

CORPORATE BRAND MANAGEMENT AND REPUTATION

MASTER CASES

Faking Hitler

**The STERN scandal and its impact on
the reputation of the entire European
press industry**

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Corporate Brand Management and Reputation: Master's Cases

The "Corporate Brand Management and Reputation: Master's cases" is a case series for applying the case method of teaching and learning in higher education. The cases are relevant to brand strategists in private and public sector organizations, as well as academics and students at universities, business schools, and executive education.

The cases are written by groups of master's students as a course project. The specially developed case format is defined as: *"A management decision case describes a real business situation leading up to a question(s) that requires assessment, analysis, and a decision reached by discussion in class. The alternative approaches and recommendations from the class discussion are followed by a description of the choices made by the case company. This description is then discussed by the class."*

The student groups select the topics of their case providing updated and relevant insights into the corporate brand management. The cases can be used as "written cases" (handed out and read in advance, later to be discussed in class) and/or as "live case" (presented by the teacher following a discussion in class). Each case includes teaching notes, visuals with speaker's notes, learning objectives, board plans, and references.

The mission of the series is *"to develop cases for discussion providing insights into the theory and practice of corporate brand management and reputation, with the intent of bridging the gap between academic teaching and managerial practice."*

The series is a result of co-creation between students and teachers at the elective course Corporate Brand Management (BUSN35 – five-credit course/eight-week half-time studies), part of the master's program International Marketing and Brand Management at Lund School of Economics and Management, Sweden. The cases represent the result of the intellectual work of students under the supervision of the head of course.

Although based on real events and despite references to actual companies, the cases are solely intended to be a basis for class discussion, not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. The cases are free to be used and are to be cited following international conventions.

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WRITTEN CASE

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Faking Hitler

We are travelling back in time. The case is set in Europe, 1983 – a time still marked by wounds, memories and coming to terms with the Second World War. News about Germany's darkest historical chapter still captivates everyone. As evil as Adolf Hitler had been, many people are fascinated by him. People want to know who he was, what he thought and what he felt. No wonder he has been subject of hundreds of books and movies since his death. Also, the world of press knows about the (secret) desire of its readers. Hence, they are always on the hunt for the next top story that gives insights into Hitler's private life. The more personal, the better. Something like his diaries for example, which would probably be the biggest headline of the post-war period – at least if they were real.

On May 6, 1983, the Executive Board of the German magazine STERN holds a meeting at its headquarter in Hamburg (Germany) to discuss the worldwide critical headlines surrounding the magazine, caused by its big post-war media sensation. Only two weeks earlier, the magazine STERN made an announcement about the discovery of 60 handwritten notebooks, purported to be the personal diaries of Adolf Hitler. As expected, the announcement got worldwide media attention and made headlines around the globe. However, it quickly set off a firestorm of questions and criticism regarding the authenticity of the notebooks and the magazine itself.

Worried about the reputation of the magazine, the managers currently debate how to handle the global media attention when their worst nightmare becomes reality. At 13:28, the West German Federal Archives released the results of a forensic investigation that exposed the from STERN published Hitler diaries as complete forgeries. Within seconds the atmosphere in the meeting room changes – from worriedness to panic. The managers' faces turn pale. With the Hitler diaries proven to be fake, the magazine is facing the biggest scandal in the company's history. At that time, STERN was Germany's leading post-World War II magazine and well-known for its reliable, high quality journalism and its well-researched emotional stories. However, this journalistic fiasco was just the beginning of a major crisis, since this scandal not only called into question the reputation of STERN, but also the reliability and trustworthiness of the entire European press landscape. In fact, other European news organizations besides STERN fell for the scam and bought exclusive

rights from the German magazine to publish parts of the forged Hitler diaries in their home countries.

Background and history of STERN

Today the STERN (German for Star) Medien GmbH is among the most respected media brands in Germany, primarily known for one of the leading weekly news magazines, STERN, and its accompanying online version STERN.DE. Moreover, further activities in the areas of print, event and television are operated under the media brand. **Exhibit 1** illustrates the brand matrix of STERN by outlining the key media activities that helped STERN to become one of the widest reaching media brands in German-speaking countries, with an average of 5.2 million weekly readers.

The STERN magazine has been brightening up the German press landscape for over 70 years. Within its existence, the magazine's ownership structure has changed several times. From its foundation 1948 till 1965 STERN was owned and led by founder Henri Nannen. Since 1965, the magazine is part of the Hamburg-based publishing house Gruner + Jahr, which Nannen co-founded. Today Gruner + Jahr is a wholly owned subsidiary of Bertelsmann, one of the world's largest media groups. As part of Bertelsmann Group, STERN's target market mainly focuses on Germany, Austria and Switzerland. In 2019, the STERN generated a revenue of €182.53 million, with the print segment representing the brand's most relevant service, followed by the online and television sector.

The name of STERN's media brand originates from its core product – the magazine STERN, which was founded by Henri Nannen in Hannover in 1948 and has been published weekly ever since. In its early days, STERN quickly became the country's leading post-World War II magazine, well-known for its outstanding photography work as well as its mix of light and serious topics. STERN's photos and reportages were often disturbing and broke taboos; simultaneously emphatic, rousing and emotional for the audience to read, which underlined STERN's brand promise "Einer sagt's: der STERN" (word-for-word: Somebody is saying it: the Stern¹). Since 1994, STERN has always published its magazine on Thursdays under the theme of "Donnerstag ist Stern-Tag" (Thursday is Stern-Day). The magazine stands for reliable and high-quality journalism that offers exclusive and emotional stories, a clear stance on relevant social issues and publishes issue-oriented reports, articles on national and international affairs, celebrity profiles and news analysis. Ever since STERN's DNA includes first and foremost its opulence, clear imagery and visual power which makes it unique in the German media landscape.

¹ For Germans the slogan implies that STERN tells the truth, no matter what, and that the magazine covers topics nobody else would.

The STERN magazine's renowned and influential status is still demonstrated by the Nannen Prize, which is a competitive award that annually honours the best journalistic work in print and online. The prize is awarded by Gruner + Jahr together with STERN in honour of Henri Nannen, who was one of the most influential journalists of the post-war period and shaped the German press landscape like no other. The prize is seen as the "most prestigious German journalism award" and is highly regarded in the industry.

Henri Nannen's brand promise from the magazine's earlier days, "Einer sagt's: der Stern" (Somebody is saying it: the Stern), is still deeply rooted in the values of STERN today. To keep his promise, STERN has a comprehensive fact-checking system. Every text that appears in the printed or digital STERN is checked by several staff members from different levels of the organisation before its publication. Additionally, STERN follows the multi-source principle when verifying information, which underlines its thorough research. This is key competence in times of fake news and lying press, with which STERN does not hesitate to proliferate.

The Incident

1980 - Spring 1983: The STERN reporter Gerd Heidemann, a fanatic of the Nazi era, came into contact with the artist Konrad Kujau in 1980, who told him about the allegedly existing diaries of Hitler: In the last days of the war, Adolf Hitler's personal diaries are said to have been lost in a plane crash in East Germany (DDR, German Democratic Republic) but Kujau claimed to be able to smuggle the remains from East Germany across the inner-German border.

Heidemann trusted Kujau and the existence of the real diaries and sensed the biggest deal of his career. He informed the head of STERN's history department, Dr. Thomas Walde, about the supposed sensational story. Together, Heidemann and Walde bypassed the magazine's editors-in-chief Peter Koch and Felix Schmidt², and approached the publishing house's management directly, as they needed a lot of money to procure the diaries. The management was convinced by the two journalists as they knew that Heidemann was considered a tenacious and successful reporter in the editorial department and thus they were able to start their secret project. The contract Heidemann and Walde concluded with STERN's publishing house management was exceptional: it not only guaranteed the journalists a share of the profits in the event of publication and sales of rights abroad. Additionally, the contract secured them the exclusive right to evaluate the documents and also exempted reporter Heidemann from the obligation to disclose his source. Thus, all editorial control mechanisms were eliminated as the management also firmly

² The third editor-in-chief was Rolf Gillhausen who was only responsible for the magazine's layout and was not involved in publishing of the diaries.

believed in the big scoop. For almost three years, Heidemann and Kujau received more than 9.3 million Deutsche Mark (former German currency, which equals €4.7 million) to secure the exclusive rights to 62 diaries in total.

Before addressing the further development, background information will be provided on the STERN reporter Heidemann and the artist Kujau.

Gerd Heidemann

Gerd Heidemann, born in 1931 in Hamburg, Germany, was one of the most successful STERN reporters. For three decades, Gerd Heidemann was the showcase reporter at STERN, who hunted down "every" story like a "bloodhound" and generated headlines for STERN. He documented war zones and later established a reputation as an investigative journalist. Henri Nannen, the founder of STERN, praised Heidemann's ability to track down stories. Even in an editorial, he once wrote about Heidemann: "What a prosecutor is for the judiciary, Heidemann is for STERN. He is a tracker, a preserver of evidence and a photographer all in one." On the other hand, Gerd Heidemann was considered by his colleagues to be a "bloodhound reporter" who had been obsessed with the Nazi era. Already since the 1970s, his research has increasingly focused on stories about escaped National Socialists, whereby a critical distance to the object of investigation became less and less apparent.

Konrad Kujau

Born in East Germany in 1938, Kujau grew up during the Second World War. Already during his school years, he was active as a painter and published, for example, caricatures in various newspapers, and increased his earnings with deceptively genuine imitated signatures of DDR politicians of the time. After dropping out of art school, he became an independent artist.

At the age of 19, he managed to get to West Germany (Federal Republic of Germany, BRD). In the 1970s, he began pretending his own paintings were those of dictator Adolf Hitler. Kujau even added authentication notes such as "I painted this picture in memory of comrades killed in the field" and poured tea over the paper to make it look old and authentic. For Kujau, forging Hitler paintings was a lucrative and rather unriskey business. His customers did not want to attract any attention through collecting Nazi memoirs, and the risk that they wanted to have the authenticity of the artworks checked by experts was therefore unlikely.

Driven by the success of his forgeries, Kujau went one step further and started writing his first Hitler diary in 1978. Kujau managed to sell his first forged "diary" to a collector of Nazi memorabilia. This made him well-known in the collector scene, through which he met Gerd Heidemann from STERN in 1980.

Further incidents

On **April 25, 1983**, Hamburg was the scene of great tumult. More than 200 journalists and 27 television teams from around the world gathered at Gruner + Jahr's publishing house, where STERN held a press conference and announced that they had obtained private diaries of Adolf Hitler through a confidential source.

Gerd Heidemann, the STERN reporter who had uncovered the diaries containing the alleged thoughts of Hitler, had himself proudly photographed on the press conference with his fabulous discovery, his hand raised in the "Victory" sign. But already on that day, serious doubts were raised as renowned experts questioned the authenticity of the documents from the very beginning.

On **April 28, 1983**, excerpts from the diaries were published as a series. "Hitler's diaries discovered" was the headline of this STERN edition which is illustrated in **Exhibit 2**. In the issue, the editor-in-chief Peter Koch, announced that the history of the Nazi Germany would now have to be rewritten to a large extent.

On **April 30, 1983**, editor-in-chief Peter Koch again went on the offensive in a panel discussion program on a major German television channel and defended the authenticity of the diaries that STERN had published.

Since the publication, the world was hugely intrigued by the sensational discovery, but also doubts concerning the authenticity of the diaries became increasingly louder. The editor of the German rival journal "Der Spiegel" questioned the authenticity of the published diaries and on **May 2, 1983** he highlighted his doubts by publishing the headline "Hitler Tagebücher: Ha ha, daß ich nicht lache" (Hitler diaries: Ha ha, don't make me laugh).

The fame of Heidemann and STERN magazine only lasted a short time before the sensation turned into the biggest press scandal in German history.

The sceptical head of the department of the Federal Archives was present at the press conference in Hamburg where he succeeded in convincing the responsible managers of the STERN magazine to temporarily lend three volumes of the diaries for an authenticity check. The material samples were then handed over to the Federal Institute for Materials Testing in Berlin, where the volumes were presented to the Federal Criminal Police Office for forensic testing. The result of the inspections was clear.

On **May 6, 1983**, the diaries were officially declared as fakes by the German Federal Criminal Police Office. They had revealed that the diaries were undoubtedly forgeries, as certain substances were found in the books which made it clear that the diaries had only been written after the war. It turned out that Kujau had copied

numerous pages from published Hitler speeches and textbooks and had simply added trivial annotations. At this point, STERN had already sold the exclusive serialization rights to other European news organizations which also published the fake diaries.

Timeline

To summarize the incident, **Exhibit 3** gives an overview of the main occasions of the scandal caused by STERN.

Other European news organizations involved

With the publication of the Hitler diaries, STERN wanted to deliver the biggest media sensation of the century and thus catapult itself into the highest heights of respected journalism. To ensure a broad readership, compensate the investments made and to maximize its return, STERN sold exclusive serialization rights to other European magazines and newspapers, such as *Paris Match* (France), *The Sunday Times* (United Kingdom), *Panorama* (Italy), *Geïllustreerde Pers* (Netherlands), *Grupo Zeta* (Spain), *Norshe Presse* (Norway).

In order to give an insight "behind the scenes" into how the European magazines dealt internally with the emerging doubts about the authenticity of the acquired diary excerpts before their exposure on May 6, two examples will be provided (*Paris Match* and *The Sunday Times*).

Paris Match

Paris Match is a French weekly news and image magazine, born in 1949 and known for its motto: "Le poids des mots, le choc des photos" (the weight of the words, the shock of the photos). In 2008, however, the weekly magazine adopted a new motto, "La vie est une histoire vraie" (Life is a true story). The magazine belongs to the group Lagardère and offers delivery in more than 190 countries but only targets Francophones. The French magazine has built its fame around its relevant and attractive content combined with eye-catching illustrations and photos of current topics. For over 70 years its main mission has stayed the same: to "Transcribe the news from the human angle view", "Plunge the reader into the heart of the event, especially with photographic illustrations" and "To make the reader feel the intensity of the moment". As one of the European magazines that made a deal with STERN, *Paris Match* paid \$400,000 for the exclusive rights to publish the diaries in France.

Before STERN's announcement on April 25, 1983, *Paris Match* had already made its decision to publish the diaries the same days as STERN and the other news organizations involved. With the pressure building around the publication of the

diaries, Paris Match was caught in the process and could not go backwards. The French magazine announced that they intend to maintain their publication with convictions made based on the three international experts who were appointed by STERN to examine the authenticity of the diaries. As Patrick Mahé, editor-in-chief of Paris Match, proclaimed on April 25, after STERN's announcement, "they did not see the experts but obtained their conclusion which were given to them by Stern". For him and the French magazine, readers needed to buy the publication, read it and make their own opinion of it as the diaries were being doubted. Paris Match thus took the position of the creator of events and not the one of the commentator. The title "Its controversial, buy it, read it and make up your own mind" was born, and STERN's slogan to rewrite history of the 3rd Reich was taken by the magazine.

The Sunday Times

The Sunday Times is a British Sunday newspaper and the largest in the English quality press market category with a circulation of over 650,000 issues. It is published by Times Newspapers Ltd, which also publishes *The Sunday Times'* daily counterpart, *The Times*. However, the two newspapers were founded independently and have only been under joint ownership since 1966. *The Sunday Times*, which was born in 1822, has a history of innovation, from a female owner in 1887, to pioneering the publication of large illustrations and separate magazine sections, to the first colour magazine insert in 1962. The paper has acquired a reputation for being carefully written, well edited and dignified. Furthermore, it is well-known for its strength of investigative reporting as well as for its far-reaching foreign coverage. As another newspaper that fell for the fraud, *The Sunday Times* bought the serialization rights for the United Kingdom for £250,000.

On April 23, 1983, while the next day's edition of *The Sunday Times* was in preparation, Franck Giles, an Editor of the UK magazine, asked a famous historian to write a new article to respond to the growing criticism of the notebooks. However, the historian refused to do so. Giles immediately called Rupert Murdoch, CEO of *The Sunday Times*, to inform him about the historian's turnaround, and to ask if he needed to change the content of the diary. But Rupert Murdoch, had its word to say: "Fuck him. Publish it". Despite the doubts, *The Sunday Times* published "The secrets of Hitler's war" on April 24, tracing back the story behind the discovery of the diaries by STERN in Germany. Although the paper sold well, the diaries' unmarking was already in progress. On May 1 the UK magazine published "Fact or fake - the balance of evidence". In it, various arguments were made for why the diaries could or could not be fake, with various detailed little stories and expert opinions serving as evidence for each side of the argument. In that edition, *The Sunday Times* played it safe and remained more natural than taking the side of the non-fake narrative while acknowledging the existence of the doubts.

By acquiring the publishing rights, all of the involved magazines were directly affected by the scandal because they themselves fell for the fraud and thus put their authenticity at risk.

Fake News and “Lügenpresse”

In recent years the term “Lügenpresse” (lying press) or fake news has been generalized, especially due to former U.S. President Donald Trump. However, the phenomenon of fake news is nothing new. It has existed for a very long time. The term “lying press” has been around in various contexts since the 19th century, but first appeared in the press landscape through STERN’s hoax with the Hitler diaries. Due to the fact that not only STERN, but also other magazines throughout Europe acquired the rights to the diaries and published them, the magnitude of the fake news was tremendous.

Global Media Attention

The news of STERN being in possession of Hitler's private diaries spread like wildfire around the world. The story quickly became the biggest media sensation, as it hit exactly the secret desire of the audience of that time. However, the global media coverage was not only positive. It rather tended to take the form of criticism and ridicule, and questioned the seriousness of the German paper. STERN therefore quickly found itself under great pressure, especially when excerpts from the diaries got published, its story began to crumble. As soon as the diaries were exposed as forgeries, STERN was the subject of a negative debate worldwide that called into question not only its trustworthiness, but that of the entire European press industry. **Exhibit 4** shows a collection of the world press’ reactions to the scandal.

Today is May 6, 1983. It is now 13:28 at STERN’s headquarter in Hamburg, Germany. The Executive Team has just been informed that the West German Federal Archives announced that the Hitler diaries are fake. Assume you are in the role of a respective member of the Executive Board. How would you answer the following questions:

*How should STERN manage its reputational crisis internally and externally?
What are the short- and long-term consequences for STERN?*

Would your way of managing the reputational crisis change if you were one of the European media organizations which bought the exclusive rights to publish the diaries? How different would it be to STERN’s approach?

Exhibit 1 Overview Media Brand STERN

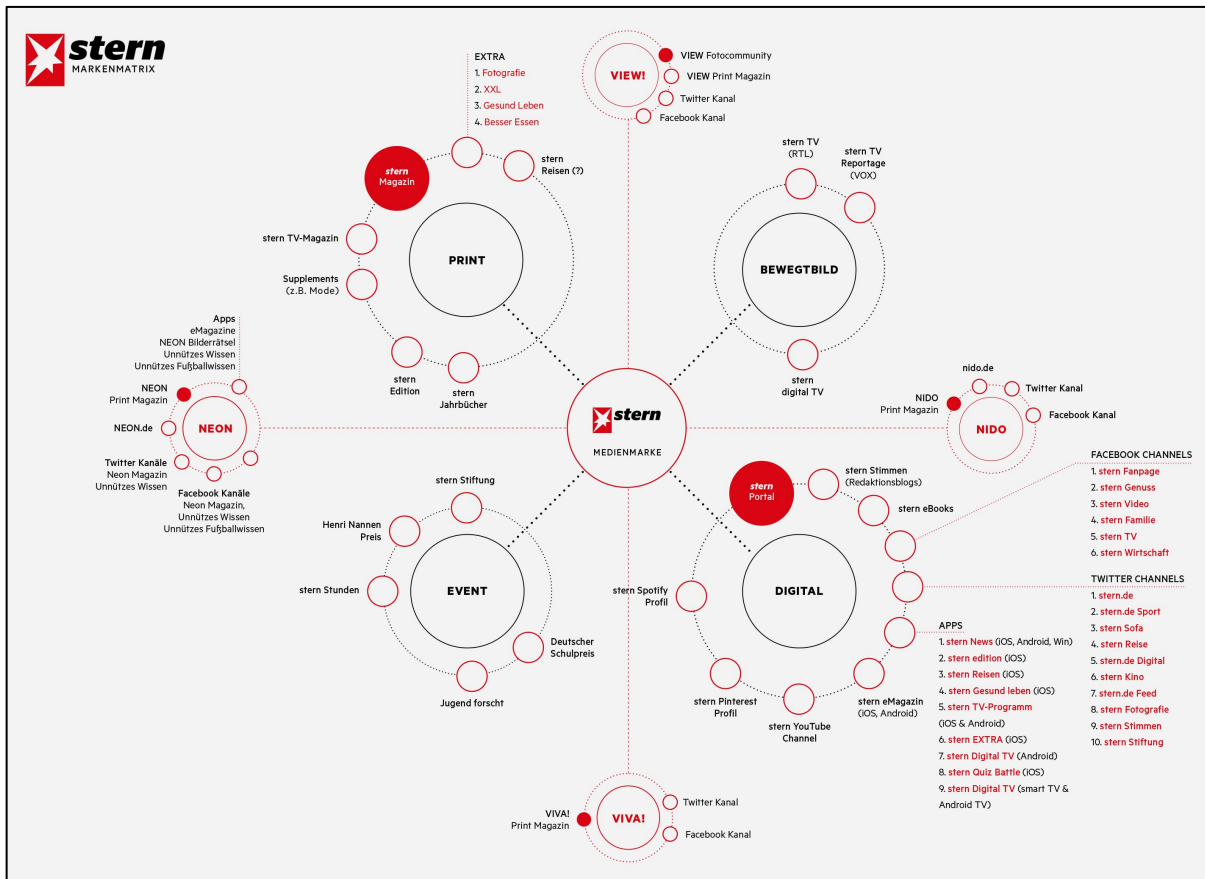


Exhibit 2 STERN'S Print announcement of 'Hitler diaries discovered'



Exhibit 3 Timeline about the incident

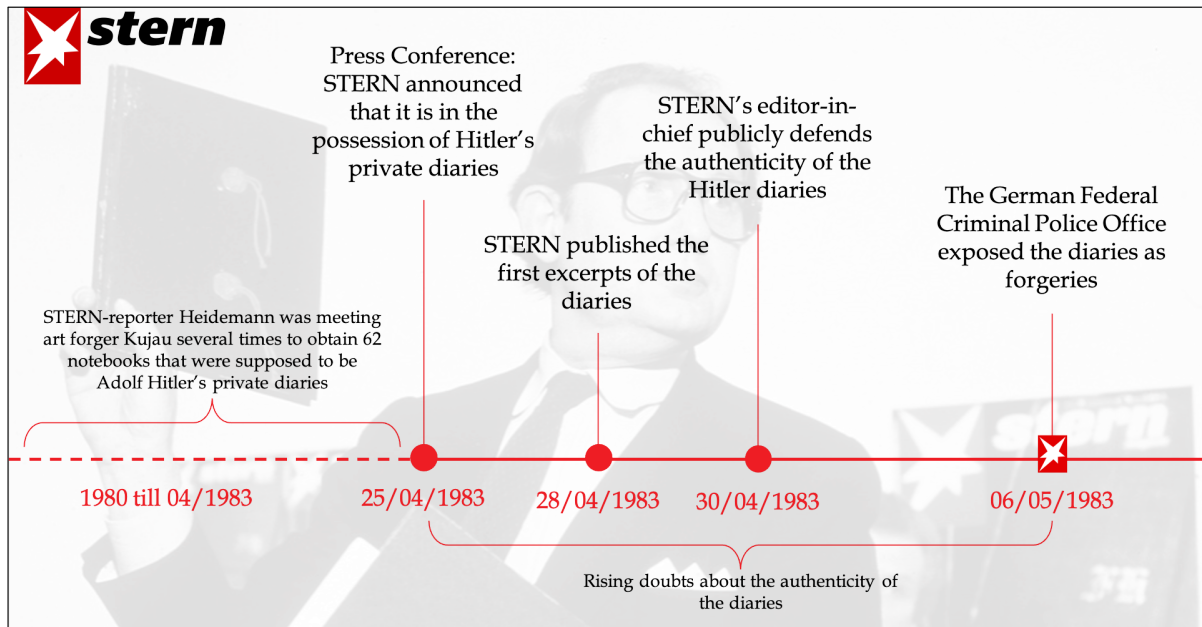


Exhibit 4 Collected Reaction of the World Press to the press scandal

