

JetBlue '07 Valentine's Day crisis—The case for Chief Reputation Officer (CRO).

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More than JetBlue Airline's bank account, the 2007 Valentine's Day crisis threatens to irreparably damage JetBlue's reputation. The cost of reputation neglect is simply too high to pay. Smart organizations, therefore, spare no expense and no efforts in their quests for survival when facing a threat to their reputation.

This article examines JetBlue's crisis response efforts in the airline's 2007 Valentine's Day debacle, and its possible long term reputational damage. It makes the case for organizational chief reputation officer (CRO) to fiercely protect this invaluable, yet fragile, hard to restore, company asset. Anything short creates uncertainty and increases the probability for long term reputational damage. A kairos (the right timing and right measure) crisis response, from a CRO, reduces uncertainty and produces better, more predictable, results.

Exigency:

Due to poor weather conditions on the East Coast on Valentine's Day, 2007, the popular discount airline, JetBlue, chose to ground most of its fleet of airplanes. Unfortunately, some of these planes were filled with men, women and children; after having boarded for taxiing and takeoff. These passengers were kept on board, on the tarmac and runways, away from the gates, some up to nine hours, going nowhere. Despite JetBlue's pre-crisis stellar reputation, this was bad PR; this was a textbook reputational crisis!

Firstly, it was Valentine's Day. Secondly, most of the travelers literally could not wait to get to their destinations to see their loved ones. Thirdly, and most importantly, any form of captivity for one, two, three, four, five, six, and in one case, nine hours on an airport runway was the wrong image to project. No matter the company's pre-crisis stellar reputation. More than its bank account, this debacle threatened to irreparably damage JetBlue's reputation, an even more valuable, and hard to replace company asset.

Grading JetBlue's crisis response

JetBlue founder and CEO, David G. Neeleman, deserves an A+ in his crisis management efforts in the Valentine's Day jetliners' grounding. Underscoring his appreciation for the seriousness of the crisis and the danger of reputation damage, he was front and center in the fight. He appeared on every form of media to communicate with JetBlue's stakeholders. Contrite, direct and to the point, Neeleman's well-crafted messages were: "We learned a huge lesson." "We made a mistake, we take full responsibility." "I am humiliated and mortified." – A refreshing change, according to the editorial page of February 22 Houston Chronicle. Evasiveness, pontification, shifting the blame would, in this case, only have exacerbated the crisis, increasing the chance for further reputational damage.

A damaged reputation has far reaching, long term negative ramifications on a company's good name, operations and bottom line. ExxonMobil still bears the scars from its 1989 Valdez oil spill

environmental crisis; Houston based Enron Corporation is no more. The name ValuJet airline ceased to exist after its 1996 Florida Everglades crash, and its subsequent merger with AirTran. That's the reason for announcing the \$30 million dollars overhaul of procedures at JetBlue. That's the reason for proposing a rather capitulating passengers' bill of rights guaranteeing refunds and vouchers for delays caused by the airline in the future. It remains to be seen, however, how effective JetBlue's crisis management efforts are long term, based on the number of return passengers.

Though nearly flawlessly executed by David G Neeleman, crisis response strategies, by themselves, have inherent flaws. Firstly, they are reactive, missing two very crucial elements: benchmarks and right timing to launch. Secondly, they depend on too many unknowns for success: possible new damning revelations, misquotes, unexpected lawsuits, and so on. Thirdly, cynics are more likely to question JetBlue's motives for such generosity after such a potentially devastating crisis.

Chief reputation officer

A proactive approach to crisis management, on the other hand, provides a better chance for survival. Imagine if the bulk of the same proposals from Neeleman were put forward before the crisis, by a duly appointed chief reputation officer of the company. Not only would the overhauling price tag be far less than \$30 million, the proposed customer bill of rights would probably have been less conciliatory, yet be just as effective, possibly enhancing JetBlue's already solid reputation. From a proactive stance, the chief reputation officer would have carefully monitored the situation for benchmarks and the all-important crisis' "tipping point" to launch a planned response, saving the company precious time, and possibly turning the incident to positive press.

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