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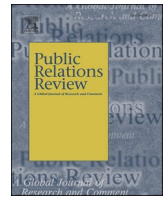
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## Full Length Article

## Clean diesel and dirty scandal: The echo of Volkswagen's dieselgate in an intra-industry setting

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## ABSTRACT

In 2015 the U.S. Environmental Protection Agency revealed that German car manufacturer Volkswagen had illegally installed software to produce fake NOx-emissions results. This study aims to analyze how the German news media framed VW's role. Furthermore, since the scandal shifted from a single company to an industry-wide crisis, this contribution also aims to establish whether the German news media reframed the crisis as an industry-wide phenomenon in 2018. The results show that the Dieselgate was reframed in 2018 as an industry-wide scandal where the conflict, morality, and attribution of responsibility frame were most dominant. We argue that the first wrongdoer in an industry creates a crisis history, which potentially becomes an intensifying factor for competitors who are confronted with similar crises in a later stage. Findings extend the theoretical premise of an organizational reputation as postulated in SCCT, as the organizational reputation is most likely influenced by changing industry-wide perceptions as well.

## 1. Introduction

In the summer of 2007, German car manufacturer, Volkswagen (VW), introduced a new diesel motor (EA 189) in Europe and the United States. In an attempt to convince diesel-skeptic Americans to purchase VW diesel cars, the motors were marketed as "Clean Diesel" engines (Breitinger, 2018). Eight years later, in September 2015, the "Clean Diesel" marketing success quickly turned into a dirty scandal when the U.S. Environmental Protection Agency (EPA) discovered that VW had rigged the vehicles' computers to display false emission results. The scandal was coined 'Dieselgate', and Volkswagen announced a loss of 1.7 billion euros in the first quarter of 2016 (Volkswagen AG, 2016). Raupp (2019) examined the rhetorical arena of news media coverage on the scandal during the autumn of 2015. She (Raupp, 2019) showed that VW was by far the most prominent voice in the media coverage, by dominating with self-referential corporate statements. In their study, Valentini and Kruckeberg (2018) examined similar data from an ethical point of view. According to Valentini and Kruckeberg (2018), Volkswagen's actions were not justifiable under any ethical principle. Siano, Vollero, Conte, and Amabile (2017) note that the actions by the car manufacturer were too manipulative to even regard them as "green-washing", the popular act by companies to portray themselves as

environmentally friendly and "green", without any concrete action (decoupling).

Even though it is clear that Volkswagen found itself in a severe crisis in the second half of 2015, the German car manufacturer was not the only one in the industry to have proverbially gotten its hands dirty. Reports surfaced in 2018 which showed that competitor BMW had tampered with its software in a similar way, despite the car manufacturer positioning itself as an innocent party in the ongoing diesel scandal. The Munich-based carmaker admitted to "irregularities" in its emissions software and was swiftly implicated in the Dieselgate crisis (Traufetter, 2018). In May 2018, German Mercedes producer, Daimler, who had also played the role of the innocent, soon followed its industry colleagues, and was implicated by the Bundesministerium für Verkehr und digitale Infrastruktur (BMVI), the German Federal Ministry of Transport.

Hearit (1994) defines a crisis as a threat to an organization's social legitimacy (the consistency between organizational values and stakeholder values). Coombs and Tachkova (2019) introduced the concept of "scansis" to define when such a crisis turns into a scandal. According to them (Coombs & Tachkova, 2019), a situation of scansis is characterized by inappropriate and unethical behaviors which evoke strong moral outrage amongst stakeholders. Similar to other crises, moral outrage is

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not solely bound to scandals. Benoit (2018) gives the example of United Airline's initial response after the airline removed a passenger from one of its airplanes which provoked outrage. It is, however, the combination of ethical wrongdoing and the moral outrage it evokes, which turns a crisis into a scandal. As the moral outrage, caused by the car makers' ethical wrongdoing and illegal actions might be a distinctive element of Dieselgate, we take Coombs and Tachkova (2019) definition of "scansis" as our point of departure.

Current research into the realm of industry-wide crises is limited. Even though Zou, Zeng, and Zhang (2015) coined 'intra-industry effects', they do not provide insight into how a crisis with one manufacturer possibly influenced the reputation of its competitors. In order to extend our understanding of such effects, the purpose of this paper is to empirically examine how a scandal at Volkswagen potentially set the stage for the intra-industry scandal which involved BMW and Daimler.

We approach our study on intra-industry effects from the point of view of crisis history (Coombs, 1995), where a company or organization that experiences multiple incidents is faced with an increased reputational threat in a current crisis. Previous issues and scandals may result in a pattern of "bad behavior", to which the audience would attribute a greater crisis responsibility. In his later works, Coombs (2020) no longer refers to crisis history as an intensifying factor, but regards it as a contextual modifier, a factor "that can influence how much crisis responsibility stakeholders attribute to an organization".

The concept that crisis history might go beyond organizational boundaries was coined by Eaddy (2021). In her study, she (Eaddy, 2021) claims that organizations must consider the perspectives of their sectors or industry. While not empirically tested, Eaddy (2021) suggests that organizations of a particular sector or industry should be aware of previous crises that have directly impacted competitors or other industry organizations. Dieselgate provides a unique opportunity to conduct a comparative study to empirically assess this mechanism and evaluate whether the crisis history generated by a single organization indeed developed to an intra-industry setting.

In sum, our research question is 'How was Dieselgate covered in 2015, when the focus was on Volkswagen's wrongdoing, compared to 2018 when BMW's and Daimler's wrongdoing broadened the crisis to an intra-industry scandal, and what can be learned from this development in terms of crisis history?'. Based on a content analysis of news clippings from 2015 and 2018, we come to the proposition that the concept of crisis history (Coombs, 1995) should be broadened to industry effects, as competitors are benchmarked against the initial wrongdoing at the company which was first implicated under similar circumstances.

The first section of this paper presents and discusses relevant literature used to explain the concepts of crisis and reputation, intra-industry effects and media frames which will be used to assess the level of moral outrage as a measure for scansis. Followed by the methods section and results of our analysis. Lastly, we discuss the results and conclude with the overall implications of this research.

## 2. Literature review

### 2.1. Crisis and reputation

Scholarly debate on the topics of crisis communication and image repair has steadily increased since the mid-1990s (Benoit, 1997, 2018; Bradford & Garrett, 1995; Dawar & Pillutla, 2000; Millar & Heath, 2004). Researchers such as Seeger, Sellnow, and Ulmer (2000) have laid their focus on pre-crisis communication and have concluded that ignorance of potential crisis triggers leads to the biggest loss of legitimacy. Benoit (1997, 2018), Coombs (1995), and Coombs and Holladay (2002) have analyzed different crisis response strategies and their impact on image repair.

Scholars such as Dean (2004), and Dawar and Pillutla (2000) have specifically studied how consumers respond to crises and the lasting effects of crises on brand image. Usually, (brand) image is regarded as

how a company chooses to portray itself to the outside world. As an example, this relates to Volkswagen placing itself as a manufacturer of environmentally friendly products through "Clean Diesel" ad campaigns. According to research conducted by Davies, Chun, daSilva, and Roper (2003), a company's image can influence the generation of consumers, the attraction of investors, the perception of employability, media coverage, and even the commentary of financial analysts. Image differs from reputation, which is usually regarded as a set of values that one can try to influence and define, but not fully control as it is a construct of perceptions by its most important stakeholders. Fombrun (1996) defines corporate reputation as a 'perceptual representation of a company's past actions and prospects that describe the firm's appeal to all its key constituents' (Fombrun, 1996, 165). Chun (2005) presents corporate reputation as an umbrella construct, consisting of cumulative impressions of internal and external stakeholders. She (Chun, 2005) details the relevant stakeholders of an organization as customers, employees, suppliers, managers, creditors, media and communities. Although corporate reputation is usually considered an intangible asset, changes in reputation have far-reaching financial implications (Coombs & Holladay, 2010, p. 19). In particular, crises caused by unethical company behavior results in significantly negative backlash from stakeholders (Bradford & Garrett, 1995, p. 880). Within this type of crises, the general reputation and stakeholders' expectations seems less receptive to accommodative strategies, when to the nature of the violation shows a lack of integrity (Bundy, Iqbal, & Pfarrer, 2021).

### 2.2. Intra-industry effects

Regarding intra-industry crises, researchers Lang and Stulz (1992) studied two types of intra-industry effects, namely the competitive effect and the contagion effect. The competitive effect implies that when an event or crisis is attributed to one company alone, the competitors benefit from the wrongdoer's bad reputation as consumers switch to the competitors instead. In the contagion effect competitors in the same industry experience a similar crisis and thereby a similar market effect as the initial company (Lang & Stulz, 1992, pp. 46–47). They give the example of bankruptcy, where the announcement provides information to investors that similar firms might be less profitable than anticipated as well. Many corporate events have been said to have intra-industry effects, such as earning restatements, corporate liquidations, stock repurchases, bankruptcy announcements, and dividend reduction announcements (Akhigbe & Madura, 2006; Erwin & Miller, 2004; Impson, 2005; Lang & Stulz, 1992; Patten, 1992; Xu, Najadan, & Ziegenfuss, 2006; Zou et al., 2015). In summary, these debate on intra-industry crisis primarily focuses on financial consequences but do not touch upon the impact of crisis history as such.

In his study on oil spills and the interaction of the cases of Exxon Valdez, the American Trader, and the BP Gulf oil spill, Harcek (2018) introduces the concept of an echo effect of crises, which refers to the fact that future crises often are interpreted in the light of previous crises. According to Harcek (2018), crises become ingrained in the public's collective memory and media references remind the public of past events when new and similar crisis appear. When turning back to Fombrun's (1996, p. 72) comparison with other leading rivals', both studies give some strength to the idea that competitors' moves actually provide some benchmark and influence the way in which an organizations' actions are judged.

### 2.3. Media frames

The content of media publications is characterized by news frames. Much like crisis communication frames, news frames can affect people's perception of issues (Price, Tewksbury, & Powers, 1997, p. 498) and are capable of shaping public opinion and defining problems (An & Gower, 2009, p. 107). Nijkrake, Gosselt, and Gutteling (2014) state that "by prompting the activation of certain constructs at the expense of others,

news frames can directly influence what enters the minds of audience members" (Nijkraake et al., 2014, p. 81). In 1992, scholars Neuman, Just and Cringler identified four main news frames, namely conflict, morality, economic conflict, and human impact (Neumann, Just, & Cringler, 1992, pp. 68–70). The (economic) conflict frame puts the focus on conflicts between organizations, groups or individuals, while morality and human impact primarily places news in the context of norms, values and impact on individuals.

Upon conducting a detailed content analysis of the framing of European politics in press and television news, Semetko and Valkenburg (2000) extended these four frames to include the responsibility frame, which is used to hold a party (e.g., the CEO of a company or a government body) responsible for the cause of the crisis, and adapted the human-impact frame into the human-interest frame, which in their study refers to a personal, emotional portrayal of the events.

### 3. Method

As discussed, reputation can be regarded as an umbrella construct (Chun, 2005), consisting of the perceptions of different stakeholders. As we will assess Dieselgate related coverage in newspapers, we place our focus on just one of many stakeholders. In this approach, we cannot dismiss the fact that media might possibly not fully represent the point of view of the general public. However, we believe that it is rather unlikely that a three-month coverage would give a completely distorted picture on how the crises are perceived.

First, the 2015 news media reports when the crisis centered solely around Volkswagen are evaluated. This is followed by an analysis of German news articles from 2018 when the crisis truly became seen as an intra-industry scandal which included Volkswagen's competitors BMW and Daimler. By reviewing both timeframes, it is possible to analyze how an intra-industry scandal develops and how news frames might change over the course of the crisis.

Through the method of qualitative content analysis, the German media coverage of three of the most well-read mainstream newspapers, *Der Spiegel*, *Zeit Online*, and *Süddeutsche Zeitung*, is coded with a focus on the applied frames during the initial outbreak of the scandal in 2015. Secondly, using the same frames, articles from these newspapers are compared to those in the spring of 2018, when the scandal shifted from centering around Volkswagen to an industry-wide crisis. The decision was made to concentrate on a three-month period in which the "stories" were developing in front of the public's watchful eyes, leading to increased interest by the media. Even though the companies continued to receive Dieselgate-related news coverage afterwards, the intensity of coverage was less concentrated and more sporadic. In order to compare both crises under comparable circumstances, the focus of this research was put on the situation when the news broke in 2015 and 2018.

#### 3.1. Data collection

For both analyses in late 2015 and spring 2018, three of the most read main-stream national German newspapers were chosen, namely *Der Spiegel*, *Süddeutsche Zeitung*, and *Die Zeit*. For the first analysis, articles and essays of these three publications were chosen dating from the timeframe of September 22nd, 2015, to December 31st, 2015, as crises are usually most noteworthy within the first few weeks of their occurrence (An & Gower, 2009, p. 108). All three of the newspapers have created a landing page with their diesel scandal related publications. The articles were only selected from the pool of 'Dieselgate' publications if they include the words Volkswagen or VW. In total, a sample of 107 articles of *Der Spiegel* (n = 25), *Süddeutsche Zeitung* (n = 23), and *Zeit Online* (n = 59), matched the data collection criteria of the publication date and the word references out of the individual 'Dieselgate' data pools. This sample size is of sufficient quantity for qualitative research design, given that the scope is exploratory in nature (Creswell, 1998). For the second analysis, 43 articles from *Der Spiegel* (n = 15),

*Süddeutsche Zeitung* (n = 20), *Zeit Online* (n = 8), in the timeframe from May 1st, 2018, to June 30th, 2018, were chosen. Articles were selected from the pool of 'Dieselgate' publications if they include the words Daimler and/or BMW. The period constitutes the interval in which the industry shifted from a single crisis to a full-on intra-industry crisis in the media, with accusations of wrongdoing directed at multiple companies, such as Daimler and BMW.

#### 3.2. Labelling frames

The articles were assessed on three frames. The first frame was based on Semetko and Valkenburg's (2000) responsibility frame, which is used to hold a party (e.g., the CEO of a company or a government body) responsible for the cause of the crisis.

As a second frame, we decided to focus on "moral outrage" as it is a key concept of scansis. The authors decided to use the moral outrage frame for situations when news stories used more emotional words (such as outrage, anger, manipulative), or news was placed in the context of norms and values, e.g., by referring to the consequences of manipulation towards customers, society or the environment. As such, the frame included distinctive traits of morality, ethical wrongdoing and the impact on innocent individuals, which comes close to the human-interest frame as used by Semetko and Valkenburg (2000). As an example, *Der Spiegel* (2015a) reports on Volkswagen's claim that their diesel cars were "essential" in order to reach climate goals, while the manipulations put a different light on the contribution of the cars in terms of CO2 emissions.

The third category is referred to as the "factual frame", which is a descriptive frame for items which primarily explained what happened, the economic-consequences of the wrong-doing, or describes the legal steps by consumer organizations to claim compensation, and the (expected) next steps from regulators. It includes the (economic) conflict frames as proposed by Neuman et al. (1992).

Whenever articles touched upon different frames in separate sections, two or more frames could be applied to a single article. This resulted in an assessment of n = 375 sections for 2015 and n = 234 sections for 2018.

#### 3.3. Data analysis

Both authors independently rated sections from the selection of articles on attribution of responsibility frame, moral outrage frame or factual frame. Cohen's Kappa was calculated using SPSS 27 and found to be 0.904 for the 2015-frames and 0.918 for the 2018-frames. Between raters, across scoring years and categories, inter-rater reliability tests yielded high Cohen's Kappa scores. The Attribution of responsibility Frame has the following values: 0.937 (2015) vs 0.930 (2018). The Moral outrage Frame is 0.908 (2015) vs 0.896 (2018), and the Factual Frame is 0.904 (2015) vs 0.918 (2018). Kappa values between 0.90 and 1.00 are generally considered to exhibit almost perfect levels of inter-rater reliability (McHugh, 2012).

The attribution of responsibility frame was significantly lower (Pearson's Chi-square = 17.096, df = 1, p < 0.01) and the moral outrage frame was significantly higher (Pearson's Chi-square = 14.082, df = 1, p < 0.01) in 2015 compared to 2018. There was no significant difference between the factual frame in both years.

**Table 1**  
2015 Media Frame Results.

Code	Code Frequency	% Codes
Attribution of responsibility Frame	94	25.1 %
Moral Outrage Frame	152	40.5 %
Factual Frame	129	34.4 %

#### 4. Findings

Below, the findings are discussed. Table 1 includes data from 2015, Table 2 includes data from 2018 and compares it with 2015.

##### 4.1. Volkswagen news media framing analysis

For the 2015 Volkswagen news media analysis, the moral outrage frame was most frequently applied in the timeframe from late September to the end of December 2015 in newspaper articles reporting on the Dieselgate scandal. The results of each frame are elaborated on individually below.

##### 4.2. Attribution of responsibility frame in 2015

Within the attribution of responsibility frame, some common themes were found. Firstly, the framing of Volkswagen as the responsible party and questioning of the company's crisis communication strategy of Winterkorn's denial of knowledge. Zeit Online challenges this strategy by asking: "Is it possible that the top management is unaware when a company is in trouble and makes mistakes?" (Al-Ani, 2015). Süddeutsche Zeitung also questions the credulity of VW's crisis strategy by stating: "It is not just some clever technicians on the lower floors who decide on their own which approach to take to solve a problem. This is a matter for the board to decide. Especially if the CEO is a technology freak" (Fahrenholz, 2015). The KBA, responsible government officials, sub-contractors, and even consumers are also held to account. Der Spiegel further quotes a civil servant of the Umweltbundesamt (UBA-environment agency) stating: "Krautzberger said that UBA had been pointing out for years that the measured emission values showed no improvement in the environmental balance of car traffic. The Ministry of Transport, however, had regularly failed to take such indications seriously" (Der Spiegel, 2015c).

Next to politicians, other car manufacturers receive attention in the Dieselgate scandal in 2015, but vehemently refute similar transgressions. Daimler, responding to allegations, is quoted saying: "Daimler CEO Dieter Zetsche told the Frankfurter Allgemeine Sonntagszeitung that his company was adhering to the legal requirements. 'We have not tampered with our vehicles in any way.' When asked if all manufacturers were cheaters, he said: 'Clear answer: No!'" (Zeit Online, 2015a). BMW, following suit, denied any involvement stating: "As a matter of principle, there is no manipulation at the BMW Group, and it goes without saying that we comply with the legal requirements in every country and fulfill all local test specifications," the company announced. "This means: In the exhaust gas treatment of our vehicles, no distinction is made between roll and road operation" (Zeit Online, 2015b).

##### 4.3. Moral outrage frame in 2015

Within this frame, the emotional impact of Germany's economic flagship coming under scrutiny was described. Moral outrage was used to denounce the 'fraudulent', 'deceptive', 'sneaky' 'trickery' of Volkswagen, which are all ethical and moral components which neatly fit within the definition of scansis. Alongside such denunciations, Der

Spiegel also referred to the fact that VW presumably believed that their trickery would remain hidden. Such morality was not only applied by using words connected with immoral behavior, but it was also used to question VW's supposed "transparent and open" crisis communication strategy. Süddeutsche Zeitung coined the company's crisis communication the salami-tactic, saying that "by far the biggest mistake of all is the so-called salami tactic: the slice-by-slice admission of mistakes, often combined with flowery euphemisms and a little hot air."

##### 4.4. Factual frame in 2015

The factual frame stressed the financial impact of the crisis on Volkswagen with statements such as "penalties, recall actions and compensation will cost the Wolfsburg-based Group billions" or "VW expects damage amounting to two billion euros" (Der Spiegel, 2015b; Zeit Online, 2015c). Secondly, the newspapers highlight Volkswagen's crisis management frame of taking on all costs and alleviating costs for customers as much as possible. Thirdly, the impact of the VW scandal on the automotive industry and the German economy was discussed.

##### 4.5. Intra-industry news media framing analysis

For the intra-industry news media analysis, the attribution of responsibility frame was most frequently applied in 2018. Before making a comparison between 2018 and 2015, the 2018-results of each frame are elaborated on individually below.

##### 4.6. Attribution of responsibility frame in 2018

The attribution of responsibility frame is most frequently applied. Some articles continue to refer to Volkswagen as the initial culprit, such as in Der Spiegel, stating: "Illegal deactivation devices had triggered the diesel scandal at Volkswagen in September. After VW, Daimler is also being dragged deeper and deeper into the diesel scandal" (Der Spiegel, 2018). Reporting also refers to car manufacturers earlier statements saying: "No other car company has so confidently and consistently denied its manipulations since the diesel scandal of 2015 became known as Daimler" (Zeit Online, 2018). Whilst Süddeutsche Zeitung frames BMW similarly, stating: "BMW boss Harald Krüger and chairman of the supervisory board Norbert Reithofer have admitted a breakdown in the exhaust gas purification of a diesel engine, but denied any intention. 'We made a mistake a few years ago', Krüger said on Thursday at the BMW annual general meeting in Munich. BMW had always claimed in the exhaust gas scandal, which was set in motion by VW in the fall, that they had not installed fraud software in vehicles" (Süddeutsche Zeitung, 2018a). Der Spiegel commented on the intra-industry scandal saying: "It would also have been a moment of awakening for the entire industry: away from a criminal past and instead into a sustainable future with clean, soon even climate-friendly means of transport" (Traufetter, 2018).

##### 4.7. Moral outrage frame in 2018

The morality frame includes feelings of anger towards the industry for believing it could "get away with it", especially by marketing their cars as ingenious eco-friendly pieces of German machinery. Süddeutsche Zeitung frames the immorality by quoting former vice-chancellor, Fischer, by stating: "'We were not believed to be capable of this. He kept hearing 'we didn't think so, the Germans don't do that'. One could only shake one's head over the degree of irresponsibility and naivety of those responsible. He still drives a German car in his private life. Out of conviction'" (Süddeutsche Zeitung, 2018b). Der Spiegel applied the moral frame by highlighting the impact of the industry's deceitful behavior on the health of the population. The article stated: "The Daimler boss could have put an end to the dishonesty of selling manipulated cars to loyal customers of the manufacturer over many

**Table 2**  
2018 Media Frame Results (compared to 2015).

	Code Frequency (2018)	Code Frequency (2015)	% Codes (2018)	% Codes (2015)
Attribution of Responsibility Frame	96	94	41.0%	25.1 %
Moral Outrage Frame	60	152	25.6%	40.5 %
Factual Frame	78	129	33.3%	34.4 %



years. Vehicles whose exhaust gas purification was designed to be cheaper and brought the company higher profits - at the expense of the health of hundreds of thousands of people who have to breathe in excessive concentrations of nitrogen oxide in the cities" (*Der Spiegel*, 2019). Zeit Online responded to the industry's aim to resolve their wrongdoing with the comment: "To make Dieseltgate forgotten, the German car manufacturers are doing quite a lot. Volkswagen dismissed its CEO. BMW distanced itself from its competitors. Daimler talked about the imminent revolution in mobility. Advertising campaigns are courting customers with high discounts. And anyone who wants to read up on how a company is changing can do so in Shift. That's the name of the hip magazine they call the 'child of the crisis' at Volkswagen" (*Simpson*, 2018).

#### 4.8. Factual frame in 2018

The factual frame was applied primarily to highlight the impact of the industry's losses and the knock-on effect on the German economy. With Daimler and BMW being the newly accused, the newspapers *Der Spiegel*, *Süddeutsche Zeitung*, and *Zeit Online* also highlighted their losses much as they did with Volkswagen in 2015. Also, *Süddeutsche Zeitung* highlights that the German car industry not only impacts the economy with the export of its cars but also accounts for a significant percentage of jobs within the country (*Süddeutsche Zeitung*, 2018c).

### 5. Discussion

Coombs (2010) emphasizes within the SCCT that prior reputation and crisis history are two important factors. Given that the manipulated software constituted intentional illegal wrongdoing at Volkswagen, which had been hidden from the public, could cause significant health damages and had been intensively marketed by VW as 'clean diesel', Volkswagen had to decide carefully how to communicate its way out of the brand crisis. With regard to its prior reputation, the car manufacturer was held in high regard both nationally and internationally and was considered one of Germany's economic success stories. Therefore, although Coombs (2010) theory suggests that a positive prior reputation decreases the perceived crisis responsibility, in the case of VW's intentional wrongdoing, their breach of trust may have appeared even worse coming from one of Germany's revered flagships. The crisis became a scandal known as Dieseltgate, under circumstances which comply with Coombs and Tachkova (2019) definition of a scansis. This is confirmed by the relatively high level of frequencies on the moral outrage frame, where VW's wrongdoing was framed in terms of 'fraudulent', 'deceptive', 'sneaky' and 'trickery'.

When the story of VW's unethical behavior initially broke, it was followed by public outcry in Germany resulting in high media coverage. Many saw VW as the epitome of German skill and invention that had positioned itself as an environmentally conscious manufacturing company. As the information being new and the public's interest in the occurrence being highest, this might be an explanation for the overall decrease in number of articles in the 2018 scandals.

#### 5.1. Shifting gears to intra-industry

In 2018 a clear shift and media reframing of the Dieseltgate becomes noticeable, as other car manufacturers are accused of the same unethical intentional wrongdoing. Fellow German industry front runners, BMW and Daimler, who have continuously denied any wrongdoing, were forced to recall several of their diesel models. The media framing was adapted according to the new information resulting in a media frame-shift from a focus on VW to a focus on the entire industry. Frames differed from the initial frame focus of 2015 in a variety of ways.

Firstly, even more emphasis was placed on the attribution of responsibility. BMW and Daimler were now equally under scrutiny with multiple reports surfacing on similar illegal NOx tactics. Unlike VW,

however, both Daimler and BMW continued to deny the accusations of any illegal activity, much like the companies had done in 2015 when the diesel scandal first occurred. Even when both car manufacturers are forced to conduct recalls of affected models, they continue to refute any intentional malpractice. Unlike in 2015, however, the news media reframes this strategy of responsibility denial as unconvincing and emphasizes the number of government-sanctioned vehicle recalls. Much like in the case of VW's portrayal of the executive level innocents, the news media reframes BMW and Daimlers claims of innocents as being far-fetched. Another contrast to the 2015 media framing can be found in the more frequent use of the frame to describe the intra-industry responsibility of the scandal. In 2018, all three newspapers increased reporting on the industry contagion of the crisis, by quoting individuals or providing analyses on the issue.

Second, unlike in 2015 when newly appointed executives and the emotional side of Volkswagen's deceit were highlighted, the moral outrage frame is less frequently applied when the scandal turned intra-industry crisis in 2018. However, the moral outrage frame continues to play a role in the media's framing of the crisis, in particular by highlighting the contagion effect of the crisis on consumer trust in the industry. *Süddeutsche Zeitung* emphasizes the breach in the moral high ground by adding a quote that reads: "Germans don't do that", implying it falls outside of the norms and values of German society. The moral frame is also used to portray those involved as naïve little boys who believed they could get away with the manipulation. Furthermore, the industry's collective crisis communication strategy of shifting the blame to a small group of individuals in the lower tiers of the companies and portraying the executive level as innocent and unaware is reframed as having disregarded the health of the general population to produce cheaper cars and maximize revenue. Zeit Online summarizes the bad crisis management performance and the poor attempt of the car manufacturers to restore their brand reputation by stating: "To make Dieseltgate forgotten, the German car manufacturers are doing quite a lot. Volkswagen dismissed its CEO. BMW distanced itself from its competitors. Daimler talked about the imminent revolution in mobility" (*Simpson*, 2018).

#### 5.2. The slippery road of intra-industry scandal

As the attribution of responsibility significantly increased when the crisis developed into an industry-wide setting, we interpret the 2018-situation as follows. Daimler and BMW's attribution of responsibility in 2018 was higher compared to VW's responsibility in 2015. Apparently, the initial crisis responsibility, which was attributed to Volkswagen back in 2015, might have laid the groundwork for future crises at its close competitors. Following that reasoning, the crisis history initiated by Volkswagen became an intensifying factor for other car-manufacturers within the industry and increased their level of crisis responsibility. When Daimler and BMW were faced with their crisis in 2018, it was assessed in a context in which they could have known that their behavior was wrong ever since Volkswagen was accused back in 2014. They were framed as if they already had developed some sort of "crisis history". Volkswagen's "crisis history" resulted in a context which increased Daimler's and BMW's attributed responsibility and hurt their reputation in a negative manner.

Similarly, the more emotional driven frame of moral outrage significantly lowered between 2015 and 2018. As we saw, the moral outrage was not so much pointed towards the Daimler and BMW itself but was framed in a broader industry-wide manner. This might imply that news media in 2018 continue where they were in 2015. As many frames refer back to 2015, the moral outrage does not seem to start all over from scratch but becomes part of a continuous story. It might indicate that especially crises that violate moral obligations cast long shadows.

### 5.3. Early recognition as a guard rail

Based on our findings, we empirically confirm Eaddy's (2021) suggestion to take the intra-industry aspect into account when responding to a crisis. The morality of competitors' wrongdoing appears to function as a benchmark for future crises in the industry. Even though the content analysis does not allow us to draw causal relationships, the changes in frames are remarkable and should be recognized. This implies that possible effects of earlier but similar crises by competitors should be taken into account when building one's crisis response strategy. This especially seems to be the case when companies are faced with crises with an ethical component. Consequently, the organization under crisis might need to apologize and acknowledge the crisis in even stronger terms, due to existence of an intra-industry benchmark.

In our comparison, we noticed that the media change their frames when the crisis developed from a single crisis to an intra-industry scandal. This implies, that in addition to Eaddy's (2021) assessment, we confirm that the intra-industry context of crisis history should be taken into account. We do, however, nuance the amplifying structure of crisis history, as frames in which crisis history is assessed seem to change over time. As the responsibility frame became more prominent when the media reported on the scandal at BMW and Daimler, it implies that organizations should be aware that earlier crises raise the bar in terms of crisis responsibility. Apparently, an earlier crisis within the industry gives the attribution of responsibility a head-start. Parts of the toolbox with crisis communication strategies cannot be used anymore, as diminishing claims as "we did not know" are no longer trusted. Knowledge, which is publicly available, even based on crisis experiences at competitors, seems to work as a benchmark for future crises within that same industry. Furthermore, our findings showed that the morality frame was less dominant in the case of BMW and Daimler. This suggests that their crisis had less characteristics of a scansis and Dieselgate transformed into a regular crisis as time passed.

In their study, in which they introduced the concept of scansis, Coombs and Tachkova (2019) called for additional research to understand the long-term value of optimal crisis response strategies during a scansis. Taking into account the concept of "crisis history" and the possible long-term memory of the media to frame new developments within the context of earlier scandals at competitors seems a relevant part of such additional research. Further understanding of the intra-industry mechanisms will help our scholarship to reflect these and other findings in theory development on scansis and theories about the intentional cluster in SCCT. Where SCCT primarily looks at the preferred crisis response strategies for a single organization, theory development needs to account for the industry's reputation as an important and contributing factor during crises.

### 6. Limitations

In our study, we used media frames as the basis of our analysis. Since this rules out other stakeholders, this approach might result in a bias. Although we assume that the changes in media frames reflect changes in perceptions of the general public, we cannot rule out the possibility that changes in frames are the result of journalistic norms to reframe a similar crisis to compensate news value.

With regards to external validity, issues may arise when one tries to generalize the findings to the wider debate of intra-industry crises and their influence on crisis communication strategies, as communication is very dependent on the social and cultural context. In other words, there is a need to replicate our study in other countries using the same study design and/or use more refined frames to assess the impact of crisis history in an intra-industry setting. Although the news media analysis is based on German reporting, this contribution strongly believes that the findings reflect the Western perception of the crisis. By looking into a large data sample of two specific timeframes this contribution aims to ensure that the data collected stems from varied samples and reflects a

larger demographic.

### 7. Conclusion

Current crisis response strategies tend to apply "crisis history" as a contributing factor for an organization in crisis. This research broadened the scope and takes note of the potential impact of "crisis history" developed by a close competitor. As a consequence, the "crisis history" of a competitor might become an industry-related crisis history, when other organizations within an industry experience the same or similar crises.

This research aimed to analyze how the German news media framed VW's role. Furthermore, since the scandal shifted from a single entity to an industry-wide crisis, this contribution also sought to establish whether the German news media reframed the crisis as an industry-wide phenomenon in 2018. The analysis showed that the media questioned VW's strategy and reframed the scandal by attributing responsibility to the entire corporation. In particular, by stressing the improbability of the executive level having been unaware of the intentional wrongdoing. Unlike in previous studies, the media frequently applied the morality frame both directly and indirectly and accused VW of continuing to act dishonestly during their crisis management. In response to what extent the German news media reframed Dieselgate as an industry-wide crisis in 2018 and whether they distinguished amongst competitors, it is clear that there was a shift from portraying VW as the responsible party to focusing on the entire industry and pointing out other car manufacturers' involvement. An intra-industry scandal effect was discussed, based on an intentional unethical transgression to both Daimler and BMW.

Based on our findings, we argue that a scandal can have intra-industry effects. Related to Dieselgate, the experience of Volkswagen in 2014 created a crisis history that cast a long shadow, not only for Volkswagen but also for its competitors. Similar to Harcek's (2018) findings on oil spills, the crisis at Volkswagen echoed in 2018, when its close competitors BMW and Daimler found themselves in a similar situation. Even though the crisis situations in 2014 and 2018 were similar from a factual point of view, media used different frames to report on the situation at BMW and Daimler. The moral outrage about the unethical wrongdoing decreased over time. It did not, however, diminish. The change in media frames provides strong support for our proposition that competitors are benchmarked against comparable wrongdoing at the initial company. Companies apparently do not start from a similar position with a blank sheet but become part of a developing story which relates to the crisis at their competitor.

We argue that the first wrongdoer in an industry creates a crisis history, which potentially becomes an intensifying factor for competitors who are confronted with similar crises in a later stage. Although one has to consider potential legal and financial ramifications, based on the media's assessment of the car manufacturers' crisis communication strategies and the media's subsequent reframing, companies implicated in a scandal should opt for timely, fact-based, and transparent communication. Therefore, it can be concluded that the only way to handle a dirty scandal is to come clean.

### Declaration of Competing Interest

No conflict of interest.

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