



The psychology of storytelling: Why stories are the future of marketing



Making iT happen.



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A cultural and timeless phenomenon

Storytelling has been around and inspiring people for centuries. In fact, African rock art, one of the oldest material forms of human expression in the world, dates back as far as 30,000 years. Today, **over 500 million people use Instagram stories every single day¹**. From rocks to computers, stories have become instant, far reaching, and highly influential. And to this day, we continue to tell stories as a means of communication, and a way to pass down information through the generations.

But while the way we tell stories is ever-evolving due to advances in technology, one thing remains certain. Whether for entertainment, informational, or educational purposes, the act of storytelling is a universal and essential human experience.

It's undoubtedly in our nature to tell stories. According to **Jonathan Gottschall, author of 'The Storytelling Animal', "Little children come into the world and they learn to make up stories, to tell stories, to live inside stories, and then make believe by nature, but not by nurture. It's as natural and as reflexive for them as breathing."**

But what exactly is the psychology behind storytelling, and what makes it work? And from a business perspective, how does it have the power to immerse customers, affect behaviour, and ultimately – create opportunities to win over new customers?

This eBook aims to explore the science behind this ancient and culture-crossing tradition, and the key reasons why storytelling works for business.



One of our earliest lessons learned

Let's start by taking a dive into how storytelling works. From a very young age, most of us will have experienced storytelling, or have had stories read to us. As children we enjoyed being mentally transported to somewhere else, a different place. We picked up a **fantastic communication tool without even knowing it**, a subconscious life skill that is today used in counselling, therapy, business, marketing, and so much more.

Storytelling is also used in our daily conversations. Sometimes all it takes is a simple question like "How was your weekend?" to encourage us to revisit a part of our past and relay our tales. For those of us on the receiving end, our brains create a physical reaction when hearing or watching a story.

Our heart rate may go up or go down, and our whole body demonstrates that it is listening. **When a story catches our attention and engages us, we're also more likely to remember the message and meaning within it**, compared to if the same message was simply presented in facts and figures – which we'll cover later in more detail.

Although lists of facts or charts may be better suited to certain situations, stories wield a particularly strong influence over our attitudes and behaviour and help to motivate us to 'feel and act'.



The **business impact** of storytelling

When set in a business context, the importance of storytelling to immerse prospective customers has never been greater. Some people believe the facts should speak for themselves, presenting logical data and information in the hope of persuading or engaging customers into a logical point of view. However, famous sales trainer Zig Ziglar suggested people buy with emotion and justify with logic.

This has since been researched by Neuroscientists at Harvard Business school and proven that **our conscious rational mind plays a minor role in decision making²**.

So if you want to sell more or engage your audience, it's crucial to stop ignoring the emotional subconscious, and present more compelling messages and presentations that emotionally engage.

Forward-thinking companies recognise this and are focussing on creating immersive sales and marketing experiences that put their audience at the story's centre, giving them a real-life relatable experience.

Feeling involved can highly engage the audience, making it easier for storytellers to influence and win over new customers. Limited only by their imagination, customers can also be made to feel like they are welcome to interact with a business at any point in their purchasing journey.

This ability to keep customers interested presents a huge opportunity to capitalise on the power of storytelling.



8 reasons why storytelling works

SO without further ado, let's look at the top 8 reasons why storytelling works so well when it comes to communicating information, building relationships, and inspiring us to act.

1

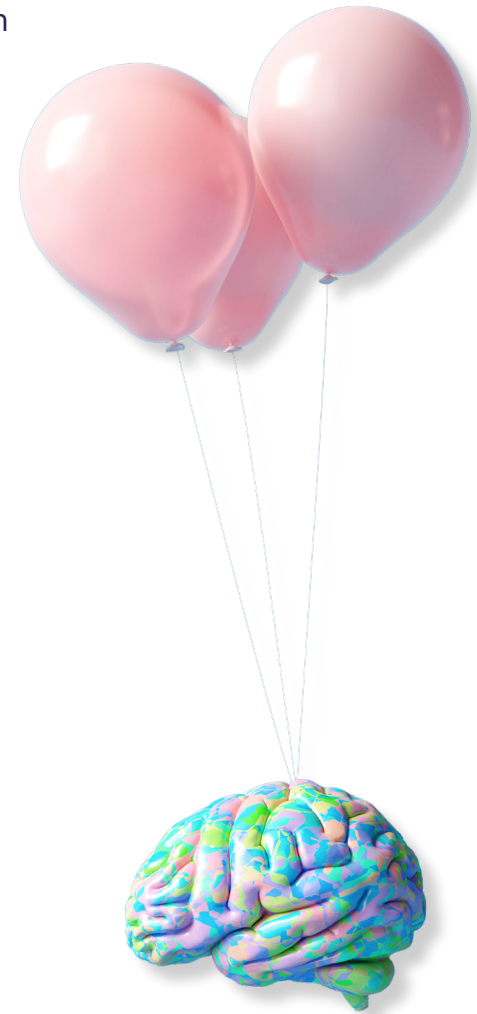
We become synced with the storyteller

Many experts argue that stories are the single most effective vehicle we have to transfer our ideas. This is because stories trigger a release of neurochemicals that force us to pay attention to speakers, empathise with them, understand them, and get excited about their ideas.

But how exactly does this happen?

Here comes the clever stuff. The minute our brain begins to hear or see a story, it triggers a chemical reaction known as neural coupling. This phenomenon in which a listener's brain activity mirrors that of the storyteller's brain, fires out neurons in the same patterns.

The greater the neural coupling, the greater the listener's understanding is and the more likely they are to resonate with your story.



2

Our behaviour changes

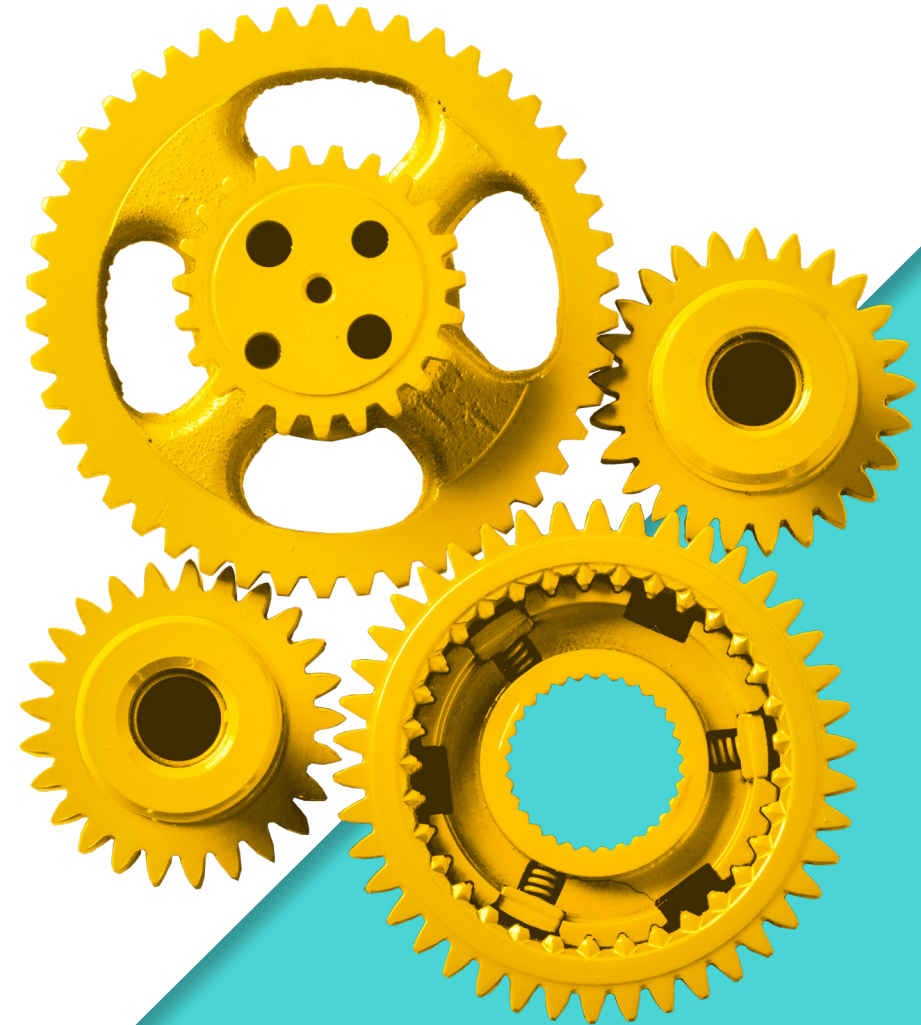
In early 2009, journalists Rob Walker and Joshua Glenn launched their Significant Objects Project, an experiment into the commercial value of stories.

Walker and Glenn spent \$197 dollars on tat, which they sold on eBay for almost \$8000 using the power of storytelling.

This included a 99 cents ceramic horse bust which was listed with a story, written by writer Beth Lisick about how two people met through a very risqué university hazing ritual.

Its value increased by a staggering 6,258%, to \$62.95.³

The experiment showed the monetary value of stories, and the importance of emotion in driving long-term competitive advantage. When we're invested in a story that's meaningful and memorable, we're made to feel part of something much bigger. Therefore the stronger the emotion brands succeed in associating themselves with, the more famous and memorable they become – and the more effective they'll be at priming customers to buy from them.



3

We're motivated by emotion

Changing the brain requires the correct neurotransmitters, which is more likely to happen when we are curious, predicting what will happen next, and emotionally engaged. Compelling stories work in this way, engaging us emotionally, through a psychological process called **“narrative transport”**.

And engaged emotions create empathy. For example, think back to some of the best adverts you've ever seen. For us John Lewis always springs to mind, as a brand that successfully captures the public's imagination year after year.

From the little boy playing with a penguin that became a toy to the fire-breathing dragon with very few friends, each powerful story manages to weave a strong emotional thread with a hint of childhood nostalgia, rather than telling the viewer what is happening. Similarly when it comes to storytelling in marketing, it's possible for a brand to draw its customers in with a captivating tale, before introducing it's call to action.

That way, by the time they're being asked to do something, the customer has already built an emotional connection that leaves them feeling more motivated and inspired to act.



4

Stories tend to stick

Only 5% to 10% is retained when people hear statistics alone, compared to 65% to 75% when stories are used to convey the same information⁴.

At some point many of us will have listened to a lengthy presentation packed with facts and stats, most of which go in one ear and out the other. However, when told in a story, it seems easier to remember. This could be because imagination and story work activate a part of the brain that's also used for memory. Or that when presented with factual information alone, only two of the brain's regions activate.

When processing a story however, many areas can be activated and engaged, including sensory, motor, and frontal cortices. Functional magnetic resonance imaging (fMRI), studies that measure the small changes in brain activity blood flow, show that storytelling causes many other additional areas to 'light up'.

The brain responds to the events in a story as if they were actually happening, giving the storyteller a more immersive way to capture attention and leave a lasting impression.

In addition, when the brain experiences an emotionally-charged event, it releases a chemical called Dopamine which helps regulate memory.

When we have an emotional investment in an activity such as storytelling, dopamine is released which helps us remember what we hear.

Even from a young age we're taught to remember stories and nursery rhymes, all designed to help us grow into better people. Sometimes stories we then learn throughout the years continue to impact us into adulthood.

Although we may not remember every minute detail, our brain still holds onto narratives more easily than it does facts. From a marketing perspective, there are plenty of elements that can make your campaigns more memorable such as an awesome video, a clever headline, or even some professional photographs that pack a visual punch.

Nothing is quite as memorable as a great story.



Our minds have a strong and natural tendency to lose focus, with experts estimating around 47% of our waking hours are spent in a daydream⁷.

5

Good storytelling captures attention

When we're captivated by an interesting story however, though, this mental meandering can be greatly reduced as we focus our attention on what's being said, or what we're seeing.

While we've already mentioned how storytelling can help make your brand more memorable, it can also attach a more tangible element to the brand values you're trying to communicate by bringing your audience back to the present – and then leaving lasting traces in their memories.

6

We feel more receptive

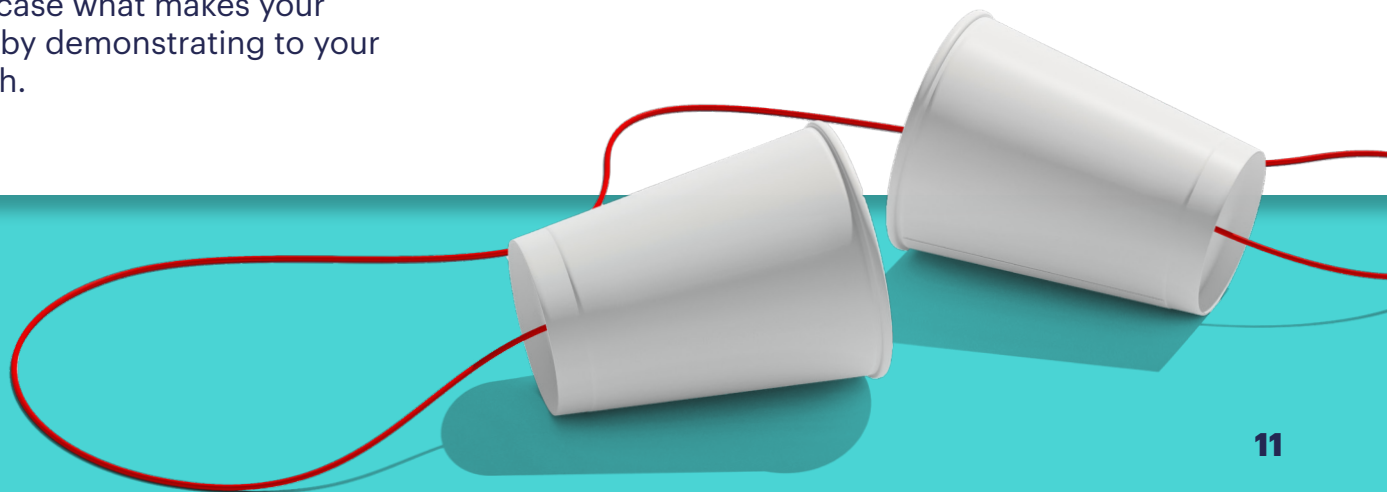
When captivated by an emotionally engaging story, our brains produce a substance called oxytocin.

Studies show that oxytocin can increase feelings of generosity, compassion, trustworthiness, and sensitivity to social cues⁸.

All of which can be very conducive to engaging with your audience and conveying your message. One of the best things about storytelling is that because of this chemical reaction, you can jazz up the least exciting message, or the most technical of concepts.

For example, if you can find the right angle and combine with a great narrative, it becomes possible to transform seemingly bland topics into tales that leave your customers hanging on to your every word.

In this way, storytelling becomes a powerful content strategy and a great opportunity to start building on your brand voice. It's possible to define your personality, make it stand out, and showcase what makes your company special in a more authentic way. All by demonstrating to your customers that you're on the same wavelength.



7

Our perception changes

How we speak about a brand, and the way a brand presents itself can impact both purchase consideration and brand loyalty.

Brand narratives conveyed through storytelling can help influence these perceptions and attitudes, with the potential to develop a desired identity and authenticity that customers are more likely to resonate with. Storytelling also enables brands to weave in their viewpoints on the world, and connect why that matters to their own personal story and brand values in the process.

This helps distinguish the 'why', and connects your customers to a larger purpose.

In a world where **63% of Gen Z Consumers are more likely to buy from a company that contributes to a social cause⁹**, this could be the difference between sustained success and losing out to your competitors.





8

New customers become loyal customers

Most businesses know that when it comes to enhancing brand loyalty and increasing sales, customer relationships are king. When we feel connected to a brand, we are more likely to become repeat customers and potential brand advocates.

We may even feel so strongly that we recommend our favourite business to our friends and family.

Storytelling has the power to create lasting relationships rather than transactional impressions.

When done in the right way, it inspires trust and breaks down the barriers between brand and audience, by tapping into the tremendous emotional pulling power of their common values.

The result: a brand differentiator that keeps your customers engaged and coming back for more.

Storytelling: The future of marketing

There's no doubt that effective storytelling can help your business stand out in a crowded market, give your brand recognition a boost, and most importantly - inspire action.

And while it's a very old practice with ancient evolutionary origins, storytelling presents fresh, innovative opportunities for businesses looking to make a lasting impact in our digital age.

Stories also have the power to convey authenticity, which is an integral part of building and maintaining customer trust.

Those brands that are successful in telling authentic stories and providing the kinds of personalised experiences that today's audiences demand, have the opportunity to truly differentiate themselves from the competition.

This is something that's especially crucial in a saturated market where products and services may be viewed simply as commodities, and where your customers demand so much more.



We have crafted our very own, proven, storytelling methodology, that we have used to train more than **4000 people across 14 different countries**. It's simple and easy to use and guides you through the planning, thinking and execution on how to use storytelling to tap into the psychology of your audience.

Our storytelling workshops are available in both virtual and face-to-face formats, and can vary in length to suit the specific needs of your teams.

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