Chapter 1
Storytelling and Narrative Marketing in the Era of Social Media

Sonia Ferrari
University of Calabria, Italy

ABSTRACT

This chapter is focused on the elements that, in post modern era, have greatly changed our society, both in terms of buying and consumption habits and, more generally, in terms of lifestyles. This is mainly due to the Internet, which provides low cost, faster and interactive information and communication. As described in detail in the chapter, companies have been forced to adopt new marketing strategies and, thanks to the spread of social media and viral marketing, tools such as word of mouth and storytelling have become even more effective than in the past. But today companies need to use them in a different way, actively involving the consumers, because they attribute a greater value to a product if they participate in the process of creation of its image and elements of differentiation. If managed in an innovative way, focusing on sensory and transmedia aspects, storytelling becomes a very powerful Customer Relationship Marketing and image building medium and, above all, a source of enduring competitive advantage.

INTRODUCTION

Stories are an effective way to communicate and involve people. Storytelling is an important part of human culture in the field of entertainment and education (Zhou, Cheok, Pan & Li, 2004). It has always been a way to fascinate the public and has been used for many years in marketing and management (Mossberg, 2008). Through it companies create stories about products and brands in order to differentiate their offerings, make stronger and long lasting ties with their customers, and improve their images.

Storytelling can be defined as the “sharing of knowledge and experiences through narrative and anecdotes in order to communicate lessons, complex ideas, concepts, and causal connections” (Sole & Gray-Wilson, 1999, p. 6). It is a marketing tool with an increasing success; since the mid-90s it has been no longer just a communication instrument dedicated to children and an object of literary studies...
used only for leisure (Salmon, 2008). In fact, thanks to the turn of marketing from a mass instrument to a rising attention towards the relationship marketing, today firms are more and more interested in creating strong and direct connections with every consumer, to facilitate the reciprocal generation of value and encourage customers’ loyalty (Agren & Ölund, 2007). Very often for the customers the value and meaning of a brand are based on one or more stories (Aaker, 1991; Escalas, 2004; Keller, 1993).

In the last few years the success and popularity of social networks and all kinds of virtual communities, together with the wide popularity of Internet, the spread of communication, information and digital technologies and the increasing use of mobile media, have caused dramatic changes in business models in terms of communication strategies and decision-making processes (Garrigos-Simon, Lapiedra Alcamí & Barbera Ribera, 2012; Hagel & Armstrong, 1997). In fact, the audience is now not a passive recipient of information and communication but an active creator of media content. Besides, because of the growing importance of social media, traditional advertising is every day becoming less important in marketing strategies. For companies it is increasingly relevant to dialogue with customers, even informally, through social networks; it is a means to know better their target market and interact with them, but also a way to create a different image from the traditional and institutional one.

As it will be illustrated in this chapter, the new ways to communicate is based on the Internet, the virtual reality, the augmented reality, the trigging of all senses, and the use of multiple media platforms. Narrative marketing becomes a better way to involve the audience and add value to products/services and brands. In fact, through it customers can know the story of the company and other background information about its offers and its social and environmental impact (Mödinger, 2011), being more and more engaged in the creation and spreading of fascinating plots, themes and characters.

Besides the social media has effects also on the value chain and structure of enterprises, creating new forms of competition. In fact, they are precious sources of information and knowledge sharing, but also sources of creativity and innovation. Through them people can add value to firms’ offers, adapting them to new trends in market preferences, tastes and needs, fashion and styles, changes in social patterns, etc. They can become also powerful promotional vehicles.

**STORYTELLING AND MARKETING IN POST-MODERN SOCIETY**

During the so-called narrative turn storytelling became a very effective communication, control and power technique (Salmon, 2008), also thanks to the Internet. As just described, it gave life to the narrative marketing, which is a way to increase customer awareness and trust, together with companies’ sales, but also a tool to immerse the consumer in atmospheres and feelings with a strong emotional involvement. The stories can strengthen ties with market and stakeholders, convey ideas, create and exploit brands and improve products/services/ companies’ images. Storytelling is related to word of mouth, since a good story can generate a positive word of mouth for a company, especially in the field of services, where expectations’ formation and performances’ evaluations are more difficult processes.

There are advertising stories, as well as stories about products/services, brands, tourist destinations, companies, and also consumer stories (Escalas, 2004; Mossberg, 2008). They have to meet customers’ expectations and preferences to generate a feeling of compatibility with the firms, their offers and their brands (Jensen, 1999). Frequently these stories are based on fiction, films, myths, legends, and/or historic events.