Media Assessment of Herbalife’s Crisis Response: An Approach to Explain Vietnam’s Media Transparency Level

Tuong-Minh Ly-Le

Vietnam’s media credibility is not highly appreciated both nationally and internationally. Domestically, public trust in the media is deteriorating. Internationally, Vietnam ranked among the bottom countries worldwide on media transparency level. There is thus a strong need to better assess the current media transparency in Vietnam and regain reputation for the Vietnam media. Guided by the research question: What is the difference in transparency between leading and following media in Vietnam during Herbalife’s crisis?, the paper argues that Vietnamese media uphold the transparent practice, but different publications have different standards of transparency. This study found that during the Herbalife Vietnam’s (HVN’s) crisis, coverage from following media are less objective than those from leading media. It can also be inferred from the study that the media transparency level in following media is lower than that in leading media. The result indicates that Vietnam’s leading media are maintaining their standards of media practice and transparency, distinguishing themselves from the following cluster. As from 2003 to the present, no studies were done on media transparency in Vietnam. An updated study is needed to better assess the current transparency level.

Keywords: media transparency, objectivity, media credibility, media ethics, Vietnam, Herbalife, case study

Introduction

Vietnam is among the many countries in which media credibility is not highly appreciated, both domestically and internationally. As Heymer (2008) stated, readers realize that articles are producer-driven, news is paid, and opinions can be bought; thus they tend not to trust the media too much. A cross-country research on media transparency by Kruckeberg and Tsetsura (2003) ranked Vietnam among the three bottom countries worldwide on media transparency level, with virtually no ethics code or law enforcement.

According to Craft and Heim (2009) and Tsetsura (2005), there is media transparency when journalists remain unbiased, independent, and openly indicate any source of influence on the media content to avoid misleading the audiences. However, in many countries, there exists a journalism practice of “payment for media coverage [or] influence on editorial decisions that is not clearly indicated in the finished product or the media” (Tsetsura, 2005, p. 3). This is known as bribery for the media, or “media nontransparency.”
Such practice receives much attention from the public and directly affects the public trust toward the news media (Craft & Heim, 2009). The concept of transparency has risen in popularity and potential importance, and has become a key value of media ethic codes.

This study used the crisis case of Herbalife in Vietnam to explore the media's point of view before and after the response campaign was implemented to investigate the level of media transparency. The purpose of this study is to analyze the news coverage of a recent crisis in Vietnam, in an attempt to understand Vietnam's media transparency, and to categorize the media outlets based on their credibility. Aiming to determine the confidence of the readers toward media credibility, and to see if Kruckenberg and Tsutsura's (2003) ranking still holds true today, this study argues that Vietnamese media uphold transparent practices, but different publications have different standards of transparency.

**Case Background**

Herbalife is a multinational company that sells weight-management, nutrition, and personal care products intended to support a healthy lifestyle. Herbalife is present in more than 80 countries with a strong network of independent distributors of approximately 2.5 million people. Herbalife Vietnam (HVN), launched in 2009, is one of its subsidiaries that soon became one of the fastest-growing companies, a role model for others in the region (Rahn, 2011). However, there is a controversial view of HVN in the country, for many see it as a multilevel marketing (MLM) organization. In Vietnam, MLM is considered a selling method that involves the element of cheating in such a way that the product's price is inflated to compensate the multilevel sales force. This practice is officially banned by the government (Minh Tri, 2014).

On June 17, 2013, it was reported that approximately 700 Vietnamese tourists who went to Thailand to attend Herbalife's annual Asia Pacific Extravaganza were abandoned in Thailand because the Vietnamese tour operator did not pay its Thai partner ("Agency Questioned," 2013). It was declared that HVN had not paid the tour operator the contracted amount. The majority of the 700 tourists believed that the tour operator would take charge of everything, so they didn't bring sufficient amount of pocket money and belongings, and were left stranded without food, accommodation, or transportation. The incident escalated as the tourists’ families voiced their frustration through both traditional and social media channels. The government soon picked this up and began to investigate both HVN and the travel company ("Agency questioned," 2013). HVN was heavily criticized for its negligence and irresponsibility. Many people remarked that since it was
an MLM company, it would prioritize the money, not the people (“Herbalife scam,” 2013). The incident had full potential to become a crisis that could harm the company’s image. Nevertheless, twenty-four hours after the first news came out, HVN refused any media interview nor gave an official response (“Vietnam to investigate,” 2013).

From 3 p.m. on June 18, spokespersons from HVN began to contact the mainstream media and respond to queries. At 5 p.m., an official media alert was distributed to all media. The objective of this movement was to contain the spread of rumor and decline HVN’s responsibility on the issue (Thi, 2013). HVN’s spokespersons implied to the media that they want HVN’s name removed from any upcoming news.

Among a number of media entries in the 2010-2014 period that the author examined, HVN is a big advertisement client, with a significant number of ad placement every month across the media. Since its launch in Vietnam, HVN garnered numerous positive news coverage, editorials, and advertorials. It can be inferred that HVN has very good relationship with the media.

**Literature Review**

**Media landscape in Vietnam**

According to Golden Communication Group (2013), public information in Vietnam is managed by the government. Head of governmental organizations regulate and supervise all media in periodic briefings. The media outlets are divided into two groups: “leading media” (key media leaders, which have much influence, highest circulations, and information control over other media) and “following media” (all cluster media that publish news and information following guidelines and leading media).

In Parker, Nguyen and Brennan’s (2012) study, the level of public trust and confidence on media in Vietnam is not high. One of the reasons is that journalists are being underpaid, and with a number of perverse financial incentives offered to journalists, corruption emerged within the sector. The author concluded that “Buying” media’s opinions has been accepted as a normal practice in the industry; and the broader community is increasingly realizing the fact. However, Dinh (2004) stated that Vietnamese journalists usually contend that there are only a few people among them whose opinions can be bought. To augment the low salaries of their reporters, newspapers offer additional payments to them, including per-story fees (which encourage reporters to focus on quantity not quality) and fees for bringing in advertisers (which compromises editorial independence).

The controversy of media transparency in Vietnam is still going on. There are arguments that while cashed-up corporations still use financial
tokens to get connected to the media, many journalists reserve the right to make final decisions on their articles.

**Media transparency framework**

The first research on media transparency was conducted by Kruckeberg and Tsetsura in 2003. They investigated media transparency levels in 66 countries, and provided a numeric value score and rank in the likelihood of the existence of bribery of the media, paid to consumer newspaper media by news sources (Kruckeberg & Tsetsura, 2003). This 2003 research used secondary data and identified the media transparency level in a certain country based on eight different determinants. The results of this research have generated attention from communication scholars around the world and expedited numerous studies that examined media transparency with first-hand data.

In that first research, Vietnam was among the lowest-scoring countries, third only to China and Saudi Arabia. The result indicated that bribery of the media is most likely to occur in Vietnam, where there is corruption and where law enforcement, ethic codes, and free press virtually do not exist (Kruckeberg & Tsetsura, 2003). However, from 2003 to the present, no studies were done on media transparency in Vietnam to prove whether this result is still valid.

As Tsetsura (2008) stated, there are three widespread forms of media influences: (1) indirect and direct payments for news, (2) advertising pressure, and (3) financial pressure. As a professional PR practitioner in Vietnam, the author thinks that this community believes that the first form, indirect and direct payments, is the major reason for media non-transparency. According to Tsetsura (2005), indirect payments have three classifications: (1) publication in exchange for paid advertising, (2) free gifts from news sources, and (3) journalists employed by a company other than the news agency. While direct payments are more easily detected (and maybe penalized) by the editorial board and government, indirect payments involve more parties, are more discreet, and thus more difficult to prevent.

On the other hand, research on media transparency worldwide showed a difference in transparency levels between “relevant” and “irrelevant media,” and between national and local media. Direct and indirect payments and influences were more often observed in the irrelevant/ local media outlets (Tsetsura, 2005, 2008; Klyueva & Tsetsura, 2010). In the context of the examined media coverage for Herbalife’s case, all reported media were national outlets. Tsetsura’s notion of relevant and irrelevant media is parallel with the distinction between Vietnam’s leading and following media; therefore, for investigation purpose, this study divides media into
two groups based on their relevance: the relevant/leading media and less relevant/following media.

From the previous discussion, the research question for this study is:

RQ: What is the difference in transparency between the leading and following media in Vietnam during Herbalife’s crisis?

As mentioned above, this paper analyzed media coverage for the Herbalife incident before and after HVN’s official response. The researcher proposed two hypotheses for this study:

H1: Coverage from the following media are less objective than those from the leading media.

H2: The change in point-of-view in the coverage before and after the response is more significant in the following media than in the leading media.

**Methodology**

This paper analyzed media coverage of the incident, before and after HVN’s official response, to see if there was any significant difference in the journalist’s point of view, which could reflect if the media had been influenced by HVN.

As data for the study, the researcher utilized selected media coverage on this case from June 17 to July 16, 2013, one month after the first news about this incident came out. Data were divided into two groups—leading and following, according to the publications, based on Golden Communication Group (2013)’s research.

This study used Klyueva and Yang (2009)’s dimensions of media transparency, cited sources, tone of article, and background information, to analyze the data. These researchers proposed that if a news source covers one incident objectively, it would cite more than one source (to offer different sides of the story to its readers), its tone would be generally consistent among coverages, and the articles would offer sufficient background information so the readers could infer their own arguments.

On the other hand, the study investigated to see if the post-response coverage reflected the objective of HVN. The objective of HVN’s crisis response was to contain the spread of rumor and decline HVN’s responsibility regarding the issue by having HVN’s name removed from any upcoming news. Thus, a fourth dimension was added to this study, mention of HVN. The data went through a comprehensive content scan in search of these four dimensions, then compared the coverage before and after HVN’s response...
to see if there is any noticeable change. If any further clarification was needed, quotes and/or parts of the content were added to provide a more explicit final result.

A preliminary investigation of the data revealed that the incident was spread out mainly through social media and syndicated news outlets, as the number of original articles was not high. Therefore, to answer the research question, original coverage in both the leading and following media was examined. The incident was reported in 22 nationwide media outlets, and a number of local media outlets. Among the 22 media, five were analyzed in this research (with two from the leading media, and three from the following media). The criteria for the selection of media to analyze were as follows:

(1) The media published articles on the incident both before and after HVN’s response.
(2) The articles were primary articles, not syndicated or rewritten from an article of another media.
(3) The chosen media were influential among their readers (based on prestige, circulation, and readership).
(4) Target readers for all these articles were mostly identical (i.e., the general public, not a sector of readers with tightly defined demographic).

With these criteria, the researcher chose articles from Tuoi Tre, Thanh Nien (leading media), Lao Dong, Tien Phong, and Zing (following media). The Media information appendix was taken from Golden Communication Group (2013) to give more information on these chosen media outlets. The table below presents the result of the preliminary scan of the five chosen media:

Table 1. Summary of coverage in four dimensions.

<table>
<thead>
<tr>
<th>Type of media</th>
<th>Name of media</th>
<th>Date of publication</th>
<th>Pre-/Post-response coverage</th>
<th>Number of source cited</th>
<th>Tone (Positive/Neutral/Negative)</th>
<th>Background information (Yes/No)</th>
<th>Mentioned HVN? (Yes/ No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading</td>
<td>Tuoi Tre</td>
<td>18-Jun Pre-</td>
<td>7</td>
<td>Negative</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18-Jun Pre-</td>
<td>5</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19-Jun Post</td>
<td>3</td>
<td>Neutral</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25-Jun Post</td>
<td>2</td>
<td>Neutral</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Plaridel • Vol. 12 No. 1 • 2015  185
<table>
<thead>
<tr>
<th>Type of media</th>
<th>Name of media</th>
<th>Date of publication</th>
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<th>Tone (Positive/Neutral/Negative)</th>
<th>Background information (Yes/No)</th>
<th>Mentioned HVN? (Yes/No)</th>
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<tr>
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<td>17 Jun</td>
<td>Pre</td>
<td>2</td>
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<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19 Jun</td>
<td>Pre</td>
<td>2</td>
<td>Neutral</td>
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<td>No</td>
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<tr>
<td></td>
<td></td>
<td>20 Jun</td>
<td>Post</td>
<td>5</td>
<td>Neutral</td>
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<td>Yes</td>
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<tr>
<td></td>
<td></td>
<td>14 Jul</td>
<td>Post</td>
<td>3</td>
<td>Neutral</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Followings</td>
<td>Lao Dong</td>
<td>17 Jun</td>
<td>Pre</td>
<td>2</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18 Jun</td>
<td>Post</td>
<td>3</td>
<td>Neutral</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Tien Phong</td>
<td>18 Jun</td>
<td>Pre</td>
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<td>Neutral</td>
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<td>No</td>
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<tr>
<td></td>
<td></td>
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<td>Pre</td>
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<td>Neutral</td>
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<tr>
<td></td>
<td></td>
<td>19 Jun</td>
<td>Post</td>
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<td>Positive</td>
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<tr>
<td></td>
<td>Zing</td>
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<tr>
<td></td>
<td></td>
<td>18 Jun</td>
<td>Post</td>
<td>2</td>
<td>Neutral</td>
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</table>

### Data Analysis and Discussion

#### Cited sources

The numbers of sources used in the leading media were consistently high, even up to five to seven sources per article. While with the following media, the source count was low during the pre-response phase, and significantly higher during the post-response phase.

![Figure 1. Source count in the leading media vs. the following media coverage.](image)

Besides the source count, the articles were analyzed further to evaluate the authors’ objectivity. The leading media used all primary data for their articles. They conducted their own interview and news gathering. *Thanh*
Nien had their Bangkok office’s staff meet and interview the tourists and the Thai government directly to access exclusive information. Tuoi Tre created an in-depth, feature article on the incident, with seven different sources, including tourists and a travel agency representative. Tuoi Tre also attempted to contact HVN but was denied access. The articles of the leading media reflected a fine balance of multiple sources, thus creating a comprehensive story for their readers. On the other hand, among the following media articles, only one used primary data. The rest used secondary data, taken from interviews of leading media, social media leads, and HVN’s media alert.

Figure 1 shows the source counts of the examined articles. An effective news story usually includes several sources, both official and unofficial, with independent perspectives. Different sources with different perspectives provide readers many sides of the story, allow more foundation for one to access and judge an incident. To obtain objectivity, an article needs to achieve balance in both information seeking and information presentation (Drew, 1975), which are the source count and relevance in this study.

The cited source data showed that articles in the following media were subjected to the bias of convenience. This trend might be explained by two reasons. First, the leading media are usually the first outlets to pick up news, while the following media only pay more attention to an incident after it has been made widely known. Second, the leading media have more manpower, and they are more careful with their stories, so in all cases, they have to investigate deeply to assure objectivity, while the following media had to use sources that are most widely available to them.

In conclusion, the dimension on cited sources shows that leading media are more objective than the following media; therefore H1 is supported in this dimension.

Tonality
Figure 2 shows the tonality of the coverage. At first glance, before HVN’s response, all coverage were of negative and neutral tone, after which, the tonality varied in all three categories.

The leading media gave their clear opinion about the incident right from the first day, while the following media were all neutral in their assessment of the incident. The leading media were consistently negative or neutral about the incident during the entire time. Tuoi Tre gave its negative viewpoint on its first article, and switched to a more balance, neutral voice later. A close examination of the coverage showed that after seeing HVN’s actions to the tourists, and with more facts disclosed, Tuoi Tre began to focus on the other reliable party and paid less attention to HVN. However, Thanh
Nien, the other leading outlet, was neutral during the first phase, and scored one negative article in the second.

![Figure 2. Tonality in the leading media vs. the following media.](image)

On the other hand, the following media began to shape their view during the second phase, even though they were still careful in handling the HVN in one article, generating a neutral tonality in the end. To a certain extent, all of them adapted HVN’s response to the story. Tien Phong also got one article in favor of HVN on June 19. Tien Phong was among the few following media outlets (and the only one among the five chosen media) that quoted verbatim HVN’s response from the media alert and wouldn’t question further into the story.

Figure 2 shows a delay in forming an opinion among the following media. This might be because the following media do not have enough manpower and there might have been a delay in receiving news. When media do not have enough information to make a good conclusion, the only option is to provide general information about the case without making any assumptions. This explanation is supported by the data from the second phase; given more time to collect information, both types of media began to form their own opinions about the case.

The negative article was a direct reaction to HVN’s silence during the first twenty-four hours. When HVN denied Thanh Nien’s request for an interview, HVN’s agenda was questioned by the press. Thanh Nien’s and Tuoi Tre’s negative views gradually change when they changed their focus. One more thing to note here is all articles from the leading media combined HVN’s response and what they gleaned from primary research, as shown by the significantly higher source counts. They conducted their own investigation and considered different sides of the story before giving their opinion.

In this dimension, a close examination indicates that the leading media are more consistent with their assessment, and their tones are more objective,
since their writings were based on primary research, rather than solely on HVN’s response. H1 and H2 are thus supported in this dimension.

Background information
The finding shows that in both groups, 75 percent of the articles did not have any background information. This trend is consistent in all twenty-two media that covered this case, not only in the five examined subjects.

![Figure 3. Background information in the leading media vs. the following media.](image)

Among the remaining 25 percent, the leading media were shown to have more background information in both phases. The background offered a history of the case, the involved parties, a general overview of the journalists’ news gathering attempts, etc., to justify the opinions in the articles. On the other hand, only one of the following media coverage provided background information during the whole time frame of the research.

From the author’s perspective as a professional PR practitioner in Vietnam, it is a common practice for Vietnam’s journalists not to provide background information on the case or parties they write about. This trend can also be explained by the current practice in this digital age. This study found that all popular articles, while re-covered online, are linked to other related stories. Readers are able to track back the previous articles of an incident, thus background information in subsequent coverage is not needed. Therefore, the evaluation of this dimension was not weighed as much as the other dimensions.

Nevertheless, within the findings that the leading media put more effort in building background knowledge for their readers, it is hence concluded that this dimension supports H1.
Mention of HVN

Figure 4: Mention of HVN in the leading media vs. the following media

Figure 4 shows that during the pre-response phase, almost all articles from the leading media mentioned HVN’s name, while most of the following media articles only reported the story without any names. The post-response phase presents a big change in mentioning. The leading media stopped mentioning HVN, as more details of the incident were revealed, while the following media started to mention HVN more.

Upon closer analysis of the content, the researcher found that in phase 2, despite the higher count, the following media only mentioned HVN as the organizer of the extravaganza in Thailand and its effort to aid the tourists. On the other hand, the only mention from the leading media in phase 2 was to criticize HVN for its slow response, marking the tone for this article as negative.

Data from this dimension show inconsistencies in both the leading and following media’s choice of mentioning HVN’s name in the article. Since the count did not provide sufficient information whether a media outlet followed the wish of HVN, H2 is not supported.

However, content examination showed that the mentioning in following media served the objective of the response, which was to decline HVN’s responsibility regarding the issue. These articles supported HVN’s claim that it was not directly involved in the tourists’ abandonment, countered the argument from other sources to make the overall tone of the articles neutral for HVN. Furthermore, one mention in *Tien Phong* was used to promote HVN as a responsible and caring firm, making the tone positive. This resulted in a question on the following media’s impartiality; thus H1 is supported, that coverage from following media are less objective than those from leading media.

Further discussion
The findings in this study indicate that within the four dimensions, H1 is unanimously supported, while H2 is only partially supported. Therefore,
while it is concluded that the leading media are more objective and transparent than the following media, it is also inferred that the leading media in Vietnam still maintain their role as a watchdog, upholding their standards for news reporting. While the results are limited to the scope of one case study, further research on media transparency is needed, to re-evaluate Kruckeberg and Tsetsura’s study on media transparency level, to reflect a more accurate status of media in Vietnam in particular, and media worldwide in general.

**Limitations and Recommendations**

Several limitations of this study should be noted. First, this paper focused on one case only, with a limited number of selected articles. It is thus hard to generalize the result to cover a broader Vietnam media landscape. Second, since the chosen methodology in this study was content analysis, the result was subjected to the researcher’s interpretation. The journalist’s agendas and the overall process of news publishing were both omitted during examination. Third, this study did not evaluate the previous coverage and advertisements of HVN on the examined media. Thus, it failed to account for the pre-existing relationship between HVN and the media before the incident happened.

Future research needs to investigate the topic on a bigger scale, as a qualitative study or a multiple-case study, to increase its validity. Researchers should also examine the journalists, PR practitioners, general public, and other related parties’ points of view to establish a more comprehensive understanding of the perceived level of media transparency in Vietnam. A more thorough, updated study of the topic is needed to restore readers’ trust in this important, long-standing communication channel, and to improve Vietnam media’s image.

**Conclusion**

Vietnam’s media credibility is not highly appreciated both nationally and internationally. Aiming to re-evaluate the media transparency in Vietnam and categorize the media outlets based on their credibility, this study found that during the HVN crisis, coverage from the following media are less objective than those from the leading media. It can also be inferred from the study that the media transparency level in the following media is lower than that in the leading media. The results indicate that Vietnam’s leading media are maintaining their standards of media practice and transparency, distinguishing themselves from the following cluster. To increase the validity and generalizability of research on this area, further study on a bigger scale and from different approaches is needed. As Kruckeberg and
Tsetsura’s (2003) study could be outdated and the public trust in Vietnam media is deteriorating, there is a strong need to assess again the current media transparency in Vietnam and to uphold Vietnam’s media reputation.
References


### Appendix – Media Information

<table>
<thead>
<tr>
<th>Media</th>
<th>Type</th>
<th>Circulation</th>
<th>Readership</th>
<th>Readers</th>
<th>Agency’s note</th>
</tr>
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<tr>
<td>Tuoi Tre</td>
<td>daily newspaper, online newspaper</td>
<td>470,000</td>
<td>1,410,000</td>
<td>general, politician, businessman, technician, IT (nationwide)</td>
<td>high circulation/ very credible and informative</td>
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<tr>
<td>Thanh Nien</td>
<td>daily newspaper, online newspaper</td>
<td>420,000</td>
<td>1,680,000</td>
<td>general, politician, businessman, technician, IT (nationwide)</td>
<td>high circulation/ informative/ credible</td>
</tr>
<tr>
<td>Lao Dong</td>
<td>daily newspaper, online newspaper</td>
<td>115,000</td>
<td></td>
<td>general, politician, businessman, education, technician, IT (nationwide)</td>
<td>medium circulation but credible</td>
</tr>
<tr>
<td>Tien Phong</td>
<td>daily newspaper, online newspaper</td>
<td>100,000</td>
<td></td>
<td>general, politician, businessman, education, technician, IT (nationwide)</td>
<td>medium circulation but credible</td>
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<tr>
<td>Zing</td>
<td>online newspaper</td>
<td></td>
<td></td>
<td>general (nationwide)</td>
<td>high page view</td>
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</tbody>
</table>

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