Go Green with Volkswagen

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Strategic Challenge

Volkswagen shocked the world in 2015, when the Environmental Protection Agency,

or EPA, found that the automaker was selling vehicles in the United States that possessed a

defeat device in diesel engines (Hotten, 2015). As Hotten (2015) explains, this software could

change the outcome of its performance because it was able to detect when it was being tested,

ultimately improving its results. In fact, Jung and Sharon (2019) report that it was emitting "40

times the level of pollution allowed in the United States during normal use" (p. 6).

Volkswagen admitted to the claims, stating that more than 11 million of its vehicles were

affected by this device around the world (Reuters, 2017). As of June 2021, the impact of this

scandal has cost Volkswagen $38 billion, with the money going toward fines, legal costs, and

vehicle refits (Steitz, et al., 2021). After reaching settlements amongst various countries and

government entities, the automaker reported its 2020 profits hit $12.2 billion, however, fees

connected with the emissions scandal were not included in this figure (Knolle, et al., 2021).

According to Forbes (2019), Volkswagen's main competitors in the United States are

Toyota, Ford, General Motors, and Honda. While Volkswagen's direct competitors all have

goals, hoping to sell zero-emission cars by specific target dates (Isidore, 2021), the automaker

has its own goal of becoming carbon neutral by 2050 (Knolle, et al., 2021). However, last

year, Volkswagen missed its mandatory reduction target, and now faces a fine of more than

$121 million (Knolle, et al., 2021). To reach these goals, each of these automakers has

launched all-electric vehicles, or has plans to in the near future. However, Volkswagen is

making large strides to take over the electric car industry. In fact, by 2030, the automaker aims

to launch nearly 70 all-electric vehicles in European markets (Isidore, 2021). As Isidore (2021)

explains, Volkswagen has actually surpassed Tesla in electric vehicle sales in several of these

markets. Still, this leaves a gap between its customers in the United States, and those in the European market. If the automaker has known plans to be mostly electric in Europe, where does this leave Volkswagen in its U.S. market?

Objectives

While Volkswagen has built up its brand since the emissions scandal, it's still lacking in a campaign that aims to show how it's moving forward with corporate social responsibility. That's where Go Green with VW comes in. This campaign seeks to bridge the gap between the past, current, and future customers, in its United States market, which is essential to build a sense of trust between them and the Volkswagen brand. This campaign has several goals, as listed below:

- o To repair Volkswagen's image across several generations, focusing on Generation Z and Millennials, which in turn, will increase sales amongst these groups
- o Make the public aware of the steps it's taking to become carbon neutral by 2050
- o Change consumers' attitudes and view of Volkswagen
- o Raise awareness about the automaker's sustainability projects
- o Educate the public about CO_2 levels and its lasting impact on the environment

Theory

Go Green with VW will incorporate several theories into the campaign. These include the Elaboration Likelihood Model, emotional appeal, and diffusion of innovation, all of which will use psychological techniques to reel in the campaign's target audiences.

Elaboration Likelihood Model

Developed by Petty and Cacioppo (1986) in 1980, the Elaboration Likelihood Model, or ELM, is used to understand two routes to persuasion: central or peripheral. The central route makes individuals consider the pros and cons of information before forming an opinion about the issue (Luo & Ye, 2019). As Luo and Ye (2019) explain, the peripheral route requires people to rely on behavioral cues, such as the number of people who endorse it, rather than its quality.

For the sake of the campaign, the central processing route will be used for both the primary and secondary audiences. This decision was made because purchasing a car can be an extensive process, considering it can be a very expensive acquisition. Therefore, it will require a high level of elaboration, based on information known about Generation Z and Millennials, which will be discussed later on.

Emotional Appeal

Perloff (2020) describes emotional appeal as "a cognitive assessment of a situation, physiological arousal, a subjective set of feelings, motivation to behave in a certain way, and a motor or facial expression" (p. 339). Incorporating the feeling of fear will be used for Go Green with VW, to hopefully spark a change within the campaign's target audience. Perloff (2020) acknowledges that this tactic is a negative communication strategy, but it's also important to integrate into the campaign because Go Green with VW will be incorporating environmental facts, including what will happen to Earth in the years ahead.

Diffusion of Innovation

Discovered by Everett M. Rogers in the 1960s, the diffusion of innovation theory is a "kind of social change, defined as the process by which alteration occurs in the structure of and

function of a social state" (Gouws, et al., 2011, p. 236). This model is being used because the campaign aims to alleviate the idea that purchasing an electric vehicle is innovative. Rather, the goal is to make it standard practice when buying a vehicle, and pinpoint the consumer back to Volkswagen. As Perloff (2020) explains, creating a sense of awareness for the target audience is vital to ensure that the campaign is successful.

The Big Ideas and Bringing it to Life

With the theories presented, Go Green with VW will consist of several ideas and utilize many different channels to implement into the campaign. The campaign calls for using social media sites, including Instagram, TikTok, and Snapchat. With these mediums, the goal is to use celebrities and/or influencers to reel in both the primary and secondary audiences as loyal and lifetime consumers to Volkswagen. According to Williams (2020), 44% of Gen Z'ers bought something based on recommendations from a social media influencer. Considering this generation is on several social media platforms, using influencers could boost Volkswagen's brand and its sales. To reach these audiences, partnering with well-known, household names such as musician Billie Eilish, scientist Bill Nye, or athletes like Steph Curry or Lebron James could be highly beneficial for a few reasons. As Herman (2020) found, a study from Barnes and Noble college states that 90% of college students are on Instagram, 80% use Snapchat, and 50% are on TikTok. However, it's important to note that during the COVID-19 pandemic, lockdowns forced people into their homes, meaning they most likely spent more time on social media channels. With that being said, there is a chance that these numbers have fluctuated with the stay-at-home orders.

Go Green with VW will also purchase advertisement space on streaming services such Hulu and Spotify to gain campaign momentum. According to Spangler (2019), Hulu said 70% of its 82 million subscribers pay for the streaming service's ad-supported plan. This means when its subscribers are watching a movie or show, advertisements will play around quarter marks of the respective moving picture a viewer is watching. In relation to Spotify, a report published on Statista (2021) found that the number of subscribers who use the music streaming service's ad-supported plan is 208 million worldwide.

Another idea that will be implemented is the use of billboards. While it might seem out-of-date to some, this can be highly beneficial to get the word out for Volkswagen. Billboards are a form of outdoor advertising and have been found to have positive relations in accordance with differentiating brands, product performance, and location (Taylor, et al., 2006). Ideas for including billboards with the campaign could be in locations such as the 405 freeway in Los Angeles, or Interstate 680 in the San Francisco Bay Area.

Lastly, Go Green with VW will utilize an interactive map on Volkswagen's website, showing the audience what will happen if people don't try and curb CO_2 emissions now. The map would show what the world will look like in 2050 if we don't neutralize CO_2 levels, and the other would show what the world could look if people and companies take the necessary steps now. To be more specific, users could interact with the map, and click on popular sites to see what the world may look like in the future, such as the Amazon Rainforest in Brazil, the Eifel Tower in France, or New York City. To get traffic to this web page, the campaign would circle back to billboards by using a digital design, and could also be included in paid advertisements on Hulu.

Primary Audience

The campaign's primary audience is Generation Z and Millennials. Those who are a part of Generation Z were born between 1997 and 2012, whereas Millennials were born between 1981 and 1996 (Dimock, 2019). These generations are targeted for a variety of reasons. According to Tyson, et al. (2021), Generation Z and Millennials are more active in terms of addressing climate change than older generations. These groups focus on the need to take action on climate change, as well as getting involved in volunteer activities, such as showing up to climate change rallies and protests (Tyson, et al., 2021). This group also has a purchasing power of $140 billion and holds unique values when purchasing products (LoDuca, 2020). As LoDuca (2020) explains, these generations are more likely to purchase a product from a company that's taking action on its environmental policies. Generation Z also values brands that are transparent and authentic (Hanbury, 2019), which is something that Volkswagen could be seen as struggling with within its past.

It's also important to note that research shows that women are more likely to have environmental concerns than men (Ballew, et al., 2018). Scientists say it's partly due to gender stereotyping, considering men may feel that caring for the environment will cause them to lose their masculinity (Spary, 2018). As Polakovic (2012) further explains, research suggests that women are also more likely to buy products that are ecologically friendly than their male counterparts. In addition, women are also more willing to pay higher taxes and gas prices in order to help protect the environment (Polakovic, 2012).

Campaign Events

As stated, there are many elements that will be included in Go Green with VW. To kickstart the campaign's launch, Volkswagen will utilize a hashtag on social media that will be

seen throughout each campaign element. Consumers will see #GoGreenWithVW on social media posts, billboards, and in paid advertisements on Hulu. The hashtag will be used as a contest for however long the campaign lasts. Consumers will have to use the Hashtag in an Instagram post, in which three winners will be randomly selected bi-monthly for a $1,000 credit toward any brand-new Volkswagen vehicle of their choice. The goal is to gain momentum on the campaign, and hopefully reel in former and new customers.

Conclusion

Go Green by VW will be successful for a few reasons. The campaign uses strategical elements that fits within its target audience. Utilizing social media platforms and partnering with influencers or celebrities is something that Volkswagen's target consumers are likely to respond to. In addition to this point, the campaign understands its target audience's values, and Go Green with VW will take these values and use it to gain their trust. By creating messages that align with these principles, while also using practical communication theories, the campaign is likely to succeed because it believes in the cause, and shows that Volkswagen wants to fix the problems its caused in the past.

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