

## Woolworths Hummingbird Saga illustrates importance of narrative intelligence

By Stuart Rothgiesser 29 Oct 2013

Sometimes, a case comes along that perfectly illustrates a concept. Such is the case with the Woolworths' "Hummingbird Saga".



You all know the <u>case</u>: an independent designer - a young, woman artist entrepreneur (read: that most vulnerable of society, the very ones we want to help to build small business and employment so desperately needed in South Africa) - claims that the <u>retailer</u> (read: greedy, multinational behemoth only interested in the bottom line) copied her art work - after bashing her down on price, showing interest for months and eventually dismissing her designs out of hand.

The allegation has sparked vociferous negative reactions, especially on <u>social media</u>. And in a few years, when a similar case comes up (and it almost invariably will, given the size and scope of the retailer), the Hummingbird Saga stories will be recycled, along with the older ones, as data. Witness the reminders of the <u>Soda Saga</u> in the last few weeks.

Whether or not there was plagiarism is irrelevant; what matters is that you all know the hummingbird case. What matters are the stories that are being told about the company, and what these stories say about the company's values. Negative Woolworths organisational stories abound, hurting client and employee loyalty. (Another example is the 2011 <u>affirmative action</u> saga.)

The <u>response</u> from Woolworths has been the usual: to deny the allegations, explain and even plead. But in a world used to lawyers winning, especially for Goliaths, stories speak louder. Stories are believable, build empathy and speak of timeless values such as good versus bad, rather than rationale and blame as found in legalese.

## Where are the tales that build brand loyalty?

Woolworths' organisational stories are being told by dissatisfied clients, and are therefore overwhelmingly negative. The retailer has not made any effort to uncover, tell, and share its stories: A visit to the company's website tells its history, but none of the tales that would allow South Africans to empathise with the organisation and to thereby build brand loyalty. Compare this with the <u>Pick and Pay story</u> of Raymond Ackerman, a real rags-to-riches story that speaks to hard work, family values and struggle with the common man.

Earlier this year, seeing the retailer's huge reputational risk, Roth Communications approached Woolworths with a proposal to work on its organisational stories - which was unfortunately not accepted. And then the Hummingbird Saga broke...

All of this speaks to the company's narrative intelligence. Narrative intelligence is made up of organisational, product and client stories, collectively. In a world where price, quality and features are increasingly irrelevant (except, interestingly, in the case of Woolworths - see below), an organisation's narrative intelligence is its most important asset, as argued <a href="here">here</a>.

## Excellent products, but...

Woolworths focuses on product stories and the retailer does an excellent job of describing why and how the tea bag or the milk assist the workers or the environment; almost every product is part of its <u>Good Business Journey</u>. A few years ago, the company tried its hand at client stories with huge banners hanging in the stores carrying quotes of famous South African families; not much has been done since.

Woolworths has clearly made a strategic decision to focus on product strength. That the company currently enjoys excellent product quality and has chosen strategically to solely focus on product stories is telling. But if a competitor were to emerge that challenged them on product strength, or if negative product stories emerged, Woolworths may find itself losing market share.

Taking care of one's narrative intelligence means uncovering those stories that exist within the organisation and extracting the values and ethos from these tales, sharing them and aligning practices - internally and externally. In order for organisations to maintain market share, they would do well to examine, tell, share and maintain their narrative intelligence across all fronts.

## ABOUT THE AUTHOR

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