

Preconditions, Methods and Effects of Corporate Public Diplomacy

The Comparison of The Mobile Phone

Giants Huawei and iPhone

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Summary

This paper mainly explores the problem “How can enterprises effectively function in corporate public diplomacy?”, including the preconditions, methods and effects of multinational enterprises' corporate public diplomacy.

Corporate public diplomacy in this paper is defined as a sub-branch of public diplomacy in this paper, which takes foreign public as main audiences to shape a good image for their home country through their transnational business operation, inspired by Ordeix-rigo and Duarte, who defined corporate diplomacy in their book *From Public Diplomacy to corporate diplomacy*, and Zhao Qizheng, who has been hailed as the first person in China's public diplomacy.

Based on Wendt's constructivism theory and Joseph Nye's soft power theory, this paper takes two mobile phone giants Huawei and Apple as examples to compare and analyze how multinational enterprises can effectively carry out public diplomacy, from preconditions, methods to effects, through literature review, questionnaire survey and interview. The questionnaire was collected in Beijing and several interviews was taken in Syracuse and Philadelphia respectively to acquire some first-hand data about this two mobile phone giant's corporate public diplomacy. Based on critical thinking, I have to explain that due to some uncontrollable influencing factors in interviews and questionnaires, the primary data in this study may be one-sided and not comprehensive enough, though these data are helpful to my paper to some extent.

In the analysis part, this paper analyzed the precondition of corporate public diplomacy from the perspective of multinational enterprises and the relevant countries, the methods of corporate public diplomacy from “Leading the industry development”, “Fulfilling overseas corporate social responsibilities” and “Strengthening brand building”, and the effects of corporate public diplomacy from the challenges and opportunities. In the analysis, this article makes an effort to analyze the corporate public diplomacy of the two multinational enterprises by using a lot of data about

Huawei and Apple, and refers to the data reports in relevant mobile phone industries, the work reports of these two multinational enterprises and the information published on their official websites.

In the conclusion part, this paper summarizes the background and process of the previous argumentation, and summarizes the advantages and disadvantages of Huawei and Apple in corporate public diplomacy through a comprehensive analysis of the preconditions, methods and effects of their corporate public diplomacy. According to the comparative analysis of the two multinational enterprises in this paper, Huawei and Apple have their own advantages and disadvantages in foreign transnational operation and corporate public diplomacy. The case study is extended to a general conclusion, and attempts to answer the question formulated at the beginning of this paper: “How can enterprises effectively function in corporate public diplomacy?”. At the end of the paper, the author reflects on the deficiencies in the research process based on critical thinking.

Key Words: Corporate public diplomacy, Huawei, Apple, CSR, National image

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1. Introduction

In the context of globalization, non-governmental entities are playing an increasingly important role in public diplomacy. As one of the most active actors in social, economic and cultural exchanges, transnational enterprises have the urgency and advantages of carrying out public diplomacy and should be one of the backbone of public diplomacy(Zhao 201).

On the one hand, with the rapid development of Chinese enterprises "Going-out" strategy, corporate public diplomacy should receive high attention from Chinese enterprises, and cooperate with the official diplomacy to shape the national image and promote the national interests in contemporary China. On the other hand, the United States was one of the first countries in the world to conduct public diplomacy(Han 2012). Fully mobilizing non-governmental entities, such as enterprises, NGOs and individuals, to promote public diplomacy has become a major feature of American public diplomacy(Han 2012). Therefore, this paper takes Chinese and American mobile phone enterprises as the main cases for comparative analysis.

1.1 From the public diplomacy to the corporate public diplomacy

First, we need to have a brief introduction of the public diplomacy and the corporate public diplomacy.

1.1.1 The origin of the public diplomacy

“Public diplomacy” was proposed as a term in 1965, when Edmund Gullion, dean of the Fleischer school of law at Tufts University, defined it as: “public diplomacy aims to deal with the influence of public attitudes on the formation and implementation of a government's foreign policy. It includes areas of international

relations that go beyond traditional diplomacy: the exploitation of public opinion by governments in other countries, the interaction between private interest groups in different countries, the communication between diplomatic envoys and foreign journalists, etc. The core of public diplomacy is the flow of information and ideas(Zhao 2003).”

Although scholars around the world began to systematically study public diplomacy was only decades, but the national activities with the characteristics of public diplomacy could be traced back to thousands of years ago(Han 2012). Public diplomacy in the early period stayed in small-scale interpersonal communication activities, but it still had the features of public diplomacy activities, which could be seen as a public diplomacy in the early embryo.

In China, since the Three Sovereigns and Five Emperors, there have been full-time officials in charge of foreign affairs, and they needed to be responsible for national foreign affairs activities and established a good national image(Han 2012). According to the *Shihchi*(《史记》), there were statements like “*feasting guests at the east gate, the west gate, the south gate and the north gate*” (“*宾于四门*”), and “*entertaining all visitors from other countries*”(“*诸侯远方宾客皆敬*”)(SiMa 2016). There have been friendly diplomatic activities with other countries during the three emperors and five emperors period. In Spring and Autumn Period and the Warring States Period, there were statement like “*The winning of a man's friendship is a greater achievement than the capturing of a city.*”(“*攻城为下，攻心为上。*”) in the *Master Sun's Art of War* (《孙子兵法》) (Feng 2016). All of these statements can be seen as the proofs, which indicated that since ancient times, China has paid much attention to the guidance of public opinion in dealing with diplomatic relations between other countries,which can be seen as the beginning of the Chinese public diplomacy.

In western countries, the emergence of public diplomacy can also be traced back to thousands of years ago(Han 2012). As early as in ancient Greece, there were various diplomatic activities among each city-state, and there were non-resident envoys to solve foreign affairs. In the later period of ancient Greece, each city-state

set up resident envoys in foreign countries to focus on foreign affairs, spread their own culture and build a good image. Envoys played a very important role in the public diplomacy of western countries, which was recorded in *The Laws of Manu* and *Homer's Epic*(Han 2012). Had detailed description in the *Iliad*, countries by ambassador, speaker, cavalry officer, messenger to establish friendly relations with other countries, these professionals usually has a specific identity and diploma, and their job is to carry out activities with public diplomacy characteristics in other countries, in the form of speeches and activities, in order to establish a positive image in the local public mind and achieve the ultimate goal of effectively promoting foreign policies that are beneficial to their own interests(Peng 2016).

In modern times, the rise of public diplomacy was not until after the September 11 incident in the United States(Han 2012). After this terrorist attacks, the United States congress, national leaders, politicians, scholars in international relations and international politics, as well as the media and private think tanks in the United States began to pay attention to the relevant research in the field of public diplomacy(Liao 2009). Through hearings, public opinion surveys and other activities, the US authorities have found that the important diplomatic dilemma that the US facing was the bad image in the global public mind, especially in Muslim countries(Han 2012). Thus, there are frequent incidents of malicious revenge by terrorists. According to the world famous Gallup poll data, 53% of the respondents said that they had no good opinion of the United States, and the public of Muslim countries hold hostile attitude, and they hold the views of antipathy and even hatred towards the United States(Thomas 2002). After that, the United States began a comprehensive study on public diplomacy, including the importance, necessity and urgency of public diplomacy. In addition to the United States, other countries also attached importance to public diplomacy at that time, including Britain, France, Germany, the Netherlands, Norway and other countries(Han 2012). Public diplomacy has officially become an important discipline.

1.1.2 From the public diplomacy to the corporate public diplomacy

In the 21st century, globalization and transnational networks of horizontal communication have changed the nature of public diplomacy(Candace L. 2015). The audience of public diplomacy is not just the citizens of a specific country, but a global audience composed of various interest groups based on national origin, values, religions and other ideologies that can transcend the boundaries of a nation-state. Globalization has blurred diplomatic boundaries and created a transfer of power in international relations that has increased the interdependence of global business and international politics. The center for public diplomacy at the University of Southern California is trying to expand the traditional definition of public diplomacy from the perspective of soft power. The centre believes that private activities such as trade, tourism, culture and economy have a significant impact on foreign policy and national security, and that public diplomatic actors include not only governments but also other actors, among which enterprises are extremely important(Zhong 2011). With the growth of civil society and the arrival of information society, the words and deeds of various non-governmental organizations, modern enterprises and media as well as individual citizens are increasingly closely related to the national image, and have become an indispensable part of the public diplomacy system. This has changed the relationship between state and non-state actors in public diplomacy. Generally, diplomatic activities are more influenced by non-state actors than by the government. The government is no longer the only participant in public diplomacy, and the government can no longer control information. More and more non-governmental actors are involved in the process of public diplomacy, among which transnational enterprises play a significant role(Ordeix-Rigo & Duarte 2009). Karl W. Deutsch pointed out that public diplomacy is the eternal theme of modern diplomacy, and multinational corporations play an important role in the realization of national interests by conveying national values and ideas to the world(Huang 2011).

Transnational enterprises, as non-governmental actors of public diplomacy, play an important role in building the reputation and image of their home countries, whether intentionally or not(Zhao 2018). There are more businessmen than diplomats in every countries, and the transnational enterprises always spend more on communications than many governments. Overseas businessmen from various countries constitute an important, unintentional diplomatic event that can have considerable impact. Transnational enterprises' brands, products, CSR practices and corporate communications have a huge influence on the perceptions of countries, which associate with these enterprises. Transnational enterprises have great symbolic power and resources to influence public opinion. To some extent, they can also influence political decisions and foreign policies and media agendas(Ordeix-Rigo & Duarte 2009).

In this paper, the concept of corporate public diplomacy was inspired by Ordeix-rigo and Duart, who defined corporate diplomacy in their book *From Public Diplomacy to corporate diplomacy* as the process that improving the legitimacy and influence of enterprises, in which enterprises develop their power and legitimacy in society(Ordeix-Rigo & Duarte 2009). Enterprises use public relations to conduct image management in the public mind, which is equivalent to the goal of public diplomacy. The influence from power and legitimacy will allow companies to directly influence foreign policy decisions and even take over the role of the state in public diplomacy. They believe that enterprises engaged in corporate diplomacy should actively add new roles to the traditional public diplomacy, and point out the role that enterprises can play in government's public diplomacy(Ordeix-Rigo & Duarte 2009).

In this paper, ***corporate public diplomacy is defined as a process in which multinational enterprises, as non-governmental actors, conduct overseas business activities and influence the overseas public's perception of multinational enterprises, so as to have a certain impact on the national image, policies and diplomatic activities of their home countries , which can be regarded as a branch of national public diplomacy***(Ordeix-Rigo & Duarte 2009; Zhao 2018; Li & Yu 2016).

When a multinational enterprise of one country conducts overseas business and

commercial activities in other countries, it will affect the public perception of the multinational enterprise in other countries, thus affecting the popularity, reputation and acceptance of its home country, improving its national image and facilitating the implementation of its foreign policy.

1.2 Problem Formulation

In public diplomacy, the government does not act as the direct executor. Enterprises are one of the important actors in public diplomacy. However, the effects of enterprises' public diplomacy activities are mixed. Some enterprises were quite successful in conducting business and public diplomacy activities in other countries, with satisfactory results. At the same time, some enterprises failed to achieve any results. Therefore, the core problem of this paper is **“ How can enterprises effectively function in corporate public diplomacy? ”**, which explores the preconditions, methods and effects of enterprises' participation in public diplomacy.

2. Methodology

2.1 Objectives

The main purpose of this paper is to explore the problem “How can enterprises effectively function in corporate public diplomacy?”

In the process of public diplomacy, the government does not act as the direct executor. Enterprises are one of the important actors in public diplomacy. However, the effects of enterprises' public diplomacy activities are mixed. Some enterprises were quite successful in conducting business and public diplomacy activities in other countries, with satisfactory results, such as Huawei's transnational operation in Africa and Apple's early success in China. At the same time, some enterprises failed to achieve any results, such as Huawei's failed acquisition of 3com in the United States and Apple's continued decline in China in recent years. Therefore, this paper takes Chinese and American mobile phone enterprises as examples, making a comparative analysis of the similarities and differences in how Chinese and American companies conduct public diplomacy, including the perspectives of preconditions, methods and effects.

2.2 Choice of theory

This paper focuses on the relevant study of public diplomacy of multinational enterprises, and pays more attention to corporate culture, foreign policy, values and public attitudes, which are more involved in the field of culture and ideology. Thus, there are two theoretical framework chosen in this paper: Wendt's Constructivism Theory and Joseph Nye's Soft Power Theory.

2.2.1 Constructivism Theory

Constructivism theory can explain the principle of public diplomacy: the

normative structure of the international system promotes public diplomacy, and public diplomacy reacts on the normative structure, and the new identity constructed in this process defines national interests(Tan & Yang 2018). Wendt constructivism attaches great importance to immaterial factors (knowledge, value, culture), national identity and the interaction between actors, which are consistent with the connotation of public diplomacy. Public diplomacy is the act of the diplomatic subject to transfer information, knowledge and value to the target foreign public. This process conforms to the basic logic of Wendt's constructivism(Tan & Yang 2018).

Public diplomacy and corporate public diplomacy, which derived from public diplomacy, also emphasized the role of cultural concept, using the media to eliminate misunderstanding and using public opinion to promote the feelings between the countries. Thus, the public diplomacy and corporate diplomacy are diplomatic of mind, and play an important role in the national culture and diplomatic contact. Through the public diplomacy and corporate public diplomacy, culture and diplomacy can influence each other: Diplomacy can achieve its goals through cultural activities, and culture can gain greater popularity through diplomatic activities(Zhao, 2011).

Therefore, non-material factors such as cultural concept and national identity have become the perfect combination of constructivism theory and public diplomacy theory. Compared with other mainstream theories of international relations, constructivism has more in common with public diplomacy and corporate public diplomacy. Studying public diplomacy and corporate public diplomacy from this perspective will inevitably bring more new ideas to public diplomacy.

2.2.2 Soft Power Theory

Soft power theory can explain the essence of public diplomacy: building unique soft power, which influences the audience's judgment through “assimilative power”. Joseph Nye's soft power theory divides state power into hard power and soft power. Soft power is called “assimilative power”, which is shown as the attraction of culture,

the influence of political values and the legitimacy or affinity of policies . Hard power is called “imperative power”, which is the power of the state to make other countries change their behavior by indicative command(Joseph 2013). Public diplomacy influences the public of other countries in an non-coercive way, so as to improve national image and safeguard national interests(Joseph 2013). Besides, Keith Reinhard argues that not only do companies have more trust and respect than governments, but international companies are also more culturally sensitive, and that international companies have the skills to build strong brands and derive goodwill, trust and loyalty from them, skills that many governments unfortunately lack today(Keith 2009).

The goal of corporate public diplomacy is to build an enterprise recognized by the foreign public, and the ultimate goal is to build an international brand with strong international competitiveness(Han 2012). The international brand of an enterprise is an important component of national brand and an important soft power resource of a country.

Therefore, there is a high degree of consistency between building corporate brands and promoting national brands. Corporate public diplomacy does not mean that enterprises need to invest more manpower and material resources than they need, but contribute to national soft power in the process of building their international brands. Thus, soft power theory can be a suitable theory to analysis the problems in the field of public diplomacy and corporate public diplomacy.

2.3 Choice of data

This paper mainly takes Huawei and iPhone as main cases to do some research about the multinational enterprises and corporate public diplomacy. During the process of collecting data, academic literature resources were obtained from Aalborg University's digital library, CNKI, and the websites of Apple and Huawei. There are

also some primary data(first-hand data), obtained by questionnaires and interviews, which was taken by myself and my friends who living in America.

As for questionnaire, 50 questionnaires were put out to the respondents, and 50 questionnaires were distributed in Beijing, China. 48 questionnaires were collected, including 45 valid questionnaires. Therefore, the sample size of this survey is 45. This survey adopts the method of street random survey, covering different genders and ages as far as possible in the process of random sampling. The investigator is the author of this paper. The reason why the author chose to conduct the questionnaire survey in China is that the author studied in Beijing, China and was able to distribute the questionnaire randomly in the street in order to gain primary data with as much reliability and validity as possible.

At the beginning, I was going to collect more data in the United States by using the method of questionnaire as well, but my friend who live in the United States told me that street random questionnaire study in the United States need a authorization of the Institutional Review Board(IRB), a scientific research audit mechanism of American universities. All the large scale survey in the United States needs to put on record in the IRB and get approved before they can carry out, otherwise it will be regarded as a illegal behavior. Therefore, I decided to change the survey method and conduct small-scale interviews with the help of my classmates and friends who live in the United States.

As for interview, the hosts of the interviews are two Chinese students studying in the United States, respectively in Syracuse and Philadelphia for graduate study. They asked 3 people, 2 native Americans and 1 Saudi Arabian who is studying in the United States. The reason why the author chooses to conduct the interview in the United States is that I can seek the help of friends studying in the United States to conduct a small-scale interview, which is more feasible. Due to geographical limitations, the author cannot obtain data from more cities, which is also the limitation and deficiency of this survey.

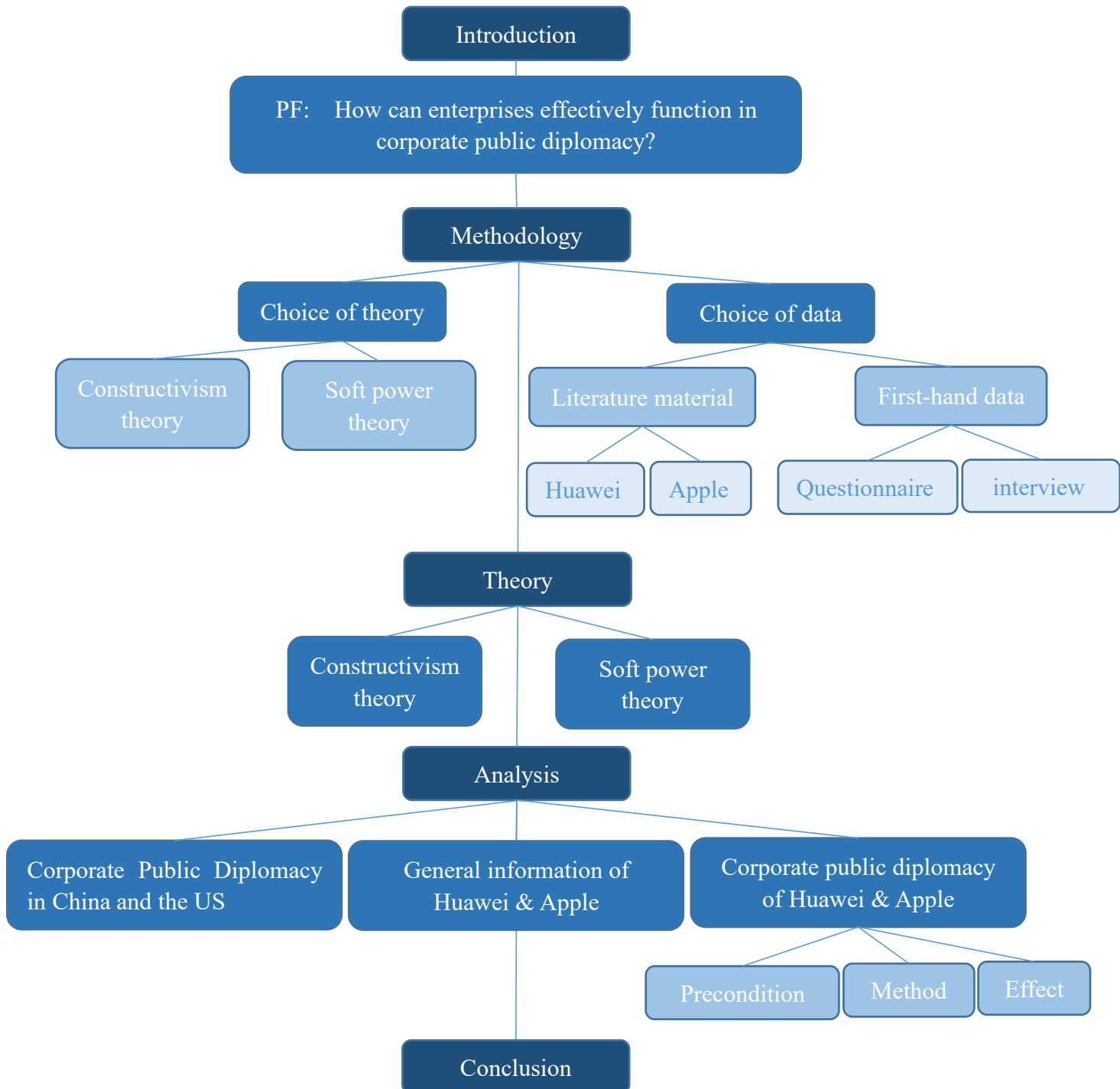
The questionnaires used in the survey and the interview records are in the appendix of this paper.

As for the reliability and validity of the first-hand data, I have made some efforts to improve the reliability and validity of the questionnaire and interview as much as possible, though there still have some inevitable limitation and deficiency.

In order to improve the reliability and validity of the questionnaire, I explained the academic research purpose of the questionnaire and made a guarantee for the privacy protection of the interviewees in the first part of the questionnaire. The purpose was to ask the interviewees to answer the following questions as truthfully as possible to ensure the reliability of the questionnaire. In addition, I set the part of basic information survey. Before the formal questions, respondents need to answer questions about age, education level and whether they know iPhone or not. The questionnaires answered by respondents who do not know iPhone at all and has little idea about iPhone will be regarded as invalid questionnaires, which ensures the validity of the questionnaire survey. In terms of problem setting, I set a number of questions about favorable degree of brand, favorable degree of product, potential dilemma, influence of political events, transnational business behavior, brand advantage, and connection between iPhone and the United States, etc. The purpose is to explore the precondition, method and effect of Apple's corporate public diplomacy.

In the interview, in order to ensure the reliability and validity of the interview, I used the questionnaire method to screen the interviewees in advance. Those interviewees who said they knew nothing about Huawei and had no idea in the questionnaire were not chosen for the interview. As we all know, the question-master has a significant impact on the reliability and validity of the interview. Therefore, when I asked my friends who living in the United States to make the interview, I explained my research purpose and the key points of the interview in as much detail as possible, and made a clear and detailed interview outline for the question-master. In the interview, the questions mainly focus on Huawei's transnational operation in the United States and its advantages and disadvantages, and tries to understand the respondents' views on issues related to Sino-US trade war, as well as questions and discussions on the correlation between the oversea business activities of Huawei and China's national image.

2.4 Structure



3. Theory

3.1 Constructivism Theory

The constructivism theory of international relations emerged in the 1980s. This period was the end of the cold war, with the gradual weakening trend of the arguments between neo-realism and neo-liberalism, so people began to reflect on the explanatory and predictive power of these two theories(Robert & George 2012). As the study of international relations turned to sociology and the linguistic philosophy was introduced into this field, constructivism emerged. Nicholas Onuf first introduced the concept of "constructivism" into the field of international relations. Later, Kratochwil, Alexander Wendt and Peter J. Katzenstein and other scholars developed this theoretical framework. Different from realism and liberalism, constructivism advocates that the state and the international community should construct each other and attach importance to the role of immaterial factors such as thoughts, concepts and culture(Tan & Yang 2018).

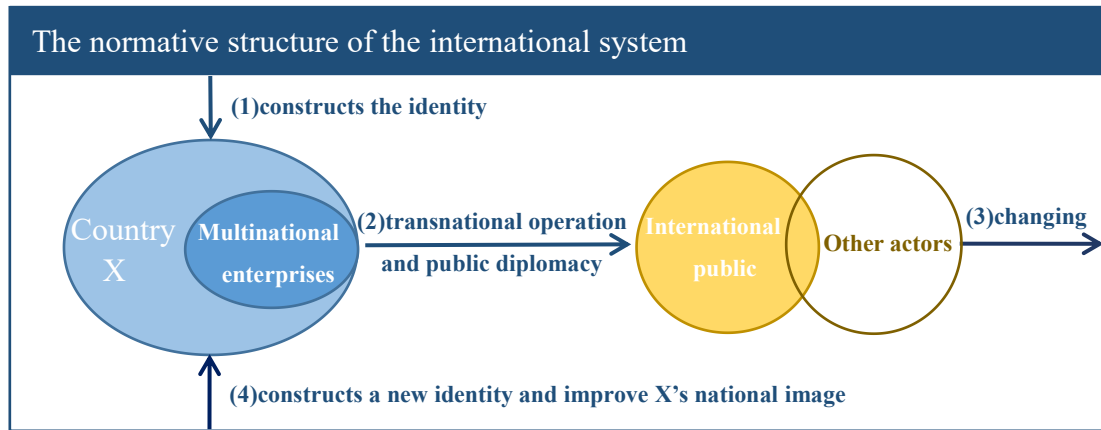
There are many schools of constructivism, among which the theory of “structural constructivism” represented by Wendt is the most influential one. Wendt pointed out the essence of the constructivism in his book *Social Theory of International Politics*. He thought that “the structure of the human relations is mainly determined by the total of ideas rather than by the material force: identity and interests of the purposeful actor are made of these shared ideas, rather than natural inherent.” Wendt summarized the constructivism international relationship theory system in two principle. The first principle: human society, including the international community, no matter what kind of life style (international relations is the way of survival between countries), is the product of people's understanding of objective reality. The second principle: all actors, no matter individuals or nations, as long as they are social beings, their symbols, their identities and their interests are the products of mutual cognition and communication, the results of interaction, which are not determined by individuals themselves, but social products(Alexander 2001). The essence of the constructivist theory is that only

through the interpretation of ideas, the objectivity of matter can have social significance and only through the subjective world the objective world can function.

Wendt emphasized the role of international system structure to the country, especially the significance of international system culture to the country, including the shared knowledge and cultural structure(Robert & George 2012). Wendt's Constructivism attaches great importance to the role of ideas and holds that the meaning and content of international affairs depend on the common ideas between the two countries. It is the ideas that influence the international interaction, which in turn constructs the common ideas among countries. National interest depends on national identity, which is generated in the common culture and interactive practice(Qin 2001).

According to Wendt's constructivism theory, we can preliminarily assume how enterprises play a role as the main body of public diplomacy——(1) the normative structure of the international system constructs the identity and interests of enterprises as actors of public diplomacy; (2) as the subject of public diplomacy, enterprises conduct public diplomacy aimed at the international public in order to improve their motherland's national identity and realize or safeguard corresponding national interests; (3) when public diplomacy can achieve broad consensus and value advantage in the interaction with the target public, the international public will become an effective medium for transnational enterprises and their country to construct national identities -- the international public has the power of public opinion, and then change the normative structure of the international system; (4) finally, enterprises as the subject of public diplomacy can obtain benefits and achieve the objectives of improving the national image and facilitating the implementation of their motherland's foreign policy.(as shown in figure 1)

Figure 1 The Process of Corporate Public Diplomacy From the Perspective of Wendt's Constructivism



3.2 Soft Power Theory

Joseph Nye's soft power theory emerged in the 1990s as a response to whether America was in decline. Joseph Nye's soft power theory is not only the product of the development of traditional international relations theory, but also the result of the international strategic development of the United States (Joseph 2013). Although Joseph Nye's soft power theory has a certain connection with America, it provides a broader research perspective for us to solve international disputes that are difficult to be solved by hard power.

Joseph Nye's soft power theory is based on his dissatisfaction with the explanatory power of the realistic model of international relations. Realism, he argues, places too much emphasis on the role of hard power (Joseph 2013). Today, culture, policy, values and other factors play an increasingly prominent role in international relations. In such circumstances, all countries must learn to achieve their goals through new sources of power. This new source of power is what Joseph Nye called "Soft Power". Soft power is the opposite of hard power, which emphasizes the ability to achieve desired goals through attraction rather than coercion. Compared with hard power, soft power is intangible, permeable, complementary, comprehensive and developmental. Soft power mainly comes from three aspects, including the culture, the political values and the foreign policy. The main composition of soft power is mainly reflected in the radiation power of culture, the appeal of political values, the influence of foreign policy, the attraction of national image, the commitment of international system, the cohesion of the country and the nation, and the safeguarding power of national security and interests (Joseph 2013).

Joseph Nye pointed out in his book *Soft Power, The Means to Success in World Politics* that corporate brand is an important resource to generate national soft power, namely national attraction (Joseph & Joanne 2004). He pointed out the United States has a lot of potential resources for soft power, especially when it is viewed as a contribution not just to wealth but also to reputation and attractiveness. Not only is the United States the world's largest economy, but nearly half of the world's top 500

companies are American, 62 of the world's top 100 brands are American, and eight of the world's top 10 business schools are in the United States. Social indicators show similar patterns. For example, the United States is six times more attractive than Germany, which ranks second. The United States is the world's largest exporter of movies and television programs. Of the 1.6 million students who have left China to study abroad, 28 percent are in the United States, while only 14 percent are in Britain (Joseph & Joanne 2004). In this book, Nye not only said that competitive enterprises' international brands are the most important resources of national soft power, but also clarified that any industry can become an important resource of national soft power as long as it does well enough and has enough attraction to the international community (Joseph & Joanne 2004).

According to soft power theory, enterprises can construct soft power and “assimilative power” through three ways: culture, political values and foreign policy (Joseph & Joanne 2004). As the main actor of public diplomacy, multinational enterprises can also use the three dimensions of soft power theory to analyze the methods, in which they conduct their public diplomacy functions.

The first one is culture. When multinational enterprises conducting public diplomacy in other countries, they need to play a role in places that have attraction to target foreign public. Secondly, political values of enterprises need to follow the political values of the country they belong to and the country where the target public is located. Finally, when conducting public diplomacy, enterprises need to ensure that the public of other countries recognize the legitimacy and moral authority of their foreign policies.

4. Analysis

4.1 Corporate Public Diplomacy in China and the US

4.1.1 Corporate Public Diplomacy in China

The origin of China's corporate public diplomacy can be traced back to 1979, when China's first multinational enterprise, China International Trust & Investment Corporation Group, was established(Zhao 2018). Since China's reform and opening up in 1979, more and more multinational companies have been operating overseas. In 1994, Jiang Zemin put forward the strategy of “going out” at the National Conference on Foreign Investment. He said that we should not only actively attract foreign enterprises to invest and set up factories in China, but also actively guide and organize domestic enterprises to go out, invest and set up factories abroad and make use of the local market and resources. Since then, more and more Chinese enterprises have gone abroad and started transnational operations(Jiang 2004). However, in the early stage of the implementation of "going out" strategy, some Chinese multinational enterprises encountered setbacks and difficulties because they were not familiar with international rules, international economic environment and international cultural environment. With the further understanding of the overall international layout and the awakening of public diplomacy awareness, more and more Chinese multinational enterprises combined public diplomacy with business operation and integrated the functions of public diplomacy into the strategic layout of enterprises.

Recently, it is pointed out that “we need to make solid progress in public and humanistic diplomacy” in the report at 18th National Congress of the CPC(Zheng 2010). As a result, more and more enterprises have put public diplomacy on the agenda, attaching importance to overseas business risk control, overseas social responsibility fulfillment and localization research and operation. Chinese multinational enterprises have gradually shifted from passive participation to active participation in corporate public diplomacy(Zhao 2018).

4.1.2 Corporate Public Diplomacy in the US

American multinational enterprises originated in the 1850s. The industrial revolution began in Europe in the 18th century and spread to the United States, where the first industrial revolution was completed in the mid-19th century(Chen 1999). In the 1840s, the American machine industry began to develop and American manufacturers began to produce surplus goods with the popularity of machine manufacturing(Hong & Zhao 1988). Thus, the domestic market of the US was oversupplied, and manufacturers began to look for markets abroad, forming the product export. After that, the United States invested directly in manufacturing goods abroad. According to the British economist John • H • Dunning, the first overseas investment plant was a vulcanized rubber plant, built in Edinburgh, Scotland in 1856(Chen 1999). In addition, Singer Technology Co. was the first multinational industrial company in the United States in 1867, whose first overseas factory site is located in the United Kingdom(Chen 1999). During this period, many American companies entered overseas markets, either in search of a larger market or for various resources to produce raw materials. From the mid-19th century to before the outbreak of the first world war, many American enterprises had established a factory and branches in Britain, Germany, Japan, Canada and many other countries(Wang 2004). Between the end of the 19th century and the beginning of the 20th century, a wave of mergers and acquisitions among companies first appeared in the United States. In this wave, numerous business giants such as Rockefeller, Morgan and Carnegie were born, and monopolies and oligopolies began to emerge in the market. These may not be conducive to free competition in the U.S. domestic market, but they undoubtedly enhance the competitiveness of large U.S. enterprises in the international market. After the second world war, especially after the 1950s, American multinational corporations have achieved unprecedented development. It is mainly manifested in OFDI(Outward Foreign Direct Investment) scale, investment region and investment department(Chen 1992). Due to the severe stagflation of the American economy in the

1970s, and the rapid rise of Japanese and German transnational corporations in the 1970s and 1980s, the pace of global development of American multinationals slowed down, and their international competitiveness declined significantly. After the end of the cold war in the 1990s, the Clinton administration emphasized domestic economic development again, and the United States substantially adjusted its domestic economic structure and encouraged the development of high-tech industries(Pan 1998). American multinational enterprises also changed their strategies rapidly and began to carry out management innovation and upgrading, which revitalized their enterprises.

Since the 1850s, the development of multinational corporations in the United States were inevitably accompanied by the corporate public diplomacy, whether enterprises carried out public diplomacy activities intentional or not(Pan 1998). However, the systematic study of public diplomacy in the United States started from the “9 • 11”, and the related study of corporate public diplomacy also started from this event, as enterprises are important actors of government public diplomacy(Zhao 2011).

4.2 General introduction of Huawei and Apple

In this paper, Huawei and Apple are selected as the main cases for the case study to analysis the corporate public diplomacy and transnational business operation of multinational enterprises. Huawei and Apple are global mobile phone giants at present. They are both well-known and large mobile phone enterprises, who have a large number users in the world. However, Huawei and Apple have their own characteristics, especially in terms of business models and corporate public diplomacy. From this point, this paper selected these two mobile phone giants as the main cases to compare by the way of literature research, interview and questionnaire to collect data. As for the focus group interview, I chose 3 American to participate in the

interviews and let them have a free discussion through asking several relevant questions, such as “How do you like the products of Huawei? What do you think about Huawei and those Chinese enterprises represented by it? Do you know how Americans around you think about the rise of Chinese enterprises and China? How do you feel about the impact of Chinese multinational enterprises in the States, or the world wide international impact of China? What are the characteristics of an excellent multinational enterprise in your mind? What do you think is the biggest problem of Huawei’s operation in the United States?” As for the questionnaire, I put out 50 questionnaires about favorable degree of Apple brand, favorable degree of product, potential dilemma, influence of political events, transnational business behavior, brand advantage, and connection between iPhone and the United States to the respondents in Beijing through the way of random sampling on streets . By combing existing literature and first-hand data of relevant questionnaires, this paper analyzes how the two mobile phone giants play an important role in corporate public diplomacy in the process of transnational operation, from the aspects of preconditions, methods and effects, based on the world system theory and soft power theory. What I want to do is to collect the public's real thoughts and attitudes towards transnational business operation and corporate public diplomacy of the multinational enterprises as much as possible.

4.2.1 Huawei

As the world's leading provider of information and communication technology (ICT) solutions, Huawei was incorporated in Shenzhen in 1987 with a registered capital of 20,000 yuan. Since its inception 31 years ago, Huawei has focused on the ICT sector, building end-to-end solutions strengths in telecom operators, enterprises, terminals and cloud computing. After 31 years of development, Huawei has grown from a small communication company to the world's second largest communication equipment supplier, who surpasses Apple in the world market in 2018(Shobhit 2018).

Huawei has about 180,000 employees around the world, with more than 160 employees of different nationalities, and about 70% of overseas employees are localized. At present, Huawei has 15 research institutes/institutes and 36 joint innovation centers around the world, each of which adopts an internationalized global synchronous research and development system and focuses on the world's latest technologies. Huawei began to expand its overseas market in 1996, and achieved 50 million us dollars in the overseas market in 1999. Since then, the company's overseas sales have doubled every year. Huawei's overseas sales reached 100 million us dollars in 2004, and its international sales reached 67,700,591 million us dollars in 2016, accounting for 72.4% of the company's total sales. At present, Huawei has established a strong market system around the world.(www.huawei.com)

The white paper on the mobile phone industry in 2018 was released on jan 22, 2018, summarizing the market changes of Chinese mobile phone brands in 2018. According to the white paper, Huawei's domestic market share was significantly higher than other domestic mobile phone brands, but its global advantages were not very obvious. As for the popularity and favorability of Chinese mobile phone brands, they have also been continuously improved in overseas markets. However, there is still a large room for improvement the reputation and favorability of Chinese mobile phone brands in overseas market(ByteDance 2019).

Figure 2 Average favorability of Chinese mobile phone brands in the world



Source: ByteDance

According to the white paper, countries along the Belt and Road had a higher favorable impression of Chinese mobile phone brands than other countries, among which southeast Asian countries had the highest favorable impression (91%), while developed countries such as the United States, Japan and South Korea had a lower favorable impression(ByteDance 2019).

As for the popularity and favorability of Huawei, it had the highest global popularity, especially in European and African countries. More than 60% of overseas consumers know Huawei, and nearly 30% of overseas consumers will give priority to Huawei when changing machines. But the reputation and favorable impression of Huawei ranked last, while Oneplus mobile phone(1+) was the top 1(ByteDance 2019).

Figure 3 The global popularity of Chinese mobile phone brand

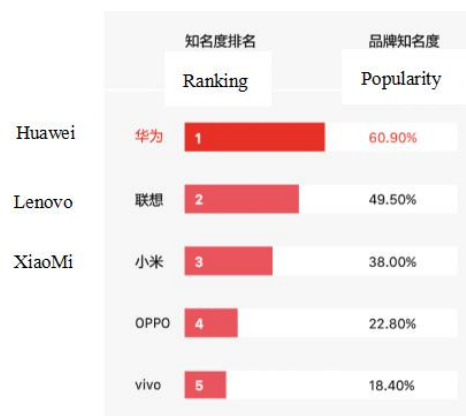


Figure 4 The global favorability of Chinese mobile phone brands



Source: ByteDance

This phenomenon is worth studying. This paper will further analyze and explore how the Huawei play an role in China's public diplomacy with the high brand popularity and low brand reputation, from the perspectives of preconditions, methods and effects of corporate public diplomacy.

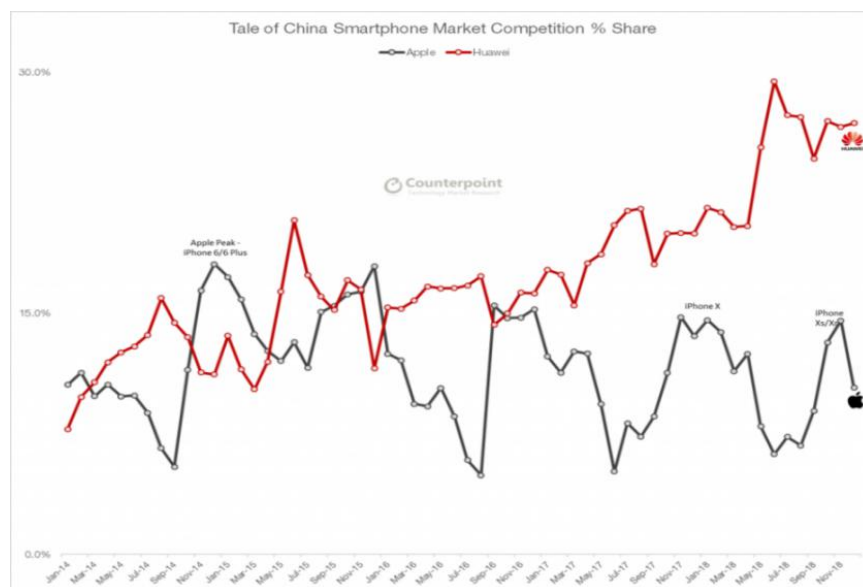
4.2.2 Apple

Apple is an American high-tech company, founded by Steve Jobs in the United States on April 1, 1976. In January 2007, Apple Computer officially changed its name to Apple. Apple is known for innovation among high-tech enterprises, not only the world's famous PC manufacturers, it also designed and redesigned the IOS operating system, Mac laptops, desktops and the iPod. It also revolutionized the launch of the iPad and iPhone. In 2007, the first generation of Apple's smart phone came out, and the iPhone's large screen and unique button layout broke people's cognition of mobile phones. The subsequent iPhone 3G and iPhone 3GS continued their technical innovation and rapidly expanded the market. The rapid increase in shipments and sales led to a steady increase in Apple's operating income. iPhone first attracted a large number of consumers with its unique appearance, and its touchscreen design truly promoted the development of the smart phone industry, and also set off a big shuffle in the mobile phone industry. Nokia and MOTOROLA, two giants of the mobile phone industry, also failed with the decision-making mistakes. Apple's entry into the Chinese market through its alliance with China-Unicom attracted a large number of Chinese users at the beginning, which led to the continuous growth of Apple's users.

Apple has been doing multinational operations in China for 12 years and has harvested a large number of consumers in China. In 2010-2016, Apple ranked first in so many categories of Chinese mobile phone brands, but Apple's market share has declined in the past two years. According to the data from Counterpoint Research, we

can find that from September 2014 to January 2015, the market share of iPhone in China was significantly higher than that of Huawei. However, from the end of 2016, the market share of iPhone in China began to decline in a fluctuating way.

Figure 5 China Smart phone Market Competition % Share of Apple and Huawei



Source: Counterpoint

When Apple noticed that they met dilemma in China's huge market, it launched a dual-card-two-standby phone in September 2018, which met the needs of Chinese consumers. For the first time, the iPhone has designed dual card on the XS and Max model. Some netizens said that this is the first time Apple has changed hardware for a country. However, after a brief recovery, Apple's market share remained nearly 20 percent lower than Huawei's in November 2018.

Global Times and the Global Public Opinion Survey Center have released a survey report on Chinese consumers' brand favorability in 2018. A total of 7,822 questionnaires were conducted on the favorability of multinational corporate brands. Apple ranked fourth on the ranking list of the most favorable multinational brands among Chinese people, down two places from the second place in 2017. What's more, Apple is the only one that appears on both the most favorable and least favorable multinational brands ranking lists(as shown in the following figure6). On the ranking

list of the least favorable multinational brands among Chinese people, Apple ranked 8th with 6.1%.

Figure 6 2018 The Most And The Least Favorable Multinational Brands



Source: Global Times and the Global Public Opinion Survey Center

Therefore, Apple's multinational business operations and corporate public diplomacy in China are also worth studying. This paper will further analyze and explore how can Apple play a role in America's public diplomacy with dramatically changed favorability in China, from the perspectives of preconditions, methods and effects of corporate public diplomacy.

4.3 Corporate public diplomacy of Huawei and Apple

4.3.1 The Preconditions

If corporate public diplomacy is to be effective, it needs some preconditions. The preconditions can be analyzed from the perspectives of multinational enterprises and relevant countries.

4.3.1.1 Analysis from the perspective of multinational enterprises

From the perspective of multinational enterprises, if multinational enterprises

want to carry out business activities in the host country smoothly and play the role of corporate public diplomacy, they need to have two main preconditions -- long-term transnational operation and consistent values with the home country.

First, multinational enterprises need to carry out a long-term corporate public diplomacy through in-depth and detailed specific work to win the recognition and support of the host country's government and the public. To win the recognition of the host country is not one thing or two things can be achieved, but requires a long-term accumulation process. Inspired by Wendt's constructivism theory, it can be known that the second step of corporate public diplomacy is that multinational corporations conduct relevant business activities and corporate public diplomacy in the host country with the local public as the target audience. This process cannot be temporary or short-term. Only long-term transnational operation can ensure the possibility and continuity of corporate public diplomacy activities, which is the most basic prerequisite for corporate public diplomacy(Yang 2011).

Taking Apple as an example, as a typical American multinational company, Apple always takes the global public as its target audience. Apple's large scale transnational operation in China can date back to 2009, and it has been 10 years till now. Apple's market share and brand favorability in China have been impressive over the past decade. According to the survey report on Chinese consumers' favorability of foreign brands in 2018, Apple's favorability of Chinese consumers is 13.9%, ranking the fourth(Globe Times 2018).

Taking the multinational operation and corporate public diplomacy carried out by Huawei in the UK as another example, it has been nearly 20 years since Huawei UK was established in Reading, a city in Berkshire near London, in 2001(Zhu 2016). From the early cooperation with British Telecom (BT) to the establishment of a 5G Innovation Center by Huawei at the University of Surrey recently, Huawei has successfully carried out corporate public diplomacy in the UK through long-term and continuous transnational operation. Nowadays, while the US has against Huawei, the UK is considering “soft touch”.

Figure 7 A screenshot of CNN news



Source: CNN News

According to the BBC, based on the cooperation between China and the UK for many years, the UK hopes to continue to cooperate with Huawei in 5G(Sina 2019-02-21). It can be seen that only after decades of transnational operation can multinational enterprises become the symbol of their home country in the host country and create preconditions for the multinational enterprises to carry out corporate public diplomacy in the host country. Only such increasingly accumulated and long-term recognition and support can have positive influence for multinational enterprises and national image.

Secondly, another necessary precondition for multinational enterprises to carry out corporate public diplomacy is that they must have the same values and norms with their home countries in that they can become a symbol of the national image of their home countries(Hu 2007). From the definition of corporate public diplomacy, it can be seen that corporate public diplomacy is regarded as a branch of national public diplomacy, whose ultimate purpose is to build a positive corporate image and national image, and facilitate the smooth implementation of national foreign policy through the business activities of multinational enterprises in the host country. From both Apple and Huawei's cases we can know that a multinational enterprise that can carry out corporate public diplomacy should share the same values with its home country. In this way, they can be regarded as a symbol of its home country by the public of the host country, which is another important precondition.

Taking Apple for example, the former CEO of Apple Steve Jobs advocated that everyone can change the world. He believed that if you think you are powerful, then you can make a difference in the world and you can change the world. Jobs also instilled this value into the company, and made this "theory of infinite potential" as Apple's corporate values. In addition, there is another important aspect of Apple's corporate values -- innovation. All of these values make Apple become a company with American style. The United States creates the national image of "innovation, free and democratic", which shows its development degree on international politics, economy, culture, science and technology (Cui, Li, 2000).

Looking at Huawei, as a large Chinese multinational enterprise, it shares the same values with China. In recent years, China has put forward the building of a "Community of Shared Future For Mankind" and the Belt And Road Initiative, with harmony, sharing, cooperation and win-win as national values. In the process of transnational operation, Huawei actively responded to the Belt And Road Initiative, who actively conveyed Chinese culture and provided Chinese solutions for global governance. Under the principle of achieving shared growth through discussion and collaboration of the Belt And Road Initiative, Huawei actively carried out 5GPPP experimental project and Huawei Innovation Research Plan (HIRP) in Europe, sharing its wisdom with the world and cooperating with relevant European industry associations and regulators to promote joint development(Huawei, 2019).

4.3.1.2 Analysis from the perspective of relevant countries

According to soft power theory, actors can construct soft power and “assimilative power” through three ways: culture, political values and foreign policy(Joseph, 2013). Thus, the strategic competition and political risks of relevant countries will influence the corporate public diplomacy.

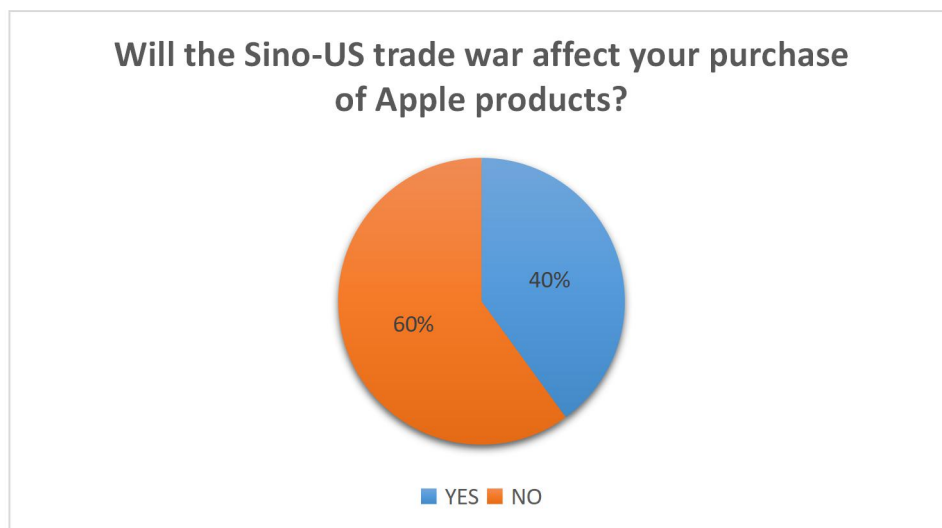
From the perspective of relevant countries, if there are strategic competition and political risks between the home country and the host country, especially in the field

of economy, trade and security, the process of corporate public diplomacy will be hindered.

Firstly, if there is strategic competition between the home country and the host country, the effect of corporate public diplomacy will be restricted. According to S. Mahmud Ali, there has been the strategic competition between China and the U.S. since Obama administration. In *US-China Strategic Competition---Towards a New Power Equilibrium*, S. Mahmud Ali pointed that “America’ s ‘unipolar era’ amidst incremental and incomplete multi-polar trends, from both US and Chinese perspectives. we can see the Obama Administration’ s efforts to manage China ‘rise’ . As a cooperative subordinate-partner initially, China has become a more competitive potential ‘peer-rival’ nowadays . The two powers appeared to recognise the risks inherent in strategic competition being allowed to define Sino-US relations as China grew stronger and America recovered from the Great Recession ’ s strains”(S. Mahmud, 2015). The strategic competition between China and the United States is mainly concentrated in the economic, trade and military fields. This kind of strategic competition brings serious influence to the transnational operation of multinational enterprises. The United States complained that China has enjoyed open access to its markets since joining the World Trade Organization and China's artificially devalued currency gave it a competitive advantage, leading to a growing trade surplus. Since 2018, the Trump administration has imposed tariffs on imported washing machines, photovoltaic modules and steel and aluminum products, launched a national security investigation into imported cars and spare parts, and unveiled a list of goods to be slapped with tariffs on China. As a result, Chinese multinationals corporations has faced challenges in the United States. Chinese direct investment in the United States plunged 92 percent in 2018 from a year earlier, according to Rhodium, a consulting firm that tracks Chinese investment in the United States. According to the 2018 business survey of Chinese companies in the United States released by China General Chamber of Commerce-USA(CGCC), 60 percent of respondents were most worried about the Trump administration's imposition of high tariffs on imported products, and 14 percent believed that the Trump administration's

increased trade barriers would lead them to reduce their investment in the United States(Xinhua 2018).

According to the results of my questionnaire in China(as shown in following figure), 25% of the respondents said that a trade war between China and the United States would affect their purchase of apple products, while 75% of the respondents said no. Although more people believe that a trade war between China and the United States will not affect their choice of Apple product, there still a large proportion of respondents think it will, accounting for 1/4. Therefore, it is also a precondition for successful corporate public diplomacy that cannot be ignored.



Source: Questionnaire Data

By contrast, Chinese multinational enterprises are more likely to operate in countries where there is no strategic competition with China. In these countries, China's national public diplomacy and corporate public diplomacy can be better carried out. As I learned from Abdullah's interview, a Saudi studying in the United States, China's public diplomacy in Saudi Arabia is very successful, and Chinese multinational enterprises, including Huawei, have good operations there. When he was asked about "How do you feel about the impact of Chinese multinational enterprises in the States, or the world wide international impact of China?" Abdullah replied: "I don't know much of the situation in the States, but I do know the impact of

China and Chinese enterprises is huge in Saudi Arabia. In Saudi Arabia, universities and colleges start to teach Chinese almost all over the country. The government starts to provide more scholarships to those who go to study in China.” It can be seen that the strategic competition between countries has a significant impact on the public diplomacy and corporate public diplomacy. In order to successfully carry out corporate public diplomacy, full consideration should be given to the preconditions of strategic competition between relevant countries.

Secondly, the political risk between the relevant countries is also one of the major factors influencing the business activities and corporate public diplomacy. In May 2010, Huawei, as a multinational company, made a direct investment in the United States and signed a deal to acquire 3Leaf Systems, an American server technology company, for \$2 million. But the U.S. government was concerned that technology from 3LeafSystems could be shared by China and has asked Huawei to divest technology assets acquired through its acquisition of 3LeafSystems, citing “national security” concerns(Zhu 2016). Huawei was forced to abandon the acquisition despite its best efforts to oppose the investigation. In 2019, the U.S. government prohibited all U.S. government agencies from buying equipment and services from Huawei, and also prohibited U.S. government agencies from signing contracts or providing grants and loans to Huawei customers. Huawei announced on the July 7th that it sued the US government and accused that the “National Defense Authorization Act (NDAA) in fiscal year 2019” is unconstitutional. Huawei wants to judge that the prohibition of using its products by all the US government agencies is unconstitutional and would require a permanent ban. We can see from the failed acquisition of Huawei and the conflict between the US and Huawei that the political risks faced by multinational enterprises in the process of overseas mergers and acquisitions can largely affect their transnational operations, and restrict their corporate public diplomacy.

Figure 8 Monition for American Government

Case 4:19-cv-00119-ALM Document 4-1 Filed 03/07/19 Page 1 of 2 PageID #: 65

AJ 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT
for the
Eastern District of Texas

HUAWEI TECHNOLOGIES USA, INC.,
and
HUAWEI TECHNOLOGIES CO., LTD.,

Plaintiff(s)
v.
UNITED STATES OF AMERICA, et al.

Defendant(s)

Civil Action No. 4:19-cv-159

SUMMONS IN A CIVIL ACTION

To: Defendant's name and address: United States of America
U.S. ATTORNEY'S OFFICE, EASTERN DISTRICT OF TEXAS
Civil Process Clerk
600 E. Taylor St.
Suite 2000
Sherman, TX 75090

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) – or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) – you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Glen D. Nager
JONES DAY
51 Louisiana Avenue, N.W.
Washington, D.C. 20001

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Donald A. Virella
Signature of Clerk or Deputy Clerk

Date: 3/7/19

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS

Source: Weibo of Huawei

In addition, in my interviews in the United States, when the three respondents were asked if they know Huawei's case with the United States government, all of them have mentioned the “back door” threat, “spy activity” and “corporate espionage”, they said they heard in the news reports in the United States or government statement about Huawei espionage, making them hold the bad feeling and negative toward Huawei, even to the Chinese government. Thus, political risk is also one of the major preconditions that can affect corporate public diplomacy. Political problems between the host country and the home country of a transnational enterprise will seriously affect the attitude of the audience in the host country, because their information sources are mainly their national news and government statements.

4.3.2 The Methods

The main responsibility of multinational corporations is to conduct transnational operations and promote global economic development rather than conducting

diplomatic activities. However, the special business environment of multinational corporations determines their close contact with the foreign public(Zhao 2018). Therefore, the international business operations of multinational corporations must be accompanied by corporate public diplomacy. The behavior of multinational corporations in other countries will affect the attitude of foreign public and consumers towards the brands and have an impact on the national image.

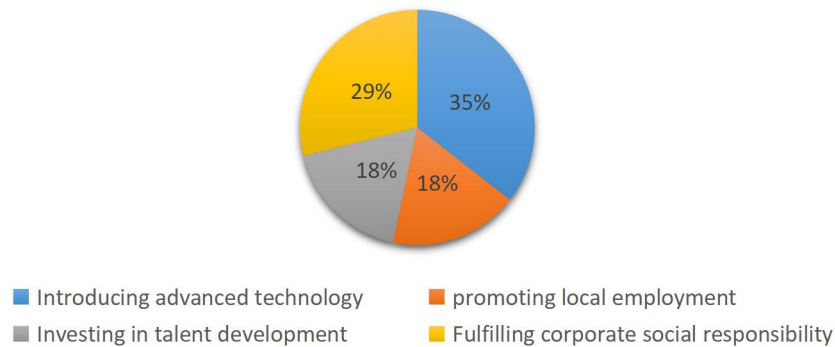
There are various methods for multinational corporations to participate in corporate public diplomacy. Although the core objective of multinational enterprises is not to conduct diplomatic activities, its business models, its relationship with the foreign public and the host government will all affect its corporate image and national image. Multinational enterprises can conduct corporate public diplomacy by leading industrial products and technologies, fulfilling their overseas corporate social responsibilities and building good media relations in host countries.

4.3.2.1 Leading the industry development

“Leading the industry development” means that some transnational enterprises have professional and technical advantages in the industry field during their overseas operation, and they usually actively lead the formulation of industry strategic standards(Wei 2017). Through effective agenda setting, the multinational enterprises build the discourse power in the industry. In this way, transnational enterprises can promote the national image of their home countries as the great power with technological superiority. When participating in public diplomacy, multinational enterprises who lead the development of their industry can be in an advantageous position. In the industries they belong to, transnational enterprises can drive the development of relevant industries in host countries by virtue of their advantages in technology, experience, facilities and capital. In this way, a positive image of a multinational enterprise can be created in the mind of the audience in the host country, which will be associated with the national image of their home country and achieve the goal of improving the recognition and popularity of their home country.

The Apple is a good example. The iPhone has brought significant innovation to the Chinese mobile phone industry. Before apple entered China, non-smart phones with physical keyboards were widely used in China, with Nokia, Samsung leading the way. The emergence of iPhone has started the revolutionary innovation of mobile phones in China and even around the world. Apple has become the industry standard because Apple set the trend in the smart-phone era. The first two generations of iPhone did not go on sale in China, and the third generation of iPhone went on sale in China five months later than the United States, leading to the missed market cycle. Therefore, the first three generations of iPhone were not well known in China. However, after the iPhone4 entered the Chinese market, it quickly gained high popularity in China and occupied a large market share. Apple has creatively answered the question “what is a touch phone?” and “what is a smart-phone?” Before the iPhone appeared in China, many people would think that a touchscreen phone was a smart-phone, but this is not accurate. The iPhone has revolutionized the way non-smart-phones operate with its intuitive sliding operating system. Other touch-screen phones before the iPhone still use the original operating system when turning pages, setting up the "next" button that you need to click to turn the page. So when iPhone showed us the intuitive slide, we realized that no matter how beautifully you design the “next” button, it's always wrong. In other words, when iPhone entered China, it immediately introduced and implemented a new interactive logic for touch screens(Sina 2018-11-17). Through its own technology and innovation, Apple has gained a large number of loyal users in China, occupied a large proportion of the Chinese mobile phone market, and rapidly improved its brand popularity and favorability. According to the results of my questionnaire in China, introducing advanced technology to the host country has become the most favorable point for transnational enterprises' favorability, accounting for 35% of the respondents. Therefore, strategic technology guidance and leading the industry developments become the most important ways to improve the favorability of transnational enterprises.

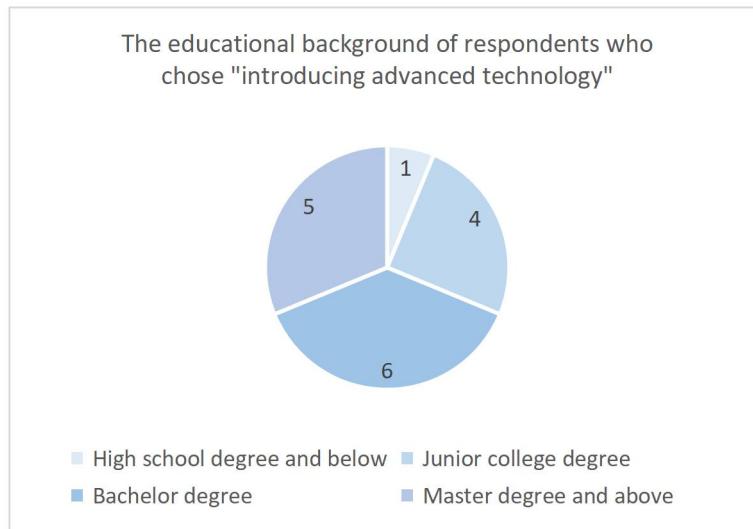
What kind of behaviors of iPhone can improve your favorability in the China?



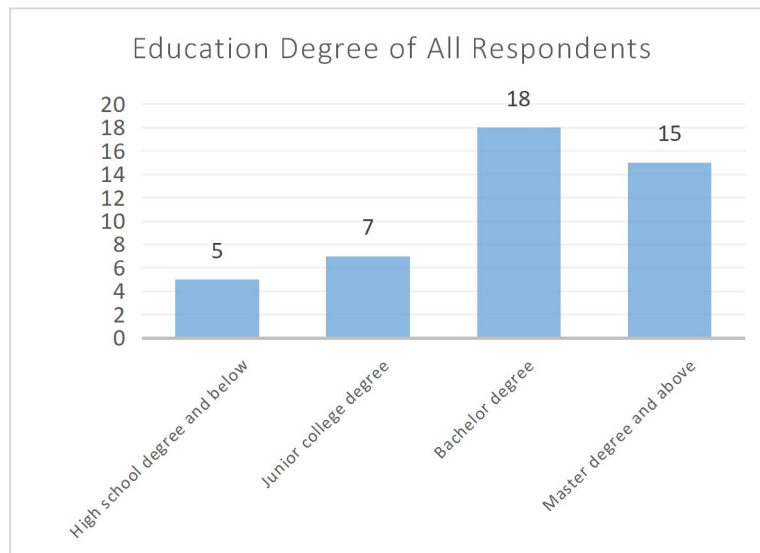
Source: Questionnaire Data

According to the results of my questionnaire in China, from the perspective of the number of people who choose to “introducing advanced technology”, undergraduates are the most and high school students are the least. However, considering the total number of respondents, the proportion of college students choosing to “introduce advanced technology” is the highest (57%), and the proportion of high school students and below is the lowest (20%). General, respondents who choose to “introducing advanced technology” have different educational backgrounds, and the leading role of iPhone in technology and innovation is quite important in the mind of Chinese people.

Thanks to Apple’s advanced product appearance and operating system, it can have so many fans in China and even around the world. These relevant technology of Apple and iPhone are revolutionary innovations for the smart-phones that people take for granted today, which led to the development of the smart phone industry. At the same time, these revolutionary innovations greatly increased the visibility of Apple and successfully achieved its strategic leading position in its relevant industry. Leading the industry development is an important way to leave a positive corporate image in the minds of the overseas public, so it is one of the core methods of corporate public diplomacy.



Source: Questionnaire Data



Source: Questionnaire Data

“Introducing advanced technology” can not only benefit corporate public diplomacy, but also hinder it. In recent years, Huawei has always been committed to the development of 5G and has been in a leading position globally (<http://carrier.huawei.com/cn/success-stories/5g/huawei-5g-chixu-lingxian>). The next 10 years will definitely be dominated by 5G networks, so all manufacturers around the world are working hard in this field. According to the data provided by the European Telecommunication Standards Institute, as of December 28, 2018, a total of

21 enterprises have made necessary patent declarations for 5G standards, with a total number of 11,681 patents. Now, the European Telecommunications Standards Institute (ETSI) has released a ranking of the number of core patents necessary for the global 5G standard, with Huawei taking the top spot with 1,970 patents. Although Nokia came in second, Huawei outnumbered its rivals by 33%. At the end of 2018, the EU sent out a list of EU industrial research and development investment in 2018, which mainly introduced the ranking of research and development investment of global enterprises. Huawei, which attaches great importance to 5G technology, ranked fifth in the world, and its research and development expenditure from 2017 to 2018 was 11.334 billion euros (89.11698 million yuan). In comparison, Apple, Intel and Qualcomm invested 9.656 billion euros (RMB 76.1 billion), 10.921 billion euros (RMB 86.1 billion) and 4.556 billion (RMB 35.9 billion) respectively in research and development. The research and development cost of Nokia is 4.916 billion euros (about 38.8 billion yuan), and Ericsson is 3.26 billion euros (about 25.7 billion yuan). Huawei's huge investment in 5G research and development has boosted the company's innovation (Chinanews, 2019). Hu hou, chairman of Huawei, said for the first time on December 18, 2018 that they have won more than 25 5G commercial contracts, leading the world in 5G commercial contracts, and have shipped more than 10,000 5G base stations (Qianjia 2019).

Figure 9 The Number of Necessary Patents for 5G Standards Ranking List



Source: China Academy of Information and Communication

However, Huawei's leadership in 5G has set back its corporate public diplomacy. Huawei has faced policy restrictions in the United States, South Korea, Japan and other countries. Led by the United States, many countries are trying to prevent them from entering their domestic market, such as the United States' four major carriers AT&T, Verizon, Sprint and t-mobile have collectively announced that they would exclude Huawei and ZTE from the list of 5G providers(Qianjia 2019). South Korean carrier SK Telecom subsequently announced its rejection of Huawei's 5G technology, while several major Japanese carriers have expressed the same attitude(Qianjia 2019). The restrictive policies proposed by these countries restrict Huawei's business activities in the host country, while going abroad and operating in foreign countries are the most important preconditions for corporate public diplomacy.

Besides, When we asked about Huawei's lawsuit against the United States government in our interview, Michel, a Native American, replied: "I heard about news the U.S government pushed German government to stop the corporation with Huawei in the field of 5G network construction Telecommunication field, especially in the coming trend of 5G network. That's one of the main purposes the U.S government prohibition on Huawei."

Therefore, leading the technological development of the industry would also limit the public diplomacy of enterprises, just as Huawei is facing difficulties in the United States, South Korea and Japan, which undoubtedly brings huge challenges to the transnational operation of Huawei and directly affects its overseas business activities and corporate public diplomacy.

4.3.2.2 Fulfilling overseas corporate social responsibilities

Multinational enterprises need to attach great importance to fulfilling corporate social responsibility in other countries when they carrying out overseas operation(Wei 2017). They can not only win the popularity, favorability and acceptance from local public, but also promote their overseas business activities by fulfilling relevant social

responsibility of enterprises in the host country. Meanwhile, this method can be used to create positive corporate image and national image in the public mind of other countries, and then it can facilitate the foreign affairs of the national government and contribute to the smooth implementation of national policies.

Although economic interest is the core goal of enterprise management, modern enterprise need to pay attention to the influence of politics, law, culture and ethics. In 1924, Oliver Sheldon first proposed the concept of Corporate Social Responsibility (CSR). In 1953, Howard R. Bowen defined corporate social responsibility for the first time, holding the view that businessmen have the obligation to make policies and decisions and take actions according to the requirements of social goals and values(Howard 1953). In 1971, the United States Economic Development Commission published the *Social Responsibility of Commercial Companies Report* listed as many as 58 kinds of social responsibility behavior for multinational enterprises to promote social progress. Kofi Annan, the former secretary-general of the United Union, has also been a strong advocate of corporate social responsibility, emphasizing human rights, labor freedom and the protection of the environment. Corporate social responsibility refers to the behavior that enterprises pursue the maximization of the comprehensive value of economy, society and environment in order to realize the sustainable development of themselves and the society. The corporate need to effectively manage the influence of enterprise operation on stakeholders and the natural environment, following laws and regulations, social norms and business ethics,. With the concept of sustainable development increasingly popular, corporate social responsibility has become a new focus of competition, which is directly facing the general public at home and abroad.

Huawei actively fulfills its overseas social responsibility in the process of “going global”, which is beneficial to the establishment of its brand image and national image. In the statistics of global brand popularity, the global brand popularity of Huawei is increasing year by year, up to 85% at present. In addition, Huawei ranked No.70 in the Interbrand's Top 100 Global Brands. The tendency of buying Huawei mobile phone by oversea public has increased significantly, with an increase of 100%

compared with the same period in 2016. This is closely related to Huawei's corporate public diplomacy activities through fulfilling corporate social responsibility. Since 2012, Huawei has proposed the “future seed program” worldwide, which provides students with ICT practical training programs and professional skills training. According to official data from Huawei, in the first year of the future seed program, it has covered more than 50 universities in 14 countries around the world. In recent years, Huawei's training program has benefited more than 30,000 students from all over the world, including nearly 4,000 outstanding college students from all over the world who came to visit and study in Huawei headquarters. In the United States, future seed programs have been successfully developed at MIT, the university of Washington, Pennsylvania state university, and Stanford university (Huawei 2018).

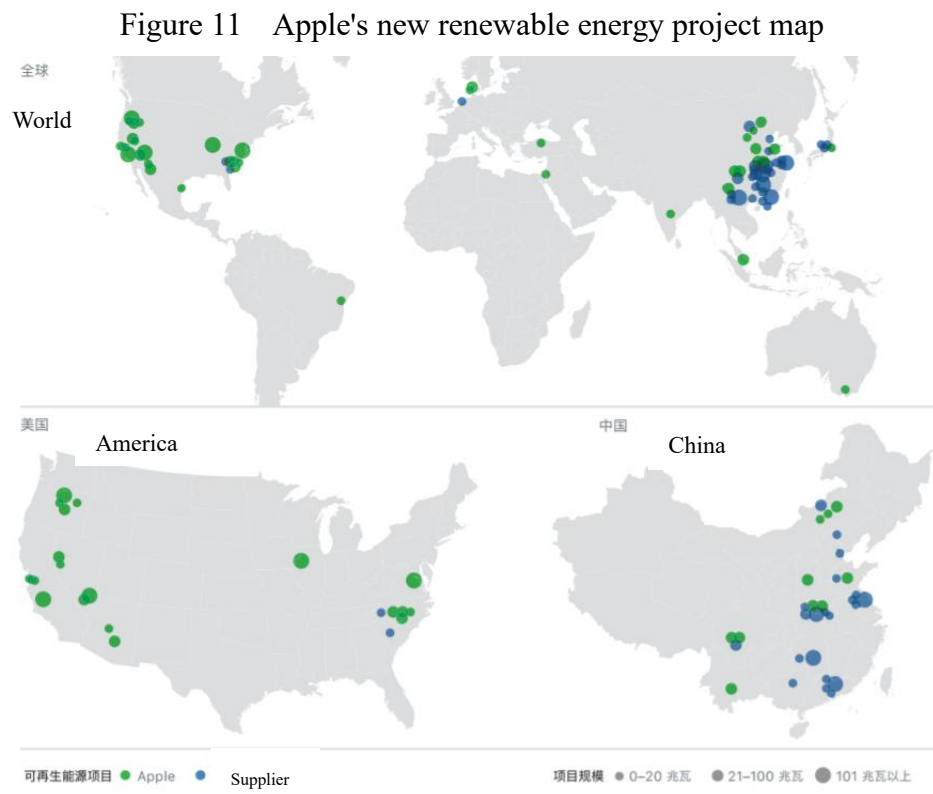
Figure 10 Huawei's future seed programs map



Source: <https://www.huawei.com/cn/about-huawei/sustainability/win-win-development/social-contribution/seeds-for-the-future>

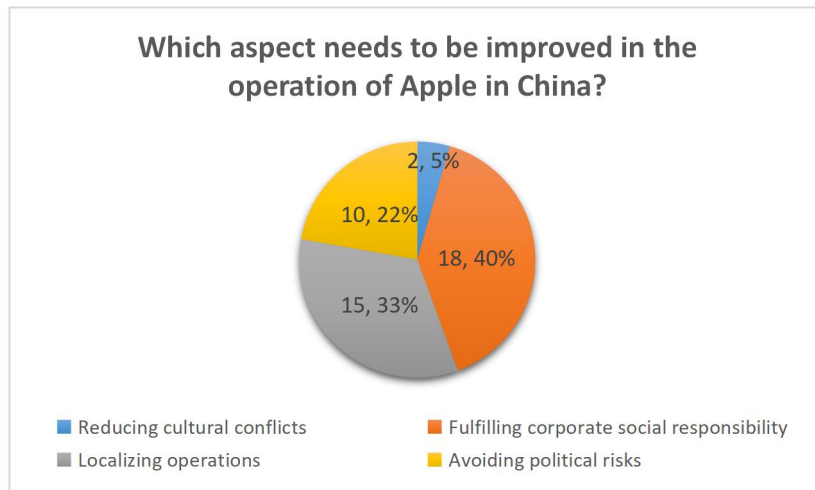
Taking Apple as another example, it pays more attention to sustainable development and environmental responsibility when fulfilling its social responsibility as a multinational enterprises. According to Apple's 2018 environmental responsibility report, Apple is actively promoting sustainable development from several aspects, including environmental responsibility, climate change, resource conservation and the

use of high-quality materials. To reduce carbon emissions, Apple and its suppliers are producing or sourcing renewable energy(<https://www.apple.com/cn/environment/>). The following map shows long-term investments in new renewable energy projects to power Apple's facilities and manufacturing facilities and the global clean power network.



Source: <https://www.apple.com/cn/environment/>

However, according to my questionnaire in China, most Chinese hold the view that iPhone and Apple need to fulfill more corporate social responsibility in China, accounting for 41%.



Source: Questionnaire Data

According to relevant data, we can see that Apple didn't pay sufficient attention to charity. For instance, Apple donated just 400,000 yuan to the 2008 Wenchuan earthquake in China, while Nokia donated 53 million yuan and Samsung donated 34 million yuan(CMC 2008). This caused dissatisfaction among many Chinese people at that time. Since then, although Apple's profits in China have been increasing, it has seldom participated in public welfare undertakings in China. While corporate social responsibility(CSR) isn't just about giving money and doing good, one approach is the most visible to the public. The results of the questionnaire also reflect that most people believe that Apple is not doing a good enough job of corporate social responsibility(CSR), and they need to improve its corporate social responsibility.

4.3.2.3 Strengthening brand building

Strengthening brand building is the key to building a positive corporate image. Multinational enterprises must establish corporate brand culture and concept from the beginning(Wei 2017).

According to the soft power theory, soft power is the opposite of hard power, which emphasizes the ability to achieve desired goals through attraction rather than coercion(Joseph 2013). It is the soft power that can enhance a country's image, which is more effective than hard power. Thus, brand building and brand value are important

embodiment of corporate image, which also play the important role in building a positive national image. The creation of any brand is the result of long-term efforts. Corporate brand building is an important starting point of public diplomacy, including the corporate culture(Zhao 2018). Corporate culture is the most important key factor in attracting foreign public, just as the ideas put forward in the soft power theory. According to the soft power theory, multinational enterprises can construct soft power and “assimilative power” through three ways: culture, political values and foreign policy. Culture is the first one. When multinational enterprises conducting public diplomacy in other countries, they need to play a role in places that have attraction to target foreign public. To comprehensively build a corporate brand and corporate culture requires consistent and persistent efforts. The overall image of Chinese multinational enterprises reflects the national image of China. Only when Chinese enterprises comprehensively improve their corporate image can China's national image construction make substantial progress.

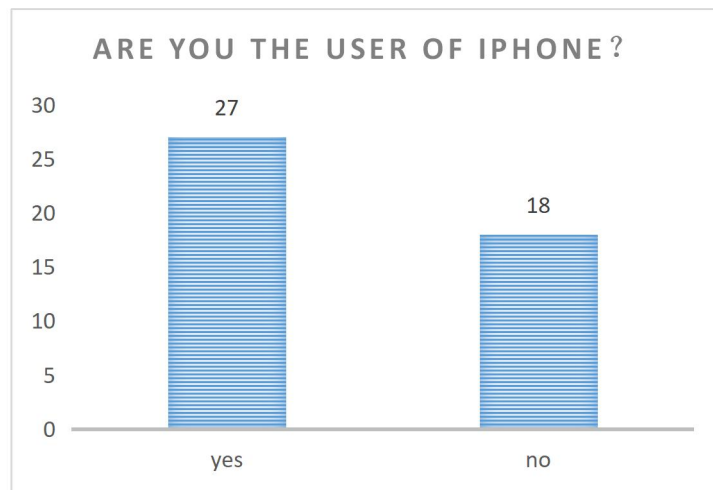
Douglas B. Holt, the author of *How Brands Become Idols -- Principles of Cultural Branding* (2004), put forward the model of culture branding in this book. Apple is well known for its impressing brand culture with its culture branding model. Pius Walker, creative director of Walker Werbeagentur in Switzerland, once pointed out that Apple's strategy is to stick to the simplest core values. Apple ads aren't just TV ads and posters. The whole company is an advertisement. Jobs, Apple product design is advertising. Internet users and message boards are full of Apple ads. In fact, almost every apple peripheral business becomes an advertisement for the brand(Pius 2008).

Over the years, the iPhone has become a symbol of pop culture and modern tendency. Apple's concept has gone through three phases: “rebel”, “pioneer” and “cool”. Among them, “rebel” represents the unique status of Apple(Luke 2018). Apple's brand image of daring to challenge authority and daring to rebel is deeply rooted in people's hearts. In this regard, the representative work of “1984” advertising with the concept of “rebel” can prove that its concept fits the tide of the counterculture at that time, which could be integrated into the world of the common

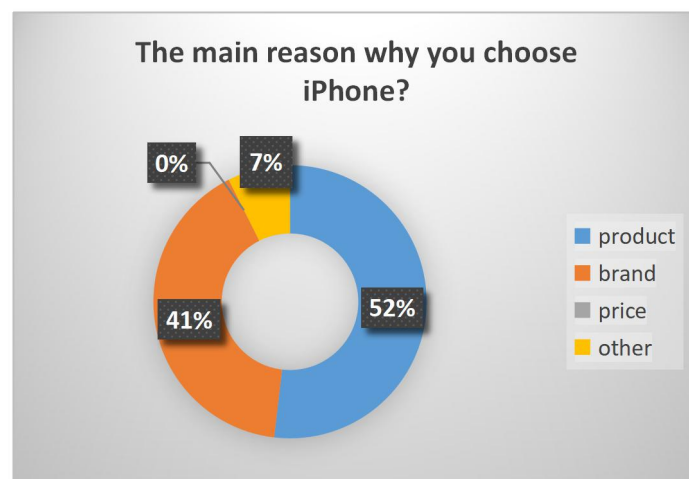
people with the image of hippies and became the cultural mark of their growing generation. Apple's advertisement showed the contradiction between the counterculture movement and the mainstream values. As the founder and practitioner of Apple culture, Steve jobs has made a deep personal impression on Apple. Many consumers consider Steve jobs, Apple's founder and CEO, to be the apple equivalent. Many people believe that Apple cannot be duplicated. The reason lies in Jobs' personal experience and personality, and his uniqueness has become the management style and culture of the company. Take the product as an example, he requires that every detail, color, texture, workmanship, accessories, and even the interior of the product should be perfect and have a sense of design. Even if the precision of the interior can only be seen by professional maintenance personnel, he still insists on doing so. In this way, Jobs can say that this “rebel” and “pioneer” as a representative of a culture has been carried out in every step and detail of Apple. Jobs' attention to customer needs and experience won the favor of consumers, and made them actively pursue and worship. His uniqueness also lies in marketing. He abandoned the old marketing tactics and firmly believed in the idea in his heart. He believed that the excellent idea combined with high-end and advanced products could create conditions for himself, that is, create demand without demand, and thus led the new trend. To this end, he showed another talent. He is good at creating suspense and arousing people's interest and curiosity through media, press conferences, advertisements and other media(Lin 2013). Apple's multinational operations in China also benefit from its brand value and brand culture. Shaun Rein, founder of China Market Research Group, a high-end brand consultancy, said: “Chinese consumers are fascinated by buying high-end brands that demonstrate their social status.” He sees the iPhone's rise as an “affordable luxury”.

According to my questionnaire, there are 45 respondents in this survey, among which 27 are iPhone users and 18 are not. Among the 27 iPhone users, 41 percent chose the iPhone because of the brand, ranking second. 52 percent of respondents cited the iPhone's performance as the main reason they chose it. Therefore, the product performance of iPhone and Apple's brand value are the main reasons for

consumers to choose it, which is also closely related to Apple's culture branding model. Apple's efforts in brand building have made it increasingly famous in China.



Source: Questionnaire Data













Source: Questionnaire Data

According to 2018 global brand report issued by Interbrand research institutions, Apple once again not surprisingly became the first place, from the user's acceptance and comprehensive consideration to the company's corporate culture. In fact, since 2012, every year Apple get the first place, and after Apple is Google, the third is the Amazon, fourth is Microsoft. Huawei is the only Chinese brand among the top 100 global brands, ranking 79th with a brand value of \$8.4 billion. Huawei ranks much lower than Apple, which is nowhere near Apple's nearly \$200 billion brand

value(Interbrand 2018).

Figure 11 Brand Value Ranking

	#1	Apple	\$182.8 B		#77	BASF	\$8.6 B
	#2	Google	\$132.1 B		#78	Lowe's	\$8.5 B
	#3	Microsoft	\$104.9 B		#79	Huawei	\$8.4 B
	#4	Facebook	\$94.8 B		#80	Adobe	\$8.3 B
	#5	Amazon	\$70.9 B		#81	FedEx	\$8.3 B

Source: Interbrand research institutions

At the beginning of Huawei's international market development, it entered the international market with the "cost leading advantage"(Wu 2018). For example, in the early bidding of China Telecom nearly 30 billion CDMA big business, Alang, Canada Nortel and ZTE gave a bid of 7 billion yuan to 14 billion yuan, Huawei took the bid of only 700 million yuan, and still profitable. From the perspective of marketing effect, Huawei's "low-cost strategy" is undoubtedly successful, but in the long-term development and to gain a firm foothold in the international market, the "low-cost" may be more stuck in the deadlock of "made in China". Similarly, in the process of breaking into the European and American markets, Huawei enterprises are facing the competitive pressure from strong brands, so its "low-cost" marketing strategy is struggling and it needs to change its development strategic thinking. As a result, Huawei enterprises begin to consciously build corporate brands(Wu 2018). Huawei began to consciously build brand culture and integrate it into the process of brand building and international communication. Enterprises can survive and develop continuously depends on cultural values, which play an invisible guiding role.

“Customer-centered” service culture and “striving for the best” struggle culture are the two quintessence of Huawei's brand culture(Wu 2018). Service culture originates from brand positioning, while “struggle culture” originates from the struggle spirit of employees. Ren zhengfei, CEO of Huawei, proposed that Huawei's corporate image should be built in silence(Wu 2018). The corporate image is accumulated by the bit by bit of public praise, the infiltration of brand culture will strengthen the corporate brand image imperceptibly. Huawei spreads its cultural values in numerous product press conferences, user conferences and industry technology sharing activities. In Huawei's image advertising and activities, the hard work of Huawei is narrated in a narrative way. The continuous innovation of Huawei technologies and the continuous improvement of Huawei services transfer the brand culture of Huawei to target groups all the time and solidify the brand image of Huawei. The brand building of an enterprise should highlight its unique character, which must come from the true perception of employees, external customers and even the public of every detail of Huawei. Therefore, the infiltration of brand culture is an invisible way for the international communication of Huawei. With the increasing value of Huawei's corporate brand, its share in the international market is also rising.

However, Huawei has a long way to go before it can become a global brand. At present, the biggest obstacle for Huawei enterprises is the American market. Huawei has been entering the US market since 2002, but its activity in the US market has always been low, and Huawei has been suppressed by the us government and the market these years(Zhu 2016).

According to my interview, Michel, a Native American, said:“As to the case of Huawei, I think the main reason people don ’ t use a Huawei cellphone just because they don ’ t know where to buy it, even though Huawei is cheaper and better in quality compared to other brands in the same price level. You see we can buy an iPhone or Samsung simply on streets, but you can ’ t find any retailer of Huawei easily.” Amanda Rose, a Native American, who live in Syracuse also said: “I haven ’ t really thought about Huawei one way or another when it comes to purchases. I am not familiar with the products it sells.” It can be seen that Huawei's store coverage in the United States

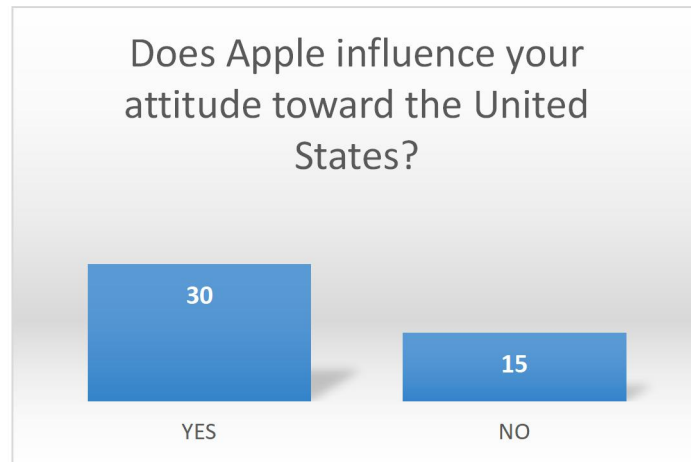
is very low, for the general American public, there is no place to go to fully understand Huawei, or even know little about Huawei's mobile phones and other products. However, I must admit that my interview's coverage is limited to Syracuse and Philadelphia, and therefore the result cannot represent the entire United States. But according to the interview results, we can see that if Huawei wants to comprehensively enhance its popularity in the United States and better carry out corporate public diplomacy, it needs to attach importance to brand building in every city.

In addition, as a typical Chinese enterprise, Huawei also has the typical introversion of Chinese in its corporate culture. Huawei hopes to build its brand image with long-term actions, which is a long process and the effect cannot be shown immediately. Therefore, Huawei's transnational operation in the United States is not smooth, and its popularity in the United States is also affected.

4.4 The Effects of Corporate Public Diplomacy

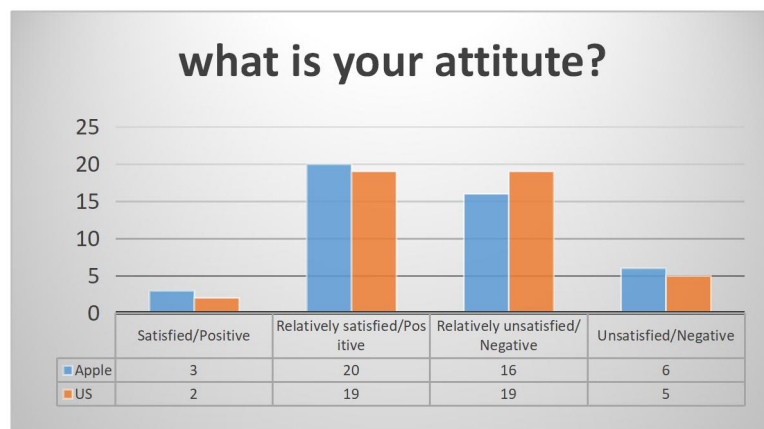
According to Wendt's constructivism theory, multinational enterprises, as an actor of public diplomacy, can change the attitude of foreign public through the shared knowledge and cultural structure, so as to achieve the purpose of improving national image and promoting the implementation of China's foreign policy. Thus, as a symbolic non-governmental behavior, transnational enterprises' commercial activities and corporate public diplomacy activities in the host country will have an impact on the image of their home country.

According to my questionnaire in China, 67% of the respondents said that Apple's business and related activities in China would affect their views and attitudes towards the United States, while only 1/3 of the respondents believed that Apple's behavior in China would not affect the national image of the United States. Therefore, we can know that the operation of a multinational enterprise like Apple in the host country will affect the cognition of most host country audiences towards their home country, which is exactly the embodiment of the symbolism multinational enterprise.



Source: Questionnaire Data

When respondents were asked about their attitudes towards Apple and the United States respectively, it could be seen that the general trend of public attitudes was similar. Most people are hold the view of relative satisfied to Apple, followed by relative unsatisfied. There is not much difference between these two groups, which are 20 and 16 respectively. Respondents also tended to be relative positive and relative negative about the United States, with the same number of 19. Thus it can be seen that there is a certain relationship between the host country's public attitude towards transnational enterprises and their attitude towards the home country of transnational enterprises.



Source: Questionnaire Data

Respondents in the United States are more inclined to judge whether a multinational enterprise can represent its home country according to its structure and nature. Amanda Rose,, a native American, who live in Syracuse said that she is not sure, but if the Chinese government is really calling the shots at the company, then maybe it does represent China and its action should influence one' s attitude toward China. She have to know more about the corporate structure and where the power lies, and then she can figure out whether the Huawei can represent China. When we asked her about her attitude toward China, she said: “ I think China is a beautiful country full of wonderful people. I think it has been an important partner to the United States on many issues of importance. I have concerns with some activities of the Chinese government, particularly as it comes to freedom of expression, protection of intellectual property rights, and free trade.”

In addition, in the analysis of specific cases, when we asked respondents about Huawei's lawsuit against the us government, someone said: “ I'm kind of being horrified of the skepticism, even the U.S government can' t give out any proof for that. Sometimes the internet technology can be scary when you realize it, such as the privacy of customers.” And another respondent said: “ I think if someone accuse Huawei of providing intelligence to Chinese government, then it is true. Huawei will do it, because the Chinese government will let it happen.”

Thus it can be seen that transnational enterprises are closely related to their home countries in the minds of the public in host countries. In the research on Apple and Huawei, we can see that the Chinese public has a relatively positive attitude towards Apple and a neutral attitude towards the United States. The American public has little understanding of Huawei. Based on the reports and statements of the US government on Huawei and relevant lawsuit, the American public tends to be relatively negative towards Huawei, which influences its attitude towards the Chinese government, especially on issues related to “espionage” and “personal privacy”.

5. Conclusion

According to Wendt's constructivism theory, we can know that Human society, including the international community, is the product of people's understanding of objective reality. All actors, no matter individuals or nations, as long as they are social beings, their symbols, their identities and their interests are the products of mutual cognition and communication, the results of interaction, which are not determined by individuals themselves, but social products(Alexander 2001). Therefore, under the framework of Wendt's constructivism theory, public diplomacy plays an important role in international communication. It is a diplomatic activity that aims at the public of other countries and plays a role in the field of ideology.

Multinational enterprises, as an actor of public diplomacy, can also change the attitude of foreign public through the shared knowledge and cultural structure, so as to gain benefits and achieve the purpose of improving national image and promoting the implementation of foreign policy. As non-governmental actors of public diplomacy, multinational enterprises are symbolic and special in the process of participating in public diplomacy. Firstly, the symbolic nature of a transnational enterprise means that when a transnational enterprise carries out business activities in the host country, it will have a close relationship with its mother country, and the national policies, international status and international relations of their mother country will have an impact on its activities in foreign countries. In the same way, transnational enterprises interact closely with the foreign public in foreign countries, and their products, business activities and social behaviors will also remind the foreign public of their home country. The influence of multinational enterprises on their home countries and the influence of their home countries on multinational enterprises are intertwined and inseparable. Therefore, the symbolism of public diplomacy gives transnational corporations unique advantages. Secondly, the special nature of transnational enterprises means that compared with non-governmental organizations such as NGOs, medias and academic institutions, they have unique operational attributes. The main responsibility of transnational enterprises are to conduct transnational operations and

obtain economic benefits. Therefore, the products, businesses and relations with employees of transnational enterprises will all become important factors influencing foreign public attitudes towards transnational enterprises and their home countries.

According to the comparative analysis of the two multinational enterprises in this paper, Huawei and Apple have their own advantages and disadvantages in foreign transnational operation and corporate public diplomacy.

Huawei, as a Chinese multinational enterprise, has taken an active part in fulfilling corporate social responsibility(CSR) in foreign countries, and committed to cultivating global students and playing a leading role in 5G and other advanced fields, sharing advanced technologies and talents. However, Huawei also has its problem. As Huawei's home country, China, is rising, and its business in the United States is struggling. The attitudes of American towards Huawei are influenced by political risk between countries. When it comes to aspects of “espionage” and “personal privacy” that Americans are very concerned about, Huawei's corporate image is negative, which has more impact on the national image. In addition, in order to better carry out corporate public diplomacy, Huawei also needs to strengthen its brand building. The store coverage of Huawei in the United States needs to be improved. Although according to the survey data of China, the overall brand popularity of Huawei is relatively high, it needs to take into account as many American cities as possible, such as Syracuse and Philadelphia mentioned in this paper.

As an American multinational enterprise with remarkable achievements, Apple has huge fans all over the world. Apple's transnational operation can be said to be quite successful, but its corporate public diplomacy not only has achievements but also has shortcomings. First of all, Apple has gained high popularity and favorability around the world by leading the development of the industry. Apple attaches more importance to the construction of corporate brand culture, and has won the support of many young people in China through the communication of brand concept and brand culture. As stated in the soft power theory, the attraction of culture is able to obtain the active and initiative support of foreign public. However, Apple has some shortcomings in fulfilling its corporate social responsibility in China. In its decades of

multinational operation in China, Apple has done little in public welfare or voluntary activities, although Apple has demonstrated its commitment to global environmental protection. We admit that public welfare and disaster relief are not the only ways for enterprises to fulfill their corporate social responsibilities, but these methods are the most visible. Therefore, fulfilling CSR is the most effective way to carry out corporate public diplomacy.

In general, Huawei and Apple have different corporate development strategies, corporate cultures and environments. China and the United States also have different national development and international status. According to soft power theory, transnational enterprises can construct soft power and “assimilative power” through three ways: culture, political values and foreign policy. Thus, these differences in culture, political values and foreign policy determine the strengths and weaknesses of Huawei and Apple in conducting transnational operation and corporate public diplomacy. These two transnational corporations should learn from others' strong points to offset their weakness in their transnational operation and corporate public diplomacy. Only in this way can Huawei and iPhone better achieve respective development and help shape a positive image of their motherland.

Finally, based on critical thinking, I have to explain that the primary data in this study may be one-sided and not comprehensive enough. Due to many uncontrollable influencing factors in interviews and questionnaires, the data obtained in this study may have unavoidable deviations. In order to ensure the reliability and validity of the interviews, I screened the interviewees before the interview and excluded the candidates who knew nothing about Huawei. However, I still cannot completely guarantee the absolute reliability and validity of the interviews. The selected interviewees may be biased or not absolutely express their ideas when answering questions, because there are many influencing factors, for example, the questioner is Chinese. Since I cannot go to the United States for a more comprehensive and specific investigation, there are just 3 interview results used in this paper, which cannot represent the attitude of the majority of the American public, but it also reflects some real problems, which also need to be paid attention to by multinational enterprises. As

for the questionnaire survey, due to the limitation of time and personnel, I only conducted a relatively small scale survey in Beijing. Therefore, the results of the questionnaire survey are not representative enough and can only reflect some phenomena. In addition, Beijing, as the research site, also has its own particularity. As the capital of China, Beijing is in a leading position compared with other Chinese cities in terms of economy, politics and culture. Therefore, I must admit that although my research and the first-hand data obtained in this paper are helpful to my paper, there are still some problems.

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Appendix:

1. Questionnaire

A Survey about the iPhone in China

Hello,

I am a postgraduate in the Aalborg University. The research of the iPhone requires your assistance to complete the following questionnaire. Please fill your answers in ().

We promise that all the information collected will be used for academic research only. We will keep your personal information and opinions strictly confidential. Please feel free to contact us if you have any questions. Thank you for your cooperation.

Interviewer: BI XI Tel:13621203111

Basic information

1. Your age ()

A. 0-17 B. 18 to 30 C. 31 to 50 D. more than 50

2. Your education degree ()

A. High school degree and below B. Junior college degree
C. Bachelor degree D. Master degree and above

3. Do you know the iPhone?

A. Yes (please continue to answer the following questions)
B. No (please turn to 12, thank you for your participation)

A survey about the iPhone in China

1. Are you the user of iPhone ()

A. Yes B. No

2. The main reason why you choose or not choose iPhone is ()

3. Do you think the trade war between China and the US will influence your opinion to iPhone and other Apple products?

A. Yes B. No

4. Do you have a favorability of Apple's business activities in China ()

A. Yes B. No

5. What kind of business behaviors of Apple in China can improve your favorability?
- A. Introducing advanced technology B. Promoting local employment
C. Investing in talent development D. Fulfilling corporate social responsibility
6. From your opinion, Which aspect needs to be improved in the operation of Apple in China?
- A. Reducing cultural conflicts B. Fulfilling corporate social responsibility
C. Localizing operations D. Avoiding political risks
7. Does Apple's business operations in China influence your attitude toward the US?
- A. Yes B. No
9. Your attitude towards Apple is().
- A. Satisfied B. Relatively satisfied C. Relatively unsatisfied D. Unsatisfied
10. Your attitude towards the US is ().
- A. Positive B. Relatively positive C. Relatively negative D. Negative

2. Interview Record

1. Michel: Native American, live in Philadelphia.

Q: Have you ever head about Huawei, the technology company of China, or any news related to it such as the lawsuit against U.S government?

A: Yes, I have heard about Huawei and the lawsuit against U.S government.

Q: Then have you ever looked into that case?

A: Well, not really. I would say it's not related to my daily life so I never thought about it. I heard that lawsuit is connected to the trade war between China and U.S.

Q: Do you know any one who uses a Huawei cellphone or see someone uses a Huawei?

A: No, I don't know anyone who uses a Huawei cellphone. I think most of them use iPhone or Samsung.

Q: Do you know why the U.S government set a ban on Huawei's products and services in its government departments and related contractors?

A: I don't really know the detail, but I have heard news that the U.S government gave a reason of "back door" threat. You know they are afraid of the potential "spy activity" of China behind the products and services of Huawei.

Q: That could be the main reason given by U.S government for the prohibition. How do you feel about that?

A: I'm kind of being horrified of the skepticism, even the U.S government can't give out any proof for that. Sometimes the internet technology can be scary when you realize it, such as the privacy of customers. You must also have heard about the cases about the violation of customers' privacy from other big technology companies, for example, the Facebook. I don't believe in Apple company neither. In my mind these huge companies they are always thinking of their own interests and throw away the benefits of customers, no mention customers' privacy. In many cases, customers are sacrificed. Actually in this Internet Age, everyone is kind of "swimming naked" in the ocean of Internet. And when you walk on the streets there are cameras everywhere.

Q: So what do you think about Huawei and those Chinses enterprises represented by it? Do you know how Americans around you think about the rise of Chinese enterprises and China?

A: To be honest I have never thought about these questions because they are out of my daily life. I may hear the news about it but that's where it ends. People in the States rarely think of these because I think they are kind of living in a bubble and

most of them don't really care what's going on in other countries. Many of them don't even try to go out of their town in most time of their life. As to the case of Huawei, I think the main reason people don't use a Huawei cellphone just because they don't know where to buy it, even though Huawei is cheaper and better in quality compared to other brands in the same price level. You see we can buy an iPhone or Samsung simply on streets, but you can't find any retailer of Huawei easily.

Q: What do you think of the real purpose of the U.S government in this ban on Huawei? I believe you have also heard about news the U.S government pushed German government to stop the corporation with Huawei in the field of 5G network construction.

A: Yes I did hear that news. I think the U.S government want to hold the lead in the telecommunication field, especially in the coming trend of 5G network. That's one of the main purposes of this move. The case of Huawei can be regarded as a part of trade war between China and U.S, which means Huawei has been used as a price on the table.

2. Abdullah: Student from Saudi Arabia, living in Philadelphia now.

Q: Have you ever heard about Huawei?

A: (Quick and firm) Yes I did, especially in my country, Saudi Arabia. Actually Huawei is well known in Saudi. Many people use products and services from it.

Q: Then how do you like the products of Huawei? Do you use a Huawei cellphone?

A: No I don't. I use iPhone. I think Huawei is cheap with a fair good quality, and the functions are better than iPhone, especially their latest products. I used to have a Huawei cellphone, an old model, but it was poor in quality.

Q: Do you know the U.S government have set a ban on Huawei, and Huawei is going to have a lawsuit against the U.S government?

A: Yes, I heard the news, but only a little bit. The U.S government accuses Huawei of "spy activities".

Q: How do you feel about it?

A: I think if someone accuse Huawei of providing intelligence to Chinese government, then it is true. Huawei will do it, because the Chinese government will let it happen.

Q: Do you have any other thoughts about this case between the U.S government and Huawei?

A: I think this is more about profit. The U.S just want to control the market share of its own company. Profit and interests are the key.

Q: How do you feel about the impact of Chinese multinational enterprises in the States, or the world wide international impact of China?

A: I don't know much the situation in the States, but I do know the impact of China and Chinese enterprises is huge in Saudi. In Saudi Arabia, universities and colleges starts to teach Chinese almost all over the country. The government starts to provide more scholarships to those who go to study in China.

3. Amanda Rose: Native American, live in Syracuse.

Q: Are you the user of Huawei mobile phone or other Huawei products? How many Huawei users are around you?

A: I don't have a Huawei phone (I have an iPhone) and I don't think I use other Huawei products.

Q: What is the reason for choosing Huawei or not choosing Huawei?

A: I haven't really thought about Huawei one way or another when it comes to purchases. I am not familiar with the products it sells.

Q: Do you think the trade war between China and the US will influence your attitude towards Huawei and its products? Why?

A: No, because I don't anticipate considering a Huawei purchase. I don't think a trade war would influence me anyways - except through its effect on prices.

Q: Do you think Huawei is a good multinational enterprise in the US? Why?

A: I don't have opinions - I have heard allegations of corporate espionage in the news that I guess gives me a somewhat unfavorable impression, but I haven't followed the stories closely and don't know how strong the proof is.

Q: What are the characteristics of an excellent multinational enterprise in your mind?

A: Good products, good prices, law abiding, good citizen.

Q: What kind of business behaviors of Huawei in the US can improve your favorable impression? (Such as introducing advanced technology, promoting local employment, investing in talent development, fulfilling corporate social responsibility or other activities?)

A: All of the ideas mentioned in the question would improve my impression of Huawei. Also, efforts to demonstrate that technology is not being appropriated unlawfully and/or passed onto a foreign government.

Q: What do you think is the biggest problem of Huawei' s operation in the United States?(Such as reducing cultural conflicts, fulfilling corporate social responsibility, localizing operations, avoiding political risks or other problems?)

A: I really don' t know enough to answer. The bad public relations surrounding the espionage allegations, probably...

Q: Do you know Huawei sued the US government and accused that prohibition of using its products by all the US government agencies is unconstitutional? What is your attitude towards the lawsuit between Huawei and the US government? Why? .

A: I haven' t had a chance to consider the merits of the arguments being advanced so have no attitude towards the lawsuit.

Q: Do you think Huawei as a multinational enterprise can represent China? Does Huawei's business operations in the US influence your attitude toward China?

A: I' m not sure how to answer. If the Chinese government is really calling the shots at the company, then maybe it does represent China and its action should influence one' s attitude toward China. I' d have to know more about the corporate structure and where the power lies.

Q: What is your attitude towards China ?Why?

A: I think China is a beautiful country full of wonderful people. I think it has been an important partner to the United States on many issues of importance. I have concerns with some activities of the Chinese government, particularly as it comes to freedom of expression, protection of intellectual property rights, and free trade.