



Mission: Go Green & Come Clean

In Response to the Volkswagen Emissions Crisis

Background

In September 2015, the Environmental Protection Agency (EPA) found that “defeat device” software had been used to “pass” emissions tests for nearly half a million VW cars sold in the U.S. alone.^v The cars thus seemed to be more environmentally safe than they were. The news led to a downturn in sales, loss in market share, and an overall distrust of the brand and company. The overall issue is in restoring/promoting public trust in VW.

Situation Analysis	
Strengths	<ul style="list-style-type: none"> New CEO Matthias Müller; some actions taken to reimburse consumers, replace culprits in the scandal, and instill trust again. Resources are available to “fix” the problem. Well-known brand name. Popular cars worldwide.
Weaknesses	<ul style="list-style-type: none"> Lack of proper crisis strategy/communication: denial and deception. Loss of public trust. A recent Harris poll ranked VW last at #100 among American consumers.ⁱ October 2015 showed a 5.3% plunge in global sales.ⁱⁱ VW (including Audi, Porsche and Lamborghini) “faces a crisis that traverses the globe, complicating the response across borders and cultures.”ⁱⁱⁱ Billions of dollars now allocated to fund the recalls, lawsuits, and regulatory fines. Very costly to “fix” the problem. “482,000 cars in the US” alone, and “VW has admitted that about 11 million cars worldwide” possess the device.^{iv}
Opportunities	<ul style="list-style-type: none"> Popular, well-known car brand amongst consumers, competitors Arbor Days are held worldwide throughout the year making it possible to hold events. Other companies have re-built trust through communication (examples: Apple, Toyota, Ford).
Threats	<ul style="list-style-type: none"> Regulatory restrictions likely to become far more intensive Buyers more dedicated to environmentally friendly products/brands

Discussion

To combat the negative image and untrustworthy reputation VW has developed since the scandal broke, we will reposition the brand as “Green” and “Clean.” This will be a two part initiative involving rebuilding the “Green” image and “Cleaning” up the lines of communication with the public.

“Go Green” feature: we will run a social media contest by targeting socially active, enthusiastic young adults ages 20-35 as well as a sales promotion/donation event for environmentally-conscious 35-60 year-olds. The contest portion of the campaign will run for a full year, beginning July 15. The contest will be evaluated by measuring the number of posts to the hashtag; “success” will be judged based upon the ability to go viral and encourage a 15% increase in sales worldwide. Sales will then lead into the second part of the “Go Green” element: every VW sale will produce a \$1 donation to a charity fighting emissions. This will help the brand’s image as a compassionate member of society, boost sales, and regain/grow market share.

“Come clean” feature: this will be targeted to the media, motivated consumers aged 25-60, and environmental organizations beginning July 15 and running throughout the next 3-5 years as needed. To evaluate this half of the campaign, we will conduct surveys on and offline before and after the campaign has begun. This part of the campaign will allow a two-way dialogue of the on-going process of “coming clean” to the public by reestablishing lines of communication lost.

Recommendations

“Go Green”	“Come Clean”
<ul style="list-style-type: none"> Establish “GreenVW” social media site(s) Run a social media contest with #gogreenVW—for every post, donate \$1 to the Nature Conservancy. The winner will receive a “Green” VW vehicle and the opportunity to participate in the Arbor Day “Go Green with VW” event in the winner’s home country. For every car purchased, plant a tree indigenous to the buyer’s nation. In addition, gift a “Green” book to the buyer with a map of instructions on finding “his/her” tree, a photo of the tree planted, and links/info to environmental websites. Print all materials on sustainable products. Plant the trees on the Arbor Day of each country where VW is sold. Post videos to social media using hashtag to promote VW employees’ efforts to “Go Green” in both their personal and professional lives. 	<ul style="list-style-type: none"> Hold a quarterly press conference presenting the latest ways VW has “Cleaned” up their vehicles. Hold an annual environmental convention to discuss the latest on environmental concerns and how VW is committed to keep the world “Clean.” Invite organizations to the event who represent “Green” and “Clean.” Establish “CleanVW” social media site(s) for opening a dialogue for questions/comments from the public. Use #comecleanVW to promote events.

Resources

Image: <http://www.sensethecar.com/wp-content/uploads/2011/08/Green-Volkswagen-Logo.png>

ⁱ <http://www.theharrispoll.com/business/Auto-Industry-Reputation.html>

ⁱⁱ <http://money.cnn.com/2015/11/13/news/companies/volkswagen-sales-emission-scandal/index.html>

ⁱⁱⁱ <http://www.nytimes.com/2016/02/28/business/international/vws-crisis-strategy-forward-reverse-u-turn.html>

^{iv} <http://www.bbc.com/news/business-34324772>

^v <http://fortune.com/2015/09/22/volkswagen-vw-emissions-golf/>