

Avoid lawyers and be human...



19 Nov 2014

There is a lesson here for Cell C (and other companies, for that matter) in the Cell C banner debacle...

When you are facing a reputational crisis the worst reaction is be defensive; run to the lawyers and advertise. It costs inordinate amounts of money with no return, and may cost you your reputation - which is priceless. The simple rule in this situation is: be human and be nice.

The recent Cell C debacle is a case in point. Businessman George Prokas put up a banner on the outside wall of the WorldWear Mall facing a busy Beyers Naude saying: "Cell C - The most useless service provider in SA." Prokas had been struggling for months to settle a dispute with Cell C over a R5,000 bill.

Cell C crawled into laager mode and went on the defensive. All we heard from the company was angry rhetoric and threats of 'letters of demand.' Management was aggressive and bolted to the lawyers looking for a quick fix; not a good move.

They threatened legal action on the basis that the billboard is defamatory, makes unauthorised use of their trademark and appears to have been put up in contravention of by-laws. The application was brought on an urgent basis.

On the subject of defamation three things are required for the plaintiff to be successful. The alleged damaging act has to be:

- Untrue
- · Not in the public interest
- · Cause monetary damage

Tick for Cell C maybe on the last point but not on the first two. The urgent application was thrown out of court on 13 November by Judge Weiner and to rub salt in the wound ordered Cell C to pay the legal costs for Prokas. Even the judge commented; "I wonder who is wishing they had written off the R5,000." Cell C is of the view that on the face of it, the judgment contains fundamental errors.

A quick look at the sound bites and headlines from both sides:

- Cell C loses case, slam banner stays up
- Useless Cell C
- · Angry customer

- Anti-Cell C banner creator "the hell in"
- · Cell C just pissed off the wrong people
- · Bad service Cell C banner defaced
- Prokas insists he is a consumer advocate
- · Prokas has the right to be heard

It doesn't take a genius to note who is losing the battle.

The true cost of a debacle like this...

And what about the costs? The billboard cost the consumer R61,200 and he lost R5,000 on the incorrect cell phone charges. Cell C has to pay his lawyers as well as their own which no doubt will come to substantially more. More importantly, they have lost reputation capital. Reputation is the most valuable asset on any company's balance sheet - it is a currency more valuable than your credit history.

In the digital world, every comment we make leaves a reputation trail and this translates into how well your company can be trusted. The breadth and volume of reputation data is staggering and if you are not trusted you lose customers and plenty of money.

What should Cell C have done?

- Contact the consumer and have a fireside chat. Thrash it out and compromise.
- Investigate the allegations and be public about the fact that you are doing it.
- Do it guickly and if there is a smidgen of wrongdoing on your part fix it and let that be known.
- Do the maths settle with the customer if you can do it nicely.
- Run a concurrent PR campaign where you explain how to ensure that this will not happen again.
- Convey a positive message that Cell C cares for its customers and their needs are paramount.

Reputations are volatile and loyalties are fickle and no company can afford to leave a negative trail. Companies have also lost the ability to be human and compassionate but it works and ultimately our reputation remains intact.

ABOUT GRACE BELGER

Grace Belger runs the Meropa media training division and has conducted media training and crisis communication workshops for over 100 clients who have ranged from multinationals, listed entities, government entities, a rock band and a Kgosi.

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