

OPTUS

Crisis Communication Case Study

By Philippe Borremans & Gerry McCusker

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OPTUS CRISIS COMMUNICATION CASE STUDY

Dear Reader,

In this case study, we dive into the details of the Optus network outage of November 2023, an event that placed the telecommunications giant at the center of a major crisis communication challenge.

This analysis is not merely a recounting of events; it is an exploration of strategic decision-making, communication efficacy, and the brand damage under duress.

Through this document, we aim to provide a clear, succinct, and professionally insightful examination of the actions taken, the messages conveyed, and the lessons learned from the Optus crisis.

Our objective is to equip you, the reader, with a deeper understanding of crisis communication dynamics that can inform your approach in similar high-stakes situations.

While we are not privy to all the processes and decisions, we have based our analysis on several publicly available sources, including submissions to the Australian Government and some forensic media timelines.

We hope you enjoy this case study and please do not hesitate to reach out.

Sincerely,

Philippe Borremans and Gerry McCusker



Introduction

INTRODUCTION

Optus, the second largest provider in the Australian telecommunications industry, faced a major crisis when a network outage left millions of customers without service. This case study examines **the results** of Optus' crisis communications activities (as we cannot know their actual crisis communications **strategy**) and provides PR and communications professionals with insights into the dangers and pitfalls.

BACKGROUND TO THE CRISIS

In November 2023, Optus experienced a massive network outage. The outage was – according to Optus – ‘due to around 90 PE routers automatically self-isolating to protect themselves from an overload of IP routing information following a software upgrade at one of the Singtel Internet Exchanges in North America. This potentially affected 10 million customers.

The company's immediate response seemed heavy-handed and guarded, which meant that the public reacted with frustration and confusion, compounded by a lack of clear communication from Optus.

We note that it took Optus engineers almost 6 hours to diagnose the possible causes, but that some network capacity was restored within 30 minutes of accurate diagnosis and almost 98% by 2pm. In general, network access was impaired for about 10 hours.



Optus's Crisis Communication Tactics

OPTUS'S CRISIS COMMUNICATION TACTICS

Without being privy to the firm's crisis strategy, Optus' tactical response appeared marked by delayed and vague communication. Optus says it posted its first media statement at 6.33am - around 2.5hours after the outage was first noted - and social media updates around 15 minutes after that.

The public media appearances and engagements - led by the CEO - commenced around 10.40am, which was 6.5-hours after the initial outage was flagged. The first interview was a Whats App segment with ABC radio, with a documented audience reach of around 5.4million people.

CEO Kelly Bayer Rosmarin's role in eleven media interviews , seemed to focus on addressing the outage rather than providing concrete updates. Despite the company claiming to have dealt with 200 media outlets and journalists by the end of the working day, their 'comms' efforts were profiled as being inadequate.

Later declaring that the 'media was playing an important role in keeping our customers and the community updated' Optus seems to have sub-contracted vital customer and stakeholder crisis updates to Australian news media outlets. This is akin to giving Count Dracula responsibility for transporting critical blood transfusions to accident trauma victims.

Optus primarily used social media for incident updates, but these were criticized for their lack of specificity and timeliness.

PUBLIC AND GOVERNMENT RESPONSE

The public response was overwhelmingly negative, with customers expressing dissatisfaction on social media and media vox-pops on radio phone-ins. The telecomms breach had impacted not just internet and phone services, but commercial transactions and some wider service delivery, including healthcare sector communication channels.

Optus claims to have had around 60 direct conversations and contacts with key members of government, agencies such as the Department of Home Affairs (because free emergency calls were affected) and the Office of the Minister for Communications, as well as the relevant regulators, when the security breach occurred.

However, most of this went unnoticed by the public and was somewhat hit for six when Prime Minister Anthony Albanese criticised Optus for its lack of proactive communication and described the outage as a "shocking incident".

This was a sign of the government's displeasure and showed that the Prime Minister is able to recognise the public's displeasure over this critical incident.

Communications Minister Michelle Rowland also stated that her department would be stepping in with a thorough investigation following the incident, which is seen as a sign of a lack of trust in the Optus brand.

It is now also known that the TIO (Telecommunications Industry Ombudsman) asked Optus for updated information at 8.12 a.m. and received it at 11.32 a.m. Without further ado, Optus has put together a team to deal specifically with customer complaints received via the TIO.



Challenges in Crisis Communication

CHALLENGES IN CRISIS COMMUNICATION

Optus faced several communication challenges:

TIMELINESS

Challenge:

Optus management's response to the network outage seemed delayed by an excess of caution. In digital and online crises, the first 2–4 hours are crucial for public perception and media coverage.

While the firm released its first statement within 2.5 hours of the outage, it had been fielding media calls and queries within minutes of the outage.

Delayed reactions can lead to information gaps that are often filled by speculation and negative sentiment.

Best practise:

Immediate confirmation of the crisis and regular updates are important.

Even if full information is not yet available, it is important to acknowledge the problem and inform stakeholders that action is being taken to maintain confidence and control over reporting.

CHALLENGES IN CRISIS COMMUNICATION

CLARITY AND TRANSPARENCY

Challenge:

Optus' communication was criticised for being vague and lacking key details. This lack of clarity led to confusion and frustration among customers and stakeholders.

In fairness, it took a combined engineering team around 6 hours to pinpoint the outage cause

In a technical crisis such as a grid outage, the inability to communicate complex technical issues in a way that is easy to understand can exacerbate the situation.

Best practise:

Clear, concise, and jargon-free communication is key. It is important to explain the situation in terms that the public can understand, accept and tolerate.

Transparency about the nature of the problem, its impact and the steps being taken to resolve it helps build credibility and trust.

CHALLENGES IN CRISIS COMMUNICATION

LEADERSHIP COMMUNICATION

Challenge:

Leadership plays a pivotal role in crisis communication. In the case of Optus, the CEO's responses were perceived as slow and evasive, which contributed to a negative perception of the company's handling of the crisis. Publicly, many questioned her genuine empathy.

Effective leadership communication is not just about providing information; it's also about embodying the organization's commitment to resolving the crisis and empathy for those affected.

Best Practice:

Leaders should be the face of the organization's response, demonstrating control, empathy, and commitment to resolution.

This involves not just sharing information but also showing concern and understanding for the impact on customers and stakeholders. Leaders should be prepared to answer tough questions and provide reassurance through their communication.

CHALLENGES IN CRISIS COMMUNICATION

CONSISTENCY ACROSS CHANNELS

Challenge:

There seemed to be a lack of consistency in Optus's communication across different channels. Messages did not appear co-ordinated and consistent across channels and many customers giving vox-pops to media talked about a lack of contact and poor communication.

While Optus used social media for updates, the messaging and frequency were not aligned with the gravity of the situation. Inconsistent messaging across different platforms can lead to mixed signals, speculation and further confusion.

Best Practice:

Consistent messaging across all communication channels is vital. Whether it's social media, press releases, or direct customer communication, the core message should be uniform.

This helps in reinforcing the message and ensures that all stakeholders receive consistent information about remedial actions

CHALLENGES IN CRISIS COMMUNICATION

PREPARING AND REHEARSING FOR WORST-CASE SCENARIOS

Challenge:

Optus admitted to not having a plan for an outage of such scale. This lack of preparedness for worst-case scenarios left them scrambling to respond effectively.

In crisis management, failing to plan for extreme scenarios can leave an organization vulnerable and open to ambush by any incidents' speed or scale.

Best Practice:

Comprehensive crisis management planning that, at the minimum, includes the worst-case scenarios is essential.

Organizations should regularly update and realistically test their crisis response plans, ensuring that they are prepared for various types of crises, including those that may seem unlikely.

Ideally, brands should simulate and test likely impact across three categories of disruption; mild, moderate and extreme. And any simulations should aim to predict the level of consequence and resource-pressure likely to accrue in each scenario.

CHALLENGES IN CRISIS COMMUNICATION

CUSTOMER-CENTRIC APPROACH

Challenge:

Optus' response did not appear to be customer-centred. While customer centricity was mentioned as a priority in the sound bites, the emphasis seemed to defend the company's actions rather than the concerns and needs of customers.

In any crisis, particularly in service industries, the impact on customers should be at the forefront of communication efforts, especially when Australia's emergency number - 000 - was affected.

Although 228 triple 0 calls were unable to go through during the outage, Optus followed up with welfare checks on those callers and found that all were unaffected by the outage.

Best practise:

A customer-centric approach to crisis communications means understanding and responding to customers' concerns and needs.

This includes empathetic communication, clear information about the cause of the incident, the impact of the crisis on customers and the measures taken to mitigate this impact.



Consequential impact on Optus

CONSEQUENTIAL IMPACT ON OPTUS

The recent outage at Optus could lead to several potential impacts, both immediate and long-term:

Reputation:

There is a potential risk to Optus's reputation, considering the perceived challenges in managing the crisis effectively.

How the company handled communication and resolution is negatively impacting public and stakeholder perceptions, possibly affecting its standing in the market. The C-suite has lost a well-regarded leader, after CEO Kelly Bayer Rosmarin was 'resigned'.

Customer Trust:

The crisis might result in an erosion of customer trust, a critical factor in the telecommunications sector; some customers talked of defection to alternative telcos.

The effectiveness of Optus' response and ongoing communication efforts could determine the extent of trust retention or loss among its customer base, especially given the cause of the system crash was attributed to "changes to routing information..." after "a routine software upgrade". This seems not to be a hugely technical issue.

CONSEQUENTIAL IMPACT ON OPTUS

Legal and regulatory implications:

Optus could face potential legal and regulatory challenges, including personal claims for damage arising, class action lawsuits, and government investigations.

These potential impacts will depend on the outcome of ongoing investigations and the legal consequences of the default and its handling.

Impact on partners

Several statements from Optus mentioned that corporate partners such as Cisco and Singtel were involved or even complicit in the crash.

However, Cisco denied these claims and assured that its routers had worked as configured. They added that they continue to support Optus and its customers.

Declaring that other partners were also complicit may not have done the Optus board and management any favours. Finger-pointing during the service restoration or recovery periods can create internal enmity.



Lessons learned and best practises

LESSONS LEARNED AND BEST PRACTISES

Key lessons include:

Proactive communication is key

Lesson learned:

Optus' response to the crisis has felt 'delayed' to key stakeholders, highlighting the importance of fast, proactive and valuable communication.

If the company doesn't communicate immediately, customers and media can form their own opinions, often leading to negative perceptions.

Optus did communicate, yet their output did not effectively influence media commentators nor satisfy the irritability of their service users.

Best practise:

Organisations should set up a rapid response mechanism for crises. This includes ready-made templates for initial statements, a dedicated crisis communications team and clear protocols for immediate action and accompanying messages.

LESSONS LEARNED AND BEST PRACTISES

Clarity and Transparency Build Trust

Lesson Learned:

The vague and somewhat aloof communication from Optus during the crisis led to confusion and mistrust. Clear and transparent communication is essential in maintaining credibility.

Best Practice:

Develop clear, honest, and straightforward messaging. Avoid technical jargon and ensure that all communications are both understandable and relatable to the general public.

Regular updates, even if there is no new information, can help maintain trust.

LESSONS LEARNED AND BEST PRACTISES

Strong Leadership Communication is Crucial

Lesson Learned:

The performance and instant criticism of the Optus CEO during the crisis underscored the importance of strong and empathetic leadership communication.

The way leaders communicate during a crisis can significantly impact public perception, and this was the second time in under 12 months that the CEO's authority and charisma had been questioned; was nothing learned from the firm's cyberattack earlier in the year?

Best Practice:

Leaders should be trained in crisis communication, focusing on empathy, honesty, and decisiveness.

They should be the face of the organization's response, demonstrating commitment to resolving the issue and understanding its impact on stakeholders.

LESSONS LEARNED AND BEST PRACTISES

Consistent Messaging

Lesson Learned:

Inconsistencies in Optus's messaging across different platforms created confusion.

Consistency in crisis communication is vital to ensure a unified message. Consistent messaging between commercial partners is also highly desirable.

Best Practice:

Coordinate messaging across all channels, including social media, press releases, and customer service.

This ensures that stakeholders receive the same information, regardless of how they interact with the organization.

LESSONS LEARNED AND BEST PRACTISES

Comprehensive Crisis Management Planning

Lesson Learned:

Optus's lack of preparedness for a full-scale outage revealed the need for comprehensive crisis management plans that cover various scenarios.

These appear as glaring omissions in this outage case, as was the ability to foresee the stakeholder outrage that could eventuate.

Best Practice:

Regularly update and test your crisis management plans. Include scenarios that may seem unlikely, ensuring that the organization is prepared for any eventuality – particularly brand disquiet and critical outage.

This should also involve training staff at all levels on their roles during a crisis; in Optus' case that may mean not leaving non-technical retail staff to handle angry customers who swarmed some stores looking for issue resolution.

LESSONS LEARNED AND BEST PRACTISES

Customer-Centric Approach in Crisis Situations

Lesson Learned:

The focus on defending the company rather than addressing customer concerns during the Optus crisis highlighted the need for a customer-centric approach in crisis communication.

Best Practice:

Prioritize customer needs and concerns in all communications. This includes empathetic messaging, clear information on how the crisis affects them, and what is being done to resolve it. Post-crisis, engage in efforts to rebuild trust and relationships with customers.

Regular Review and Adaptation of Crisis Plans

Lesson Learned:

The dynamic nature of crises, as seen in the Optus outage, requires regular review and adaptation of crisis communication plans.

Best Practice:

Continuously evaluate and update crisis communication strategies based on new risks, technological changes, and lessons learned from past incidents. This ensures that the organization remains prepared and agile in its response to future crises.

LESSONS LEARNED AND BEST PRACTISES

Run Proper and Robust Simulation Events

Lesson Learned:

It became apparent – from Optus’ government briefings – there is little robustness or quality control in what constitutes a “crisis drill” and how they are created and run.

The company admitted it had not drilled for a worst-case crisis scenario. Did Optus feel that lightning could not possibly strike twice in under a year? If so, this would have been a bad miscalculation.

Best Practice:

Despite living in an interactive digital age, some brands believe crisis training is only a chat around a meeting table; others still use PowerPoint and paper handouts to rehearse how to handle crises.

Companies should work with the new generation of digital crisis simulators, using interactive features that replicate the exact pressures facing brands-in-crisis.



Conclusion

CONCLUSION

This case study provides business continuity, risk management, PR and communications professionals with a pragmatic and instructive perspective on the effective management of crisis communications.

For any company responding to crises and mitigating the consequences, it is essential to skillfully and comprehensively address the fears, needs, and irritations of customers, especially when they have very high expectations.

This requires the right amount and quality of information, as well as credible communication and genuine empathy on the part of the crisis manager. In light of the criticism of the "national outage" at Optus, two key questions arise.

- Was the crisis management strategy they developed and implemented the right one?
- Were the crisis rehearsals and exercises forward-looking enough for the worst-case scenario?

In view of the public reactions and the dismissal of the managing director, it must be assumed that this was not the case.

This incident also emphasises the need for effective planning and testing, as well as fast and direct communication in crisis situations.

However, it also emphasises the need for rapid communication that strikes the "right tone" and convincingly conveys that the company has the interests of its customers at heart.

CONCLUSION

Optus' delayed response is a clear example of the risks associated with slow communication and emphasises the need for immediate engagement to control the story and avoid misinformation.

Clarity and transparency proved to be crucial elements in this case. Optus' lukewarm communication emphasises the importance of providing clear, direct, and honest information.

This approach is important to maintain trust and ensure stakeholder understanding during a crisis.

The role of leadership in communication was also an important aspect of this case. It is important that leaders actively participate in the communication process, show empathy, and work to resolve the issue. These skills need to be drilled and trained into any executives who are nominated as the 'public face' of any crisis response.

The inconsistencies in Optus' communication on the various channels highlighted the need for a coordinated communication strategy.

Consistent communication across all platforms is important to avoid confusion and ensure a consistent message is communicated to all stakeholders.

The case also highlighted the importance of being prepared for a variety of crisis scenarios. Optus' difficulties in managing an outage of this magnitude emphasise the need for comprehensive and regularly updated crisis management plans and simulations.

CONCLUSION

A customer-centred approach to crisis communication was another important lesson. The case showed how important it is to prioritise the concerns and needs of customers, especially in service-oriented industries.

This approach not only addresses the immediate problems but also helps to rebuild customer trust after the crisis. Offering free data as part of the compensation and redress strategy could have come across as cheap and insincere.

Ongoing communication after the crisis is important to maintain stakeholder trust and address existing concerns. The Optus case shows how important it is to continue communicating with stakeholders even after an immediate crisis.

While the outage was the first main disaster, speculation about the (perhaps inevitable) sacking of the CEO, prolonged appearances of a brand in disarray.

Finally, the case study emphasises the importance of learning from feedback; consider that this brand was at the centre of a cyberattack just 10 months before this disaster struck.

The criticism Optus received from the public and government officials is a reminder of the importance of analysing and predicting stakeholder reactions and adapting communication strategies accordingly.

Optus is currently the subject of several regulatory investigations and a threatened class-action lawsuit.

CONCLUSION

To summarise, the Optus network outage provides valuable insights for PR and communications professionals.

It emphasises the importance of fast, clear, and coordinated communication, the role of leadership, preparation for different scenarios, best practise simulations and testing of plans, a customer-centric approach, continuous engagement, and adaptability based on feedback.

These elements are critical to effective crisis communication and maintaining trust and reputation.



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ABOUT THE AUTHORS

Philippe Borremans

Philippe Borremans is an independent consultant with more than 25 years of experience in strategic crisis and risk communication, with a focus on public health emergencies. He is the author of "Mastering Crisis Communication with ChatGPT" and serves as the current Vice President of the International Association of Risk and Crisis Communication. He is deeply committed to promoting best practices in crisis communication globally.

Consider subscribing to his free weekly newsletter Wag The Dog, covering the intersections of crisis and risk communication and artificial intelligence and technology. www.wagthedog.io



Gerry McCusker

As an Issues & Reputation Management specialist, Gerry McCusker is the founder of crisis simulation technology The Drill, and the author of the business book 'Public Relations Disasters' (Kogan Page).

Backed by frontline crisis expertise Gerry has published reputation leadership articles with AFR, Broadcast & Television, IPRA, Mumbrella and the IPRA Journal being regularly quoted by Australian media outlets on PR disasters. He is also a regular contributor to The Spectator, You can reach Gerry via email: gerry@thedrill.com.au

Consider checking out his online crisis simulation platform called The Drill here: www.thedrill.com.au

