

1. Define the main problem(s).

The main problem is that the Volkswagen Company broke the trust of their publics by installing devices to cheat emissions tests in the United States.

They now face major public backlash from customers, investors, government agencies and the media.

Additionally, they have hindered the growth of the diesel car market and harmed the reputation of other car companies such as Ford, BMW and Renault-Nissan.

2. Identify the key publics.

The key publics include car owners specifically Volkswagen owners. They also include company investors, shareholders and leaders in government regulatory agencies.

Internally, they were also responsible to their employees and their families as the problem affected safety. Externally, other publics are international news media as they are an international company.

3. Discuss the organization's response strategy, including a sample of the communications tactics they used and factors that contributed to the situation/organization's response (be sure to focus on how ethics and corporate social responsibility – or lack thereof – played a factor).

As a preventative measure, Volkswagen as a company branded itself as a Socially Responsible Enterprise. In this case, they were caught publicly engaging in unethical, deceptive business practices and were forced to respond to the consequences of their actions.

In the beginning when graduate student researchers first discovered the inconsistencies with Volkswagen diesel emissions in the EA189 engine, they presented their findings to the EPA and Volkswagen but were dismissed publicly by Volkswagen. This deliberate choice to attack the accuser and deny the research was tactical and an attempt to curb the backlash they would face for cheating testing. This was a PR mistake because denying their culpability would make them look extremely unethical and deceptive to their publics in the future when they would be officially 'caught'.

Next in the chain of events, Volkswagen recalled 482,000 cars in order to address the claims. However, this only made them look guilty and deceptive, as if they were attempting to hide the cheat devices and later deny their existence.

Eventually Volkswagen representatives admitted to the California Air Resources Board and the EPA, against company leaders' recommendation, that they had indeed installed defeat software into U.S. sold vehicles and kept this information from customers and investors.

Now that Volkswagen had begrudgingly admitted their guilt, they started to communicate with their publics. This late start with the company's crisis communication created a hostile media presence for them within newspapers and social media. The former CEO of the company, Micheal Horn, recorded and shared an apology video for their "violation of CARB and EPA standards" asking for trust in the company. This was shared via a tweet

and Facebook post after the company's silence on every external communication channel since their confrontation by the CARB and EPA. While the video attempted to patch the relationships with Volkswagen's publics, it also brought on public dissent and discontent with their reaction to the crisis. Many complained the company needed to respond to their angry customers but Volkswagen chose to let the discontent grow which allowed several hashtags to form such as #VWGate which compared the scandal to that of President Nixon's Watergate.

Overall, Volkswagen's lack of any communication about their failings to customers and shareholders, their denial and subsequent admittance of wrongdoing and decision not to interact with aggrieved publics ultimately led to their unsuccessful crisis response. It was evident to everyone watching the crisis unfold Volkswagen's social responsibility, as an international corporation, to their large publics based on different continents and in different countries was neglected and their profit margins were prioritized.

4. Analyze the media coverage the organization received as a result of their response, including a sample of social media posts/responses about the issue. Be sure to include at least three examples of each in your paper.

An article from The New York Times in 2015 when the crisis unfolded was titled 'As Volkswagen Pushed to Be No. 1, Ambitions Fueled a Scandal'. This is a response from one of the most reputable news sources in the U.S. which reaches millions of people and most likely sets the tone for other smaller news publications and news media coverage. The common theme in international news media's response to Volkswagen's communication through press releases and newsletters was wavering confidence in the trustworthiness of Volkswagen as a company as their press releases from the CEO and others involved with Volkswagen were contradictory. At first the company kept the front of denial, then later they decided to come clean about the cheat devices, but then even later when confronted by the European Union and their standards committee they kept that they were not guilty of any wrongdoing in European cars. This lack of clear communication with their publics and refusal to engage with those who were angered by Volkswagen's illegal decisions pushed negative media coverage in the traditional sphere and on social media as well.

Additionally, the nicknaming of the scandal as "Dieselgate" in both forms of media also emphasized the general mistrust experienced by the company's publics and the lack of accountability taken by leaders of the company. With the allusion to the Watergate scandal, which cost President Nixon his title, both sources of media associated the harmful image of a suspicious, powerful organization with Volkswagen harming their image in the media for years to come. This hashtag '#Dieselgate' was talked about on Twitter and Facebook with little to no response from Volkswagen themselves, which aggravated the situation even further as it appeared the company took no interest in their customers' cries for accountability.

Lastly in response to Volkswagen's press releases which stated they were "deeply shocked" by the misconduct of their leaders, the media harboured doubts because of the large number of defeat devices found. Most traditional news media outlets questioned the truthfulness of the Volkswagen press releases and quotes from the CEO but Volkswagen never interacted with the critiques from the news media but rather simply kept engaging in one way communication. This was detrimental to their company's appearance and added to their reputation of ignoring their publics.

5. Discuss your opinion of the case – did Volkswagen handle the problem effectively? What should they have done differently? Cite values/provisions from PRSA's Code of Ethics to support your opinion.

I do not think Volkswagen handled the problem effectively. From a public relations standpoint I think they purposely withheld important information from customers and investors and lied about the safeness of the product they provided to customers. From an ethical standpoint I also think they were deceptive and deliberately omitting the truth in order to avoid following the law and make a larger profit.

To begin with, Volkswagen should not have tried to cheat the system which keeps Americans safe from excessive pollution, however from a Public Relations perspective after the fact I think the situation could have been handled very differently. Firstly, the PR team should have been monitoring news media and emissions reports for their vehicles for any discrepancies and dissatisfied customers or shareholders. They should have had a plan in place for press releases and news briefs regarding a crisis which interacted with all of their target audiences as they have many internationally. Secondly, they should have taken full responsibility for their actions when they were first accused of installing the devices. By taking responsibility quickly versus how they tried to deny the initial accusation makes Volkswagen look more reputable and trustworthy to the public, although they did break the law. By lying immediately instead of telling the truth Volkswagen broke the value of Honesty in the PRSA Code of Ethics. The Honesty value states a PR professional must "adhere to the highest standards of accuracy and truth" when communicating with publics and this is the exact opposite to what Volkswagen decided to do when confronted about their wrongdoings.

Additionally, by not disclosing that higher executives knew about the emissions cheating and not immediately disclosing that fact, Volkswagen PR professionals also broke the PRSA Provisions of Disclosure of Information and Free Flow of Information.

Professionals must, according to the provisions "maintain the integrity of relationships with the media, government officials, and the public" and "avoid deceptive practices". By not being immediately honest and communicating their 'shock' at the situation Volkswagen communications broke the PRSA Code of Ethics and misled their customers, shareholders and media outlets about the safety and energy efficiency of their vehicle. Lastly, Volkswagen could have acknowledged their audience's outrage at the situation better. Volkswagen chose to ignore direct criticism of their company online on social

media from their customers. Volkswagen should have used social media as a resource to reach individuals affected by the crisis directly and personally apologize to them. If the company had used social media to take accountability and take note from criticisms I think coming out of the crisis would have been easier because the public would feel heard and understood. In ignoring their publics' outrage, Volkswagen lost most of the positive relationships they had with their publics and trust in the company was almost entirely lost.

Sources

Mujkic, Edin, & Klingner, Donald. (2019). Dieselgate: How Hubris and Bad Leadership Caused the Biggest Scandal in Automotive History. *Public Integrity*, 21(4), 365–377.
<https://doi.org/10.1080/10999922.2018.1522180>

https://medium.com/@alejandrajauregui_65248/volkswagen-emission-scandal-pr-crisis-5beb85604b03#:~:text=In%20September%202015%2C%20the%20German,to%20pass%20laboratory%20emissions%20tests.

<https://www.bbc.com/news/business-34324772>

VW's Crisis Strategy: Forward, Reverse, U-Turn. In *New York Times*
<https://www.nytimes.com/2016/02/28/business/international/vws-crisis-strategy-forward-reverse-u-turn.html>

As Volkswagen Pushed to Be No. 1, Ambitions Fueled a Scandal
<https://www.nytimes.com/2015/09/27/business/as-vw-pushed-to-be-no-1-ambitions-fueled-asandal.html>

https://media.vw.com/en-us/releases?page=5&category_ids=444&other=tdi%20updates