

SXSW INTERACTIVE PANEL DISCUSSION

“Legal Ramifications of Saying I’m Sorry”

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Panelists Included:

Paula Berg, Digital Media Lead for Linhart Public Relations
Chris Morran, Senior Editor at the Consumerist.com
Margaret DiBianca from Young, Conway, Stargatt & Taylor, LLP
Daniel Goldman, Legal Counsel at the Mayo Clinic
Fred Taylor, Senior Manager Proactive Customer Service Communications at Southwest Airlines

Is your legal team hindering your social media success? Is someone redlining every blog post, tweet, and comment you compose, costing you valuable time, sterilizing your messages, and taking the “social” out of “social media?” In a court of law, is there really a difference between the words “I’m sorry” and “I regret?” Join a panel of career apologists and apologetic lawyers to understand what the legal risks of saying “I’m sorry” really are, how companies like Southwest Airlines get away with it every day, and how to craft an air-tight apology.

Fred Taylor, Jr. Senior Manager Proactive Customer Service Southwest Airlines
Keeping a finger on the pulse of Southwest Airlines’ daily operations and making sure their Internal and External Customers are on the same page is a way of life for Fred Taylor, Jr. As the Senior Manager of Proactive Customer Service Communications, Fred is charged with shepherding a unique approach that has its roots firmly embedded in one of the Company’s Core Values—The Golden Rule. Fred and his Proactive Customer Service (PCS) Team of four are responsible for coordinating timely information, guidance, and support during disruptions of Southwest’s scheduled service. Working with 14 other departments, the PCS Team explores new ways Southwest can operate more efficiently; provide more-effective communications; and implement better Customer accommodations. The PCS Team’s efforts are directly tied to the Company’s cost management, revenue production, and Customer goodwill initiatives; and the results of their proactive work have been (and continues to be) featured in over 50 print, television, and Internet media including: Business Week, The New York Times, The Wall Street Journal, Chicago Tribune, Dallas Morning News, NBC, CBS, and Fox TV. When Fred is not busy working alongside his Southwest family, he enjoys spending time with his wife, Julie, and their four children. Fred was born and raised near Louisville, Kentucky; and he holds a Bachelor of Science degree from the University of Louisville. Like many from the Bluegrass State, Fred possesses a deep passion for Thoroughbred racing and smooth Kentucky bourbon. In his “spare time,” Fred created and manages a Thoroughbred horseracing partnership—Mojo Racing Partners. Fred applies the same fundamental business practices that he learned at Southwest Airlines to help make his racing partnership a successful experience. To Fred, being proactive means practicing what you preach. As such, through effective internal and external communication/action, Fred and his Team helps Southwest Airlines prudently manage

its information, services, and available resources. And, in the same light, these fundamental principles carry over to Fred's personal life and hobbies too!

Q: Given the legal perspective, what is Southwest's approach? How do y'all get away with saying I'm sorry every day?

FT: We don't take the approach of "getting away" with sending apologies. In fact, our General Counsel Department and insurance carrier supports our proactive apology initiatives; they LUV what we do (and the positive results that we achieve); and we work together (in general) to deliver a product that makes everyone happy—internally and externally.

Q: What benefits have you seen from your (proactive) approach—qualitative and quantitative?

FT: Our Customers value our proactive efforts—they tell us so all the time via hundreds of letters, e-mails, phone calls, blog posts, and in their Facebook comments). They tell us how the timing and quality of our correspondence makes them feel valued by our Company. Based on the way our Customers redeem their gestures of goodwill (that we include with our proactive correspondence), we also know that our efforts generate ROI for Southwest Airlines. Approximately, 60% to 70% of our Customers return (that's an amazing repeat Customer percentage for folks who have had a bad experience); they tell their family, friends, and associates about Southwest's apology; they bring others with them on their next trip(s); and we typically see about 16% above breakeven.

Q: How did you get Southwest there? What internal battles have you had to fight (to do this)?

FT: We started doing this ten years ago because we had the means to do it; the Leadership supported it; and we felt it was the right thing to do for our Customers and our Company. We felt like there was no need for the Customers to contact us if we can contact them. In the short term and long term, this creates goodwill and saves everyone money. The "battles" that we've had to fight are internal. As Leaders change, we have had to constantly remind them that being proactive produces positive results; that we have to do this 24/7/365 to provide a consistent service; and we have to be humble even if the issue is unflattering—we're not perfect, and it's okay to acknowledge when our service is sub-par. And, our Customers dig it when we do.

Q: How do you craft an appropriate, safe, air-tight apology that satisfies consumers and companies?

FT: So, I should put into context what we do and don't do at Southwest Airlines. We don't send proactive correspondence for every delay or interruption—we decided long ago that would be unnecessary and counter-productive for a variety of reasons. My Team (of five) focuses on mishaps that cause a high degree of concern, aggravation, and/or confusion. For me and my Team, we work with 14 different departments to figure these things out (in a matter of hours). To do that, we first need a good relationship with the folks who are "in the moment." Thus, establishing and maintaining a positive/trusting rapport with all of these departments is key to getting reliable information about the Customers' experience for any situation. Next, we created internal processes to help get that information delivered to us quickly. Once the info is "in hand," then we decide what things to say that lets the Customers know we have insight that only someone on a flight or in the airport at the time would know. Our goal is to write the

correspondence in a way that makes the Customer feel like we were seated next to them and we understand what they experienced. We learned long ago the Customers don't need a blow-by-blow recount or lengthy mechanical explanation—they just want to know that we are engaged, we have humility, and a general explanation is nice (if the circumstances happened to be confusing). To achieve this kind of “touch,” the content of our proactive correspondence has to be relative, and that's based on timely research and good information. Thus, I have Teammembers who are very intuitive, perceptive, determined, hard working, and are good writers—they have the ability to quickly analyze what happened; foresee the impact on the Customer; and then speak to what matters the most: Saying I'm sorry in a heartfelt/jargon-free manner and inviting the Customers back for a better experience.