

Story

Harnessing the Invisible Power of Everyday Conversations

by Jennifer Kirkby & David Firth

Was Marilyn Monroe really the 'sexiest' woman of the twentieth century ?

Which would you rather lose - your good reputation or your job?

How do you describe to a friend that day out with the children or that visit to the new restaurant with your partner?

Did people invest in CRM, TQM and BPR because of ROI or because of the story?

The biggest reason after necessity for brand switching is recommendation; and for project failure it's lack of buy in. 'Word of mouth' swirls around our lives, shaping our reality as we talk. We story the world into existence. Those in the know use story to advantage, for the rest - we are tossed in its flows and eddies.

The Power of Story

People talk about companies, products, services, the management and their experiences. Of all the elements of the communication mix 'word of mouth' is by far the most potent. No amount of advertising, expert selling or staff communication, can compete with a trusted colleague or friend - someone on your side- recommending or criticizing a product or service.

Talk is more than talk; everyday conversations are not merely passive reporting but events which may actually permit or constrain our business. Brand reality is created in everyday storytelling: A customer, sitting in a bar with friends, tells a story about their experiences with your company: they are recreating the experience or 'making it real' for

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themselves and their audience. If the audience hears that your service is good, then they are already expecting it to be good as they approach your organization, actively looking for the experience of good. This is of course providing the reality doesn't get in the way of the story - negative stories 'can literally zeroise your value overnight - no matter how many billions you have in the bank' (eg Andersen).

Word of mouth, then, creates business value - reputation, allegiance and recommendations. Kaveney's recent research showed that 30-50% of all brand switching is due to recommendation, as against 20% each for advertising, promotions and personal search. Recommendations mean lower cost of sale; resources can then be diverted from 'push marketing' to 'pull marketing' which delivers higher value and widens the competitive gap.

The art of using Story allows us to harness this potency of talk, of 'word of mouth'. Press releases and member-get-member programmes are no longer enough to manage this vital area of communications.

Why is Story Powerful?

1. Stories sell (and don't) - Why did Mike Hammer have such huge success in creating the BPR phenomenon? Because he had a compelling story to tell about workers combining across silos and collaborating to reduce waste and focus on the customer. It was a story about

purpose and value and collaboration. And then the accountants-turned-management consultants changed it to a tale of reducing the numbers - process lost the human story and it failed.

2. Stories teach - From the Bible to the tale of the boy who cried wolf, we learn through stories. We 'get' stories naturally and instinctively - they resonate with us at an intellectual, emotional and spiritual level (and at a physical level in the case of a well-told ghost story!). And you can make changes to the same story to create massively different impact and learning - how different are the stories of the second world war told now to English, German and Japanese children. How different the sell off of Rover told from a BMW or an MG Rover stance - was it the myth of MG that kept Rover alive?

3. Stories reveal - Stories are rich in meaning both about the teller as well as the told of. Stories quickly convey complex ideas and difficult emotions. How do our customers feel about us beyond satisfied and not satisfied? How emotionally literate can we become with our customers, making contact at both head and heart level? The opinions,

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values and beliefs of the story teller come through (sometimes inadvertently and unconsciously) in everyday, informal storytelling. For the stories we tell are selective - they leave out as much as they leave in. Stories give us a way of locating the most valued desires, perceptions, attitudes and needs of our customers.

4. Stories bind - Storytelling is a highly social activity. When we share and believe stories we become part of the community we want to belong to (eg The Labour Party, Bikers, ethnic groups in Yugoslavia). Measuring the speed and depth of story dissemination can help us find value groups and segments in order to customise services and experiences.

Why is Story Relevant to Marketing?

If stories are so much a part of the fabric of human understanding and communication, it would seem important as marketing experts that we learn to engage with their power. We need to wake up to how story is creating our current reality - our brand and our culture.

The massive rise of the internet and email, chat rooms, instant messaging and blogging suggests to us that it is networks which drive business today. It is human connection - conversation, storytelling and trust - which is the Holy Grail.

That means that we need to learn how to improve our relationships - with customers, with staff, with other functions, with partners, with investors. We need to connect. So many people talk about improving relationships via processes and measures and getting staff to behave differently. What they forget is that to improve the value of the customer, the customer has to value you. How can you tell if and exactly how you are valued? - listen to the stories being told. How do you improve your value - encourage ground breaking stories about you. How do you get your staff to behave differently - influence them to tell constructive, compelling stories about the future. Story has far more clout and longevity than ROI - or even 'proof'.

Using the Power of Story

Story can be used in many areas of importance to the marketer, including:

1 Creating the brand; managing expectations

Great customer stories create a brand. With story techniques we can co-create the brand with customers and opinion formers. This is corporate social responsibility. It is not so much a case of matching delivery to brand values but delivery creating the values in the first place. Sharing success stories with key opinion formers is already a recognised tactic - but let's manage it. Think of the conferences where the same company examples come up repeatedly: First Direct, Harley Davidson, Disney. Every speaker is co-creating the brand with the company they tell stories about, creating expectations in the audience's mind. Why not influence them to broadcast your compelling story?

2 Customer relationship management

Customers and staff stories can teach us a lot about relationships - how often does the story of the same event differ depending on whether it is told from the staff or the customer's viewpoint? Gathering staff and customer stories about interactions, using projective techniques to elicit different attitudes, can soon identify the areas where problems and relationship gaps occur and trace root causes back through the organization. Six sigma process improvement methods are vastly enhanced with story techniques and together give a richness of information on which to build profitable relationship strategies.

3 Managing the experience

Customers want to tell their story whereas what we want from them is a tick box response or a short phrase ("highly unsatisfied!"). This is convenient for us but insults the natural storytelling instinct our customers have to share what sense they have made of their experience. The information we glean from capturing feedback in story form will be richer than anything gained from tick boxes. An added benefit of allowing the stories to be heard might be that customers will see us as more sensitive and 'listening' - an excellent spawning ground for better relationships.

4 Advanced relationship marketing

Within our customer base sit customers ready to form relationships with each other. Providing the wherewithal for customers to tell each other stories will both help us and them. Rather than simply ask for friends and family referrals our sales executive's time might be better spent encouraging customers to tell stories of a great experiences so that they are top of mind (and on the tip of the tongue) when next those friends and family are seen. Internet communities are springing up to allow likeminded customers to share stories of their experience. Tell-Shell has created a community for people to discuss environmental issues, similarly Handbag.com and 'Your Football Team'.com for women and men (or vice-verse!) alike .

Story brings powerful insights into how our company behaves, collaborates and aligns itself (or not):

5 Cultural brand alignment

People work in groups and these are sustained by their own stories and myths. IT, Marketing, Finance, Engineering - all of us have our identities built into - and given by - these communal myths. And it's how we keep others in their place: IT are techies, marketing does lunch, the accountants cut our budgets and the engineers engineer. People will not shift their behaviours beyond these constraining identities until they can work to co-create broader identities and stories of connection. Don't do an employee survey, collect and share employee stories instead. Create new cross functional team stories, coach staff in those stories, recruit with those stories, build partnerships with those stories and see the culture align. IT helps us understand opportunity, marketing shows us the direction, the engineers love the customers, and the accountants - well where would we be without them!

6 Change management

Resistance to change is not an individual phenomenon, it's a group story activity; it cannot be overcome by the communication of benefits. If you are responsible for gaining buy in for CRM from various groups within your organisation, and you are meeting resistance, you might consider CRM as a Story Being Told. It may not be the story you want, it may be full of inaccuracies, misunderstandings and exaggerations (a great story never stopped for the truth!) but it may be great fun for the tellers to keep on telling it. This CRM story - it's hype, it's all about technology, it's a passing fad etc - has an inevitable Ending (all stories after all have a beginning, middle and ending) unless you can tap into this everyday storytelling and introduce new stories to tell. The story approach in change works by helping people become aware that their everyday conversation may be creating exactly what they say they don't want. With this new found awareness comes accountability for what is said and left unsaid, choice about what stories to tell, and, in all that, the possibility of a different future.

7 Measuring the unmeasurable

Story is a benchmark tool to measure reality against strategy. What stories did we start with, what are the stories now being told, are they what we planned? At the start of your change initiative you may be likened to the film Titanic, if a year later you are now The Magnificent Seven you know you are getting somewhere.

The End of this story

Story is so woven into the natural fabric of human talking that until now we have failed to realize that we can harness its power. New techniques are emerging to use the power of story to create the organizations we want and achieve the business objectives we need. What's the first step you should take to experience this powerful approach? Write down your greatest organization or customer challenge as a story (no bullet points; use 'I'; describe both thoughts and feelings), send it to us and let us tell you how Story can help.

Jennifer Kirkby of White Waves and David Firth of Treefrog combine their backgrounds in CRM Strategy and Organisational Change to provide powerful insights and tools for their clients on the Story and Narrative work described in this article.

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