



HOW TO HARNESS STORIES IN BUSINESS

INTRODUCTION

Every business has stories. Stories can be found in how a business came up with a new market strategy, in an emotional call for support in an advertisement, even in how a business has managed to weather tough economic times. For a business, leveraging stories can transform a standard presentation into an emotive and memorable experience.

Moreover, taking the time to talk about a business through stories can pay off. Stories work in business because they take hard facts, which your audience may or may not want to hear, and make them emotional. Emotions persuade. Persuasion drives action.

Why does persuasion matter in business? Consider the basic differentiators of a successful business: operational excellence, customer intimacy, and innovation. Businesses win because they deliver on at least one of these dimensions. To successfully win at any dimension a business needs to engage people: for operational excellence employees must care enough to act a certain way, for customer intimacy customers must care about the brand, and for innovation customers and employees alike must trust enough to try something new and unusual. Businesses grow when they deliver on at least one of these dimensions by moving people toward operational employee excellence and by developing a relationship between customer and brand that allows for risk-taking innovation.

Maile Lesica, Barbara McCarthy, Tina Sharkey, Tamsin Smith and Professor Jennifer Aaker prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. Thanks to Sara Gavisier Leslie for a keen editing eye.

Copyright © 2012 by the Board of Trustees of the Leland Stanford Junior University. All rights reserved. To order copies or request permission to reproduce materials, e-mail the Case Writing Office at: cwo@gsb.stanford.edu or write: Case Writing Office, Stanford Graduate School of Business, Knight Management Center, 655 Knight Way, Stanford University, Stanford, CA 94305-5015. No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means — electronic, mechanical, photocopying, recording, or otherwise — without the permission of the Stanford Graduate School of Business. Every effort has been made to respect copyright and to contact copyright holders as appropriate. If you are a copyright holder and have concerns about any material appearing in this case study, please contact the Case Writing Office at cwo@gsb.stanford.edu.

Stories – and their power to persuade – can drive the desired human responses. Logical arguments can be unsuccessful and statistics might not spur action. Emotions can.

WHAT MAKES A BUSINESS STORY?

So if stories matter, what separates a story from a factual argument? And further, what is a business story? First, the difference between a factual statement or argument and a story: a factual statement is unbiased truth which proves a point. A story does not have to contain facts or even an argument. However, it must have a structure, an arc, and a protagonist. There must be a point where a choice is revealed or a change happens that irrevocably shifts the situation. This tension pulls the audience in. Stories must take an audience on a journey, “from” beginning “to” end, although this “from... to” journey might not be chronological. Stories take an audience to a new place. "Story is a container of information used to create empathy with an audience" (in-person communication; Nancy Duarte, 2012).

Business stories often contain facts and arguments, but they do so in a format that is distinctly story like. Business stories do not simply state information; they take the listener on a “from...to” journey. Some business stories are standard, taking facts and making them motivational. They have little impact on the listener. Other stories convey the very essence of a company or a brand. These are what David Aaker, professor emeritus at the Hass School of Business, vice chairman of Prophet and creator of the Aaker Model™, calls "signature stories," which are told and retold by listeners and become company legend. Signature stories drive ongoing emotions in customers that result in operational excellence, customer intimacy, or innovation in the long run.

Consider Zappos. One of the main reasons Zappos has risen to fame is its customer service. However, if Zappos had simply said, “We have excellent customer service because we empower our workforce,” its reputation would not have grown. Instead, Zappos shared stories of exceptional service. Those have become legendary, like the story of a Zappos customer service agent sending flowers to a woman whose foot was damaged during surgery and the story of an agent hand delivering shoes to a woman in Las Vegas whose shoe choice went out of stock. These stories draw listeners in and make them pause and internalize the core message, “Zappos will do anything for its customers.” These stories create customer intimacy, one of the core drivers of a successful business. This reputation has paid off in Zappos’ customer loyalty, enabling the company to become profitable in a business (online shoe sales) everyone “knew” was impossible.

We all want to tell stories like those from Zappos. However, it’s important to point out that the reason Zappos’s stories work is that they are authentic. While trying to grow customer trust and impact how they think and feel through stories, it is vital to distinguish between a story that is true or merely hyperbole.

Zappos's stories work because we "know" they are true. Customers proudly trumpet their experiences. Sometimes truth is not as clear, and allowing untruths or inauthentic stories to be shared can seriously harm a brand. These stories should not be used. Consider the Louis Vuitton's (LVMH) print ad campaign in spring of 2010 picturing "artisans" hand making LVMH products (**Figure 1**).

Figure 1: Spring 2010 LVMH Print Ad



LVMH was trying to create a signature story that inspired customer intimacy around the handcrafted nature of its products. The ads implied all products were handmade, and did not disclose that some work was not done by hand. The Advertising Standards Authority ruled these ads could not be justified and banned them. A campaign that was supposed to cement LVMH in customer's minds as an unmatched luxury good instead drove negative press in international publications around the fact that LVMH stretched the truth. Instead of breeding customer intimacy, this story fostered distrust.

As seen with LVMH and Zappos, stories are powerful, regardless of their truthfulness. Authentic business stories can be powerful forces for a brand. Clearly, a good business story starts with truthfulness and authenticity. Now the question becomes, how can a company tell its story effectively? Every person or business tells stories a bit differently – and with a story there is no "right way." Sometimes it will make sense to tell a formal story, other times the story will need to be colloquial and informal. Sometimes a business will highlight a poignant moment; other times it will want to communicate a signature story. Regardless of the formality and scope of the story, broader questions arise: how do you harness stories effectively? How do you build them, leverage them, and bank them? Indeed, can we think of stories – often organically told and shared – as assets?

To address these questions, this two-part case explores analogies that two leading storytellers in business use both to craft a business story and to generate enthusiasm for a brand story. Parts A and B use signature stories to exemplify the techniques described. In Part A, Tina Sharkey, CEO of BabyCenter, explores a good story's content and turns a business story into a rollercoaster ride. In Part B, Tamsin Smith, founding president of (Product) Red, likens building a brand's story to a campfire gathering.

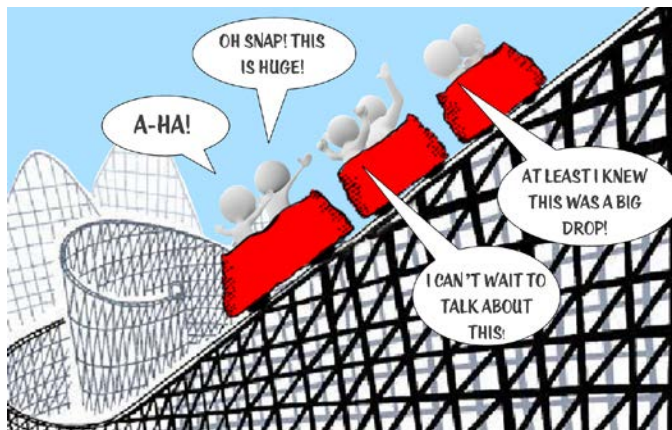
THAT'S SOME ROLLERCOASTER: TAKING LISTENERS ON A RIDE OF A STORY (PART A)

Tina Sharkey, CEO of BabyCenter, gives presentations...a lot. She continuously tries to generate enthusiasm, internally and externally, for her ideas through storytelling. Sharkey's techniques have grown BabyCenter's audience to 80 percent of new mothers in the U.S., providing them with channels to share their stories and to experience others' stories. In the 15 years since its founding, BabyCenter has found and promoted stories which have done everything from driving the creation of legislation in Congress to supporting the selection of baby names.

Since good stories evoke emotions that inspire individuals to act or think differently, Sharkey found she needed to find an effective way to bring listeners on an emotional journey from their current state, to a new state. She found telling a story as if she was taking the listener on a rollercoaster ride worked. A rollercoaster ride generates many emotions like anticipation, fear, exhilaration, and satisfaction. A good story should too.

In Part A, Sharkey shares her rollercoaster analogy, providing techniques and examples to execute each stage. Ever the storyteller, she opts to use Steve Jobs' signature stories for examples rather than her own BabyCenter examples because "if we really want to make it easy to understand these techniques, we need to use examples anyone can immediately understand and relate to. Providing examples from a company based on motherhood would only dilute the impact because many readers won't understand motherhood." And perhaps that is Sharkey's first lesson: tailor your "rollercoaster" to your audience and their needs, not promoting yourself.

The Story as a Rollercoaster



Remember your first rollercoaster ride? Remember *waiting in line* for your turn? As the line snaked forward there were decorations along the walls that piqued your interest. When it was finally your turn and you pulled the safety bar down, you were excited or maybe nervous. The coaster took off but instead of going straight down the big hill it took you into *the warm-up*, a series of curves, or perhaps a small drop. This slow start transformed whatever your original feelings were into anticipation and energy. You were ready for whatever came next. Next was a big hill with its *slow climb*. The cart slowly took you upward, inch by inch, so you had time to think about what was coming. That slow climb ensured you had all the facts: you knew just how big the coming drop would be. Then, you reached the top where you experienced a *pregnant pause* before you plummeted to the bottom in the *big drop*. You screamed with your hands in the air, feeling exhilarated. After the big hill there was a *cool down*. The coaster whipped you back and forth and you thought about the amazing experience you just had. The cool down brought you back to earth and made the ride a permanent memory.

A good story in business is exactly like a good rollercoaster ride, from waiting in line to the cool down. A good story *sets the scene* even before the story starts, grabbing listeners' attention just like waiting in line for a roller coaster. Then, good stories *pull the audience in* and help the audience understand why they should care before diving into the main point, just like a coaster's warm-up. Next, a good story will *provide all the key facts* so everyone in the audience can appreciate the forthcoming "aha," just as the slow climb makes you realize just how big the drop will be. A good story *lays out the crux of the matter* before *delivering the "wow" insight and implications*, just as a coaster has a pregnant pause followed by a big drop. Finally, a good story will *reiterate the implications*. It will frame the "aha" in another manner so you can internalize it. Similarly a coaster has a cool-down. In a good business story, just like in a good coaster ride, these steps can repeat as many times as necessary to deliver the complete message.

Thus, a good story in business should look like this:

- 1) Set the scene (i.e., waiting in line)
- 2) Pull the audience in (i.e., the warm up)
- 3) Provide the key facts (aka the slow climb)
- 4) Lay out the crux of the matter (i.e., the pregnant pause)
- 5) Deliver the "wow" insight and implications (i.e., the big drop)
- 6) Reiterate the implications (i.e., the cool down)
- 7) Repeat 2 – 6 as necessary to communicate the message (i.e., the rest of the coaster ride)

Now that we know the key components of a business story, we'll examine each stage in greater depth. Techniques to execute each stage and examples from Steve Jobs' signature stories used to generate customer intimacy are included.

Creating the Ride ... er, Story

1) *Set the scene*

Objective: Make the audience open to listen.

How: Setting the scene should be both visual and emotional. Namely, you need to give the audience cues not only about what they will be hearing and feeling, but also about the messenger so that the audience cares enough to listen. There are many ways to do this:

- **Visual cues:** Visual cues can engage the audience and alert them to what is coming. When preparing a “story” a business needs to think of the cues the environment or handouts are sending. Throughout a presentation, visuals should set the tone for what is coming next. Steve Jobs was a master with imagery. Perhaps one of his most iconic images was introducing the MacBook Air with an image of the MacBook Air on top of a manila envelope (**Figure 2**). That image conveyed immediately and memorably what text and voice-over would have taken minutes to say.

Figure 2: MacBook Air in an Office Envelope



- **Create the speaker/audience connection:** When the story is being told, it is dead in the water if the listeners don't like the teller. Thus, a good story in business will open by trying to create goodwill between the teller and the listener. A good way to do this is by sharing something personal, and potentially vulnerable, about the teller. Jobs comically and somewhat poignantly opened his 2005 Stanford commencement address with, “Truth be told, I never graduated from college and this is the closest I've gotten to a college graduation.” This immediately made Steve, arguably one of the most influential business leaders in history, approachable and the audience became even more engaged.

2) *Pull the audience in*

Objective: Make the audience care about the topic at hand.

How: Pulling the audience in is critical to holding their attention. In Step 1 you pique their interest and you get them to care enough to listen to your opening. In Step 2 you make the topic real and relevant to the listeners and their lives. In order to pull off this step, you have to know your audience and what matters to them.

- **Make the audience feel special:** Let the audience know that you know who they are. This can be something simple like acknowledging the listeners (“Hello Cleveland...I'm excited to be here”), or it can be specific (“You are here today because you care deeply about the future of computing”). Either way you acknowledge that you know who you are talking to and that they matter.

- **Engage with the audience:** Open the story by making the topic relevant to listeners. Throw out a statistic that applies to them or create a dialogue with your audience. You can call out a relevant fact or conversation with a specific audience member. Alternatively, you can pose a question to the audience at large and make them respond vocally or with a show of hands. Steve Jobs used questions a lot. In Jobs' iPod announcement he queried, "How many times have you gone on the road and said, 'oh no, I didn't bring the CD I wanted to listen to'?" Any of these methods wake the audience up and makes them realize they are a part of this unfolding "story."
- **Attack and confess:** Another option is to attack your topic, confess your doubts, and then acknowledge how your initial biases were incorrect. When taking this tack you appeal to the doubters in the audience and engage them in your story by acknowledging why they may not want to listen to you in the first place. Steve Jobs' speech at MacWorld Boston 1997, when he rallies the troops around Apple's turnaround, is an example. He says he knows the audience has heard people saying: "Apple has become irrelevant"; "Apple can't execute anything"; "Apple's culture is anarchy, you can't manage it." And then he explains why he came to realize each of these assessments is wrong. For example Jobs said, "Apple may not be as relevant as it used to be everywhere, but in some incredibly important market segments it is extraordinarily relevant, and I want to share that with you today."

3) Provide key facts

Objective: Ensure all listeners have the necessary facts to understand the crux of the issue and the "aha."

How: To tell an effective story in business, all listeners need to agree on the current state or the basic facts upon which the solution or "aha" is based. For listeners to understand that the current state is insufficient, they need to understand what the current state is and the delta between the current state and what could be. In a business story this means informing listeners about the basic forces at work and then acknowledging roadblocks and opportunities.

- **Use statistics but make them real:** Statistics, when used appropriately, can effectively communicate the size and scope of an issue. Just because you're telling a "story" does not mean your presentation should be light on data. The trick here is to share statistics in a compelling way. In announcing the iPod, Jobs presented the statistics for music playing devices in the industry. He transformed those stats into a per song cost (**Figure 3**). In so doing, he was able eventually to make the iPod's value proposition abundantly clear. Who wouldn't want to pay \$0.30 per song instead of \$5.00?

Figure 3: Turning a music device's cost into a per song cost

Player	Price	Songs	\$/Song
CD	\$ 75	15	\$ 5
Flash	\$ 150	15	\$ 10
MP3 CD	\$ 150	150	\$ 1
Hard drive	\$ 300	1000	\$ 0.30

- **Alternate between what is and what could be:** Oftentimes in business you are trying to convince your listeners to change or to do something differently. In this stage, an effective way to help them understand where they are is to contrast the current state with what could be. With the launch of iCloud, Jobs pointed out that today people spend a lot of time syncing devices. People take photos on an iPhone that then have to be loaded to an iPad or a Mac. They buy songs on their Macs only to have to sync them with their iPhone or iPod. However, Jobs then painted a picture of what could be. He had the audience imagine if a photo or song could be accessed from any device after saving it in one place; this is the benefit of iCloud. Providing that contrast between what is and what could be makes the impact of the service so much more clear.
- **Take them back to bring them forward.** To level set with the audience, it is sometimes easiest to walk them chronologically from the past to where they are today. In Jobs' 1983 introduction of the Macintosh, he walked the listeners through the mistakes in the history of computing, starting in 1958 with IBM's pass-up of a xerography company and eventual loss in the market segment to Xerox.

4) Lay out the crux of the issue

Objective: Re-engage any listener whose attention waned during the “slow climb.”

How: A well-told story provides many opportunities to reengage the listener throughout the story. Some listeners who knew the background may zone out during step 3. Others will be engaged and rooting for the “solution.” Regardless of the listener's mental state, in step 4 you remind ALL listeners of why they care and what the issue at hand is.

- **Re-state the problem as a question followed by a pause:** A very basic way to reengage the listener before the big “aha” is to re-state the problem as a question. Everyone learns differently, so stating the problem a different way is critical to ensure everyone “hears” the real purpose of the story. Furthermore, by posing a question, you re-engage the audience in a dialogue. For Apple, there was a lot of doubt surrounding the launch of the iPad 2. How could Apple top the iPad? Furthermore, how could Apple fend off new competitor offerings in the tablet space? And so Jobs posed a question, “Was 2011 going to be the year of the copycat?” (Figure 4).

Figure 4: Jobs posing the question on what 2011 meant for tablet computing



- **Highlight the major roadblock:** By now, hopefully a good portion of listeners are rooting for a successful solution. They care about the issue at hand. An effective way to ensure they are with you and engaged for the big finale is to make them worry that a negative outcome is possible. By highlighting the biggest challenge and exploring the difficulties and fears associated with it, you will grab their attention and make sure they

are with you for the big reveal. After announcing the iPad 2, Jobs said, “But for us to add all these features, something has to give, doesn’t it?” He implied either battery life will suffer or cost will increase. And then, Jobs triumphantly announced that through Apple ingenuity the battery life would still be 10 hours and the price would still start at \$499.

5) *Deliver the “wow” insight and implications*

Objective: Make the listener care about the core insight or message.

How: Insights are more powerful when members of an audience understand how they are impacted by the insights. Thus, during step 5 a good story makes the “aha” relevant for the listeners. It gets personal.

- **Specificity (make it personal):** Clearly state how the “aha” will impact the individuals in the room. This may mean calling out a few key stakeholders to demonstrate how the topic will both improve their situation but also require their support. Alternatively, impact may be stated more generically for all listeners or more specifically to the company. Regardless, you need to show how the “aha” is going to change things. Jobs would always tell the audience how they were going to use his new product. For example when introducing the iPod he said, “The coolest thing about iPod is *you* can take your entire music library with you right in your pocket.” This was after he reminded them how often they didn’t have the music they really wanted.
- **Repetition.** Saying something multiple times makes it memorable, especially if it’s done in a catchy way. At the launch of the iPhone, Jobs said, “So three things ... an iPod, a phone, an internet communicator. An iPod, a phone ... Are you getting it? These are not three separate devices. This is one device and we are calling it iPhone.” This can be even more impactful if you use a visual to support your repetition (**Figure 5**).

Figure 5: Image Supporting Repetition of the iPhone’s Triple Functionality



6) *Reiterate the insight(s)*

Objective: Give the listener a lot of ways to access the same info so that it really sinks in.

How: Listeners hear differently. An effective story will provide the key insights and implications in a number of formats so that all members of the audience can “hear” the “aha.” Additionally, repetition drives remembrance. Thus, during the sixth and final step of a good story the teller should reiterate the story highlights and the key “ahas” in a manner different from

that which was already shared. Beyond simply saying things another way, two techniques can help you execute this final step:

- **Tell a mini-story:** Tell a mini-story about someone's reaction to your "aha" or about how the "aha" has already created a small change. For iCloud this could have meant sharing a story where a family separated by a military deployment was able to use Face Time to communicate. The options are endless.
- **Paint a picture of the future:** If your "aha" is not in action yet and so you have no "evidence" of impact, you can also explore painting a picture of what the future could look like. For Jobs and Apple, this could mean imagining a school system where every child has an iPad instead of a textbook and exploring how this could change the face of education (Nancy Duarte, 2012).

STORYTELLING AND CAMPFIRES: BUILDING BRAND STORIES WITH OTHERS (PART B)

Go forth, you builders of business entertainment.

Anyone can, and everyone should, tell stories in business. The next time you are trying to determine how to draft a presentation or make an argument, think about taking your audience on a "ride." No topic is too bland or technical, as long as you approach it from a position of trying to understand how the topic impacts your audience and why they should care. When you're crafting your story, remember it must be a journey that takes them "from" their current state "to" something better. Leave them with an "aha" they are emotionally inspired about.

Tamsin Smith, CEO of SlipStream Strategy and founding president of (PRODUCT) RED, is a storyteller. She likens her life to one evolving story where she introduces new sub-plots and characters as opportunities arise. For her and for people in general, she thinks being open to plot twists and the input of others is critical to happiness and success. However, she contends that individual's lives aren't the only evolving stories in this world. In fact, brands that are successful must view their reputation as a never-ending story. These brands must view their purposeful campaigns and unexpected challenges as critical sub-plots and their employees, partners and customers as fundamental characters in their "masterpiece." The brands that win are those that know how to co-create their brand's story with their "characters" and unexpected sub-plots.

If this all sounds a bit "fluffy," have no fear. Smith has created a campfire analogy that walks you through how to build your brand's story into a blazing bonfire. We will then use this analogy to examine her work, as founding president of (PRODUCT) RED, creating and cultivating (RED)'s blaze. When (RED) was first conceived it was simply an idea amongst the founders and a handful of other true believers. Smith saw it as an opportunity to co-create the (PRODUCT) RED brand with business partners and customers and transform it from a fundraiser into an innovative, new business model that changed the face of social consumption.

A Brand's Story as a Bonfire



Think about the last time you built a bonfire. First you ***found a clear area***, open ground for your fiery vision. You started by ***setting a loose boundary*** with stones, creating a semi-defined space to hold the blaze. Next you began ***gathering wood***; you piled logs of various sizes in a pyramid, making sure to also include the smaller but critical kindling and omitting a few pieces of wood that didn't fit. It was then time to ***light the fire*** with a match. As the flame caught, your friends began to ***gather around the fire*** each contributing wood to grow the flames or a story to set the atmosphere. Before you knew it your lowly campfire was going strong. Perhaps so many people had joined and wood was added that it was a certified bonfire. Slowly, you realized your fire really wasn't yours at all; it was a co-created experience where many hands were necessary for the optimal outcome. At this point you ***let others take the lead*** in guiding the blaze and the conversation, all under your watchful eye. As the night went on you occasionally intervened, ***putting out ancillary fires*** that started from sparks off the main blaze. By the end of the evening, as you ***let the fire die***, you were left with beautiful memories of a night well spent.

Building a brand's story is a lot like building a campfire. At the heart of any good brand is the ***crystallization of the initial idea or opportunity*** with the potential to capture the hearts and minds of stakeholders, just like finding a suitable area for a campfire. Next a good brand story will ***set basic tenets*** to guide the brand's evolution, just like you bound a fire with stones. Then to build your brand story, a brand will ***find supporting evidence, like partners and/or experiences***, much like you look for wood to fuel the fire. Once a brand's story has supporters and supporting evidence, then the brand ***launches its story***, much like lighting a fire. After a brand "launches" it becomes critical to ***gather consumers' support*** and ***empower customers***, just as a campfire is more fun with lots of people contributing. However, a good storyteller does not disappear at this point, s/he ***monitors the story's evolution***, squashing undesired rumors and ensuring the brand stays within the established parameters. Finally, as with fires dying at the end of the night, some stories will eventually be ***brought to a close***. It's important to do this respectfully.

Thus, a good, co-created brand's story should look like this:

1. Crystallize the idea (i.e., find a clear area)
2. Set basic tenets (i.e., set a loose boundary)
3. Find supporting evidence (i.e., gather wood)
4. Launch the story (i.e., light the fire)
5. Gather customers' support (i.e., gather around the fire)

6. Empower customers (i.e., let others take the lead)
7. Monitor the story's evolution (i.e., put out ancillary fires)
8. Bring the story to a close (i.e., let the fire die)

Now that we know the key components of co-creating a brand story, we'll examine how Smith successfully co-created the (PRODUCT) RED story.

Building a fire (RED)

1) Crystalize the idea

Objective: Identify and package an idea or concept which exemplifies the brand and is something individuals and organizations can rally around.

How: Before you can build a campaign around a brand or idea, and rally support, you must develop a concise and **very clear** way to communicate your vision. An idea or brand cannot require a 10-minute explanation. It must be able to hook people from the first instant.

In 6 words or less. Force yourself to create a 10-word story that summarizes your idea and why others should care. For (PRODUCT) RED the story was, “You. Help eliminate AIDS in Africa.”

- **Make a picture:** Use pictures to communicate the idea or brand and why it's impactful. In (PRODUCT) RED's case, Smith led the organization in developing multiple images which clearly highlighted the idea (**Figure 1**).

Figure 1: How (RED) Works graphic



2) Set basic tenets

Objective: Develop tenets that can guide your co-created story, not restrict it. It is important to have some baseline to return to when questionable opportunities arise or xyz.

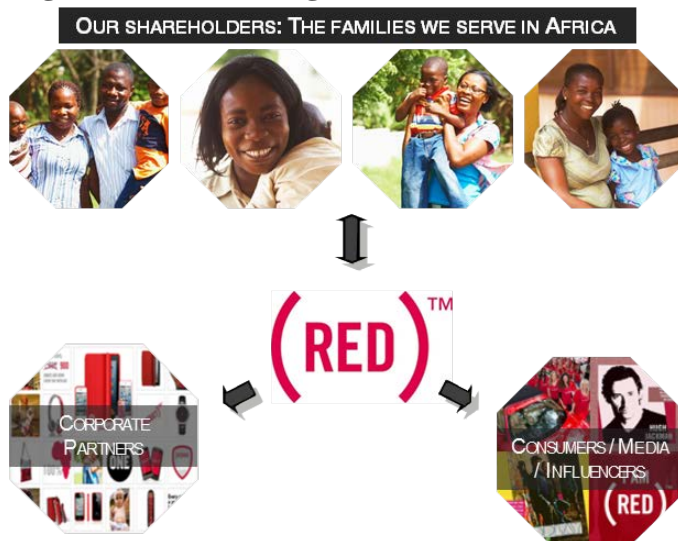
How: A brand story or idea needs parameters. It needs to be clear on what it is and is not. You can come at this from a multitude of angles, but the important thing is to align with your core group on what your brand or idea represents at its core.

- **Clearly lay out your value proposition and what violates it.** Get out pen and paper or open Microsoft Word and write down what matters. (RED) wanted to create a business model where people would willingly buy a (RED) product with an attached donation

instead of a normal item, and where all the proceeds would go to charity, not to paying (RED)'s overhead. Thus, (RED) developed many parameters to support this. Some examples pertaining to product include: the product must not be priced at a premium (i.e., no paying more because you're "doing good"); companies had to commit to donate half the profit on any item to charity; items must be both compelling in and of themselves and part of collections (not single items). Partners had to meet parameters or they were out.

- **Map out your story.** A picture is worth a hundred words, to use the cliché. Oftentimes a picture can easily communicate what the idea or story is and is not. Business Model Canvas (businessmodelgeneration.com/canvas) provides tips on illustrating your story. For (RED) this could have taken many forms. The "How (RED) Works" image (**Figure 1**) is one example. Alternatively, (RED) could have used an organizational chart to communicate who matters (**Figure 2**). Per Smith, (RED)'s org structure would have (RED), LLC as the center block. Corporate Partners and Consumers/ Media/ Influencers would make up two blocks on either side of (RED). Most importantly, (RED)'s "shareholders," the people in Africa who were benefiting, would be pictured above (RED) and the other two groups. This image clearly shows that the AIDS victims in Africa are driving the effort.

Figure 2: (RED)'s Org Chart



- **Don't be afraid to listen to your gut.** Sometimes when building a story around your brand or an idea, something won't feel right. It won't be explicitly called out as a "no no" in your basic tenants, and yet it won't feel authentic. When this happens, don't do it. It could be anything from saying no to a partner whose intentions may not completely align although you are desperately trying to secure partners, or aborting a PR campaign that just seems inauthentic although you're trying to generate publicity. For (RED) this meant cancelling a formal PR press conference. To announce the (RED) launch, it had scheduled a press conference in NYC with all the major broadcast stations and the CEOs of partner organizations. The day before the event, (RED) cancelled it and instead held an impromptu

press conference in front of the Motorola Pop-Up store. (RED) was informal, it was grassroots. It was, “You. Help stop AIDS in Africa.” A formal conference with fanfare and pretention felt inauthentic. This decision created a lot of tension with the corporate partners, but in the end (RED)’s leadership that decision was key to ensuring (RED)’s credibility.

3) Find supporting evidence

Objective: Identify partners and experiences that add credence to the story you’re promoting.

How: Simply having a good idea with some ground rules isn’t enough to generate support. In step 3 you need to look for brand or human partners to add credence to your “story.” Additionally you should seek out evidence that proves your brand or concept’s validity.

- **Identify partners who align with your brand.** Develop a list of target partners that fit your brand or idea and pursue them wholeheartedly, focusing on gaining in person meetings. For (RED) this meant seeking companies with strong social missions and which appealed to a broad segment of society. Gap, Inc. was a target because not only is it one of the most popular apparel brands in the US, but it was already working in Africa, sourcing products like scarves from Lesotho.
- **Say “no” to those that don’t fit.** Feel empowered to say no to individuals or organizations which want to partner but do not reflect the values or parameters of the idea or story. Taking on a partner that doesn’t “fit” can do significant damage to the brand’s or idea’s credibility. For (RED) this meant saying no to some partners, even if they would have generated publicity and/or reach. For example, Smith said no to car companies. The car companies offered accessory packages, but because margins are so slim, a multi-hundred dollar purchase would have just contributed a few dollars to The Global Fund. That ratio – of consumption to donation – didn’t “feel” right. Smith said no.
- **Collect stories which support your story.** Within any brand or idea story can and should live mini-stories which support the macro story. These mini-stories tell of the impact the brand or idea has had. Smith and her team traveled to Africa frequently to meet with the people benefiting from their donations and publicized these stories so that consumers and other partners understood the impact of their efforts. There are countless stories of mothers with AIDS who lost children to the virus and then through ARV treatment gave birth to AIDS-free babies who are living healthy lives. An entire page of the (RED) site is dedicated to sharing and promoting these stories (**Figure 3**).

Figure 3: Page dedicated to sharing stories of impact (www.joinred.com/impact)



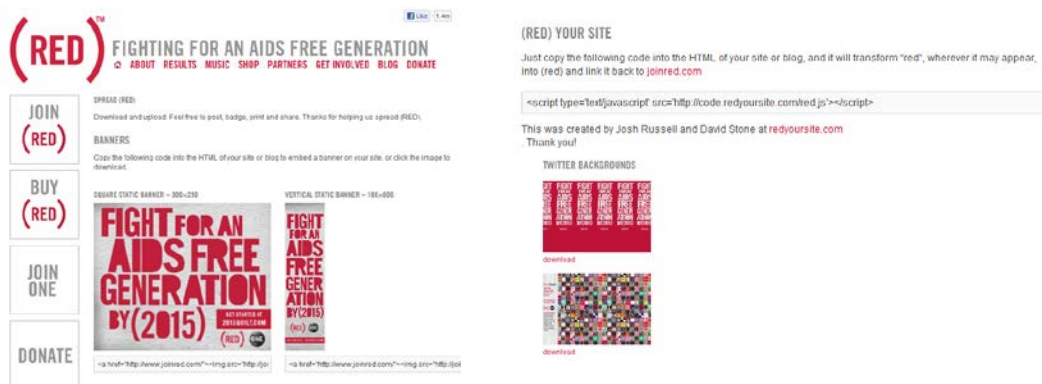
4) Launch the story

Objective: Announce your story or idea to much fanfare and generate energy.

How: When you're trying to create a story that gets people to talk, you need to spark their conversation. Think of this stage as advertising and PR. How can you get your target audience excited?

- **Host a launch event(s) that fits your story.** Every good story needs a launch event or action that serves as its debut. The action can be big and elaborate or small and intimate; what's most important is that it supports the tone of the story. For (RED), a new socially responsible business model dependent on grassroots support and consumption, this meant a shopping spree at partner stores on the Magnificent Mile in Chicago and guest appearances by leading celebrities supporting the cause. Additionally, (PRODUCT) RED worked with *Vanity Fair* to create "The Africa Issue," which featured 20 different covers with celebrities invested in Africa, and Bono was guest editor.
- **Go viral.** Find a way to make people talk about your story. Perhaps it's the creation of an innovative video which grabs attention or a comprehensive Twitter and Facebook campaign. (RED) has created countless viral campaigns. Because of its celebrity, it could do things like having the MySpace CEO send a note endorsing the campaign to members, or turning the Google search bar (RED) on World AIDS Day. However, some of (RED)'s tactics are simpler and can be replicated by any brand, like providing graphic assets that enable consumers to spread the message (**Figure 4**).

Figure 4: (RED) sharing graphic assets



5) Gather customers' support

Objective: Win customers loyalty and evangelization of your brand or idea.

How: To co-create a story you need users of the brand or idea to care about this story. In this stage, you court consumers' endorsements of your product.

- **Communicate the impact.** Consumers need to see the impact of your story to really believe and spread it. The best way to do this is to really hit them over the head with it;

tell them about how great your story is in multiple ways and channels. (RED) dedicates an entire page and various sub-pages to highlight impact and creates catchy graphics to communicate numbers (**Figure 5**). Additionally, talking about impact at an individual level, and not in the abstract, is powerful. Thus, (RED) leverages the Lazarus Effect. The Lazarus Effect is the fact that ARVs (antiretroviral drugs) can make someone who looks to be at death's door “come back to life” within a few days or weeks of taking the medicine. (RED) tells those individuals' stories, showing before and after photos (**Figure 6**).

Figure 5: Communicating impact on a macro level



Figure 6: (RED) talking about impact at a personal level with the Lazarus Effect



Image of Mtselisi, a child with HIV, before and 90 days after beginning to take ARVs



YouTube video co-produced by (RED) and HBO to communicate the Lazarus Effect.

- **Provide updates and opportunities for customers to understand the story's “evolution” and their role.** A good brand or idea story can’t be told or heard once and then forgotten. It needs to be repeated often. This means with a good brand story, PR and outreach efforts must be continuous. (RED) has taken this to mean it needs to be

very active on blogs, Twitter and Facebook, continuously sharing updates on the fight. Figures below illustrate (RED)'s update activities:

Figure 7: (RED) Blog providing at least weekly updates

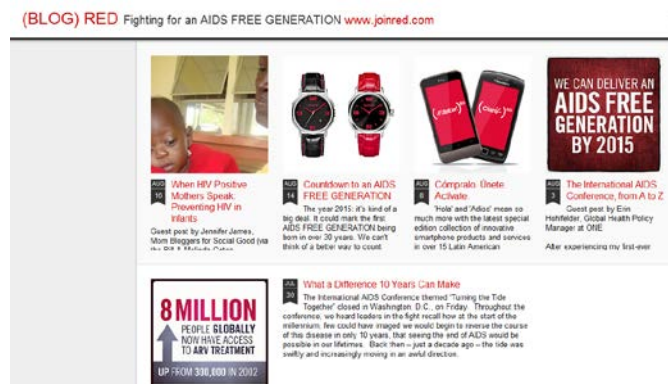
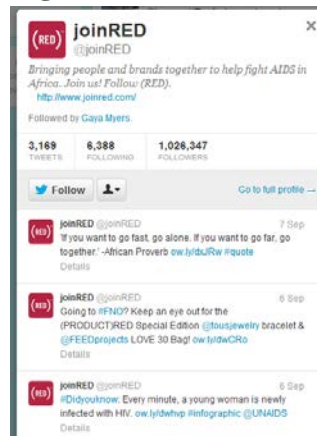


Figure 8: Join RED Facebook



Figure 9: (RED) Twitter Handle (@joinRED) providing daily interaction



6) Empower customers

Objective: Enable customers to make the brand or idea their own: to share it, evangelize for it, and change it.

How: If you want a brand story or idea to truly change the status quo, then you need to be firmly entrenched in your consumers' minds. This means they need to be deeply involved with your story or idea. This is only possible if you let them in, and allow them to mold the story and its channels to suit their own needs.

- **Set up channels to listen to and involve the customers.** Customers become more loyal to a brand or a story when they are involved in creating it. Thus, good brand stories provide multiple avenues to listen to customers. (RED) uses multiple channels to accomplish this. Since at its heart (RED) is about product, (RED) and Hallmark allowed customers to compete to create the winning designs for Hallmark's (RED) cards. (RED) does things like asking supporters to submit a "panel" for the (2015) Quilt (**Figure 10**) or encouraging its 1.4M Facebook fans to share their (RED) stories (**Figure 11**).

Figure 11: (2015) Quilt

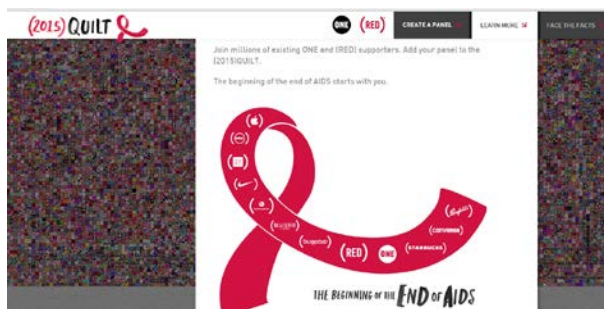
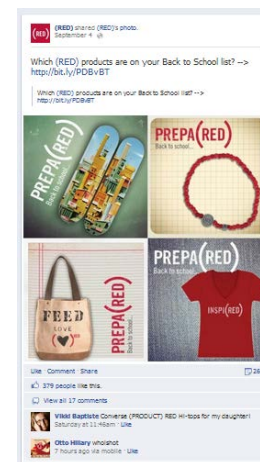


Figure 12: Engaging with Fans



- **Empower customers to take action.** Instead of just asking customers to buy or talk about your story, invite them to do more to spread the message. (RED) has done things like empowering student leaders to turn their college campuses (RED) or encouraging individuals to host "meet-ups" on World AIDS Day. Regardless of what you do, what is important is to get the consumers doing things to promote the story.
- **Meet face to face.** It is not enough to communicate through technology. A good story needs to have human representatives front and center and interacting with supporters. Smith was constantly hosting conferences, attending events and giving speeches.

7) Monitor the story's evolution

Objective: Take actions to ensure external forces don't damage your narrative.

How: Having a “good” story doesn't mean everyone will love you. In fact, the better your story, the more likely you'll receive criticism. Thus, the creators of a good story need to be on guard and ready to defend against external voices that could weaken the story. At the same time, creators need to be open to evolving their story if some of this criticism is actually valid or if it highlights a commonly misunderstood aspect of the story.

- **Thoroughly vet criticism to make sure it's not unfounded.** Criticism isn't all bad. Some criticism might highlight a weakness in the story that needs to be strengthened. Alternatively, a criticism might highlight an error, albeit unintentional, that needs to be fixed. Before attacking the criticism, take time to truly understand it and determine whether it merits any support. For (RED), Ben Davis with buylesscrap.org came up with a scathing attack on (RED), complete with visuals (**Figure 12**), based on three tenets:
 - 1) (RED) shouldn't waste money on advertising.
 - 2) (RED) shouldn't encourage consumption. That money should just be donated.
 - 3) (RED) wasn't transparent enough about how much money was donated. For example, (RED) couldn't say how much money Gap donated for each t-shirt.

Initially, Smith wanted to just refute. However, she paused to examine claims. Regarding 1, it was patently false. (RED) didn't spend money on advertising. Partners simply re-purposed some of their advertising budgets for (RED) items. However, by exploring this claim Smith realized she had not focused enough attention on the business model. Regarding 2, (RED) was not trying to encourage additional consumption, but simply to provide a (RED) option for people looking to buy the item anyway. This could also be made clearer. Furthermore, (RED) could also provide direct donation channels. Finally, regarding 3, Smith found (RED) should try to increase transparency. For some brands it was easy to state the exact donation (e.g., 1 percent of every dollar spent on a (RED) Amex), but for others it was difficult. For example, tight margins in retail and intense competition made Gap unwilling to share its exact margin on a t-shirt. However, this was not transparent – and transparency was a founding tenet for (RED)

Figure 12: Attack on (RED) from buylesscrap.com



- **Be willing to make changes.** When your story is criticized you'll want to fight back. However, before doing so you will need to make changes to bolster weaknesses or remedy errors discovered while “vetting” the criticism. For Smith and (RED), this meant a few things. It meant she needed to create a clearer way to communicate the brand's story so that no one thought (RED) spent money on advertising. That is where the “How (RED) Works” graphic (**Figure 1**) came from. It also meant she provided space on joinred.com to make direct donations. Finally, regarding transparency, it meant she both changed the way she structured partnerships and encouraged Gap to find a way to increase transparency. Moving forward, partners had to provide either a specific dollar donation per item or an exact percentage of sales donation amount. Additionally, after this criticism, Gap did find a creative way to be more transparent: it created a shirt that said (2 Weeks), which indirectly communicated the donation of two weeks of ARV medicine from the shirt (**Figure 13**).

Figure 13: (2 Weeks) T-shirt



- **Refute it, and refute it again.** Sometimes the criticism will be unfounded and unfair. After you make any adjustments to bolster your story, it's time to refute the false story. This means hitting your message with all possible communications channels. It means saying the same thing five different ways to make sure the message really gets through. Smith began opening every speech with an explanation of the (RED) model, putting emphasis on the fact that NO money goes to advertising and that (RED) does not encourage consumption, it just provides an alternative choice for those consuming. She also tweeted and posted her new graphics and a response to the criticism.

8) *Bring the story to a close (sometimes)*

Objective: When a story or idea has run its course, end the narrative by evolving it into something else.

How: This certainly has not happened with (PRODUCT) RED. The (RED) story is still going strong. However, in time many brands or ideas will need to change direction. The original story will no longer be useful or a brand may need to find a new way to energize its base. In these cases you have to create a new narrative. However, this step is tricky because authenticity is critical. From a customer's perspective you have spent years trying to communicate a certain story. Simply inserting a new story can feel abrupt or even dishonest. In the techniques below, we will explore examples where this was done well, or poorly.

- **Startle with a drastically different product which supports the new story.** Especially for brands, you will sometimes find that your old story is so strong and your new story is so different, that you need something drastic to shake up consumers' thinking. One tactic is to create a new product that is very different from the old story, and launch a new story with the new product. BMW found its brand had become too old, stodgy and "un-American" for younger American consumers. They created BMW Z series, the first modern mass market roadster targeted at an American consumer. It was a new, sexy BMW model. BMW didn't stop there. Instead of advertising through traditional channels like television, BMW launched its car in a James Bond Movie (*Golden Eye*) and sold a special James Bond edition via Neiman Marcus. Additionally, they had celebrity endorsements. Taking these actions immediately effectively cemented the new "young and fashionable" story for BMW, and sales in the U.S. took off.
- **Re-brand.** Sometimes there is enough customer loyalty and love for the existing brand story that it should not be done away with altogether; however, it should be evolved to make space for the company to try new things or to simply reengage customers. There are countless examples of this: Starbucks removing "coffee" from its logo to make way for its role in the CPG (Consumer Packaged Goods) space, or Apple removing "computer" from its name.

One especially effective rebrand was executed by Caribou Coffee, the second-largest coffee chain after Starbucks. Caribou had long had a woodsy, ski lodge feel derived from the fact that the founders were inspired to create the company while watching caribous on a camping trip. This kitschy brand story resonated well in small town Minnesota, Caribou's home base. However, as Caribou looked to emerge from a near bankruptcy, signal the start of a new era for the company, and expand both regionally and nationally, a less niche-oriented and more forward-looking brand story was critical. Caribou changed its logo and created a campaign around "Bouisms"—feel-good sayings like "Max out your passport" or "Be the first to apologize" (**Figure 15**). Furthermore, Caribou involved customers by asking them, "What do you stay awake for?" and inviting them to create their own Bouisms. The "what do you stay awake for?" mentality had long been a part of the brand, just not emphasized; thus these changes felt authentic, and customers responded well. Customers claim they feel like they are a part of Caribou. The rebrand created customer intimacy. Sales and profitability have followed. Now more

than two years since the rebrand, the stock is up 90 percent and Caribou is making a profit.

Figure 15: Caribou's logo evolution



Old logo



New Logo

Note the caribou now leaps into the future instead of backwards and it is made from a coffee bean, emphasizing Caribou's coffee story. Additionally, Bouisms adorn everything from cups to decorations emphasizing their importance to the brand and driving customer response and engagement. In fact, a cup decorated with customer-created Bouisms was launched in 2011.

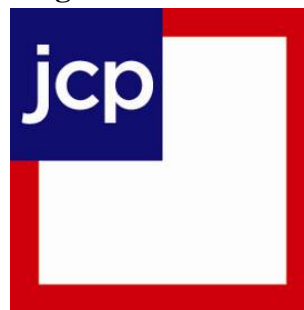
However, rebrands are not always successful, especially when they are seen as inauthentic. Take Vegemite's rebrand as "iSnack 2.0." Vegemite has nothing to do with the web, and the product was not new at all—so why imply newness with a modern name? Kraft assumed since the name resulted from a consumer contest to come up with a new name it would be accepted. It wasn't. It didn't feel authentic, customers revolted, and the name reverted to Vegemite in five days (**Figure 16**).

JC Penney (JCP) is another example. It needed a change; its brand was damaged and it was on the verge of bankruptcy. JCP tried to rebrand with a new logo featuring a square and a "Fair and Square Pricing" tagline (**Figure 17**). However, customers said the new logo didn't feel like JCP. Furthermore, the "best prices," part of its new "Fair and Square Pricing" scheme, appeared to be higher than at competitors' stores. This felt inauthentic and, as of summer 2012, customers had not responded well. Sales were down 20 percent in the first quarter after launch, and JCP's PR team was looking to make changes.

Figure 16: Vegemite's (failed) rebrand



Figure 17: JC Penney's new logo



- **Create an entirely new brand.** Sometimes your story may be so drastically different, or your old story so badly damaged, that it's time to create a completely new brand. However, a new brand does not necessarily mean a new name. It means taking drastic actions to change how the company is perceived. Creating a successful new brand is difficult. The internet has a long memory, so changing a name and "story" without taking actions to support this new story won't work. Furthermore, a new brand story

requires creating a new corporate memory; not only do you have to convince consumers you've changed, you also have to convince employees that you are taking the right steps.

Ratners, now Signet Jewelers Limited, successfully created a new brand. In 1992 the brand was plagued with a plunging stock price and a reputation for low quality due to inappropriate comments from the then CEO, Gerald Ratner. The name change to Signet, when coupled with Ratner's resignation and the closure of Ratner branded stores was sufficient to signal a true new path for the company, driving both employee and customer confidence. Signet Jewelers Limited is now the world's largest specialty retail jeweler.

However, a new brand was not enough for Phillip Morris. Phillip Morris USA, a brand heavily associated with tobacco but owner of many other products including Kraft Foods, breweries and wineries, was so drastically damaged by the tobacco suits and the negative connotations with tobacco products that it decided to change its name to create distance. Phillip Morris became Altria Group. However, Phillip Morris changed the name without taking the corresponding actions to show it was a different, better company. This did not feel authentic. Phillip Morris's effort was widely mocked and it has not been able to achieve the same financial heights as before the tobacco debacle.

Strong Brand Stories Depend on Co-Creation

Successful brand stories engender die-hard loyalty in customers and employees alike. They inspire employees to achieve operational efficiency, customers to deliver deep loyalty, and customers and employees to be willing to try something new. This is because they are co-created. Brand stories thrive because your customers and partners keep telling them, and adding to their richness. They tell your story because they feel like they are a part of it. They feel like your actions reflect their beliefs. To create and maintain an impactful brand story you must consider all your actions to be mini-stories that impact your co-creators and build to your ultimate narrative. Additionally, building a brand story is an ongoing exercise in acting authentically. Inauthentic or untrue actions permanently damage your relationships with your story's co-creators, and thus your story.

A successful brand story will drive the success of your organization; however pursuing one cannot be taken lightly. Creating a brand story is a commitment to co-create your company's future for years to come.

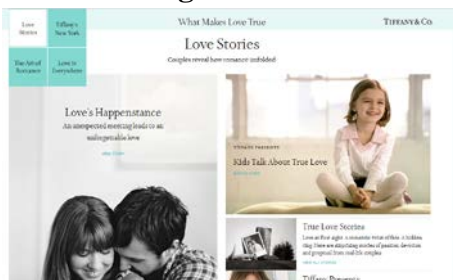
Appendix

Signature Stories

Below are four examples of successful signature stories.¹ These examples show that an effective signature story pervades all brand communication. It's not told once; it's told again and again across channels. Note that these stories almost always involve co-creation with customers.

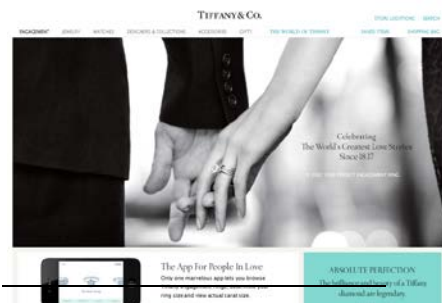
Company:	Tiffany & Co.
Story Theme:	Finding true love
Objective:	Customer intimacy
Target audience:	Customers
Channels:	Packaging, employees, website and external advertisements
Overview:	Tiffany positions itself as a means to find and convey love. Rather than tell a particular couple's love story, Tiffany claims to have heralded great love stories throughout its history. A Tiffany piece is a symbol of love. Everything Tiffany & Co. does supports this story; from the Tiffany Blue Box with its white ribbon to Tiffany's promotion of its products (especially its diamond rings). Tiffany's brilliance, however, comes not only in sharing its story but in requesting customers to join in and share their love stories. In fact, Tiffany created an entire site to this end (whatmakeslovetrue.com). On this site Tiffany shares different definitions of love and invites customers to share their perspectives. Thus, Tiffany co-creates its love story with its consumers.

Links or images:



whatmakeslovetrue.com

A site dedicated to sharing love stories and encouraging customers to become involved, curated by Tiffany & Co.



Tiffany promoting its role in love stories on its engagement rings page.

Note the link to "The App for People in Love"

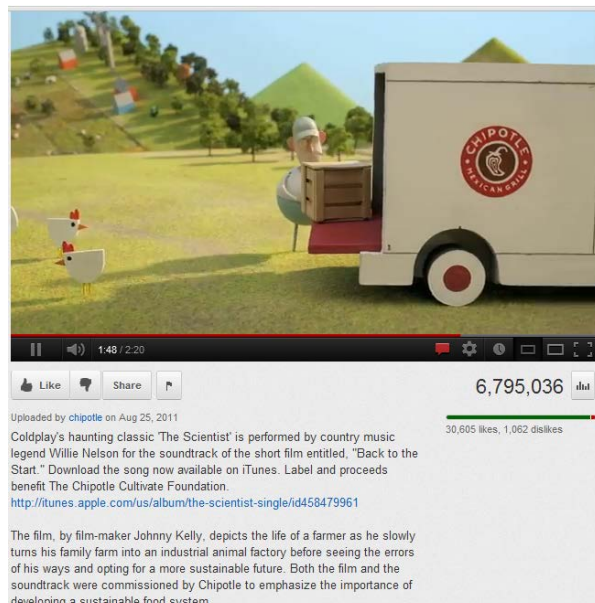
Defined as a story that has value by helping the firm's strategy by creating or reinforcing a value proposition or organizational value (D. Aaker, 2012). As such it has the potential to have a long life, to merit active management, and to stimulate other supporting or complementary stories.

Company:	Chipotle
Story theme:	Sustainable sourcing: good for you and the world
Objective:	Customer intimacy and operational excellence
Target audience:	Customers and employees
Channels:	Comprehensive across all communications (e.g., food packaging, in-store decorations, t-shirts, external marketing materials, viral campaigns)
Overview:	<p>Chipotle tells the story of how it sources food sustainably. It does this in a general sense, highlighting the reason why it claims it provides “Food with Integrity” (e.g., “Chicken raised without antibiotics and fed a diet free of animal by-products” on menu boards), and a specific sense through things like its viral video where Willie Nelson covers Coldplay’s “The Scientist” while picturing a farmer turn his farm into an industrial animal factory before realizing his mistake and reverting to more sustainable means.</p> <p>Chipotle’s sourcing story serves as a point of differentiation that inspires employees to believe in the company’s mission and thus support its service standards. Additionally, its sourcing standards drive customer loyalty as customers believe they are getting a higher-quality product.</p>

Links or images:



Menu board at a Chipotle highlighting its sustainable sourcing story



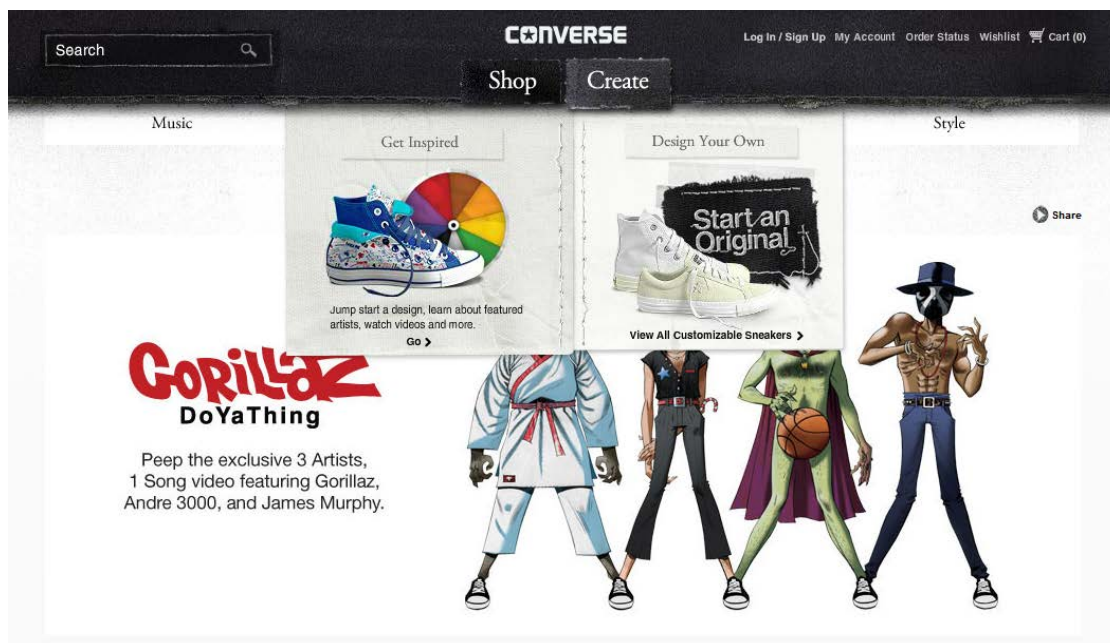
Farmer's evolution viral video with Willie Nelson

<http://www.youtube.com/watch?v=aMfSGt6rHos>

Company:	Converse
Story Theme:	Express yourself
Objective:	Customer intimacy
Target audience:	Customers
Channels:	Website, advertisements, customer stories and celebrity endorsements
Overview:	Converse turns their iconic Chuck Taylor All Stars into a canvas for personal expression. Whether it's a fine artist, musician, sculptor, social activist, or a regular consumer, all have the chance to put their thumbprint on their footprint. Then that celebrity or consumer is encouraged to tell their personal story as reflected on the shoe. This is a perfect example of co-creating a story with stakeholders.

Furthermore, this customization story is catching on even in the business world. For example, the CEO of Caribou Coffee, Mike Tattersfield, gives employees winning his innovation award the opportunity to create their own custom pair of Chuck Taylors and share their story with him. Additionally, Tattersfield has tens of pairs himself, which he regularly wears to work, and happily shares the why behind his various styles.

Links or images:



This is Converse's entryway to the site where you can create your own custom Chuck Taylors. Note how Converse highlights how you can learn from others – including featured artists – before getting started.

<http://play.converse.com/blog/2012/02/23/doyathing/>

Company:	Toms Shoes
Story Theme:	One for One
Objective:	Operational excellence, customer intimacy, and innovation
Target audience:	Customers and employees
Channels:	Prevalent across all communications channels
Overview:	<p>Toms has built its entire brand around “one for one.” In other words, when a customer buys one item, a child in need gets one too. Toms started as a result of Blake Mycoskie’s trip to Argentina and his subsequent realization that children became sick from catching diseases transmitted by soil since they lacked shoes. Mycoskie wanted to fix that, and so Toms was born. He sold shoes, and for every pair sold, he donated a pair to a child in need. Today Toms includes eyewear as well, and for every pair of sunglasses purchased, one person in need gets “sight” (i.e., they either receive a pair of glasses, a sight-saving survey, or medical treatment—whatever their condition requires). To date, more than 1 million pairs have been given out.</p> <p>One important thing to highlight is that Toms doesn’t just ask consumers to buy and then forget about them. Instead, Toms provides multiple ways for those customers to engage on a regular basis (from uploading photos of their Toms, to hosting a “Style Your Sole” party, to going on a trip around the world to help distribute pairs to people in need).</p> <p>The story has hooked employees and customers alike. In the beginning, it was impactful enough to get people to either give it a chance and buy a pair or agree to work for Toms. Today, its brand established, the story ensures the employees’ loyalty. They care about making the story a reality and so they work “smarter.” Customers love the model and so don’t just buy one pair of Toms. Rather, Toms are a permanent part of their shoe and/or sunglass options.</p>

Links or images:

The screenshot shows the Toms website's 'One for One' section. On the left, a sidebar titled 'get involved' lists four ways to participate: 'SHARE the TOMS story', 'HOST a Style Your Sole party', 'UPLOAD your TOMS pictures', and 'REGISTER for One Day Without Shoes'. Below these are social media icons for Facebook, Twitter, YouTube, Tumblr, and Pinterest. The main content area features a large banner with the text 'ONE FOR ONE' and '“GIVING IS what fuels us. GIVING IS our future.” -Blake Mycoskie'. Below the banner is a video player showing children in Argentina. To the right of the video is a 'TICKET TO GIVE' promotion titled 'See your One for One™ purchase in action. EXPERIENCE GIVING FIRST-HAND. Every week, TOMS will select 1 customer to follow their purchase around the world on a TOMS Giving Trip. START HERE'.

Toms.com/our-movement

Toms dedicates a page to communicating the movement and providing multiple ways for customers to become involved beyond simply buying the shoes.