distance, is the most important aspect of public relations in many Asian countries (Taylor & Kent, 1999); second, Chinese corporate web sites were found to be characterized by the presentation of honors and awards and important people’s visits to the company (Peng, 2000), which signified the respect for authority and hierarchy, and therefore could be used to measure power distance (Taylor & Kent, 1999). Coders were asked to code these three variables on a three-point Likert type scale ((1= not at all to 3 = very much). Compared with using dichotomous measurement (yes/no), this three-point Likert-type scale could help the researchers to evaluate the prominence of issues being presented, while still assuring high inter-coder reliability, which would have been very difficult to maintain if the researcher had chosen a five-point Likert-type scale.

For American companies that had a web site in the Chinese language, all the variables about power distance were coded both in an English and Chinese language context. Therefore, if an American company had a Chinese web site, each variable would have two values, one for its “home” web site, and another for its “target market” web site. For each “target market” web site, the coders were instructed to record if the web site addressed issues relevant to local government relations, honors, certificates, awards, and major achievements from local government or communities, and local celebrity visits. This analysis would help to evaluate how the leading American companies communicated with their Chinese publics in a local context.

**Results**

All of the top 100 companies in the U.S. were found to have an active web site, while 85 Chinese companies had an active web site. Fifty-four American companies were found to have web sites in one or more foreign languages, among which 37 had a web site in the Chinese language. That is, more than one-third of the top 100 American companies had a web site in the Chinese language.

For those companies with a web site, the score for power distance was calculated. The three variables measuring power distance were combined into one cultural factor power distance (Cronbach’s $\alpha = .81$). Additive index was used to calculate each web site’s score on power distance.

A one-way ANOVA was performed to test the research hypotheses. H1 was supported (F $(1, 183) = 65.90$, $p = .00$), which suggested that corporate web sites for Chinese companies (M = 6.21, SD = 2.45) scored significantly higher on power distance than those for American companies (M = 3.97, SD = 1.17). H2 was also supported (F $(1, 131) = 15.40$, $P = .00$), indicating that the Chinese versions of American corporate web sites (M = 5.10, SD = 1.16) scored significantly higher than the English versions of American corporate web sites (M = 3.95, SD = 1.16).

**Discussion**

This study reveals that power distance is an important factor that distinguishes corporate web sites for the American companies from those for the Chinese companies. American culture is a culture with low power distance, while Chinese culture is characterized by high power distance (Hofstede, 2001). The off-line cultural dimension can be clearly identified in online strategies of corporate public relations, as Chinese corporate web sites score significantly higher on power distance than American corporate web sites. Therefore, this study confirms Hofstede’s cultural dimension of power distance, and it suggests that Internet-related organizational communication, as with traditional organizational communication (Chow, Harrison, MacKinnon, & Wu, 2002; Rowlinson, 2001), is affected by the cultural characteristics of different nations. In
spite of the Internet’s capacity to expand geographic boundaries, the patterns of Internet use are still shaped by national cultures.

This study also contributes to the discussion of the ethnocentric versus polycentric model in international public relations. The ethnocentric model, or a global approach to public relations, claims that principles for public relations remain same across the world (Sharpe, 1992), or public relations programs are more similar than they are different across countries (Anderson, 1989). A polycentric model, or a localized approach to public relations, argues that practitioners in public relations in each country can choose strategies appropriate to that specific country (Botan, 1992; Taylor, 2000). In this study, 46 leading American companies do not have a web site in a foreign language. These companies apparently adopt the ethnocentric public relations model online. Their assumption is that with corporate web presence, the online public relations strategies that work well in the company’s home country will also work in other countries. Other companies, however, follow a polycentric model in their public relations strategies by catering to the taste of local markets through their localized web sites. In this study, for those companies that do have a web site in the Chinese language, their Chinese versions of corporate web sites score significantly higher on power distance than their English counterparts. This finding suggests that these companies are practicing the polycentric model, which focuses on different public relations strategies for different target countries. The term that integrates the ethnocentric and polycentric model for international public relations is glocalization. With its integration of globalization and localization, glocalization indicates the directions for future international public relations in both theory and practice.

This study integrates the research of Internet public relations with cross-cultural studies of Internet use. It explains the relationships among cultural factors, Internet use, and public relations strategies, and it opens up opportunities for studying international public relations in cyberspace. This study can also be expanded to other cultures such as African and Latin American countries to deepen our understanding of how the interaction between new communication technologies and cultural traits affect their strategies for international public relations. Future study will examine the other cultural dimensions such as collectivism versus individualism, uncertainty avoidance, and femininity versus masculinity in international public relations on the Internet.

This study has pragmatic implications for companies in both developed and developing countries. For the top 100 companies in China, only 85% of them have an active web site. This suggests that some leading companies in China have not yet realized the importance of using the Internet for public relations. Companies in both developed and developing countries should recognize the importance of using their web sites for corporate communications. They should take full advantage of the Internet’s communication capacity and “anytime, anywhere” accessibility to communicate with their publics and to manage their images and brands. For companies with global ambitions, they need to address the political, economic, social, and cultural characteristics of each of their target markets. Based on these characteristics, they will then need to tailor their strategies in public relations through their web presence for audiences in different cultures. This glocal strategy can be useful for building global brands with good image in each local market.
References


