When Stakeholders Feel Betrayed: The Case of VegNews’ Misrepresentation of Food Photographs

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This paper presents a case for use in Business Ethics, Management, or Marketing classes that puts students in the position of decision makers at VegNews Magazine after stakeholders learned that the magazine had misrepresented photographs published in the periodical. Founded in 2000, VegNews Magazine, self-described as the “premier vegan lifestyle magazine,” was well positioned to expand their dominance among vegan and vegetarian consumers. However, the magazine faced a crisis in April 2011 when vegan blogger, quarrygirl, posted an expose entitled, “RANT: VegNews is putting the meat in vegan issues,” which showed a number of vegan food spreads that had appeared in the magazine and paired them with screenshots of real meat dishes from a stock photography service. When the deception was revealed, many readers of VegNews reacted with vitriolic rage. Considering this case, students are asked to identify the options available to the VegNews Magazine decision makers as they attempt to repair their relationships with stakeholders who felt betrayed by the misrepresented photographs and the initial reaction from the magazine. This paper outlines the case study of the VegNews photo controversy and discusses how it can be used to demonstrate stakeholder management issues, crisis communication, and decision-making. It also provides strategies for analyzing the case through the ethical frameworks of universalism and utilitarianism. Finally, the paper will illustrate ways that the VegNews case can help students understand how to recover when stakeholders feel betrayed by a trusted organization.

Author’s Note: All figures referenced in the text are available online at http://faculty.ithaca.edu/aellis/gallery/6381/.
VegNews Magazine, self-described as the “premier vegan lifestyle magazine,” caters to ethical vegans who do not eat meat, eggs, dairy, or any other animal products in their diet. Most vegans also avoid consuming animal products in any form and eschew wool, leather, silk or any goods produced using materials derived from animal ingredients. A 2011 poll found that 5% of Americans identify as vegetarian, while half of those considered themselves vegan (Stahler, 2011). Founded in 2000 to appeal to this lifestyle market, VegNews operated for four years as a newspaper-style periodical until switching to a full-color, glossy magazine format in 2004. The magazine has been named one of the “Best 50 Magazines” by the Chicago Tribune and “Best Lifestyle Magazine” in 2008, 2009, 2010 (VegNews, n.d.). As of 2011, VegNews boasted 210,000 annual subscribers. The magazine is printed on 100% Forest Stewardship Council certified, 75% post-consumer recycled paper, the most environmentally friendly paper available in the industry.

With the popularity of vegetarian and vegan diets increasing as people are concerned with health and food safety issues as well as the environmental impact of factory farming, VegNews was well positioned to expand their dominance among vegan and vegetarian consumers. In addition to being the most-frequently subscribed to lifestyle magazine among this market, any companies wanting to reach vegan or vegetarian consumers are willing to pay up to $6,000 an issue for a full-page advertisement in the periodical. While this may be a paltry sum for large multinational companies, to the small niche businesses catering to the vegan market, this represents a large proportion of their advertising budget.

The Magazine Publishing Industry

Although the sale of subscriptions and individual issues remain critically important to magazines and help determine the advertising rates, magazines’ profit lies in their ability to capture advertising revenue. With the recent economic recession, many magazines have seen a decline in revenue from advertising sources (“Five-year ad-revenue summary: Monthly magazines,” 2012). Advertisers are also shifting their buys to online
social networking sites (Hof, 2011). As a result, MagnaGlobal forecasts that advertising revenue will decline by 13% and the national media market share will decrease to 17% between 2011 and 2016 (Flamm, 2011). At the same time, 68% of respondents to a readers’ survey felt very optimistic or moderately optimistic about the industry (“Special report: Publishers’ outlook 2011,” 2011). The survey also pointed to opportunities in niche markets, like the one served by VegNews Magazine. The increase in new magazine launches in 2011, 239, up 23.8% from 2010, supports the respondents’ optimism (Opidee, 2011).

**VegNews Competitors**

Few magazines directly compete with VegNews. Although VegNews has some competition from Vegetarian Times, VegNews is the only vegan lifestyle magazine. Founded in 1973 by Paul Orbis, Vegetarian Times was published irregularly until 1977, when the fledgling magazine was acquired by Associated Business Publications (Henderson, 1987). Since 2003, Active Interest Media has published the periodical, along with Yoga Journal, Better Nutrition, Backpacker, and other niche magazines. Vegetarian Times includes non-vegan recipes focuses primarily on cooking and entertaining related to a healthy lifestyle. They appeal not just to vegetarians, but to “flexitarians,” or those who occasionally eat vegetarian meals. Since 2010, Vegetarian Times has experienced success, with a 15% increase in ad pages and a 10% increase in its base rate attributed to increased subscription and newsstand sales (Mickey, 2011). Year-end subscription numbers in 2011 exceeded 300,000 (Audit Bureau of Circulations, 2011). The magazine is published monthly with a cover price of $4.95. While a formidable competitor, Vegetarian Times often alienates the vegan market with recipes that call for milk, butter, and eggs and for the lack of feature articles related to activism.

Chickpea Vegan Quarterly, originally an online magazine, started publishing print issues each quarter in Fall 2011. They eschew advertising, creating interesting and innovative design possibilities, but the cover price is currently over $20.00. The Vegetarian Journal, published
quarterly by the Vegetarian Resource Group with a cover price of $3.50, focuses on presenting scientific findings related to vegan nutrition as well as recipes. The magazine has a few color spreads, but most of the pages are black and white.

*VegNews*, with a cover price of $5.99, is published six times a year and includes more hard-hitting, activist-themed features than *Vegetarian Times* and is more affordable than the new *Chickpea Vegan Quarterly*. Its four-color glossy design is more appealing to casual readers than the scientific findings presented in black and white by *The Vegetarian Journal*. *VegNews* publishes a popular annual vegan wedding issue, travel guides, and articles on health issues and environmental topics, as well as regular columns and recipes. The trends that support magazine publishing in general and vegetarian-focused periodicals in particular bode well for *VegNews*.

**VegNews Stakeholder Crisis**

However, the magazine faced a crisis in April 2011 when vegan blogger quarrygirl posted an expose entitled, “RANT: *VegNews* is putting the meat in vegan issues.” The popular vegan blogger showed a number of food spreads that had appeared in the magazine and paired them with screenshots from a stock photography service. For example, a *VegNews* spread included a recipe for vegan ribs along with a photo. Most readers assumed the photograph represented the ribs made from the recipe, but quarrygirl showed that the original photograph depicted pork ribs. In the *VegNews* issue, the bones from the original photograph had been digitally removed. The blog revealed several similar incidents, from meat hot dogs standing in for vegan hot dogs and beef hamburgers representing “magical meatball burgers” made from soy. Figure 1 contrasts a photograph represented as a vegan stew with the original iStockphoto of a chicken-based stew.

When the deception was revealed, readers of *VegNews* reacted with myriad reactions, some empathetic to the financial constraints that led to the publication of meat photographs, some with vitriolic rage. Many took
to the Internet. Over 700 comments were made on the quarrygirl blog post, one of them from John (16 April 2011), who responded, “[VegNews’] greediness and deception for a few measly bucks has undermined their creditability as well as others who work so hard in the field and in their personal lives to promote a vegan lifestyle. VeganNews [sic] has shown and continues to show a severe lapse in editorial judgment and ethics.”

When a member of the Post Punk Kitchen forums, a vegan cooking and baking community, asked if others had seen the accusations against VegNews, 751 posts followed. One participant wrote, “I think it’s reasonable to expect ethical practices from a magazine based largely on ethics” while another said, “they [VegNews] really have to do something about this.” Readers threatened to boycott the magazine, and at least one advisory board member, author and blogger Eric Marcus, resigned in the wake of the controversy. Linda Holmes of National Public Radio points out, “It certainly can read like an implication that if you used vegan food, it wouldn’t look good enough, so that’s why you’re using that juicy beef burger. It can seem like you’re disrespecting vegan food in a magazine for vegans,” (Holmes, 2011). VegNews merchandise proclaiming “You Are What You Read,” underscored the hypocrisy (see Figure 2). Many readers felt the misrepresentation undermined their trust in the magazine and in the editorial and management staff making decisions within the organization. At the same time, other groups defended VegNews, arguing that the misrepresented photographs were simply illustrations used when vegan photographs were unavailable or too costly to purchase. They felt the message disseminated by VegNews was more important than taking them to task over the misrepresented photographs.

Shortly after the quarrygirl blog published their expose, VegNews released what was perceived by stakeholders as an unapologetic letter to defend their position (see Figure 3). The letter acknowledged and explained using photographs of meat, but did not apologize for the behavior, nor did they promise to make different decisions in the future. Instead, they implied that when stock photographs of vegan food were unavailable, they would continue to use photographs of meat dishes. Those already aggrieved by the revelation were now outraged that
Vegetarian News did not take a stronger position on the issue. That the letter was signed by the “Editorial Team” rather than Joseph Connelly, Publisher and Editor in Chief of the magazine, further rankled many who believed the letter should have been written and endorsed by the top manager.

In the wake of the revelation and subsequent uproar from stakeholders, national media picked up the story. The New York Times, National Public Radio, and CNN all featured stories about the scandal. Joseph Connelly himself was interviewed by NPR’s Michele Norris, host of “All Things Considered.” Connelly expressed disbelief that the story had spread so widely and revealed that when he first heard of quarry-girl’s post, he thought it wasn’t serious and could even be a late April Fool’s joke (Norris, 2011).

CASE DISCUSSION

The Vegetarian News management team and staff was clearly unaware of the scandal represented by using photographs of meat dishes in a vegan publication, and when the scandal grew, they thought an explanation of their behavior in light of their financial constraints would appease offended stakeholders. Instead, this approach heightened the distress many experienced since it felt insincere and, to some, condescending. Fundamentally, the involved stakeholders felt betrayed by Vegetarian News, and that the response from the magazine did not adequately address their concerns or recognize their viewpoint. Vegetarian News’ staff was surprised by the furor over the misrepresented photographs, thinking their stakeholders would understand the business necessity of royalty-free images. This case presents a number of questions, summarized in Table 1, that can help students better understand stakeholder management, decision making models, and ethical frameworks. In addition, students can wrestle with alternatives an organization can employ to regain trust when stakeholders feel betrayed.

Undoubtedly, some students will find it difficult to understand why the readers of the magazine became outraged over what they may perceive as an insignificant or trifling issue. Business students, in particular,
**TABLE 1.** Summary of Discussion Questions.

1. Who are the stakeholders of *VegNews*? What are their interests and how much power, urgency, and legitimacy does each possess?

2. What is your analysis of the letter sent on April 14, 2011 by the VegNews editorial team? What are the strengths and weaknesses of the approach used?

3. What would you have done if you were Joseph Connelly, Publisher and Editor-in-Chief?

4. How did VegNews make decisions? What decision making theory best describes the decision making process at the organization?

5. Use the utilitarian and universalist ethical frameworks to analyze both the misrepresentation of the photographs and the response from *VegNews*. Do you think they were acting in an ethical manner?

6. What can *VegNews* do to regain the trust of betrayed stakeholders?

will likely be more naturally aligned with the *VegNews* staff that had to make decisions in the face of cost constraints. As a result, the case represents an opportunity to challenge students to empathize with a stakeholder group they may not completely understand. Using Mitchell and Agle’s typology (1997), students can explore the legitimacy, power, and urgency of the stakeholder groups involved (see Table 1). In a recent survey of the stakeholder management literature, Parmar and colleagues (2010) assert that value creation be added to stakeholder theory to determine both what value means to different stakeholder groups and how the firm creates value for them. This question can be posted to the students while they analyze stakeholder groups. In addition to the readers and employees of *VegNews*, competitors and advertisers as well as the vendors and non-profit organizations who receive support from *VegNews* can be affected by the controversy. Students should realize that the vegan community is not a monolithic group and that not all of the individuals who posted online criticisms of *VegNews* have the same relationship with the magazine. One way to make this discussion more interactive is to split students into small groups and assign each one of the stakeholder groups. Holding a mock town hall meeting allows the student groups to
interact while taking on the persona of individuals within their assigned group. Robert Ford’s interview with William C. Peep (2011) could be assigned to students as an illustration of one organization’s successful stakeholder management strategy.

Students can be asked what they would do if in the position of Joseph Connelly, Publisher and Editor-in-Chief. Some students may assert that the letter of April 14, 2011, was sufficient response to allay the concerns arising from the vegan community. Students should be asked to analyze the approach of the letter issued by VegNews and imagine reading it through the eyes of the various stakeholder groups. They could discuss the tone, timing, and content. Students should also be pressed to explore the options available to Connelly in light of their stakeholder analysis. Students might suggest more reader involvement through surveys and focus groups to understand the critical reader/subscriber stakeholders better. While this is a reasonable suggestion, it doesn’t necessarily repair the damage done through the sense of betrayal, so students should be asked: how can VegNews repair its reputation and earn back the trust of readers?

The issue of social media and the changing nature of corporate crisis communication can be integrated into this talking point. Both Kellogg’s and Toyota have recently experienced (Levick, 2011; Social Media, 2010). These companies learned that with stakeholders utilizing social

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**Table 2. Stakeholder Groups and Their Power, Urgency, and Legitimacy.**

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<tr>
<th>Stakeholder Group</th>
<th>Power</th>
<th>Urgency</th>
<th>Legitimacy</th>
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<tbody>
<tr>
<td>Subscribers</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Advertisers</td>
<td>High</td>
<td>High</td>
<td>High</td>
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<tr>
<td>Vendors</td>
<td>Moderate</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Newstands and Bookstores</td>
<td>High</td>
<td>Moderate</td>
<td>High</td>
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<tr>
<td>Employees</td>
<td>High</td>
<td>Moderate</td>
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<tr>
<td>Non-Profit Organizations</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
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<tr>
<td>Non-Subscribing Vegans</td>
<td>Moderate</td>
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media, traditional rules of crisis communication fall short. Even waiting 12 hours to respond can be too long and weaken the company among stakeholders. Students can work individually or in groups to craft a social media communication strategy for *VegNews* and then compare their strategies with the techniques for managing social media offered by Katy Howell (2011).

Students may also be asked to approach the case through the lens of decision-making theories. One of the most egregious examples of the misrepresentation of photos was a feature that included a recipe for vegan barbecue ribs. In the wake of quarrygirl’s post, another reader found the iStockphoto *VegNews* used to illustrate the piece. Not only did the original photo depict ribs made from a pig or cow, the original photo included bones that the *VegNews* staff photoshopped out. During his interview on “All Things Considered,” Michele Norris asked Connelly about this incident. Connelly replied, “That is the one instance that anything like that happened. It happened, I think, two years ago. The photo, it was an 11th-hour decision, when we couldn’t get a photo, and we made a mistake. We admitted it, we should not have photoshopped the ribs out.” Students might explore a better process for decision-making within the magazine and compare what actually happened to decision-making theories such as rational decision-making, bounded rationality, and the garbage can model of decision-making. *VegNews* staff may also be guilty of groupthink. Students can be asked to compare the situation leading to the misrepresentation of photos with the symptoms of groupthink (Janis, 1972). Belief in the group’s inherent morality may stand out as evidenced in the letter to readers stating that the magazine does whatever is in their power to make the world better. Self-censorship, mindguards, and illusions of unanimity may also have played a role in the decision to use photographs of meat to illustrate vegan recipes. Empirical studies have found that symptoms of groupthink can be exacerbated if group members strongly identify with each other (Hogg & Hains, 1998). While the *VegNews* jobs page does not indicate staffers must be vegetarian or vegan, it does provide the following blurb:
VegNews is always in search of top-notch talent to join our team. If you want to work for VegNews, we’d love to hear from you! Email your resumé and an introductory letter to jobs@vegnews.com and let us know why you think you’re a good fit for the company.

Being a good fit for the company may not necessitate that an applicant be vegan, but students can reflect on what this good fit might mean: would potential employees need to be vegan to be a good fit? Or would being vegan-friendly suffice? Students can then speculate on the extent to which high levels of identification with a vegan lifestyle might create a culture susceptible to groupthink symptoms. Glen Whyte (1989), however, suggests that most decisions attributed to groupthink could be reexamined as related to the effects of the decision’s framing. He notes: “decisions that lead to fiascoes are most naturally framed, whether appropriately or not, as a choice between two or more unattractive options” (Whyte, 1989: 43). Students can analyze how the VegNews decision to use doctored photographs was framed and discuss ways to avoid the framing bias both in terms of the case and in general. Whyte notes that many of the techniques to avoid groupthink are appropriate, but an additional strategy of framing a decision problem in multiple ways and to see decisions not in terms of gains or losses but as final assets. Students can be instructed to reframe the VegNews decision in ways that would challenge the decision-makers to come to a decision more satisfying to multiple stakeholders.

Another approach to the case is to discuss the actions of the VegNews staff through the frameworks of the utilitarian and universalist ethical philosophies. Briefly, the utilitarian framework, focused on the consequences of behavior, would say that action that produces the greatest utility for the most people represents the ethical choice. Students might consider the utility lost if the magazine goes out of business due to costs relating to photography versus the happiness lost if subscribers, readers, and potentially, advertisers end their relationships with the magazine. Some students may point out the cost to animals represented
in the photographs of meat dishes. The universalist framework, more concerned with the behavior itself, would require an ethical choice to be one that does not treat individuals as ends to a mean and that would be transferrable to other individuals. Students may find the behavior of the *VegNews* staff to violate universalist principles since the misrepresentation of photographs could be seen as tantamount to lying, a violation of a universalist principle.

Once a class has discussed these issues, it is a good time to share the case update with them.

**Case Update**

Less than a week after *VegNews* released their initial response to the controversy, they published a second letter, signed by four of the top managers, including Joseph Connelly, apologizing for both including misrepresented photographs (see Figure 4). They acknowledged that they had erred and damaged trust among stakeholders, but were committed to restoring their reputation. They promised not again to use photographs of meat dishes in the magazine. Going further, they announced they would sponsor a vegan stock photography service. Another group of individuals established the site “Vegan Stock Photo” to promote photographs of vegan food and other images created by vegan photographers. Erick Marcus followed through with his resignation from the Advisory Board of the magazine. Rancor over the controversy has diminished, and *VegNews* survived the scandal over the misrepresented photographs, though not without missteps and damaged stakeholder relationships.


Social Media and CRM: Kellogg’s monitors conversations in crisis. (2010). *New Media Age, 21.*


