

5 steps to crafting an apology that builds customer loyalty

By Joy Herbers

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If you make a mistake, and the media, the social influencers, and your customers respond with outrage, there's one thing you can do to slow or stop the cancel culture train: apologize.

And there's one thing you can do to speed it up: apologize badly.

Josh Bernoff, <u>author of Writing Without Bullshit</u>, says that when companies craft apologies, they should do five things:

- 1. Be as brief as possible
- 2. Clearly explain what happened
- 3. Acknowledge who was hurt
- 4. Express regret
- 5. Say what they're going to do next

Remorseful apologies strengthen the relationship companies have with their customers. They build trust and acknowledge our shared—and flawed—humanity. Customers who trust you are customers who are loyal to you.

How did Texas mess up its mea culpa?

As Texas recovered from the winter storm that nearly broke the Electric Reliability Council of Texas (ERCOT) grid, accountability was scarce.

The closest ERCOT got to an apology was a tweet on February 17, 2021, when hundreds of thousands of Texans were freezing in the dark (**figure 1**).

Figure 1: ERCOT's midcrisis tweet

In less than 280 characters, ERCOT misses the mark by offering questionable comradery and confusing tech terms.

We know this is hard. We continue to work as quickly and safely as possible to restore power. We gained some MWs overnight but are back to 14,000 MW of load shed; lost east DC-tie imports due to Midwest power emergency. We hope to reduce outages over the course of the day.

— ERCOT (@ERCOT_ISO) February 17, 2021

If the Lone Star State were looking to its politicians for explanations, reassurance, and contrition, it was woefully disappointed. Texas senator Ted Cruz took off to Cancun to escape the disaster. His apology for abandoning his state in the midst of a crisis started well enough with "it was obviously a mistake," then went a little sideways with "in hindsight, I wouldn't have done it," then derailed with (paraphrased) "my kids were cold, they didn't have school, and I had the means to take them to Mexico." (**figure 2**).

Figure 2: Texas senator Ted Cruz apologizes for Cancun trip

When the power went out in Texas, Senator Cruz made the unwise decision to go to Mexico. Here, he admits his mistake.

What's the best way to say "I'm sorry"?

Jason Fried, founder and CEO of Basecamp project management software and co-author of <u>Rework</u>, says in his <u>How to Say You're Sorry</u> article that there's a golden rule for testing your apology: How would you feel if someone said it to you? He goes on to say:

Keep in mind that you can't apologize your way out of being an ass. Even the best apology won't rescue you if you haven't earned people's trust. Everything you do before things go wrong matters far more than the actual words you use to apologize. If you've built rapport with customers, they'll cut you some slack and trust you when you say you're sorry.

Let's look at a company that got its apology right, noting how well it meets our criteria.

At the 2017 Academy Awards ceremony, actress Faye Dunaway named "La La Land" as the year's Best Picture. Moments later, the honor was rescinded and bestowed on the true winner: "Moonlight." Watch the whole cringey thing unfold in **figure 3**.

Figure 3: The Oscar goes to ... the entirely wrong movie

The Best Picture mix-up at the 2017 Academy Awards stunned TV viewers around the world.

Quick to claim responsibility, PricewaterhouseCoopers (PwC) released this apology:

We sincerely apologize to 'Moonlight,' 'La La Land,' Warren Beatty, Faye Dunaway, and Oscar viewers for the error that was made during the award announcement for Best Picture. The presenters had mistakenly been given the wrong category envelope and when discovered, was immediately corrected. We are currently investigating how this could have happened, and deeply regret that this occurred.

We appreciate the grace with which the nominees, the Academy, ABC, and Jimmy Kimmel handled the situation.

Does the apology meet our five requirements?

- 1. Be as brief as possible. The accounting firm apologized in just 76 words.
- 2. Clearly explain what happened. PwC tells us exactly what happened: Presenters were given the wrong envelope.
- 3. Acknowledge who was hurt. The company names the people who were directly affected by the mistake: the producers and crews of "Moonlight" and "La La Land"; the presenters, Warren Beatty and Faye Dunaway; and the TV viewers who witnessed the major mix-up.
- 4. Express regret. The company states it plainly: "We ... deeply regret that this occurred."
- 5. Say what you're going to do next. PwC says it's investigating the incident further.

How well do utilities extend the olive branch?

We found a few examples of utility apologies. How do you think they fare? Give your opinion in the comments below.

PG&E CEO Bill Johnson apologizes for the 2018 Camp Fire. The deadly Camp Fire devastated the towns

of Paradise, Concow, and Magalia in Northern California's Butte County. Eighty-four people died. On June 16, 2020, <u>PG&E CEO Bill Johnson pleaded guilty</u> on behalf of the utility, saying:

I apologize personally for the pain that was caused here. We can't replace all that the fire destroyed but we do hope by pleading guilty, by accepting accountability, by compensating the victims, supporting rebuilding, and making significant and lasting changes to the way we operate, we can honor those who were lost and help this community move forward.

Duke Energy apologizes for the 2014 Ohio River oil spill. According to <u>Department of Justice press</u> release, diesel fuel spilled from a secondary fuel containment area at the utility's Beckjord facility in New Richmond, Ohio. A valve on the containment area had been improperly left open by Duke employees, causing the diesel fuel to flow into the Ohio River. The apology says:

We immediately apologized for the oil spill at our Beckjord facility in Ohio, took responsibility for the accident and responded quickly in coordination with dozens of state and federal agencies to ensure that people and the environment remained safe and well protected. We have used the accident as an opportunity to learn and improve. For example, over the past two years, we have worked hard to further strengthen our processes, training and emergency plans at our facilities.

SoCalGas apologizes for the Aliso Canyon gas leak. In 2015, the utility discovered that gas was escaping from a well within the canyon's underground storage facility, releasing methane and ethane into the atmosphere. Read SoCalGas's letter in **figure 4**.

Figure 4: SoCalGas's apology letter

Dennis Arriola, previous president and CEO of SoCalGas, apologizes for the utility's role in the Aliso Canyon natural gas leak.



December 23, 2015

A Letter to the Community Affected by the Aliso Canyon Natural Gas Leak

On behalf of all of us at SoCalGas®, I would like to thank each and every one of you for your understanding and patience during this time. I especially want to thank those families who have chosen to temporarily relocate for their continued cooperation. We sincerely apologize and assure you that we are working as quickly and safely as possible to stop the flow of natural gas from the leak. For those experiencing health symptoms due to the odorant, we are continuing to offer home solutions that will help to reduce the smell indoors. Our highest and most urgent priority is to stop the leak. We have hundreds of our employees, expert consultants and suppliers working around the clock to resolve this issue.

Stopping the flow of gas is a complicated effort that involves world class technical experts, state and local government officials and emergency responders. We are making good progress on drilling a relief well to stop the leak and are on schedule to complete it by late-February to late-March. The relief well will intercept the leaking well at more than 8,000 feet below ground and the operation is continuing around the clock, 24 hours, 7 days a week. As of December 19, we have drilled about 3,300 feet and are in our second of five phases of the drilling process. Once the relief well intercepts the leaking well, we will pump fluids and cement into the bottom of the well to stop the flow of gas and permanently seal it. Again, we are working as quickly and safely as possible to complete this operation.

To help improve your comfort and minimize health concerns, we are providing the following resources and support:

- For those local residents who wish to stay in their homes during this period, we are offering air purification
 and weatherization services to reduce and potentially eliminate the odor in your home. For more
 information please call 818-435-7707 or email us at alisocanyon@socalgas.com
- If air purification is not an option for you, we continue to provide temporary relocation services to residents
 who wish to do so. This includes those with special needs and pets. Please call 404-497-6808 and indicate
 that you are a SoCalGas customer calling about an Aliso Canyon claim. This call center is staffed 24 hours a
 day, 7 days a week.
- The SoCalGas Community Resource Center (CRC) is now open to assist Porter Ranch residents and answer
 questions relating to the Aliso Canyon incident. The CRC is located in the Porter Ranch Town Center at
 19731 Rinaldi Street. Hours of operation are 10:00 a.m. to 8:00 p.m Monday through Friday and 10:00 a.m. to
 6:00 p.m. on weekends. The CRC will be open on Christmas Eve and New Year's Eve from 10:00 a.m. to 4:00
 p.m. and closed on Christmas and New Year's Day.

In addition, we continue to conduct air sampling in multiple locations within the community. Regular updates of the air sampling can be found on **alisoupdates.com**. We will continue to keep everyone fully informed as events unfold. Please visit AlisoUpdates.com for ongoing updates.

We appreciate your patience while we work as quickly and safely as possible to resolve this issue.

Sincerely

Dennis Arriola

President and CEO

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Source: Southern California Gas Company

2011, 100 mph winds knocked down trees and power lines in SCE's service territory, causing more than 400,000 customers to lose electricity for a week. Read SCE's letter in figure 5. Figure 5: SCE's apology letter Signed by former SCE president Ron Litzinger, this apology letter thanks customers for their patience as the utility repairs damage from windstorms.



<Date>

<Customer_Name> <Customer Address> <City, State, ZIP>

Dear < Customer Name>,

Late in the evening on Wednesday, November 30, unprecedented hurricane-force winds hit the Southern California area. As a result, much of the electric system sustained considerable damage. Southern California Edison (SCE) took immediate action to identify necessary resources, and started restoration efforts as quickly and safely as possible. SCE crews, and crews under contract to us worked together around the clock from the time the high winds started. While we were able to quickly restore power to many of our impacted customers, because of massive amounts of debris and damage, others were without service for longer periods of time.

We would like to apologize for your inconvenience and thank you for your patience and understanding during this significant event.

The events surrounding this windstorm showed us all a few important things:

First, while our repair crews performed extraordinarily well, we will learn from the comments received from our customers during the past week to improve our response to similar events in the future. Specifically, we will focus on how we can speed up restoration and provide more meaningful communications to our customers.

Second, we all need to be mindful of how to remain safe around downed power lines. Fortunately, none of our customers or employees were seriously injured. If you encounter downed power lines, keep away and call 9-1-1 immediately. We suggest you take some time to visit our website www.sce.com/safety. Here you will find important information on what to do if you encounter downed trees and power lines and how you and your family can stay safe during a power outage.

Finally, the storm reminded us all that as residents of Southern California, we need to be prepared for natural disasters. Having an emergency plan for your family and putting together an emergency preparedness kit with supplies in case of a prolonged or widespread power outage can help keep you and your family as comfortable as possible.

Once again, I would like to thank you for your patience, understanding and the support many of you showed to our field crews while they were restoring power to your neighborhoods.

Sincerely,

Ron Litzinger

President, Southern California Edison

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Source: Southern California Edison