

Uber's Crisis Communications are Far From Over

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This month, Uber recorded one of the largest losses suffered by a US firm since the 2008 financial crisis, after the ride-sharing giant bore a huge charge related to the firm's Wall Street listing in May. In the three months to June, Uber lost an eye-watering \$5.2 billion, due mainly to a \$3.9 billion charge in stock-based compensation to staff.

This latest figure shows the company has lost more than \$14 billion since it was founded just a decade ago. The news is just more bad press heaped on an already rough few years, and raises new questions over whether Uber's controversial business model can actually turn a profit.



Business model issues aside, we can be sure of one thing: the way Uber handles its [crisis PR issues](#) is only hurting its bottom line. In a data-security sensitive climate, Uber has come under fire in recent years for allegedly tracking journalists who were painting the company in a bad light; the scandal has not only caused a number of loyal users to delete the app, but provided some key lessons in [crisis communication](#).

First, it is essential that your company never speaks or responds without a plan. While you should never ignore the crisis, be sure that you plan your goals and the path to achieving them from the outset. Ensure that all key stakeholders are aligned with this message: during the data security flare up, investor Ashton Kutcher tweeted about the

incident. Though he claimed not to be speaking on behalf of the firm, it provided an opening for even more criticism of Uber.

Second, never assume you are above saying sorry. Remember the power of an apology: sometimes, a good apology is all that's needed to defuse an otherwise charged situation. Uber, it seems, hasn't quite got this message. In the past, blog posts by the company drew attention for their demonstration of a lack of ethics. Rather than apologize, Uber took them down without comment.

Third, keep things above board and apologize when you misstep. As important as it is to ensure transparency in your dealings with customers, it is also essential that play within the boundaries of the law. In 2016, Californian regulators ordered Uber to remove self-driving vehicles from the road after the firm launched a pilot without the proper permits. Before the sun had set on the first day of the program, footage showed Uber vehicles running red lights, and creating hazards in bike lanes. Uber blamed "human error", but no one else was convinced. The brand had failed, once again, to respond adequately and inspire confidence.

Finally, invest in good leaders. Former CEO Travis Kalanick put a black mark on Uber in 2017 after he was caught on camera yelling at his own Uber driver who complained about the company's declining rates. "Some people don't like to take responsibility for their own sh*t," Kalanick argued. He later issued an apology and said he intended to get "leadership help," but his response was far from adequate.

Uber's cash-flow issues might be a case of disruption teething issues, but their [crisis communications](#) skills aren't helping.



About the Author: *Public relations mogul Ronn D. Torossian was referred to by Politico as 'perhaps the most prominent practitioner of a brass-knuckled form of [public relations](#).'*