



***What Corporate Storytelling is and Why is
important for Companies***
Text version of the LM1



What We are going to present

This first group of slides introduce you to the Storytelling and the Corporate Storytelling "world". In the beginning, we explain why Storytelling is considered a "buzzword", and then we define what Storytelling is and why it is important. In the second part, the focus is on Corporate Storytelling: what corporate Storytelling and why corporates should communicate using narratives. In the end, external digital resources related to Corporate Storytelling are listed.

Storytelling as Buzzword



Storytelling became a “Buzzword”. What does it mean “Buzzword”?

A buzzword is a word or expression that has become fashionable in a particular field and is being used a lot in other context and by the media. Other examples of “buzzword” are synergy, skilled or agile.

Nowadays, we find Storytelling everywhere. We find Storytelling in care professions (narrative medicine), in politics (Storytelling in political campaigns), in entertainment (under the pandemic we lived a kind of “Netflix society” in which we consumed a lot of tv series, a lot of stories) and in business (corporate Storytelling).

Like other buzzwords, also in the case of Storytelling, its large use has made the concept entirely indeterminate.

For this reason, we think it is useful to remember what Storytelling is.



Storytelling definition



Storytelling is the vivid description of ideas, beliefs, personal experiences, and life lessons through stories or narratives that evoke powerful emotions and insights [Serrat, 2008].

Storytelling usually defines, at the same time, the act of telling stories and the ability to do it. The act and the skills. What is important to underline is what is a story and what is the difference between a story and a simple series of facts.

We give you an example.

- The king died and then the queen died» is a sequence of facts.
- The king died and then the queen died of grief» is a story.

What is the difference between the two?

In the stories, events are linked to each other's through a cause-effect relationship.

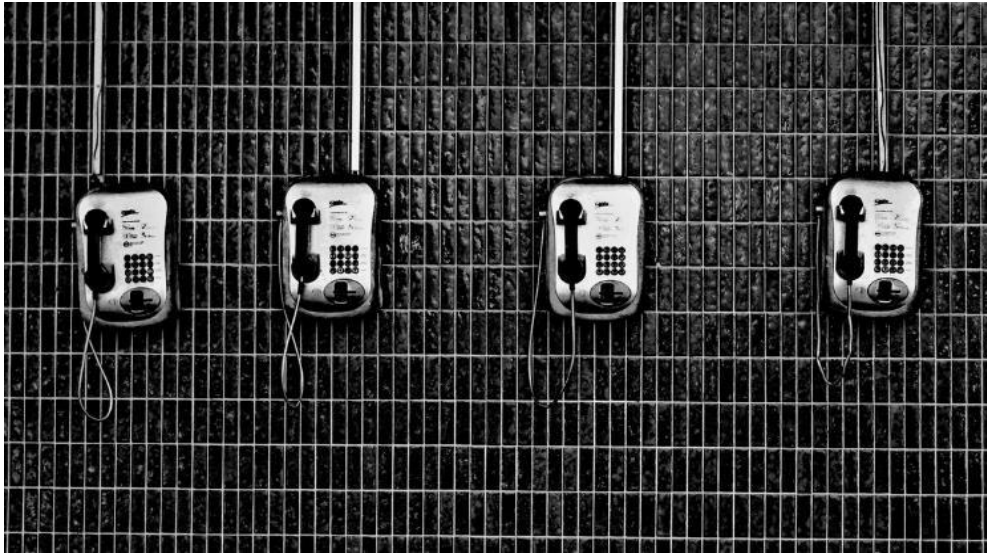
The queen's death is a consequence of her grief which, in turn, is a consequence of the king's initial death.

Once established what Storytelling is we can focus on why Storytelling is important. We can list, at least, four reasons that make Storytelling a relevant tool.



Why is Storytelling important?

1. First reason: we live in narrative economies



According to Nobel Prize Robert Shiller, stories are a key change factor for modern economies. From this perspective, narratives drive economies more than mathematics. More specifically, economies are driven by «popular narratives» spread through word of mouth or social media. A “narrative” contagion that affects people and policymakers [Shiller, 2019].

«Robert Shiller’s new book, Narrative Economics, develops ideas about narrative that he has been shaping for the past twenty years. He takes the reader through various narrative-based enthusiasms relevant to economic behaviour: stock market booms and busts; the rise and fall of Bitcoin; the rise and fall of favourite economic models; and, interestingly, the rise and fall of various contradictory penchants for particular ideas – for example, about the desirability or not of the Gold Standard, automation, artificial intelligence, real estate investment, etc. His stated goal is to ‘improve people’s ability to anticipate and deal with major economic events, such as depressions, recessions, or secular (that is long-term) stagnation, by encouraging them to identify and incorporate into their thinking the economic narratives that help to define these events» (1).



2. Second reason: markets are narrative arenas



Today, markets are narrative arenas in which, alongside the quality of the services or products that companies are able to offer to their customers, what matters is also the ability to evoke a universe of values, traditions, stories, a world one might say, capable of going beyond a purely commercial relationship with customers.

When I decide to buy a French perfume or Italian haute couture, I do not do it for the quality of these excellent products but also because these products are capable of evoking something else: a story, a tradition, a lifestyle, a world that fascinates me with which I identify myself and which I also want to buy.

This story, this tradition, this lifestyle is also the result of Storytelling.

And in this context, Storytelling, if it is done well, can help companies to develop this process of intangible, symbolic, metaphorical value creation which will make it possible to better compete in an economy than the Nobel Prize winner Robert Shiller in calls for a narrative economy.

«It isn't that everything comes down to narratives. I have been saying that the efficient markets theory is half true. But movements in stock prices are quite substantially driven by narratives, and especially so at the aggregate or sector level. Most of stock market aggregates' movements are narrative-driven. I wonder if the pandemic makes this point by analogy. The first, second, and third waves of coronavirus contagion, differing across countries and cultures, are the product of differing contagion or recovery rates. The same is true with perennial narratives.

A story becomes newly on everyone's lips not because it is true but because its contagion rate has gone up or recovery rate has gone down, just as viruses can see surprising new spread because of a subtle mutation. Contagion rates of stories are affected by such things as superficial resemblance to recent events, celebrity connections, and even sometimes by their outrageous daring falsehoods»
(2).

The first two reasons are directly or indirectly economic reasons.



3. Third reason: Storytelling is a sense-making process



Stories are able to open windows into the emotional and symbolic lives of organizations. In this way, we could say that storytelling is a sensemaking process, especially thanks to its ability to reveal how organizations are perceived inside and outside of the company [Gabriel 2020].

In other words, Storytelling is a sense-making process thanks to which companies have the possibility to redefine their strategies, to reflect on their identity and their mission.

We will see this element more in detail later talking about the advantages of the Corporate Storytelling.

«Karl Weick, the “father of sensemaking, suggests that the term means simply “the making of sense” (Weick, 1995, p. 4). It is the process of “structuring the unknown” (Waterman, 1990, p. 41) by “placing stimuli into some kind of framework” that enables us “to comprehend, understand, explain, attribute, extrapolate, and predict” (Starbuck & Milliken, 1988, p. 51). Sensemaking is the activity that enables us to turn the ongoing complexity of the world into a “situation that is comprehended explicitly in words and that serves as a springboard into action” (Weick, Sutcliffe, & Obstfeld, 2005, p. 409). Thus, sensemaking involves—and indeed requires—an articulation of the unknown, because sometimes trying to explain the unknown is the only way to know how much you understand it» (3).



4. Fourth reason: Storytelling increase social interactions and save Cultural Heritage



Storytelling can increase social interactions because stories have a social function. Furthermore, Storytelling can play an important role in saving and spreading Cultural Heritage. Research activity linked to the storytelling process can save and disseminate, using narratives technique, tangible and intangible heritage.

«[...] stories do fundamentally contribute to socialization. Through story sharing, humans not only learn about the world but also interact with the people in it. Sharing stories permit to generate emotional connections among humans, creating a sense of belonging and developing a new sense of dignity (Prasetyo, 2017). Stories allow one to enter into an imaginary world in which, thanks to characters and the identification process with them, we directly experience how others believe, think and, in the end, feel. Stories give us an “experience” of others different from the traditional way of transferring information. We will “experience” others through emotions. Research has shown that people who have been “exposed” to fictional literature tend to be more empathetic (Raymond A. Mar, Oatley, Hirsh, dela Paz, & Peterson, 2006). Thanks to stories we develop an open attitude towards distant “worlds” (Raymond A Mar & Oatley, 2008: 181) [...] storytelling can make complexity more understandable, developing, at the same time, empathy toward humans and diversity» (4).

So, these are the four fundamental reasons that make Storytelling a relevant tool. Now we can focus on the reasons that make Storytelling a useful tool for companies.



What is Corporate Storytelling?



«Corporate storytelling designates private and public companies and organizations strategic utilization of stories and storytelling (in the broad sense of man’s ability to tell and understand narratives) to create coherence and progression concerning the companies or organizations brand, identity and development».

According to Fontana [2016] we can have three fundamental types of Corporate Storytelling:

- Stories of organizations and processes.
- Stories of enterprises or entrepreneurs.
- Stories of brands, products and services.

Examples of Corporate Storytelling

Corporate Museums. Corporate Museums are physical spaces or environments designed to communicate the story of an Organization. In Italy there is a large network of corporate museums, the picture refers to the “Museo del Cavallo Giocattolo” that is the Corporate Museum of Artsana Group at Grandate, in the north of Italy.





Corporate Archives. Corporate Archives are a complex of documents on any medium (paper, electronic/digital, photographic, audiovisual, etc.) produced or otherwise acquired while carrying out business (Lodolini, Carucci).



Corporate Exhibitions. Corporate Exhibitions are public display of works of art or items of interest, held in an art gallery or museum or in other public space usually organized to celebrate corporate anniversaries.



Life Histories of Entrepreneurs. Life Histories of Entrepreneurs are Biographies or Autobiographies of entrepreneurs in which company history is told starting from the life history of the company founder.



Why Storytelling is it important for Companies?

1. Because increase the memorability of corporate messages

Stories are able to make corporate communication more memorable. Memorable means that stories are easier to remember. In stories, we usually find a language rich in images, metaphors and symbols. All these elements help the memorability of the message. If your message is told, it won't be lost.

«Stories, then, are at the root of our ability to communicate and understand what's going on around us. Because understanding and memory are intertwined, we shouldn't be surprised that they are also very powerful mnemonic devices. Whether you wish to learn a set of directions, a recipe, the events during an historical epoch or the members of the cabinet, imposing a story line over what you wish to learn is a wonderfully simple and powerful way of binding the ideas together in a manner that allows easy and enjoyable recollection» (5).

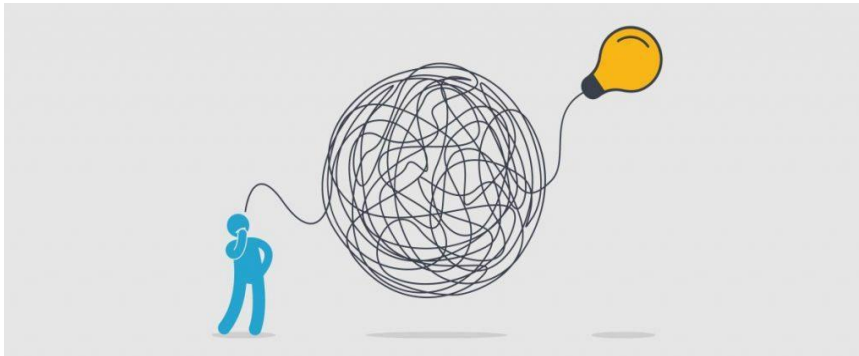


2. Because is able to engage audiences

Stories are useful not only for transferring knowledge and increasing memorability. Stories are also helpful to create interaction among people because narratives have a social function. This is particularly true in the case of stories able to evoke local identities. Sharing this kind of stories permits the creation of emotional connections between people, between corporate and clients, between corporates and the general public. This happens when they recognize their identity in the stories they are listening to.



3. Because is a sense-making process.



To tell a story is not simply a passive act.

To tell a story is something active that changes us. While we tell a story, we assign meanings to our life or corporate story, we start a sense-making process that is relevant in terms of strengthening corporate identity or corporate strategies [Erlach, Müller, 2020].

«[...] it is not only important to know the stories told by customers, but also those told by employees. In many cases, they might have a completely different image of their organization than their superiors—in a positive or negative sense» (6)

4. Because is a powerful tool for rethinking Corporate Strategies

Thanks to its ability to share business information along swiftly and effectively with the organizations, Storytelling can play a relevant role in defining new corporate strategies. This ability makes Storytelling a powerful tool in change management, design management and organizational learning [Barker, Grower, 2010].

«Knowledge about past projects and cycles, the history of a company, and past successes and failures are kept hidden in the memories and stories of employees and are thus inaccessible to purely mathematical or schematic approaches» (6).

At the end, to recap, corporate Storytelling is useful for companies because:

- 1) increases the MEMORABILITY of their messages.
- 2) ENGAGES company audiences.
- 3) Makes SENSE.
- 4) Built new corporate STRATEGIES.



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