The Power of Consumer Stories in Digital Marketing

New research finds that sharing consumers’ positive stories about a brand can be a highly effective online marketing strategy.
When we think of storytelling, we tend to conjure up memories of childhood — fairy tales, fables, and campfires. Stories are an essential form of human communication and are often among the first conveyors of cultural norms and values. There’s a reason why many childhood lessons are conveyed as stories: Research has shown that the human brain likes to encode, store, and retrieve information in narrative form.

When consumers prepare to make purchase decisions, stories can deliver important information and shape the decision and the overall brand experience. With the advent of consumer-to-consumer social media platforms such as Facebook and Twitter, stories can be powerful tools for shaping cognitive processing, recall, brand image, and choice. However, relatively little is known about how this process works in digital marketing. Over the past five years, we pursued field research with two companies, BMW AG, the German automaker, and Suruga Bank Ltd., based in Numazu, Japan, to explore the role that story authorship plays in consumer choice. Through this research, we learned that stories significantly increase consumers’ engagement with websites and that stories originating from consumers are especially powerful in shaping brand attitudes in social media.

Indeed, companies that aren’t offering experiences that leverage consumer input in brand-related narratives are missing out on important opportunities to connect in a meaningful way with potential buyers.

Increasingly, the locus of power in the digital marketplace is moving from the brand itself to a combination of the brand and the consumer. In traditional TV advertising, brand-to-consumer marketing messages have dominated. However, in a “multiscreen” marketplace, the traditional marketing model faces tough competition, as companies use brand websites and social media to deliver messaging with greater impact. Direct brand messages that have narrative structures can significantly increase persuasion and brand connections in both old and new media. But as consumer-to-consumer storytelling becomes increasingly ubiquitous on social media, previous notions of direct brand influence are being replaced by more nuanced notions of brand-to-consumer and consumer-to-consumer marketing. This allows for complex combinations in which consumers share creative content with companies and then both the company and the brand users share that content further on social media.

Companies, too, have become more active in sharing consumer stories and even facilitating the creation of consumer-generated content. For example, in 2009 and again in 2013, Ford Motor Co. created a media buzz by loaning 100 new Ford Fiestas to select individuals for free for six months; in return, the recipients were asked to document their experiences with
the car on social media platforms such as YouTube, Facebook, and Twitter. Ford used this promotional campaign to generate TV, print, and digital advertising for the car.

**Relating to Stories**

Traditional marketers need to understand why consumers engage in storytelling. Research studies show consumers share stories and engage in social-identity signaling and social comparison dynamics both to help other consumers and to compete with one another. Good marketing practices today require a clear understanding of the role of consumer-generated content and ways to put it to use.

The idea of a traditional rhetorical triangle — consisting of an author/storyteller, an audience, and a subject/context — is well-established in traditional face-to-face and print storytelling. However, little is known about how that triangle relates to consumers' social media experiences. To learn how storytelling principles apply to an increasingly digitized world, we conducted three field experiments, two on behalf of BMW and the third for Suruga Bank. The studies were sponsored through the MIT Initiative on the Digital Economy, with the companies providing financial support, data, and managerial insights. Survey respondents were randomly selected from the companies' target markets. For each study, we used authentic brand-related story content in test environments that imitated social media interactions on Facebook and YouTube. In the first BMW study, we used a video featuring a man named Daniel Falkenberg, who spoke of his passion for collecting vintage BMW 3 Series cars. The sample size for this study was 1,800 auto consumers. We began by measuring baseline attitudes and preferences for BMW, then showed the video (except to those participants who were in the control group, who received a neutral article to read instead), and then measured attitudes and preferences regarding BMW again. In the second BMW study, a consumer named Geoff Lee reminisced on video about the BMW 318i his parents had purchased the month he was born in 1984 (a car he referred to as his “twin”). The car, he offered, was there for him during major life events growing up (homecoming, graduations, first dates), and it is still part of his life. This study was based on 800 interviews and used measurement procedures similar to the first study.

The Suruga Bank study was built around a story video told by a well-known Japanese violinist, Iwao Furusawa, who described his dream of being an architect and how Suruga Bank helped him build his dream second home while other banks did not think he qualified for a mortgage. Approximately 1,250 respondents were interviewed for this study and shown the video after they expressed baseline measures of brand preference. A total of more than 3,800 respondents were surveyed across the three studies.

In each of the studies, we measured the incremental change in participants’ perceptions due to exposure to the stories. We tested for three things: (1) a self-brand connection (in other words, the strength of the linkage between the brand and the consumer's personal life), (2) trust (belief in the brand and sense that it delivers on its promises), and (3) consideration (the probability that consumers would consider the brand for their next purchase in that category). After consumers were exposed to a story, we also asked specific questions to determine the degree to which they were able to “see themselves in the story” and were psychologically involved with the consumer stories.

**Evaluating the Impact**

From our studies, we found that consumer-based storytelling influences people to consider purchasing products. In fact, across the three studies, there was an average increase of 32% in purchasing consideration when consumer-based storytelling was employed. Statistically, the results were highly significant in the individual studies and also when the data from the three studies were pooled together and analyzed. Past research has shown that getting consumers to consider a purchase or business relationship correlates to future sales. For example, when consumers are preparing to purchase a new car, they frequently form consideration sets (typically made up of four to six options); if a brand is not on the list, the chance that a consumer will purchase it is very low. To the extent that more consumers are willing to consider buying a BMW, the company's sales should see an increase. Similarly, if more people are open to doing business with a bank, the number of savings accounts, credit cards, personal loans, mortgages, and investment services with that bank is likely to rise.

We found that people who were exposed to stories about brands had significantly higher levels of connection to, and trust in, those brands than people who were not exposed to stories; stories led to about a 4% increase in trust and self-brand connection. In addition, respondents who were more likely to “see themselves in the story” had greater willingness to consider the brand and felt higher levels of self-brand...
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connection and trust. (See “How Consumers Respond to Stories.”)

For would-be customers, we found that perceived authorship is important. Our research indicated that consumer-authored stories and stories jointly authored by consumers and companies had similar levels of impact — and both had more impact than stories authored by companies alone. On one level, it was surprising that consumer-authored stories didn’t have more impact than those jointly authored by consumers and companies, because we think of consumer stories as being more genuine. However, we found that, while people responded to consumer-sourced content, they also valued the legitimacy that came with the brand labeling. The good news for marketers is that they can post consumer stories on company-linked social media pages and gain the benefits of genuine stories without completely forfeiting control over content. Consumers, too, gain from coauthored stories because they can be assured the stories are legitimate when they appear on a trusted brand site.

Such findings prompted BMW to create a new social media campaign with the hashtag #BMWstories. In this campaign, the company presented consumer stories on its website and across a full range of social media — Twitter, YouTube, Instagram, and Facebook channels. The campaign also included TV media advertising under the title “There are millions of BMW stories. What’s yours?” After interesting stories were identified, BMW sent film crews out to capture them with high-quality video and then presented the stories through its brand social media channels.

Leveraging Consumers’ Stories

Our research findings indicate that consumer storytelling is a powerful tool for brand preference. Given this, how does a company implement a consumer narrative strategy? We propose four steps.

1. Work with consumers to generate believable and compelling stories. By examining comments on Facebook, Twitter, YouTube, and other social media sites, you should be able to find leads to consumer stories about your brand that you can follow up on. It’s a little like curating an art show: You need to find the best examples and work with storytellers to deliver the right message. Third-party fan sites provide another source of potential content. Customer-facing employees also may help identify additional material. For example, TD Bank Group, based in Toronto, Canada, developed a campaign rewarding selected customers with thank-you gifts that were dispensed by special ATMs (which the company dubbed “Automatic Thanking Machines”). In one case, a customer who was an avid fan of the Toronto Blue Jays baseball team received an official team jersey, a hat, and an invitation to throw out the first pitch at a Blue Jays game. Another customer received airline tickets to visit her sick daughter in Trinidad. These interactions were recorded on video and were shared widely.

2. Convert stories into high-quality presentations. There’s a difference between high quality and “slick.” Video stories about consumers on the brand’s social media pages are most effective when they are consistent with consumer expectations for media quality. Although high-quality video can make strong impressions with potential customers, there is an important caveat: If the finished product is too polished or professional looking, it may be perceived as brand authored, which can undermine the feeling of consumer authenticity.

3. Embed stories in your social media mix. Posting videos of customer stories on your brand website means they will be perceived as coauthored by the consumer and the brand. Use true consumer stories and present them through your branded social media channels (for example, your YouTube channel and Facebook page) to maximize impact. Encourage comments, sharing, elaboration, and the creation of consumer-to-brand and consumer-to-consumer information chains across your array of social media. Complementary stories with positive messages can be distributed across a range of sites.

4. Integrate paid media strategies with voluntary sharing of stories on social media. Traditional media strategies designed for TV can effectively overlap with story-based consumer content generated for social media. New York City-based Weight Watchers International Inc., for example, has integrated consumer stories from social media into its national TV advertisements. Companies can pay to include stories in newsfeeds on Facebook and other

HOW CONSUMERS RESPOND TO STORIES
In our studies, respondents exposed to a consumer story about a brand had greater willingness to consider that brand and felt higher levels of connection to and trust in it.
paid sites; in addition, look for synergies between social media and mass media.

The social media revolution raises important questions for the future of brand marketing in the digital world — where everyone has a voice and consumers are heavily influenced by the judgment of other consumers. Our research indicates that marketers can influence consumer-to-consumer interactions by leveraging consumer-authored stories online as important elements of their brand strategy. Using coauthored stories can give brands a measure of control over their messaging while maintaining the sense of genuineness in consumer narratives. Coauthored stories shared on social media can also be synergistic with TV advertising, which can establish the company’s core brand positioning and drive people to the company’s social media sites.

Throughout history, storytelling has been an integral way to convey attitudes and values, and it will remain a key source of information and influence in the digital world. As new technologies such as virtual reality evolve and improve, brands can expect to continue to have new opportunities to use consumer storytelling in their communication strategy.

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