THE POWER OF STORIES

Stories are the most primitive and purest form of communication. The most enduring and galvanizing ideas and values of our civilization are embedded in our stories, from those of Homer, whose preliterate epic poems united the Greeks' national spirit, and Virgil, whose poems did the same for the Romans, to those told by Jesus, who used parables to teach his disciples. It seems to be in our genetic makeup to capture our best ideas in stories, to enjoy them, to learn from them, and to pass them on to others.

According to renowned storyteller and author Kendall Haven (author of *Super Simple Storytelling*), "Human minds rely on stories and story architecture as the primary road map for understanding, making sense of, remembering, and planning our lives—as well as the countless experiences and narratives we encounter along the way." Smart, future-oriented companies use this ancient impulse in new ways, by telling stories that people can watch on YouTube and share on Facebook.

When you have a memorable story about who you are and what your mission is, your success no longer depends on how experienced you are or how many degrees you have or who you know. A good story transcends boundaries, breaks barriers, and opens doors. It is a key not only to starting a business but also to clarifying your own personal identity and choices.

A story evokes emotion, and emotion forges a connec-

tion. This is why the way companies introduce themselves to customers has changed. They can no longer rely on simple, straightforward ad campaigns, the kind portrayed on the television show *Mad Men*. The *Mad Men* style of advertising was effective during an era when there were only three channels on your television. Back then, major brands controlled the conversation by bombarding consumers with pitches such as: *Ford trucks are the toughest; Crest toothpaste makes teeth their whitest; Coca-Cola is the most refreshing soft drink*.

I don't believe those work today. The media are much more fragmented and the attention of consumers more divided.

People are no longer all listening to or watching the same few radio or TV stations each week—they're following their own carefully curated Twitter feeds, commenting on and creating blogs, channel surfing among more than 500 TV stations, watching Hulu on laptops, clicking on YouTube, reading Kindles and Nooks, and surfing on iPads. Sometimes all at the same time.

It may seem counterintuitive, but because so many product claims and consumer opinions are a click away, it's actually more, not less, difficult to base purchasing decisions on this information. Not only is there too much to sift through, but much of it is contradictory: Chevrolet is the best car—or the worst—depending on which you follow. Crest cleans teeth their whitest—or does Colgate? An article on the Web says one thing, but the stream of comments under it says something different.

And unless this information is presented in an emotion-

ally compelling fashion in the first place, you'll probably forget most of it almost immediately. Business consultant Annette Simmons explained this phenomenon: "Facts are neutral until human beings add their own meaning to those facts. People make their decisions based on what the facts mean to them, not on the facts themselves. The meaning they add to facts depends on their current story . . . facts are not terribly useful to influencing others. People don't need new facts—they need a new *story*."

A barrage of facts is simply not as powerful as a simple, well-told story—and science offers proof. In 2009, Carnegie Mellon University researchers compared how our behavior is affected by abstract facts versus a concrete story. The team offered students five dollars to complete a survey about various technological gadgets. Unknown to the students was that the questions had nothing to do with the study. Instead, the research focused on what happened when they got paid for their participation. At the end of the "study," students received five one-dollar bills and one of two letters asking them to donate some of their newly earned money to Save the Children, a well-known international charity.

One of the letters was studded with facts about food shortages in Malawi and statistics correlating severe rainfall deficits with fewer crops. The other told the riveting story of a desperately poor seven-year-old Malawian girl named Rokia.

The students who received the letter filled with statistics contributed an average of $1.14. The students who read the story of Rokia contributed $2.38. That's more than twice as much!

The researchers then gave a third group of people *both* letters—one full of statistics and one with the story of Rokia. These students gave almost a dollar less than the people who saw only the story about Rokia.

Facts are important, but the story matters. Poorly presented facts can even get in the way of the story's impact.

Seth Godin is one of my favorite business gurus and is especially astute in describing the value of storytelling in business: "People just aren't that good at remembering facts," he wrote in his book *Meatball Sundae*. "When people do remember facts, it's almost always in context. Patagonia makes warm coats. So do many other companies, almost all of which sell their coats for less money, do less volume, and turn a lower profit. Is it because Patagonia coats are more beautiful or warmer? Not at all. It's because the company has created (and lives) a story that has less to do with clothing and more to do with the environment. Their mission statement is: Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis. And the company absolutely adheres to that mission."

Actually, one of the most successful recent uses of story in advertising came about by accident. In the late 1990s, the fast-food company Subway created a new line of healthy sandwiches and, along with it, an advertising campaign centered on an impersonal numbers-based product description: They were introducing seven subs that each contained less than six grams of fat.

Few consumers cared. But then, in 1999, Subway accidentally discovered Jared Fogle, a onetime 425-pound

college student who had been diagnosed with edema, a condition that can lead to diabetes, cardiovascular disease, and other severe health problems. Jared, who at the time had a sixty-inch waist, knew he had to lose weight to avoid serious illness; to do that, he started eating what he called "The Subway Diet"—a low-fat sub for lunch and another for dinner.

Three months later, Jared had lost almost one hundred pounds and was on his way to losing more—so much that newspaper and magazine articles began to appear about his counterintuitive diet of sandwiches. A Subway franchise owner read one of these articles and sent it to Subway's ad agency; they in turn tracked down Jared. Some company executives weren't convinced that Jared's story, memorable as it was, would sell sandwiches, so Subway tried a Jared-based advertising campaign in select locations as an experiment. The results were spectacular. Subway eventually rolled out a major national campaign built around the story of Jared.

The seven-under-six campaign had gone nowhere, but the Jared story gave the company an 18 percent increase in sales its first year and another 16 percent the year after that, at a time when other chains were growing at less than half that rate.

STORIES RESONATE MORE THAN FACTS

Frankly, I didn't know this lesson when we started TOMS—but I learned it pretty quickly. In fact, I know the exact moment I realized that TOMS was a story as much as it was a product.

Back in November of 2006, I was checking in to a flight at New York's JFK Airport on my way to Los Angeles. At the time I wasn't wearing my TOMS because I had come directly from the gym, in a rush to catch the plane, and still had on my sneakers. That was very unusual for me—I almost always wear TOMS.

The trip had been difficult. At the time, TOMS was a very young company, and the tough and jaded buyers at the major New York fashion retailers didn't yet understand our mission. I hadn't made one sale in the city that week and was leaving feeling a little deflated.

While I was checking in at the American Airlines automated kiosk, I noticed that the woman next to me was wearing a pair of red TOMS. Now, at this early point in TOMS' history, I still hadn't seen a single person outside of friends, family, and interns wearing our shoes. This was a big moment for me.

Containing my excitement, I said, "I really like your red shoes. What are they?"

It was as if I'd pushed a button on the kiosk; the response was that automatic. The woman's eyes widened, her face came alive, and she said boldly, "TOMS!"

Trying to be cool, I kept watching the ticketing kiosk, but the woman became so excited that she grabbed my shoulder, pulled me away from the machine, and, in an animated voice, told me the TOMS story.

"You don't understand," she said. "When I bought this pair of shoes, they actually gave a pair of shoes to a child in Argentina. And there's this guy who lives in Los Angeles

who went to Argentina on vacation who had this idea—I think he lives on a boat and he was once on the *Amazing Race* TV show—and the company is wonderful, and they've already given away thousands of shoes!"

At this point I was getting embarrassed and knew I had to tell her who I was—I couldn't walk away from such excitement. So I said, "Actually, I'm Blake. I started TOMS."

She looked me right in the eyes and said, "Why did you cut your hair?"

This wasn't the question I'd expected. But it turned out she had seen the YouTube videos we'd created on a TOMS Shoe Drop—when I had much longer hair, which is why she didn't recognize me. But it also showed how much attention the woman paid to the video and to our company.

I gave her a hug and proceeded to my gate. Only when I was seated on the plane did the magic of what had just happened dawn on me: This woman was passionate about telling the TOMS story to a *complete stranger.* How many other people had she already spoken to? If she was willing to talk like this to me, she'd probably told her family and friends as well. She might even have uploaded a photo of her shoes to Facebook and shared the YouTube video with her friends. How many people had she influenced?

I wondered, "What happens when we have ten thousand or one hundred thousand people wearing TOMS? If they all tell the story to only three or four others, and then those people tell the story . . ." Well, you can do the math.

That's when I fully realized the power of our story. And we've been focused on it ever since.

The story helped us understand another important point. People who tell the TOMS story are more than just our customers, they're our supporters. People who buy TOMS like to talk about their support of our mission rather than simply telling people they bought a nice shoe from some random shoe company. They support the product, and the story, in a way that a casual buyer will never do. Supporters beat customers every time.

But gaining supporters starts with having a story worth supporting. Exxon Mobil can come up with a story if it wants, and if it pays enough PR companies enough money, it can put a positive spin on its business: Still, the focus of Exxon Mobil (or Union Carbide or Philip Morris or Goldman Sachs) will always be on making money above all else, a perfectly defensible capitalist motivation. But no one bypasses a Shell station to go to an Exxon because of the "Exxon story."

Conscious capitalism is about more than simply making money—although it's about that too. It's about creating a successful business that also connects supporters to something that matters to them and that has great impact in the world. As consumers, customers will want your product for the typical reasons—because it works better, because it's fashionable, because the price is competitive, because it offers an innovation—but as supporters they also *believe* in what you're doing; they've bought into your story because it taps into something real, and they want to be a part of it.

This is why the woman at the airport matters. Every

For more than sixty days, I crisscrossed the country in an Airstream trailer telling the TOMS story. This photo was taken outside a Nordstrom parking lot where we camped for the night.

company needs supporters like her. Customers and employees come and go. Supporters are with you for the long haul.

AT&T entered the TOMS story at just the right time: The company played an enormous role in our growth—and in helping tens of thousands of children receive shoes in 2009. The relationship came about through a serendipitous act of storytelling.