



Hard Kuga lessons for Ford SA

UP IN FLAMES. The Kuga, manufactured by Ford Motors, sits on display at the Mobile World Congress in Barcelona, Spain, last year. Surveys show customers nowadays aren't interested in what's under the hood, but how they feel emotionally about the carmaker. Picture: Bloomberg

Marietjie Theron-Wepener

Ford South Africa has suffered huge damage to its reputation thanks to its handling of a crisis involving some of its Kuga cars.

It has been forced to recall more than 4 000 Kuga Ecoboost 1.6 litre models manufactured between December 2012 and February 2014.

Ford SA has clearly made some elementary mistakes in managing the crisis. But what should it have done to protect both its customers and its reputation?

Proper crisis management is crucial for a company. But in fact it is only effective if there's already a reputation management process in place. This should be done during the "good times".

Managing a crisis is always easier as goodwill would already have been built over time. Once a crisis hits, four things should be done:

- ▶ the company must acknowledge the problem immediately,
- ▶ it must engage empathetically with customers, and
- ▶ it must answer questions from the media as honestly as possible.
- ▶ It then needs to plan its next

steps – in order of priority.

In the old days, companies had the luxury to hide. But this was before the immediacy of the internet and social media arrived.

In recent years the business world has been shaken by cracks in capitalism's foundations. People have lost their trust in companies and corporate reputations come under attack more easily.

History has shown companies with favourable reputations are given the "benefit of the doubt" when faced with a sudden crisis.

To acquire a favourable brand reputation, companies should

pay attention to a range of dimensions. The most important is that they should build a strong emotional bond with their customers.

What is essential for Ford, even at this late stage, is direct, honest and authentic communication with customers as well as stakeholders such as dealers, employees, the media and the National Consumer Commission.

The company needs to give people a reason to trust it again.

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