

Volkswagen Crisis

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Legal and Ethical Suggestions

Following the scandal, Volkswagen made an effort to essentially cover their tracks by releasing an overly-simplistic string of print advertisements that illustrated the idea that they were “working to make things right” (Schultz). While the campaign mentioned that Volkswagen was “working tirelessly” to make up for their mistake, they did not do much other than offer a \$500 “goodwill package” to those with vehicles affected by the scandal (Schultz).

Despite the fact that their advertising activity grew substantially following the scandal, their stock prices and amount of shares being sold as a result of the scandal has shown how little their efforts have impacted the way their customers view them now. One idea or suggestion that we suggest is that Volkswagen follow their crisis communication plan, which was referenced earlier in our evaluation. While their plan does not explicitly say what they will do to correct some of their wrongdoings, it does seem to show more than what they have actually managed to do.

Another suggestion would be for them to follow the actions of other companies that have recently found themselves in a crisis, such as Wells Fargo, who’s employees created multiple fraudulent accounts for their own personal commission gain (Egan). Following the scandal, Wells Fargo took many steps to correct their wrongdoings, whether it was included in their original crisis communication plan or not. They started by replacing their CEO and some of their other chief executives and employees at fault, followed by numerous press conferences with media outlets, press releases, print advertisements, and even a video advertisement where the new CEO explained the situation and apologized to customers, promising to essentially reestablish the bank to their former glory. While it might be too late for Volkswagen to follow a

similar path, releasing more personalized and apologetic material, especially including the voices of some of their chief executives, would likely help them a great deal in terms of customer retention due to the ethicality behind it.

Advertisement Suggestions

For Volkswagen they should want their stakeholders to know that they are not happy with what they did, despite the fact that they knew it was wrong. With advertising, our group suggest that they should start communicating social media, various family oriented commercials, and some print advertisements to be displayed in different locations across the nation. When the news broke out that Volkswagen cheated the system, there were no official statement made online. So opening that platform will be beneficially to the company.

To help the brand Volkswagen should do a digital ad which could talk about where they went wrong and where we want the company to go. Using pop up ads for any current and future stakeholder. By making the digital advertisement interactive, it would allow for stakeholders to add comments, or concerns with their vehicle or with the company. With having the stakeholders add their comments, Volkswagen would need a team to monitor the responses and to respond back to the customers. Doing this we will hope to open the communication backup between the stakeholders and the brand. Also doing quarterly press releases to specifically showcase what Volkswagen is doing to correct the actions that have already been done.

Previously, the Volkswagen commercials have focused on the family aspect and how their cars are more spacious. For commercials, Volkswagen should continue just that, but should also show that are cars are more environmentally friendly now. But in a way that shows that they

care enough to make sure that their stakeholders and their loved ones are safe when they get into one of their cars. In doing this will hopefully will start building the trust back again with their stakeholders.

References

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