Crisis communication and reputational damage -
A case study of Google’s communication during the
introduction of Street View in Germany.

Svenja Radtke

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Supervisor:
Joan Pape Rasmussen
Department of Business Communication

Aarhus School of Business,
Aarhus University
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Abstract

The rise of the commercial Internet in the 1990s had an enormous impact on the business world, but also on society and every single person. It changed the way we communicate and opened up endless new possibilities. However, the Internet challenged the traditional understanding of privacy and data protection - leading to controversial discussions about their importance in the Internet age. One example therefore is the public debate around the introduction of Google Street View in Germany. Many Germans saw their basic rights in danger and had a very skeptical attitude towards the new service, resulting in numerous demands to outlaw Street View and more than 200,000 requests to blur images of houses.

The purpose of the thesis is to analyze the crisis situation around the introduction of Street View in Germany and how Google responded to the public outcry. Another aim is to investigate if the crisis could harm the company’s overall reputation. The method of a qualitative single case study was chosen in order to allow a deep and narrow examination of the crisis event.

The empirical part of the thesis starts with a detailed description of the crisis situation and all involved stakeholders. A content analysis of 390 media articles was carried out and shows that the media, federal ministers, data protection commissions and the general public are the most salient stakeholder groups, whose needs and concerns should be given a high priority. Conflicting conceptions about the importance of privacy and data protection on the Internet are the basic problem of the crisis. According to Coombs’s SCCT framework, the crisis around the introduction of Street View is determined to be a challenge with a high potential to threaten Google’s reputation.
Thereafter, Google’s response strategy towards the accusations against Street View is investigated, using discourse analysis of blogposts and press releases. In addition to instructing information, the company mainly employed a deny strategy. However, the SCCT framework suggests to use the diminish option for crises of the accidental cluster. Hence, one can assume a diminish strategy would have weakened the public debate.

In the last section of the empirical part a survey was carried out to gather information about people’s confidence in Google and Street View. Findings show most respondents have a positive attitude towards the company and the new service. It can be assumed that the crisis situation had no influence on their confidence. Amongst others, the concepts of halo effect and reputational capital can serve as an explanation. However, the findings of the survey indicate that users have doubts and concerns in regard to the topics of privacy and data protection - which thus have the potential to threaten the company’s reputation in the long run.

The principal conclusion is that Google has to pay more attention to the topics of data protection and privacy when introducing Street View in other countries. The company should use a proactive communication strategy that takes into account public concerns and different norms and expectations. Although the crisis in Germany probably did not harm the company’s reputation, relationships to important stakeholders have been damaged and doubts and critical voices about Google’s approach to privacy may have an impact on future product introductions.

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As long as mankind exists, there has been communication and constant development. Through new ideas, discoveries and innovations a modern society arose. The speed of advancements seems to rise continuously, especially in the last century. Globalization and new communication technologies, such as the Internet, changed the way we communicate and also had an impact on the business world. New - web based - companies, products and services emerged and it is difficult to imagine today’s society and business world without them. However, for many people it is hard to adapt to these changes in the same speed as they occur. They need time to become familiar with the new possibilities of the Internet and to weight up advantages and risks of the new technologies. This can be a challenge, since it is the paradox of today’s technologies that they are rarely entirely bad or universally good. As Pitt and Watson (2007, p.366) state, this also applies to the Internet: "it presents the greatest opportunity in history to find and use information, to interact with others everywhere, to serve oneself, and control one’s own destiny. Simultaneously, it is the single biggest threat to individual privacy and a malicious means of laying one’s life bare to the world."

As the quotation points out, privacy and data security in the Internet is one important topic that concerns many people and is discussed very controversially. Some companies, such as the American corporation Google, the social network Facebook and Sony from Japan, were in the focus of recent debates. But among all these firms, it is Google that "has come to symbolize the tensions between the benefits of innovative, information-dependent new services and the desire of individuals to control the context in which personal information is used" (Hoofnagle, 2009, p.1). In the last years, introductions of new Google services were more often than not accompanied by an outcry of worried consumers, media and politicians, who see basic rights in danger. The introduction of Google Street View, a technology first introduced in the United States in 2007 offering panoramic views for many cities in the world, serves as an appropriate example for this. Especially in Germany, there was a strong public discussion and an immense media attention. Many stakeholders had a skeptical attitude towards the new service and a different opinion about the
importance of privacy on the Internet, resulting in numerous demands to outlaw Street View and more than 200,000 requests to blur images of houses. How could this have happened? Why did the crisis situation emerge?

Hunter, Le Menestrel, and De Bettignies (2008, p.348) offer a general answer: "The nature of crises has changed. They are more than ever rooted in clashes of values, and all who participate in them now own a public voice." In today’s sometimes complicated world, not "just" natural disasters or human errors cause crises - conflicting stakeholder expectations and media willing to spread sensational messages are often enough for an issue to become a crisis and damage a company’s reputation. Media are a powerful force, which is not just offering advice for the public, but also for the political sphere: "Much of what policy makers know and understand about public orientations toward privacy will have been shaped to a large extend by what the media report about that opinion" (Gandy Jr, 2003, p.286).

In addition, a lack of transparency, underestimating opponents and an insufficient communication are other factors that have an impact on the development of a crisis. Google’s struggles with Street View in Germany, including public discussions about the service and the accidental collection of WiFi data by Street View cars, surely meets the described conditions. This is a reason why it was chosen to serve as a case study within this thesis.

Even though there was a strong German - public and political - opposition to Google Street View, the service was successfully introduced in November 2010. By now - more than half a year later - discussions became silent, the topic’s news value decreased and the benefits outweigh the perceived risks. Against this background it is interesting to ask whether the crisis in all its facets - commonly also referred to as Googlegate - had an impact on how Google’s users evaluate the overall reputation of the company. Since Google is such a big company and market leader in many fields, it might also be that people are depending on the company to such a great extend that they ignore their doubts and maintain an unshakeable confidence.

1.1 Problem statement

Companies introducing new products and services to a market sometimes have to face heavy resistance and need to work hard for the acceptance of their ideas. If not handled carefully, a crisis might occur, challenging the company’s relationships with its stakeholders and maybe resulting in a loss of reputation. In these situations, communication is an important tool to enhance and protect relationships as well as reputation. To exemplify the dynamics of a crisis and the significance of communication, the introduction of Google Street View in Germany will be analyzed.
The aim of the thesis is to analyze how Google responded to the public outcry during the introduction of Street View in Germany and if the crisis could harm the company’s overall reputation. Although opinions of relevant stakeholder groups are described within the paper, especially Google’s users are in the center of interest.

To find an answer to the problem statement, the following subquestions will guide the structure of the paper. The discussion of the questions will help to give recommendations for Google about what they should consider when rolling out Street View in countries that also have a strong opposition or when introducing other innovative products in the future.

1. For a theoretical understanding: What are relevant theories within the field of crisis communication that can be applied to the case study?

2. How can the Street View crisis be described and who are the relevant stakeholders?

3. Which strategies did Google use to respond to the accusations?

4. Did the crisis influence the user’s confidence in Street View and Google in general?

1.2 Methodological approach

The thesis will follow an interpretative, constructivist worldview. The social constructivist approach can be defined as "An ontological stance which is often linked with interpretivism. It asserts that reality is that which is perceived, taken for granted and continually accomplished by those who hold a shared history and shared meanings" (Daymon and Holloway, 2002, p.273). As Daymon and Holloway (2002) stress, the worldview follows the assumption that there is no standardized meaning because it evolves out of interaction, communication and discourse. Hence, there is not one objective truth, rather people can hold different opinions and have different explanations for the same event.

That is why social constructivism is assumed to be the appropriate point of departure to analyze crisis situations. They are often socially constructed where companies and stakeholder groups interpret and evaluate the course of events differently. Coombs (2007a, p.110), whose contributions are explained in more detail in the following chapter, supports this assumption and sums up: "Crisis interpretations are socially co-created by primary stakeholders, secondary stakeholders (especially the news media), and the organization. If primary stakeholders believe a crisis exists, it does." Thereby the author also acknowledges the role of media in the creation and interpretation of crisis events.
As the social constructivist approach served as a guidance to the elaboration of the thesis and the realization of the case study, it also had an impact on the author’s interpretation of the findings. How a researcher is making sense of the world around him or her, constructs meaning and assesses events influences the outcome and conclusion of a study.

1.3 Methodology and structure

The empirical part of the thesis consists of a qualitative single case study of a crisis event, that is the introduction of Google Street View in Germany. In May 2008, Google first announced that they plan to start Street View in Germany and after the date has been postponed several times, the service finally launched in November 2010. That is why the investigation period covers the period from January 2008 to December 2010. The case was chosen because it got a wide media attention, both on a national and international level, and because it is an impressive example of how the German public and Google discussed and negotiated the value of privacy and data protection on the Internet. Qualitative methods are commonly applied by interpretative and social constructivist researchers because they allow a deep exploration "in order to provide rich, detailed, holistic description - as well as explanation" (Daymon and Holloway, 2002, p.6). The empirical research follows a rather inductive than deductive approach. Extensive data collection and a pre-study was conducted to get an understanding of the case and to formulate the problem statement of the thesis. Afterwards, the insights were related and interpreted with the help of relevant theories in the field of crisis communication.

The method of a single case study was chosen because it allows a deep and narrow investigation of one particular instance. The following characteristics of a case study in general, described by Daymon and Holloway (2002), are additional reasons why the method is considered to be appropriate to answer the overall problem statement and the specific subquestions. The method focuses "on real events in their real life context", combines "multiple sources of information and multiple viewpoints", is very "detailed and descriptive" and offers a "holistic view, exploring relationships and connections" (Daymon and Holloway, 2002, p.106-107)

Within the case study, there are three further methods applied, which are explained in more detail in the empirical part of the thesis. They are:

- A content analysis of media coverage on the introduction of Street View in Germany. Randomly selected articles were analyzed to find out how balanced the reporting was and if Google could put their messages on the media agenda.
• Within a discourse analysis relevant press releases and blog posts of Google are analyzed to investigate how the company responded to the public accusations and which kind of crisis response strategies were used.

• In order to get an impression of how Google’s users evaluate the overall reputation of the company and what their attitude towards Street View is an online survey was conducted.

The structure of the thesis consists of a theoretical and an empirical part. The first-mentioned focuses on answering the first subquestion, characterizes the phenomenon of crises in general and explains how a crisis can threat a company’s reputation. Moreover, the roles of media and stakeholders in crisis situations and communicative response strategies are described.

In the empirical part of the paper, chapter three gives an introduction to Google and the course of events in general and sums up the findings of the pre-study. In addition, the crisis and involved stakeholder groups are mapped in more detail, thereby answering the second subquestion. Chapter four concentrates on subquestion three and on how Google responded to the stakeholder’s accusations. Which crisis response strategies, as introduced in the theoretical part, did the company use? The following chapter five refers to subquestion four and presents the findings of the online survey. The evaluation of Google’s overall reputation in the eyes of its users is compared to their attitude towards and confidence in Street View. The last chapter presents a summary and discussion of the findings of the case study and draws a final conclusion.

1.4 Delimitations

The general delimitations of the thesis stem from its qualitative research approach. As mentioned by several academics, e.g. Daymon and Holloway (2002) and Flick (2009), generalizability and representativeness of a case study and qualitative research in general can be questioned. This also applies to the case study of Google Street View, because it takes place in a particular context and is socially constructed. There has also been public concerns when Google introduced Street View in other countries, but for the thesis the German context was chosen because media attention and protests were particularly huge and some politicians demanded a ban of the service, so that Google had to change its data protection regulations.

However, a case study allows to take into account different perspectives and the researcher’s own reflections about a topic. Thus, even though the findings of
the study can not be generalized, useful insights are gained about how Google can improve the implementation of the service in other countries.

Another delimitation is that the thesis focuses on an external perspective, the way how Google communicated with their external stakeholders and how the company’s customers evaluate the reputation of Google and Street View. Internal stakeholders, such as employees and partners, and theories referring to internal crisis communication are not part of the analysis.

An additional important point to address is the topic of language. Within the thesis, German media articles, blogposts and press releases were analyzed and also the survey was conducted in German. Hence, many words and questions had to be translated by the author. Although carried out with great caution, it can not be excluded that some meanings and subtle nuances got lost in the process.
Theoretical framework

The following chapter gives an overview of fundamental theories within the field of crisis communication. For the thesis, this overview is necessary as the introduced models will be used later to analyze Google’s communication strategy during the introduction of Street View in Germany. For communication officers of companies a general understanding of the topic is essential because the likelihood to "be confronted with one major crisis or another has never been as great as it is today" and the notion that "a crisis does not have to be large in scope to be dangerous" (Anthonissen, 2008, p.9). A crisis can harm the reputation of a company, which is especially threatening since we are living in a time in which intangible assets such as reputation, innovation and leadership became more important. This "new world", also called "knowledge economy" is contrary to the "old world", which was merely an industrial economy with a focus on physical assets (Regester and Larkin, 2008).

After the chapter defined a crisis and distinguished it from an issue, some general characteristics are listed and the concept of reputational crisis is introduced. The differentiation between image, identity and reputation as well as the term reputational capital are some of the keywords of the second subchapter. Thereafter, the influence of the media as well as the changing role of stakeholders in crisis situations are further investigated. Finally, the chapter ends with an introduction of the two dominant approaches to how a company can respond to a crisis.

2.1 Crisis theory

For the thesis and the analysis of the case study it is very important to decide on which one of the various definitions of a crisis to build on. As Carroll (2009, p.65) highlights, there has been "countless revisions, updates and debate as to the exact terminology of the word, exploring the key constituents of a crisis. Such a simple word is exasperatingly difficult to define". The following definition by Ulmer, Sellnow, and Seeger (2007, p.7) is commonly used in the literature to characterize a crisis: "An organizational crisis is a specific, unexpected, and nonroutine event or series of events that create high levels of uncertainty and threaten or are perceived to
threaten an organization’s high-priority goals." The authors describe a crisis event as a particular moment in the history of an organization that goes beyond typical problems the organization is facing. A level of surprise, need for a fast response and a potential to harm the company are additional characteristics. Massey (2004, p.239) further argues that crisis events can threaten the legitimacy of a company and in the end its survival.

What is remarkable is that the described as well as many other definitions focus on an inside-out approach, meaning they are very company centric and just include the crisis perception of the organization. Opinions of the company’s stakeholders are not adequately taken into account. For this reason, the thesis uses the definition of Coombs (2007a, p.2-3) as a foundation: "A crisis is the perception of an unpredictable event that threatens important expectations of stakeholders and can seriously impact an organization’s performance and generate negative outcomes." This view acknowledges the social constructivist approach and the argument that "perception is the reality" (Larkin, 2003, p.64). Again, there is no single objective truth, stakeholders can have a different opinion than the company itself, they might disagree. Coombs (2007a, p.3) also stresses that "a crisis is unpredictable but not unexpected", meaning that some crises can be detected by warning sights.

In opposite to a crises, an issue has a different scope. Carroll (2009, p.66), in reference to Coombs (1999), defines an issue as "an unsettled matter between an organization and its stakeholders", which can be viewed as contestable matters of fact, value and policy that can have implications for a firm’s reputation." Larkin (2003, p.53) adds an interesting dimension by explaining how an issue can develop into a crisis: "some issues are extremely difficult to predict, when they occur, they can move rapidly through to the crisis stage, become highly politicized, particularly in the area of environmental health, product failure or consumer protection." Since a crisis is approached differently than an issue, it is important to understand the contrasts between them to act and communicate strategically.

What impact can a crisis have on a company? What are the potential damages? As Smudde (2001, p.34) explains, a crisis "poses certain risks to an organization - potentially affecting critical aspects like reputation, image, brand equity, credibility, publicity, financial viability, legitimacy, community standing". Other outcomes might be sceptic public authorities, tougher regulations, which might complicate a company’s business, as well as media scrutiny and public skepticism. When a crisis violates expectations people hold about a company, this can result "in people becoming upset and angry, which threatens the relationship between the organization and its stakeholders" (Coombs, 2007a, p.3).

To avoid or weaken these outcomes, Massey (2004, p.239) strongly suggests to use an appropriate crisis management, since it aims "to change both the reality
and the interpretation of organizational behavior." The author also states that a strategic approach is particularly important against the background that "the way stakeholders interpret organizational behavior is largely influenced by strategic communication emanating from the organization" (Massey, 2004, p.239). According to Coombs (2007a), crisis management consists of four different parts. The first one, prevention, "represents the steps taken to avoid crises" (Coombs, 2007a, p.5) and is followed by the preparation stage, which involves "diagnosing crisis vulnerabilities, selecting and training a crisis management team and spokespersons, creating a crisis portfolio, and refining a crisis communication system" (ibid.). The preparation components are applied to the crisis situation in the response part. In the end, during the revision stage, the company’s crisis response is evaluated.

In the literature, there are several different classifications of crisis types. Ulmer, Sellnow, and Seeger (2007) divide crises into two categories. On the one hand, the ones caused intentionally and on the other hand, crises caused by uncontrollable and natural factors. The former are acts carried out to harm the company, e.g. sabotage, terrorism, hostile takeovers or unethical leadership. Examples for the later are disease outbreaks, natural disasters, downturns in economy, such as the recent worldwide financial crisis, and product failures. Coombs (2007a) combined the various classifications found in the literature into one master list of ten different types:

- **Natural disasters**: Damage through for example tornados, earthquakes or other natural catastrophes.

- **Workplace violence**: An actual or former employee lays violent hands on colleagues on company grounds.

- **Rumors**: Misguiding information are intentionally spread with the aim of harming the company.

- **Malevolence**: "When some outside actor or opponent employs extreme tactics to attack the organization, such as product tampering, kidnapping, terrorism, or computer hacking" (Coombs, 2007a, p.65).

- **Challenges**: In this case, dissatisfied customers are blaming the company for improperly operations.

- **Technical-error accidents**: Industrial accident caused by deficient technology supplied or utilized by the company.

- **Technical-error product harm**: Defect or harmful product caused by deficient technology supplied or utilized by the company.
- **Human-error product harm**: Defect or harmful product caused by human error.

- **Human-error accidents**: An accident caused by human error.

- **Organizational misdeeds**: "When management takes actions it knows may place stakeholders at risk or knowingly violates the law" (ibid.).

The two types challenges and rumors are based on the notion that stakeholders and companies can have a different view about what a crisis is. Coombs (2007a, p.110) warns: "The different interpretations can cause an organization to overlook a crisis. It is foolish arrogance to believe that only the organization can place a crisis label on a situation."

Usually, the lifecycle of a crisis is split up into three stages, which can be further sub-divided: precrisis, crisis event and postcrisis (Smudde (2001) and Coombs (2007a)). According to Coombs (2007a), the first stage includes the detection of early warning signs, actions to prevent an issue to become a crisis, to eliminate and lower risks and the preparation for crisis situations. This includes for example creating action and communication plans, allocating responsibilities and developing crisis scenarios. The second stage unites the recognition and response to the crisis event. Smudde (2001, p.34) describes it as a stage in which "a ‘trigger event’ occurs and threats to an organization arise as people rush to make sense of the problem to limit the damage to the organization’s image and legitimacy by fully disclosing details about causes, effects, responsibility, damage repair and further avoidance". In the postcrisis phase the company’s operations come back to normal. Actions to "(a) make the organization better prepared for the next crisis, (b) make sure stakeholders are left with a positive impression of the organization’s crisis management efforts, and (c) check to make sure that the crisis is truly over" (Coombs, 2007a, p.19) are carried out.

### 2.2 Crisis as a threat to a company’s reputation

As touched upon by Smudde (2001), crisis events can have a serious impact on a company’s overall reputation. Before going into depth with this thought, it is necessary to take a step back and briefly outline what the concept of reputation is and how it can be differentiated from similar theories.

Many theorists agree, that the reputation of an organization is one of its most important assets and "a strategic success factor that competitors cannot easily imitate" (Sarstedt, 2009, p.500). Similar to many other theoretical concepts, various definitions of what a reputation actually is exist - some of them overlap and others
contrast. Due to many interdisciplinary approaches in the field (e.g. marketing, organizational behavior, economics, sociology), the selected theoretical perspective has an influence on the explanation of the idea (Chun, 2005).

In his article "A Systematic Review of the Corporate Reputation Literature: Definition, Measurement, and Theory", Walker (2010) systematically analyzed 54 leading articles and one book dealing with the topic of corporate reputation. From his findings, the author derived a definition summarizing the key attributes of the concept. He states reputation is a "relatively stable, issue specific aggregate perceptual representation of a company’s past actions and future prospects compared against some standard" (Walker, 2010, p.370). This quote, which refers to the ideas of Fombrun (1996), acknowledges that it takes time to build a reputation and that it can be actively influenced, e.g. through the way a company communicates about its past and actual activities. The notion of being based on perceptions of all, internal and external, stakeholders highlights that a reputation is socially constructed and people may have different opinions about a company. In addition, an organizations’ reputation develops through direct and indirect interaction with stakeholders, the way the company meets their expectations (Coombs, 2007a). "Positive interaction build favorable reputations while unpleasant interactions lead to unfavorable reputations" (Coombs and Holladay, 2006, p.124).

But why should a CEO care about the reputation of the company and spend time and resources for managing it? The reason is reputation influences how different stakeholder see the organization and behave towards it. Coombs and Holladay (2006, p.123-124) name several benefits of a favorable reputation: "Reputational assets have been linked to significant outcomes such as attracting customers, generating investment interest, attracting top employee talent, motivating workers, increasing job satisfaction, generating more positive media coverage, and garnering positive comments from financial analysts." Walker (2010) adds that a company will be able to charge premium prices and can create a competitive advantage out of a positive standing towards its stakeholders.

Corporate identity and image are two concepts that are related to the one of corporate reputation. Although they differ in the way of including external and internal stakeholders, all three are often used equally (Walker, 2010). Corporate identity takes on an inside-out perspective and describes how members see the organization, which features "appear to be central and enduring to employees" (Fombrun, 1996, p.36). Walker (2010) emphasizes that there is a difference between an identity, what members actually think, and a desired identity, describing what the organization wants their employees to think about the corporation. In opposition to the internal focus of corporate identity, corporate image takes into account how external stakeholders evaluate the organization. Again, a distinction between a
desired and actual image can be made. According to Chun (2005, p.96), image often focuses on customers and what they "believe and feel about the company from their experiences and observation". As mentioned before, reputation on the other hand is the sum of the actual perceptions of all stakeholders. Another important distinction between the concepts of image and reputation is the factor of time: "building a reputation takes time. Images, however, change frequently and may result in quickly attained perceptions of a firm" (Walker, 2010, p.367).

After this excursion to the theoretical foundations of corporate reputation, the next question of interest is what a reputational crisis is and how it can harm the organization. Smaiziene and Orzekauskas (2009, p.523) define the concept as a "non-routine, build up gradually or occur suddenly event (not necessarily a catastrophic one) or series of events that cause significant reputational damage due to failure to meet reasonable stakeholders’ expectations." The authors stress that most reputational crises are caused by companies not acting in the way their stakeholders expect them to do in specific situations or not acting according to the norms. Thus, a crisis "gives people reasons to think badly of the organization" and "stakeholder can change how they interact with an organization" (Coombs, 2007a, p.164).

In general, an unfavorable reputation can be caused by "failure in management decisions, employees and employment related issues, marketing and customer related issues, health and safety issues, unacceptable environmental impact of corporate practice, other unacceptable corporate behaviour (social irresponsibility, unethical behaviour, etc.), technological failure, reverse financial results of performance" (Smaiziene and Orzekauskas, 2009, p.524). These causes are for example industrial accidents, emitted pollution, product failures and disputes with employees. As Smaiziene and Orzekauskas (2009) argue, nowadays, a company’s reputation most often is at risk because the organization violates legal and regulatory obligations and acts unethical and due to security breaches, such as an insecure dealing with customer data. Appendix A.1 offers more detailed examples of sources of reputational damage, which are collected by Smaiziene and Orzekauskas (2009) based on a literature review.

The outcomes of a reputational crisis can be devastating. Literature indicates a significant loss of reputational capital and of stakeholder’s trust and confidence in a company. In addition, a crisis will decrease "a company’s abilities to attract material and non-material resources, as well as initiate and affiliate, and maintain relations with stakeholders" (Smaiziene and Orzekauskas, 2009, p.525). It will be hard to attract new investors because they might think the company is a risky investment. Also a minimized scope to bargain with business partners can be a negative outcome if reputation is harmed. Further consequences of reputational crises, classified by stakeholders, are listed in appendix A.2.
Smaiziene and Orzekauskas (2009, p.524-525) argue that there are four different factors that determine the impact a crisis can have on a company’s reputation: "level of favorability (or unfavorability) of the reputation before crisis", "type and magnitude of crisis", "amount and tone of media publicity" and "company’s actions and behavior during the crisis." The first factor is especially interesting against the background of the research of Reuber and Fischer (2010), who describe many cases in which companies maintained a good reputation although they obviously acted wrong. The concepts of halo effect and reputational capital can serve as an explanation of this phenomenon.

Coombs and Holladay (2006, p.123) describe the first-mentioned concept as follows: "The prior reputation can create a halo effect that protects an organization during a crisis", which "might work as a shield that deflects the potential reputational damage from a crisis" or "might encourage stakeholders to give the organization the benefit of the doubt in the crisis (reduce attribution of crisis responsibility)." Through a favorable reputation before the crisis, a company may suffer less and regain its old strength faster. Stakeholders might be willing to ignore negative word of mouth or media coverage because it mismatches with their own opinion about the company. However, the authors point out that the existence of a halo effect of a positive reputation has not been proven yet. There just has been empirical evidence of the impact of a negative reputation in crisis situations.

Even though these findings are interesting, crisis managers should avoid to rely solely on the strength of the pre-crisis reputation. Instead, reputation management and the handling of the crisis will determine the overall outcome (Smaiziene and Orzekauskas (2009), Tucker and Melewar (2005)).

### 2.3 Role of stakeholders in crisis situations

A crisis does not just have an impact on the organization itself, but also on its relationships to customers, employees, competitors, authorities, suppliers, investors, communities and media. This is why the concept of stakeholder theory can make some interesting contributions to the management of crises.
Freeman (1984, p.46) defines stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives". He also describes the principle of corporate legitimacy, meaning that the benefit of its customers is an important ambition of the company. This view differs from the one of Milton Friedman, who argues that it is the main aim of companies to generate profits without any regard to social and environmental obligations. Within the normative stakeholder approach, the integrative social contracts theory was developed. It concentrates on the ethical behavior of stakeholders and managers and suggests "that management should take into account the norms (not interests) of certain stakeholders because society allows corporations to operate in exchange for the promotion of society's interests" (Friedman and Miles, 2006, p.55).

Mitchell, Agle, and Wood (1997) developed the model of stakeholder salience to identify stakeholders and give managers a tool to prioritize them. As Stephens, Malone, and Bailey (2005, p.394) emphasize, this function is especially important in a situation when "faced with conflicting demands, the organization must decide which groups to attend to and which to ignore." This model explains where the influence of stakeholders on the company stems from. The more salient stakeholders are, the higher is their priority and the need to actively communicate with them. Mitchell, Agle, and Wood (1997) argue that stakeholders become important to an organization if they have the three following attributes:

1. **Power**: A "stakeholder has 'power' if they can get the focal firm to do something that the focal firm would not have done otherwise" (Alpaslan, Green, and Mitroff, 2009, p.40).

2. **Legitimacy**: Stakeholders have the attribute of legitimacy when their "actions and claims on the focal firm are generally and by the focal firm perceived as appropriate or desirable within a socially constructed system" (Alpaslan, Green, and Mitroff, 2009, p.40-41).

3. **Urgency**: The two criteria 'criticality' and 'time sensitivity' have to be met in order to create urgency.

Through a combination of these attributes, seven different types of stakeholders can be classified. They are illustrated in figure 2.1 and can be arranged in three groups (Mitchell, Agle, and Wood, 1997). *Latent stakeholders* (number 1, 2, and 3 in the figure) fulfill just one attribute and therefore possess low salience. *Expectant stakeholders* (4, 5, 6) combine two attributes and thus have a moderate salience. *Definitive stakeholders* (7) have a high degree of salience because they represent all three attributes.
As several authors state, salience can change over time, especially during a crisis event, which usually is characterized by a high level of urgency (Mitchell, Agle, and Wood (1997), Stephens, Malone, and Bailey (2005), Alpaslan, Green, and Mitroff (2009)). In a regular context, stakeholder expectations are relatively stable. However, during a crisis, concerns may dramatically change and a growing "urgency, particularly when combined with the attributes of power and/or legitimacy, may increase the salience of particular stakeholders" (Alpaslan, Green, and Mitroff, 2009, p.41). In such a situation, the number of stakeholders expands, the role and importance of them changes and insignificant ones can become more important (Stephens, Malone, and Bailey, 2005).

Figure 2.2 contrasts stakeholders a company had before and during/after a crisis. As the attribute of urgency is added, the salience of so far latent and expectant stakeholders and their ability to influence the company increases. This is why Alpaslan, Green, and Mitroff (2009) request managers to carefully identify an organizations' actual and potential stakeholders as well as their concerns and then include them in the crisis preparation plan. Just considering the most obvious ones in the preparation phase "may also prevent critical information from reaching the right stakeholders, and thus hinder both crisis prevention and crisis recovery" (Alpaslan, Green, and Mitroff, 2009, p.45).

Figure 2.1: Stakeholder typology

2.4 Role of the media in crisis situations

Why do so many researchers agree that the media are an important factor for the emergence, progress and outcome of a crisis? Alpaslan, Green, and Mitroff (2009, p.381) argue that journalists have an important impact because most people do neither have a close contact to organizations nor directly experience such situations themselves. Instead, stakeholders use the media to learn about an organization and actual issues in society (Carroll and McCombs (2003), Einwiller, Carroll, and Korn (2010), Romenti and Valentini (2010)). Often the media and the Internet inform stakeholders about the existence of a crisis and thereby shape their perceptions. Especially in these situations, people actively search for relevant news in the media, which help them to evaluate the crisis and assign responsibility for the event. At the same time, for example newspapers and television news can be a useful channel to spread a company’s crisis response.

Within media and communication studies, there are - among others - three theoretical concepts that describe the role and influence of media in society. In the following paragraphs, they are described and related to the context of organizational crises.

*Media acting as a gatekeeper:* The notion of journalists acting as a gatekeeper refers to their role in deciding which information will be published and which are rejected (Romenti and Valentini, 2010). Through deciding whether a topic is worth
being reported, they influence which news get through to the audience. Hence, it is important to know why topics are considered to be relevant and why not. This can depend on factors relating to the journalist or medium and to the newsworthiness of the topic (concept of news value).

**Agenda setting role of the media:** The newer concept of the agenda setting function of the media is related to the notion of gatekeeping, but goes one step further. The basic principle is that the media affect the emphasis of topics discussed in society and that people adopt the topic hierarchy of the media. As Carroll and McCombs (2003, p.37) clarify, "the public uses these salience cues from the media to organize their own agendas, to decide which issues, persons or other objects are the most important." In reference to crisis communication: If the media perceive an organization to be in a crisis situation and reports about it, the problem will also become salient in the agenda of the stakeholders of an organization. Again, even though the company thinks it is not involved in a crisis, it is the perception of the stakeholder’s that count.

**Framing theory:** The concept of framing indicates that the media do not just influence what topics people have on their agenda, but also how they interpret events (An, Gower, and Cho, 2011). By highlighting specific features in a particular way, media influence how people perceive an issue and hence shape the public opinion. Framing theory plays an important role in crisis situations since a crisis usually results in negative press coverage which may threaten the reputation of a corporation. That is especially dangerous as "publicity is generally acknowledged to be more credible and more influential than company-controlled communications" (Dean, 2004, p.193). Hence, the frames used by the media may be a barrier in overcoming the crisis and rebuilding a good relationship with stakeholders (Romenti and Valentini, 2010).

However, Reuber and Fischer (2010) argue that not all negative media coverage per se has the power to influence a company’s reputation in a negative way. In order to do so, it has to be frequent and predominantly negative. Otherwise, "when stakeholders are actively seeking and processing information about an organization, mixed messages which blend positive and/or neutral messages with negative coverage can lead to doubt that the discредerable behavior is serious, given that opinion leaders disagree about the gravity of the organization’s actions" (Reuber and Fischer, 2010, p.46).

The findings from the different studies show how important it is to regularly monitor and analyze news (and crisis) media coverage and how media frame a situ-
Refusing to give facts about the crisis, withholding information and not providing an own explanation and position is negligent. Journalists will publish a story and find other people, such as eyewitnesses or other experts, to talk to anyway. Instead, companies should use their media relations to frame the crisis in their interest, place their opinion in the media and include them in their crisis response strategies. Last but not least, crisis managers must focus on a decreasing media attention, which indicates the end of a crisis. If a situation gets uninteresting and loses its newsworthiness, there is nothing to report about (Coombs, 2007a).

### 2.5 Crisis response strategies

After the previous sections explained the basic theories about crises in general and the role of different stakeholders and the media in particular, the following part focuses on communication strategies companies can use to respond to public accusations. In crisis situations, "the organization makes an effort to minimize the ambiguity and organizational crisis responsibility by responding to the crisis and the public through appropriate response strategies" (An, Gower, and Cho, 2011, p.70). Massey (2004) states that another objective of response strategies is to influence the perceptions of stakeholders in order to restore and protect the legitimacy, image and reputation of the company.

Although the importance of an appropriate crisis response is widely acknowledged and also expressed by a constantly increasing body of research, there are still companies that do not reply to public charges and stay silent. But according to Coombs (2007a, p.129), silence "reflects uncertainty and passivity, the exact opposite of what an organization should be attempting to create" and offers others the chance to take control over the situation and influence how stakeholders perceive the crisis. Therefore, Coombs calls for a quick crisis response with consistent messages to show that the organization controls the situation. At the same time, this supports to spread own impressions and explanations of the crisis situation, to get own messages into the media and to successfully influence stakeholders.

As Romenti and Valentini (2010) summarize, there are two traditions within crisis communication research:

**Rhetorical or text-oriented tradition:** Theories within this field of thought address how and what an organization should communicate when facing a crisis. Especially recommendations in relation to form and content are made. One well-known re-
searcher in the rhetorical tradition is William L. Benoit, who introduced the image restoration theory. It is based on the concepts of apologia and accounts, which also aim to explain the situation and defend the organization’s reputation.

Strategic or context-oriented tradition: In contrast, the strategic tradition "is more interested in when and where the organization must communicate" (Romenti and Valentini, 2010, p.382). It is argued that it is necessary to consider the characteristics of crisis situations in order to select appropriate response strategies. Situational crisis communication theory, developed by W. Timothy Coombs and referring to attribution theory and neoinstitutionalism, stands in line with this research topic and focuses on offering managers an empirically tested set of guidelines how to respond in specific crisis situations.

As both Benoit’s and Coombs’ theory are widely respected and used within various case studies, the two approaches are examined in detail in the next section. Image restoration theory is just briefly presented, because situational crisis communication theory is in the focus of the thesis and applied within the case study of Google Street View.

2.5.1 Image restoration theory

Image restoration theory by Benoit is based on two assumptions. Firstly, communication is considered to be goal oriented, and secondly, one of the central goals is the maintenance of a favorable reputation (Benoit, 1995). Image and reputation of a company are threatened in so far as an undesired act occurs and stakeholders blame the company to bear responsibility for the act. The extend of the possible damage is determined by the extend to which the public assumes the company is responsible for what happened. Restoration strategies can be used to understand a crisis situation, respond and determine what to say and thereby to shape the discourse in order to protect and rebuild an organization’s image and reputation.

Benoit developed five image restoration strategies, some of them can be further subdivided. Table 2.1 presents all strategies and their key characteristics.
Table 2.1: Image restoration strategies

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Key Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Denial</strong></td>
<td></td>
</tr>
<tr>
<td>Simple denial</td>
<td>Did not perform act</td>
</tr>
<tr>
<td>Shift the blame</td>
<td>Another performed act</td>
</tr>
<tr>
<td><strong>Evasion of Responsibility</strong></td>
<td></td>
</tr>
<tr>
<td>Provocation</td>
<td>Responded to act of another</td>
</tr>
<tr>
<td>Defeasibility</td>
<td>Lack of information or ability</td>
</tr>
<tr>
<td>Accident</td>
<td>Act was a mishap</td>
</tr>
<tr>
<td>Good Intentions</td>
<td>Meant well in act</td>
</tr>
<tr>
<td><strong>Reducing Offensiveness of Event</strong></td>
<td></td>
</tr>
<tr>
<td>Bolstering</td>
<td>Stress good traits</td>
</tr>
<tr>
<td>Minimization</td>
<td>Act not serious</td>
</tr>
<tr>
<td>Differentiation</td>
<td>Act less offensive</td>
</tr>
<tr>
<td>Transcendence</td>
<td>More important considerations</td>
</tr>
<tr>
<td>Attack Accuser</td>
<td>Reduce credibility of accuser</td>
</tr>
<tr>
<td>Compensation</td>
<td>Reimburse victim</td>
</tr>
<tr>
<td><strong>Corrective Action</strong></td>
<td>Plan to solve problem or prevent problem</td>
</tr>
<tr>
<td><strong>Mortification</strong></td>
<td>Apologize for act</td>
</tr>
</tbody>
</table>

Source: Benoit (1997, p.179)

Strategy of denial consists of two variants. One the one hand, managers could "deny that the act occurred, that the firm performed the act, or that the act was harmful to anyone" (Benoit, 1997, p.179). On the other hand, they could shift the blame and "argue that another person or organization is responsible for the offensive act" (Benoit, 1997, p.180). For example an employee of a company can be accused for performing the wrongful act. Brinson and Benoit (1999) label this variation of shifting the blame separation and state that the strategy will be most effective when (1) the coworkers actually violated company policy such as the code of conduct, (2) the organization is willing to separate from the employee and (3) managers make sure that company policy will not be overlooked again in the future.

The second strategy, evasion of responsibility, does not deny that the company performed the undesired act, but tries to decrease the responsibility. It includes four subcategories: Provocation suggests the act was just a reasonable response to another provocation. Companies claiming they did not have enough information or control over factors of the crisis situation use a defeasibility strategy. In addition, using the accident argumentation, one can try to persuade stakeholders that the act was an mishap. Consequently, "if the company can convince the audience that the act in question happened accidentally, it should be less accountable, and the damage to that business's image should be reduced" (Benoit, 1997, p.180). Good intentions state that the company did not pursue bad objects with the act, but had
good motives.

To "reduce the degree of ill feeling experienced by the audience" (Benoit, 1995, p.77), managers can apply the reduce offensiveness strategy, which oppositely to the first two admits that the crisis event occurred and that the company has to take on some sort of responsibility for it. There are six variants of the strategy. With the help of bolstering, companies try to soften the negative outcome of a crisis by relating favorable attributions to the company itself, for example past positive actions. In order to "convince the audience that the negative act isn’t as bad as it might first appear" (ibid.), minimization is used. Within the differentiation strategy, corporations draw a clear distinction to related but less favorably actions. Changing the context, choosing a different or broaden the existing one, is a tool of the transcendence plan aiming to "direct out attention to other, allegedly higher values, to justify the behavior in question" (Benoit, 1995, p.78). The intention while attacking one’s accuser is to damage the credibility of the source of the charges. Offering money or goods as a compensation for the wrongful act is the last within the six variants of reduce offensiveness.

According to Benoit (1995, p.79), corrective action includes "restoring the situation to the state of affairs before the objectionable action and/or promising to ‘mend one’s ways’ and make changes to prevent the recurrence of the undesirable act." Thereby it differs from the compensation strategy, which does not address the real cause of the crisis. The last image restoration strategy, mortification, includes taking on full responsibility for the act and asking for forgiveness. However, public excuses may induce lawsuits.

In order to effectively use the different image repair strategies, Benoit (1997) gives a couple of advices. He emphasizes that it is important not to make false claims and denial but admit responsibility when accusations are true. In addition, plans to correct what happened and how to prevent future wrongfully actions are very helpful. But of cause just in case the company really sticks to them. In general, multiple strategies described by Benoit can work together when managers pay attention not to develop contradictory messages. However, as Benoit (1997, p.185) adds, communication managers "must recognize that the powers of persuasion are limited."

Researchers applying Benoit’s theory usually focus on words and actions an organization used when it responded to accusations. They are then categorized in the different strategies. Finally, the scientist "decides if the image restoration strategies were appropriate for the crisis and stakeholders [...] and tries to locate evidence that indicates success or failure of the image restoration effect" (Coombs and Schmidt, 2000, p.165).

Within the literature of crisis response strategies, there are also some critical
voices of the image restoration theory. One point of criticism is that the theory does not offer any guidelines of how to evaluate what is a good or appropriate response. Coombs and Schmidt (2000, p.163) accuse studies within the concept of being "heavy in description and retrospective sense-making through case studies" and "short on predictive value and causal inferences". Instead of striving for empirical evidence of Benoit’s hypotheses, they draw "speculative conclusions" (Coombs, 2007b, p.171). Coombs argues it is a weak point not to link crisis response strategies to the actual situation and to hold back clear guidelines about which response strategy to use during a crisis. That is why Coombs (2007b, p.171) developed the situational crisis communication theory, which "draws upon the crisis response strategies articulated in Image Restoration Theory by integrating those strategies into a system that predicts how stakeholders should react to the crisis and the crisis response strategies used to manage the crisis."

2.5.2 Situational crisis communication theory

As already mentioned before, situational crisis communication theory (SCCT) refers to attribution theory and neoinstitutionalism. The former claims that when something happens, especially when it is unexpected and negative, people make attributions about the causes of the event. Coombs and Holladay (1996, p.282) clarify what this means in relation to crisis situations: "The more publics attribute crisis responsibility to an organization, the stronger the likelihood is of publics developing and acting upon negative images of the organization. Greater attributions of responsibility lead to stronger feelings of anger and a more negative view of an actor’s image." Hence, it is an important part of SCCT to consider the crisis situation when selecting response strategies. Neoinstitutionalism states "organizations are expected to behave in certain ways; act in ways that are consistent with societal norms/expectations" (Coombs, 2006, p.249). In order to be considered legitimate by stakeholders, companies have to conform to their expectations. In crisis situations, these are often violated, hence crisis response strategies are used to restore legitimacy and protect an organization’s reputation.

SCCT consists of three core elements: (1) crisis situation, (2) crisis response strategies and (3) a system how to match both (Coombs, 2006).

According to Coombs, the first core element is important because the potential reputational damage of a crisis situation has a direct influence on the selection of an appropriate response strategy. The threat to a company’s reputation depends on three things: (a) the degree to which stakeholders hold the company responsible for the situation, (b) the crisis type (because stakeholders react differently to different kinds of crises) and (c) the severity of the potential damage, meaning the likelihood
of financial, environmental, physical or emotional harm. In addition, there are two factors that can intensify the reputational damage. On the one hand crisis history, which takes into account if an organization faced a similar crisis before. On the other hand relationship history including how good or bad relationships between a company and its stakeholders are.

Based on these assumptions, 13 different types of crises were identified and then summed up in three categories, based on how much crisis responsibility they generate. Table 2.2 presents the three clusters and the assigned types. The three categories "are in a sequence that reflect an increasing amount of crisis responsibility and reputational damage" (Coombs, 2006, p.256) and are called victim, accidental and preventable cluster.

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Type</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victim Cluster</td>
<td></td>
<td>In these crisis types the organization is also a victim of the crisis.</td>
</tr>
<tr>
<td>Natural disaster</td>
<td>Acts of nature that damage an organization such as an earthquake.</td>
<td></td>
</tr>
<tr>
<td>Rumors</td>
<td>False and demanding information about an organization is being circulated.</td>
<td></td>
</tr>
<tr>
<td>Workplace violence</td>
<td>Current or former employee attacks current employees onsite.</td>
<td></td>
</tr>
<tr>
<td>Product tampering/Malevolence</td>
<td>External agent causes damage to an organization.</td>
<td></td>
</tr>
<tr>
<td>Accidental Cluster</td>
<td>In these crisis types the organizational actions leading to the crisis were unintentional.</td>
<td></td>
</tr>
<tr>
<td>Challenges</td>
<td>Stakeholders claim an organization is operating in an inappropriate manner.</td>
<td></td>
</tr>
<tr>
<td>Megadamage</td>
<td>A technical accident where the focus is on the environmental damage from the accident.</td>
<td></td>
</tr>
<tr>
<td>Technical breakdown accidents</td>
<td>A technology or equipment failure causes an industrial accident.</td>
<td></td>
</tr>
<tr>
<td>Technical breakdown recalls</td>
<td>A technology or equipment failure causes a product to be recalled.</td>
<td></td>
</tr>
<tr>
<td>Preventable Cluster</td>
<td>In these crisis types the organization knowingly placed people at risk, took inappropriate actions, or violated a law/regulation.</td>
<td></td>
</tr>
<tr>
<td>Human breakdown accidents</td>
<td>Human error causes an industrial accident.</td>
<td></td>
</tr>
<tr>
<td>Human breakdown recalls</td>
<td>Human error causes a product to be recalled.</td>
<td></td>
</tr>
<tr>
<td>Organizational misdeed with no injuries</td>
<td>Stakeholders are deceived without injury.</td>
<td></td>
</tr>
<tr>
<td>Organizational misdeed management misconduct</td>
<td>Laws or regulations are violated by management.</td>
<td></td>
</tr>
<tr>
<td>Organizational misdeed with injuries</td>
<td>Stakeholders are placed at risk by management and injuries occur.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Coombs (2006, p.244)
According to Coombs (2006, p.243), the idea behind this is that "crises in the same cluster will have underlying similarities that allow managers to have one crisis plan that can be applied to a group of crises."

Within the victim cluster the company can also be seen as a victim of the crisis and is just slightly violating societal norms, hence, there is a low attribution of responsibility for the situation. Natural disasters, such as hurricanes or earthquakes, as well as widespread rumors are examples. Types of the accidental cluster, for instance technical-error accidents, cause more attribution of responsibility, but are generally considered to be uncontrollable and unintentional. The potential reputational damage for a company is highest when it is facing a crisis assigned to the preventable cluster due to a very strong attribution of responsibility for the crisis and a severe violation of laws and regulations. Crisis types such as organizational misdeed or human-error product harm are perceived by stakeholders to be done on purpose (Coombs, 2007b).

In case a company faces a crisis situation and has to evaluate the potential reputational threat, Coombs (2006) suggests to apply a two-step process. Firstly, by defining the crisis type and the extend to which responsibility could be attributed to the company, the crisis can be placed in one of the three clusters. Afterwards, the intensifying factors, severity, crisis and relationship history are considered. This is essential because "a crisis that is severe should generate more crisis responsibility so the crisis manager treats the crisis if it were a member of the next stronger crisis cluster" (Coombs, 2006, p.245).

The second core element, the crisis response strategy, aims to protect the reputation of the company. According to Coombs (2007b, p.171) the intention is to "shape attributions of the crisis", "change perceptions of the organization in crisis" and "reduce the negative effect generated by the crisis".

In the event of a crisis, the initial response of a company has to provide so-called instructing information. They include three types of data. Firstly, crisis basics, information about what actually happened. Secondly, protection, support in form of how stakeholders can protect themselves from harm. Thirdly, correction, communicate how the company plans to correct the issue and makes sure it will not happen again. For crisis managers it is necessary to know that instructing information are not optional but mandatory and need to be provided even before further response strategies may be used later on.

The SCCT framework integrated Benoit’s image restoration theory and provides three optional crisis response strategies: deny, diminish and deal. Since a clear relation to Benoit’s response strategies is obvious, the three options are just briefly described. Table 2.3 presents the three SCCT-strategies, which are all further subdivided, and explains how they frame the crisis situation in more detail.
### Table 2.3: Crisis response strategies by response option

<table>
<thead>
<tr>
<th>Option</th>
<th>Strategy</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deny Response Option</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Attack the accuser:</strong></td>
<td>Crisis manager confronts the person or group claiming something is wrong with the organization.</td>
<td>- The organization threatened to sue the people who claim a crisis occurred.</td>
</tr>
<tr>
<td><strong>Denial:</strong></td>
<td>Crisis manager asserts that there is no crisis.</td>
<td>- The organization said that no crisis event occurred.</td>
</tr>
<tr>
<td><strong>Scapegoat:</strong></td>
<td>Crisis manager blames some person or group outside of the organization for the crisis.</td>
<td>- The organization blamed the supplier for the crisis.</td>
</tr>
<tr>
<td><strong>Diminish Response Option</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excuse:</strong></td>
<td>Crisis manager minimizes organizational responsibility by denying intent to do harm and/or claiming inability to control the events that triggered the crisis.</td>
<td>- The organization said it did not intend for the crisis to occur and that accidents happen as part of the operation of any organization.</td>
</tr>
<tr>
<td><strong>Justification:</strong></td>
<td>Crisis manager minimizes the perceived damage caused by the crisis.</td>
<td>- The organization said the damage and injuries from the crisis were very minor.</td>
</tr>
<tr>
<td><strong>Deal Response Option</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ingratiation:</strong></td>
<td>Crisis manager praises stakeholders and/or reminds them of past good works by the organization.</td>
<td>- The organization thanked stakeholders for their help and reminded stakeholders of the organization’s past effort to help the community and to improve the environment.</td>
</tr>
<tr>
<td><strong>Concern:</strong></td>
<td>Crisis manager expresses concern for the victims.</td>
<td>- The organization expressed concern for the victims.</td>
</tr>
<tr>
<td><strong>Compassion:</strong></td>
<td>Crisis manager offers money or other gifts to victims.</td>
<td>- The organization offered money and products as compensation.</td>
</tr>
<tr>
<td><strong>Regret:</strong></td>
<td>Crisis manager indicates the organization feels bad about the crisis.</td>
<td>- The organization said it felt bad that the crisis incident occurred.</td>
</tr>
<tr>
<td><strong>Apology:</strong></td>
<td>Crisis manager indicated the organization takes full responsibility for the crisis and asks stakeholders for forgiveness.</td>
<td>- The organization publicly accepted full responsibility for the crisis and asked stakeholders to forgive the mistake.</td>
</tr>
</tbody>
</table>

**Source:** Coombs (2006, p.248)

**Deny response option:** Using the deny strategy a company "seeks to prove no crisis exists or that the organization has no responsibility for the crisis" (Coombs, 2007b, p.247). Thereby, the potential reputational threat shall be eliminated by denying that there are no connections between the crisis and the organization. As Coombs (2006, p.256) notes, deny "is a risky response if stakeholders feel an organization does hold some crisis responsibility". Hence, a company should be able to prove that it really has no responsibility for the event.
**Diminish response option:** Strategies within this option aim to "alter the attributions about the crisis event to make it appear less negative to stakeholders" (Coombs, 2006, p.247). Basically, the company accepts that there is a crisis situation and also the involvement in it. But simultaneously it tries to decrease the level of responsibility stakeholders attribute to it which in fact will lessen the potential reputational damage. There are two different tactics to do so. On the one hand, managers can argue the event happened unintentionally and is "primarily a result of circumstances beyond their control" (ibid.), thereby minimizing the attributed responsibility. On the other hand, an organization can try to convince its stakeholders that the crisis and its consequences are actually not as serious as they might think. Problems will occur when a company can not manage to frame the crisis the way they want to and the media or other stakeholder continue to spread a different version and assessment of the situation. Hence, "stakeholder will be given competing frames and will select the frame provided by the source they find most credible" (Coombs, 2007b, p.171), which, especially in times of crisis, not necessarily has to be the company.

**Deal response option:** In order to protect and reshape a company’s reputation, the deal response option accepts that there is a responsibility for the crisis event and addresses stakeholders’ concerns. Yet, it also wants to change the perceptions groups have about the organization by presenting positive information about the company and remind of past good actions. This includes a variety of options, for example such as offering material or symbolic compensation for the wrongful act and apologizing for it. However, Coombs (2006, p.256) emphasizes that "expressions of concern, compassion, or regret were rated equal to a full apology", but can not be used in court as an evidence against a company.

The third and central element of the SCCT, which also distinguishes it from Benoit’s theory, is a set of guidelines how to match crisis clusters and response strategies. In case the company thinks no crisis exists and they can prove it, managers can use the deny response strategy. For all other types of crisis Coombs (2006, 2007b) recommends the approaches presented below. The underlying principle is: "The more responsibility stakeholders attribute to the organization the more the crisis response strategy must seem to accept responsibility for the crisis" (Coombs, 2006, p.248).

- **Victim cluster:** Since the attributed crisis responsibility in this cluster is very low, instructing information is required and can be supplemented by the deny strategy for instance in case false rumors are spread. But this should only be
applied when no intensifying factors exist.

• **Accidental cluster:** An appropriate strategy for the accidental cluster in which there is just a low attribution of responsibility is the diminish strategy. They are appropriate due to the fact that "stakeholders are open to influence on attributions of the crisis because the threat is minimal" (Coombs, 2006, p.249). Also victim crises connected to a negative relationship and/or crisis history, which are treated as if they would belong to this cluster, should be answered with the same option.

• **Preventable cluster:** Against the background that the potential harm to a company’s reputation in this cluster is high, deal response strategies are recommended. As already discussed, the choice between the five subcategories is often determined by legal issues. Again, also crises of the accidental cluster which are strengthened by intensifying factors, are assigned to this cluster and treated the same way.

In general, it is important to ensure that a company sends out consistent messages, which are aligned with the perceptions of their stakeholders and the way they evaluate the crisis situation. As crises evolve over time, it might be required to change the organization’s position as well as the frame and strategy used so far (Fortunato, 2008). An, Gower, and Cho (2011) outline the role of media in crisis situations since most people learn about a crisis from the media. Furthermore, they remind that companies can actively use the media to spread their response strategies. The authors state: "crisis response might not be as expected because the news media could be presenting different messages from the organization’s news releases. Therefore, the most important thing is to look at how crisis news media cover organizational response during a crisis" (An, Gower, and Cho, 2011, p.74).
Introduction of the case

After the first two chapters set up the frame and the basics of the thesis, the empirical part focuses on a specific crisis event. The introduction of Google Street View in Germany was selected to apply the introduced theoretical concepts on a real life example. The empirical part can be divided into three topics. Firstly, chapter three looks into the crisis situation and describes all involved stakeholders. Secondly, in chapter four, Google’s blogposts and press releases are analyzed using the SCCT framework in the following chapter four. Thirdly, the fifth chapter presents the findings of a survey about Google’s reputation in general and people’s attitude towards Street View in particular.

This chapter starts with a brief introduction of the company Google, its mission, values and services. Thereafter, the methodology of the conducted pre-study, which aims to get an understanding of the context of the crisis situation, is explained. With the help of the pre-study, a comprehensive course of events could be gathered as well as a list of all involved stakeholders. A special focus lies on the role of media and how journalists reported about Google’s new service.

3.1 About Google

Founded by two computer science students, Larry Page and Sergey Brin, in 1998 and started as a new search engine, today, the American corporation Google is one of the world market leaders in Internet technology and advertising services. Nowadays, Google Search is the world’s largest search engine and the verb "to google" has become a widely used synonym for searching on the Internet. The company’s headquarter in Mountain View, California, is complemented by offices in more than 60 countries around the world. A total of more than 24.000 employees work for Google, for example in offices in Australia, China, Germany, India, France and United Kingdom (Google Inc., 2011e).

The Analysts of Datamonitor (2011) come to the conclusion that "Google is one of the premier internet brands in the world." Once again, the company was ranked as the most valuable brand in the world, leaving other well known brands
such as Microsoft, Coca-Cola and IBM behind. The value of Google was estimated with USD 114.260 million. In addition, it holds a strong market position that is represented in a 66.8 percent share of the global search market. Datamonitor (2011) concludes: "Significant brand image coupled with strong market position provides a competitive advantage to the company over its peers." Furthermore, Google was named the most reputable company in the United States according to the 12th Annual Harris Interactive U.S. Reputation Quotient Survey (Parr, 2011). Also in the years before, Google was among the leading positions of the ranking.

Besides web search, which provides access to billions of web sites, Google offers a wide range of other products and services and is known for its innovativeness and quest for new ideas. Among them is the email service Gmail; the online video service Youtube; the time management application Google Calendar; the browser Google Chrome; the mobile phone software Android; the email update service Alerts; Scholar and Books, easy search tools for book and scholarly papers; the web mapping service Maps and News, bringing together thousands of news stories - just to name a few. The latest coup of the company is a new social network named Google +, whose beta version started at the end of June 2011. The given examples of Google’s business show that the company is presented in many areas of our lives, that is why the term "googlization" of today’s world, frequently used in the media and within the online communities, seems reasonable. Surprisingly for many users, Google generates most of its revenue with online advertising services, such as AdWords and AdSense. In 2010, the company gained a revenue of USD 29.321 millions, 24 percent more than in the year before, USD 28.236 millions thereof were generated by Google’s advertising business (Google Inc., 2011d).

Since Google offers a variety of products and services, the company has to face a tough competition in many different business areas (Datamonitor, 2011). Yahoo! and Microsoft’s Bing are direct competitors in the traditional search engine market, but also Monster.com, Amazon.com and eBay can be seen as rivals. The newly introduced Google + competes against other social networks such as Facebook and Twitter. In the advertising market, traditional forms such as television, newspapers and magazines can be pointed out as competitors. There are also many other companies that offer a similar service as Google Street View, for example sightwalk.de in Germany, krak.dk in Denmark and Microsoft’s Streetside in North America.

Google’s official mission is to "Organize the world’s information and make it universally accessible and useful" (Google Inc., 2011a). To do so, the company offers its search engine in more than 130 languages "to facilitate access to information for the entire world" and to "offer people the ability to restrict results to content written in their own language" (Google Inc., 2011f). Besides this, Google also focuses on their users. The sixth out of their ten company principles, "Focus on the user and
all else will follow" (ibid.), highlights that the user comes first, even before internal goals and the bottom line. This is reflected in a strong emphasis on user-friendliness during the development of websites, products and services and during the search for new innovations. But it is also displayed in Google’s Code of Conduct (Google Inc., 2011c), which explicitly presents "Don’t be evil" as a company motto. On the one hand, the motto is about how Google serves its users and about providing "unbiased access to information, focusing on their needs and giving them the best products and services that we can." On the other hand, in a broader sense, it refers to "doing the right thing more generally - following the law, acting honorably and treating each other with respect." Towards its investors, Google explains its user-focus as follows and thereby draws a link to marketing purposes: "We believe that the most effective, and ultimately the most profitable, way to accomplish our mission is to put the needs of our users first. We’ve found that a high-quality user experience leads to strong word-of-mouth promotion" (Google Inc., 2011e).

Google also pays special attention to its privacy standards, which guide the development of all their products: "Our ambition is to be at the leading edge of technology, including the development of tools that help users manage their personal information in a simple, accessible manner without detracting from a valuable user experience" (Google Inc., 2011g). This intention also includes complying to privacy laws and cooperating with regulators and industry partners to prepare and implement privacy guidelines. It is also important for Google to make the collection of people’s private data transparent, to respond to concerns of their users and to offer them different choices for privacy protection as well as not to sell their data. In general, Google states to be responsible with the information they have: "We recognize our responsibility to protect the data that users entrust to us. We take security issues seriously and work together with a large community of users, developers and external security experts to make the Internet safer and more secure" (ibid).

### 3.2 About Google Street View

The feature Google Street View makes it possible to explore streets and places worldwide through a 360-degree street-level imagery. The service is available for Google Maps, Earth and Maps for mobile. Google advertises many practical benefits: "With Street View, you can take a look at a restaurant before going there, find beautiful places around the world to visit on your next holiday or look at neighborhoods where you might like to move" (Google Inc., 2011k). In addition, it is helpful to look up driving directions, check out hotels and virtually explore different destinations around the globe.
The pictures for Street View are usually collected by cars that drive down public streets and are equipped with a special imaging technology. The images then are processed on the computer in order to put the single pictures together to a 360-degree panorama, which later on can be seen on Google Maps. Before the panoramas go online, Google uses a specially developed software to blur faces and license plates and to ensure that passers-by can not be identified. The company highlights, that this process takes time and Street View images therefore are not real-time, instead they might be several month old when they appear online (Google Inc., 2011j). Moreover, one can request to blur a specific image such as a house, an entire car or other inappropriate contents (Google Inc., 2011i).

Initially, Google Street View started in the United States in May 2007. Back then, images of New York, San Francisco, Las Vegas, Miami and Denver went online. In Europe, first Street View images were available in 2008 and pictured the Tour de France route in France and Italy. It was not until September 2010 and the start of the service in Brazil, Ireland and Antarctica, before Street View images were available for all seven continents (Google Inc., 2011b). Images of German cities and famous sights are available online since November 2010.

Besides images of cities, Street View also provides 360-degree panorama of sights, national parks, universities, shopping centers, museums, and other properties. Most of them are results of the Street View Partner Program, which enables companies to request Google to visit their property and collect images. These are added to Street View later on and can be embedded in the web site of the company (Google Inc., 2011h).

However, Street View was not warmly welcomed by everyone. There have been controversial discussions in many countries around the world whether the service violates laws concerning the privacy of people and therefore should be forbidden, amongst others in Great Britain, the Czech Republic and Austria. One of the countries in which the public outcry was the loudest is Germany.

Hoofnagle (2009, p.1) offers an interesting explanation why Google is the target of data protectionists over and over again. It is because the company "has come to symbolize the tensions between the benefits of innovative, information-dependent new services and the desire of individuals to control the context in which personal information is used." Within this conflict most of the accusation against Google can be located.
3.3 Pre-study: Methodology and design

To get a deep understanding of the crisis situation and to describe it using the introduced theoretical concepts, it is helpful to know the course of events, the involved stakeholders and their positions. Within this thesis, a pre-study was conducted to get these information. The study sets a special focus on the media, since they are assigned a significant role within crisis situations.

For the pre-study, the methodology of content analysis was selected, which is a widely applied procedure to analyze textual material and especially media products (Flick, 2009). There are both quantitative and qualitative content analyses, the choice of which to use depends on the research objective. Whereas the first-mentioned usually focuses on topics, media form, size, frequency and alters these information into numbers, qualitative analysis concentrates more on for example the tone and the possible impact of an article (Blumberg, Cooper, and Schindler, 2005). For the purpose of this study, both approaches are combined because the thesis is interested in quantitative factors, e.g., topic and date of publication, name of cited stakeholders, as well as in qualitative information, such as balance of media coverage and tone of stakeholder statements.

Content analysis is a systematic process that starts with choosing which data (units) will be analyzed. Thereafter, with reference to the objective of the study, a sampling plan, categories, variables and coding instructions are developed. This is followed by a coding process and a statistical analysis before final conclusions are made (Krippendorff, 2004).

Within this pre-study, the decision to use German print media as sample units was made, since they are easy accessible and "about 73 percent of the German population over the age of 14 regularly read a newspaper. In the age group 20-29, 59 percent claim to do so" (Einwiller, Carroll, and Korn, 2010). The evaluation period was set from January 2008 to December 2010, including first reports about the introduction of Street View in Germany in May 2008 and the launch of the service in November 2010.

The database Lexis-Nexis was searched for German media articles including the keywords "Google" and "Street View". After duplicates were eliminated, 8,668 articles remained (in 2008: 437 articles, 2009: 1,611, 2010: 6,620). BBC News and Free Internet Press articles were added for the purpose of comparing German vs. English media. Due to the fact that the amount of articles was too extensive, a random sample has been drawn to reduce the number of articles to five percent. In order to be relevant for the analysis, the articles had to include statements of stakeholders or Google's spokespersons regarding Street View. After the chosen articles were reviewed according to this criteria, 4,49 percent of the initial 8,668
articles were left. This corresponds to 390 articles from 65 different newspapers and
article presents one unit, pictures were not included in the analysis.

The following categories were developed and used within the content analysis
(please see appendix A.3 for a detailed explanation of the categories and examples):

- **Number**: Position of the article, sorted by date.
- **Date**: Day, Month, Year.
- **Medium**: Name of the publication.
- **Country**: Either Germany, Great Britain or USA.
- **Topic**: On what topic does the article concentrate on? Street View, WiFi
  scandal, both or Google in general?
- **Online/Offline**: Was the article published online or printed?
- **Headline**: Headline of article.
- **Stakeholders**: Which stakeholders are named?
- **Statement**: What position do the stakeholders have towards the topic of the
  article? What are their arguments?
- **Tone of stakeholder statement**: Does the stakeholder have a positive, neutral
  or negative attitude towards the topic of the article?
- **Statement of Google**: Does the article take up statements of Google (quotes
  from interviews, press releases, blogposts)? If yes, which?
- **Tone of article when reporting about statement of Google**: Does the journalist
  use positive, neutral or negative terms when referring to Google’s statement?
- **Balance of the article**: Is the article balanced or is there a priority to a favor-
  able or unfavorable view on the topic?

The categories were developed according the research interest and to the overall
problem statement of the thesis. Variables for each category, if existing, were doc-
umented and supplemented in the course of the coding process, which was carried
out by the author of the thesis. Thereafter, the numerical results of the process
were analyzed using Excel and the various stakeholder were summarized in groups
as well as the content of their statements.
Independent of which method applied, reliability and validity are two important topics each study has to address (Flick, 2009). Neuendorf (2002, p.12) defines reliability as "the extend to which a measuring procedure yields the same results on repeated trials." Since the coding instructions and examples have been written down in detail, the procedure can be repeated by another person that is familiar with the topic and with the German language. However, since there are also qualitative categories, which go beyond copying headlines and statements and focus on tone and balance, reliability can decrease because the researcher’s social background might influence how he or she reads and interprets a text. One way to compensate this problem is to employ two or more coders, which was not possible in the scope of the thesis. Validity, dealing with the question if the developed instrument really measures what it is supposed to measure (Krippendorff, 2004), should be achieved by a thoroughly understanding of the context and the development of the categories by taking the objective of the thesis into consideration. Instead of setting up specified variables for the categories of stakeholder/Google statements, everything that fits to the category can be coded and written down. This open approach has been chosen to ensure that no important information is missed.

### 3.4 Course of events

The findings of the pre-study and Google’s blogposts and press releases have been used for the development of a course of events for the introduction of Street View in Germany. The circumstances are briefly summarized and the most important discussion topics presented. Together with the following overview of all involved stakeholder, the course of events serves as a description of the crisis and is the basis for an analysis of the situation subsequently.

2008

In May, Peter Fleischer, Global Privacy Counsel of Google, tells Focus magazine that Street View cars are on their way through Europe and will come to Germany soon. He highlights, that Google will comply to local data protection laws and faces and car license plates will not be recognizable on the images. One month later, Stefan Keuchel, press spokesman of Google Germany, gives more detailed information announcing that first Street View images might be available in Google Maps in 2008. Again, he emphasizes Google’s intention to accept applicable laws, which is why Google blurs faces and car plates. In addition, people can request the company to remove inappropriate pictures.
In July, Kay Oberbeck, spokesperson of Google, confirms that Street View cars are on the road in Frankfurt (am Main), because the city is one of three German test cities. Google will control the quality of the images and then decide, whether they will be published online. In the following months, more cities in which Street View cars are or will be driving were confirmed, for example Berlin, München, Hamburg and Bremen. Again the company stresses they do not do anything wrong or forbidden and comply to German laws. After Google faced much critic from data protectionists from Schleswig-Holstein, the company is willing to give in and does not continue to take pictures there. In October, Keuchel announces that Street View is expected to start for three German cities in spring 2009. He rejects concerns that burglars use Street View to plan break-ins, which will also be rejected by the police of Berlin later on. In addition, Keuchel reports that there have not been comparable controversial discussion in any other country as there are in Germany.

2009

In April 2009, data commissioners at state and federal level agree on a list of demands to Google: the company has to blur faces, license plates and street numbers and offer the possibility to object to the publication of images. Thereupon, Google points out they already comply to the first two demands and that it is technically unmanageable to blur street numbers automatically. Instead, it will be possible to request to blur street numbers and whole houses after the launch of the service. Google is optimistic that Street View will be launched in the course of the year. Later on, the company also allows to request to blur images before the official start of the service. However, Johannes Caspar, Commissioner for Data Protection and Freedom of Information, Hamburg, asks Google to guarantee their oral promise in written form and warns he will take action in case the company does not do so. But this is not necessary since Google reacts in time and agrees with Caspar on a written 13-point catalogue of measures of privacy protection.

In June, Google obliges to requests of the Article 29 Working Party, which brings together representatives from 27 European Data Protection Authorities. The company assures to keep unblurred Street View images just for a reasonable time (later on specified to two month), to delete them within an arranged period and to publish in advance where and when Street View cars are driving. Much to the consternation of Caspar, problems with announcing Street View drives occurred when Google missed to give notice that cars are driving in Rhineland-Palatinate. In 2009, there were further discussions whether Google has to pay a special royalty for using public streets to take pictures. Google argues against the claim and states they do not hinder traffic and comply to traffic regulations.
At the beginning of the year, Google reports the recordings for Street View in Germany are almost done, just minor gaps will be closed in the next month. The date of the launch of the service has been postponed due to concessions to data protection authorities, but will take place this year. In February, Bernd Haller, head of Google’s legal department, presents an expertise by Nikolaus Fargó, professor for legal informatics at University of Hannover. His report, commissioned by Google, states Street View does not create any problems in terms of data protection and is unlikely to violate people’s personal rights. Haller adds that Google received thousands of objections, but thinks they are few compared to the number of German households in general. One month later, the company introduces a new German website about Google Street View, where people can learn more about the service, its use and the technology behind it. Furthermore, Google announces to implement an new online tool, which will make it easier to ask to blur images. So far, this has only been possibly by mail or email. At the end of March, media report about vandalism against Street View cars, camera cables were cut through and one tire was damaged. Lena Wagner, spokesperson of Google, is sad about the incident and tells the newspaper taz that Google will report the offense to the police.

At the end of April, Peter Schaar, Federal Commissioner of Data Protection and Freedom of Information, blames Google for systematically collecting and storing German WiFi networks without informing the German public and without any legal basis. He assumes, that Google did not tell anyone on purpose and fears the collected data will be used for other aims later on. Google rejects the accusations and publishes a press release and blogpost saying the collection of data is not new, not only done by Google and also not illegal. The gathered information, which contain local WiFi data such as SSID data (i.e. network name) and MAC address, are completely anonymous and will not be published. Together with photos collected by Street View cars, the WiFi information is used to improve Google’s services and build up new ones. Google highlights that sensitive payload data, information that is shared by network partners, is not collected and stored. The company admits that they should have acted in a more transparent way, but did think it was necessary to tell the authorities about the data collection.

At the same time, Till Steffen, Justice Senator of Hamburg, presents a Bundesrat (legislative body that represents the sixteen states of Germany) initiative, which aims at guaranteeing owners and tenants a right of objection and hindering Google’s ventures. Google reacts calmly and promises Ilse Aigner, Federal Minister of Food, Agriculture and Consumer Protection, not to start Street View for German cities before all submitted requests are processed.
However, in May 2010, Google admits that Street View cars actually did collect people’s private data, namely samples of payload data from open WiFi networks. The information was not used for any of Google’s services and gathered by mistake. Four years ago, an engineer programmed a code, which by incident and without intention was included in the software of the cars. As a consequence, Google grounds the car fleet, stops all Street View drives, works together with relevant authorities for further investigations of the incident and wants to delete the data. Alan Eustace, Senior Vice President Engineering and Research, apologizes for the mistake and understands that Google disappointed its users. In Germany, Google confirms their will to cooperate with public authorities and to discuss how the data can be made available for them. Caspar demands Google to give more information about the incident and to hand over the hard disk on which the data are stored. Although Google answers his questions, the company does not deliver the hard disk due to legal challenges. In opposition to German authorities, the company fears the transmission of the data is subject to the secrecy of telecommunications and thus punishable. In regards to the data collection, the public prosecution department of Hamburg starts investigations due to the initial suspicion of a violation of paragraph 202b of Germany’s penal code dealing with the unauthorized capture of private data.

Also Larry Page, one of the founders of Google, emphasizes the company is really sorry and does not want to downplay the incident. In fact, that is exactly what Eric Schmidt, CEO of Google, does. He denies that Google is in a crisis and sees no justification to sue the company because the data collection did not hurt anyone. Fleischer, who confirms the launch of Street View for the end of the year, misses any constructive dialogue between Google, the Internet business, politics and authorities within the debate about the service. He states Google has only been the ‘whipping boy’ so far, no one suggested any workable ideas how to improve data security. In addition, he thinks it is problematic and a disadvantage for Germany’s culture of innovation that services like Street View are introduced later than in other countries.

The problem concerning the hard drive is solved in June when Google hands over the collected data to German authorities, announces to start an external investigation and initiates a disciplinary proceeding against the responsible engineer. In August, after being postponed several times, Google officially reports to launch Street View for the 20 largest cities in Germany by the end of the year. The company developed a new online tool, which can be used to request Google to make a house or apartment unrecognizable before the pictures will be featured online. The deadline for the request was determined for 15.09.2010. As there have been many complaints saying the time limit is way to short and takes most people by surprise, Google extends the deadline from four to eight weeks. However, due to technical
errors, the website with the new online tool could not be accessed for a couple of hours at the beginning. In general, Google repeatedly refers to the data protection agreement that was confirmed with Caspar in May 2009 and highlights that these data protection measures are far beyond what they granted in other countries.

At the same time, Google starts a nation-wide advertising campaign. On a double-sided ad in high-circulation newspapers and magazines the company explains the benefits and functionality of Street View as well as clarifies how Google protects the privacy of the German public. A variety of PR activities, such as footage material for TV channels, online videos and pre-briefing in conference calls, supplement Google’s efforts to win people’s confidence for the service. Due to strong discussions about the Bundesrat initiative by Till Steffen, which aims at passing a law to regulate Street View, Google stresses the far-reaching consequences that would come with it and rejects the plan. In case the initiative will be successful, this could mean the end for the development and use of innovative digital card systems and navigation applications not just for Google but also for many other companies and consumers.

In September, Eric Schmidt takes on a much more moderate tone and expresses his understanding for the concerns and fear of the German public in relation to Street View. He claims to know what many citizens went through in the past and that it is because of their historical experiences why they take the protection of their privacy particularly important. One month later, Google finally announces they so far received 244,237 requests from German citizens to blur their homes, which equals 2.89 percent of all households of all 20 German cities. The figure appears relatively small against the background that some polls indicated more than half of all German households intend to object. At the same moment, Google warns it would not be possible to respond to all requests immediately and that mistakes might happen because of a very complex process.

In the same month, Eustace gives some updates about the WiFi data collection and admits that also entire emails, URLs and passwords of unprotected wireless networks were collected. He apologizes again and promises to delete the data. In addition, he introduces new internal privacy and security practices, for example an enhanced core training for engineers and changes in the internal compliance procedures. Moreover, Alma Whitten is appointed as Google’s new Director of Privacy for Product and Engineering.

Finally, after two years of preparation, the first German Street View images are available online on November 2nd. A selection of panorama images from ten football stadiums and tourist attractions of five major cities were published. Oberstaufen, a small community in the south of Germany, became the first German town in Street View. The launch is supported by an information campaign. Online and offline
ads under the overall theme "Life is a journey" target Germans, who are not online every day and might need a better understanding of the operation and benefits of Street View. Although the process of blurring images was double checked and certified by TÜV Rheinland, an independent consultancy and expert in the field, five buildings in Oberstaufen are not blurred because of a program error. On November 18th, images of the 20 largest German cities are added to Street View and the service is frequently used from that date onwards. Soon after the launch, people are complaining about outdated pictures and that the blurring of houses can be bypassed. Through the photo-sharing community Panoramia, pictures of blurred buildings were uploaded, automatically linked to Street View and thereby visible for everyone. However, Google does neither intend to delete these pictures nor to update images of the 20 cities. At the same time, the company reports not to have any plans to offer panorama views for other German cities.

3.5 Stakeholder analysis

As the course of events already indicates, there were several different stakeholders involved in the situation. All of them were affected by the introduction of Street View in Germany and had a possible influence on the implementation of the service. In the media coverage, especially the critical voices often overlapped and were generalized. This is a reason why the following section briefly names all involved people and groups and sums up their attitude towards Street View. This overview is necessary because, as stated in the theoretical part of the thesis, the basis of the thesis is the assumption that a company is in a crisis situation when its stakeholders think it is.

For a clear presentation, if possible, single stakeholders are summarized in groups. Their opinion regarding Google’s service is explained as well as Google’s point of view. Table 3.1 presents the amount of statements of the described stakeholders made from 2008 to 2010 and how many of them (in percent) have a positive, neutral or negative tone.
Table 3.1: Tone of stakeholder statements (in percent)

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>total #</th>
<th>2008-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>negative</td>
<td>neutral</td>
</tr>
<tr>
<td>Municipalities</td>
<td>123</td>
<td>76 %</td>
</tr>
<tr>
<td>Federal states</td>
<td>55</td>
<td>84 %</td>
</tr>
<tr>
<td>Commissioners for Data Protection</td>
<td>179</td>
<td>86 %</td>
</tr>
<tr>
<td>Federal ministers</td>
<td>222</td>
<td>65 %</td>
</tr>
<tr>
<td>Federal government</td>
<td>12</td>
<td>8 %</td>
</tr>
<tr>
<td>Supporters and business partners</td>
<td>33</td>
<td>12 %</td>
</tr>
<tr>
<td>Private Persons</td>
<td>53</td>
<td>98 %</td>
</tr>
<tr>
<td>Journalists and authors</td>
<td>320</td>
<td>55 %</td>
</tr>
<tr>
<td>Legal- and data protection experts</td>
<td>24</td>
<td>54 %</td>
</tr>
<tr>
<td>Consumer protection organizations</td>
<td>4</td>
<td>100 %</td>
</tr>
<tr>
<td>Street View competitors</td>
<td>3</td>
<td>100 %</td>
</tr>
<tr>
<td>Street View competitors</td>
<td>32</td>
<td>84 %</td>
</tr>
<tr>
<td>Bitkom</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1,067</td>
<td>67 %</td>
</tr>
</tbody>
</table>

_Municipalities_

_For example, local communities in general, city parliaments, traffic departments, mayors, local initiatives._

The majority of all local communities represented in the pre-study have a critical attitude towards Google Street View. Some cities, for example Ratingen in North Rhine-Westphalia and Molflsee in Schleswig-Holstein, intended to forbid the service because they feared the pictures violates people’s right for privacy and could help burglars, an argument that is also supported by BDK, a trade union representing Germany’s criminal police. Since a ban could not be realized due to the legal situation in Germany, the cities thought about demanding a special fee for the use of public roads to take pictures. Other cities, such as Bonn and Bergisch-Gladbach, joined in and planned to charge up to 100 Euro per kilometer. However, the German Association of Towns and Municipalities did not think local law permits to prevent Google from driving on German streets. Google announced to refuse to pay a special fee and, according to media articles, reached an agreement with at least Molfssee. Other concerns of German cities were more of a practical nature and about the possibility of for example employers to spy out their employees, the height of the cameras and the associated view over the garden fence, and Street View picturing women’s refuges, homeless shelters, and other social facilities.

In summary, most local communities did nothing against Street View or just in an indirect way due to inadequate laws. Many informed their inhabitants about the service, displayed lists for objection or linked to websites of data protection commissioners. However, especially the loudest and most critical voices made it into the media: out of all 123 statements of local communities reported in the press,
94 had a negative tone (76 %, see table 3.1). Articles with a positive tone, 20 % in total, most often referred to benefits for the local tourism industry.

**Federal States**

On the federal level, criticism towards Street View dominated, but there were also some state politicians not having concerns regarding the service. One example for the first-mentioned is Till Steffen, Justice Senator of Hamburg, who initiated a so-called "Google-law" in 2010. The bill contained a guaranteed right for objection, but was not passed by the Bundestag later on. In the same year, an expertise commissioned by the Ministry of Justice Rhineland-Palatinate, states Street View is just acceptable under certain limitations that go beyond the catalogue agreed on by Caspar and Google. For example, the paper explains a camera high of more than two meters is considered objectionable because of privacy and data protection reasons. The ministry saw the expertise as a starting point for further negotiations with Google, with whom they also liked to talk about the fact that unblurred Street View raw material was send to the USA without anyone knowing what happens with it there.

After Google admitted that they collected WiFi data, ministries of all states were shocked and demanded further investigations and consequences. Especially Google's information policy was criticized and the trust in the company damaged. Moderate voices, such as Beate Merk, Bavarian Minister of Justice, called for a more objective discussion of Street View and stressed the advantages of the service, but were outnumbered by the high number of negative voices, as table 3.1 shows.

**Commissioners for Data protection (federal + state level)**

As expected, Street View was also a seriously debated topic by German commissioners for data protection. In total, 86 % of their statements had a negative tone (see table 3.1). Primarily Peter Schaar, Federal Commissioner for Data Protection and Freedom of Information, and Johannes Caspar, commissioner of Hamburg, were the most important dialogue partners for Google. In 2008, short time after Google stated to launch Street View in Germany, the first concerns of the commissioners were that it would be easy to recognize people and car plates. After these fears were allayed, Schaar pointed out other possible dangers occurring when pictures were connected to address databases and feared that the collected data could fall into wrong hands. He suggested Google should just be allowed to photograph houses after the company asked for people's permission to do so, but at the same time admitted that this might not be very practicable. In addition, he was worried that companies might use Street View images for unwanted advertising purposes
and criticized Google’s power and supremacy within the Internet industry. He even went as far as to request the German cartel office. Both Schaar and Caspar are very upset and disappointed by Google’s collection of WiFi data. They questioned the cooperation with Google as well as the company’s transparency and information policy. The commissioners also blamed Google’s time period for people requesting to blur houses as too short and not citizen-friendly because of the lack of a telephone hotline for people, who are not that familiar with the Internet. For these and other reasons Schaar called for a central register of objections, also binding for all other companies. However, Caspar summed up that he and his colleagues are relatively powerless in the debate since German laws according data protection and privacy are not made for the Internet age and it is difficult to punish violations.

Also commissioners from other states of Germany joined in the debate. They complained about the procedure of requesting to blur houses and the commercialization of the private sphere. For example, the commissioner of Rhineland-Palatinate lodged a complaint to the public prosecution department because of the WiFi data collection and in Schleswig-Holstein, people were asked to put Street View prohibition signs in their front gardens. The opinion that the service violates German law was common, as well as the demand that foreign companies have to adapt to German laws.

However, despite all the criticism and public hostilities, Google managed to stay in dialogue with the commissioners and agreed with them on several data protection measures that did not hinder Google’s business too much.

**Federal government and ministers**

The attitude of involved federal ministers can be summed up in two categories. One the one side there is Thomas de Maizière, back then Federal Minister of Interior, who argued against a "Google-law" and called for a self-commitment of geographically-based Internet services in general. With his idea, he prevailed against the initiative of Till Steffen and the Bundesrat. De Maizière thought Street View is harmless and emphasized that such a law would for example also influence media coverage of public events and civil protection. Just in case the self-commitment will not go far enough, he would change existing laws. The chancellor of Germany, Angela Merkel, agreed with de Maizière and stressed that she does not intent to prevent the implementation of Street View.

On the other site, Ilse Aigner, Federal Minister of Food, Agriculture and Consumer Protection, and Sabine Leutheusser-Schnarrenberger, Federal Minister of Justice, were strong critics of Street View, but could not prevail against de Maizière. In addition to the before mentioned arguments, Aigner criticized the communication
and practical implementation of the service. She was concerned about the possible connection of the Street View images to other personal information and stated that no secret service in the world collects images as unabashed as Google. Although Aigner considered the possibility to object as a good one, she was not satisfied with the four weeks deadline and the high error rate after the launch in November. She did not think a ban is the right answer to Street View because geo-based Internet services offer a range of benefits, for example for vacation planning and flat-hunting.

The Greens, one of the opposition parties in parliament, blamed the government for inactivity and demanded stronger data protection rules immediately. However, the party was surprised by the fact that their headquarter in Berlin was blurred in Street View although they did not requested it.

Supporters and business partners

Supporters of Street View often had a totally different opinion about the service than all other introduced stakeholders. They claimed there is a right for a digital public space, some even referred to the blurred houses as a kind of "architecture burka". Several Facebook groups were founded in which people complained about the blurring of their apartment buildings and discussed about how to make the images visible again. In general, most statements highlighted benefits, especially for individuals (e.g. wheelchair users), gastronomy, tourism industry, retail sector, real estate sector and advertising. Street View helps to simplify flat-hunting, holiday planning, visiting tourist attractions and offers new marketing possibilities.

Expedia.de, an Internet-based travel website, was among the first to include Street View because they saw many advantages of the service. Other holiday websites followed as well as the online business register Go Yellow. Another advantage for companies, small business and shops might also be that they can mark their business in the map and thereby use it as a marketing tool.

Private persons

In the media coverage about the introduction of Street View also opinions of private persons are presented. Besides the already described concerns about the service, some special initiatives and arguments stick out. In Hannover for example, tenants placed a banner at the external facade of their house saying "What the fuck? Google Street View? Oh my god! Fuck off and die!" Also the damage of several Street View cars was reported. Some people compared the service to espionage and recollected spying in the former German Democratic Republic. However, these examples did not dominate the discussion. In general, people wanted to be asked by Google to take pictures, feared burglars and were afraid of data abuse.
imputed Google commercial motives and had the opinion they were forced to join a
digital public. Media reported about some lawsuits that have been filed, but were
rejected by court.

Other stakeholders

The following section gives a brief overview about other stakeholders involved in
the discussion, but who had just a minor influence and power.

Legal and data protection experts: Google, the state ministries and the media often referred to qualified experts in the field of legal and data protection. Except for Nikolaus Fargó, who wrote a positive report, and another professor from the University of Münster, most of the experts questioned the legality of the service. Winfried Hassemer, former vice president of the Federal Constitutional Court of Germany, even stated it can not be excluded that the Federal Constitutional Court stops Street View because in previous judgments the court always emphasized people’s right of data protection.

Consumer protection organizations: The Federal Consumer Protection Organization and its state representatives advised the German public to use the possibility to blur the images of their houses or apartments. They criticized Google took the images just because of commercial reasons and that the right to object is not mandatory and defined by law.

Street View competitors: Both Microsoft and Panogate distanced themselves from Google’s approach and had the impression that it left scorched earth behind.

Real estate associations and industry: Haus und Grund, the largest German interest group of private house, apartment and property owners, was not at all enthusiastic about Street View. The organization did not think Google’s data protection regulations are sufficient or easily to control. To prevent public voyeurism and because of data protection problems, Google should be forced to ask property owners for their permission to take pictures. They also thought there might be conflicts between landlords and their tenants about the question whether a house should be blurred, which could end in court. However, as expected, the real estate industry warmly welcomed Street View, naturally under the condition that the service clarifies all reservations. For example, the real estate portals immobiliscout24.de and immonet.de integrated Street View in their websites.
3.5.1 Analysis of media coverage

The attitude of the media towards Google Street View is determined on the basis of two analyses. First, statements made by journalists and authors of articles included in the pre-study are analyzed in order to find out what they thought about the service and the tone of their statements. As table 3.1 shows, out of the 320 statements of journalist and authors coded within the analysis, 55 % had a negative and just 20 % a positive tone. The critics blamed Google for collecting mania, thirst for power and megalomania. In addition, they criticized Google did not made the specific amount of requests public before September 2010 and that the process of objection is a bureaucratic monster. Instead of spending money for using Street View, also referred to as "Big brother is watching you", users pay with their data. Comparisons were made to the knowledge of secret services and to the two German companies Deutsche Bahn, the national rail provider, and Lidl, a discount supermarket chain. Both have been involved in data scandals with high media attention in recent years.

Advocates of Street View had the opinion that hysterical politicians and the media organized a witch-hunt and the overheated and overrated public discussions had no professional basis. In their view, due to no other news in the summer break and the size and power of Google, the promising new service was combated and an irrational fear fueled. Some authors, however, reminded their colleagues of the fact that an anti-Google law would also undermine the basis of their profession.

In a second step, the balance of all media articles represented in the pre-study was analyzed, that is if an article is objective or gives a priority to favorable or unfavorable views of Street View. As appendix A.7 shows, 390 articles from 65 different media were coded within the pre-study. Most of them, 82 %, deal with the topic of Street View and 10 % with the collection of WiFi data (see table A.3 in appendix A.6). Out of all 390 articles, 58 % presented mainly negative arguments and just in 23 % of all articles a balanced media coverage could be determined. Figure 3.1 represents the distribution graphically.
It is conspicuous but not surprising that especially in the articles about the collection of WiFi data critical reports outweigh. Here 74% are negative, in comparison to 55% negative coverage of the topic Street View (for a summary of the balance of all topics see table A.6 in appendix A.8).

A possible explanation for the findings might be an imputed preference for attention catching topics - the public debate about the service and the often loudly stated arguments against it can easily be termed as such.

As stated in the theoretical part of the thesis, media are supposed to be an important factor in a crisis. Often, people use them to get informed about a situation, hence, there is a potential to influence people’s agenda and attitude towards Street View and Google. Against this background, it is crucial for Google and every company to monitor media coverage, analyze the frames journalists use and react to it. The findings of the pre-study show, that the introduction of Street View in Germany was accompanied by a high media attention and that the media in general were not on the side of Google, but on the side of their opponents.

### 3.5.2 Summary of stakeholder analysis

The previous chapter points out how many different stakeholders were involved in the public discussion about Street View. Figure 3.2 presents the tone of all statements of the main stakeholders sorted by year. For more details on the amount and characteristics of the statements, sorted by year, please see table A.1 and A.2 in appendix A.5.

Whereas municipalities, politicians at state level, data protection commissioners and private persons interfered the debate since Google’s first Street View announcement in 2008, especially federal ministers, the federal government, partners and supporters of the service did not follow until 2010, when the debate boiled up and the data collection happened. Maybe, the publicly presented concerns about Street View

![Figure 3.1: Balance of articles in pre-study](image-url)
View woke their interest in the topic. In addition, it is evident that most statements have a negative tone and that within the particular groups neutral or positive tones are not predominant.

Another useful tool to summarize and prioritize the importance of stakeholders is the model of stakeholder salience developed by Mitchell, Agle, and Wood (1997), which is introduced in section 2.3. According to their theory, the importance of stakeholders increases if the following three attributes can be associated with them: power, legitimacy and urgency.

Figure 3.3 maps which of the three features can be attributed to the main stakeholders involved in the Street View crisis. The graphic helps to understand which stakeholders Google should prioritize in their communication and negotiation efforts. The situation, however, is analyzed after Google successfully implemented Street View for German cities. Two years ago, without today’s knowledge, one might have assessed the role of each stakeholder differently. In any case, the announcement to introduce Street View in Germany lead to an increased urgency and many stakeholders that previously did not had the topics of data protection and privacy on their agenda became involved in the discussion.

**Municipalities**: High degree of urgency because often they are the primary contact for the concerns of their inhabitants, hence, feel the need to react. Although special fees for the use of public streets and other barriers were announced, it was questioned whether communal laws justified these plans. As far as known, none of them have been applied, Google came to an agreement and did not pay any extra fees, which indicates a low degree of power. Hence, the only possibility to protest against Street View was to collect people’s objections and forward them to Google. Also
the attribute of legitimacy is questionable because Google apparently did not have the opinion that local communities were the right contact to negotiate about the implementation of Street View and did not think people are harmed by the service. Summing up, municipalities are considered to be a latent stakeholder with a low salience.

**Federal states:** The federal states are expectant stakeholders and have a moderate degree of salience. They possess the attribute of urgency because of the same reasons as the attribute was ascribed to municipalities. Moderate degree of power, due to their representation in the Bundesrat and the possibility to start legislative initiatives. However, the suggested anti-Google law was not passed because of the opposition of the federal government and de Maizière. Again, legitimacy can not be clearly justified, since Google’s actual contact person is the federal government and the responsible data commissioners.

**Commissioners for data protection:** For this reason and because it is their responsibility to take care of data protection, the commissioners have the attribute of legitimacy in addition to urgency. The fact that Google had to make changes to their opt out-policy and blur pictures before the launch of the service, demonstrates the commissioners’ power. Therefore, the commissioners are definitive stakeholders with a high degree of salience and impact.

**Federal government and ministers:** Also the federal ministers are definitive stakeholders. They fulfill the attributions of urgency and legitimacy since the intensively discussed topics belong to their area of responsibility and as ministers they in-
evitably need to have an opinion about them. Since they belong to a government, which possesses a majority, and can thus influence legislation also the attribution of power is true. However, chancellor Merkel and her coalition partner, the Free Democratic Party, did not get involved in the discussion so much.

Supporters and business partners: Since they do not fear the introduction of Street View for German cities or any disadvantages, urgency can not be determined. Likewise power, as they do not have any negative influence on Google’s general business. However, business relations and common interests indicate a level of legitimacy, which is why supporters and partners are considered to be latent stakeholders.

Private persons: Following the fact that they are directly influenced by Google’s decision to take pictures of German cities and launch Street View, urgency is undeniable. Again, legitimacy depends on the eye of the beholder. Whereas people themselves may argue their claims are appropriate, Google might dissent and say there is no reason to worry since they respect stakeholder’s rights and act according to the law. The power of private people and groups is restricted - they can not do more against the implementation of Street View than asking Google to blur the images of their homes.

Media: Also the media combine all three attributes and are definitive stakeholders. Due to a specific role in society, a mission to inform the public, and influence on other stakeholders, the media are powerful. Hence, Google should better regard their claims as legitimate and foster a good relationship.

In summary, media, federal ministers and data protection commissions are all definitive stakeholders with the highest salience. With respect to their influence on legislation and the opinion of other stakeholders, Google should prioritize their needs and build or maintain a good relationship by involving and informing them. For this aim, reliable communication is essential. However, although the German public is just determined as expectant or latent stakeholders depending on the view of the beholder, the success of Street View depends last but not least on their attitude and frequency of use. That is why Google should not lose sight of them, even if the public discussion is dominated by others.
3.6 Discussion of the crisis situation

In the theoretical part of the thesis, many useful tools to describe and analyze crisis situations were introduced. After the course of events and all involved stakeholders were presented, the theoretical concepts will be applied to summarize the crisis event and its characteristics.

At first, the question arises whether the whole situation really is a crisis - and not "just" an issue. Here the answer is "yes, it is". Within the thesis, the following crisis definition by Coombs (2007a, p.2-3) is used: "A crisis is the perception of an unpredictable event that threatens important expectations of stakeholders and can seriously impact an organization’s performance and generate negative outcomes." Whereas the scope of the public outcry and fight against the service was unpredictable, it was by far not unexpected. In other countries, Street View has been criticized before, albeit it by far did not had the same dimensions as in Germany. As touched upon later, also the criterion of threatening stakeholders’ expectation is true and is actually the core of the problem because Google’s and the German public’s concept of privacy and data security differ widely. One impact of the crisis on Street View was the fact that the service was almost banned, which would have had serious consequences for Google. In addition, the highly politicized debate led to public skepticism, skeptical public authorities, maybe leading to tougher regulations in the future, and definitely media scrutiny. Google’s relationships to many important stakeholder’s have been damaged.

As the previous paragraphs indicate, the scandal about the collection of WiFi data by Street View cars can be seen as a separate event, that heated up the debate. It can also be described as unpredictable, since it was detected by accident, and constituted a serious threat to Google’s credibility, legitimacy and the company’s relation to the public in general as well as to authorities.

However, as acknowledged by social constructivism, there is no single objective truth - Google or other stakeholder might assess the situation differently. Perhaps it is just important for them that the service finally launched in Germany and has many visitors. One essential factor of each crisis is to learn from what happened. For Google, it would be helpful to analyze why the situation escalated and use this knowledge to plan the implementation of the service in other countries in a better way.

Smudde (2001) and Coombs (2007a) state a crisis goes through three phases: precrisis, crisis event and postcrisis. The precrisis phase usually is characterized by early warning sights and actions to prevent a problem from becoming a crisis. In the case of Street View, there were warning sights because there were previous criticism and debates when Google introduced the service to other countries, hence
the company must have known that the topics of privacy and data security would also be important in Germany. However, according to the findings of the pre-study, Google did not reach out to the German authorities and obviously failed in getting their message through to the German public after they announced the start of Street View in Germany in May 2008.

The announcement to start the service in Germany, which was postponed many times, and reports about Street View cars seen on German streets mark the beginning of the actual crisis event which lasts until the launch of the service in November 2010. During this time, Google had to accept and respond to public concerns, German authorities and data protection commissioners and make many concessions that were not necessary in other country. The revelations about Street View cars collecting WiFi data in May 2010 and the official announcement to launch the service by the end of 2010 fueled the debate. Google’s operations in relation to Street View came back to normal soon after the start of the service in mid-November. More than half a year later, the topic has lost its newsworthiness and the public debate became silent.

Within the SCCT framework, Coombs (2006) described 13 different crisis types and classified them into three crisis clusters. According to his concept, the situation around the introduction of Street View in Germany can be labeled as a challenge belonging to the accidental cluster (see table 2.2). Several stakeholders blame Google for operating in an inappropriate manner, not conforming to their norms and expectations. However, "challenges are marked by ambiguity; there are some reasons why both sides may be correct. The ambiguity stems from the challenge being based either on the morals or questions of product or service quality" (Coombs, 2007a, p.145), hence people usually choose to support the side that they believe is more credible and understandable. There is no reason to assume that Google violated these norms on purpose, they just were not aware of the possible scope of the topic. This might be caused by cultural differences and another understanding of doing business and valuing privacy.

The two factors of crisis and relationship history can have an impact on the damage of a crisis, especially in relation to a company’s reputation. Whereas Google is considered to have a good relationship history, concerns about the company’s data collecting mania and an unsatisfactory data protection were brought forward before. Together with known problems in the implementation of the service in other countries, the unfavorable crisis relationship has a negative impact on the degree to which stakeholders hold Google responsible of the situation. In the discussion, many people blame Google for following the maxim "Act first, ask later" and pursuing their business goals without any regard to their objections.

The scandal about the collection of WiFi data can be classified as a human
breakdown recall from the preventable cluster because a human error, in this case the carelessness of an engineer, lead to the stop of all Street View drives in Europe. Google had to rework the software and start in external investigation before the project could be continued. Since the company’s relationships to many stakeholders were already tensed at this point, relationship and crisis history intensified the potential damage and accountability of Google.

The failure to meet the expectation of stakeholders is one of the characteristics of a repetitional crises as pointed out by Smaiziene and Orzekauskas (2009). The authors determine the following four factors as intensifiers for the impact of a situation on a company’s reputation: (1) level of reputation before the crisis, (2) type and magnitude, (3) amount of media publicity and (4) a company’s actions and behavior during the crisis. The findings of the 12th Annual Harris Interactive U.S. Reputation Quotient Survey indicate that Google’s prior overall reputation was favorable. However, the amount and balance of media coverage as well as the type and magnitude of the crisis for sure intensified the threat to Google’s reputation. The company’s actions and behavior - with a special regard to their communication - is the central point of the following chapter, dealing with Google’s crisis communication and response strategy. Afterwards, the thesis focuses on how German users evaluate the company’s overall reputation and on their attitude towards Street View.
Crisis response of Google

The previous chapters described the main theoretical concepts of crisis communication and analyzed the crisis situation which developed around the introduction of Street View for German cities. This one has a closer look at Google’s communication during the event and thereby answers the third subquestion of the overall problem statement of the thesis: Which strategies did Google use to respond to the accusations? Within chapter four, the method of discourse analysis is explained and applied to examine crisis relevant texts, to find out how Google reacted to the public debate and framed the situation. In addition, the findings of the pre-study are used to assess if Google was able to get their message in the media in order to appease its critics and ensure the success of the service.

4.1 Methodology

For the following analysis, the method of discourse analysis has been chosen. According to Gee (1999, p.1), the purpose of language is more than "just" communicating information, instead it "serves a great many functions and giving and getting information, even in our Information Age, is by no means the only one." Since discourse analysis "appreciates that language, or discourse, is not simply a device of producing and transmitting meaning" but "a strategy which people use purposefully to try to create a particular effect" (Daymon and Holloway, 2002, p.140), the method is particularly valuable to analyze crisis situations. Especially under these conditions, companies use language to construct and spread their version of an event as well as "to persuade others of their point of view or the way they see the world" (Daymon and Holloway, 2002, p.141). In addition, in order to explore the motives behind their messages, discourse analysis goes beyond a pure textual analysis of words and sentences and takes into account the cultural, social and political context in which communication is used.

The empirical basis of this chapter are press releases and blogposts within the evaluation period (1.1.2008 to 31.12.2010), which deal either with the introduction of Street View in Germany, the WiFi scandal or data protection in general. In total,
eight press releases and 24 blogposts were selected. Press releases were published on Google’s German homepage (www.google.de/intl/de/press/), blogposts were retrieved from "Google Produkt Kompass" and "Public Policy Blog". In addition, also Google’s statements towards the media collected within the pre-study were involved in the analysis. The empirical material was chosen because it is easily accessible and it is assumed that many people search directly at a company’s website for relevant information about a crisis situation.

Due to the limited size of the thesis, just two blogposts are analyzed in depth, all others are summarized. However, the two blogposts have been selected because they are exemplary for the overall response strategy used by Google. Another limitation of the discourse analysis is that no other communication channels of the company are incorporated in the interpretation, such as Google’s Twitter account, Facebook page or Youtube channel.

4.2 Analysis

Appendix A.9 offers an overview, English summary and reference for all 32 blogposts and press releases, ordered by date. Four of them deal with the issue of WiFi data collection, 17 with Street View in Germany in general and 11 focus on data protection and on how to blur Street View images. For a better presentation the situation around the implementation of Street View in Germany and the WiFi scandal are described separately within the following analysis.

Street View

What is obvious about Google’s messages referring to the launch of Street View for German cities is that the company never used the terms "crisis", "difficulties", "problem" or any other negative words to describe the situation. Just once they wrote about a "public debate" (see blogpost # 14 in appendix A.9), which is another indicator for the assumption that the crisis is a challenge. In general, Google did not admit to face any trouble and critics, which is a way of denying that there is a crisis situation. Hence, according to the SCCT framework, Google mostly employed the deny response option as an approach to the challenge and did not accept any responsibility for the clash of norms and expectations.

Even though the company did not directly address or answer public accusations, Google indirectly referred to the critics by publishing posts and press releases dealing with the topic of data protection in general as well as with the different possibilities to opt out from Street View. These statements can be classified as instructing information, explaining what Street View is and how people can request
Google to blur pictures. Thereby, they framed the topic in order to create the image of an innovative and helpful tool and with the aim to avoid any further negative connections.

Google tried to prove not to violate any laws and that there is no reason to have any concerns about the service by continually emphasizing for example the data protection agreements with Caspar on national and with the Article 29 Working Party on European level. However, although they were made in mid 2009, the public discussion did not decrease. It can be assumed that either Google’s message did not reach the right audience or could not persuade them in the long run. In interviews with German newspapers, Google also stressed their opinion that the service is legal and does not harm anyone. Another response strategy Google applies is the one of *excuse*. In several messages the company excuses for potential mistakes in the future with regard to the blurring of houses and faces (# 24), and for the overload of the new online tool.

Google’s blogpost "Street View: opposition deadline doubled to eight weeks" (see # 14 in appendix A.9) serves as a good example for Google’s overall response strategy. The company indirectly answered to the critics saying that the deadline to opt out from Street View is too short and doubled the time period. This corrective action, together with the other general information about opt out-possibilities, can be classified as instructing information. In addition, Google highlights that they "have committed to data protection measures that are far beyond other country’s measures and consider the special requirements of German citizens and authorities."

Hence, Google denied the problem and stated that there is no reason to fear Street View because several authorities approved the service.

*WiFi scandal*

The collection of WiFi data, classified as a human break-down, is attributed to more crisis responsibility and belongs to the preventable cluster. At first, when German data protection authorities accused Google for secretly collecting WiFi data, the company used instructing information as well as attack and denial. They argued that this is nothing new, that also other companies collect this kind of data and explained how the data improves many useful services. However, after the extent of the crisis has been clear, which is that instead of just collecting basic information they also gathered sensible payload data, the company quickly changed this response strategy and admitted their responsibility.

This can be exemplified by the blogpost "WiFi data collection: an update" (see # 8 in appendix A.9), which implies several response options. Firstly, Google used instructing information to explain what actually happened, what actions they take
to investigate the incident and to ensure this kind of problem will not happen again in the future. Right afterwards, the company tried to minimize the damage (justification option): "However, we will typically have collected only fragments of payload data because: our cars are on the move; someone would need to be using the network as a car passed by; and our in-car WiFi equipment automatically changes channels roughly five times a second." Additionally, the blogpost states one of Google’s engineers is responsible of the wrongful act and that the company did not intend to collect or use the payload data, which is a form of excuse response strategy. Alan Eustace, senior Vice President Engineering and Research, regrets what happened and apologizes for disappointing Google’s users, both strategies that belong to the deal response option. The company also used the ingratiation option by reminding the audience what Google did so far to support the security of its user’s data, for example through encrypted Gmail and Google Search.

Besides analyzing how Google answered the public claim and which SCCT response strategies they used, it is also interesting to know whether the company could place its messages and opinion in the media. The question is especially interesting because of the crucial role media play in crisis situations - by providing information for people as well as guidance. Hence, for every company, the media are an important channel to address stakeholders and influence them. This is why the pre-study also examined if an article included a statement from Google, which can be a reference or quote from a press release, blogpost or any other statement by company spokespersons. In addition, it was checked which tone the journalist used to value the statement: negative or critical, neutral or without any valuation or positive and highlighting advantages of Street View.

Figure 4.1: Which tone did journalists use to report about Google’s statements?
226 of all 390 articles included one or more statements of Google, which corresponds to 58 %, and 164 (42 %) did not consider Google’s view. In total, 418 different statements were found and content analyzed. As figure 4.1 indicates, in 70 % of the cases the journalists used a neutral tone to report about Google’s message and did not praise or criticize them. This is a remarkable number, especially compared to the fact that the majority of the overall media coverage, 58 %, was unbalanced and presented mainly negative arguments against Google’s service. Even though the company has been criticized in many articles, most journalists nevertheless spread Google’s point of view unvalued.

4.3 Discussion

In summary, one can say that in addition to the mandatory instructing information, Google’s approach to the Street View debate was to use a deny strategy. However, SCCT advises to use this strategy for crises that belong to the victim cluster. For crises of the accidental cluster, the framework suggests to apply diminish strategies and accept some responsibility for the act in order to influence the opinion of stakeholders, who often are still receptive because of a minimal threat and low attribution of responsibility. Maybe this approach would have been helpful to improve relationships with stakeholders. It is obvious that people did not have the feeling Google cares deeply for their concerns, is interested in listening to them and seeking for a dialogue, which might be a reason why their strategy to deny any problems failed and the public debate went on and on.

During the WiFi scandal, Google employed deal and diminish options, which mainly corresponds to the suggestions made by Coombs (2006, 2007b). The first-mentioned has been applied because there was enough evidence of the company’s wrongdoing. The second one was probably used to frame the incident and to highlight that this is not Google’s general attitude to the topic of data security.

The question whether Google’s communication strategy had an impact on how users see and evaluate the company and Street View, is in the center of interest of the next chapter.
Analysis of Google’s reputation

So far, the thesis introduced theoretical findings within the field of crisis communication and applied them on the case of Google Street View. The situation and involved stakeholders were described and analyzed as well as Google’s communication strategy towards the public accusations. This chapter draws the bow back to one of Google’s main focus', its users, and to the assumption that a crisis can seriously harm an organization’s reputation. Hence, the fourth subquestion of the thesis queries whether the Street View crisis had an impact on the user’s confidence in the service and Google in general.

In the first part of the section the applied methodology to answer the question is explained. Thereafter, the findings of the survey are presented and discussed.

5.1 Methodology

The selection and development of each research method and design depends on the overall investigative question (Ghauri and Gronhaug, 2005). Within this thesis, the aim is to gather information and make statements about how Google’s users evaluate the overall reputation of the company and what their attitude towards Street View is.

In order to find answers to the research problem it is necessary to collect relevant primary data, which was done by conducting a survey. The collection of this kind of data is usually time consuming and costly. In addition, it is sometimes difficult to find respondents willing to answer. However, the advantage over secondary data is that "they are more consistent with our research questions and research objectives" (Ghauri and Gronhaug, 2005, p.102) and are often the only way to find out about people’s attitudes and intentions.

Due to of time, distance and cost constraints, it was decided to use a self-completion questionnaire. Another advantages of this approach is that such a survey can be carried out anonymously which is in line with the attitude of many respondents to rather participate anonymously than personally. In addition, there is the "benefit from the complete absence of an interviewer from the process" which
removes a major source of potential bias in the responses, and makes it easier for respondents to be honest about sensitive subjects" (Brace, 2008, p.29). On the other hand, the absent interviewer can also be seen as a disadvantage since it can - yet, should not - happen that respondents misunderstand a question and are not able to ask someone for clarification.

The developed questionnaire consists of three different parts and 66 questions in total, dealing with general statistical questions, Google’s reputation and people’s attitudes towards Street View. Appendix A.10 presents the final questionnaire in German, an English translation of each question can be seen in appendix A.12, which at the same time provides an overview of the findings of the survey.

**Part A: Statistical questions**

The first part of the questionnaire, question one to four, gathers data referring to the gender and age of the respondents. Furthermore, it is asked how many hours a day the Internet is used on average and which of Google’s services the respondent uses how often.

**Part B: Reputation of Google**

The second part of the questionnaire starts with an open question, asking what three words come into people’s mind when thinking about Google, in order to introduce them to the topic. Questions five to 14 were planned following Walsh and Beatty (2007). The authors developed a customer-based corporate reputation scale, which refers to the work of Fombrun, Gardberg, and Sever (2000) and the Reputation Quotient. But they also added some extra items in order to make them applicable and put the focus on "customers’ personal experiences with and perceptions about a firm" (Walsh and Beatty, 2007, p.130). Walsh and Beatty (2007) developed and used the questionnaire in a German context and for Internet service firms, which is an additional reason why it is considered appropriate here.

The reputation scale consists of five interrelated dimensions: customer orientation, good employer, reliable and financially strong company, product and service quality and social and environmental responsibility. In addition, also loyalty, trust in the company and re-patronage intentions are included in the authors’ assessment of customer-based reputation.

The eight dimensions were used within this part of the survey about Google’s reputation. They were supplemented by the topic of data protection and privacy (questions 35 to 40) and by quotes of Google’s website in order to adapt the questionnaire to the company (questions 8, 31, 34-40). However, the order of the scale of Walsh and Beatty (2007) has been changed, the dimension of quality of products
and services was put at the end, because it touches the sensible topic of data security and otherwise might have influenced the following questions of this part.

One of the most commonly used attitudinal rating scales is the Likert scale, which "presents respondents with a series of attitude dimensions (a battery), for each of which they are asked whether, and how strongly, they agree or disagree, using one of a number of positions on a five-point scale" (Brace, 2008). Is has been applied as it is easy to manage in self-completion questionnaires.

Several researchers indicate that a neutral "neither . . . nor" or "don’t know" answer possibility distorts the overall result of a survey because participants tend to choose the golden mean when unsure what to answer. However, it was decided to use both in the course of the questionnaire because it can be assumed that not all respondents have the knowledge and personal experience to answer several topics or might not have formed an own view yet. In doing so, it should also be avoided that respondents feel compelled to choose an answer they actually do not support. Blumberg, Cooper, and Schindler (2005, p.247-248) suggest considering the problem carefully and give one advise: "Thus, survey responses should be accepted for what they are: statements by individuals that reflect varying degrees of truth."

Part C: Street View

Finally, the survey focuses on people’s opinion about Street View. This part just has to be answered by respondents knowing the service. The researcher is interested in where one first heard about Street View, searched for information, for what purposes it was used as well as if users were satisfied with Street View. Again, an open question asks about three words one associates with the service. Thereafter, questions 49 to 54 refer back to questions 35 to 40 in part B of the survey and deal with the topics of data security and privacy. They are included because a comparison of both answers seemed to offer interesting insights. Moreover, people were asked for their opinion about the legality or the service and about Google’s information policy.

The last items of the questionnaire gather data about people’s knowledge about and intention to remove images of their houses on Street View and want to find out if Google’s campaigns to inform the public about Street View were effective in correcting common misconceptions. Finally, the respondents were asked whether they think the general opinion about Street View will have an impact on Google’s impression in general.

After the questionnaire has been developed and translated into German, three people of different age groups tested it and minor changes were made. Thereby it was
possible to estimate the time it takes to complete the survey (approximately 15 minutes), check the wording and whether everyone understood the questions and instructions similarly.

Another important step within the design of the survey is the sampling process. The population of concern are all German Internet users that know Google. A survey of Bitkom, the Federal Association for Information Technology, Telecommunications and New Media (Bitkom, 2011a), indicates that approximately 51 million Germans, i.e. 72% of the overall population, starting at the age of 14, use the Internet at least once a week. Whilst 95% of all teenagers and young adults within the age of 14 to 20 are online, this can just be said for around 25% of all people older than 65. According to another Bitkom survey (Bitkom, 2009), Google answered four out of five search queries in Germany (80%). These numbers allow the conclusion that at least approximately 41 million Germans using the Internet know Google.

As it is clearly infeasible to question 41 million Germans, a sample of the population has been drawn. Here, in order to be as representative as possible, the aim was to get responses within every age group, both male and female, because as the Bitkom findings show German Internet users are very diverse. Within a non-probability sample the author of the thesis was able to sent out the survey to 200 people, who are members of sports clubs, companies or acquaintances to which the author and her family have access to.

Though without knowing how many people are going to respond the questionnaire, it was clear from the outset that the findings will not be very representative because of the large population. However, due to the effort to include men and women with different characteristics, it is possible to get an insight of the attitude people have towards Google in general and Street View in particular.

The process of data collection lasted six weeks, starting in May 2011. It was decided to conduct a web-based survey in order to simplify the data collection and analysis. Studsurvey, an online survey program offered by Aarhus School of Business, was used to develop an online questionnaire, which was accessible through a link that was sent and forwarded by email. When requested, the questionnaire was also handed out on paper and later on added manually to Studsurvey. See appendix A.11 for a screenshot of the online questionnaire.

When developing a questionnaire, it is important to have in mind the issue of validity, which is if an instrument really measures what it intends to (Brace, 2008). As a reminder, the overall purpose is to get information about how people evaluate Google’s reputation and what their attitude towards Google Street View is. Both, the customer-based corporate reputation scale (Walsh and Beatty, 2007) and its basis, the Reputation Quotient (Fombrun, Gardberg, and Sever, 2000), are time-tested instruments. Furthermore, the scale has been supplemented with questions
tailored to Google and Street View. In addition, as suggested by many researchers (e.g. Brace (2008)), pilot tests tried to ensure that the survey is comprehensive enough to collect accurate information. This is why one can assume the questions are appropriate to answer the initial question. However, there still is the question of representativeness. In total, 109 people responded to the questionnaire, a number which can not be considered as appropriate for an overall population of 41 million.

Reliability of a survey "refers to the stability of the measure" (Ghauri and Grønhaug, 2005, p.81). As suggested by Brace (2008), this issue was addressed by making sure in the pilot test that all questions and routing instructions were clearly understandable, neither ambiguous nor overly long, because this could lead to a loss of concentration and attention. Statistical reliability tests have not been carried out within the thesis.

It is important not to underestimate other factors, which could have influenced validity and reliability of the survey. Google is a well-known company, that operates globally and offers many different and often innovative products and services. The company its criticized for many different reasons and not all of them have something to do with data protection and privacy, the focus of this study. On a regular basis, there are articles published referring to copyright issues, bad interactions with competitors or the filtering of results - just to name a few. It can not be ruled out that some respondents had these topics in mind when answering the questionnaire. On the other hand, the fact that Street View more was launched more than half a year ago might also have influenced some answers.

5.2 Findings

As already mentioned before, 109 people answered the questionnaire, which represents a response rate of 54.5 %. In the following section, the main findings are presented, sorted by topic. Please see appendix A.12 for a detailed tabular representation.

Part A: Statistical questions

With 63 female (58 %) and 46 male (42 %) respondents both genders are presented in the study in a relatively balanced distribution (see table A.7 in appendix A.12). Likewise, as table 5.1 shows, people from all ages participated. Half of them (see table A.9) use the Internet on average up to two hours a day. Another 28 % are three to four hours a day online. Just the minority of respondents (22 %) can be classified as heavy-users, spending more than five hours on the Internet. The five most used products and services of Google are Google Search (with 107 of 109
users), Maps (93), Earth (65), Street View (58) and Translate (55). Others such as News, Google Mail and Books are used less frequently. The findings show that Google is primarily known for its Search Engine and map programs.

<table>
<thead>
<tr>
<th>Age in years</th>
<th>#</th>
<th>percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-19</td>
<td>6</td>
<td>6 %</td>
</tr>
<tr>
<td>20-29</td>
<td>38</td>
<td>35 %</td>
</tr>
<tr>
<td>30-39</td>
<td>20</td>
<td>18 %</td>
</tr>
<tr>
<td>40-49</td>
<td>21</td>
<td>19 %</td>
</tr>
<tr>
<td>50-59</td>
<td>16</td>
<td>15 %</td>
</tr>
<tr>
<td>60-69</td>
<td>4</td>
<td>4 %</td>
</tr>
<tr>
<td>70-79</td>
<td>4</td>
<td>4 %</td>
</tr>
<tr>
<td>Total</td>
<td>109</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Part B: Reputation of Google

Also the first question of part B indicates that people mainly identify Google with its search engine. Figure 5.1 sums up the most frequently named words used to describe Google. Clearly, positive associations predominate, there were only a few negative keywords.

![Figure 5.1: Words used to describe Google](image)

Note: font size indicates number of mentions
In the analysis of the next questions it is noticeable that there were some dimensions of Google’s reputation, which went beyond the knowledge of many respondents. The amount of "neither ... nor" answers is sometimes quite high and indicates some people either do not have an own opinion or lack personal experience.

Table 5.2: To what extend do you agree with the following statements?

<table>
<thead>
<tr>
<th>Topic</th>
<th>strongly disagree</th>
<th>disagree</th>
<th>neither ... nor ...</th>
<th>agree</th>
<th>strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer orientation</td>
<td>11 %</td>
<td>21 %</td>
<td>33 %</td>
<td>27 %</td>
<td>8 %</td>
</tr>
<tr>
<td>Google as employer</td>
<td>2 %</td>
<td>4 %</td>
<td>41 %</td>
<td>36 %</td>
<td>17 %</td>
</tr>
<tr>
<td>Reliable and financially strong company</td>
<td>0 %</td>
<td>2 %</td>
<td>10 %</td>
<td>49 %</td>
<td>39 %</td>
</tr>
<tr>
<td>Social &amp; environmental responsibility</td>
<td>6 %</td>
<td>10 %</td>
<td>57 %</td>
<td>23 %</td>
<td>4 %</td>
</tr>
<tr>
<td>Loyalty</td>
<td>7 %</td>
<td>10 %</td>
<td>31 %</td>
<td>33 %</td>
<td>19 %</td>
</tr>
<tr>
<td>Trust</td>
<td>12 %</td>
<td>16 %</td>
<td>35 %</td>
<td>27 %</td>
<td>10 %</td>
</tr>
<tr>
<td>Re-patronage intention</td>
<td>0 %</td>
<td>1 %</td>
<td>1 %</td>
<td>22 %</td>
<td>76 %</td>
</tr>
<tr>
<td>Product and service quality</td>
<td>6 %</td>
<td>14 %</td>
<td>29 %</td>
<td>38 %</td>
<td>13 %</td>
</tr>
</tbody>
</table>

For table A.32 (see appendix A.13) the opinions of all respondents were translated into grades (one to five) and an average grade was calculated. As the table highlights, the high amount of middle answers has a strong influence on the average grade, which tends to be around three. This is why it is not considered to be very helpful to put much weight on the average grade evaluation of each dimension. Instead, it is more meaningful to analyze the average distribution of answers for each category in percent, as resented in table 5.2. Another reason for this assumption is that it allows a greater consideration of answers beyond the "neither ... nor" option.

A high amount of middle answers is also the case for the dimension of customer orientation (table A.11 in appendix A.12), where on average one third chose this answer possibility. Besides that, the findings show that although people do more or less agree that Google is concerned about its users, they do not think Google’s overall behavior and business strategy is guided by user interests.

According to the dimension dealing with the question if Google is a good employer, it can be said the participants were not completely sure whether the company is a good place to work, but tend to agree with the statement (see table A.12). Again, this can be explained by a lack of personal experience. With 74 % and 67 %, the majority of all respondents attest Google a good management and excellent leadership qualities.

Without exception, respondents evaluated the dimension reliable and financially strong company very positive (table A.13). It is one of the few in which the middle answer was selected very rarely.
Contrary, it was very difficult for the participants to judge about Google’s social and environmental responsibility (table A.14). More than half of them chose the "neither … nor" answer possibility, which indicates either that Google has not positioned itself as a sustainable company or that they missed to communicate their efforts. As in many other countries as well, companies are not obliged to report on their CSR activities in Germany, which could have had an impact on the findings.

As it can be learned from the next dimension, loyalty, participants state they are loyal users of Google and loyal to the company in general (table A.15). Asked about their relationship to the company, the answers are not that clear. 41 % of all respondents "neither agree nor disagree" that their relationship is good, the others chose to agree and to disagree in almost equal parts. The overall tendency (see table 5.2) points out people evaluate the dimension of loyalty in a positive way.

Whereas respondents tend to agree that Google is a trustworthy company and have confidence in it, they question its integrity and if one really can depend on Google to do the right thing (table A.16). Especially these two sensible questions are characterizes by a high "neither … nor" response rate and an expression of disagreement.

On the other hand, although the findings of some parts of the questionnaire can be considered to be critical towards the company, 98 % of all participants intend to use Google in the future (table A.17). It seems as if the company, its products and services are indispensable, since the re-patronage intention is very high.

The dimension of product and service quality can be divided into two parts (table A.18). Questions 29 to 34 focus on how people perceive the quality of Google’s products and services in general. It can be said that the clear majority has a positive attitude towards this topic, only a few are not sure how to evaluate it. However, the situation changes when the focus turns to data security and becomes more sensitive with question 35 to 40. Most respondents are not convinced Google has high data protection standards, collects data in a transparent way, acts responsible with the collected data. Thus, they disagreed with the statements in the questions or selected the middle answer possibility. On average, just approximately one third was satisfied with Google’s approach to privacy, what is very low for a company that anchored strong privacy principles into their company philosophy and emphasizes that the interest of its users comes first.

In respect of a quite similar answer distribution in questions 35 to 40, they have been further analyzed according to gender, age and internet usage. Table A.33 to A.38 in appendix A.13 present the findings. It is noticeable that especially people in the age of 20 to 39 disagree far more often with the statements than other respondents. Also the hours a day spent online have a negative influence on the assessment of Google’s approach to data protection and privacy, with heavy
Internet users being more critical. Contrary, primarily respondents up to 19 years and 40 years and older tend to select positive answer possibilities, compared to other age groups. These observations are interesting against the background that Google and the company’s innovative services seem to target more or less the younger generation, which is curious, used to the Internet, its possibilities and takes them up - a group which turns out to be more critical than other users of Google.

Part C: Street View

Out of all 109 participants of the survey, 94 (86 %) know Street View and therefore were asked to move on with the last part of the questionnaire (table A.19). As table A.20 shows, most respondents first heard about the new service from radio and television (41 %). Other important information sources were family and friends (20 %), newspapers and magazines (16 %) as well as online news, forums and blogs (12 %). Just 21 % actively searched for further information, for instance using information provided by Google, the Internet, newspapers and magazines (table A.21).

Figure 5.2: Words used to describe Street View

Note: font size indicates number of mentions

When asked which three words the respondents would use to describe Street View, mainly positively connoted adjectives such as interesting, innovative, useful and practical were named. But as one can see in figure 5.2, compared to figure 5.1,
relatively more negative attributions are assigned. Most of them can be summed up under the topic of data security and privacy.

A total of 73 % of all respondents already used Street View, another 16 % intent do so in the future (table A.22). However, about one-tenth have not tested the service yet and do not plan to do so. Purposes why participants used Street View can be seen in table A.23. The service was primarily used to plan holidays (19 %), out of interest and curiosity (13 %), for orientation and direction purposes (11 %), to view 360 degree panoramas of the own city, street or house (11 %) and to search for streets or addresses (10 %). The relevance of Street View for the respondents’ jobs is low. The service was foremost used for private purposes, as 68 % of all respondents state (table A.24). In general, two thirds of the participants, who already used Street View were either "satisfied" or "rather satisfied" with the service (table A.25).

The next questions of the third part of the questionnaire focuses on a more sensible topic. As table A.26 shows, questions 49 to 54, dealing with Google’s approach to data security and privacy in relation to Street View, are consistently answered in a predominantly positive way. Apart from that, there are also some minor doubts about which priority Google attributes to the privacy of their users and about the quality of their general data protection standards. Questions 55 to 58 attest Google’s communication and information strategy is criticized. Approximately two thirds do not agree with the statements or selected "neither . . . nor" as an answer, with a general trend towards a negative opinion. Here, it is important to mention that just 31 % of all respondents think Street View is within the German law, meaning, Google’s message did not reached or convinced 69 % of the participants.

However, just six out of all 94 respondents did not know yet that it is possible to ask Google to blur images of houses on Street View (table A.27). All others had heard of the possibility from radio and television (42 %), newspapers and magazines (20 %), online news and blogs (14 %) or family and friends (13 %). Only 3 % of all participants already asked Google to blur an image, a number which corresponds to Google’s blogpost of 21.10.2010 saying 2.89 % of all German households requested to do so (post # 20 in appendix A.9). 79 % of those questioned did not asked for this and also do not intend to do so in the future.

Questions 61 to 65, asking whether Google’s print and online campaign was successful, reveal that most people have a basic knowledge about what Street View is and what it is not (table A.29). Although people know that images can be removed, 32 % think the process can be undone, which it can not, or are nor sure about it (55%).
Finally, the survey asked if respondent’s think the general opinion about Street View is likely to influence the overall impression of Google. As figure 5.3 and table A.30 indicate, 56% think it is quite likely and 14% that it is very likely.

5.3 Discussion

In total, people from all age groups and with different Internet habits participated in the survey, which supports the representativeness of the survey. In principle, they assessed Google’s overall reputation in a positive way. However, the high amount of "neither … nor" answers indicates they often lacked the knowledge to decide whether they agree or disagree with several statements or have not formed an opinion yet. Moreover, the topic of data security turned out to be quite sensitive.

Regarding Street View one can conclude that the respondents have a mainly positive attitude towards the service. They already used it for several purposes and were mostly satisfied with their experience. These findings correspond to a study published by Bitkom, saying 32 million Germans already used Street View and another 14 million intend to do so in the future (Bitkom, 2011b). However, Google’s communication and information strategy has been criticized in the survey of the thesis.

Summarizing one can say that most respondents have a favorable attitude towards Google in general and Street View in particular, even though the topic of data security and privacy remains to be sensitive and criticized. For a further analysis, table 5.3 gives an overview over the answers respondents made towards the topic of data security and privacy regarding Google and Street View. In the survey, the same questions have been asked for both topics with the intention to compare the answers here.
Besides the numerous "neither...nor" replies, it is striking that people answered the questions relating to Google relatively balanced with a slight tendency to the disagree options. This tendency is much more distinctive for Street View, where often almost half of the respondents chose to select a negative answer. Interestingly, respondents are a little more convinced that Street View offers a reasonable choice to protect one’s data. This indicates that the company missed to put this topic on the agenda and should proactively communicate how one can protect the own data in general and when using other Google products and services. In general, it would be wise to address all undecided people and actively influence their view before the media do so, probably in an unfavorable way.

Although the general evaluation of Google and Street View is good and the public discussions do not seem to had a negative impact on people’s attitude, the doubts and critics should worry Google. It is obvious that the topic of data protection and privacy is on the agenda of many people and that people care about it. In case more incidents happen or other new products of Google are blamed for an insufficient data protection approach, the doubts will develop and become a much more severe threat to Google’s reputation. Although it seems as if the intensive media coverage and public discussion could not undermine people’s confidence in Google and Street View, this does not mean that the next crisis situation will pass off as lenient. In total, 70 % of all respondents think the attitude towards Street View is likely to influence Google’s overall reputation, which is no problem at the moment since their opinion about the service was mainly good. However, the number also shows the great potential of a bad-managed crisis to severely threat a company’s reputation.

Table 5.3: Data security: Google vs. Street View

<table>
<thead>
<tr>
<th>Statement</th>
<th>Who?</th>
<th>strongly disagree</th>
<th>disagree</th>
<th>neither nor..</th>
<th>agree</th>
<th>strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>...guarantees data protection and security for its users in an appropriate way.</td>
<td>Google (Q.35)</td>
<td>8 %</td>
<td>28 %</td>
<td>33 %</td>
<td>26 %</td>
<td>5 %</td>
</tr>
<tr>
<td></td>
<td>Street View (Q.50)</td>
<td>14 %</td>
<td>32 %</td>
<td>31 %</td>
<td>18 %</td>
<td>5 %</td>
</tr>
<tr>
<td>...has high data protection standards.</td>
<td>Google (Q.39)</td>
<td>10 %</td>
<td>19 %</td>
<td>44 %</td>
<td>23 %</td>
<td>4 %</td>
</tr>
<tr>
<td></td>
<td>Street View (Q.51)</td>
<td>10 %</td>
<td>37 %</td>
<td>31 %</td>
<td>17 %</td>
<td>5 %</td>
</tr>
<tr>
<td>...collects data in a transparent way.</td>
<td>Google (Q.38)</td>
<td>15 %</td>
<td>22 %</td>
<td>33 %</td>
<td>26 %</td>
<td>4 %</td>
</tr>
<tr>
<td></td>
<td>Street View (Q.52)</td>
<td>18 %</td>
<td>29 %</td>
<td>24 %</td>
<td>26 %</td>
<td>3 %</td>
</tr>
<tr>
<td>...acts responsible with all stored data.</td>
<td>Google (Q.36)</td>
<td>11 %</td>
<td>22 %</td>
<td>39 %</td>
<td>23 %</td>
<td>5 %</td>
</tr>
<tr>
<td></td>
<td>Street View (Q.53)</td>
<td>6 %</td>
<td>29 %</td>
<td>44 %</td>
<td>19 %</td>
<td>2 %</td>
</tr>
<tr>
<td>...offers all users a reasonable choice to protect their data.</td>
<td>Google (Q.37)</td>
<td>11 %</td>
<td>21 %</td>
<td>39 %</td>
<td>25 %</td>
<td>4 %</td>
</tr>
<tr>
<td></td>
<td>Street View (Q.54)</td>
<td>5 %</td>
<td>22 %</td>
<td>37 %</td>
<td>29 %</td>
<td>7 %</td>
</tr>
</tbody>
</table>
How can the overall findings of the survey be explained? Why was Google’s reputation assessed that positively? One reason might be that Google had a very strong reputation before the crisis, as the Harris Interactive U.S. Reputation Quotient Survey (Parr, 2011) proves. Meaning, Google’s good prior reputation created a halo effect, which protected the company’s reputation from harm (Coombs and Holladay, 2006). In continuation hereof, a positive attitude towards the company could have led people to ignore critical voices in the public debate. The explanation of Coombs and Holladay (2006, p.124) regarding reputational capital as a bank account can be another explanation for the findings: "an organization with a more favorable prior reputation will still have a stronger post-crisis reputation because it has more reputation capital to spend than an organization with an unfavorable or neutral prior reputation". As touched upon in the theoretical part of the thesis, media coverage needs to be frequent and predominantly negative to have an unfavorable influence on reputation. In the case of Street View, there are also many neutral and positive articulated about the topic, a reason why some people may have had doubts about the crisis situation.

Naturally, the sample size as well as the fact that Street View for German cities was launched more than eight months ago could have an impact on the findings. The public debate became quiet and everyone had the chance to test the service. The benefits of the service as well as the general curiosity might have outbalanced some concerns. There are also voices arguing the whole debate blew up because of a lack of other news stories during the summer months and the desire of some people to distinguish themselves.
Final discussion and conclusion

The main theme of the master thesis is crisis communication and reputational damage. Trying to combine theory and practice, an in-depth case study of the introduction of Street View in Germany was carried out. According to the overall research question of the thesis, it was analyzed how Google responded to the public outcry during the introduction of the new service and if the crisis could harm the company’s overall reputation. In order to examine the research problem, four subquestions were set up. The following paragraphs take them up and provide answers.

1. For a theoretical understanding: What are relevant theories within the field of crisis communication that can be applied to the case study?

The first part of the thesis presented and discussed several theoretical concepts within the field of crisis communication. They show that a variety of crisis definitions exist, deriving from different scientific backgrounds. The author decided to use the one of Coombs (2007a) since it reflects the social constructivist approach. For the further analysis of the case study, especially the concepts of reputational crisis, the notion of changing roles of stakeholders in crisis situations and the importance of the media were relevant. Furthermore, the attention was turned to crisis response strategies, primarily to Coombs’s situational crisis communication theory.

2. How can the Street View crisis be described and who are the relevant stakeholders?

The empirical part of the thesis started with a description of the crisis situation and all involved stakeholders. Using the model of stakeholder salience (Mitchell, Agle, and Wood, 1997), the media, federal ministers, data protection commissions and the general public turned out to be the most salient groups of people affected by or actively influencing the situation. Hence, Google should give their needs a high priority and focus on building and maintaining reliable relationships by informing and involving them in their plans.
During the characterization of the case it became clear that the basic problem of the introduction of Street View were different viewpoints on the topic of data protection and privacy. That is why, in reference to Coombs’s SCCT, it can be labeled a challenge. As Google missed to meet the expectations of its stakeholders and had to face a high media attention, the crisis had the potential to threat the company’s reputation (Smaiziene and Orzekauskas, 2009). The accidental collection of WiFi data, a human break-down recall, increased the risk and upset many important stakeholders.

3. Which strategies did Google use to respond to the accusations?

Towards the public accusations regarding Street View Google mainly employed the deny strategy, in addition to instructing information. However, the SCCT framework suggests to use diminish strategies for crises of the accidental cluster, including the acceptance of a certain level of responsibility. It can be assumed that the diminish option would have weakened the public debate. Google’s communicative response during the WiFi scandal applied the deal and diminish option, thereby mainly following Coombs’ suggestions.

4. Did the crisis influence the user’s confidence in Street View and Google in general?

In order to answer the fourth subquestion a survey was conducted, which is divided into three parts dealing with statistical issues, Google’s reputation and Street View. The findings show that most respondents have a positive attitude towards the company and the new service. Hence, although no survey about Google’s pre-crisis reputation was conducted, it can not be assumed that the crisis situation had an influence on people’s confidence in Google. There are several possible explanations for the findings, amongst others the concept of a halo effect and reputational capital.

However, the findings also show there are doubts and critical voices and that the themes of privacy and data protection turned out to be delicate topics. Hence, Google would be well advised not to underestimate them and work on a strategy to communicate about the company’s approach towards them. Further public debates will maybe strengthen connections people draw between Google and violations of privacy norms and expectations - and ultimately threat the company’s reputation in the long run.
What practical insights can be gained from the case study?

One the one hand, the findings can serve as a guidance for the implementation of Street View in other countries around the globe. Even though the launch of the service in Germany went well in the end, one can assume that things could have ended otherwise. It is important for Google to take the concerns of its stakeholders seriously - right from the beginning - and change the way they introduce and communicate about Street View. Otherwise, valuable relationships are damaged and the company will be associated with opaque practices.

On the other hand, privacy and data security are not just relevant topics for map programs or Google, but for many other services and companies. Nowadays, competition between firms is tougher than ever before. In order to survive they have to develop smart ideas. Especially Google is known for innovative products and often has to face the backside of its efforts, which is people questioning the usefulness and legitimacy of a development. For many people it is hard to get used to new ideas that at the first glance challenge their opinion and expectations. The topic of privacy is a classical example for this - one that already dominates many of today’s discussions about for example social networks and other Internet-related services. That is a reason why this master thesis is also interesting for other companies dealing with sensitive data. They have to convince their users that they take their concerns seriously and handle information in a responsible manner. They can do so by using a proactively communication plan and solving issues before they become a crisis - instead of developing reactive strategies not addressing people’s fears and denying any challenge.

It would be very informative to add another notion to the discussions about privacy and data security, namely the one of culture. It was observed that the public outcry in other countries was not as loud as in Germany, sometimes even nonexistent. The question occurs, to what extend values and norms of a country as well as cultural differences influence they way people adjust to innovations. Certainly, it was also a different cultural understanding of the value of privacy that lead to Google’s German Street View crisis.
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