

Trapped

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The woman brought a Sports Utility Vehicle (SUV) to a garage for service. The garage was part of a nationwide franchise and the SUV had 147,300 miles on the odometer. The service representative consulted a computer with OEM specifications then told the woman what needed to be done. She questioned whether she actually needed all of the expensive services for the SUV. The service representative assured her she did. She pressed him. Was he sure? He said he was. Days later, during a 10 pm local TV newscast, the service representative looked like he was cheating the investigative reporter by recommending services she didn't need, especially since a certified mechanic had previously examined her SUV. The service representative was trapped and the company too. The service representative had neglected to ask whether her vehicle had been maintained recently. Moreover, hidden cameras in the SUV showed that the franchised garage didn't perform one procedure correctly. Of course, the reporter called the company for a statement before the exposé aired, but what could the company say? Any defense would be rebutted by the reporter's videotape. The company's reputation took a hit and the exposé ended up on YouTube.com where it was viewed thousands of times.

Exposés are becoming frequent with the advent of tiny video cameras. It is possible to record nearly anywhere without subjects knowing they are on tape. This means any organization that serves the public from government offices to retailers to doctors and hospitals can find themselves on air and painted in an unflattering light. An organization is at risk of exposure, if not by an investigative reporter, then by unhappy consumers secretly filming with mobile phone cameras and writing in blogs and on web pages. With millions of web pages, blogs, bulletin boards and image display sites, consumers have plenty of ways to out organizations – and they do.

The threat of exposure is a never-ending challenge, but there are operational and PR methods to mitigate it. One cannot stop exposés because no organization runs perfectly, and some failure is a cost of doing business. A company, however, that gets service right most of the time produces dividends in revenues, customer loyalty and reputation.

In our experience, an exposé combines fault and entrapment. There is fault when employees fail to do what they have been trained to do. There is entrapment when a reporter or consumer presses an employee for an answer that leads to misleading speculation. An exposé tars not only the brand but, in the case of franchise systems, honest operators.

Limiting exposure starts with operations. Public relations is what you do and not what you say. Operations can go right or wrong at the root with processes and understandings built into their systems. Particularly with franchised operations, the basic contract can make a difference between excellence and mediocrity. With a company like McDonald's, consumers expect consistent food quality the world over. With other franchise operations, faulty contracts make it difficult to discipline franchisees when they perform service badly. In operations that are not franchised, fundamental policies and procedures may have been inadequate from the outset, or may have become dated. Changing contracts, policies and procedures requires extensive work and expensive retraining. Hence, as long as there isn't a compelling economic reason to do so, managers often choose to leave everything as is and customer experience varies from excellent to awful. Combine variable service with high turnover in personnel, a common condition in retail, for example, and an organization never catches up. Service never reaches a desired level. There is always a risk that someone will expose failings, and without improvement, exposures can continue and erode the reputation of the organization and morale of employees.

Well-run organizations develop and implement customer-focused policies and procedures with continuous, realistic training to ensure that what customers receive is the same time after time. They test themselves with undercover shoppers or service users. Their managers regularly visit and assess operations for prompt, quality service. They place cameras in customer service locations to keep an eye on employee-consumer interaction. Their bonus systems spur sales without pressuring employees into excessive selling or boost speed without sacrificing quality. They understand that customer service is for the long term and not a one-time transaction.

But, even with a focus on operations, a company can get caught. A disgruntled insider may "spill the beans." An ex-employee may make allegations. A company policy may be vitiated because an outsider doesn't see a need for it and campaigns against it.

Surviving an exposé

A first rule for surviving an expose is to stay objective, even when those who accuse the organization are not. This means controlling spontaneous reactions to get even, to talk to a reporter's editor, to have counsel write a stern letter. Investigative reporters are careful about what they do. They dig for proof before going public with allegations. A TV reporter will have behavior on tape. A print reporter will have incriminating documents. Both will have sources to back them. A company may not agree with what a reporter has found, but it also may not have an ability to deny the story, especially if there is an inside informant. So too, when customers relate

unhappy experiences in blogs, on bulletin boards or in web pages, it is difficult to rebut contentions without an impartial witness. With online photo and video sites, customers can also post their visual evidence easily for millions to see. Denying what has happened is frequently not credible, especially when it looks like a large corporation is out to crush the “little guy.”

The key to slowing or stopping an exposé is facts. Sticking with facts removes animosity and builds credibility. It means, however, that if a reporter or customer has the weight of evidence, the company accepts responsibility at once. Unfortunately, gathering facts to rebut contentions is hard to do on deadline and unsuccessful when a reporter or consumer has documents or videotape against a company’s unsupported statements. Still, every response to an expose should start with an examination of facts as far as possible – what is known and what is not known. It is only then that one can decide whether to fight allegations or take responsibility for what occurred and promise to do better. If it becomes clear that charges are flawed, the company should demonstrate impartially in writing and with documentation where the reporter or consumer has gone wrong. When a consumer reporter claimed a company performed the wrong service on a machine, the company went to the manufacturer and to service manuals to prove the reporter’s contention was wrong. The company provided the reporter copies of original documents supporting its position. As a result, the story never aired. It is important to defend oneself without and explain the situation without animosity. Angering a reporter or consumer makes an enemy for the future. Most organizations have enough critics: They don’t need more.

Answer questions in writing. A written statement is better than responding under pressure when it is too easy to make a mistake. One can assemble written facts on deadline in a clear, concise and cogent manner to rebut allegations. One can vet a written statement with legal counsel to make sure the organization isn’t jeopardizing itself. One can enunciate principles of customer service in writing without fear of being cut off. A written record of dealings is essential in case there is court action. Also, by getting a reporter to submit questions, it is possible to learn some of what the reporter has in terms of facts and the direction of a story. Good investigative reporters won’t tell everything they have but they will try to entice an organization into commenting by feeding bits and pieces to it. Bits and pieces can limn the story and provide clues to how to defend oneself.

Resist the temptation to “spin” a situation to one’s favor. It usually doesn’t work and consumer bias tends to be against organizations anyway. Nor should a company attempt to crush a complainant by going above the person or suing or other forceful action. Investigative reporters, particularly, have their copy checked by counsel before it airs. Consumers, on the other hand,

become word-of-mouth enemies who are motivated to keep others from dealing with the organization.

If the company is in the wrong, it always best to say so clearly, concisely and promptly and to do whatever needs to be done to fix the problem and rebuild reputation. This requires commitment. There is nothing worse than saying one is fixing a problem only to find later it wasn't corrected. Some service organizations suffer repeatedly from exposés and never seem get service on track. One can conclude they have deemed loss of reputation and brand damage as less expensive than continuing policies and procedures they have. This turns off consumers and in time impacts an organization's growth and/or effectiveness.

There are several steps to getting back on the right path after an exposé. Among them are:

- Survey to determine the impact of stories on consumers. The stories might not have hurt that much, which is good and bad. It is good in that it gives time for an organization to improve. It is bad in that an organization may not see a need to improve operations, if it doesn't suffer economic consequences.
- Monitor: Track stories to see if they spawn other stories or blog or web chatter and if they become viral. A negative story can live for months online being handed from on person to another. That is months of reputational damage an organization will need to repair.
- Review policies and procedures: Ask and answer the cause of failure. It isn't always employees run amok. Frequently, it is employees' response to out-of-control conditions. The key is changing the conditions and not firing the employees (although some behaviors may require it.)
- Train: Training should be never-ending but some training bears repeating because lapses are frequent. It is not unlike a mother who tells junior to pick up his clothes 200 times until junior gains the self-discipline to do it without being told. Organizations cannot let up because they have said something once, twice or even a dozen times.
- Avoid: It should be a company rule to forbid employees to go on camera or to comment about company activities in blogs or on bulletin boards and web pages without permission. If one allows employees to speak about work or organizational policies, it should be with the understanding that they may jeopardize themselves if they go too far.

Warn employees about reporters who show up at places of business with cameras rolling. It is a standard practice for investigative TV reporters to return to stores after undercover visits and to ask embarrassing questions. “Gotcha” journalism is entertaining for viewers and humiliating for trapped individuals and organizations. Instruct employees to call a supervisor immediately.

- **Reward and discipline:** It is as effective to reward one caught doing good as it is to punish an employee doing wrong. Too often control systems are one-sided. Managers hunt for errors but fail to cite positive contributions. Provide frequent employee feedback that supports positive outcomes and discourages negative ones. These might be in the form of “hero-service” stories where employees have gone above and beyond policy and procedure to serve customers. Some retailers like the department store, Nordstrom, have a legacy of extraordinary customer service stories that both customers and employees know. The stories set expectations for what a consumer’s experience should be.
- **Educate:** Inform consumers what they should expect each and every time they use a service and request their help in seeing that it is done for them. This might be in the form of a pledge posted prominently where customers can see it, pamphlets and web site presentations that detail what service should be and advertising and video presentations that describe the ideal service interaction. An educated consumer is a brake on the behavior of employees tempted to take shortcuts. The greater the transparency in the process, the harder it is for the process to go out of control.
- **Communicate:** Organizations should provide multiple ways for consumers to tell them when something has gone wrong and media should be visible in several places where service is performed. For example, an 800- service number and web site URL are displayed prominently on walls. Pamphlets with the customer service information are provided in waiting areas. Web pages prominently display the information and provide a way for consumers to contact customer service through e-mail, internet messaging or internet phone. Managers should have store days in which they visit with customers to hear what they have to say. (In the case of McDonald’s, managers work in the store once a year on Founder’s Day.) Consumers should have a clear understanding that the organization listens. The dividends from achieving this are high. Consumers come to the organization first to have problems addressed rather than go to a reporter, web page or blog.

- Watch: In an age of video monitoring, consumers and employees are no longer put off by the presence of cameras. Cameras have a dual role. They protect consumers from employees and employees from behavior of consumers. Although most think of cameras as security devices, they are much more than that. They reveal day-to-day behavior and surface opportunities and problems that even attentive managers did not know they had.
- Co-opt: After an exposé has hit home, it is wise behavior to approach the complainant once problems have been fixed in order to show what has been done. It is also smart to thank the person for helping to improve service. Even bitterly critical opponents can be partially disarmed when they know they have had influence on events.

No matter how hard an organization works at customer service, there will be occasional failure. In an era of the internet and investigative journalism, the risk that failure will be communicated to the public is high. Repeated failures and exposés cumulate to damage brand reputation among consumers and employees. Concerned companies will work to prevent that from happening by public relations through action.

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