

Storytelling

Branding in Practice

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Contents

Foreword	9
Chapter 1: Branding Through Storytelling	12
Once Upon a Time... ..	16
When Emotions Take Hold	17
What a Difference a Story Makes	19
Values and Emotions	20
How the Book is Structured	23

PART ONE: THE TOOLBOX

Chapter 2: The Four Elements of Storytelling	28
The Message	32
The Conflict	33
▲ TEST: The Conflict Barometer	35
The Characters	36
The Plot	42
▲ TEST: Tell a Tale	44
Chapter 3: Storytelling in Business	46
Storytelling as a Branding Concept	48
Corporate and Product Brands	49
Storytelling as a Communication Tool	50
A Holistic Approach to Storytelling	53
The Brand Tree	54
Chapter 4: The Company Core Story	58
Building a Foundation Starts From Within	60
The Perilous Quest of Companies	62
■ CASE: NASA's Core Story	63

From Values to Story	66
StoryLab: Developing the Company Core Story	67
Would Your Company Be Missed?	69
▲ TEST: The Obituary Test	70
■ CASE: Coca-Cola's Real-life Obituary Test	70
Screening the Basic Data	73
Internal Basic Data	73
External Basic Data	74
Distilling the Basic Data	75
Formulating the Company Core Story	78
Your Message	79
Your Conflict	81
▲ TEST: The Black & White Test	82
The Conflict Barometer	84
Your Characters	86
The Classical Hero	89
Your Plot	91
■ CASE: The Fairy-tale of Independent Grocers	92
▲ TEST: If Your Company Was a Fairy-tale	94
The Acid Test	95
Chapter 5: Authentic Raw Material for Storytelling ..	96
All Companies Have a Story to Tell	98
Employee Stories	99
■ CASE: Nothing is Too Much Trouble	101
Stories About the CEO	102
The Big Bang:	
Stories About the Founding of the Company	103
Milestones: Successes and Crises	105
Product Stories	106
■ CASE: Accidental Corn Flakes	108
Stories From Working Partners	109
■ CASE: The Art of Illy	109
Stories From Customers	111

■ CASE: Stairway to the Stars	113
■ CASE: Shoe Love	113
Stories From Opinion Leaders	115
■ CASE: Building Blocks for Life	116
A Few Rules of Thumb	117
The StoryDrivers of the Company	118

PART TWO: STORYTELLING APPLIED

Chapter 6: Storytelling as a Management Tool 124

Building Blocks for a Strong Company Culture	127
■ CASE: A Playground for Idea Makers	128
Make Storytelling Your Co-pilot	131
■ CASE: SAS in Moments of Truth	132
■ CASE: The Story Hunters	134
▲ TEST: Who Are the Heroes of Your Company?	138
The Symbolic Significance of the CEO	138
▲ TEST: What is the Message of Your Story?	143
A Tool for Knowledge Sharing	144
■ CASE: Sharing Knowledge Through Stories at IBM	144
▲ TEST: Kick Starting Your Company's Storytelling-circulation	147

Chapter 7: Storytelling in Advertising 150

The Commercial Serial as a Long-term Platform	152
■ CASE: Love Over Gold	153
■ CASE: A French Affair	155
■ CASE: Hollywood Supercars	160
Use Well-known Stories	164
■ CASE: Apple and 1984	165
■ CASE: The Meatrix	167
Telling the Real Story in Advertising	169
■ CASE: E-wine	170

Chapter 8: When Storytelling Becomes Dialogue . . .	174
Companies are Losing Power	177
Involve Your Customers in Your Storytelling	177
■ CASE: The People's Car	178
■ CASE: Topdanmark's Lucky Heroes	180
■ CASE: A Match Made Over Coffee	182
When Your Customers Become Part of Your Story	185
■ CASE: Your Pen-Pal is a Calvin Klein Model	185
■ CASE: Motorola's Virtual Night Club	188
Digital Storytelling - Something for Everyone	192
Chapter 9: The Media as a Storytelling Partner	194
The Journalist's Story	196
A Picture Speaks a Thousand Words	198
■ CASE: Voluptuous Virgin vs. Curvy Coke	199
Staging the Conflict	201
Find Your Angle	202
■ CASE: Giant Turtle Turns 50!	203
▲ TEST: The Honing Experience - The Cutting Edge .	206
Chapter 10: Tearing Down the Walls	208
Stop Thinking in the Box!	210
Candy for Breakfast	212
Are You Getting Your Message Across?	215
■ CASE: Oticon Conquers the World	218
An Intelligent Strategy	219
■ CASE: Bringing a Legend to Life	224
You Decide the Ending	226
Bibliography	228
Index	231
About the Authors	237

Foreword

Today's world is overflowing with fancy buzzwords. The vast majority of them however, refer to short-lived phenomena that have been invented for the sole purpose of selling hot air. They are gone as quickly as they arrived. Others, are a product of the times, but have deeper roots. They touch upon something familiar, but contribute to a new consciousness, and take a firm hold in our future vocabulary. "Storytelling" is one of them.

At the European based communication unit SIGMA, we have been helping companies to build their brands by finding their unique story since 1996. At that time, it was called PR, communication, advertising or marketing. Today the lines dividing those categories have blurred. But at the very core of all that we do, is our deep belief in the inherent power of telling a company's unique story. Along the way, we have found that companies are increasingly interested in this subject, but, that there is also confusion as to what the term actually means when it comes to its practical application. For this reason, we have written a book, which shares our experiences of branding through storytelling, offering practical tools that provide a good starting point for companies to tell stories of their own.

The book came to life in a bustling loft in Copenhagen, Denmark, during the heat wave of the summer of 2002. It is the result of years of experience, new ideas, ups and downs, late nights and early mornings, praise and criticism. Many people have been involved in its conception. First and foremost our thanks to Kjeld Kirk Kristiansen, CEO, the LEGO Company, Lars Kolind, former CEO of Oticon, and Torben Ballegaard Sørensen, CEO of Bang and Olufsen for their courage in taking our advice to heart; that a good story is the key to global success.

Their faith, meant that we at SIGMA received confirmation of the powerful effect a story has when told in the right way, to the right people at the right time.

We must also thank Morten Jonas, Hanne Andersen, Klavs Hjort and Claus Moseholm, who during their time with SIGMA, contributed thoughts and ideas that form the basis of this book. Also a heartfelt thank you to Tara Stevens and Kurt Pitzer who on many occasions have travelled to Denmark from London, L.A., Bosnia and Barcelona to help us in our search for the good story. Thank you to all the people at SIGMA who have contributed with input and support. A special thank you to Tue Paarup for his keen model development and his critical and clarifying feedback. To Trine Mollgaard for constructive criticism, Peter Thielst Jessen for inspired graphic design, Thomas Thorhauge for his amazing illustrations, to Julie Thygesen for research, and to Tara Stevens and Niels Blom for translating the book into English.

For comments and feedback we must also thank Eva Lykkegaard, Christian Schou, Glen Jacobsen and Christine Antorini. Thanks to Ken Harper for inspirational dialogue on digital storytelling and Henrik Schjerning from Samfundslitteratur. And to futurologist Rolf Jensen for his pioneering work in bringing storytelling to the attention of the business community, while we were busy implementing it in practice.

Finally we owe a debt of heartfelt gratitude to Julie, Lykke, Iluuna, Markus, Anna, David, Sarah and Tine for their patience, love and support.

This is our contribution to everybody who makes it his or her daily task to chase the good story.

Happy hunting!

September 2004 – SIGMA, Copenhagen, Denmark



Branding Through Storytelling **1**

“It was an unusually busy afternoon at the local Domino’s Pizza in small town America. Orders were coming in at a blistering pace, the kitchen was at maximum capacity and the blue-uniformed delivery boys and girls were working overtime to get pizzas out to hungry customers. It was just then that the unthinkable happened: they were nearly out of pizza dough. Stocks were so low in fact, that if orders kept coming in at the frenzied pace they had been doing so, the kitchen would simply run out. Action was needed, and fast.

The manager grabbed the phone and called the national Vice President of Distribution for the US, explaining the situation. A chill ran down the spine of the Vice President as he thought of the public embarrassment if one of Domino’s outlets could not deliver as promised. Springing into action, he did everything in his power to solve the problem: A private jet was dispatched at once, laden with Domino’s special deep pan dough, and all the while local employees battled against the clock, as their inventory of dough dwindled.

Unfortunately, all their efforts were in vain. Even a private jet couldn’t get the dough there on time, and that night Domino’s Pizza was forced to disappoint many hungry customers. For an entire month afterwards, employees went to work wearing black mourning bands.”

It is not a particularly happy ending, but we are left in no doubt as to the importance Domino’s Pizza place on their ability to

deliver. After all, it is their commitment to this promise that the brand is built on. And the message within this particular story resonates strongly throughout the organisation giving employees a very clear idea of what their brand values are, while showing consumers exactly what promise lies at the heart of the Domino's brand.

Herein, lays the true power of a good story. Even this relatively small anecdote has depth, credibility and a punchy message applicable to both internal and external listeners. It makes it easier for us to believe in Domino's vision: to be "the best pizza delivery company in the world". By telling a story like this, both employees and consumers understand what it really means to be the best.

As a concept, storytelling has won a decisive foothold in the debate on how brands of the future will be shaped. Yet, there is still a conspicuous lack of critical insight as to how and why storytelling can make a difference. For most companies, storytelling remains an abstract concept, at best reserved for PR and advertising executives, at worst, wishy-washy claptrap with no real value: What's the point of telling stories anyway? What makes a good story? And how do you go about telling it so that it supports the company brand?

As a concept, storytelling has won a decisive foothold in the debate on how brands of the future will be shaped.

Concrete answers are few and far between, and the debate for now is largely academic. The aim of this book is to make storytelling tangible. In the following chapters, we hope to turn abstract notions of storytelling into practical tools by giving real-life examples of how storytelling can be used as an effective branding tool.

This book is written for those of you who are fed up with lofty talk, and for those of you who are interested in using storytelling as a branding tool within your company.

Once Upon a Time...

In days of old when we were still hunters and gatherers, and our social lives took place around the glow of a campfire, women prepared the evening meal while their men folk swapped stories of the day's hunt. It was here too, that the tribe's elders handed down the myths and legends surrounding their gods and ancestors and where knowledge and experience was exchanged and passed along the generations. These stories helped shape the identity of the tribe, gave it values and boundaries and helped establish its reputation among rivalling tribes. It was storytelling in its purest form.

In many ways the modern company resembles these tribes of old: the stories that circulate in and around the organisation paint a picture of the company's culture and values, heroes and enemies, good points and bad, both towards employees and customers. By sharing our stories, we define "who we are" and "what we stand for". And just like the elders of the tribes of old, the strong leaders of today's companies distinguish themselves by being good storytellers; voices that employees listen to, are inspired by and respect.

Indeed, storytelling is an integral part of what distinguishes us as human beings. The esteemed writer and movie director, Paul Auster, once said that telling stories is the only way we can create meaning in our lives and make sense of the world. We need them in order to understand ourselves and communicate who we are. And by sharing stories of our experiences, we can better understand the conflicts of our daily lives and find explanations for how we fit into this world.

Since time began, religious stories have provided people with deeper meaning in life.

Since time began, religious stories have provided people with deeper meaning in life, offering insight into why we are here and how we should live, and providing comfort in our darker times. The Bible is perhaps the most obvious example of this.

For over 2000 years, through parables and teachings it has given us a set of guidelines and moral laws to uphold which remain deeply entrenched in the act of being human. Karl Marx once said of religion; “It is the opium of the people”. What he meant was that religion was the propaganda used by those in power to seduce the working classes and keep them from staging a revolution. He juxtaposed this by telling a story about the uprising and victory of the working classes, counterbalanced by the downfall of capitalism. In religion, as well as in politics, stories have often represented a turning point in changing the way we think. From Gandhi to Martin Luther King to Nelson Mandela, many political and spiritual personalities have had one thing in common: they could tell a spellbinding story that made a difference and gave meaning to people’s lives.

Throughout time stories have brought together and inspired tribes, cultures and nations. The “American Dream” is a classic example of a man, who, by working hard goes from rags to riches and fulfils his dream. It continues to seduce people from all over the world who continue to head for America in search of happiness. Today, the USA is a melting pot of different religions, races and ethnic groups. Yet, as American citizens they come together as one when they place their hands over their hearts and sing the same national anthem about “the land of the free and the home of the brave.” The song tells the story of freedom, hope and the courage to fight for what you believe in. The message is so powerful and universally appealing that people from all over the world can come together under its theme.

When Emotions Take Hold

As human beings stories have always formed a crucial part of our ongoing evolution. And in a Western market economy that is increasingly driven by our emotions and our pursuit of the “the good life”, our need for them seems to get stronger and stronger. It is no coincidence therefore, that an ancient tradition

like storytelling should appear in a new form – as a tool for brand building.

Sociologists and social scientists say that we are experiencing increased levels of fragmentation in today's society. That the value systems that have traditionally served as guides for us are coming undone; in part caused by the lack of a dominating authority such as science or religion, to dictate what values we should adhere to. We are no longer subjected to a fixed set of traditions, but can pick and chose as we see fit. There is no final truth for us to turn to in structuring our lives. With so many choices, no one telling us what to do or think, and so much freedom of choice, the world is quite literally, our oyster.

Each one of us has to figure out for ourselves what to believe in. One of the ways we go about this is by surrounding ourselves with symbols that signal our values and lifestyle, including products and brands, the way we live, spend our spare time or travel. It is not random that we prefer the bohemian apartment in a trendy city neighbourhood say, to a house in the suburbs. Or, that we prefer a bucket and spade package holiday to trekking in the Himalayas. It's a choice that makes a statement about who we are.

We navigate our world using symbols and visual expressions that signal our personality and our values. And strong brands are one of the means by which we do this.

We navigate our world using symbols and visual expressions that signal our personality and our values. And strong brands are one of the means by which we do this. A pair of hiking boots from Timberland and a Kevlar jacket from the North Face for example, signal an outdoorsy, active type. But this also works the other way around, such as when we boycott companies that fail to live up to our moral expectations. Increasingly we are using the shopping-cart to “vote”, expressing ourselves through our purchases. And strong brands are becoming an important tool for communicating these beliefs.

What we wear, eat and surround ourselves with increasingly signals how we see ourselves. And it is also a way in which we seek social acceptance. Lifestyle experts have turned these apparently “superficial” choices into a science that determines who we really are. Futurologists likewise, are also spotting trends in our purchasing patterns, which point to a different outlook: we are becoming increasingly immaterial and are more strongly influenced by our emotions. This tendency is illustrated by turning Maslow’s Hierarchy of Needs upside down: In the Western World all our basic physical needs have been met. A high standard of living is taken for granted and focus has shifted to realising our own potential.

What a Difference a Story Makes

The West is a world of material excess. We are swamped with choices, yet, companies continue to manufacture products and provide services that are basically the same. They have failed to understand that we do not want more products and that demand is shifting toward products that provide us with unique experiences: products that appeal to our dreams and emotions, and add meaning to our pursuit of “the good life”.

It is time for companies to stop their habitual thinking and business-as-usual approach. This is especially true for companies that have been entirely product driven, desperately seeking rational arguments as to why we should buy their products over someone else’s. In the long run this is naive. A quality product at an affordable price is no longer a decisive factor or advantage, merely a basic qualifier for success. Products’ features like design or technical finesse are becoming easier to imitate as still more competitors have access to the same production technology at the same costs. Competition is ferocious, not only from the local rival, but from international giants with bottomless financial resources. Tough times lay ahead for

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The challenge facing companies today is to build solid values into their brand. This is where storytelling fits in. When companies and brands communicate through stories they help us to find our way in today's world. They address our emotions and give us the means to express our values. In other words the brand story gradually becomes synonymous with how we define ourselves as individuals, and products become the symbols that we use to tell the story of ourselves. They help us communicate who we are. And this is where branding and storytelling form a perfect partnership.

Ask yourself honestly: can you tell a captivating story about how your company makes a difference?

Values and Emotions

A brand is the perceived added value that a company or product represents, making us loyal in our preferences both to the company and to its products. A strong brand is a combination of facts and emotions. We rationalise and legitimise with our brains, but we buy with our hearts, be it shampoo or insurance. The product has to be up to scratch in order for us to rationalise our choice, but it is the heart and not the head doing the persuading when we buy expensive Maldon rock salt instead of ordinary table salt. The taste is pretty much the same, but the experienced value is different.

The story is what drives the bond between the company and the consumer.

In order to retain the loyalty of your customers in today's competitive environment, you have to create an experience that is relevant and differentiates your brand from others. The physical product no longer makes the difference. The difference lies in the story, because the story is what drives the bond between the company and the consumer. As human beings we actively seek

stories and experiences in our quest for a meaningful life. Likewise, companies need to communicate based on values, and clearly illustrate how they make a difference. It is these fundamental aspects of our modern society and marketplace that have created the natural link between branding and storytelling.

Companies need to rethink. They need to understand the logic of storytelling in order to build an emotional bond with the people they communicate with: their consumers and their employees. Employees increasingly demand that their employer has values that they themselves can identify and feel comfortable with. We would rather earn slightly less and feel good about what we do for a living. It needs to make sense as part of the bigger picture. As such storytelling is as relevant for internal branding and towards other stakeholders, as it is towards the end consumer.

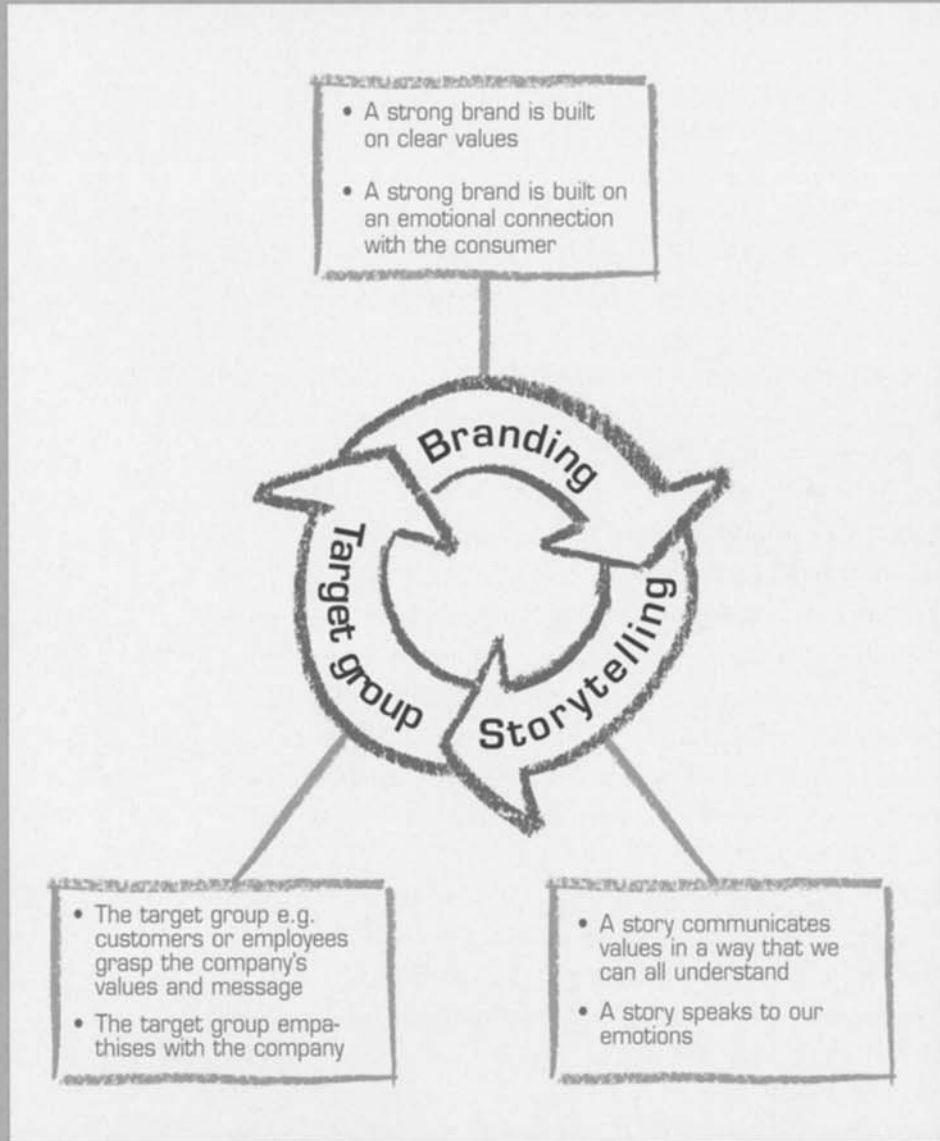
At their most simple, storytelling and branding come out of the same starting point: emotions and values. A strong brand builds on clearly defined values, while a good story communicates those values in a language easily understood by all of us. A strong brand exists based on its emotional ties to the consumer or employee, while a good story speaks to our emotions and bonds people together. Ultimately, storytelling has the power to strengthen a brand both internally and externally.

Storytelling has the power to strengthen a brand both internally and externally.

With luck, this chapter will have made you think: How can I work storytelling into the infrastructure of my company? And, how can my company tell a story that will make a difference to our employees and customers? This is the theme for the rest of this book.

Figure 1.1

Branding is the Goal - Storytelling is the Means



How the Book is Structured

PART ONE: THE TOOLBOX

The aim of the first part of the book is to clarify the concept of storytelling. What does storytelling actually entail, and why is it relevant in relation to branding? In the course of the first five chapters you will receive concrete tools and guidelines as to how you can start using storytelling in your company.

Chapter 2: The Four Elements of Storytelling

Over centuries, storytellers have used the same basic structure and tools for creating captivating stories. Chapter 2 defines the four elements for creating a good story and with those in the bag, we are ready to begin targeted work with storytelling.

Chapter 3: Storytelling in Business

In order to counter any possible confusion as to how storytelling can be applied as a tool for companies to build their brand, chapter 3 shows how storytelling works on two levels: Storytelling as a strategic branding concept and storytelling as a communication tool.

Chapter 4: The Company Core Story

In order to create a strong and consistent brand your company needs to formulate one core story that forms the basis for all communication. Chapter 4 details the process of how you find and develop your company's core story.

Chapter 5: Authentic Raw Material For Storytelling

Once your company has developed its core story the foundation for your brand is in place. Now the core story has to be "translated" into concrete stories to make the brand relevant for the company's stakeholders. Chapter 5 provides guidelines as to where and how you can find the genuinely good stories about your company.

PART TWO: STORYTELLING APPLIED

The second part of the book is structured around a number of actual cases that illustrate how storytelling can be used as a tool to strengthen the company brand: both internally and externally, and towards employees, clients and media channels.

Chapter 6: Storytelling as a Management Tool

First and foremost, a strong brand is created from within. The second part of the book details how storytelling can be used as a management tool, while chapter 6 focussing specifically on how storytelling can be used to communicate values and strengthen the company culture.

Chapter 7: Storytelling in Advertising

Chapter 7 takes us outside company boundaries and shows how storytelling has been used in traditional advertising and mass communication. Here stories are used to create an emotional bond with the customer, at the same time building a long-term platform for communicating the company brand externally.

Chapter 8: When Storytelling Becomes Dialogue

With the widespread penetration of digital media, companies have lost their monopoly on getting stories across to customers. Instead, customers have easy access to other opinions and can easily tap into a worldwide audience. Chapter 8 outlines how digital media provides new possibilities for exchanging stories and opinions with your customers, and shows how you can strengthen the company brand through dialogue.

Chapter 9: The Media as a Storytelling Partner

Independent sources add credibility to your company story. Through understanding what makes the media tick, companies can gain a powerful co-storyteller in its communication with

the public. Chapter 9 provides guidelines on how you can work with storytelling based on the premise of the media.

Chapter 10: Tearing Down the Walls

In order for storytelling to achieve the largest possible effect as a branding tool, companies need to think holistically and bring all the different communication disciplines together under one roof. All too often these separate disciplines fail to co-ordinate their messages, so you end up with a host of different messages coming out of the same company. By tearing down the walls that conventionally separate these disciplines, companies open the doors to fully integrated communication, paving the way for a more powerful story. Your company's core story must stem from top management and be integrated across all those departments, which typically see themselves as isolated areas of the company's communication strategy i.e. marketing, sales, PR and human resources.