

Analysis of Volkswagen Emission Crisis in the Context of Crisis Response Strategies and Newspapers Framing

Volkswagen Emisyon Krizinin Kriz Tepki Stratejileri ve Çerçeveleme Bağlamında İncelenmesi

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Abstract

Frequently experienced crises have adverse effects on the corporations although the reasons for their occurrence and their characteristics are variable. As the corporations develop certain response strategies in connection with such crises, these incidents also affect their stakeholders in addition to them, media publicly carries the news about crises. The purpose of this research which has been carried out by taking as a starting element the point where crisis, corporations and media intersect, is to analyse the press releases of Volkswagen as part of the crisis over exhaust emission on the basis of the strategies of responses to crisis and demonstrate how the crisis is publicly covered by media in the context of crisis framing and tone. To this end, 116 crisis related news stories in five largest circulating newspapers in Turkey as well as 29 press releases as posted on both international and Turkey websites of the company were analysed. According to the results of the research, the news on the corporation was mostly presented negatively on the basis of the sub-framework of “solutions to the problem” contained in the framework of “responsibility.” In the crisis response strategies, the crisis and responsibility admitted by the corporation and that the sub-framework of “internalizing” contained in the strategy of “providing information” was used. As the “global dimensions” of the crisis was highlighted in the themes of the news; the press releases focused on the “restructuring of the company.”

Anahtar Kelimeler:

Kriz, Kriz Tepki Stratejileri, Çerçeveleme, Ton, Kurumsal Krizler ve Medya, Volkswagen.

Öz

Sıklıkla yaşanan krizlerin ortaya çıkış nedenleri ve özellikleri farklı olsa da kurumlar üzerinde olumsuz etkileri bulunmaktadır. Kurumlar, kendileri ile birlikte paydaşlarını da etkileyen krizlere yönelik belirli tepki stratejileri geliştirirken diğer yandan medya da kriz ile ilgili haberleri kamuoyuna sunmaktadır. Kriz, kurum ve medyanın kesiştiği noktadan hareketle yapılan bu araştırmanın amacı egzoz emisyon krizi kapsamında Volkswagen'in basın bültenlerini kriz tepki stratejilerinden yola çıkarak inceleyip, krizin çerçeveleme ve tonlama bağlamında medyada nasıl sunulduğunu ortaya koymaktır. Bu doğrultuda Türkiye'de tirajı en yüksek beş gazetede yer alan kriz ile ilgili 116 haber ile kurumun hem uluslararası hem de Türkiye web sitesinde yer alan 29 basın bülteni incelenmiştir. Araştırma sonuçlarına göre kuruma yönelik haberler daha çok, “sorumluluk” çerçevesi kapsamında yer alan “soruna yönelik çözümler” alt çerçevesinden hareketle ve negatif olarak sunulmuştur. Kriz tepki stratejilerinde ise krizin ve sorumluluğun kurum tarafından kabul edildiği ve en fazla “bilgi sunma” stratejisine dahil olan “içselleştirme” alt stratejisinin kullanıldığı görülmüştür. Haber temalarında krizin “küresel boyut”u öne çıkmışken; basın bültenlerinde ise “kurumun yeniden yapılanması”na yönelik tema öne çıkmıştır.

Introduction

Corporations commonly encounter a myriad of crises arising from many different reasons, particularly economic, cultural, environmental and technological effects and internal and external stakeholders. Adverse consequences caused by crises affect both corporations themselves and corporate stakeholders. As crises affect corporate reputation, managerial and financial structure from a corporate perspective, they affect employees, customers, shareholders and statutory organizations in terms of stakeholders.

The automotive industry is one of the industries where crises, which are frequently experienced and seen in almost any industry, also emerge. A crisis report of Institute for Crisis Management states that the automotive manufacturing industry is the second industry most prone to crises after the transport industry (ICM, 2015). Therefore, although analysis of crises experienced by the automotive industry requires a unique communication requirement considering that each crisis is specific (Coombs, 2015, 142), it would still enable someone to read the similarities and dissimilarities between the crises on the basis of the crisis response strategies and news framing by taking this industry as a starting point.

Such as the case with the revelations in September 2015 by the U.S. Environmental Protection Agency towards Volkswagen, a worldwide automobile manufacturer, claims about the results of its vehicle emission test erroneous. The announcement led to admission of fault, the resignation of the CEO, exclusion of the corporation from the Sustainability Index, questioning of the perception of “German Brand” and a sweeping review of corporate policies. The controversy generated extensive news coverage worldwide and required the corporation as well as distributors in various countries to assuage the concerns of customers, employees, government officials and the public.

Research about crises involving international corporations often focus in strategies and media coverage in the country where the event that triggered the crisis occurs. However, such crises often pose in disruptions in operates and damages to corporate relationships and reputations in countries around the world. Thus, we conducted this research in Turkey to see the media reflections of the crisis in a country that is not a primary venue of the crisis.

The press releases sustain relations with stakeholders and prevent the corporate reputation from suffering damages. An analysis of how the press releases are coded in application of crisis communication in the context of “crisis response strategies” (CRS) would ensure comprehension on reaction by corporations to crises.

Media is yet another stakeholder of the cases of crisis. The concept, “framing”, comes to the fore in the dimension of media. To analyse how media build and frame corporate crisis news is particularly important in terms of reading the reflections of a crisis in media. “Tone” identifies specific categories of “positive, negative or neutral” by which crisis related news is represented, namely by which tone the framed crisis related news is publicly presented.

The purpose of this research is, by taking the above three main concepts as a starting point, to examine the press releases by Volkswagen under the crisis over exhaust emission on the basis of the crisis response strategies and demonstrate how the crisis has been covered by media in the context of framing and tone.

Literature review

Concept of Crisis and Crisis Response Strategies

Such frequently emerging corporate crises have significant and wide ranging effects (van der Meer et al., 2014, 751). Crisis is an unexpected and sudden event preventing the operation of a corporation and posing a threat to it both economically and reputation wise. Crisis may inflict physical, emotional and economic damages on the corporate stakeholders as well as on the corporation itself; namely, various stakeholders such as employees, customers, suppliers and shareholders may be affected by crises adversely (Coombs, 2007, 164).

It is important that the corporations select and use proper crisis response strategies to correct their reputation and image. For example, when a crisis is faced, corporate representatives might deny for the purpose of minimizing the crisis that they had made mistakes or other people might accuse the corporation. On the other hand, some corporations admit that their employees or representatives had actually made mistakes, thus assuming total liability to solve the crisis (An et al., 2011, 73). Coombs (2007, 170) notes that crisis response strategies are used for the purpose of improving reputation, reducing negative effect and preventing any adverse behavioral intentions.

The press releases which act as an intermediary between the corporations, media professionals and public and are information units individually (Wickman, 2014, 4) are just one of the public relations application tools in the crisis communication of the corporations. The press releases are intensively used as an analysis unit in the research on the crisis and crisis response strategies. Nijkraak et al. (2015), Choi (2012), Weber et al. (2011), Caldiero et al. (2009), Gilpin (2008) and Henderson (2003) analysed a hospital crisis, BP crisis, Citibank crisis, the crisis caused by the executives of seventeen global corporations, the crisis over Parmalat and the crisis over Singapore Airlines, respectively, on the basis of the press releases of such corporations.

Faced by a crisis taking place in a corporation, corporations provide a response to the crisis and public via proper response strategies in order to reduce uncertainty caused by the crisis; at the same time, the public seeks crisis related information to assess the responsibility for the crisis (An et al., 2011, 70). It would not be wrong to comment that media constitute one of the basic information sources in such quest for information. Therefore, we asked the following research question:

RQ1. What is the content of press releases in the context of the crisis response strategies?

News Framing and Tone

Considering that the crisis response strategies are often communicated to the public via media. Therefore, how media reflects the corporate crisis response strategies bears particular importance (An et al., 2011, 70). In this context, the specific frames through which media carries crisis related news is also of particular significance.

Framing includes elements such as selection and emphasis of some aspects of events and correlation between such aspects (Entman, 2003, 417) and is based on the assumption that it has an effect on the method of narration of a subject in news texts on how this subject is understood by readers / audience and listeners (Scheufele, 2007, 11) and it is noted that framing is a useful paradigm in analysis of the target mass reaction in times of crisis (Nilsson et al., 2015, 15) as well as in public relations (Hallahan, 1999, 205).

Due to the significance of the concept in public relations, how the crises experienced by corporations such as Nestle (Etter and Vestergaard, 2015), Toyota (Bowen and Zeng, 2015), Chevron (Coman and Cimeciu, 2014), BP (Kleinnijenhuis et al., 2013), Alitalia Airline (Valentini and Romenti, 2011) were framed by media has been studied by various research.

News content is also classified in terms of specific tone in addition to framing (Kutttschreuter et al., 2011, 203). In this context, it is possible to refer to three types of tone in news basically -positive, negative and neutral-. Generally, in news, negative tone refers to criticism; responsibility as positive tone is treated as lack of criticism; neutral tone is interpreted as such content where it is difficult to designate tone (Fu et al., 2012, 83). Thus, we addressed the following research questions:

RQ2. How do media frame crisis related news stories?

RQ3. What is the tone of the coverage in Turkish newspapers?

Methods

Content analysis method was conducted to analyse the news stories and the press releases. This analysis is generally a research technique ensuring materialization of the communication content systematically subject to the pre-designated classifications (categories). Content may become news stories or columns in newspapers as well as television news, films, radio programs and cinematographic motion pictures; in short, they may well be any types of content (Geray, 2014, 135).

Application of content analysis takes place at several stages. The first stage is to identify the research objectives and this is followed by development of sampling. At the third stage, the recording units by which sampling would be divided and categories where they would be gathered are identified. Finally, after the frequencies of the units and categories are determined quantitatively and upon analysis of the relationships between the categories if and when necessary, the stage of assessment, inference and interpretation is reached (Bilgin, 2006, 11).

Sample of the Research

The sample of the research for the crisis response strategies is constituted by the press releases by Volkswagen as posted on its international website (“Volkswagen media services”, 2015) and Turkey website (“Binek araç haberler”, 2015). A total of 29 press releases covering the period from 20 September 2015, when the first press release on the crisis was posted, on both sites to 30 October 2015 were included in the analysis (see Appendix A).

The timeframe of the newspapers sample was between 20 and 30 September 2015. The determining of the timeframe for ten days has been based on the claims that the public is generally interested in crises in their initial periods and that both the public and media pay highest level of care to corporations and corporate communication practices in such starting periods of a crisis when corporate image would be weakest (An et al., 2011, 75; Harlow et al., 2011, 81). The five largest circulating daily newspapers in Turkey was chosen for aforementioned time period (“Medyatava tiraj”, 2015). The keywords such as “Volkswagen crisis, automotive crisis, emission test” were inputted in the search section on the web pages of the five newspapers and a total of 116 news stories and columns were included in the scope of the analysis. The concept, news, was used in such a manner to include the columns as well excluding segregation of the types of content in the part of results of the study (see Appendix B).

Identification of the Categories

To analyse the crisis response strategies we used eight categories developed by Romenti and Valentini (2010, 387). These categories / subcategories are mentioned in Table 1.

Table 1. Categories for the crisis response strategies

| Strategies | Description |
|-------------------------|--|
| 1. Attack the accuser | Confront adversarial person or group, by questioning their credibility |
| 2. Denials | Deny the existence of crisis or organization’s responsibility over crisis |
| Simple denial | Deny or neglect the occurrence of the questionable event |
| Rejection | Deny that the organization is guilty |
| Build a new agenda | Neglect the occurrence of the crisis by switching the media focus (or public attention) to a new issue |
| 3. Excuses | Describe the factors that provoked the crisis and that limited the organization’s control over it |
| Provocation | Response to someone else’s actions |
| Defeasibility | Lack of information about events leading to the crisis situation |
| Accidental | Lack of control over events leading to the crisis situation |
| Shift blame (scapegoat) | Another person or group is guilty |
| Deny intentions | The organization’s actions had good purposes |

| | |
|----------------------------|--|
| Victimization | The organization received attacks from an external person or group |
| 4. Justifications | Acknowledge responsibility over the crisis, even if the organization tries to minimize the seriousness of the crisis situation |
| Minimization | Downsize the seriousness of the crisis |
| Differentiation | Downsize the seriousness of the organization's actions |
| Transcendence (reframing) | Reframe the facets within the same issue, but in a larger or favourable context |
| 5. Ingratiation | Seek public approval |
| Praise | Commend stakeholders for their actions |
| Bolstering (reminder) | Remind stakeholders of the past good deeds the organization did for them |
| 6. Providing information | Address information about the crisis to stakeholders and victims |
| Instructive | Tell the victims of the crisis how to react |
| Adaptive | Help the victims of the crisis to cope with it |
| Internalizing | Support the victims of the crisis to formulate an image about the organization |
| Clarification | Correct inaccurate information in circulation about the crisis |
| 7. Corrective action | Describe the actual actions and the verbal promise of future actions |
| Compensation | Offer money or other gifts to victims |
| Repair | Return to the pre-crisis situation |
| Rectification | Take actions to prevent a repeat of the crisis in the future |
| Change of corporate policy | Decide to change the current policies for more appropriate ones |
| 8. Apology | Show full compassion and concern towards the victims of the crisis |
| Sympathy | Express regards/sympathy towards the victims (without apology) |
| Full apology | Take full responsibility for the crisis and ask forgiveness for it |

Source: Romenti and Valentini, 2010, 387.

In order to assess how the crisis related news is reflected in newspapers we used classification of news framing conceptualized by Semetko and Vaalkenburg (2000, 100). Table 2 shows news framing categories.

Table 2. Categories for news framing

| Framing | Description |
|------------------------------|--|
| Responsibility | The story suggests that some level of government has the ability to alleviate the problem. |
| | The story suggests that some level of the government is responsible for the issue/problem. |
| | The story suggests solution(s) to the problem/issue. |
| | The story suggests that an individual (or group of people in society) is responsible for the issue-problem. |
| | The story suggests the problem requires urgent action. |
| Human Interest | The story provides a human example or “human face” on the issue. |
| | The story employs adjectives or personal vignettes that generate feelings of outrage, empathy-caring, sympathy, or compassion. |
| | The story emphasizes how individuals and groups are affected by the issue/problem. |
| | The story goes into the private or personal lives of the actors. |
| | The story contains visual information that might generate feelings of outrage, empathy-caring, sympathy, or compassion. |
| Conflict | The story reflects disagreement between parties-individuals-groups-countries. |
| | One party-individual-group-country reproaches another. |
| | The story refers to two sides or to more than two sides of the problem or issue. |
| | The story refers to winners and losers. |
| Morality | The story contains a moral message. |
| | The story makes reference to morality, God, and other religious tenets. |
| | The story offers specific social prescriptions about how to behave. |
| Economic Consequences | There is a mention of financial losses or gains now or in the future. |
| | There is a mention of the costs/degree of expense involved. |
| | There is a reference to economic consequences of pursuing or not pursuing a course of action. |

Source: Semetko and Vaalkenburg, 2000, 100.

Finally, we analysed tone of the news stories on the basis of a triple classification -positive, negative and neutral- (see Table 3).

Table 3. Tone

| Categories | Description |
|------------|--|
| Positive | Advantages, opportunities and positive aspects |
| Negative | Disadvantages, risks and negative aspects |
| Neutral | Neither positive nor negative |

Source: De Vreese and Boomgardeen, 2006, 27.

Intercoder Reliability

Kappa analysis was performed to determine the intercoder reliability for the tone, framing and crisis response strategies. We randomly selected subset of 20% of the total samples (Neuendorf, 2002, 158). Kappa was .90, .81 and .92 (almost perfect agreement for three categories), respectively (Viera and Garrett, 2005, 362).

Results

Themes

Table 4. News stories' themes

| Theme | Frequency | Percentage |
|---|------------|--------------|
| 1. Global dimensions | 21 | 18.1 |
| 2. Reflection of the crisis in other automotive companies | 11 | 9.5 |
| 3. Resignation of CEO | 7 | 6.0 |
| 4. Recall of vehicles | 7 | 6.0 |
| 5. Financial sanctions | 6 | 5.2 |
| 6. Turkey distributor | 6 | 5.2 |
| 7. Share decline | 6 | 5.2 |
| 8. Claims against CEO | 5 | 4.3 |
| 9. Claims against the brands of the corporation | 5 | 4.3 |
| 10. Comments by the members of the government | 4 | 3.4 |
| 11. Stoppage of sales | 3 | 2.6 |
| 12. EU stance | 3 | 2.6 |
| 13. Dismissal of R & D executives | 3 | 2.6 |
| 14. Investigation of CEO | 3 | 2.6 |
| 15. Initiative by the Ministry of Environment in Turkey | 3 | 2.6 |
| 16. Other themes (2 or less) | 23 | 19.8 |
| Total | 116 | 100.0 |

Table 4 demonstrates that “global dimension” is more apparent by 18.1% as compared to other themes. The global dimension covers the content of news dealing with the reaction and statements by various countries to the crisis, probes initiated and stoppage of auto sales.

In the theme, “reflection of the crisis in other automotive companies”, the crisis was covered by linking it to whether the emission values of other companies are actually higher than what is publicly stated by them, declines experienced in share values, initiatives to turn the crisis into an opportunity and their public statements regarding the matter.

In the category of “recall of vehicles”, the corporation would recall those vehicles incorporating the software committing fraud in the emission tests; in the context of “comments of the government members”, the statements and criticism by official authorities in Germany where the corporation has its corporate seat against the corporation was highlighted. A number of themes such as “theme on the resignation of the CEO, decline in the shares of the corporation and financial sanctions against the corporation, breach by the corporation of its social responsibility due to the software scandal and likelihood of a football club sponsored by the corporation being affected by this crisis financially” are noteworthy.

We found six news stories’ themes in terms of Turkey. These themes are the following: “Public announcements by the Turkey distributor of the corporation, initiative by the Ministry of Environment towards the crisis, claims directed against *TüvTürk* (the sole organization authorized for vehicle inspections in Turkey) and public statements by this organization, condition of air pollution in Turkey arising from exhaust gas, first lawsuit filed against the corporation and The Consumer Association getting involved in the incident.”

Table 5. Themes of the press releases

| Theme | Frequency | Percentage |
|---|------------------|-------------------|
| 1. Restructuring of the corporation | 7 | 24.1 |
| 2. A general statement of the Executive Committee | 4 | 13.8 |
| 3. Initiatives towards the solution | 3 | 10.3 |
| 4. Importance of public trust | 2 | 6.9 |
| 5. Other themes (1 or less) | 13 | 44.9 |
| Total | 29 | 100.0 |

24.1% of the themes are accounted for by “restructuring of the corporation.” In the press releases on the subject theme, the decisions to replace executives occupying important positions within the corporation, strengthen the regional departments and engage a law firm, which previously undertook the defense of a corporation experiencing an oil crisis are particularly noteworthy.

In the category of “importance of public trust”, we can see that public trust is the primary priority for the corporation, apologizing for the mistake made. In one of the press releases published in the form of a video, the internal and external stakeholders of the corporation are given the promise of openness and transparency.

Based on an analysis of three press releases which were posted on the Turkey website of the corporation, two of the three themes comprise of “a general statement of the Executive Committee” and the third one is related with “sales stoppage” decision.

The five basic steps to be taken in response to the crisis are outlined by one of the press releases as follows: “Supporting the customers and consumers, completion of the investigation, strengthening the regional departments, culture of openness and cooperation and qualitative growth (see Appendix C).”¹

Tone of the News Stories

67.2% of the news stories were presented in a negative tone. In such news stories, which are presented positively, the major subjects may be listed as follows: “Allocation of budget for damages, recall of such vehicles embodying the fraudulent software, re-appreciation of the shares of the corporation following a decline in their value and public statements by the new CEO.”

News Stories’ Framing

Table 6. News stories’ framing

| Framing | | Frequency | Percentage |
|-----------------------|---|------------|--------------|
| Responsibility | Solutions to the problem | 74 | 63.8 |
| | Government responsibility | 49 | 57.8 |
| | Responsibility of an individual or a group of people | 44 | 37.9 |
| | Government’s ability to alleviate the problem | 24 | 20.7 |
| | Requirement of urgent action | 17 | 14.7 |
| Human Interest | Affected by the problem | 26 | 22.4 |
| | Personal lives of the actors | 2 | 1.7 |
| | Human face of the issue | 1 | 0.9 |
| | Adjectives that generate feelings of outrage, empathy-caring, sympathy, or compassion | 1 | 0.9 |
| Conflict | Two sides or more than two sides of the problem | 59 | 50.9 |
| | Disagreement between parties-individuals-groups-countries | 5 | 4.3 |
| | Reproach between parties-individuals-groups -countries | 1 | 0.9 |
| Morality | Moral message | 12 | 10.3 |
| Economic Consequences | Financial losses or gains | 51 | 44.0 |
| | Economic consequences of course of action | 44 | 37.9 |
| | Costs of expenses | 1 | 0.9 |
| Total | | 116 | 100.0 |

1 Volkswagen media services, 2015.

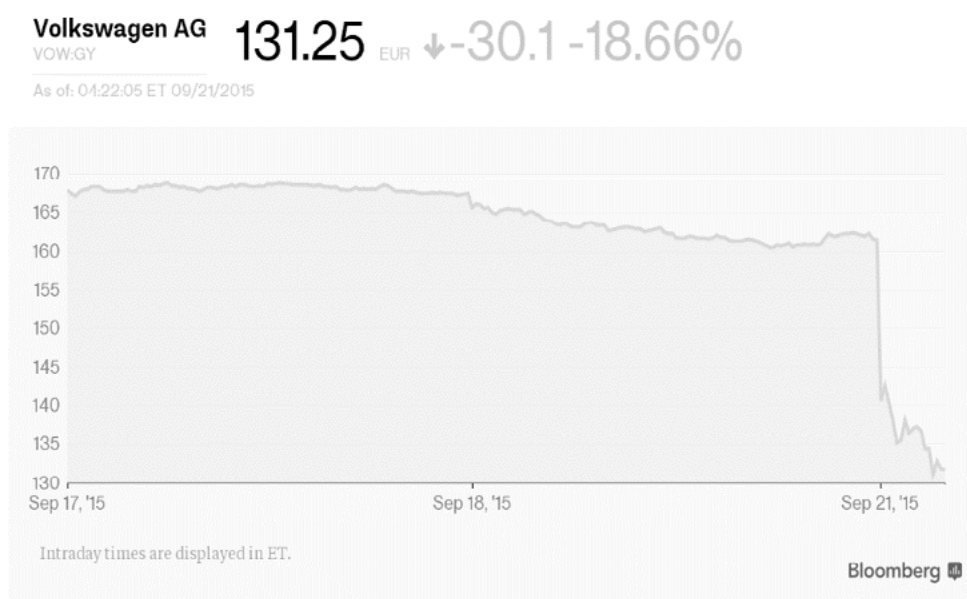
Recall of vehicles, structural change to the top management, stoppage by the corporation of certain vehicle models and initiatives of solutions by the stakeholders, in particular by the legal authorities, to the crisis may be assessed under “solutions to the problem” sub-framework.

Table 6 shows that “governmental responsibility” (57.8%) is another sub-framework. In the context of governmental responsibility, the government is largely presented as a subject having the nature of intervention with the problem. Thirdly, “two or more parties of the problem” as contained under the frame of “conflict” are highlighted by 50.9%. In this context, as one of the parties there to be the corporation itself, the others are the government, consumers, legal authorities, the consumer associations and other automotive companies.

Only in one of the news story, the former CEO of the corporation is portrayed by “feeling awakening objectives” such as “successful, ambitious”; again, “human face of the problem” was presented by framing it on the basis of the effects of diesel fuel on human health. It is noteworthy that the news framing has had very minimal reference to the human dimensions of the crisis.

We can say that this situation stems from the structure of the crisis, in other words, its economic aspect is much more apparent than its human aspect. This is to such an extent of “financial gains and losses” which are included in the economic framework account for 44.0%. This content was built on “financial losses” in the news articles. The financial losses highlighted by the news frames also cover the decline in the value of the shares of the corporation. Figure 1 refers to the fluctuations in the price of the shares of the corporation as traded at Frankfurt Stock Exchange before, during and after the outbreak of the crisis.

Figure 1. Fluctuations in the price of the shares of the corporation



Source: Volkswagen drops 23% after admitting diesel emissions cheat, 2015.

According to Figure 1, as the share value of the corporation covering the period of September 17 and 18 was at the range of 160 - 170 Euro, its share value fell to as low as 135 Euro one day after September when the crisis publicly broke out, namely on Monday, September 21. On September, the stock exchange share listing of the corporation closed at its last three years' lowest level ("Volkswagen drops 23% after admitting diesel emissions cheat", 2015).

"Customers' trust, transparency, admission by the CEO of total responsibility and his subsequent resignation, description as unethical by another automotive company of the exhaust gas measurement method used by the corporation, statement by an automotive company that making comments in connection with the subject goes against its corporate culture and failure to be sensitive towards environment" are particularly noteworthy in terms of ethical considerations.

Finally, as regards "how individuals and groups have been affected by the problem" as contained under the title human interest framing are particularly noteworthy such as "health, public protection, status of vehicle owners, compensation (performance of improvements on the vehicles free of charge in the context of the crisis), shattered trust, how the shareholders are affected and conditions of the football club sponsored by the corporation and also of *Tüvtürk*."

Crisis Response Strategies

Table 7. Response strategies

| | Strategies | Frequency | Percentage |
|------------------------------|----------------------------|------------------|-------------------|
| Justifications | Transcendence (reframing) | 7 | 24.1 |
| Ingratiation | Praise | 13 | 44.8 |
| Providing information | Adaptive | 4 | 13.8 |
| | Internalizing | 19 | 65.5 |
| Corrective action | Compensation | 2 | 6.9 |
| | Rectification | 7 | 24.1 |
| | Change of corporate policy | 15 | 51.7 |
| Apology | Sympathy | 11 | 37.9 |
| | Full apology | 3 | 10.3 |
| Total | | 29 | 100.0 |

"Attack the accuser, denials and excuses" are not contained in any of the press releases. According to the crisis classification by Coombs (2004, 270), "preventable crises" involve serious threats to corporate reputation in which case responsibility imposed on a corporation against the crisis is very strong. Therefore, it may be noted that the corporation has admitted to its mistake and taken various steps towards the crisis management.

"Internalization" as contained under providing information is apparently highlighted. In other words, 19 of 29 press releases have an intention to shape up an image in connection with the corporation. This is followed by the strategy of "changing

the policy of the corporation” which also includes replacement of the top level executives of the corporation, with 51.7%. Corporation has praised both its internal and external stakeholders in 13 press releases.

In seven press releases in which “reframing” assessed in the context of justification is apparent, there are phrases such as “the sustainability of the corporation and its brands represents responsibility and trust; the values of the corporation are its corporate guidelines at the same time; the corporation exerts efforts to reposition itself in the context of technology and products and will continue being strong and successful in the future, undertaking new investments.”

In three press releases which were posted on the Turkey website of the corporation, there are two strategies “internalization and correction.” As internalization is contained in three releases, there is correction in only one release. We should note that in the context of the correction strategy, sales of two models of vehicles of the corporation have been temporarily stopped in Turkey for the purpose of preventing recurrence of a crisis.

Conclusion

Although the reasons leading to the crises faced by corporations vary, it is highly important for each corporation to develop a strategy addressing the crisis in order to minimize adverse effects of the crisis. The strategy develop to that end takes shape within a very wide response strategy ranging from denial or acceptance of the crisis, accusation against others and acceptance by the corporation to its responsibility and its apology to taking corrective steps.

As the corporation is involved on one side of the crisis, its stakeholders and public take part on the other side. At this point, analysis of press releases provides a perspective over the crisis response strategies of the corporations, how news is framed ensures comprehension in terms of reflection of the crisis in media. The crisis of Volkswagen was analysed in terms of response strategies, news framing and tone on the basis of this assumption in the research.

RQ1 asked the content of press releases in the context of the crisis response strategies. The study found that “internalization”, which is one of the “information providing” strategies is important for corporation. Benoit (1997, 177) notes that corporations may act under preventive and reparative approaches against image problems. In particular, preventive approach comes to the fore at the “pre-crisis” stage; as intervention is at the fore at the “outbreak” stage; reasoning, condemnation and responsibility assessment are highlighted at the “post-crisis” stage and improvement and restoration are the main pillars at the “correction” stage (Malone and Coombs, 2009, 121). It may be noted that the corporation has used “image shaping” and “corporate policy change” under the strategy of “corrective action” as a strategy of response to the adverse effects of the crisis at the stage of the outbreak of the crisis.

Absence of any of the strategies of attacking the accuser, denial and excuses in the press releases may be interpreted as acceptance of the crisis by the corporation as well as the responsibility called for by the crisis.

One of the press releases is especially prominent. The content of this press release is constituted by the five basic steps to be taken in response to the crisis (see Appendix C). In this framework, the five basic steps which the corporation has stated to be taken have been assessed on the basis of three variables of the strategic management process by adopting them to the six key steps developed by Chong's (2004) connection with crisis management (see Table 8).

Table 8. Adaptation of the five basic steps to Chong's conceptualization

| Six steps in crisis management | Strategic Management Process | | |
|------------------------------------|------------------------------|-------------------------|-------------------------------|
| | Strategy formulation | Strategy implementation | Strategy evaluation / control |
| 1. Coping (S1, S2, S3, S4, S5) | | X | X |
| 2. Rethinking (S3, S4, S5) | X | | X |
| 3. Initiating (S1, S2, S3, S4, S5) | X | | X |
| 4. Sensing | X | | X |
| 5. Intervening (S2) | | X | X |
| 6. Sandbagging (protection) | | X | X |

Source: Chong, 2004, 46.

Note: X refers to existence of a close relationship.

S refers the steps to be taken by the Volkswagen

(S1, S2, S3, S4, S5): Five steps to be taken by the Volkswagen: S1: Supporting customers and consumers; S2: Completion of the investigation; S3: Strengthening the regional departments; S4: Transparency and cooperation; S5: Qualitative growth

According to Table 8, "coping", which is the first of the six steps in crisis management, covers the five steps which the corporation has stated to take. Although Chong notes that coping does not closely relate to strategy development, it may be noted that the five steps to be taken by the corporation closely relate to the three variables of strategic management process.

"Rethinking" which relates to understanding the past mistakes and preventing their recurrence in the future covers the third, fourth and fifth steps which mostly refer to the future oriented plans of the corporation. The subject steps closely relate to strategy development and strategy assessment.

"Initiating", which is the third step in crisis management, is largely based on development of a crisis management plan originating from the adverse effects of the crisis or update of current plan on the basis of the lessons learned from the crisis. The

five steps may be assessed in this framework, considering the role of the corporate CEO over the five steps to be taken. “Sensing”, which is the fourth step to be taken in crisis management, involves none of the five steps at the crisis outbreak stage because it lays emphasis on a pre-crisis process. Again, likewise, although preventing outbreak of the crisis is the best element for “intervening” step, the preference by the corporation to wait for completion of the investigation may be considered under this title.

Finally, the step called “protection” (sandbagging) refers to action taken without delay in cases where the response efforts could not prevent outbreak of the crisis. Therefore, as in the case for the step of feeling, this step does not contain any of the five steps against the crisis.

RQ2 asked how media frame crisis related news stories. The results suggest that “responsibility” is the most apparent frame. In particular, proposed solutions by both the corporation and its stakeholders to the crisis were presented under “solutions to the problem.” Again, portraying the legal regulatory authorities as those providing a response to the problem to a larger extent with regard to the adverse effects of the crisis was also assessed in the framework of responsibility.

According to the results of the research by Bowen and Zheng (2015, 46), who studied the crisis of Toyota resulting in death of four people in 2009 in terms of framing of both the corporation’s press releases and newspaper reports in connection with the crisis, as the frame of responsibility was used by the press releases more as compared to the newspapers, human interest and conflict frame had more coverage in newspapers than the press releases. Although such a comparison is not possible to be made in this study addressing the crisis of Volkswagen because the press releases and news are assessed on the basis of different variables, the most important difference between the two crises is that one of them directly has effects on human life as the other has such effects on environment. Therefore, it may be commented that the direct effects of the crisis being structurally different would also affect the framing patterns of newspapers reports.

RQ3 asked the tone of the coverage in Turkish newspapers. The study revealed that newspapers mostly present crisis related news in a negative manner. Presenting 67.2% of the news stories in a negative tone exhibits similarity with the results of the research conducted by Nijkraak et al. (2015, 85). In this context, present reliable and adequate information to media in a timely manner in response to the negative tone in the newspapers (Erdoğan, 2014, 229) might be effective in minimizing the negativity.

Conducting an analysis on the basis of 116 news stories and 29 press releases limits the generalizability of the results. The further research could study, by taking as a basis larger samples, how the crisis news stories of Volkswagen were framed by newspapers published in other countries as well as attitudes of customers towards the corporation and communication strategies of the corporation at the crisis repairing stage.

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Appendices

Appendix A

Headlines of Press Releases on International and Turkey website of the corporation

| | |
|----|---|
| 1. | Statement of Prof. Dr. Martin Winterkon, CEO of Volkswagen AG |
| 2. | Volkswagen AG has issued the following information |
| 3. | Text: Video statement of the CEO of Volkswagen |
| 4. | Statement by Prof. Dr. Winterkon |
| 5. | Statement from the Executive Committee of Volkswagen AG's Supervisory Board |
| 6. | Volkswagen news |

| | |
|-----|--|
| 7. | Video statements Supervisory Board and new CEO of Volkswagen AG |
| 8. | Matthias Müller appointed CEO of the Volkswagen Group |
| 9. | The Volkswagen Group is restructuring: Supervisory Board passes resolutions for new organization |
| 10. | Statement by the Supervisory Board of Volkswagen AG |
| 11. | Dr. Hiebert Diess, CEO of the Volkswagen passenger car brand, explains: “We are working at full speed on a solution.” |
| 12. | Volkswagen AG announces action plan to refit diesel vehicles with EA 189 EU5 engines |
| 13. | Bode appointed Head of Group Communications, Investor Relations and External Relations at Volkswagen AG |
| 14. | Statement from the Executive Committee Volkswagen AG’s Supervisory Board following its meeting on September 30, 2015 |
| 15. | Matthias Müller: “We will overcome this crisis” |
| 16. | Statement from the Supervisory Board of Volkswagen AG |
| 17. | Frank Witter appointed Volkswagen Group Board Member for Finance |
| 18. | Volkswagen Brand Board of Management takes strategic decisions |
| 19. | Federal Motor Transport Authority (KBA) decides on recall for affected EA 189 diesel vehicles |
| 20. | Dr. Christine Hohmann-Dennhardt to move Volkswagen AG in 2016 as Board Member for Integrity and Legal Affairs |
| 21. | Prime Minister Stephan Weil visits Volkswagen’s main plant in Wolfsburg |
| 22. | Volkswagen confirms: EA288 engines designed for EU5 and EU6 are not affected |
| 23. | Dr. Thomas Sedran appointed Head of Group Strategy at Volkswagen Group |
| 24. | Volkswagen Group generates operating profit before special items of EUR 10.2 billion (EUR 9.4 billion) by the end of September |
| 25. | Matthias Müller unveils next steps for the Volkswagen Group |
| 26. | Volkswagen reaffirms investments in Chattanooga |
| 27. | Doğuş Otomotiv Basın Açıklaması -Doğuş Automotive Press Release- (in total 3 same/similar headlines) |

Appendix B

Headlines of news stories

| | Turkish | Translated version |
|----|-----------------------------------|--|
| 1. | Ne yaptın Volkswagen! | What have you done Volkswagen! |
| 2. | Dünya Volkswagen’i konuşuyor | The world is speaking about Volkswagen |
| 3. | Volkswagen: O satışları durdurduk | Volkswagen: We stopped its sales |

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|-----|---|---|
| 4. | Tapesspiegel: Volkswagen CEO'sunun görevine son verildi | Tapesspiegel: CEO of Volkswagen was dismissed |
| 5. | Volkswagen'e AB incelemesi | EU investigation to Volkswagen |
| 6. | VW zararı karşılamak için 6.5 milyar dolar bütçe ayırdı | VW allocates 6.5 billion dollars to cover the losses |
| 7. | VW manipülasyonu hızlı bir biçimde aydınlatılmalı | VW manipulation must be solved quickly |
| 8. | Volkswagen incelemesi Asya'ya sıçradı | Volkswagen investigation spread to Asia |
| 9. | İstifa etmedi, özür diledi | He did not resign, apologized. |
| 10. | Bir ülke daha soruşturma başlattı | One more country has opened the investigation |
| 11. | VW CEO'su istifa etti | VW CEO resigned |
| 12. | İki kişi istifaya zorlandı | Two individuals were forced to resign |
| 13. | VW skandalını hükümet biliyor muydu? | Did government know VW scandal? |
| 14. | Winterkorn'a 32 milyon dolar tazminat | 32 million dollars compensation to Winterkorn |
| 15. | VW'den sonra BMW hedefte | BMW is under fire after VW |
| 16. | Volkswagen skandalı büyüyor | Volkswagen scandal is growing |
| 17. | Volkswagen skandalı otomotiv tarihinde bir dönüm noktası olacak | Volkswagen scandal will be a milestone in the history of automotive |
| 18. | İsviçre geçici olarak Volkswagen satışını durdurdu | Switzerland temporarily has stopped the sale of Volkswagen |
| 19. | Volkswagen'in yeni patronu belli oldu | The new boss of Volkswagen was appointed |
| 20. | Avrupa 2 yıl önce uyarılmış | Europe warned two years ago |
| 21. | Yorum yapma terbiyemize uymaz | To make a comment is not suitable with our manner |
| 22. | Volkswagen'de iflas korkusu | Fear of bankruptcy in VW |
| 23. | Volkswagen'de üç yönetici görevinden alındı | Three executives were dismissed in Volkswagen |
| 24. | Volkswagen skandalından Audi'de etkilendi | Audi was also affected by Volkswagen scandal |
| 25. | Doğuş Otomotiv'den Volkswagen açıklaması | Volkswagen statement from Doğuş Automotive |
| 26. | Dünyanın konuştuğu emisyon skandalında Türkiye ne durumda? | What is the situation in Turkey in emission crisis? |
| 27. | O skandalın bir dünya devi daha etkilendi | One more world's giant was affected by the scandal |
| 28. | Çevre Bakanlığı'ndan ilk Volkswagen açıklaması | The first Volkswagen statement of The Ministry of the Environment |

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|-----|--|--|
| 29. | Volkswagen 11 milyon aracını geri çağırarak | Volkswagen will recall 11 million vehicles |
| 30. | Katar'ın VW kaybı 8.4 milyar Dolar | The VW loss of Qatar is 8.4 billion dollars |
| 31. | Alman Bakan'dan VW açıklaması: Artan açgözlülüğün bir sonucu | VW statement of German Minister: Consequence of an increasing greed |
| 32. | Otomotiv pazarı mercek altında | Automotive market is under investigation |
| 33. | Volkswagen CEO'su hakkında şok iddia | Shock claim about CEO of Volkswagen |
| 34. | BMW hisseleri emisyon değerleri yüzünden %10 düştü | Shares of BMW have decreased 10% because of emission rate |
| 35. | Volkswagen satışını yasakladılar | Ban on the sale of Volkswagen |
| 36. | Volkswagen ABD'de satışı durdurdu | Volkswagen has stopped the sale in USA |
| 37. | Volkswagen hisseleri eridi | Shares of Volkswagen have diminished |
| 38. | VW borsada, 30 milyar Euro değer kaybetti | VW has lost value of 30 billion Euros in stock market |
| 39. | Dolar değer kazanıyor, Avrupa borsaları yükseliyor | Dollar gains value, European stock markets are increasing |
| 40. | Kimin egzozu temiz? | Whose exhaust is clean? |
| 41. | İflas korkusu içindeki Volkswagen yıllar önce uyarılmış | Volkswagen, in fears of bankruptcy, was warned years ago |
| 42. | Volkswagen'in eski CEO'su Winterkorn'a soruşturma | Investigation into Winterkorn, former CEO of Volkswagen |
| 43. | Hollanda Volkswagen satışlarını durdurdu | Netherlands has stopped the sale of Volkswagen |
| 44. | TÜVTÜRK'ten Volkswagen açıklaması | Volkswagen statement from TÜVTÜRK |
| 45. | Volkswagen skandalı Wolfsburg'u vurdu | Volkswagen scandal has affected Wolfsburg |
| 46. | Volkswagen'e Türkiye'den ilk dava | The first lawsuit to Volkswagen in Turkey |
| 47. | Volkswagen'e 18 milyar dolarlık ceza geliyor | 18 billion dollars penalty is coming for Volkswagen |
| 48. | Volkswagen hisseleri yüzde 20 düştü | Shares of Volkswagen have decreased 20% |
| 49. | Volkswagen'de neler oluyor? | What is happening in Volkswagen? |
| 50. | Volkswagen itiraf etti: İşi batırdık! | Volkswagen has confessed: We have failed! |
| 51. | Tüm araçlarımızın güvenliği tam | Safety of all our cars is complete |
| 52. | VW'nin rakipleri fırsatı kaçırmadı | The competitors of Volkswagen have not missed the opportunity |
| 53. | Volkswagen skandalı 'dizeli' tartışmaya açtı | Volkswagen scandal opens the debate of 'diesel' |
| 54. | Volkswagen skandalından Skoda'da etkilendi | Skoda was also affected by Volkswagen scandal |
| 55. | VW krizi Borsa'da Doğuş'u vurdu | Volkswagen scandal has affected Doğuş in stock market |

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| 56. | Tüketici Sorunları Derneği'nden Çevre Bakanlığı'na Volkswagen çağrısı | Volkswagen call from The Consumer Association to The Ministry of the Environment |
| 57. | VW skandalı nasıl ortaya çıktı? | How did VW scandal come to light? |
| 58. | Çevre Bakanlığı ABD'den Emisyon Raporunu isteyecek | The Ministry of the Environment will ask the Emission Report from USA |

Note: Rest of the news stories (n=58) have same or similar headlines with above mentioned headlines. Thus, the table includes only headlines of 58 news stories.

Appendix C

An example of a press release that mentions the five basic steps to be taken in response to the crisis

Matthias Müller unveils next steps for the Volkswagen Group

- Support for customers top priority
- Volkswagen looks beyond current crisis
- New strategy to be unveiled in 2016

Matthias Müller, Chairman of the Board of Management of Volkswagen Aktiengesellschaft, has announced the five key steps to realign the Group. "We have to look beyond the current situation and create the conditions for Volkswagen's successful further development", said Müller in Wolfsburg on Wednesday. He presented a five point plan that he intends to use so that Volkswagen remains one of the world's leading automobile manufacturers in the future. Müller is confident that "Volkswagen will emerge from the current situation stronger than before". He announced that the cornerstones of the Group's Strategy 2025 will be presented next year.

The Volkswagen CEO explained that his top priority is to support the customers affected by the diesel issue. "Our customers are at the core of everything that our 800,000 employees worldwide do", he said. According to Müller, Volkswagen is working intensively to develop effective technical solutions. In contact with the Kraftfahrtbundesamt (KBA – German Federal Motor Transport Authority) the implementation is set to begin in January 2016.

Müller's second priority is to systematically drive forward and complete the investigation into what happened. "We must uncover the truth and learn from it", he said, adding that Volkswagen is being extremely thorough in its analysis. For this purpose, audit firm Deloitte has been engaged in addition to the steps already announced. According to Müller, those responsible for what has happened must face severe consequences.

Müller's third priority is to introduce new structures in the Volkswagen Group. "The key point is that Group management will be decentralized to a greater extent in the future", he said, with more independence for the brands and regions. Müller stated that the Board of Management will focus on addressing cross-brand strategies, leveraging synergies and ensuring that Group resources are used effectively. "We will review in detail our current portfolio of more than 300 models and examine the contribution that each one makes to our earnings."

As his fourth priority, Müller is driving forward a realignment of the Group's culture and management behavior. He noted that the pursuit of perfection, the employees' commitment and social responsibility in the Volkswagen Group must be retained. However, he believes that changes are necessary in how Volkswagen communicates and how it handles its mistakes. "We need a culture of openness and cooperation." Müller also called on everybody at Volkswagen to display more courage, greater creativity and a more entrepreneurial spirit in their dealings with one another.

The Volkswagen CEO announced that the fifth priority will be to transform the Group's Strategy 2018 into a Strategy 2025. "Many people outside of Volkswagen, but also some of us, did not understand that our Strategy 2018 is about much more than production numbers. A lot of things were subordinated to the desire to be "Faster, Higher, Larger", especially return on sales." According to Müller, the point is not to sell 100,000 more or fewer vehicles than a major competitor. Instead, the real issue is qualitative growth. Müller announced that the cornerstones of the Group's Strategy 2025 will be developed over the coming months, and that it would be unveiled mid-way through next year.