WODEN ANNUAL

2018

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AUTHENTIC CONNECTIONS

HOW TO TURN YOUR AUDIENCE INTO NOT JUST CUSTOMERS, BUT EVANGELISTS.

Leverage your story to develop an authentic connection

The most powerful movements in human history did not begin with bullet points or a PowerPoint deck. Features and benefits may allow people to understand how something works, but they don't utter a syllable on why someone should give a damn. Only a well-developed story can deliver the kind of authentic connection that gets an audience to crave more and become excited to embrace an idea or a brand.

Crafting those well-developed stories is what Woden does for brands, organizations, and movements. This publication is the second Woden Annual—a collection highlighting some of the most powerful writing over the last year in relation to how purposeful storytelling has made its mark and advanced brands and ideas. In 2018, Wodenworkers focused a great deal on the notion of authentic connection, kicked off in a piece by Zachary Vickers on page 9 that looks at how Weight Watchers, Radio Shack, and Dunkin Donuts have attempted to connect with their audiences.

It's evident that authentic connections are the tissue that bind people to ideas or brands. It empowers the development of enthusiasm—not just an acceptance—for a brand. That enthusiasm is seen in the link between the world's fastest-growing brands and their adherents. Just as a strong connection can fasten a brand to its audience, though, those brands inevitably suffer when the authentic connection slips away—as illustrated in the following pages, most notably in a piece by Ed Lynes on page 44 that tackles how the leaders of companies such as Tesla and Starbucks can get in the way of their brands' connections.

As you make your way through this publication, keep in mind that when story is discussed, it's much more than its application to marketing or sales or advertising. The story of an organization is the strategy of that organization in the holistic sense. It has a direct impact on not only customers, but also employees, vendors, investors, and anybody else who touches a brand in any way. And the most successful story strategy is to ensure that a brand's narrative is less about its "what" or "how"—and all about its "why".

Brand narratives must have a higher purpose if they are going to truly engage audiences. Ample research confirms that human decision-making is based in the limbic system, the oldest part of the brain that is distinct from the part of a brain controlling rational thought. That's why connection starts and ends with communicating purpose, and has little do with even the most compelling features and benefits.

Emotions are different and distinct from rational thoughts. People make gut decisions because those decisions feel good. If a brand can connect with its potential audience by leveraging shared values and purpose—the brand's "why"—customers will consider features and benefits secondarily. They become more accepting of additional services and more likely to embrace their role as the hero in the brand's story.

Brands like Tom's Shoes, Warby Parker, and Airbnb have grown on their ability to align customers and partners with their purpose. Most essentially, all of these organizations have authentic purposes that create authentic connections;for Airbnb, it's as simple as making people "around the world feel like they can 'belong anywhere.'" These authentic connections are best developed through stories. Stories are memorable because they are emotionally resonant and easy to take ownership of. The storyteller adopts the story in their own image, modifying it slightly before passing it on. Storytelling arose not as a form of entertainment, but rather as a mechanism for communicating deeply held truths across societies. People don't tell stories because they want to—people tell stories because they are essential.

The science is patently clear that strategic storytelling is not only the best, but also the only way to deliberately build authentic connections with a prospective audience for any idea or brand. For organizations that value time and the expertise of specialists more than they value a relatively small sum of money, Woden is worth hiring to guide you through the architecture of crafting a strategic narrative. But, if cash is a brand's most precious resource and that brand can take the time to do this alone, consider this Annual a help to get started on a journey of self-discovery. In fact, feel free to reach out, too, for a conversation on how you can dive into this.

"Storytelling is the most underrated skill," Ben Horowitz told Forbes magazine in an interview back in 2014. Horowitz's main task in life—as a founding partner in Andreessen-Horowitz, an influential titan in the Silicon Valley venture capital world—is assessing skill and potential for businesses to transcend even significant growth trajectories. "Companies that don't have a clearly articulated story don't have a clear and well-thought-out strategy," Horowitz told Forbes. "The company story is the company strategy."

The year 2018 was one of developing powerful brand stories on behalf of dozens of clients around the globe. Everyone at Woden hopes this year's Annual is full of experiences that will help sharpen the storytelling skills needed to thrive in today's marketplace. And that each reader will put down this edition empowered to apply its collected wisdom toward making their organization fulfill its purpose in ways never dreamed of before. W

AUTHENTICITY

CONSUMERS HAVE THE BEST BULL$#!* METERS: AUTHENTICITY AND STORY IN BRAND NAMES

BY ZACHARY VICKERS

Recently, Weight Watchers announced they would be known as "WW." Armed with a new tagline, "Wellness that Works," the 65 year-old company made a bold and strategic pivot to become a wellness-focused organization that aligns with the modern embrace of self-care and body positivity. In the process, they've scrubbed their messaging of terms like "dieting," which has garnered a more negative connotation in recent years.

The decision comes from a shift in perspective. A 2016 Gallup poll showed that fewer people actively want to lose weight — and while the obesity rate is among its highest ever, fewer people describe themselves as "overweight."

With more companies like Dove pushing back against dated definitions of beauty and wellness, consumers today don't necessarily see their weight as a superficial problem, but rather proudly celebrate it as one of the many parts of their individuality. Companies like Weight Watchers — who hitched their business model on poor body image, self-consciousness, or "show them the flaw, sell them the cure" — must transform in order to survive. The only way to do it is to tell a brand story that authentically speaks to new purpose in the company, and all that starts with the name: the title of said story.

Weight Watchers or WW did just that — they transformed their name, their culture, and their message through a compelling story.

Critics were initially skeptical of the move, calling Weight Watchers' transition nothing more than "diet culture in disguise." Such a change could easily be considered facetious and inauthentic if purely cosmetic — a blatant attempt to capitalize on the latest trend. Companies have fallen prey again and again to this rushed and ill-considered approach. At first glance, WW just seemed like one more to add to that list.

Changing a household name is riskier, as there is potential of increasingly diminished brand equity. When Kentucky Fried Chicken abbreviated their name to KFC in 1991 to remove "Fried" from their consumer's vocabulary, the brand subsequently lost valuable name recognition and needed to start from scratch. However, by rooting a rebrand and renaming in a compelling story that puts the customer — the story's hero — first, companies can authentically align with popular trends while investing in the future.

WW didn't merely slim down their name and opt for a superficial acronym to deter from the "diet" negativity; they invested their purpose in an emotional narrative arc. No longer do they pitch quick weight-loss solutions, or market with Before/After photographs of members, which sent a message that equated thinness to healthiness.

Now, WW has revised their signature points system to account for each individual's height, weight, sex, and activity; they've partnered with the meditation app Headspace and launched "Connect Groups" to connect like-minded and like-needed members, like those who are gluten-free. They've also developed new cookbooks and have removed artificial sweeteners, coloring, flavoring, and preservatives from their food items. All of these moves

represented inherent and fundamental changes to their product and service.

Though some may be left confused by the abbreviation (Is it short for Weight Watchers or the new "Wellness that Works" slogan?) and question what it means for the company's direction, the answer lies in their story. Weight Watchers was never about diet shaming, despite current stigmas around dieting culture. Rather, they have always been about community and encouraging each other toward a healthier sense of self — founder Jean Nidetch envisioned weight loss as being easier when like-minded people can share tips and support.

Therefore, the story of WW hasn't changed. It has just become more emotionally invested in their members, opening up their philosophy to anyone who may not believe that thinness is healthiness or happiness. While our definitions of beauty have shifted over time, the core of WW's story hasn't. If "WW" feels directionless, perhaps the directionless is the direction — perhaps the open-endedness of the meaning of "WW" is both an anchor to the Weight Watchers history while also striving to be more accessible: members are empowered to choose their own direction, define their own healthiness, and live their best life.

The name change to WW goes beyond the cosmetic. They've changed the very culture of the business from one focused on aspirational dieting solutions to a holistic and realistic investment in the way that everyone lives, embracing an approach that empowers each member to live their healthiest life. As their new vision statement explains, WW aims to "create a world where wellness is accessible to all, not just the few."

"The consumer bulls[#!*] meter couldn't be higher," said Kevin Hochman, KFC's Chief Marketing Officer. "They know when you're being authentic and true."

While an empowering story, authentically told, can connect a company with its audience across the obstacles of temporary fads and trends and shifting perspectives, it's a tricky tightrope to walk. Any move that contradicts a company's core brand story can be just as equally detrimental.

In 2009, Radio Shack rebranded themselves as "The Shack" in an attempt to maintain market share dwindling in the age of Best Buy, Wal-Mart, and cellular retail stores. The new name (dropping "Radio" to distance the association with outdated technology) was meant to evoke relevancy and "coolness," and draw in new and former customers. But this short-sighted rebrand showed a lack of focus on the company's story — to provide customers with comprehensive answers in a world increasingly inundated with technology.

While The Shack was perhaps superficially more relevant, no other aspect of the company changed. They still offered the same products. Customers saw no real change other than the name itself. Radio Shack failed to communicate their story in the way that competitor Best Buy has to turn customers into brand evangelists. Best Buy's story is to empower customers to make the best choice for their lives through convenience and expert staff, from consultation to purchase to installation to service. If technology is designed to improve the life of the customer, Best Buy improves your technology retail experience, from finding the right product through large stocks of items at affordable prices and friendly knowledgeable staff to maintaining that product through their Geek Squad on-site tech support.

Best Buy's recent rebrand, for example, simply modernized their logo by reprioritizing all of the visual elements, and therefore avoided sacrificing brand equity. "Telling the story of our people — and how we make a meaningful impact on customers' lives — is at the heart of this work," Best Buy Chief Marketing Officer Whit Alexander said. "The core of what differentiates Best Buy vs. everyone else — and makes us awesome for customers — is that we understand your unique needs and how tech can enhance your life."

Radio Shack's inauthentic rebrand failed to develop the "cult-like" following with their customers they were looking for because it did not align with their brand story — that in this broken world deluged with new technology and large retailers that place convenience and price over expertise, Radio Shack was the only choice because they offered "qualified sales staff to help customers get the most from your technology products."

The brief stint as "The Shack" did more harm than good by shucking what little brand equity the company had left in their loyal base. After several more years of significant financial loss and layoffs, Radio Shack filed for bankruptcy in 2015, and again in 2017.

More recently, Dunkin' Donuts dropped the second D in a rebrand that included a new design, digital ordering kiosks, and nitro-infused cold brew on tap.

"Our new branding is one of many things we are doing as part of our blueprint for growth to modernize the Dunkin' experience for our customers," said Dunkin' Brands CEO David Hoffmann. "[W]e are working to provide our guests with great beverages, delicious food and unparalleled convenience."

Dunkin's brand story is one rooted in fast and convenient offerings of food (including donuts) and beverages. Their new digital ordering kiosks align with that story. However, even though the abbreviated name may also reiterate speedy service, as FedEx's name similarly conveys, the change is one that hurts the brand's equity, as it undermines what consumers think of first — the second "D." The change has since left many consumers confused and irritated:

They literally invented the word "Donut." They should keep it forever. – tweet by @ IarocciDave

Hold up, Dunkin Donuts drops the donut in their name? The real questions is, do you still sell donuts though? – tweet by @ BigballerDee

Even back when Dunkin Donuts was originally called Mister Donut, it retained the "donut." Keeping the donuts in the name keeps the franchise accountable for making good donuts, as those are the focus! Maybe. – tweet by @cryptolectic

"For two years, we have been focused on evolving Dunkin' into the premier, beverage-led, on-the go-brand," said Hoffman.

While the data may support this decision (approximately 60 percent of Dunkin's sales are from their drink offerings) the data does not weight the value of brand equity when it comes to the name.

Not to suggest that Hoffman shouldn't invest in additional coffee offerings and opportunities. Sales do not lie — but they also don't tell the whole story. By dropping "Donuts," Dunkin' has betrayed consumer trust by walking down a path that seems to veer in the opposite direction of what their consumers love about the brand, regardless of sales.

A new name is just as capable of taking a wayward brand and aligning it instantaneously. In 1902, the Minnesota Mining and Manufacturing Company began as a mineral mining venture in corundum, but quickly fizzled out when their mines contained only anorthosite. For decades, the company operated under this clunky name while doing no mining at all — in fact the company operated (and continues to) in industry, health care, and consumer goods, and is responsible for making thousands of products like Post-its and Scotch Tape.

In the 1950s, the Minnesota Mining and Manufacturing Company debuted a simplified logo that discarded the increasingly irrelevant name for "3M," a rebranding that has famously accommodated the company's growth into an innovative, $60 billion multinational company. Would 3M have achieved this level of success if they had remained the Minnesota Mining and Manufacturing Company?

"3M" is still rooted in their history, including their first exclusive and lucrative product, a kind of sandpaper/abrasive cloth sheet, dubbed "Three-M-ite," that posted the company's first dividend. But the original name misrepresented the company's actual operations, as well as their story as a global researcher and innovator.

Additionally, each "M" could stand for "Mistake," as three of its milestones and innovations revolve around accidents — the original mines, the "Three-M-ite," and a pressure-sensitive adhesive agent, Acrylate Copolymer Microspheres, that led to the Post-it note. This aligns with the company's story: "But our success and longevity were not apparent from the start. We tried. We failed. We tried something new. Repeat cycle. Innovation and perseverance drove our founders, and it continues to drive 3Mers today."

A name is not a catchy, cosmetic accessory — it's the title of each company's brand story. A brand's name should never contradict, misrepresent, or test the consumer's bull$#!* meter. Rather, the company's name should reflect their position as a mentor whose magical gift of a product or service empowers consumers — the hero of their story — to solve their inherent need or problem and therefore conquer their broken world. Short-term bottom line, but it is inarguable that long-term value is driven by customers' affection.

The point here is not to remonstrate tech companies for their unchecked pride. Neither is the purpose to signal the death knell of innovation and opportunity.

But if Silicon Valley is going to keep tapping its innovative potential, the story must change. It's time for a dose of humility, a step back, and a mentality that elevates the customers and puts their needs first.

That kind of shift in the narrative goes deeper than a superficial refashioning of image. Bodega didn't merit such a negative reaction because of bad marketing. That may have played a part, but the product itself was fundamentally flawed to begin with. When you set out to build a product it's going to tell a story.

Bodega's snack boxes implied people don't need the genuine article anymore. That a fancy vending machine is just as good — or better — than a family business. That what's valuable about a bodega is only the things it sells, and that the human connection doesn't matter anymore. Tech-driven convenience alone is a story no one wants to hear anymore.

Compare Bodega with AirBNB or Lyft, two companies with the same roots in using technology for convenience. Their disruption felt authentic: allowing convenience for consumers, while empowering others (drivers or homeowners) to unlock the value of their own skills and assets. Their billion-dollar valuations are based on more than just technology: they recognize the hero of their story.

Silicon Valley may no longer be capable of credibly telling an underdog story. Still, that doesn't mean that it's beyond redemption. There's still a hero to their narratives—it just isn't them. Startups like Bodega must cede the role of the hero back to their customers. Not just in their marketing, but in the way that they build products.

It's true that there may never be heroes in Silicon Valley again, but there can still be mentors, sages, and exemplars — guides and pathfinders that equip the true hero, the customer, with the tools they need to achieve their dreams. Now, that is a story worth telling, and it's one that we all want to hear.

MESSAGING

#RELATIONSHIPGOALS: CONNECTING WITH A B2B AUDIENCE ON SOCIAL MEDIA

BY HANNAH LANDERS

Autodesk is big on Instagram. With 128k followers, the brand receives upward of 2k likes on each photo post and sometimes more than five times that many views on their video posts. But Autodesk isn't selling a trendy meal-replacement drink or celebrity-endorsed hair care product. It is a company that sells 3D design, engineering, and entertainment software to businesses — and their posts of incredibly lifelike 3D rendered cupcakes and enormous chocolate rabbits receive the kind of engagement that most B2B brands didn't think was possible.

Many B2B companies don't even have an Instagram account, believing there is no reason to be on social media platforms other than LinkedIn, which has a business focus. Outside of the buttoned-up LinkedIn, the social media landscape is dominated by B2C companies engaging in casual conversations, "roasting" their competitors on Twitter a la Wendy's and McDonald's, or answering customer queries via a shirtless mascot on YouTube as Old Spice did.

The informal, playful nature of B2C brands has set the tone for social platforms, making it difficult for B2B companies to see a place for themselves there: Less than half of B2B businesses consider it worth their time and money to come up with a social media strategy.

Yet this is a missed opportunity. B2B businesses need to look beyond the fact that they are selling to other businesses to see that their customers are people — and people are on social media. A lot. And in addition to the obvious motive of using social media for interactions between friends and family, people are also driven to these sites to seek out and share information. In fact, a study revealed that 75 percent of B2B decision makers found information on social media that influenced their buying process.

This nexus of connectivity and curiosity is where B2B businesses can thrive. Decision makers considering products like enterprise software or manufacturing equipment conduct research before purchasing, and they're already flocking to the web to find that information. And these decision makers often prefer to keep their quests for information digital — 59 percent of buyers think that sales reps are just pushing their own agendas.

As B2B decision makers are already online, actively seeking unbiased information to help them choose a particular product and a company, social media platforms like Twitter, Facebook, and Instagram can provide a forum for companies to provide that information in a way that is authentic and relationship-based.

The problems B2B companies face on social media often have nothing to do with the platforms themselves, but rather the strategies that B2B businesses take in entering the multifaceted landscape. Companies like Starbucks, Under Armour, and Wendy's continually reap in high engagement on social media, setting the standard for brand practices on Facebook, Twitter, and Instagram.

But B2B companies that attempt to mimic the practices of their B2C counterparts without coopting them to fit their own distinct customer base will often fail. Whereas Nike can post stylish photos and videos of athletes sporting their apparel on Instagram, a company that sells accounting software to enterprise businesses would have a harder time creating a visually appealing montage of their customers using the product. Additionally, the average B2C brand can use social media to promote sales, discounts, or new products, which would likely be a less successful strategy for B2B businesses, as the sales process is longer, requires more background research, involves more than one person, and is generally aimed at a more niche audience.

B2B brands need to take a different approach than B2C brands, thinking of their social media strategy as an extension of their complex relationships with their more informed audiences.

Customer service software vendor Salesforce has mastered this strategy. Salesforce has more than 400k followers on Twitter. Dotted with emojis and hashtags, each tweet is a reinforcement of the optimistic, lighthearted attitude of the company, and gives voice to the brand's story of empowering their customers to lead and innovate within their industries. Salesforce believes that their technology can empower business leaders to be "Trailblazers" and the optimistic aesthetic of their social media pages validates this story.

And Salesforce uses their Twitter account not just to cultivate these elements of their brand, but also to serve as a wellspring of knowledge for B2B decision makers, operating at the nexus of connectivity and curiosity. One tweet, for example, outlines the four fundamental elements for sustaining innovation over time, with small arrow emojis next to each element and a compelling photo of a bridge next to a gorgeous waterfall.

The tweet contains a link to a blog outlining these fundamentals in more detail, but the tweet on its own is successful both in reflecting Salesforce's brand story and providing their audience with the kind of business insight that reinforces their work as a thought leader in customer relations technology — building trust in and reliance on the brand in an unobtrusive and conversational manner suited both to Salesforce and to the nature of Twitter.

Let's return to Autodesk and their thriving Instagram account. Instagram is one of the hardest nuts to crack for B2B brands. The photo-centric platform is a no-brainer for B2C brands — and clothing and apparel brands especially, which top the list of most followed brands on the platform as of December 2017. Instead of taking the lead from a brand like Chanel, which was ranked at number 10 on the list of most followed brands at 23.5 million followers in December and whose feed is full of glamorous photos of models and celebrities sporting their clothing, make-up, and accessories, Autodesk uses the visual platform to show off the amazing and complicated tasks their clients are accomplishing — with the help of their software.

A video of a machine powered by Autodesk's software carving intricate designs on the front of a mandolin, for example, only fleetingly mentions Autodesk's product (the #Fusion360) in the caption. Instead the text — and the video content itself — focuses on Two Cherries Instruments and its incredible creative process. Visitors interested in learning more about engineering software who land on Autodesk's Instagram account aren't inundated with the ins and outs of the product. Rather, they experience what the company makes possible for their clients.

But even the savvier B2B brands can make a misstep, such as when Shopify tweeted out their version of the popular "If you don't love me at my…" meme, featuring their regular logo alongside one rendered in neon lighting. The comment section panned this attempt to leverage this popular meme. "No, memes are for the public not the corporate," wrote one user. "Offer me a job and I won't roast you for this," read another reply. "Would've worked better if you used the old/original logo," replied another user, in a tweet that further proved that Shopify didn't even understand the concept it was trying to cash in on.

Netflix's version of the meme, on the other hand, which featured

two different screenshots from Disney's Hercules, was received much more positively. While Shopify's attempt to make their Twitter account inviting and relatable by using a popular meme, the responses show that B2B brands have to be careful when coopting social media trends.

But it isn't only multinational companies that can find success on Twitter, Facebook, and Instagram. Infusionsoft makes marketing software and has a brand story centered on supporting small businesses and the communities they serve. Like other successful B2B brands, much of Infusionsoft's content on Facebook features original content on helping their customers be successful. This includes topics like changing business regulations with accompanying text on a Facebook post that starts with "Data, data, data!" and a lock and key emoji, followed by text that directly addresses their audience, asking, "Is your business ready?"

Another blog on guerilla marketing was posted with the text, "Unlike big brands such as Nike or Target, the average small business has a tight marketing budget. Guerilla marketing is easy on the budget and includes finding creative ways to reach the public!" Infusionsoft's acknowledgement of their audience's needs and limitations creates a social media space where B2B decision makers are encouraged to gather to conduct their research and evaluate Infusionsoft's expertise in the industry — without being aggressively sold to.

Infusionsoft engages with their audience to develop authentic relationships based on knowledge sharing; the company hosts live web shows dedicated to imparting their marketing expertise to viewers and holds polls for users on topics like their preferred organizational techniques and communication tools. Rather than looking for ways to fit their personality and brand story into popular memes and other internet trends, Infusionsoft chooses content that aligns with their story and will best connect with their small business audience.

There's no one-size-fits-all social media strategy — especially for B2B brands. But looking to successful B2C techniques like pushing sales and discounts, attempting to capitalize on the newest meme, or firing off saucy missives aimed at competitors is misguided; the B2B social media audience might be composed of people, but those people have different needs, wants, and concerns than the consumer social media audience. In reaching out to their audiences in a way that is true to their brands and centers on their audiences, B2B companies can form meaningful connections through social media rather than simply broadcasting to a tuned-out audience. W


Digital Reasoning
Surface risks before they sink your business

MESSAGING

BEYOND THE BROWSER: HOW DIGITAL BRANDS BECOME TACTILE

Digital brands finding ways to interact with their audience in the non-digital world are fostering greater levels of connection and communication.

BY KELLY SARABYN

For the first time ever, digital giant Amazon has mailed out catalogues. With a Pottery Barn Kids-esque aesthetic, these catalogues include stickers that children can use to quickly tag their favorite toys. And Amazon isn't alone: Facebook is placing printed ads at train stops to encourage people to join their online marketplace. Companies who were born and live online — such as Amazon,Casper, and Birchbox— are opening or buying retail stores to sell their wares to customers human-to-human.

Why are digital giants, who have the latest digital tools and analytics at their disposal, now trying to connect with people in the physical world? After all, people have unrelentingly continued to migrate their lives onto the internet, forever plugged into their devices as they work and play. Perhaps these tech companies have realized there are still dramatic benefits to consuming content and interacting in the non-digital world.

Some tech leaders — sharing economy leaders such as Uber, Lyft, and Airbnb; and multiplayer video game companies such as the makers of Fortnite — are purely digital, but have always bridged the digital and non-digital worlds by enabling interactions between contractors and customers, hosts and renters, and players and players, that are all too human. But these digitally driven companies have been largely agnostic to the human interaction. Uber is indifferent to riders giving the best reviews to silent drivers, and Airbnb does not weigh in if renters rave over the ease of picking a key fob out of a box rather than having to speak to a host. Uber is even developing self-driving cars, whose successful creation will presumably cease the company's facilitation of any human interactions.

Nowhere is the struggle over whether companies should communicate with their audiences in the digital and non-digital world — or both — as real as it is in the media industry. Even with a print circulation of 2 million, Glamour is going all-digital in 2019, which follows a decision by Glamour's beleaguered and financially troubled publisher, Conde Nast, to pull Teen Vogue and Self from the shelves last year.

The print circulation of newspapers continues its long, sharp decline. Printed circulation of the top "alt weekly" newspapers, most of which are free, dropped 37 percent from 2012 to 2017. Even publications such as The Atlantic and Seventeen, which still print magazines, have shifted to a "digital first" strategy, focusing on building their digital brand over a print experience. Media monoliths like the New York Times and the Wall Street Journal's revenues continue to slide toward making money from digital advertising and digital subscriptions rather than the print form.

The two print magazines with the largest circulation in the country — both from the

AARP — are given away for free, and it is unclear whether they are financially self-sustained. AARP chooses to communicate with their audience in the non-digital world, even if they pay for it partially as a marketing expense. The same can be said for the number-three circulating magazine, The Costco Connection, which is free to members but also profitable in its own right.

Some print publications, such as Garden & Gun and The Times Literary Supplement, have continued to increase their print circulation, and thrive financially. Though Garden & Gun has less circulation than Glamour did, they have managed to make a profit with their smaller circulation.

In other words, some brands have figured out a way to not only exist but to flourish in the non-digital world, even in the face of the digital world's ever expanding ownership of people's lives.

Studies comparing humans' consumption of content in print versus digital form have repeatedly shown that people have greater focus, can better refrain from multi-tasking, and remember more information when they absorb content through a printed medium. This is especially truefor longer or more complex content.

Non-digital interactions between people, when compared to digital interactions, leave people feeling happier, with a more positive view of their conversational partner, and lead to fewer misunderstandings and with people less likely to feel cold about the interaction. In addition, non-digital interactions, even of the same length, are more complex and nuanced due to the role of facial expressions, physical gestures, and tone, leading to greater levels of human communication and feelings of closeness.

Conversely, digital communications can more efficiently solve certain types of problems, and are often more convenient, and more affordable.

For brands, then, venturing into the non-digital world can still be advantageous depending on what they are trying to accomplish in their interactions with their audiences. It is no accident that Amazon's launch into the non-digital world of physical catalogues resembled a Pottery Barn catalogue and not a flimsy Walmart circular. Walmart is about convenience and affordability, where the digital world is at its peak performance; the additional expense of print offers little advantage.

For more affluent parents and children — to whom Amazon selectively sent their beautifully designed toy catalogues — a print publication provides an experience that parents and children will focus on more, and better remember. The same imagery would resonate less online, and for the busy affluent, a print catalogue better captures their attention and their larger share of disposable income.

Similarly, Amazon has refrained from digitizing the experience of their higher-end retail acquisition, Whole Foods, where one can still only check out by speaking with a member of their staff. Affluent Whole Foods shoppers continue to interact with their knowledgeable staff, who can recommend the best cheese, explain the latest charity Whole Foods is funding, or point out their preferred local chocolate. This human-to-human interaction dovetails with the Whole Foods' brand of creating high quality experiences and a sense of community.

In contrast, Amazon's Amazon Go retail stores are physical stores, but they require no interactions with humans. A customer can simply walk into the store, pick up items, and get charged via app on the way out the door. These fully digitized stores' brand, unlike Whole Foods', is built entirely around convenience. Walmart, similarly, has instituted self-check-outs so customers can get in and out of the store as quick as possible.

Casper, the internet-native online mattress giant, explained their foray into retail stores as an attempt to create a "fun atmosphere," "build a community," and start a "conversation around sleep." Clara Sieg, a partner at venture capital firm Revolution, commented that the future of retail, for many internet-native companies, will be "developing unique and tailored retail experiences" that "create more intimate connections with consumers."

It is these intimate connections, a feeling of closeness, and more robust memory that cannot yet be replicated in the digital world. Humans are ultimately still analog creatures, even as they continue to migrate their lives into the digital world (Americans spend almost 24 hours a week online, more than double the amount of time they spent 16 years ago.) Brands who find ways to interact with their audience in the non-digital world, whether it be through print publications or in person, can foster greater levels of connection and communication with their audience.

Garden & Gun might not have as much as a circulation as the soon-to-be purely-digital Glamour, but their affluent audience is highly engaged with the publication, leading to better ad and circulation revenue. Garden & Gun plays to print's strengths by offering high quality, curated, and tailored content, creating a memorable and intimate experience for their audience.

The Costco Connection does the same. Unlike Walmart, Costco's brand is about both convenience, and quality in product and experience — Costco is the largest seller of organic food in the country, has an affluent customer base, and treats their staff notoriously well, which leads to exceptional customer service. By providing quality content tailored to their audience, rather than a slew of coupons, the audience remembers Costco and associates them with knowledge that they actually process and remember.

Brands that are purely defined by affordability, convenience, and efficiency, need not venture

into the non-digital world, and can in fact, continue, like Jet.com, to keep their entire customer experience in the digital realm — as digital experiences accentuate their strengths and brand promises.

Amazon's purchase of Whole Foods and their sending out of a high-end toy catalogue suggests they are experimenting with diversifying their brand holdings, to develop and include brands that are about more than convenience and an on-demand efficiency, and in fact about sharing knowledge, and creating meaningful connections.

For tech companies operating in the sharing economy, like Uber and Airbnb, who have traditionally facilitated non-digital interactions, as automation technology, whether it be self-driving cars or IoT homes, makes it possible to eliminate those interactions, those companies might rebrand, with some promising a highly convenient, automated experience, while others — who would likely charge more — promising to facilitate a sense of community and intimacy that can only arise with the facilitation of non-digital experiences.

Whether born in the digital world or born in the non-digital world, brands should consider the message and experience they are trying to deliver to their audience. As the world inevitably marches toward the digital, even digital giants are recognizing there are still distinct advantages, that are often worth the price, to communicating and interacting in the non-digital world. W


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GROWTH

WHERE ARE ALL THE TOYS "R" US KIDS?

They Grew Up, But Where Are Their Toys "R" Us Kids?

BY ZACH KLIGER

The greatest toy store there is" has decided to shutter 182 outlets across the country — about 20 percent of its total footprint. This isn't exactly surprising, given the downward fortune of the company year in and year out. This latest effort to retrench is part of the continual effort to emerge from bankruptcy, which they filed in late 2017.

There are two predominant theories to explain the situation. Some argue that in an increasingly digital world, there's not much reason to play with a piece of cheap plastic when children could have the whole world in their hands with an iPad. Others suggest it's just more proof that these kinds of purchases are moving online faster than ever.

These theories have some hint of truth to them, but they each diagnose symptoms, not the underlying disease. Physical toys never stopped being something kids want, and there will always be a place for brick and mortar stores that do a good job selling them. Toys "R" Us took for granted that its consumers would "always be Toys 'R' Us kids," and failed to evolve in a world where the large, physical toy store isn't the premiere option available.

Back in the 80s, 90s, and early 2000s, there was something magical about stepping into a toy store. It was a window into a child's imagination: an opportunity for them to walk the aisles, and picture everything they could do – if only they could just convince mom and dad to let them bring that one toy home.

Walking into a Toys "R" Us now, it's clear how sad and decrepit things have become. High ceilings, empty shelves, and the pervasive feeling that something has died — that something is missing. The magic is gone.

Maybe it was always that way. Maybe the rose-tinted glasses shoppers wore as kids made it all look like something so much more than it ever was. But it's clear that something has changed, and it's not that kids don't like toys anymore. Retail just doesn't know how to sell toys anymore.

Kids Don't Need Toys When They've Got iPads

Anyone who has spent five minutes in a family restaurant knows young eyeballs are glued to devices. But among the most popular content on those screens? Videos of other kids reviewing and playing with toys of all kinds. Ryan ToysReview is a YouTube channel hosted by a 6-year-old who rakes in $11 million a year making toy videos. Ryan is just one of many content creators that's receiving millions upon millions of views every month from a demographic that's clearly still present and clearly still interested in getting as many toys as they possibly can.

But Ryan's channel says something else about kids these days. The accessibility of content on the Internet has transformed them into shoppers just as discerning as any adult, and they take the time to do their research. They know what makes a good toy, and they're not going to settle for anything less than that.

This is a sea change on a number of different levels, not the least of which is a transformation in who Toys "R" Us' true audience is. In their halcyon days, toy retailers ran youth-targeted advertisements, but acknowledged that parents

retained the power of the purse, and ultimate buying decision.

Since they weren't accountable to their end user, Toys "R" Us and other retailers spent decades cheapening their product: relying on low-quality, mass production to eke out every inch of profit margin they could. That worked when the toy simply needed to look good on TV and in mom's shopping cart, but kids are smart to it now. In-depth YouTube reviews expose cheap manufacturing or lack of continued play, and drive kids to desire something cool, and something quality that can capture their imagination and their playtime.

The challenge presented by iPads and other devices isn't new, either. Pressure from electronic games has existed since Atari showed up on the market, and escalated with each new generation of console. While Roblox and Minecraft may own some of that space now, Ryan's channel is strong evidence that digital pleasures can't completely usurp the visceral joy of smacking two pieces of plastic together.

The second, most common excuse for Toys "R" Us' demise is the one used by executives of every failing traditional store in the word: eCommerce. It's true that Amazon's $400 billion-dollar market capitalization leaves even its biggest competitor Walmart in the dust. But there's still plenty of opportunity in physical retail, and it's nowhere close to dead for many different reasons.

Pointing a finger at eCommerce is a convenient excuse for organizations and executives that lack the imagination, ability or awareness of their audience to stay relevant in an era of increased competition.

During their initial bankruptcy filing in 2017, Harvard Business Review made it clear that while Toys "R" Us is singing its swan song, most of the physical retail world is doing just fine. Plenty of people still love to get outside and shop, but they want to go to stores that cater to that desire. Greg Satell articulates the new normal of retail well:

"The reason that Apple stores look as they do is they are not designed solely to drive transactions — they're designed to do everything that can't be done online, such as build relationships, offer service, solve problems, and upsell."

Once upon a time, Toys "R" Us was a part of its own disruption as it and the other big box stores consolidated shopping to massive and accessible locations. But they got complacent, decided that was enough, and failed to adapt to what consumers — kids and adults alike — want out of their shopping experience now.

Woden worker Hannah Landers recently analyzed the things that shopping malls can do to lure back shoppers. Her conclusion, in a word: experience. Amazon and other online sellers have achieved a thorough stranglehold on convenience and price efficiency — retailers need to play a different game. The conclusion for Toys "R" Us is similar to that of the mall. Having the most toys under one roof is impossible, so there must be something else to draw shoppers (and their paying parents) in the door.

It's not that kids don't like toys anymore, and it's not that they don't want to go to the store to see all the wonderful things they could bring home. They just don't want empty shelves, dirty linoleum floors, and cheap plastic. They want a place where they can go, have a great time, and get excited about all the things they could do if they can just convince their parents to bring that one toy home.

Toys R' Us never sold toys. It sold the magic of imagination. It's just one more example of the enduring truth that people don't buy what you do, they buy why you do it. Toys "R" Us lost track of the "why" that defined them. They focused on the short-term bottom line instead of the true hero of their story (the kids walking into the store), and they're paying the price for it now.

Whether their business is selling toys in a retail store or shopping software online, no company can afford to lose track of their hero. Engaging them, making them care, and creating the right kind of experience for them will always be the key to success. W

MESSAGING

BULL NOT BEAR: THE ECONOMY OF SIX~SECOND BRAND STORIES

BY ZACHARY VICKERS

Every second counts in the battle for a customer's attention. Although Internet users are consuming video at ever-increasing rates, 90 percent of people skip past "pre-rolls:" the short ads that come before the main content, and can be skipped after a certain amount of time. Brands are being issued a new challenge: craft a compelling message in a few seconds, or cast your investment to the Internet ad-equivalent of the recycle bin.

Adweek reports that unskippable six-second pre-rolls are seen as 27 percent very effective and 54 percent effective. With attention fleeting and audiences programmed to focus on the pre-roll countdown in anticipation of clicking the "Skip Ad" button, brands have developed a new storytelling format: the six-second story.

Just like Ernest Hemingway's famous six-word short story, it's possible to both say and evoke a tremendous amount in precious little time. Six-second "bumper ads" were revealed by YouTube in 2016, to prove that an emotional story could be concise and compelling. Brands like Bounce, Hefty, and Under Armour have adopted this structure to surprising success — 90 percent of bumper campaigns boosted ad recall by some 30 percent. A great format is only half the battle. Brands are now challenged to convey their brand story in such a brief space.

By following Joseph Campbell's Hero's Journey in this economical format, brands can create six-second bumper ads that resonate emotionally with their audiences. And, like all great stories across time and cultures, they must convey a broken world that the ad viewer identifies with, one whose pain points continue to plague him or her. But this format requires extreme precision and attention — it's not an abridgement of the narrative arc, but a compression. Those brands that take the easy route and abridge their story lose the emotion that makes stories timeless. Those brands that compress the narrative arc — focusing on the economy of language and imagery that multi-tasks through double-meanings and subtext — are able to deliver a full arc to audiences so emotionally compelling they resonate beyond their six seconds.

"Like with all storytelling, I [want] to start with something relatable," says six-second filmmaker Alexander Engel. "That's always important, but here, especially so. [W]hen your audience can relate, they'll project their own experience into the piece — filling in the blanks and giving you freedom to move more quickly through your narrative."

The Gorilla Glue Company managed to fully deliver the arc of the hero's journey in only six seconds — resulting in an incredible ad that ranks in the top five of YouTube's best bumper ads.

While the narration describes Gorilla Tape (the magical gift), "…double-thick adhesive with a rugged outer-shell, for the toughest jobs on planet earth," the span of six seconds is filled with the broken world (a man in the woods, his hike interrupted with a damaged shoe), a mentor (a literal gorilla representing the Gorilla Glue Company), and the mended world (the Gorilla

Tape has literally mended the hiking shoe, wrapping the toe, and is so durable the tape can be walked on). In these six seconds, the Gorilla Glue Company has also spoken directly to their core audience in a relatable and authentic scenario: outdoorsy, rugged consumers who need a reliable tool to get the toughest jobs done right, the first and only time.

Most narratives using the hero's journey are fairly linear. By playing fast-and-loose with the format, while hewing closely to its conventions, Gorilla Glue was able to both leverage the most powerful storytelling structure, and in the engaging six-second format.

"The Gorilla Glue story is simple," says Lauren Connley, Senior Director of Creative at The Gorilla Glue Company. "Something is broken and needs to be fixed. Then Gorilla shows up with the solution. This moment of consumer need is relatable, common, and visual, so we really don't need a long format to set it up…Think about the problem consumers are facing and how you can help them tackle it. Then tell that story as simply as possible."

Brand missteps often begin by being caught up in a specific visual, without investing in the narrative structure around it, as in this Scholl ActivGel™ bumper ad. The six seconds begin with the "what" and "how" of the ActivGel™ insert, its features and benefits. Significant research shows that customers are initially drawn in not by product features, but by shared purpose — meaning Scholl viewers already likely have their cursor hovering on the "Skip Ad" button.

Viewers are then shown a man in dress shoes bouncing comfortably on a sidewalk covered in a giant, imaginary Scholl insert. This commercial fails to establish a broken world that viewers can relate to — the key "setting of the story" in a hero's journey. By only portraying a happy man, one never portrayed with a problem, Scholl neglects to communicate his journey, and catharsis, which gives great storytelling the tension that draws in audiences.

"The core of every good story is change," says Tony Xie, Associate Broadcast Producer at Droga5, "a square becomes a circle; a character learns about herself; a landscape shifts. Six seconds is a limited time frame to show that transformation…"

Airbnb simultaneously shows and tells transformation. In one six-second ad, a mother and children joyfully make pizza in a kitchen as the mother's voiceover says, "We went on vacation loving delivery, but we left loving homemade." In another ad, a boy jumps happily into a pool while the mother's voiceover says, "We went on vacation with a toe-dipper, and left with a cannonballer." Both of these ads end with the same tagline: "Book your family home now."

What Airbnb has successfully done is establish the broken world — the family "before." In the second half of each narration, in juxtaposition with the images, we see the mended world, families changed for the better. Airbnb has positioned themselves as a mentor who enables that change: empowering their clients to make home-away-from-homes, ones where these families can grow and connect. These short stories are hero-focused, and contain change facilitated by Airbnb — while appropriately positioning themselves as a catalyst, not the driver.

And, unlike Scholl, they clearly articulate the "why" of Airbnb, or the moral of their brand story — an emotional narrative of togetherness. In no way does Airbnb explain the "what" (a hospitality service) or the "how" (a web or app booking system), because Airbnb knows that these two things don't book reservations. Reservations are the result of a relatable and compelling story that has inspired consumers.

Mark Twain famously said, "I didn't have time to write a short letter, so I wrote a long one instead." There is a longstanding conversation among writers about the challenges of the novel versus those of the short story, further elucidate by Henry David Thoreau: "Not that the story need be long, but it will take a long while to make it short." Novels, while marathons of patience and endurance, are more narratively forgiving. Short stories require a level of compression, precision, subtext, and emotional/narrative ambiguity and ambidexterity in order to fully articulate an affecting novelistic world in a fraction of the space. And, most importantly, they must clearly understand the message they seek to convey, and communicate it quickly. The challenge for brands is no different — the more succinct the format of their message is, the more challenging it is to convey something meaningful.

The only brands that can do this effectively — and most affectingly —are those that know the moral of their story inside and out. Telling a compelling, compressed marketing message requires a clearly articulated strategic story for the brand, and internal alignment behind how to tell that.

Brands who know their stories well understand that they don't need more than six seconds to create a complete hyper-narrative that speaks to their audience. As F. Scott Fitzgerald notes: "Find the key emotion; this may be all you need know to find your short story." W

MESSAGING

COACHELLA AND THE ART OF CRAFTING A TIMELESS STORY

BY EM RICCHINI

Twenty-five thousand people gathered to watch Pearl Jam play at Empire Polo Club in Indio, California on November 5, 1993. The show originated in protest: Pearl Jam refused to play in Los Angeles due to a dispute with Ticketmaster over excessive service fees. The concert itself went off without a hitch, and Pearl Jam succeeded in their principled stand. What the fans in attendance didn't realize at the time was this event was about more than the connection that only live music can provide. Though it didn't put Indio on the map yet, this event was the pivotal first step toward something much larger: the Coachella Valley Music and Arts Festival.

From that November Pearl Jam show to Coachella's inaugural weekend in 1999, promoter Paul Tollett (who promoted the 1993 show) worked to develop a carefully crafted festival experience. The manner in which fans embraced Pearl Jam's rebellion against unfair ticketing, and willingness to travel great distance in support of it, inspired Coachella's departure from practices popular in music.

Since 1993, Coachella has been recognized for its heartfelt love of music, in all its varieties, and spirit of togetherness. Coachella has continued to outdo itself. But its two-decade lasting power is instructive to those brands wanting to make an enduring impression: stories that stand the test of time remain strong on their core principles but allow for fluidity.

Coachella's success proves that having a core story is important, and its current place in the cultural zeitgeist may even be taken for granted. The constantly shifting musical landscape (1999's #1 Single: "Believe" by Cher) is hard enough to keep ahead of, but even Coachella itself began as a rejection of the accepted festival norms at the time.

1999's other big music festival was the infamous, violent Woodstock '99 that left concertgoers bloodied and disillusioned. That concert featured the biggest acts of the day, but embraced a commercial mentality that was authentic in its inauthenticity (with all tickets sold through Ticketmaster). Where Woodstock '69 was all about free love and expression, its 90's counterpart was the antithesis: its organizers co-opted the storied Woodstock brand for purely commercial ends. Where open borders characterized the original Woodstock, and concertgoers could stroll on to the fairgrounds as they pleased, Woodstock '99's attendees were barricaded by steel and plywood, constructed with the proceeds of their $180 fee.

If Woodstock '99 represented a shameless embrace of corporate interests and rejection of its namesake's noble ideals, Coachella was designed to be the "Anti-Woodstock ('99)." Musically, Coachella was uniquely positioned in that it sought to book acts based on artistry as opposed to airplay. This move became Coachella's major differentiator.

Tollett focused his booking efforts on trendy, lesser-known acts. For promoters, these artists have dedicated fans that are just as willing to travel to see them perform — without the massive price tag that comes along with more popular artists. This enabled earlier iterations of

Coachella to be less expensive than other festivals. 1999's rate was $50: less than a third of Woodstock's. The lower cost and more diverse spread of artists empowered Coachella's hero — ardent music lovers — and crafted a story for them: to guests, Coachella provides an experience unlike any other.

The early Coachella lineups were dominated by indie rock and 90's alternative acts — styles that began to lose significance in the late 2000s, as rap became more mainstream and the charts began to be dominated by electronic music. By 2010 Billboard's top track was Ke$ha's party anthem Tik Tok— an earworm even the snobbiest of music fans were not immune to. In the face of these changes, Coachella's understanding of their story — and what truly made the fan experience meaningful — allowed them to thrive.

Coachella made changes to stay relevant: it was no longer just a "rock" festival, trading singer-songwriter and rock-heavy lineups for DJs and EDM music. Nothing is more emblematic of this cultural shift than a quick consideration of 2009's headliner, Paul McCartney, replaced a year later by Jay-Z. (Before the hyphen was dropped from his illustrious moniker.) Hov was the first rapper to headline Coachella since The Beastie Boys back in 2003, and his set marked a big moment for Coachella: the brand had grown beyond alternative music.

The inclusion of a mainstream artist seems like an off-brand choice, especially because Coachella's modus operandi was to elevate artistry over popularity. In the context of what was happening in 2010 though, this move was strategically brilliant. Jay-Z was going through changes himself, as middle age was bringing out a different, more artistic side of him. Jay-Z was embracing unconventional production, offbeat samples, and experimental approaches on his new album Watch the Throne, making Jay-Z a perfect mechanism for Coachella to broaden its sonic horizons while staying true to its story.

Beyond Jay-Z, the festival's founder Paul Tollett implemented a different booking strategy. He spent less on the headliners so there could be more in the budget for the undercard. He figured that a wider breadth of niche artists would encourage a better variety of people to attend. The result? Coachella's 2010 festival broke attendance records.

Tollet's genius here was understanding what he could change — and what he couldn't. He correctly understood that Coachella's brand wasn't the instrumentation bands used on stage, but rather the spirit they engendered with the audience. Keenly embracing Coachella's narrative truly allowed him to evolve the festival in a way that felt natural and exciting to its audience.

While Coachella was evolving its strategy, another festival was facing a similar identity crisis due to shifting tastes: singer-songwriter Sarah McLachlan's iconic Lilith Fair. Aside from ditching the "fair" part of the name and simply going by "Lilith," the 2010 reboot wasn't too different than the original, which had a successful run from 1997-1999.

Lilith still focused on female artists and empowerment, billing itself as, "the celebration of women in music." Despite appearing to keep its story consistent, the tour failed to find an audience: Lilith ended up cancelling 10 of the 26 stops on its tour, and headliner Kelly Clarkson quit along the way. Lilith blamed the recession on poor ticket sales, and compared to other festivals that year, the acts were on the mellow side. But stars like crooner Cat Power and country legend Emmylou Harris weren't why Lilith failed to pull a crowd the way McLachlan would have hoped.

The emotional core of the original Lilith Fair was that it provided a stage for voices that otherwise might not be heard. Of the 40 acts that were billed as part of the previously maligned Woodstock '99, only three (Alanis Morrisette, Jewel and Sheryl Crow) were female. A lot changed in the rapidly shifting culture in those ten years — and Lilith failed to understand its true narrative.

Aside from female artists making tremendous strides across all genres, feminism itself had made significant progress. The fringe sentiment embraced by swarms of soy-milk-drinking, broomstick-skirt-wearing, mood-ring-loving Lilith Fair attendees of the 90's had gone mainstream. Kelly Clarkson didn't need Lilith Fair as a platform — she had already been declared an American Idol.

McLachlan's feminism had given way to intersectionality.. People objected to Lilith's absence of support for trans and non-binary people and lack of people of color. Lilith superficially remained true to its female-focused story, but failed to understand the deeper emotional core beneath its veneer. In a way, by not staying attuned to the changing hero of its story, Lilith became the antithesis of itself. There was still a group in need of a voice, but Lilith left them without a platform.

The diversion in understanding their hero, and the authentic connection they had with the brand, explained how Tollett was keeping up with trends and making changes to keep Coachella's audience at the forefront, while McLachlan was stuck in the 90s. Coachella was flourishing and would continue to set records for the next few years. In 2011, McLachlan decided to put Lilith out of its misery and pulled the plug for good.

Coachella's brand had consistently uplifted music's most fervent fans and offered the rebellion latent in its rock n' roll roots. 2018 is the area of corporate sponsorships ¬— so how can the festival embody that spirit in the face of the landscape shifting yet again?

For the millennial generation that spends its money on experiences rather than investing in real estate or 401Ks, Coachella is the ultimate splurge. That same affinity for experience is why brands are increasingly turning to in-person activations, presenting a difficult balance that Coachella has struggled to get right: make shows more affordable and therefore accessible, but at the cost of some authenticity in commercialization.

According to Tollett, Coachella is dedicated to preserving the authenticity of the actual music experience: no branded signage is permitted on stage while the

> STORY ISN'T A GET-RICH-QUICK SCHEME; IN FACT, IT TOOK COACHELLA FOUR YEARS OF FESTIVALS JUST TO GET OUT OF THE RED. AND EVEN THE MOST STORY-DRIVEN BRANDS AREN'T IMMUNE FROM CRITICISM: AS EARLY AS 2012, BLOGS WERE PREDICTING THE END OF COACHELLA'S REIGN. IT'S NOT GOING ANYWHERE THOUGH — IN FACT, IT'S GETTING BIGGER.

artists are performing. "I feel like when the band is playing it should be you and the band, and it's a sacred moment," he says.

Though Coachella is more profitable than ever, Tollett is far from "selling out," and still practices reverence for the sublime art of live music. Partnerships like Heineken and H&M are helpful because they offset ticket prices, but can be detrimental to the vibe Coachella has long curated for its attendees: a space safe from corporatization.

It is, again, a representation of Tollett's keen understanding of what he can change — and what he can't. For the small intrusions by outside brands, Coachella has maintained its core identity is by keeping its lineup specialized and unique from other festivals. Pitchfork compiled data between Coachella, Bonnaroo, and Lollapalooza between 2005 and 2017 to see which of the three largest modern festivals had the most overlapping bands. Coachella maintains the most distinct lineup, and has continued to separate itself even further in the past few years.

Story isn't a get-rich-quick scheme; in fact, it took Coachella four years of festivals just to get out of the red. And even the most story-driven brands aren't immune from criticism: as early as 2012, blogs were predicting the end of Coachella's reign. It's not going anywhere though — in fact, it's getting bigger. According to Pollstar, in 2017, Coachella was the highest-grossing festival in the world.

Today, tastes change faster than ever. What separates the brands that endure from the innumerable passing fads is the ability to truly understand why the brand exists in the first place — and to keep that purpose fixed, while allowing the surrounding trappings to be as fluid as the situation demands.

Paul Tollett and Coachella have persisted by hand-selecting acts that fit with their ethos — keeping its core audience engaged. The genres, style choices and individual attendees may change annually, but that fluidity has accommodated inevitable cultural shifts.

Coachella's 2030 headliner is probably still in elementary school, dreaming of music unlike what dominates contemporary charts. What can be assured, though, is that they will posses an authentic spirit of rebellion that makes an April trip to the desert worthwhile.

COLLABORATIVE CULTURES CULTIVATE THE CHEESIEST CONCEPTS

Flamin' Hot Cheetos Shows the Janitor May Be Your Next Product Leader

BY EM RICCHINI

In the years since they entered the market in 1992, Flamin' Hot Cheetos have transcended simple snack-status to become an undeniable cultural phenomenon. They've served as a sartorial muse for Katy Perry and inspired new culinary creations such as a Flamin' Hot Cheetos bagel and Burger King's infamous Flamin' Hot Mac N Cheetos. They've even created pandemonium and a subsequent ban after the high content of red dye in its glorious Flamin' Hot Dust drove concerned parents to their local emergency room, fearing their children were suffering from horrendous internal injuries.

Now the ubiquitous puffed cornmeal treat's story is being made into a feature film — a testament that ever since its conception, the Flamin' Hot Cheeto has been anything but normal. Its cult following of stoners and gourmands alike owes their undying affection to one unlikely hero: a humble Frito-Lay janitor named Richard Montañez.

It may seem unusual that this cheesy creation began far from the test kitchen, but former Frito-Lay CEO Roger Enrico practically asked for it. Flamin' Hot Cheetos is a rags-to-riches type tale that inspires dreamers to never stop creating. It's also a testament to how important it is to develop a company culture that encourages openness and collaboration, and affirmation of the dividend that investment pays.

The creation of Frito-Lay's most popular product began when Enrico shared a video to his 300,000 employees proclaiming: "we want every worker in this company to act like an owner. Make a difference. You belong to this company, so make it better." Many CEO's pay lip service to this type of empowerment, but few are willing to back it with action as Enrico did.

To Enrico, this sentiment was business as usual. The son of a proud factory worker, Enrico grew up being taught the value of frontline employees — something that impacted the culture he cultivated as CEO. Along with the video, Enrico offered a hotline for employees — regardless of their rank — to make suggestions and offer critiques in response to his challenge. The value he placed on the feedback of employees from the ground up paved the way for a modest janitor to become a snack-time legend — and generated over $1BB in annual sales for Frito-Lay.

Shortly after this call to action, a Cheeto machine broke down, resulting in bags of un-dusted Cheetos being left aside, unfit for sale. This opportunity changed janitor Montañez's life forever: he asked to take a bag home, since he'd been wondering for some time about what an elote (a popular Mexican street food consisting of butter and chili powder on corn) Cheeto might taste like. Montañez turned those unwanted plain puffs into his initial Flamin' Hot Cheeto experiment. The bootleg Cheetos were an instant hit with his friends and family. Montañez used the hotline Enrico put in place to share his delicious discovery. Enrico's personal assistant took the cultural lead from her boss, gave Montañez a date to pitch the idea to the top Frito-Lay executives — and the rest is delectable, spicy, dust-covered history.

Today's ultra-competitive scramble for talent has elevated "company culture" on an executive's priority list, but it isn't a new concept. From the earliest tribes of people, any functioning group has developed a culture. Cultures anchor themselves in shared beliefs and values, and evolve to encompass a set of norms, behaviors, and codes that signal belonging for community members. Whether meticulously planned or a natural evolution, every company has a culture.

Most companies take for granted the codified element of their culture: a declaration or a short piece of a mission statement on a company's website. It's the willingness of leadership to model that culture, and to infuse it into the fabric of the organization, that sends the signals required for efficacy. If Flamin' Hot Cheetos are the textbook case for alignment, look no further than the high-profile disaster that unfolded at Uber for the cost of disconnect.

At first glace, Uber's culture would seem to match their innovative technology. Their fourteen tenets once features on their website, such as, "always be hustling," were straight out of the playbook for an innovative tech company. These fourteen tenets relied on tired startup language because that's all they were. The clichés put a nice sheen on the company culture for an external eye, but in being so generic they both lacked authenticity — and enforceability. No tribe can effectively crib its culture from another, and by failing to define one themselves, Uber's executive team left employees to fill the void.

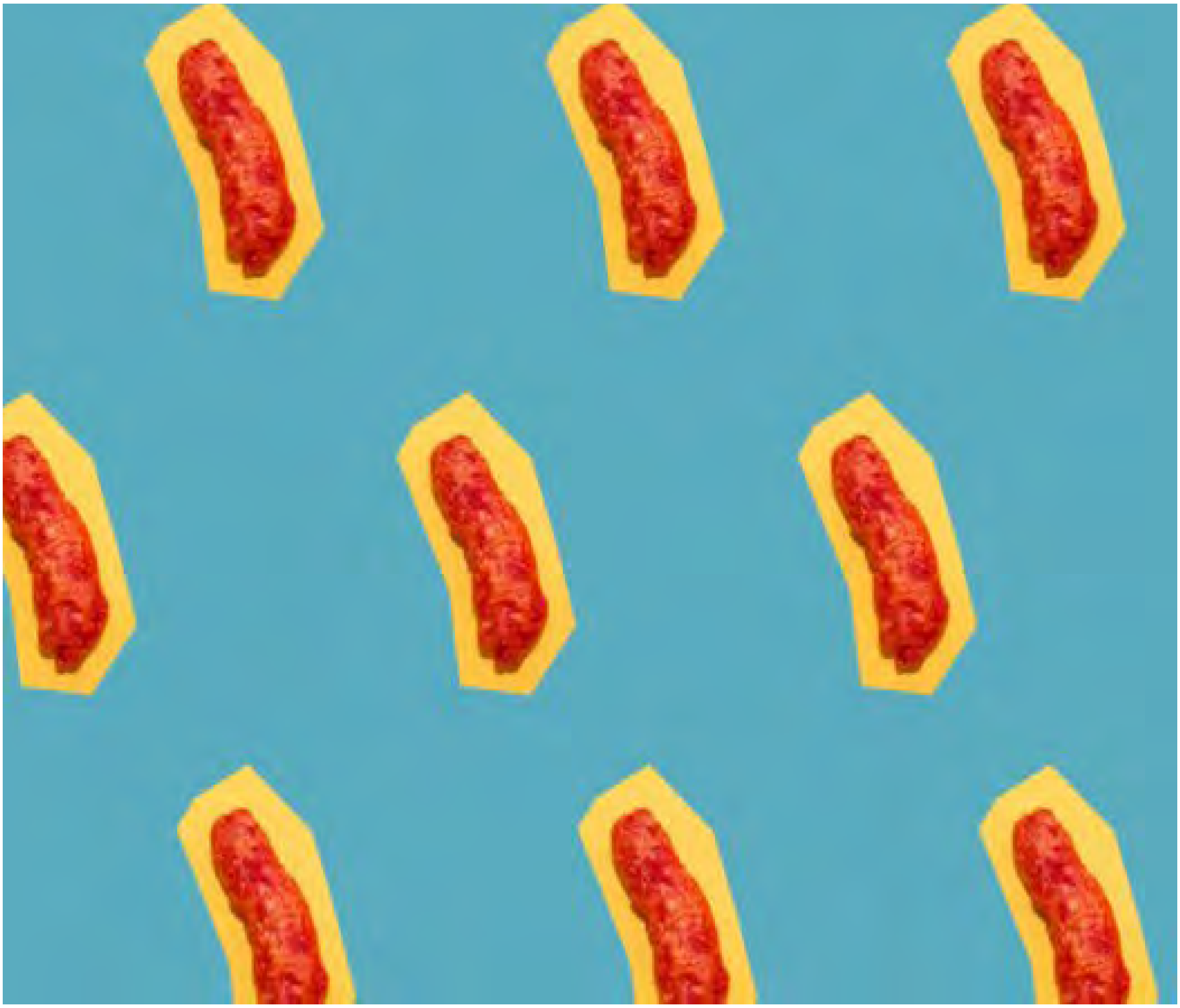
The natural pressure that arises in a high-growth organization merged with this void to create a Darwinian hellscape among Uber's ranks. Employees felt management prized the bottom line above all else — and with no set of shared belief, began to see each other as competitors rather than collaborators. A New York Times interview with 30 Uber employees revealed that along with workers feeling constantly "pitted against each other," it seemed that those in authority would often turn a blind eye to the infractions of "top performers."

Effective cultures prize belonging, and trust that fuels superior group performance above all else. So it's no surprise that for the individual successes experienced by some employees, Uber overall has suffered. Former Uber engineer Susan Fowler penned a scathing blog post detailing her experiences with sexual harassment and how the company chose to protect her harasser, an alleged top performer. After Fowler's blog went viral, Uber was targeted by a hashtag campaign, #DeleteUber, resulting in a 5 percent drop in market share. Continued cultural infractions have resurrected this campaign organically, and repeatedly punished the growth that executives so highly prized. Uber employees are leaving in droves and its customers are, too.

Contrast this with the company culture at Uber's primary competitor, Lyft. Ron Storn, Lyft's VP of People frames their talent strategy succinctly: "People are trying to find an employer that they have a connection with—either their mission, their values, or their product." Lyft publicly espouses values that are unique to their organization, ensuring that talent is attracted by more than a better set of benefits. This leads to empowered employees driven by cause — and sense of belonging.

Uber and Lyft are identical products. In markets where they compete, differentiation is only achieved through pricing and customer experience. Lyft's company culture has powered the latter — a reminder that company culture isn't just about legendary perks, but rather a way to define the relationship between customers, the company, and the values they share.

Values are so often overlooked in the definition of company culture because they are harder to quantify. Google is often seen as the gold standard in company culture, and oversized beanbags, free organic meals, complimentary haircuts, and nap pods are all touted as examples of their employee-centric model. This extra attention to HR (or, as Google calls it, "People Operations") is not about the tangible benefits bestowed on employees — it's designed



to foster the mission-driven innovation required to keep Google ahead of competitors.

Google's storied 20 percent rule is a more structured version of Enrico's video call for employee collaboration, The premise is simple: Google encourages its employees to dedicate 20 percent of their time to projects that they think will benefit Google. This is the ultimate act of employee empowerment: act in the way you see is best for the organization. What one organization might see as a massive, inefficient use of employee time has given the world a product one billion users rely on daily: Gmail.

Google ended the 20 percent rule a few years ago, but the culture of exploration and innovation it fostered remains persistent (and widely copied). But what Google, Lyft, Frito-Lay and countless other organizations keep in common is a culture where employees feel empowered to advance the organizational mission.

The collaboration required for this type of work is rooted in shared values — which can only come from a unique, authentic purpose embodied by leadership. Framing that purpose as a brand story ensures it's not only heard, but adopted at little or no cost to the employer, but — as Montañez's Flamin' Hot Cheeto proved — with an upside impossible to quantify. W

AUTHENTICITY

WEWORK & STARBUCKS AGREE: FATHER KNOWS BEST

Arrogance Has Founders Seeing Red (Cups, Meat, and Eyes)

BY ED LYNES

Of the icons that mark the holiday season, few are more celebrated than the Starbucks Red Cup. Communities count down the daysto their arrival, and their presence is so ubiquitous in crowded shopping areas that they take on a talismanic quality. The first day red cups are in stores signals the beginning of the holiday season — and commences America's annual debate on the role of Christmas in secular society.

Starbucks is known as much for their mediocre coffeeas it is for the unabashedly – and publicly – liberal views of long-time (former) CEO cum celebrity Howard Schultz. Schultz has made a practice of imposing his personal beliefs onto the company — he may believe his views are in the right, but data indicate customers are not terribly excited about connecting coffee with cause. His co-opting of Starbucks as a platform for his own opinion means that the release of each year's holiday cup is more than a statement on aesthetics: it's to be parsed as a salvo in the ongoing "war" against Christmas. Schultz may value the red cup as a symbol of belonging to his blue tribe, but should agreement with his opinions on the treatment of refugeesbe a prerequisite to enjoying a latte?

The apotheosis of the founder-CEO with a cult-like personalityhas done more than create a lack of accountability in boardrooms. It's emboldened those leaders with a "father knows best" mentality that makes them comfortable subverting the personality and culture of the company to their own personal ego, and reveals an arrogance with ruinous long-term consequence for the relationship between companies and their customers.

Founders own a business's inception, but the future belongs to their customers.

Companies signing a big deal with WeWork shouldn't expect to celebrate over the traditional post-sale steak dinner. In July 2018, the company made a decision to go entirely meat-free: no meat at corporate events, and also no reimbursement to sales teams or employees for meals that include meat. WeWork co-founder Miguel McKelvy sees no problem imposing his own valueson his employees and customers: "Companies have greater responsibility to their team members and to the world these days. We're the ones with the power. Large employers are the ones that can move the needle on issues."

WeWork has a well-defined brand story: When we started WeWork in 2010, we wanted to build more than beautiful, shared office spaces. We wanted to build a community. A place you join as an individual, 'me', but where you become part of a greater 'we'. A place where we're redefining success measured by personal fulfillment, not just the bottom line. Community is our catalyst. That story is supported by clear organizational values: Inspired, Authentic, Grateful, Entrepreneurial, Tenacious, and Together. The company as an entity is clear in their focus on the customer, the customer's experience, and promise of community and togetherness at WeWork.

So, where does the meat-free commitment come into play? It doesn't. WeWork's draconian, ideological crusadeis purely about advancing the agenda of their founders. McKelvy recognizes his company's success has given him a powerful platform, and rather than using it to reinforce the organization's story, he's coopting the power bestowed upon him by WeWork's customer base. A company committed to the value of community willing to impose a lifestyle embraced by less than five percent of the global populationis completely at odds with their values, but perfect for a "reducetarian."

WeWork is an enterprise worth $20 billion. The idea that the founders would so willingly subvert the customers that drove them to that valuation is alarming. According to at least one customer, they should be worried less about dictating the consumption of red meat, and instead listening more — lest they drown in a sea of red ink.

The leadership at WeWork and Starbucks miss a crucial point: their brands do not belong to them, or even the investors that capitalize them. Brands are owned by their customers. The customers' willingness to continue investing in the relationship, embracing the brand's values as their own, and supporting that through commerce is what makes a company viable. Corporate leadership are stewards of the brand, not kings who rule by fiat.

It seems obvious to state that customers should be the central hero of a brand's story. Woden has written at length about this relationship, and how companies need to be appropriately positioned as the mentor and guide for their customer. Too often, this philosophical ideal comes crashing headlong into the personality of a founder — already strong-willed by necessity, but often inflated to arrogance when they realize success.

Fundamentally, though, building a brand that mattersbegins with a clear understanding of purpose, and finding a way to position that customers can get excited about, and crafting a personality that reflects the audience the company is serving. There's little room for ego in the process: it's about the world the company wants to actualize, but more importantly, it's about the laser-focused way they must accomplish that, and how they'll win the loyalty of their customers to do so.

Customer-driven brands are an exercise in humility, and that starts with the founder. Embracing the customer as the hero of the story means surrendering a degree of control, and even more challenging for some, the limelight. It also means recognizing that the founder must embrace the values of the company and their community, not vice versa.

Few founders struggle with arrogance like Elon Musk. Musk embraces a comic book founder persona, and his 2018 challenges show that a founder's personality doesn't need to be cause-driven to be disruptive. You can also just be a jackass.

While Musk probably thought it was hilarious to light up a jointon Joe Rogan's podcast, it's likely his customers would have preferred he spend his time focusing on meeting his grandiose promises to them. Production deadlines for Teslas keep slipping, delivery dates continue to retard, and despite all the anxiety on Wall Street, the real story is being told by customers: 23 percent who were waiting for a Model 3said "forget it," and went elsewhere.

In a vacuum, maybe his hazy afternoon wouldn't be such a big deal. But his public history is one of someone who consistently puts himself ahead of his brands. His Twitter meltdowns and trolling of the Securities and Exchange Commission, show someone more concerned with his own public stature than what impact those moves have on his company's ability to deliver for customers. On Twitter, or by constantly running from one half-baked project to another, Musk constantly communicates: he is more important than the enterprise his customers are buying into.

The counter-argument is that Musk's arrogance is a feature, not a bug, as many analysts posit that deposits on unbuilt Teslas, and sales of ancillary products like flamethrowers, only arose because of the magnetic cult of personality that Musk cultivates. Research indicates that founder personality traitssignificantly impact the brand identity of

their company. Tesla (and SpaceX and the Boring Company and Neuralink and Hyperloop) all take moonshots precisely because Musk is the type of person who's willing to publicly put himself on the line, stake a claim, and challenge his team and customers to follow him.

Since relationships begin with shared purpose, it's no wonder that the world-changing ambitions Musk espouses draw in customers and investors enamored with a vision for the future. But that purpose must evolve into trust, which is what neuroconomist Paul Zak suggests that really drives economic transactions.

Trust takes a lifetime to build, but a moment to break. Every time Musk fails to deliver on a promise, that trust erodes: among customers, yes, but now increasingly among investorswho are wary of whether Musk can deliver. Musk made the Tesla brand subservient to the needs of his own personality, leading to an inevitable outcome: the naturally human stumbles that everyone endures infect the standing of the brand, and erode trust with customers.

Yet amidst the turmoil, he doubles down on his own brilliance — insisting that it's he, not his customers, who know the best way forward. It's a demand for trust that seems hardly earned. The lesson here is the same as it is for countless others: the insular deification of a founder is nothing more than PR-driven bullshit that should be ignored(see: Zuckerberg, Mark). The opinion that counts is that of the customer.

In that regard, Musk has much in common with Schultz and WeWork's McKelvy. In each instance, they placed their own priorities — political gain, social change, or public adulation — above the brand they stand for. For customers, the message is unmistakable: "you matter, but only so much as it can advance my personal aims."

Christmas 2018 is the first red cup season in years that has arrived absent a significant conflict. Howard Schultz has stepped down from his role at Starbucks, and this year's holiday cups are striking a new tone. Customers "loved the tradition of Christmas," according to Roz Brewer, Starbucks' chief operating officer, and to get things right this year, "we listened to our customers." The company still struggles with lagging sales and a shrinking footprint, but seems freshly committed to getting one thing right: building a brand driven by the emotional needs of their customers, rather than the egotistical neediness of the founder. If only Schultz can stay out of the limelight. W

THOUGHT LEADERSHIP

IT'S MALL ABOUT EXPERIENCE

Consumerism to Community: Saving America's Struggling Shopping Malls

BY HANNAH LANDERS

Across America, holiday decorations are being packed up and returned to the attics where they live ten months a year. Although the season passes so quickly, treasured holiday traditions hold a special place in the public imagination year-round. Whether it's the annual felling of a pine tree and subsequent attempt to secure it to the top of a car, or baking cookies from a recipe passed down through generations, time-honored rituals and rites of the season are comfortable in their familiarity.

Some traditions can't withstand the test of time: fewer families than ever trekked to their local mall for the annual family picture with Santa Claus.

In a surprising twist, consumers still kept up the annual holiday tradition of shopping at actual physical stores. Despite claims that we're all in the midst of a "retailpocalypse," retail sales from November 1 to Christmas Eve rose by 4.9 percent this year, which is the highest rate of growth since 2011. Of the estimated 174 million people who went shopping over the Thanksgiving holiday this year, more than half visited brick and mortar stores for some or all of their shopping.

Yet the outlook is still gloomy for malls: Large anchor retailers like J.C. Penney and Macy's are eliminating physical storefronts at an alarming rate, and some have predicted that between 20 and 25 percent of American malls will close their doors for good over the next five years.

So, why did shoppers choose to flock to America's independent brick and mortar stores, eschewing the convenience of the mall, where they can find everything under one roof? Counterintuitive as it may seem, retail isn't about commerce – it's driven by experience. If malls want to regain their mojo, it's time to stop thinking in terms of register rings and start imagining a world where consumers want to spend their time — not just their money.

Patronizing Dystopia

A shopper entering a mall is confronted by rows of empty storefronts: display cases barren, metal fences pulled over entranceways. Once great avenues of retail are vacant; the stores that do remain are adorned with vivid red and yellow posters screaming "STORE CLOSING! EVERYTHING MUST GO!" Vending machines are out of service, perhaps never to be fixed, and fountains are dry, the chipped and fading porcelain tiles replacing chlorine-heavy water and the glint of pennies. And one doesn't dare venture near the food court.

It wasn't always this way. Suburbanites from the 1950s through the 1990s flocked to malls: they were meccas for socializing and gathering. Teenagers congregated after school at the local outlet of American Eagle Outfitters or Hot Topic and met friends on the weekend to grab an Auntie Anne's pretzel or an Orange Julius. Between browsing at Anne Taylor and Gap, mothers indulged their children with quarter-fueled rides on small plastic spaceships and race cars. Senior citizens took advantage of the sprawling layout and level terrain for light exercise, speed walking past throngs of shoppers.

Department stores such as Macy's and Sears offered in-store demos for home goods

and beauty counters for young women to experiment with that new shade of lipstick. Staples like Brookstone and Sharper Image challenged the imagination with novelties that made a store visit mandatory. Malls were so central to the American zeitgeist that they became characters of their own: George Romero's Dawn of the Dead positioned the mall as a last refuge of the living, and the mall served as de-facto companions to the protagonists of early 90s classics Clueless and Mallrats.

During the mall's four-decade heyday, it was experience that drew in shoppers. Sure, they needed a new pair of shoes; but that became secondary to the myriad delights, both social and recreational, unique to the mall experience. The enjoyment of that experience made them want to shop; it's well known that oxytocin releases lead to higher economic transactions. They came because they wanted to, and bought because they were happy.

So, how did the mall lose its way? The most obvious, and oft-repeated, answer is the Internet. Over the past decade, online shopping jumped from only 3 percent of retail sales to nearly 9 percent. But this convenient excuse doesn't stack up: The increase in consumer spending and foot traffic of non-mall retail this holiday season indicates there's still plenty of retail dollars to go around.

The mall's lost its way because it doesn't understand its own story. Customers flock to the Internet to purchase what they need, whereas they loved the mall because it helped them discover what they wanted. Rather than try to position itself as a resource outside of a person's shopping needs, the mall tried to compete against the convenience and cost of online shopping — a misguided investment that led to subpar product offerings, cutbacks on valued experiences, and tired interiors that feel like a ghost of shopper's past.

Most disappointing of all? The consumers of today — especially the desired millennial demographic — value experience over almost all else. Malls should be excelling in a world that prizes social currency and Snapchat photo ops. The average suburban mall's struggling Sears and food court pizza is not enough to spur these teens to find the kind of connections that their parents once found in the mall's prime. These meccas of consumerism need to look beyond their current point of stasis to a time when they provided a place for people to come together and experience something.

Forward Through the Past

The mall needs a new story to attract foot traffic — or does it? Maybe the malls of America just need to look to their past and capitalize on the nostalgia of mall memories by providing a place where people can get more than a new set of cookware. The mall needs to once again become a place that traffics in experiences. The journey forward for malls isn't an evolution: it's a renaissance.

Nostalgia can be a powerful storytelling device. Doctors have discovered that experiencing nostalgia triggers feelings of happiness, boosts self-esteem, heightens the feeling of intimacy between loved ones, and, perhaps most importantly, infuses life with a greater meaning. Those who spent formative teenage years in malls have latent memories begging to be awakened by a trip to the Build-A-Bear Workshop. For younger generations without those memories to tap into, the nostalgia is for an era they've only known in media; yet, thanks to the twenty-year cycle of trends, the 1990s are back in vogue — so the mall and all it has to offer should be, too.

Of course, this will involve more than reopening a Spencer Gifts outlet; while the mall might be able to win back some of its foot traffic with an appeal to nostalgia, a significant investment into providing a customer experience will ensure its survival into the future. America's most vibrant mall, the Mall of America, is a perfect example of such a pivot. The biggest mall in America had a lot to celebrate last year aside from its 25th anniversary. Not only is it Minnesota's most valuable real estate asset at a whopping $2 billion — making it twice the value of the newly constructed Minnesota Vikings football stadium — but it can also entice customers to spend 52 percent more than then the national average spent at other shopping malls.

A cynic might credit these successes to the gimmick of being "the biggest mall in America." That would be a disservice to an institution that has been able to adapt itself so successfully in the rapidly and radically transforming consumer landscape. The Mall of America isn't just a mall — it has counted among its tenants an aquarium, a community college, and even a wedding chapel. It hired its first black Santa Claus for the 2016 holiday season and recently launched a writer-in-residence program, which was nabbed by a poet and his typewriter. The mall even encourages development among local businesses, giving some online retailers their first brick and mortar location as well as housing a self-owned-and-operated store committed to fostering local entrepreneurs.

The Mall of America understands that its customers don't brave the bitter Minnesotan cold and legendary parking lots for a chance to shop at Best Buy. They're there to ride the roller coaster, to see live comedy, to have an experience. By continually emphasizing and improving the experience of visiting the mall, the Mall of America is providing customers with the kind of multifaceted mall experience of yesteryear, updated with a modern twist to serve today's consumer. Compared to the more common suburban behemoth still hitching its fate to the bare shelves of a Sears, it's not hard to understand their divergent fates.

When brands struggle, many seek to reinvent themselves. But America's malls shouldn't be trying to beat Amazon at a game it has perfected; instead, they should be using their four walls as the unique differentiator that provides something the e-commerce model never could. The challenge is that all great brands, and their inherent stories, are rooted in authenticity. No matter how hard you try, you can't change who you are — meaning the path forward really is a journey inward.

It's at the core of the brand where the story resides: In the most rapidly changing consumer landscape ever seen, it's that constant that must anchor any institution with a hope of retaining its relevance. W

GROWTH

GOOGLE IT, XEROX IT, FEDEX IT, POST~IT: HOW STORY CAN HELP PREVENT BRAND "GENERICIDE"

BY ZACHARY VICKERS

Barry Manilow is known for chart-topping hits like "Looks Like We Made It," but few may realize that many brand jingles we still can't get out of our heads were also written by Manilow, such as "I'm stuck on Band-Aid, 'cause Band-Aid's stuck on me…" However, some of us might be singing a slightly different lyric: "I'm stuck on Band-Aid brand, 'cause Band-Aid's stuck on me…" At some point, Johnson & Johnson's legal department advised the company to add the word "brand" in order to differentiate itself from…itself.

The issue Band-Aid faced was that its popularity had made its name too household. Consumers were calling every bandage on their pharmacy's shelf a Band-Aid, even if it wasn't the one manufactured by Johnson & Johnson. Similarly, Xerox ran campaigns to dissuade the use of "Xerox" as a verb and encourage the use of "photocopy" instead. But why? Doesn't every company want their brand name to become so ubiquitous?

"The fear was that if 'to xerox something' became another way of saying, 'to photocopy something,' the term would end up defining not what Xerox is (a company that makes a distinctive brand of copiers), but what Xerox's products do (make photocopies)," said Noam Cohen in a New York Times article. "In the process, the difference between Xerox and its competitors would begin to melt away."

Every brand wants to be the best, the leader of their respective industry. Brands dedicate large amounts of time and budget to build brand awareness and become a household name. However, total brand dominance can come at a cost, and actually diminish reputation.

"There's tension between legal departments concerned about 'genericide' and marketing departments concerned about sales," says Michael Atkins, a Seattle trademark attorney. "Marketing people want the brand name as widespread as possible and trademark lawyers worry…the brand will lose all trademark significance."

Over the years, some brands, once leaders, have become shells of their former selves, lost in a saturated market now categorized by their very name, becoming just another brand substitutable with their competitors.

Some have become so genericized that you might be surprised to discover they aren't just a category, but also a brand: Aspirin, Kerosene, Trampoline, Thermos, Scotch Tape, Jacuzzi, Videotape, Dumpster, and Escalator — a product named after a portmanteau that marries the Latin word for steps (scala) with "Elevator." In 1950, the Otis Elevator Company lost its registered trademark after the U.S. Patent Office ruled the term had become a general term for a moving stairway — so much so that the Otis Elevator Company had been using escalator as a generic descriptive term on its own patents.

It's a real struggle that many companies face, and a fine balance — to become popular, relevant, and successful without becoming generic and therefore irrelevant, forgettable, and tractionless in the market.

However, it's not impossible to walk that tightrope. If a

company tells a compelling brand story that speaks clearly and resonantly to the emotions of consumers, it will not only help to differentiate from the competition, but will root the company's unique significance in something more than features, benefits, and brand name.

Today, Google is the most widely used search engine with over 3 billion online searches on a daily basis, and is perceived by users to be the best for simplicity, ease, reliable and fast-loading page results, and the organization of those results based on relevancy to the search. Google also shows fewer ads than competitors, like Bing and Yahoo, and the ads they do show are generally curated to each user's individual interests.

And yet, we know well that today nobody ever searches for information, they "google" it (to the extent that the Oxford English and Merriam-Webster Collegiate dictionaries both added it to their editions in 2006). So, how did Google manage to avoid falling victim to genericide?

Google invested in a story that placed its users — their hero — at the center.

A great illustration of Google's brand story can be found in their 2013 commercial, in which two childhood best friends, separated due to the 1947 India-Pakistan partition, reunite. Mr. Mehra's granddaughter, after listening to her grandfather poignantly reminisce about Yusef, tracks him down with a little detective work via several Google searches. Additional "googles" for Indian visa requirements and flight schedules all inevitably lead to Yusef appearing at Mr. Mehra's doorstep where the two embrace after six decades.

It's the kind of commercial that makes our own searches like "Yanny Laurel" and "Grumpy Cat Gifs" and "Do fidget spinners fidget or spin?" seem almost shameful. Why? Because while Google's search engine is tuned to access any information or curiosity, what it really does is make anything — even the seemingly impossible — possible.

Google never once mentions a feature or benefit of their search engine's performance in the commercial — rather, they invested in an emotional micro-narrative that reiterates their brand story: one that empowers users to take advantage of the world's information by presenting it to them in an accessible and organized manner in service of what matters most to them.

Google avoids anchoring their household brand in their product and instead invests in a compelling story, and it is this story that keeps them from succumbing to genericide. While other comparable, quality search engines are readily available — ones that users "google" information on — none of these competitors can trademark the emotional resonance that Google's brand has captured. Therefore, Google remains a leader — generic yet different.

"Branding is…rooted in establishing trust with your customers through a promise," said John Watton on Adobe's blog. Or, as Al Ries puts it in AdAge, "Everything in life is 'perceptions.' There are no superior products. There are only superior perceptions in consumers' minds."

FedEx is another great example of a company that has remained a dominant force in its industry without succumbing to genericide. While the company is also a colloquialism, a verb — you don't ship a package, you have it FedExed — FedEx has not hitched its brand wagon to its fast and convenient products and services. Rather, the company speaks to the emotions of their hero, and shows how FedEx empowers its customers through possibility.

FedEx's latest commercial, "What's Inside?" shows people receiving FedEx packages while a voiceover says, "What's inside? A moment of joy. A source of inspiration. An act of kindness… What will it bring? An old friend? A new beginning? Some welcome relief? Or a cause for celebration. The help you've been looking for."

The most powerful aspect of the commercial is when the point of view assumes the unknown object, and as each box opens we see the face of each individual. "What's inside?" FedEx asks. Possibilities. It's "What [FedEx] deliver[s] by delivering."

FedEx is the vehicle —literally — for whatever a person or company needs to experience possibility. How fast the package arrived, the convenience of the shipping process, are both irrelevant to the larger story. What's actually inside each box is never shown because it doesn't matter to FedEx. It only matters to FedEx to the extent that whatever it is matters to their customers, and that's enough for them (and us).

Compare this, briefly, to the UPS Store's recent commercial, in which a UPS Store employee attends a speed dating event where she spends the entire session (and day) rattling off all of the many services UPS does beyond shipping. It's a commercial solely on features and benefits, and while playful in tone, it neither transcends emotionally, nor explains why these services matter to customers and how they can empower possibility.

The end of the UPS commercial reflects its (lack of) resonance — the employee is left alone at a table, now night, rattling off the company's services to nobody. While UPS is not at risk of becoming genericized, this failure to align their marketing with a core story does nothing to differentiate them from the rest of the shipping and business services industry.

Every company wants their name associated with "the best" of any given product or service. But heavy is the head that wears the brand crown — and dominance can also lead to irrelevance by becoming overly household and an umbrella term for every product or service in their respective industry. In order to combat "genericide," a company should invest in a compelling story so that their name — if generalized into a substitute or synonym for a product or service — is associated with a powerful emotional narrative, and therefore different.

GROWTH

FIND YOUR CONSTANT AND PIVOT WITH PURPOSE

BY HANNAH LANDERS

The scene is familiar in any popular bar on a weekend night: the crowd is four-or-five people deep, and there's a single bartender trying to keep up with the patrons. It's frustrating enough to order a cocktail in this situation, but even more so when the night is winding down. Departing drinkers elbow their way past the rowdy throngs to settle their tab — and wait…and wait…for that sole bartender at the opposite end of the bar, deep in conversation with a customer.

Even after a customer waves their hand and captures her attention, it's just to receive the check — which inevitably is dropped right into the fresh ring of condensation left by someone's glass, leaving it an unreadable, inky blob. Actually completing the transaction demands repeating this process again, leaving patrons less than eager to return.

It's an obvious opportunity for disruption, and Flowtab (originally christened Apptini) sought to totally transform that process for the better by taking it digital. Downloading their app allowed patrons to send their order to an iPad synced with the bar's point of sale terminal, thereby paying their check without ever handing over their cash or card. The app then automatically directed the funds straight into the bar's bank account.

Smartphone users seamlessly sending and receiving emoji-emblazoned funds on apps like Venmo, as well as the increasing ubiquity of digital wallet services like Apple Pay, would think Flowtab's 2011 launch was a cornerstone in the world of convenient, digital payments.

Yet, anyone who's been in a bar recently knows Flowtab never joined the likes of Venmo and Apply Pay. The company was shuttered in 2013. In its two years of existence, Flowtab fought fearlessly to stay afloat. Like many fledgling companies, they executed a series of pivots in an attempt to gain traction.

What separates companies like Flowtab or Fab.com, who pivoted their way into oblivion, from those like Kabam, whose significant pivots resulted in an $800 million exit, or Printfection, who have turned theirs into almost $10 million a year in revenue?

Flowtab failed to pivot with purpose. The brand's vision, simply serving as a "mobile ordering, payments, and loyalty platform for bars and nightclubs," was so product-focused it left the organization rudderless when the product itself had to change. In lacking a core, purpose-driven brand story, Flowtab was unable to understand the ways in which they alone could empower their customers to mend their broken world.

After the initial version of their platform struggled to profit from charging bars and customers to place and receive orders on the app, Flowtab pivoted their target market away from bars and toward funding the company by selling advertising space within the app to alcohol companies — though that quickly proved to be pointless, as the app didn't have enough users to monetize. Flowtab then tried for another pivot, this time shifting their focus to stadiums as their primary customer. Numerous regulatory issues, combined with established players like Bypass already zeroed in the market, made this effort too little, too late.

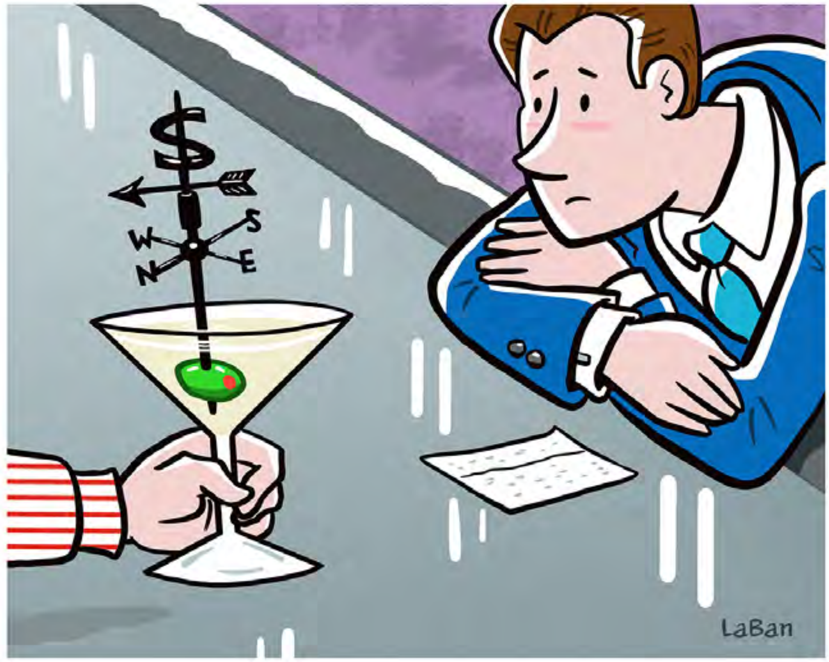
Flowtab was right to pivot. Almost every young company endures a pivot — a shift in business strategy as a reaction to a number of different factors — at some point. In fact, the entire "lean" methodology put forth by entrepreneur Eric Ries in his book, The Lean Startup, makes the pivot a right of passage for organizations that are encouraged to be agile in an ever-changing marketplace.

All pivots occur around a fixed point on which everything turns. Understanding what this point is, the constant in a business that cannot change, is the difference between success and failure.

Flowtab lacked this clear direction, and their pivot left them scrambling for a viable business strategy. It had less to do with shifting the tactics of the organization around the core "why" that drives everyone in the organization forward, and instead was a desperate attempt to remain viable in their final hour.

Kabam began as a social network, and after several pivots, emerged as a successful gaming company before their exit. Through the process of evolving his company, CEO Kevin Chou identified four key pillars of his organization:

» Product
» Market
» Go-to-Market Strategy
» Business Model



Significant changes to any one of these four qualifies as a pivot. Strong or weak, pillars require a foundation — something more elemental even than the four items above. The brand's story forms that foundation. Understanding why the company exists in the first place clarifies what can change and what must remain immutable.

Design-focused ecommerce website Fab.com also emerged from a pivot. The company was originally called Fabulis, and had iterations as a social networking platform and a Yelp- or Groupon-type site, all geared toward the gay community. When those approaches failed to take off, founders Jason Goldberg and Bradford Shellhammer reconfigured the site, shortening the name to "Fab" and focusing on the flash sale model: selling a limited number of items at a discounted price for a short amount of time.

The decision to switch to an ecommerce platform specifically focused on unique and finely designed housewares, jewelry, and other accessories was more than just a blind experiment. In a 2012 Inc. interview shortly after launching Fab, Shellhammer and Goldberg talked about the rationale behind the pivot. "[W]e asked three questions," Goldberg said. "What are we most passionate about? What are we good at? Where is there an underserved market? The answer was design, design, design."

Shellhammer and Goldberg recognized that there wasn't a marketplace to find striking yet affordable products for the design community and, combined with their own deep passion for design, defined the mission behind Fab's existence. Less than a year after the pivot, the site had more than two million users and $50 million in funding.

Fab faced entirely normal challenges scaling, such as customer complaints about long shipping times. In response, Fab decided to bulk up their overall inventory rather than relying on designers to fulfill orders of their limited product mix. The company inventory quickly ballooned from 1,000 to 11,000 products available per day.

Having a larger selection of products meant that Fab was stocking more ubiquitous inventory. Those that once flocked to the site to find eccentricities like a chandelier made out of martini glasses, a motorcycle helmet studded with rhinestones, or other products curated with a distinct eye by the Fab team were now met with items they could just as easily find on Amazon. By making a move contrary to Fab's core "why," they undid what fueled their initial, successful pivot.

Within two years of that fateful change, the brand had become a shell of what it once was, and was sold for much less than its former near-billion-dollar valuation.

Contrast this with Printfection, which began as an ecommerce platform for artists and designers to sell T-shirt designs directly to consumers. Although founder Casey Shorr told Startups.co that he felt enthusiasm for the idea and was energized by a "passion for technology," this

initial iteration of Printfection was conceived "without a lot of discipline or though for what we really wanted in life — what we were really passionate about."

Shorr convened his team to talk about what kind of purpose would inspire them to come to work every day, excited and motivated to do what needed to be done. Ultimately, they settled on the core story of their brand: "We realized we were passionate about helping other businesses grow," he said. Printfection defined itself as a place for individuals and organizations alike to create branded merchandise for marketing purposes.

This decision wasn't driven by a lack of revenue: Printfection had surpassed $1 million in sales in their original business model. Printfection took the time to evaluate not just their product-market fit, target audience, or other pillar, but instead truly considered the core "why" that defined the organization's mission. This shared purpose has led Printfection to post-pivot success: the company's revenue clocks in at $9 million annually and they hold an average 4.4-star rating on business software and services review site G2 Crowd.

It's rare for a company to nail a perfect business model and plan their first iteration. Even the most transformational and high-growth organizations require tinkering, and leaders need to be agile, adjusting different elements of their business as markets, people, cultures, and technology shift. The key to ensuring any of these pivots are successful is an understanding of the core "why" that brought their organization into existence and the story that communicates the purpose that team members can charge toward. A business is like any equation full of significant variables — solving for them requires a single constant: purpose. W

AUTHENTICITY

FINTECH, DISRUPTED

BY LINDSAY COTTMAN

Ice cream cones melting on the hood of a car. Afghan hounds in stylish surrounds. Millennial-pink Jell-O sculptures swaying in slow motion. What may sound like the makings of a David Lynch film are, in fact, the result of a careful brand re-boot. Although campaigns this quirky are typically reserved for consumer brands on the bleeding edge of cool, Swedish-based Klarna is in one of the least "cool" spaces there is: digital payment technology.

Financial brands have historically relied on conservative campaigns, and brand identities, to reach their audience. These traditional approaches signaled the reliability and trust that customers desired from the brands handling their money. Klarna, and fun-loving fintech peers such as Qapital, are rapidly winning away that trust, begging the question: are consumers and businesses looking for something different from their bank?

In 2005, the term "fintech" didn't exist. Klarna entered an industry dominated by PayPal and credit card giants, and Klarna's ambitions to revolutionize the e-commerce payment market seemed foolish at best, doomed to fail at worst. In fact, when the young startup's three co-founders entered their idea into the Stockholm School of Economics' annual entrepreneurship competition, they didn't come close to clinching the grand prize. Fast forward to 2018, and Klarna is valued at $2.5 billion with aggressive plans for expansion into new markets, as well as plans to roll-out its very own payment card.

Klarna's recent velocity can be attributed to the company's rebrand, which transformed its bland blue-and-white visuals, initially aimed at B2B merchants, into a rich, playful palette clearly geared toward millennials. The company's Instagram feed is rife with eye-catching GIFs and bizarre videos verging on high art (see Exhibit A: Klarna's viral "mermaid dog"). Minimalistic emoji-like icons pepper its website, as does the triple O-ed "smoooth," a spelling and concept coined by Klarna itself.

For a long time, though, Klarna just looked like any other financial brand. Historically, financial firms have engendered public confidence in their services by projecting an aura of stately, old-fashioned professionalism. Everything from a bank's logo to its ad campaigns to the physical space its branches occupy is almost always muted, calculated, and boring. And according to Lloyds Banking Group's CEO Antonio Horta-Osorio, in the wake of recessions and scandals, boring is exactly how banks should be portraying themselves.

Even companies that offered disruptive technology, such as PayPal, followed this approach. Its simple design, and blue and gray color palette would meld perfectly with any bank. Klarna embraced the same approach initially, with a safe, blue logo that sat somewhere between community bank and insurance provider on the design spectrum.

On the surface, Klarna might appear as if it's simply trying to attract fanfare with flashy visuals and irreverent marketing. But Klarna's CMO David Sandstrom understands the need for emotional resonance, and his perspective on the customer experience was what inspired the Smoooth campaign in the first place. By building a brand users can relate to, and by presenting content that reaches beyond the payment platform's product features (and beyond fintech at large) Klarna is creating a memorable and truly original experience.

Authenticity is foundational to trust. And trust is foundational to any financial service. However, events like the savings and loan crisis of the 1990s, and the 2007-2009 recession have eroded the implicit trust long given to financial institutions. More recently, the Wells Fargo debacle, in which employees created millions of fraudulent accounts on behalf of clients without their consent, and the Equifax breach that compromised 143 million people's personal data from credit reports, only wreaked further havoc.

The headlines provide a clear understanding of why Americans' implicit trust in large financial institutions is at an all-time low, and why simply relying on historical fidelity won't get a new market entrant very far. In fact, American confidence in banks has fallen 22 percent in the past decade (down to only 27 percent).

Any business or individual wants to trust the institutions handling their money. But, that trust has evolved from being implicit in the institution to earned through an authentic, meaningful relationship — just as two individuals develop trust.

Branding like Klarna's does more than demonstrate it isn't thinking like a bank; it signals a personality-driven relationship that its customers can connect with on an emotional level.

When a brand's personality is revealed through story-driven marketing, and is at the forefront of everything it does, people can't help but feel an emotional response — a response that borders on what we feel for our closest friends. Studies abound on the science of storytelling, and the results unequivocally prove that stories move us. Paul J. Zak, a professor at Claremont Graduate University and president of Ofactor, Inc. has long studied how stories change our attitudes, beliefs, and behavior, and the fact is: stories foster social cooperation and break cultural barriers, meaning that storytellers themselves stand to benefit from the favorable connections their stories create.

For this new wave of fintech brands, cultivating an authentic personality through story-driven marketing is only the beginning.

Traditional banking brands' strength has always been the retail footprint. A physical branch in the community, and a friendly face behind the counter, was a powerful counterweight to the advances and convenience of technology. But as traditional banks have willingly surrendered this powerful advantage, fintech has stepped in with its own ways of curating community, and thus relationships.

Monzo, a digital, mobile-only bank based in the United Kingdom utilizes a community platform "where Monzo users come help to build the bank of the future." The community is at the "heart and soul" of everything Monzo does, and it goes beyond giving the appearance that the company cares — it has the added benefit of providing regular user feedback, which the company can use to enhance its product and the brand itself. By cultivating this community, Monzo effectively engages its users and encourages them to communicate not just with the brand, but with each other.

We like to think our decisions about money are rooted in rationality. But the reality is emotions play a gigantic role. Before working with Woden to craft its brand story, banking app Qapital recognized its messaging was failing to strike an emotional chord. Until clarifying its story, Qapital spoke about its services much like any other financial app: users could deposit money, transfer funds, and manage investments. Equipped with a narrative about empowering users to gain newfound control and perspective on their money, Qapital was able to foster closer connections with customers, and revolutionize their banking experience.

From Klarna's offbeat marketing, to Monzo's community-building, to Qapital's commitment to helping transform users' habits for the better, these efforts are successful because they arise from authentic brand personalities. It's also why TransferWise's pointedly anti-bank language appeals to customers and draws a

clear line between the brand and traditional banks. Phrases like "No skyscrapers. No suits." and "Bye-bye bank fees, hello world" make it clear TransferWise has its own personality.

This language is a touch snarky, but it provides a sharp contrast to the messaging of traditional banks. Because of the customer experience (and controversy) legacy institutions have created, slogans such as "America's Most Convenient Bank," or "Together We'll Go Far" ring more ironic than authentic.

While campaigns like Klarna's might be a bit "out there" for some consumers, the brand succeeds at being authentic in its own right. By eschewing the outdated tactics employed by traditional banks in favor of portraying a genuine — albeit quirky — personality, companies like Klarna will be rewarded in kind by users who trust its authentic voice.

Whether a bank, a fintech company, or any other business trying to build lasting trust with its audience, this new approach employed by Klarna is a guide for fostering that kind of connection and dedication. The rules of trust-building have changed. Institutions and establishments no longer have the power that they used to, and traditional campaigns are not strong enough to win hearts and minds.

Instead, what's required for success and genuine trust is an authentic brand that makes every customer, whether business or consumer, feel like they are part of real relationship.

THOUGHT LEADERSHIP

THE KEY TO MONETIZING CUSTOMER DATA? TRUST

BY KELLY SARABYN

Trust in Facebook is at an all-time low. Eighty-one percent of people have little to no confidence Facebook will protect their data or privacy. This lack of trust in the company has real financial consequences: following the Cambridge Analytica data breach Facebook's market value plunged 80 billion. It turns out customer affinity, and alignment with the brand's mission, has a tangible value.

The user data obtained by Cambridge Analytica was allegedly used to help Donald Trump's campaign, echoing the earlier use of Facebook's advertising platform by Russian operatives to try to influence the 2016 presidential election. In both cases, the root cause was not a hack or security breach, but rather a savvy exploitation of the tools that Facebook put in place to allow advertisers to leverage users' information.

Americans responded with outrage at Facebook for allowing these deceptions to happen. The social network apologized, and claimed it would hire more moderators and fix its algorithms to ensure its "guidelines" were being followed. Yet these guidelines were lengthy and obscure: In April, it was revealed, for example, that Facebook had reduced the reach of a popular pro-Trump page of two African-American women because their content was "unsafe." In true 1984-style, the women were told this decision about their content was "unappealable."

Confronted by this incident in Congress, CEO Mark Zuckerberg said it was an "enforcement error," but declined to elaborate on the enforcement or the policies being enforced. Indeed, Zuckerberg's testimony to Congress on how his company handles and monetizes the massive amount of data it collects was cagey and opaque.

As recently as last year, Facebook updated its mission: to "give people the power to build community and bring the world closer together." The company's reactive and fumbling approach to these scandals is public affirmation of a failure to align the operations of the company behind that mission: Facebook's business model with respect to user data is buried beneath lengthy terms and conditions only a high-priced lawyer might understand, and even Zuckerberg seems unable, or unwilling, to clarify them publicly. The revelation of recent abuses stemming from this shadowy business model exposed a clear disconnect from Facebook's public purpose, so it's no surprise any trust the consumer might have had in the company has vanished.

Facebook's crime isn't monetizing user data. After all, if the product's free, the user is the product. With the continued growth of big data technology, the practice of collecting and leveraging customer data will continue to rise. Companies who place customer data at the core of their business strategy need to align their data practices into their brand story: the brand story sets expectations, and acting consistently with it not only will not alienate customers, but it even creates and fosters trust. By failing to do this, Facebook's public image has been tarnished, and the company has lost not only market value, but valuable brand equity.

Twice as many young people trust Google and Amazon to do the right thing compared to Facebook. Americans overall express much greater trust, like, and appreciation for Google and Amazon, as well. Yet, like Facebook, both of these companies leverage massive amount of user data for commercial ends. Amazon, who ranks highest in trust and appreciation surveys, collects and uses its customers' data to sell more products. So, why is there such a difference in perception by customers?

Behind closed doors, Facebook's COO Sheryl Sandberg allegedly asked other Facebook executives, "What business are we in?" and provided the answer as advertising. Publicly, Facebook claims it is in the business of empowering people to build community. The misalignment between internal expectations and the externally articulated mission of the organization leaves Facebook without a coherent vision. When a company's contradictory stories become public, as they will — and in Facebook's case, have — it erodes trust in a company.

Facebook was widely criticized, for example, when a document was leaked showing the company telling potential advertisers it could identify when teenagers were feeling "insecure," "worthless," and "in need of a confidence boost," and would help brands target and tailor ads to take advantage of these moods. It's easy to see why this information would help Facebook meet its internal goal of selling advertising — for advertisers, the more information it can have on a person's psychological state, the more likely the ad is to convert.

However, providing detailed psychological data on users' weaknesses to brands does not empower people to build community. To the contrary, giving companies detailed information to exploit users' vulnerabilities detracts from users' ability to build community — they will feel besieged by content that is designed to prey on their vulnerabilities, and less likely to share. As a result, when this conversation between Facebook and a potential advertiser was leaked, users felt betrayed.

Following a spate of bad PR, Facebook has made weak attempts to move its internal business model toward its public purpose, claiming, for example, in January, it was changing its algorithms to prioritize content from friends, family and groups, rather than businesses. But Facebook still faces a fundamental contradiction in its brand by failing to identify whether the hero of its story is advertisers or users.

Contrast Facebook with Amazon's use of data. Amazon's animating purpose — to empower customers to quickly and conveniently buy what they want — is consistent with their using their massive stockpile of user data to enhance their customer's experience, and recommend products tailored to specific users' interests and needs.

Amazon also offers brands the ability to put interest-based ads in front of their users, but, again, these are marked as ads, and tailored to what the user is most likely to purchase. Amazon's use of user data is aimed at making brands a partner in delivering on their purpose, so it's logical users would embrace it.

This means there is no need for Amazon to obscure their policies, or peddle different stories to different audiences, fomenting distrust. Their easy-to-read FAQs, for example, states, "Information about our customers is an important part of our business, and we are not in the business of selling it to others." It then states, in plain English, the exceptions to that policy.

Retailers have complained about Amazon's failure to share more of their user data, but Amazon knows the hero of their story is their customers, not the brands purchasing advertising or selling products on their platform. As a result, Amazon shares user data with retailers only if it helps to provide customers more targeted and better product options. This use of customer data does make Amazon money: the better tailored displayed products are, whether they are ads or simply recommendations, the more products customers will buy on Amazon. But because this practice aligns with Amazon's core purpose, it also benefits the customer.

Amazon's not an outlier. Consumers have embraced scores of brands built on tracking and utilizing their data, but in each case where it is successful, it's a mutual benefit characterized by an embrace of one coherent message. Netflix is constantly looking at their customers, creating an anonymized data analysis of all their viewing habits, but they leverage that data to provide original content more suited to their users' tastes, and improve viewing recommendations. This use of data benefits Netflix, as customers watch more content, as well as the customer, who can more easily discover content they like.

The John Hancock insurance company has taken data collection even farther by collecting data on its customers via fitness wearables. Offering its customers the option of enrolling in a program where their exercise is tracked via smart wearables means the company knows more about their plan enrollees than ever before, but it also provides the opportunity for discounts when the data shows they are exercising regularly. This data collection is transparent, not for sale to third parties, and designed to give the customers more options and benefits. It's more invasive than anything done by Facebook, but is consistent with the brand's underlying mission of healthy lifestyles, and feels authentic.

Even the classic consumer loyalty card program is an example of the myriad ways companies can utilize data on their customers to make money. In each case, customers happily surrender information on what they are purchasing in exchange for discounts or free services — and over time, better product selection at stores, more suited to what they actually want to buy.

As customer preferences become more and more specialized, companies will increasingly leverage big data technology to track data on their customers, and many companies will rely on utilizing this data as part of their business model. Doing this successfully is not only about security, practices, and clear terms, it requires aligning those practices with a core purpose that both customers and employees agree to.

When that happens, companies can be open and honest about their data practices, which provides the bedrock for customers to form a trustworthy and lasting relationship with the company. As Facebook has learned, violating that commitment is more than just a public relations headache: it causes material damage to the fabric of the community around the company itself.

MESSAGING

THE VALUE OF A GOOD INFLUENCE(R)

How B2B Companies are Embracing Influencer Marketing

BY LINDSAY COTTMAN

The word "influencer" tends to conjure images of Instafamous pseudo-celebrities shamelessly hocking products and goods to thousands of adoring followers. The very nature of influencer marketing lends itself well to the B2C space because these strategies rely so heavily on the public profile of the influencer. And let's face it — celebrities, athletes, and known trendsetters promoting the latest beauty or fashion must-haves tend to attract a wider audience than niche experts or tech bloggers posting about B2B products like enterprise software.

And yet, influencer campaigns don't have to be relegated strictly to consumer audiences. While it's true that most influencer tactics naturally align with the consumer market, B2B businesses can and should leverage relationships with influencers to generate brand awareness, and more importantly, trust.

Global software titan SAP has long used industry influencers to drive demand, and they continue to excel in this arena where so many other B2B enterprises fail, or fail to even try.

A recent customer event in Germany offered SAP the perfect opportunity to talk shop with experts who hold sway in the market. The company invited five influencers with expertise in everything from tech blogging to cloud computing to discuss topics like AI, machine learning, and IoT. These influencers took the conversation back to their audience, resulting in an explosion of online engagement. The event was trending in Germany for two solid days, with influencers driving 50 percent of all mentions of the event on social.

SAP took a similar approach at Sapphire NOW, the tech giant's largest event held annually in Florida. The event itself draws an average of 20,000 attendees, but at the latest conference, SAP was able to reach an online audience of as many as 100,000 viewers. They achieved this by selecting a team of 11 hand-picked influencers to answer questions submitted by online spectators via Facebook Live, and subsequently succeeded in engaging a virtual audience five times larger than they had at the event.

"SAP is one of the few B2B companies to really make good use of influencer marketing," explained Moses Velasco, Chief of Strategy at Socialbakers, in an interview with MarTech Series. "Not only do they work with industry influencers to build credibility with their audience, but they also work with global celebrities, like Justin Timberlake, who was performing at the event, to extend their reach across industries and age demographics." Velasco said.

SAP capitalized on this content and has since repurposed content from the live videos to craft blog posts and other original thought leadership targeted at prospects and customers alike. An added bonus: Influencers promoted the video content that they helped to create on their own social channels.

"I treat influencers like clients," SAP's Senior Director of Influencer Marketing, Amisha Ghandi, said in an interview. "There should be business value to both parties."

Ghandi speaks often about the benefits of devising an influencer strategy, counseling B2B marketers on how to get their own programs off the

ground. These conversations are sorely needed in the space — MarketingProfs reports that while 55% of B2C companies have ongoing influencer marketing programs, a scant 15% of B2B companies have integrated these types of initiatives into their overarching brand strategy.

With experts in nearly every market regularly engaging on social platforms and at industry events, this is a huge missed opportunity. B2B businesses need to understand that these channels can be leveraged to tell their stories in a uniquely human way.

Brands — even large-scale enterprise corporations — don't have to be perceived as cold, faceless organizations. Influencers offer a means to break free from this impression by granting companies informal access to their world, as told through the eyes of a real, relatable person.

Influencers spend countless hours developing new content and engaging their followers through photos, blogs, videos, and podcasts. They build active communities both online (through various social platforms) and offline (at events) around virtually any and every topic conceivable. As a result, their audience turns to them for everything from industry insights, to new product information, to sage advice on what they should or shouldn't be buying.

Given that they have already earned the trust of thousands, if not millions, of potential customers, it only makes sense for companies to use influencers as a means to amplify their story to targeted audiences in a way that no overt marketing initiative can replicate. By doing so, influencers can inject a much-needed shot of authenticity into any brand's image.

Okta, a B2B tech company providing identity and device management solutions to businesses, takes a slightly different approach by leveraging its existing customer base.

Rather than tapping a traditional influencer, like a tech blogger, content writer, or industry thought leader, Okta recognized that the customers they serve are influential experts in their own right. Not only are these customers able to articulate Okta's offerings, they can offer prospects a trusted view into how Okta can solve their problems, too.

Visual media almost always has a stronger emotional impact on viewers than more traditional methods, which is why Okta opted to promote customer feedback in this fashion. The end result was a series of compelling videos created by high-profile customers like Adobe, 20th Century Fox, and News Corp.

News Corp, for example, detailed life before Okta, including the complex challenges they faced, from operational inefficiencies to technology that required replacement.

With Okta, the company was better able to roll out applications and new tools to all of their 25,000 employees across the globe, greatly improving teamwide collaboration. Those profiled in the video explicitly attested that Okta delivered on what they promised — word of mouth just doesn't get any better than that.

As with any other brand alliance or partnership, it's important for B2B companies to carefully assess their own codified brand story, as well as the narratives being spun by potential influencers, before moving forward. Alignment between the story told by the company and that by the influencer is essential to fostering the sense of authenticity (and trust) that can make such a significant impact.

One way to accomplish this is to employ the help of influential individuals the company already knows and trusts — their own employees. IBM, a known innovator in the technology market, leverages employee advocacy as a way to organically grow the brand's influence.

IBM's story is one of innovation, and it's tethered to a commitment to create solutions that empower not only businesses, but mankind itself. Evidence of this commitment can be seen in programs like IBM Blockchain, which has been used by the likes of Plastic Bank to tackle ocean plastic and global poverty with blockchain-based digital credits. IBM Watson is used in a multitude of applications, empowering leaders in spaces like healthcare, where breakthroughs fueled by the technology accelerate the discovery of medical cures.

IBM's employees are familiar with the company's philosophy, and they, too, embody its core ethos of innovation for progressive change, and are incentivized to share content in support of this story on social media to influence others.

The company even set up an internal platform allowing employees to easily share promotional material on an array of social channels, and feeds staffers up to six pieces of potential content per day that they can choose to share or not share with their personal networks. Upwards of one thousand IBM employees engage in the influencing program, with many more "banging down the door" to participate.

As the actual creators of the products, no one is better equipped than employees to deliver this message. And as integral members of the IBM family, no one is better acquainted with the company's brand story than the workers themselves.

Philips Lighting is another successful organization using employee advocacy to boost customer engagement and brand awareness. "We have been so surprised in terms of engagement and downstream outcomes," stated Dana Hyland George, Senior Manager of Employer Brand & Recruitment Marketing at Philips Lighting. "We saw a gap where we could use an employee advocacy platform to help us amplify our story at scale… We wanted to humanize our brand, tell the world who we

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are and what differentiates us from others."

By quadrupling its employee sharing on social media, Philips has reached over ten million people with their influencer campaigns, and increased their company page followers by 26 percent.

While the B2C space continues to prove that influencer marketing does in fact work, B2B leaders are slow to adopt similar techniques. A lack of clear guidelines, plus a lack of readily available, vetted and credible influencers cause some companies to hesitate, and for good reason: partnering with a misguided influencer could put a brand's entire reputation at risk.

But the risks can be mitigated by understanding how a brand's story aligns with its potential influencers'. Businesses who are selective and pair with compatible partners can reach new heights, and new audiences.

Thought leaders and social media pundits can deliver serious ROI, based on both their knowledge of their respective field, as well as their established reach. Finding out who customers and employees watch and listen to, what authors they read, and whose blogs or articles they find particularly inspiring is a good first step toward identifying potential influencers.

Customers and employees can wield influencing power in their own right, and offer unique perspectives on products that B2B purchasers are likely to take into account when making the decision on whether or not to buy in.

If approached tactfully and thoughtfully, story-driven influencer partnerships will spell success for all parties involved. W

AUTHENTICITY

FCK 'EM IF THEY CAN'T TAKE A JOKE: THE ART OF THE BRAND APOLOGY

BY HANNAH LANDERS

My new goal is not to explain jokes." In 2015, the Internet's mob mentality trained its ire on Tina Fey, demanding an apology for a perceived racist joke written into The Unbreakable Kimmy Schmidt. Fey not only dismissed the accusations, but lamented the way social media has resulted in a culture that is constantly demanding public apologies. Fans won't find her on any social network: "There's a real culture of demanding apologies, and I'm opting out of that."

In today's era of public accountings, brands are routinely subject to this same social media outrage — but they rarely have the luxury of not responding. Social media mobs are feared for their well-documented willingness to conduct public trial by internet. No one could accuse them of nuance, with their Gaston-like fervor for targets ranging from true villains like Harvey Weinstein to brands who tweet an off-color joke (Chrysler: "I find it ironic Detroit is known as the #motorcity and yet no one here knows how to fucking drive.")

Brands that seek genuine relationships with their audience must be able to master the challenges posed by this environment, be able to differentiate between a real transgression and social media noise, and navigate how to deliver an apology that turns a misstep into opportunity.

This reckoning has been amplified in the era of #metoo, where one powerful man after another has fallen under the scrutiny of angry online crowds. The success of this movement in soliciting apologies from (most of) the publicly accused perpetrators of sexual assault has been a net positive, but the online outrage did not stop with the powerful men committing these wrongs. Criticism extended to people who opined on the #metoo movement in what was perceived as a demeaning way, such as Matt Damon, and Catherine Deneuve.

Damon's half-baked apology — "I don't want to further anybody's pain with anything that I do or say. So for that I am really sorry." — certainly didn't appease those who were outraged by (or those who agreed with) his original comments. The mob moved on, but the lasting negative impact to Damon's reputation is a cautionary tale to brands: when the mob mentality determines who is worthy of scorn, an authentic response is more important than ever.

Mercedes-Benz recently offered what was widely perceived as an inauthentic apology for "hurting the feelings" of the Chinese people after posting a Dalai Lama quote about the value of looking at situations from different perspectives. Few believed that Mercedes was genuinely sorry for posting the quote or believed their claim that the post contained "extremely erroneous information." While this kowtowing may have mollified online crowds in China, it damaged Mercedes' reputation with most of the world.

Research has shown there are six elements to an effective apology, but the two most important are an authentic acknowledgement of responsibility, and making an offer of repair. Harvey Weinstein might have intuited he needed to try to repair his wrongs, but

his meandering apology that discussed his intentions to take down the NRA, instead of coming up with remotely credible compensation, indicated he had no comprehension of the gravity of systemically sexually harassing women in the workplace. The same can be said for brands who commit grievous wrongs — paltry offers of repair are more offensive than beneficial. Ask Chevron, who was appropriately lambasted in 2014 for mailing members of a Pennsylvania town pizza coupons after an explosion at one of its natural gas wells killed a young worker.

The latest research shows that brands have become increasingly humanized — as a result, they are equally subject to critical online crowds, and, to avoid losing customers and brand equity, they need to engage as authentically and credibly as individuals.

The many failed public apologies in the #metoo movement illustrates the difficulty of offering authentic and believable apologies, especially if the underlying wrongs were grievous. Brands are no exception to this. Chipotle, for example, floundered their public apologies after serving food contaminated with E. Coli and norovirus, resulting in hundreds of sick patrons.

Despite an immediate and widespread outrage against the company, CEO Steve Ellis waited five weeks for an extensive apology tour. Even with the time lapse, Ellis still hadn't identified nor solved what had caused the E. Coli outbreak. As Yale School of Management Associate DeanJohn Sonnenfield commented, "[The apology is] not enough and it was late … it's false reassurance to go out there and say 'well, we fixed it' when you don't even know what is wrong yet."

In the apology ad taken out in 61 publications, not only did Ellis fail to explain how the outbreaks had happened or what Chipotle did wrong, he insisted Chipotle "met or exceeded industry standards" for safety, and its "restaurants are safer now than they had even been." This is hardly reassuring to consumers witnessing widespread E. Coli and norovirus' outbreaks, and undermines the credibility of Ellis's claims that he would implement practices and procedures to make the risk of further outbreaks "near zero."

People respond to vulnerability. For a brand to effectively say "sorry" requires the self-awareness of genuinely recognizing where it went wrong, and what it can do better. Chipotledrew further attention to its lack of honest self-criticism with its attempt to court lost patrons by offering them free burritos — hardly compelling compensation for making people ill with burritos.

This cloying effort at rectification rang hollow — and inauthentic. Chipotle's brand is about disrupting the fast food space by offering healthy and wholesome food. Off-brand free coupons were inconsistent with a brand whose customers embraced a higher price point in exchange for quality — the same customers were aggravated by Chipotle's attempt to woo them back by engaging in "base humor" on its Twitter account. Joking about marijuana and sexual "side pieces" on Twitter, and offering free burritos to customers who had fled because of concerns about food quality left consumers wondering who Chipotle was, and what they stood for.

Despite their stock price and public perception getting hammered, Chipotle's lack of self-awareness continued when, in 2017, they repeated the same mistakes. Another illness broke out in one of its restaurants; instead of immediately addressing the issue, Chipotle ignored people tweeting about the incident, and continued to blithely tweet out promotional deals.

In 2007, JetBlue bet wrong on an East Coast ice storm that left tens of thousands of passengers stranded. While competitor airlines cancelled flights well in advance, JetBlue tried to preserve service; when the storm intensified, staff, equipment and passengers were stranded in a mess that took over a week to sort out.

JetBlue is a brand with a well-defined story, and they leaned into it to execute a successful on-brand apology. Rather than waiting five weeks like Chipotle, JetBlue CEO David G. Neeleman immediately publicly apologized. Not only that, he took full responsibility for the delays and cancellations, explaining exactly how they had happened, and why JetBlue was to blame: Neeleman was transparent, authentic and genuine about his role in the crisis.

Not only did JetBlue take responsibility — in a credible way, by explaining how they were at fault — they immediately offered to repair the wrong by giving substantial compensation to everyone affected, at a cost of tens of millions of dollars. The company also published a "Customer Bill of Rights" which ensured that any future passengers with a delay or cancellation would be fairly compensated. This generous remediation was perfectly on-brand for a company that had built its reputation on superior customer service.

With its authentic apology offered in multiple media outlets and on YouTube, JetBlue was able to restore and even enhance its brand reputation, as consumers responded positively to their transparency and aggressive attempt to make amends. The generous compensation also lent credibility to JetBlue's assurances that they would reorganize their workforce and update their technology to ensure the same problems wouldn't happen in the future.

Most brands will never issue an apology that costs millions of dollars. But not all authentic apologies have to be expensive. KFC recently had to temporarily shutter two thirds of their stores in the UK due to a chicken shortage that arose when they altered their supply chain. In response to the store closings, #KFCCrisis was quickly trending on Twitter. KFC took complete responsibility for their mistake, but did so in a way that was reflective of the fact that it was just a minor inconvenience to would-be patrons, and embodied their irreverent, fun brand personality.

They took out an ad with the word "FCK" on a bucket of their chicken, with the text below,

BRANDS ARE NOT IMMUNE FROM THE JUSTICE OF ONLINE CROWDS, AND THEY NEED TO BE PREPARED TO RESPOND QUICKLY AND CREDIBLY IN ORDER TO PROTECT THEIR HARD~EARNED BRAND EQUITY.

THE SUCCESS OF MOVEMENTS LIKE #METOO, AND THE INCREASED HUMANIZATION OF BRANDS, WILL ONLY INCREASE THE PUBLIC•S APPETITE FOR DEMANDING ACCOUNTABILITY IN THIS MANNER.

"WE'RE SORRY. A chicken restaurant without any chicken. It's not ideal. Huge apologies to our customers … It's been a hell of week, but we're making progress, and every day, more and more fresh chicken is being delivered to our restaurants. Thank you for bearing with us."

This cheeky but sincere apology was quickly trending on Twitter, with people who didn't even like KFC applauding the brand. The genuine expression of vulnerability, and the relatable "FCK" gave credibility to KFC's promise that they were fixing the problem as soon as possible. The success of KFC's apology highlights the importance of a brand evincing their own distinct story and personality in their apologies — and a reminder that despite what the online mobs say, not all crises should be dealt with at the same volume.

Brands must accept they live in a moment where public reckonings happen at the speed a tweet. The #metoo movement illustrates the perils of inauthentic or hedged apologies; they only bring further derision. Brands are not immune from the justice of online crowds, and they need to be prepared to respond quickly and credibly in order to protect their hard-earned brand equity. The success of movements like #metoo, and the increased humanization of brands, will only increase the public's appetite for demanding accountability in this manner. But, by knowing who they really are, and what they stand for, brands can offer authentic apologies that resonate even in a world where people have 140-word attention spans.

THOUGHT LEADERSHIP

SELLING A STORY YOU'RE NOT TELLING

Craft a Narrative Built for Indirect Customer Marketing

BY LINDSAY COTTMAN

A staple of camps and classrooms is the children's game "telephone." The kids sit in a circle, and work to progressively pass along a message until it returns to its originator — only for them to share how much that story has changed as it passed each new person. Humorous as it may be in a room full of third-graders, for some of the world's largest corporations, it's no laughing matter.

Companies operating in a number of different industries rely solely on channel partners or distributors to sell their product. Instead of a direct customer relationship, they play "telephone" on a daily basis, challenged to effectively communicate their own story, while never sharing it with their customer directly.

Empowering partners, distributors, dealers, and resellers to manage the end customer relationship has several benefits, with the chief perk being that it takes the time-consuming (and unscalable) onus of connecting with customers off of a company's sales team. It also creates scale: when leveraged correctly, a solid network of relatively few partners allow a brand to build a significant revenue stream with limited internal resources.

Amidst all the tactics of building partnerships, one concern reigns supreme. Like the previously mentioned "telephone" game, each incremental step between a brand and its customer offers an opportunity for confusion and diffusion. Those that seek to build the most effective channel partners require a clear, compelling message that remains consistent as it's whispered down the lane.

Take Caterpillar. A Fortune 100 corporation and the world's largest construction equipment manufacturer, it is built on a network of global dealers. Caterpillar managed to go from losing $1 million per day in the 1980s to sales volume double that of its nearest competitor two decades later. The company's turnaround can be attributed to a number of factors, including the company's commitment to innovation and improving its technology, investments it's made in streamlining manufacturing processes, and its continued focus on costs.

But, according to former Chairman and CEO Donald V. Fites, these improvements pale in comparison to one thing: Caterpillar's dealer network and the close customer relationships it fosters.

Fites observed that dealers know and understand their customers better than Caterpillar ever could. Although Caterpillar is a global enterprise, its regional dealers are enmeshed in their communities, allowing them to forge close bonds with buyers in local markets. They ensure each machine is in perfect condition when it's delivered, and they're often the ones to complete routine maintenance and respond to service requests over the course of a product's lifespan.

Fites made it a priority to assist these key players however he could, because he recognized that this attention to distribution and product support was a crucial

component often overlooked by Cat's competitors. Even though the company could have potentially saved money by going directly to the consumer, Fites believed so strongly in his partners that "we'd sooner cut off our right arm," than bypass dealers.

Caterpillar correctly understood its customers as the hero of its brand story. But, by fostering vital relationships with its dealers, it engaged them as equal partners in mentoring those heroes to success. By being willing to invest in a true partnership, Caterpillar's leadership saw a pattern play out in the market again and again: competing manufacturers could talk the talk, but when it came to treating dealers and suppliers as co-equal mentors, as opposed to secondary customers or supporting actors, they were simply unable to walk the walk.

Customers know that Caterpillar produces the giant, yellow machines they see everywhere from farms to construction sites. But it's the dealers who are cementing the company's image in the minds of consumers. They are the faces behind the name, and they are on the front lines of the customer experience.

When a company embraces a sales model reliant on independent or indirect partners, they surrender a large amount of control, including control over the narrative. A lack of a clear message for the partner to carry forward can cause much of the nuance of a company's offering to get lost in translation.

Big Pharma is no stranger to this challenge; large manufacturers like Pfizer, Merck, and GlaxoSmithKline spend billions of dollars advertising their drugs and medical devices to doctors, who in turn prescribe them to patients. And although direct-to-consumer marketing has opened up a new advertising angle for pharmaceutical companies, physicians are still the ones writing the scripts, and therefore remain the most important partner in the pharmaceutical sales process.

With more and more medications being rolled out each year, doctors need help understanding the ever-growing deluge of drugs entering the market. Pharmaceutical reps have long been known to buy their way into doctors' good graces with expensive dinners and free samples, while simultaneously bombarding them with insistent cold calls and emails. And though these aggressive, often unscrupulous tactics work for some, physicians are growing tired of such intrusive methods.

As Dr. Linda Girgis put it, "Doctors need the information, but make it meaningful."

Customer influence can't be bought, it can only be earned by aligning a partner with the journey each brand imagines for its heroes, and by engaging them on that quest. Only then are they equipped to play a meaningful role in a story that resonates with all parts of the customer journey.

Even technology is becoming increasingly reliant on indirect customer influencing. Multinational technology company Lenovo has traditionally earned the bulk of its sales from large businesses and enterprises. As it attempts to claw away share in the consumer market, however, Lenovo understands it requires a strategic shift in how the brand engages its channel partners. As a result, Lenovo has completely redesigned its partner program and is working to generate a more mutually beneficial relationship.

During this year's Accelerate Lenovo channel conference, partners unloaded a laundry list of concerns onto leadership, complaining about everything from the company's compensation model, to its unmanageable deal approval system. As its channel partners talked, Lenovo listened: Rob Cato, the brand's North American channel chief expressed a desire to take engagement with distributors to the next level. Lenovo's plans include bolstered support to Lenovo Gold and Platinum partners, enhanced communication around key areas like pricing, and strategic alignment between the brand and its partners with the goal of strengthening the customer community.

As president of Lenovo's North American business Matt Zielinski notes, "trust doesn't come overnight," and the company will have to convince its dealers that doing business with Lenovo will spell success for them, as well.

Dr. Girgis's point about making information meaningful is essential for any business utilizing channel partners to influence their customers — and at the core of this approach is a codified brand story. Businesses that successfully communicate their message to consumers are typically successful, but generating buy-in for that narrative among channel partners first is primary.

Purpose-driven narratives do this exceptionally well. Channel partners will recognized the hero (customer) of the story, which they share with the brand. By building the message around a shared desire for that customer to achieve success, it makes the channel partner a crucial component of the story's catharsis.

It's scientifically proven that humans are not persuaded by facts and figures alone. When we hear stories, our brains release chemicals like cortisol, dopamine, and oxytocin. Dopamine and oxytocin promote engagement and connection, while cortisol helps to formulate memories — a key component in the learning process.

Using story to highlight the core elements of the brand's value proposition is critical, as its more likely to be retained by the partner — and they're likely to receive the same emotional benefits while retelling it. That delivers success well beyond a sales sheet, as partners can't help but repeat a brand's narrative far and wide.

Brands like Caterpillar, who succeed in instilling its mission and purpose across the organization, invest just as much in telling their story to their partners on the ground as they do to the team internally. Channel partners' dedication to Caterpillar's old credo — Buy the Iron, Get the Company — rivals that of anyone directly working for Caterpillar, and it creates a level of trust, and a powerful sales ecosystem, that leaves competitors behind. W

THOUGHT LEADERSHIP

YOUR COMPANY ISN'T THE UBER OR AIRBNB OF ANYTHING

BY ZACH KLIGER

"We're the Uber of babysitting."

"It's like AirBNB for bikes."

"Imagine Uber for dog walking."

It's the shorthand founders of supposedly innovative companies use to describe their offering — to the point that it's become a joke. Hundreds, if not thousands of startups have started describing themselves in these terms, and maybe it makes sense?

After all, companies like Uber and AirBNB are smart, sexy, and most importantly, successful. They have captured our collective imagination as legendary stories of how a simple idea can transform how people live their lives. These firms created a new type of service: simple platforms where people could make their own private property (home or auto) available for use by others. As other companies have copped the "gig economy" model, comparing themselves to Uber or AirBNB seems like a convenient way to explain their offering. After all, who wouldn't want to follow in the footsteps of these billion-dollar companies?

Because true category-defining companies earn that status by standing alone, and carving out a message that's wholly their own.

The "Uber / AirBNB for X" brand story is more than lazy: it undermines the value of product innovation, forever ties the brand to the fate of those it's imitating, and reinforces customers' love for the innovator, not the imitator.

Comparison is a primary tool used in decision making. Whether people are seeking to understand a company or each other, comparing a new concept or item to one who's value is already understood gives context that might otherwise be unavailable.

It's an often-useful approach because with a comparison there's an immediate frame of reference — a window into understanding through shared knowledge. It's so much harder to build context from the ground up and to shape a story and an understanding out of new parts. When a founder only has a few minutes to sell their idea to a room of people who can't wait to turn them down, they naturally fall back on these comparisons to explain their potential.

This method is flawed not only because it immediately forces a company to chase an impossible standard, but because it ultimately obfuscates identity, rather than reveals it.

Instead of digging deeper and really working to uncover the elemental and unique ideas that define a new business, so many are content to rely on comparison without going any further. No time is spent to truly understand who and what a company is.

Uber harnessed the ubiquity of smartphones and inefficiencies of the transportation business to build a ride-hailing service that was "a cross between lifestyle and logistics." While the company has had no small share of missteps since, the core purpose of ease of use and opportunity for drivers has remained true.

AirBNB opened people's homes to the world. It unlocked new potential in those assets, and completely altered how people

travel and how they leverage real estate. It was born out of a personal problem faced by its founders, and used the model of the gig economy to generate passive income from existing assets.

These are good stories — so profoundly game-changing that they spawned an entirely new economy. It's no wonder that so many founders see them as motivational, and seek to follow in their footsteps, especially if their idea is similarly harnessing the potential of the gig economy. And it's no surprise that so many then failed to accomplish anything of note. Comparisons are easy, and they are often useful, but alone they show customers nothing new — and offer little in the way of inspiration.

When a new model or category appears, there's always a desire to copy it. But novel entrants are most successful, and enduring, when they deliver a fresh approach and story, instead of making reductive comparisons to the established player.

Imagine if iPod had been introduced as "Rio for Mac users." While Rio was the leading MP3 player and innovator of its time, it's hard to imagine the iPod's rapid adoption if Apple had resorted to simple comparison, instead of crafting a wholly distinct narrative. The ability to put "thousands of songs in your pocket" wasn't new — but the story was, and it was compelling.

As Wodenworker Kelly Sarabyn wrote at length earlier this year, getting there first is no guarantee of success. Birchbox had everything going for it. It established a new market as the original subscription beauty box, and it was selling a solid product with demand. And yet, seven years after establishing itself, it was losing massive market share to competitors like Ipsy to the point that the company is now battling for survival. Why? Because Ipsy didn't call itself a new Birchbox, it told a powerful story of customer-focused empowerment.

It is still possible to find a place in an established category even if a company doesn't make it there first. But doing so requires messaging in a unique and compelling way, and not simply as a new iteration or additional feature on top of the market leader. These easy comparisons to Uber and AirBNB have become so prevalent to the point that they are an immediate signal to potential customers and investment partners of unoriginality at best and laziness at worst.

Instead, there's more impetus and value than ever to share a compelling story, rather than leaning on comparison. As companies like Ipsy and many others prove, it's a strategy that can even be successful if you are for all intents and purposes literally imitating the product of an established company.

As a business model, Careem is essentially Uber, adapted to the sensibilities of the Arab world. But that's not how the Saudi Arabian company describes itself. Instead, it focuses on how it is empowering hundreds of thousands of people to support their families, simplifying lives, and positively impacting the regional, emerging economy. It shares the individual stories of its drivers — dubbed "Captains" — and firmly positions them as the hero of the story.

HomeAway takes the same home-sharing approach as AirBNB but puts its focus on vacation experiences far away in cabins, condos, and beach houses, rather than marketing itself as a resource for every type of house for every situation. With this more precise emphasis in its product offering, it's able to tailor its message around getaways to exciting locales with new experiences and adventures. It has resulted in attracting a distinct, unique demographic — one that often pays a premium.

Despite the fact that these companies are functionally very similar to the category-makers, they found successful niches on the strength of their message alone. They paved their own way, uncovering stories that resonated uniquely with the people they sought to reach.

Meanwhile, there are so many companies out there introducing genuine innovations to the gig economy model that have been hamstrung because they stopped at "we're the Uber or the AirBNB of."

Companies like Homejoy (Uber for Home Cleaning), HelloParking (Uber for Parking), and Cherry (Uber for Car Washing) all presented worthwhile offers, but struggled and ultimately failed to find adoption in part because they didn't think of themselves as anything more than a new Uber tooled for a different purpose. While there were many factors contributing to their eventual downfall, their lack of a clear and distinct message certainly didn't help.

Uber and AirBNB are inspiring examples, worthy of thousands of comparisons. But the enduring connection that customers have with them is precisely because they are so novel: both arose out of authentic needs felt by their founding team, and connected with customers inhabiting the same broken world. And by delivering on that promise, they've reinforced their message to the point of widespread adoption.

Brands seeking to grow in the gig economy must go beyond riding their coattails. Like the innovators before them, investing in a clear, authentic, hero-focused message will define them on their own — and invite the most favorable of comparisons: differentiation. W

GROWTH

WHY XEROX DIED

How Brand Story Can Keep a Company Alive

BY KELLY SARABYN

Offices everywhere are at the end of an era: after 112 years as an independent company, Xerox has reached a deal to be purchased by Fujifilm. The firm's technology has become so ubiquitous that its brand and the action of copying are inseparable. Yet, the ability to Xerox something on any copier obscures the fact that, at its roots, Xerox was a cutting-edge technology company. Their invention of xerography revolutionized photocopying. Yet, like the once great Kodak and Sun Microsystems, Xerox was eventually surpassed by companies with newer technologies.

It's easy to see Xerox as a victim of this period of rapid technological change: digital document sharing has proliferated, and the demand for physical copies sharply declined—which resulted in plummeting sales of Xerox's flagship product. Conventional wisdom is that Xerox fell prey to the "competency trap"—it became so good at making one product that it was incapable of developing new ones. But actually, Xerox's core problem was that it didn't know its own brand story, and that left them blind to the opportunities that might have led to success.

Every Copy Starts with an Original

When Xerox first burst on the scene, it was a company who used cutting-edge technology to empower businesses to communicate information more easily and affordably than ever before. This brand story was not about Xerox's particular product (innovative new copiers) but about enabling businesses to communicate more effectively, both internally and externally. No matter how technology evolves, businesses will always value optimizing and streamlining their communications. As a result, Xerox's gift of efficient and easy communications spoke to their business heroes in a powerful way, and propelled the company to success.

But as early as the 1980s, there were signs that Xerox didn't understand its own story. In 1981, it released the Xerox Star, a workstation that could manage documents. The cost was 16,000 dollars – compared to 1,600 dollars for IBM's PC for business – and businesses would need multiple stations. In addition, the workstation was notoriously slow. The high price point and inconvenient user experience contradicted Xerox's brand story, and the product was a flop.

Next, Xerox decided to move into insurance and financial services, purchasing a casualty insurance company and an investment firm. These services had little to do with the journey the hero of the Xerox brand story was on. With nothing tying insurance or financial services to a business's discovery of easy and efficient communications, the services floundered before being sold off a decade later.

Xerox could have used these missteps as a chance to learn. Savvy organizations look inward after such challenges, and rededicate themselves to their core brand story. Yet, instead of innovating their photocopying products, or creating a next generation digital product to make document management or business communication easier and more affordable, it tacked in a totally different direction: business services. Xerox took on the end-to-end management of

an eclectic set of programs, from E-ZPass to automated traffic tickets to Medicaid.

In 2012, Xerox's then-CEO Ursula Burns recognized that "if you don't transform your company, you're stuck." But not any company transformation will be successful—just ask GE, another storied company who tried to move from inventing technologically innovative products into services it had little experience with, and paid the price. The business services in Xerox's transformation were tangential to the company's core purpose, and proved incapable of replacing declining revenue from Xerox's flagship products. Worst of all, these efforts were marked by scandals suggesting Xerox didn't know what it was doing in this new niche. In 2014, Xerox was sued for fraud by Texas for its alleged mismanagement of the state Medicaid program, and in

2016, it bungled the execution of a New York Medicaid program.

Spurred on by activist investor Carl Icahn, Xerox went through a second transition and belatedly recognized these business services had deviated too far from its core purpose. In 2016, Xerox spun off the business services division into a separate company. Yet this was too little too late, as by pouring money and resources into business services, Xerox had failed to continue to innovate how businesses communicate and manage information.

When Xerox wasn't inserting itself into completely new arenas, it had simply been—in the words of Carl Icahn—"introducing new products that do [no] more than play catch-up to competitors." In order to continue to thrive, companies have to transform their products in a way that aligns with their core brand story. By failing to do that, Xerox failed to survive.

Innovative companies that continue to remain at the forefront of their industry over the long haul do so because they are committed to a brand story that animates and directs their growth. It's not enough to continue to innovate—the innovation has to serve the particular values that customers recognize as core to the company. Companies like Texas Instruments, Boeing, and IBM have stayed ahead of their competition for generations by not just transforming, but transforming in line with a coherent vision.

Consider the trajectory of IBM, a company who, decades ago, was competing head-to-head with Xerox. Unlike Xerox, IBM has managed to remain a leading technology company. Originally founded to "provide large-scale, custom-built tabulating solutions for businesses," IBM's core brand story is to provide cutting-edge technology for businesses and organizations to optimize their operations. From sleek typewriters in the 1940s to IBM Watson, the "AI platform for work," in the 2010s, IBM has consistently provided businesses with the technology they need to efficiently maximize their resources.

Internally, IBM has continued to invest in research, and stay dedicated to its early tagline, "THINK." It has obtained the highest number of US patents for the last 25 years and is continually searching for ways to "transform" how people work, seamlessly deploying AI, cloud computing, IoT and blockchain technology for use in large organizations.

Over the decades, IBM has, at times, deviated from this core brand story, but has always come back to it. IBM was a leader in developing the personal computer, which, like cell phones, was intended for both business and personal use. When the product first launched in the early eighties, IBM boasted that the PC "can make a surprising difference in the way you work" – a claim almost identical to its 2018 claim about its AI technology.

Even at the time, IBM employees questioned whether a move into a market that was both B2B and B2C aligned with IBM's brand story. One employee asked, "Why on earth would you care about the personal PC? It has nothing at all to do with office automation."

Eventually, this partial divergence from its brand story proved unsustainable, and IBM sold its PC group to Lenovo in 2004, in order to "refocus on the corporate server and computer services businesses." By returning to empowering the heroes of its brand story—businesses—to seamlessly optimize their operations with innovative technology, IBM has continued to flourish.

If, over the decades, Xerox had focused on the realization of its brand story, and dedicated its vast resources to developing new tools for businesses to easily communicate information—rather than branching out into running a variety of eclectic programs, like Medicaid and E-ZPass—it would have been able to keep its core customers. Businesses trusted Xerox, and they had a relationship with the company. It's not hard to imagine a world where Xerox had invented more innovative ways to manage business documents and workflow, and had continued to dominate against challengers like Google Docs or Dropbox by keeping hold of its loyal customer base. Instead, it's now just a division of an imaging company.

Story is not just marketing copy, or a clever way for a business to make a point about itself.

When properly understood by an organization, it functions as a "North Star," keeping all stakeholders innovating in a consistent direction—one that customers are most likely to respond to as a continuation of an engaged relationship with the company.

Only by identifying a core brand story, and remaining dedicated to it, can innovative companies continue to prosper through the decades. Companies who once dominated in a wide variety of industries—companies like Kodak, Pan Am, Compaq, and GM—lacked this core direction, and fumbled in the face of inevitable upstarts. Companies who synthesize around a coherent brand will maintain powerful connections with their customers, even as their particular products and technologies change. This is how lauded companies like IBM, AT&T, and Boeing have prospered from the age of typewriters and tabulating machines through the age of supercomputers and artificial intelligence. W