

# Introduction To Likeonomics

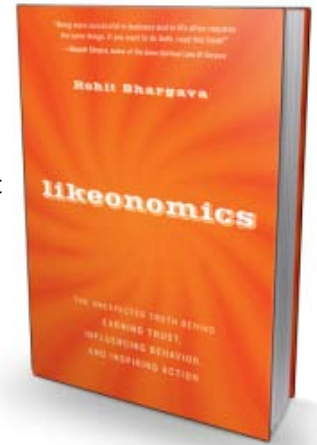
## Likeonomics

### The Unexpected Truth Behind Earning Trust, Influencing Behavior, and Inspiring Action

By Rohit Bhargava – Coming to bookstores worldwide on May 22, 2012

Every day amazing products fail, qualified candidates don't get hired and world changing ideas die. The fact is, having the best resume or the strongest feature list doesn't always guarantee success. Welcome to the world of Likeonomics, where deals are made on golf courses, likeability often trumps competence and the most important skill anyone can learn is how to build deeper and more trusted personal relationships.

Likeonomics is a book about how likeability is the secret to building real trust. But it means more than just being nice. By weaving together cutting edge psychological research with real life stories of everything from the shocking moment when Oprah gained the trust of a nation to the real reason patients don't sue doctors they like, Likeonomics offers a convincing argument for why likeability is the real key to succeeding in the social media era.



## Advance Praise For Likeonomics ...

AS FEATURED IN:   

*Being more successful in business and in life often requires the same thing. If you want to do both, read this book!*

**- Deepak Chopra, Author of *The Seven Spiritual Laws Of Success***

*Rohit Bhargava's wise and wonderful book proves that your mother was right, after all: People respond to those who treat them right.*

**- Daniel H. Pink, author of *DRIVE* and *A WHOLE NEW MIND***

*A fascinating look at the unexpected science and power of likeability to sway our beliefs and decision making. I loved the idea behind this book!*

**- Ori Brafman, coauthor of *Sway and Click***

*-Likeonomics explains the importance of great relationships and building long-lasting, enduring brands.*

**-- Tony Hsieh, NY Times bestselling author of "*Delivering Happiness*" and CEO of *Zappos.com, Inc.***

*-For anyone who needs to be persuasive, deliver a great presentation or just inspire anyone else— Likeonomics will help you do it.*

**-- Nancy Duarte, CEO of *Duarte* and author of *Slide:ology* and *Resonate***

Visit [www.likeonomics.com](http://www.likeonomics.com) to learn more!



**ROHIT BHARGAVA** is a marketing expert focused on helping to bring more humanity back to business. He advises some of the world's largest global brands on communications strategy through his role as a member of the Strategy & Planning group at Ogilvy. His thinking has been featured in the *Wall Street Journal*, the *Guardian*, *Fast Company*, NPR, and *MarketingChina*, and his first book, *Personality Not Included*, was translated into nine languages. Outside of his writing and consulting, Rohit is Adjunct Professor of Marketing at Georgetown University in Washington, DC, where he lives with his wife and two sons.

Rohit is a popular "non-boring" keynote speaker who has spoken at TEDx, in Davos, and at hundreds of other events around the world.

To inquire about booking Rohit to speak, contact [likeonomics@gmail.com](mailto:likeonomics@gmail.com)

For free online resources, visual chapters, and exclusive content, visit [www.likeonomics.com](http://www.likeonomics.com)

JACKET DESIGN: PAUL M. CARTHY

Subscribe to our free Business eNewsletter at [wiley.com/enewsletters](http://wiley.com/enewsletters)

Visit [wiley.com/business](http://wiley.com/business)



## PRAISE FOR **Likeonomics**

"Rohit Bhargava's wise and wonderful book proves that your mother was right, after all: people respond to those who treat them right. Companies and organizations need to heed this lesson and use *Likeonomics* to steer their thinking on ways to become more open, accessible, and trustworthy in the marketplace—and find success doing it."

—**Daniel H. Pink**, author of *Drive* and *A Whole New Mind*

"In *Likeonomics*, Rohit reinforces the popular notion that culture eats strategy and makes the case that likeability is an indispensable part of success. Rohit encourages us to create person-to-person connections that are authentic, relevant, and accessible. Gone are the days when alpha dogs rule. . . . In the era of *Likeonomics*, personal connection is king."

—**Jonathan Becher**, Chief Marketing Officer, SAP

"Rohit Bhargava gets to the heart of what underlies and sustains relationships—likeability. If you want to be successful in business, don't leave trust to chance—keep *Likeonomics* and its online workbook close at your side and you'll be on the path to success."

—**Charlene Li**, author of *Groundswell* and *Open Leadership*; founder, Altimeter Group

"This is a bold, fresh, and—most important—likeable book. Rohit reveals why networking must die, and the gap that should keep you up at night is your 'likeability gap.'"

—**Christopher Graves**, Global CEO, Ogilvy Public Relations

"*Likeonomics* is the *How to Win Friends and Influence People* for a new generation. Rohit shows us how to be more likeable and believable and, as a result, more popular and relevant, which are the keys to success in any endeavor. Highly recommended."

—**Michael Port**, *New York Times* bestselling author of *The Think Big Manifesto*

"If you want to be successful, you need to read *Likeonomics*! Rich in relevant, entertaining stories, and takeaways you can easily and immediately use, Rohit proves why being more likeable is the driving force behind building sustained relationships and exponential success."

—**Peter Guber**, CEO, Mandalay Entertainment; author of the #1 *New York Times* bestseller *Tell to Win*

Also available as an e-book



Bhargava

Likeonomics

"Being more successful in business and in life often requires the same thing. If you want to do both, read this book!"

—**Deepak Chopra**, author of *The Seven Spiritual Laws of Success*

**Rohit Bhargava**

likeonomics

THE UNEXPECTED TRUTH BEHIND  
EARNING TRUST,  
INFLUENCING BEHAVIOR,  
AND INSPIRING ACTION



\$24.95 USA/\$29.95 CAN

The future isn't about the next social media tool or clicking a "Like" button. Instead, people decide which organizations to trust, what advice to follow, and who to forge personal or business relationships with based on the simple metric of *likeability*. This is no longer a "soft" quality and it is not the same thing as just being nice. With today's "modern believability crisis," earning the trust of your customers, employees, and colleagues is much harder to do. *Likeonomics* offers a new vision of a world beyond Facebook, where real relationships and personal values such as unabashed honesty, extreme simplicity, and basic humanity are the keys to success. There is a real ROI to likeability, and exactly how big it is will amaze you.

*Likeonomics* uncovers five key principles to win trust (or win it back)—and keep it. You'll learn how to use the TRUST formula (Truth, Relevance, Unselfishness, Simplicity, and Timing) to power every relationship. Being more believable is the real secret to standing out—whether you are trying to grow your business, win an election, or find your next job—and this book will help you get there.

*Likeonomics* provides real-world stories of brands and people who have used these principles to become wildly successful, including:

- An unknown Portuguese singer who used YouTube to rack up more than 30 million views and launch her professional career
- The leader of a tiny island nation who put his country on the map with an unexpected meeting that got the world talking about global warming
- A regional team of financial advisors that went from being ranked 173rd out of 176 branches to first, and stayed there for thirteen of the next fifteen years
- An independent sports agent who achieved the impossible by landing the number-one player in the NFL draft as a client through the power of relationships

Learn how to stand out in a good way, avoid the hype and strategic traps of social media, and be more successful by being more likeable, believable, and (most of all) trusted.

## Praise for *Likeonomics*

“*Likeonomics* offers a clear path to boosting your believability, which is the secret to sales and marketing success. The premise of the book is scientifically sound: People reciprocate, especially when we elicit their emotions. Great stories, clear tips and a strong point-of-view make this a rich read.”

—Tim Sanders,  
author of *The Likeability Factor* and  
former Chief Solutions Officer at Yahoo!

“*Likeonomics* shows us that you have to be liked to be trusted. And trust me, you are going to like—really like—this book.”

—Ed Keller,  
author of *The Face to Face Book* and *The Influentials*  
and CEO of the Keller Fay Group

“To succeed in business you need to be more than nice, you need to be likeable—and those are two different things. *Likeonomics* offers a simple premise which I LOVE—that your ability to build strong relationships is the real path to prosperity and happiness.”

—Linda Kaplan Thaler,  
CEO of the Kaplan Thaler Group  
and author of *The Power of Nice*

“A fascinating look at the unexpected science and power of likeability to sway our beliefs and decision making. I loved the idea behind this book!”

—Ori Brafman,  
coauthor of *Sway and Click*

“Want to build a business that customers can’t wait to refer to others or that employees love to work for? This is the book for you.”

—John Jantsch,  
small business marketing expert and author of  
*Duct Tape Marketing* and *The Referral Engine*

“It’s true. Likeability matters. Rohit Bhargava brilliantly and succinctly explains why likeability and authenticity are central to creating a trustworthy brand. In a cynical world where people are looking for things and individuals they can believe in, *Likeonomics* is a roadmap for growing your business.”

—Karen Kerrigan,  
President, Small Business and  
Entrepreneurship Council

“Having sat through hundreds of pitch meetings, I can tell you one thing for sure . . . unlikeable entrepreneurs never get funded. In business and in life, the people who enchant us are the ones who get our attention. If you want to be among the rare few who manage to do it, read this book!”

—Guy Kawasaki,  
author of *Enchantment*

“The simple but powerful stories in this book prove that values like truth, relevance, and timing matter far more than the hard sell and the seductive lure of data. We need these precepts to bring humanity back to a business world that has forgotten it.”

—Josh Bernoff,  
co-author of *Groundswell: Winning in a World Transformed*  
by *Social Technologies* and *Empowered: Unleash Your Employees,*  
*Energize Your Customers, and Transform Your Business*

“Finally a book that gets to the heart of why likeability is so important for both relationships and branding. Rohit Bhargava’s book *Likeonomics* is a great read with well defined principles, interesting case histories and insights that uncover what really drives customer and relationship loyalty.”

—Porter Gale,  
former VP of Marketing for Virgin America and  
author of *Your Network Is Your Net Worth*

“Likeability is the new currency for success. Grounded in both research and experience, Rohit shares practical insights that will stand the test of time. *Likeonomics* is a must read that will forever change the way business is conducted.”

—Gautam Gulati, MD, MBA, MPH,  
Chief Medical Officer & SVP Product Management,  
Physicians Interactive and Adjunct Professor of Medical Innovation  
and Entrepreneurship, Johns Hopkins Carey Business School

“Rohit Bhargava has it right with *Likeonomics*! There are more currencies than just money and time. Building real trust involves creating a personal connection with your employees and your customers, and this book will show you how. Pay attention to *Likeonomics* and profit from being more believable than your competition.”

—Chris Brogan,  
President of Human Business Works and  
*New York Times* bestselling author of *Trust Agents*

“Rohit has hit the nail squarely on the head in terms of showing how we can better work with others to improve our chances of success in all that we do. He demonstrates through real-world examples why being liked is so critically important. ‘Likeability’ in the public affairs community, whether military or civilian, is critical to one’s success. If you can’t work and play well with others, no matter what your credentials, the results you hope to achieve will often be beyond your grasp.”

—Kevin V. Arata,  
Colonel, U.S. Army\*

\*The views expressed are my own and do not reflect the  
official policy or position of the United States Army,  
Department of Defense, or the U.S. Government.

“*Likeonomics* explains the importance of great relationships and building long-lasting, enduring brands.”

—Tony Hsieh,  
*New York Times* bestselling author of *Delivering Happiness,*  
and CEO of Zappos.com.

“In this highly entertaining book, Rohit Bhargava proves just how important being likeable is to making a compelling argument. For anyone who needs to be persuasive, deliver a great presentation, or just inspire anyone else—*Likeonomics* will help you do it.”

—Nancy Duarte,  
CEO of Duarte, and author of *Slide:ology* and *Resonate*

“*Likeonomics* is a wake-up call to companies and customers that the critical new business currency is brand likeability. Using insightful stories and case studies, Bhargava explains how your brand uses truth to earn trust, leverages relevance to inspire loyalty, and fosters meaningful relationships to create the most powerful competitive advantage today—likeability.”

—Simon Mainwaring,  
author of *New York Times* bestseller *We First*

“Every once in awhile a book comes along and changes everything. *Likeonomics* is that book. Rohit Bhargava is a modern day Dale Carnegie, in that he has pinned a new personal development classic. I will now replace my annual read *How to Win Friends and Influence People* with *Likeonomics*.”

—JB Glossinger  
founder of MorningCoach.com  
(#1 Rated Self-Help Podcast on iTunes)

For too many of us, there is a gap between what we do and what we dream of doing. It doesn't have to be this way. For anyone who wants to close this gap of intent and really achieve your dreams, *Likeonomics* can help you get there!

—Mallika Chopra,  
founder of Intent.com

*Likeonomics* finally puts into words so many of the things I have done to build my company from the ground up. The book itself is a case study in what Rohit preaches; he is believable, honest, relevant, and of course, likeable! His focus on storytelling instead of just theorizing makes *Likeonomics* one of the most readable business books out there.

—Scott Jordan,  
CEO and founder of ScotteVest

If there is one professional fact of life, it is that having strong technical skills will only get you so far in your career. In order to boost your personal brand and make a name for yourself, you need to be likeable. If you want to build a winning career or business, then you need to read *Likeonomics*. In it, Rohit shares the truth about how likeability, unselfishness and trust are the real keys to success!

—Dan Schawbel,  
personal branding guru and  
Managing Partner of Millennial Branding

At the first skim of the table of contents, I was intrigued . . . but after reading *Likeonomics*, I was hooked! This book offers the rare combination of a highly practical primer filled with real world ideas for how to succeed in building your business, along with step by step guide to building trusted relationships in any situation.

—Ann Handley,  
Chief Content Officer—MarketingProfs  
and author of *Content Rules*

“At multiple points throughout life, your ability to build a meaningful relationship will make all the difference. From the quiet student in your chemistry class, to the cheerleader you admire from the sidelines, to the co-worker on your project, to the ideal prospect you are meeting for lunch, to the boss who will decide whether or not you get a raise—regardless of your situation, you need to be likeable. Rohit’s masterful book *Likeonomics* will show you how TRUST (truth, relevance, unselfishness, simplicity, and timing) is the secret to getting the connections you desperately seek.”

—Joey Coleman,  
Chief Experience Composer at Design Symphony  
and author of *Your Personal IPO: Taking Yourself  
Public to the World*

Being truly liked as a brand is not about the size of a number. It’s about being human—trustworthy and believable. Rohit will draw you in with his engaging storytelling style and his principles of *Likeonomics* will inspire you to rethink how you look at marketing.

—David Alston,  
CMO, Salesforce Radian6

Finally, likeability is no longer a black box! Bhargava has unearthed prime forces that will help you make an impact in what matters most to you.

—Scott Belsky,  
CEO of Behance,  
author of *Making Ideas Happen*

Wow! I loved this book! Rohit Bhargava has written an engaging manifesto for our times that should be required reading for everyone who wants to be a success and make a lasting difference in the world. This is a great follow up to *Personality Not Included*.

—Garr Reynolds,  
author of *Presentation Zen* and *The Naked Presenter*,  
and Professor of Management,  
Kansai Gaidai University

“*Likeonomics* picks up where Dale Carnegie left off by applying important principles to the modern hyper-socially connected era, in which relationships now transcend online and off with equal importance and regularity.”

—Frank Gruber,  
CEO and co-founder of Tech Cocktail

“In a world exploding with information and competition, the biggest question facing each of us is how do we know which information to trust? Rohit Bhargava’s *Likeonomics* offers a powerful strategy that every professional woman needs to hear—that your ability to build powerful and likeable relationships with others is the ultimate key to identifying the best choice of information.”

—Marsha Firestone, PhD  
Founder and President, Women Presidents’ Organization

# **likeonomics**

**The Unexpected Truth Behind Earning Trust,  
Influencing Behavior, and Inspiring Action**

**Rohit Bhargava**



**WILEY**

John Wiley & Sons, Inc.

*“The more people trust you, the more they buy from you.”*

*—David Ogilvy*

# Contents

<i>Warning: Unexpected Honesty. . .</i>	xiii
<i>Prologue: How a Lard Salesman, an NFL Agent, and a YouTube Star Explain Likeonomics</i>	xv
<i>Introduction: Likeability, Rogue Economists, and the Lovable Fool</i>	xxv
<i>Author's Note: Why I Don't Write about Synergy and Paradigm Shifts</i>	xxxix
<b>PART I    The Crisis and the Solution</b>	<b>1</b>
<b>Chapter 1</b> Inside the Modern Believability Crisis: How Rockefeller's Dimes, War Propaganda, and the Marlboro Man Ruined the World	3
<i>The Birth of Modern PR</i>	5
<i>#occupywallstreet</i>	6
<i>The Propaganda of Revolutions</i>	7
<i>When Advertising Ruled the World</i>	9
<i>The Mass Perception Principle</i>	10
<i>Marketing as the Bad Guy</i>	12
<i>Living in the Society of Distrust</i>	14
<i>What Is the Believability Crisis?</i>	15
<i>Solving the Believability Crisis</i>	16
<b>Chapter 2</b> Navigating the Likeability Gap: What Rwanda, Golf Courses, and <i>Ocean's Eleven</i> Can Teach Us about the Decisions We Make	19
<i>The Movie Man</i>	21
<i>What Business Are You In?</i>	23
<i>The Engagement Problem</i>	24
<i>The Reinvention of Rwanda</i>	26
<i>Humility Wanted</i>	27
<i>The Likeability Gap</i>	29

	<i>The Toilet Business</i>	31
	<i>Understanding Weak Ties</i>	32
	<i>Golf and the Likeability Gap</i>	33
	<i>Why Relationships Are Not about Networking</i>	34
	<i>Getting Julia Roberts</i>	36
	<i>The Age of Equivalence</i>	37
	<i>How Originality Died—and How We Can Get It Back</i>	39
	<i>The Differentiation Ideal</i>	40
	<i>The Likeability Gap and the World</i>	42
<b>Chapter 3</b>	<b>The ROI of Likeability: Why Spreadsheets Need to Die, Websites Stink, and Likeable Politicians Always Win</b>	45
	<i>The New Stupid</i>	46
	<i>The Sexiness of Analytics</i>	47
	<i>Data Overload, Insight Underload</i>	48
	<i>Four Ways Data Becomes Meaningless</i>	49
	<i>Rethinking ROI</i>	50
	<i>The Flip Side of Data</i>	51
	<i>Why Context Matters (and Your “Sticky” Website Actually Stinks)</i>	52
	<i>The Real Reason Likeable Politicians Always Win</i>	53
	<i>Why Results Matter More than Data</i>	54
	<i>The Five Principles of Likeonomics</i>	55
<b>PART II</b>	<b>The Five Principles of Likeonomics</b>	<b>57</b>
<b>Chapter 4</b>	<b>Truth</b>	59
	<i>Oprah’s Secret</i>	60
	<i>Are You Building on a Sinkhole?</i>	61
	<i>The Lie Doctor and the Dalai Lama</i>	61
	<i>Empowerment versus the Anti-Truth Policy</i>	63
	<i>Embracing Your Inconvenient Truth</i>	64
	<i>Selling Cardboard</i>	66
	<i>Why Being Truthful Is So Hard</i>	67
	<i>The Three Elements of Truth</i>	68

<b>Chapter 5</b>	Relevance	73
	<i>The Relevance Challenge</i>	75
	<i>Canada's Favorite Storyteller</i>	76
	<i>Handshakes in Kazakhstan</i>	78
	<i>The Renaissance Banker</i>	80
	<i>Making the Bank Relevant Again</i>	81
	<i>Everyone Who Matters Knows You</i>	81
	<i>Why Is Relevance So Hard?</i>	83
	<i>The Three Elements of Relevance</i>	84
<b>Chapter 6</b>	Unselfishness	89
	<i>Creating an Ideal World</i>	90
	<i>The Ethical Warehouse</i>	93
	<i>What about the Selfish Gene?</i>	94
	<i>Wikinomics and the Rise of Collaboration</i>	95
	<i>Finding the Altruism Gene</i>	96
	<i>Do Doctors Need to Be Competent and Kind?</i>	97
	<i>Why People Don't Sue Likeable Doctors</i>	99
	<i>How the Unselfish and Compassionate Will Rule the World</i>	101
	<i>How Japanese Citizens Responded to Disaster with Unselfishness</i>	102
	<i>The Customer Service Revolution Will Be Twitterized</i>	105
	<i>Why We Are Selfish</i>	106
	<i>The Three Elements of Unselfishness</i>	108
<b>Chapter 7</b>	Simplicity	111
	<i>Desperately Seeking Simplicity</i>	113
	<i>The Plain Language Movement</i>	114
	<i>The Myth of Good Complexity</i>	115
	<i>Gadget Confusion</i>	116
	<i>Flipping the Video Camera Market</i>	118
	<i>Winning on Simplicity</i>	119
	<i>How Simplicity Inspires Trust</i>	121
	<i>How Orange Got People Saving Again</i>	122
	<i>Hypnotizing Chickens</i>	123
	<i>How Napkins Can Explain Health Care</i>	124

---

	<i>Why Simplicity Gets So Complicated</i>	126
	<i>The Three Elements of Simplicity</i>	127
<b>Chapter 8</b>	<b>Timing</b>	131
	<i>The Most Creative Lunch in History</i>	133
	<i>Timing Is Everything</i>	135
	<i>How Sweetening Changed Television History</i>	136
	<i>Our Time-Shifted Culture</i>	137
	<i>Gilt and Luxury with an Expiration</i>	137
	<i>The Rise of Shopper Marketing</i>	138
	<i>Google ZMOT</i>	139
	<i>Why Timing Is So Tough</i>	141
	<i>The Three Elements of Timing</i>	142
<b>Conclusion</b>		145
	<i>Living in the Era of Likeonomics</i>	146
	<i>Likeonomics on Mulberry Street</i>	147
<b>PART III</b>	<b>The StoryBook</b>	<b>149</b>
	Introduction: How the StoryBook Works	151
	Bhutan: The Real Happiest Place on Earth	153
	Green Bay Packers: Why Cheeseheads Rule the NFL	155
	Khan Academy: Flipping the Rules of Education	157
	Maverick Adventures: Kitesurfing with Richard Branson	159
	Anup Singhla: The Fast Rise of Slow Cooking	161
	<i>The Backstory: The Making of Likeonomics</i>	165
	<i>Special Thanks</i>	167
	<i>Notes: Further Reading and Research</i>	169
	<i>About the Author</i>	173
	<i>Index</i>	175

# Warning: Unexpected Honesty. . .

## **This Book Is *Not* about the Like Button!**

This is not a book about Facebook. It is not really about social media, either. If you are looking for a book about either of those topics, *I would highly suggest that you do not buy this book.*

Not many books start off with a declaration of why you shouldn't buy them, but maybe more should. Maybe more businesses should do the same thing. Honesty isn't something that comes easily today. In our society of constant manipulation, everyone from businesses to politicians to the media want us to buy something, believe something, or do something.

The biggest crisis in our world today is one of believability. It makes it tougher to build a successful business, find and keep a job, or convince anyone to do or believe in anything.

This is a book about trust. But it is not another obvious declaration that trust matters. I think you probably already know that. The big idea behind Likeonomics is that you cannot build trust without being likeable. In the 1980s, Japanese businessmen adopted the word *dochakuka* to describe the idea that communities and people could think globally but act locally.

*Likeonomics* is a word to describe a similar idea. It is a way of looking at the world simultaneously on a large and

**The most important global currency isn't made of paper anymore — it's made of relationships.**

small scale. Whether you are launching your own business, or trying to land a job, or working to win an election—the principles are the same.

As you'll see in *Likeonomics*, the idea of likeability goes far beyond getting people to like you on a superficial level. It is not just about being nice. Instead, we will look at how people and organizations lose trust, how they can get it back, and what it really takes to be more believable.

My first step in building a relationship with you is to make sure you're buying this book because you know what you'll get out of it. My second is to try and offer a nonobvious and entertaining roadmap for how to be more believable in an irrational and information overloaded world. So let's get started.

# Prologue:

## How a Lard Salesman, an NFL Agent, and a YouTube Star Explain Likeonomics

**J**ust over 10 years ago, I was part of a pitch that I knew we would win. I was leading one of the hottest and fastest growing digital production teams in Australia. We had built a glowing reputation in our market, won tons of creative awards, and boasted a long list of top-notch references.

More importantly, our creative concept and strategy for the potential client we were about to meet was perfect, and we knew it. We had such an original approach, in fact, that we knew none of our competitors would even come close.

By the pitch day, our team had rehearsed for two days straight and we were supremely confident. It showed. The meeting went almost perfectly. Everyone knew their part, and the client asked the right questions. As we walked out, we allowed ourselves to enjoy a momentary feeling of triumph.

We were ready to take a victory call the next day and accept the client's business. It was just a matter of time. Like clockwork, we got the call the very next day, as expected. Only the outcome wasn't what we expected. We had lost.

In the weeks afterward, our team went back over every step. What did we get wrong? How could we have lost? We simply couldn't understand. It was one of those rare situations where if we had the chance to go in and pitch again, we wouldn't have done anything differently. We longed to know the amazing idea that we lost against. Unfortunately, we never got a good answer. It was the first time in my career when I learned the frustrating lesson that sometimes you lose and never really get to know why.

A year later, I was at an industry conference and happened to see that same client we had pitched to. I asked her how they were doing, and exchanged some polite conversation. With nothing to lose, I then asked her the question really on my mind: *Why didn't we win?* She looked at me and told me something I have never forgotten: "You guys had great ideas and they did, too," she admitted. "Honestly, we chose them because we just liked their team better. *We wanted to work with them.*"

It didn't seem fair. It still doesn't—but now I understand. Since that time, I have had countless pieces of business won or lost over this single metric of team chemistry, but relatively few clients with the personal insight and ability to understand or admit how critical this piece was to their decision.

The fact is, the significance of this goes far beyond just the world of business.

**People trust and choose to believe people they like.**

We all choose our friends and teammates for everything from work to hobbies based on likeability. Rela-

tionships, not logic, power almost all of our decisions. **In order to be more believable and more trusted—you need to be more likeable.** That is the simple idea behind this book.

To see why this idea matters so much, let's begin the journey by going backward in history to 1912 and a dusty classroom in Harlem, New York, where one of the most enduring philosophies of modern business was first born—even though no one there that night knew it.

## The Lard Salesman

It was 6 p.m. in a dimly lit classroom at the YMCA Harlem Evening School in early 1912, and the instructor was nervous. His topic that

night was public speaking, and even though more than half the seats were empty, his heart still raced. At 24 years old, he had already dropped out of college and failed as a young actor. His only modest success in his short career so far had been rising to become the number one salesman of “the highest quality tins of lard” (yes, lard) in western South Dakota.

That night he had walked to the classroom from his small, roach-filled apartment in a part of New York City that easily lived up to its nickname of “Hell’s Kitchen.” He certainly didn’t look too well, as his biographers would later write: “You could tell he had come upon hard times . . . [as] though one warm bowl of soup might have been enough to restore an appearance of health.”

Standing there in his ill-fitting gray suit and wire-rimmed glasses, he was struck by a sudden sense of panic.

*What was he doing here?*

*Why would anyone want to listen to him?*

His mind went blank.

By any account, he was an unlikely character to teach anything, much less public speaking. His voice was often described as possessing a slow, rambling Midwestern twang. He wasn’t a politician, or a famous athlete, or even a radio personality. He was the poor son of a pig farmer in Missouri who desperately wanted more than anything else to avoid becoming a farmer like his father.

If he was going to become famous, it certainly wouldn’t be from his chosen topic for that night either. In the early 1900s, public speaking was not as popular a professional skill as it has become today. Despite his ambition, the obscurity of his topic meant that he had already been turned down by both Columbia and NYU for his lecture. In desperation he had made a deal with the director of the YMCA to deliver his course by agreeing to forego the customary night teacher salary of \$2 per course. Instead, he would share in the profit—with the unspoken understanding that there probably wouldn’t be any. Finally, after all that work, his first class was happening and he could feel his big chance fading away before it had even begun.

In his moment of panic that night, a sudden burst of inspiration hit him. He asked a man in the back row of the classroom to stand up and talk about himself and his life. Then he asked another student to do the same. And then another. That simple format got people talking because they were each listening to personal stories that brought them together.

In this moment, he would learn an important insight that would shape his career from then on. There is nothing people care about more than being able to build better relationships with the others around them. This was, in fact, a skill that they would even be willing to pay to learn.

There was a phrase for this new skill . . . *human relations*. It started to be used to describe the ability to get along with and influence other people. So that year, building on his original insight, he formally named his new and improved course on human relations after himself: *The Dale Carnegie Course in Public Speaking and Human Relations*.

He would go on to fanatically refine and improve the course for the next 24 years. In one class he would use improvisational acting techniques; in another he would have participants do one-on-one exercises. The course spread to thousands of students and turned Carnegie into something of a business celebrity. He was filling large auditoriums with willing students, but it was in 1936 (almost a quarter of a century after starting his course) that he would achieve his biggest claim to fame.

That year a persistent editor at Simon & Schuster finally convinced Carnegie to write a book based on his course. The title would be easy: *How to Win Friends and Influence People*. The book was an instant best seller. Over the next decade, the book became the second bestselling book of its time, after the Bible.

Meanwhile, Carnegie's course grew into a full training Institute. In 2011, his Institute celebrated the seventy-fifth anniversary of the book's first printing. In that time, the book has been translated into over 60 languages and sold more than 16 million copies worldwide.

Today, everyone from business executives to political leaders from around the world have studied the principles and are using them to transform the way they relate to other people. More than 2,700 professional trainers offer Dale Carnegie's course in 80 countries and 27 languages. The Institute has trained over 7 million graduates across the world.

## **The NFL Agent**

In law school, you don't spend too much time learning how to win friends. Chitta Mallik, however, never wanted to be an ordinary lawyer.

His real passion was football, but sports law was about the closest he expected to get. After graduating law school, he accepted a job at Latham & Watkins, one of the largest and most respected firms in the United States.

In October of 2004, after realizing that he had billed 434 hours that month (an average of 14 hours a day, every day, including weekends!), he decided it was time for a change. A lifelong sports fan, he knew that he wanted a career in sports. And despite working in sports law, Mallik realized what he really wanted to do was become an NFL agent. Unfortunately, it was an almost impossible field to break into.

Around the same time, a former standout NFL player named Tony Paige had been growing his own services as a highly successful NFL Agent. Paige had been a starting fullback in the NFL for nine seasons, an extraordinarily long career in a dangerous sport where the average career lasts only about three years. He got his accidental start as an agent shortly after he retired by agreeing to help a desperate former teammate renegotiate his contract. He did more in a week than the player's agent had done for him in years. As anyone inside the NFL knows, there are generally two types of players: those that get attention from their agents and those that don't. Agents are notorious for following the money, focusing their time and attention on their most highly paid clients—and shortchanging the rest. Most of them have little idea of what it takes to succeed in the NFL. Of the over 600 agents officially licensed by the NFL Player's Association to represent players, less than 15 are former players themselves.

So Paige had a natural advantage, but he also started in the business with a unique philosophy. While most agents cared about the player, he also tried to care about the person. This meant he would become a part of his player's lives. He would advise them on everything from buying a house to donating their time to charities. He was a genuinely good guy in a job where that was sadly uncommon.

In the spring of 2008, Mallik met Paige for the first time through a personal connection. Within 5 minutes, it was clear that the two men shared the same business philosophy and morals. Paige quickly convinced Mallik to join forces and help him run the Football Division at Perennial Sports and Entertainment, a full-service sports agency. Later that year, one of the first players they signed together was a 6-foot-2, 315-pound offensive lineman named Cecil Newton Jr. Newton had

played college football at Tennessee State University and entered the NFL draft in 2009. Unfortunately, he wasn't selected, but Paige and Mallik worked hard to find him a home in the NFL. They paid for his training, and reminded him that as long as he was in the building, he had a chance. Newton finally landed a rookie contract with the Jacksonville Jaguars. That year, he made it onto the field and actually played. The NFL is full of small victories like Newton's but the story doesn't end there.

Two years later, Cecil's younger brother Cameron was about to enter the NFL draft. Cameron, or "Cam," Newton had been a star quarterback who had won the Heisman Trophy (the highest individual award offered to college football athletes) and led his Auburn Tigers college team to the BCS National Championship. For the 2011 draft, he was anticipated to be among the first 10 players picked overall. As a result, he had his pick of an NFL agent, and 12 agencies were all courting him.

But Cecil's father had promised Mallik and Paige they would have a chance to meet with Cam—and he kept his promise. They met with him in January of 2011, amidst 11 other agencies desperately selling their own services. Yet, instead of talking to him about his future as a player, they talked about his future as a man.

They asked him what he wanted to be known for. They talked about what life after football would be like. And they talked about his brother. At the end of the first round of meetings, Cam and his father called back Perennial Sports. In January of 2011, Newton announced that he had selected Paige and Mallik along with Bus Cook, another agent.

It was like a real-life moment from the film *Jerry Maguire* where the agent wins the client based on his principles.

Six months later, Cam Newton was drafted by the Carolina Panthers with the number-one overall pick in the 2011 NFL draft, and signed to a four-year, \$22 million contract. In his first game ever, he became the first rookie to throw for 400 yards in his regular NFL-season opening game. Through the rest of his first season, he would go on to break more than a dozen other rookie quarterback records.

For Paige, Mallik, and Perennial Sports, landing the #1 overall pick in the NFL draft was a defining moment. The following year, they were

---

two of the hottest agents in the league and went on to have their most successful draft class ever.

## **The YouTube Star**

For Ana Gomes Ferreira, the first YouTube video was just for fun. It was January of 2007 and she was sitting on her bed with a guitar in her lap. With a friend holding the video camera, she recorded her own version of Sheryl Crow's "Strong Enough to Be My Man" and uploaded it under her stage name, "Ana Free." As song goes on, the camera zooms in and out randomly. The audio is muffled and you can tell that she isn't entirely comfortable in front of the camera.

You would never, at any point during that video, have mistaken Ana Free for anything more than a girl just having fun. It would be a nice story if she was discovered by an enterprising music executive, but that's not how her future would go. Her first video didn't get a million views. She was never meant to become another viral one-hit wonder—but that was perfectly fine for Ana.

As a child in Portugal, Ana didn't grow up wanting to be a singer. She went to an international school, studied hard, spoke five languages, and studied international trade and game theory while majoring in economics at the University of Kent in the United Kingdom. She had the sort of background that would usually have led a smart, young enterprising woman toward a career at a big institution like the World Bank or IMF.

All of which makes what would happen over the next five years even more extraordinary.

Every day, dozens of budding musicians look to the Internet as a place to get discovered and perhaps duplicate the phenomenon of Justin Bieber—by launching themselves and their music careers. Almost no one succeeds.

Ana, however, had one important thing going for her—she didn't start uploading her videos in order to be famous. She started by performing songs that she loved and then sharing them honestly with her audience. And unlike so many other musicians, she didn't avoid playing cover songs or gaining popularity by playing songs that people recognized.

Despite having written hundreds of her own original songs, every few weeks she would record a video of a new cover song that people recognized. Each song featured her sitting on a bed or a couch playing her acoustic guitar and singing directly to the camera. She has a great voice and slowly gets more and more comfortable in front of the camera. The audio improves. She buys a tripod. You can actually see her getting better from video to video. Yet the thing that sets every one of her videos apart is that they are all a surprisingly intimate musical experience.

When she sings and looks directly at the camera, it *feels* like she is singing directly to you. She shares outtakes where she breaks guitar strings and forgets lyrics. And her audience has grown because she is so genuinely passionate about the songs she sings, even when those songs have been written by someone else. As one music critic wrote, “The thing about Ana Free is her voice . . . [it] has a rawness that seems to reach into my chest and pluck on my heart like a guitar string. Not too high, more of a husky tenor.”<sup>1</sup> Before long, each of her songs started routinely getting thousands and then tens of thousands of views.

By early 2012, Ana had posted over 125 songs onto her YouTube channel—and almost every one had more than 10,000 views. More than a dozen have over 100,000 views. Several of her songs racked up more than 2 million views each, and her channel on YouTube has passed 31 million views overall and more than 80,000 subscribers. In June of 2010, her cover performance of Shakira’s World Cup 2010 theme song “Waka Waka” was so popular that it inspired Shakira’s production team to invite Ana Free to be an opening act for a Shakira concert in South America.

She has played at international music festivals around the world, and in 2008, her independently released debut single “In My Place” shot to the number-one spot on the Portuguese music charts. Three years later, she released her first EP, called *Radian*, and she will soon be releasing her first full-length album in 2012 (thanks to a highly successful social media–led fundraising effort from engaged fans).

Perhaps the greatest symbol of her ever-growing influence comes from looking back at YouTube itself. In 2011, a group of four young female fans of Ana Free launched their very own group who go to her concerts and record their own videos as a tribute to her influence. Their “anafreecrew” YouTube channel has already generated more than 25,000 views.

## The Big Question

What do a Portuguese singer who launched her career on YouTube, a reformed lawyer who became a successful sports agent, and the author of the world's most popular personal development book have in common?

Ana Free had the ability to connect personally with her audience in a deep and meaningful way by authentically sharing her personality and singing songs that people already knew and loved.

Chitta Mallik achieved the greatest goal of a NFL sports agent (getting a client who goes number one in the draft) by building a personal relationship with his client's family and becoming a trusted expert.

Dale Carnegie's success was based on the relationships he was able to cultivate with others, and his ability to teach people to learn the same skill—what he called human relations.

Each of these stories, in its own way, is about the power of relationships. Humans are social creatures. We choose to build relationships and do business with people we know and like. In a world of crowded media, with lots of organizations, politicians, and people competing for our attention, the key to success is your ability to earn trust. Trusted businesses are more profitable. Trusted people are more influential and successful. Trusted ideas are more likely to inspire belief. And being more believable is the toughest challenge for anyone today, which leads to the question at the heart of *Likeonomics* (see box) . . .

**How can any person, organization, or idea become more trusted and more believable?**

The rest of this book will be dedicated to answering that question.

## Why Likeonomics Matters

At first glance, the idea behind Likeonomics might seem like an oversimplified way of looking at the world. After all, don't real technical skills or talent matter more than likeability? When it comes to business, can't likeability be faked by people who just want to take our money and sell us stuff? And perhaps the most common challenge against likeability: Isn't making a great product or offering a great service more important than likeability on any level?

In *Likeonomics*, I'll tackle each of these objections. We will look at examples of everything from getting movies made in Hollywood to winning contracts to clean toilets. The people featured in *Likeonomics* come from around the world and range from some of the world's most recognizable CEOs to up and coming creators. What they all have in common is a shared understanding of how our world works.

It is a world where the most trusted people and organizations always win. It doesn't matter if you are looking for your next job, or trying to turn your own business into a success, or just build better relationships in your local community. This book is about how to earn and keep trust—and be more believable.

To see how, let's start with what might be one of the most powerful and global examples of the power of likeability and how it helped to change the fortunes of an entire nation.

# Introduction: Likeability, Rogue Economists, and the Lovable Fool

*If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart.*

—Nelson Mandela

The first time I experienced the powerful influence of Nelson Mandela was from the front seat of a taxi cab riding down the streets of Jo’burg (as the locals call Johannesburg). Mandela’s picture was on billboards along the highway to the city even though he was no longer president of South Africa, and my driver was speaking about his influence and how he had inspired the nation. That story started nearly 20 years ago.

In 1993, tens of thousands of Afrikaners (white South Africans) were preparing for war. Three years earlier, a man named Nelson Mandela had been released after 27 years in prison. He was no hero to this group. They saw him as the founder of a terrorist organization who threatened their way of life and belonged in jail. They were ready to fight.

As reporter and biographer John Carlin wrote, that was the moment where Mandela began “the most unlikely exercise in political seduction ever undertaken.”<sup>1</sup> He invited the Afrikaners leaders over for tea and listened to their concerns. Then, he persuaded them to abandon their guns and violence. The battle never happened.

A year later, he was sworn in as president of South Africa and vowed to make reconciling the racial tension between whites and blacks his number-one priority. Somehow he had to overcome decades of hate and convince people ready to die for their causes to see one another as brothers.

In one of his first acts as president, Mandela invited Francois Pienaar, the captain of the South Africa national rugby team (Springboks), to have tea with him. That afternoon he struck an alliance, asking Pienaar to help him turn rugby into a force for uniting all South Africans.

During the Rugby World Cup in 1995, Pienaar led the mostly white players of the Springbok team in singing an old song of black resistance, which was now the new national anthem, “Nkosi Sikelele Afrika” (“God Bless Africa”). It was a powerful demonstration that the players believed in having a united South Africa. Inspired, the team fought the odds and made it to the finals against Australia.

On June 24, 1995, minutes before the final match would start, Mandela went on the field in the middle of the stadium wearing his Springbok green shirt to wish Pienaar and the team good luck. The crowd, made up of mostly white South Africans, was stunned. For many years, that green shirt had been seen as a symbol of only white South Africa. For a black man to wear it was unheard of.

The crowd erupted in cheers of “Nel-son, Nel-son” and everyone across South Africa celebrated. Mandela would go on to lead the racial reconciliation both during his presidency, and then after as an ambassador to the world for South Africa. In 2004, the country was awarded the world’s largest stage to host the 2010 FIFA World Cup. It is now seen as a likely future Olympic destination, as well.

This story of South Africa’s triumph was chronicled by Carlin in his book *Playing the Enemy: Nelson Mandela and the Game That Made a Nation*. It was so powerful, it also inspired the Academy Award-winning film *Invictus* by director Clint Eastwood.

## **Why People Believe in Likeability (and Why They Don’t)**

The fate of South Africa is linked to the story of one man’s personal charm and likeability. This may seem like an extreme example. After all, not many people have the gift that Mandela has. Yet, his experience

does explain the very fundamental role that likeability can take in inspiring belief and changing our world around us. People didn't follow Mandela because of the ideas; they followed because of *him*. When he invited you over for tea and listened to your concerns, and then spoke, you couldn't help trusting his vision.

But likeability itself can be a difficult idea to believe in, because it feels *soft*. In doing the research and writing for this book over the past year, I have had hundreds of conversations with people about the concept of likeability. When I started conducting interviews, I assumed that almost everyone would be a skeptic.

What I learned rapidly was that most people actually fall into two different groups. Both can be critical about the idea of likeability and its role in success, but for different reasons. Here are their paraphrased arguments:

***Reaction #1: “That’s so obvious.”***

Here's what “Obvious Guy” says:

Everyone knows that likeability and the power of networking will get you everything from your new job to the next contract. I once won a new project just because I play hockey with the procurement manager for a big firm and they needed a contractor quickly. We won the job without an RFP. Anyone in sales knows that no one will buy from you if they don't like you.

***Reaction #2: “That’s not true—the product matters more.”***

Here's what “Features Guy” says:

Sure, I enjoy being around likeable people—but at the end of the day people will only buy something or believe an idea if it really has merit. I'm not going to buy a crap product just because I like you, and I'm not going to believe an idea just because I find the person delivering it to be more likeable.

I understand both of these guys. In fact, at various times in the writing process for this book, I have *been* both of these guys. In a

sense, it is why I spent a significant part of my research time looking at all the reasons why likeability wasn't really that important. I studied examples of unlikeable leaders and brands that still succeeded on some level despite being unlikeable. I read books about the impact of luck and the importance of making great products that market themselves. I dug backward through history, looking at whether the importance of likeability was different during the Great Depression or the golden age of Sweden.

**What I learned is that success has much less to do with *what we create* and much more to do with *who believes in it*.**

This is not about creating an awful product and trying to use likeability to sell it. It is also not about trying to fake likeability to support some sort of sinister ulterior

motive. I will speak about how to handle both of these situations later in the book.

Instead, my aim is to look at the intersection of likeability and the global economy and offer a vision of how any one of us can build the kinds of relationships that lead to all kinds of personal success—from launching a business to getting a new job.

## The Nonboring Economics of Likeonomics

The unlikeliest place to start a discussion about the impact of likeability on the economy would be in the field of economics itself. One of the first things I did in my research, in fact, was to look at what leading economists might have already published about the main idea of this book. An economist, as writer Laurence J. Peter once wrote, “is an expert who will know tomorrow why the things he predicted yesterday didn't happen today.”

Luckily, this is not really an economics book and Likeonomics is not an economic theory in a strict sense. Rather, it is an attempt to describe the world that we live in today and what people and business professionals alike need to do in order to survive and thrive in it. Unlike many traditional economists, I tend to avoid academic thinking and language, preferring instead to think about the world in terms of human interactions rather than numbers in a spreadsheet. It turns out these are not the opposing factors that they once were, as the world of economics

learned the day the surprising results of the voting for the winners of the 2002 Nobel Prize for Economic Sciences were announced.

## The Psychology of Likeonomics

Dr. Daniel Kahneman was once described by Harvard psychologist Daniel Gilbert as “the most distinguished living psychologist in the world, bar none.” Along with partner Amos Tversky, his lifetime of work in applying psychological principles of how people behave to economic theory essentially led directly to what we today call the field of behavioral economics. When they were awarded the Nobel Prize in 2002, the awarding committee credited Kahneman for “for having integrated insights from psychological research into economic science, especially concerning human judgment and decision-making under uncertainty.”

The idea that people are not logical robots, but rather that they respond to incentives and are led by emotions is still a relatively recent idea.

For a field once called the “dismal science” by the Victorian historian Thomas Carlyle in the nineteenth century, one of its strongest mainstream boosts for the importance of economics would come in 2005 with the publication of *Freakonomics*, which also inspired the title for this book.

The authors of *Freakonomics* like to use the description “rogue economist” to describe their take on the world. Part economics and part social psychology, they merged these worlds together successfully in a groundbreaking book that explains why we behave the way we do, why seemingly unrelated phenomena from across the world may be linked, and how our understanding of what motivates our behaviors may not be as simple and rational as we like to think.

Since *Freakonomics*, this theme of the irrationality of behavior is one that has become extremely popular in multiple best-selling books.

Just because we respond to emotional appeals and tend to act in human ways, however, doesn't necessarily prove that likeability is all that important. After all,

**Each book reaches a related conclusion—that people act in emotional, human, and unexpected ways, and respond to incentives. We are not logical robots.**

there seem to be plenty of examples of leaders who are successful despite being frequently described as unlikeable. Like Steve Jobs, for instance.

## The Jobs Paradox

The late Steve Jobs was clearly visionary and had a brilliant mind, but was also often described as egomaniacal and hard to work with. A *Boston Globe* review of the biography of Jobs by veteran journalist Walter Isaacson, released just a few weeks after Jobs's death begins with this pronouncement about him: "Life often reduced Steve Jobs to tears. But he rarely suffered alone. The cofounder of Apple, Inc., spread his unhappiness like a virus, abusing his friends, neglecting his family, insulting and reviling his colleagues. And almost to a person, they loved Jobs to the end."<sup>2</sup>

**This is what we might call the Jobs Paradox—that some people can seem to be completely unlikeable, and yet succeed and inspire those close to them regardless.**

And Jobs was hardly the only unlikeable leader in Silicon Valley, either.

Larry Ellison, the founder of Oracle, has developed a reputation for being an unlikeable character, as well.

He has made fun of rivals on stage at the Oracle annual OpenWorld conference and attacked former Sun rival and CEO Jonathan Schwartz for "spending too much time on his blog." When asked about Bill Gates, he famously said, "Referring to Gates as the smartest man in America isn't right. Wealth isn't the same thing as intelligence."

When Bloomberg television decided to do a feature on Ellison for their *Game Changers* series, Oracle co-founder Bruce Scott was interviewed and shared, "I remember [Ellison] very distinctly telling me one time: Bruce, we can't be successful unless we lie to customers. All the things that you would read in books of somebody being a leader, he wasn't."

When asked about his personal philosophy, Ellison once said: "I don't believe in being nice to my enemies. My enemies are trying to deprive me of the success that led to my happiness. I want to beat my enemies, and it's hard to be nice to them at the same time."<sup>3</sup>

There are probably dozens of other examples of this paradox. So what does it mean? Are the business clichés like “nice guys finish last” or “nice girls don’t get the corner office” actually right? And if likeability matters so much, how can we explain the success of these two men who seemed to make arrogance and competition their priorities? The answer comes down to understanding the difference between likeability and being nice because of the human need to be liked.

## **Do We Need to Be Liked?**

People who care too much about being liked are often described as weak or insecure. As a result, few people and even fewer business leaders are ready to admit that they care about it or even factor likeability into any of their everyday decisions. So if likeability is such a hard quality to admit to caring about, why is the need to be liked such a powerful motivational force? If anyone has the answer, it is Dr. Roger Corvin, a clinical psychologist practicing in Montreal who has spent his career trying to help patients with a variety of mental or emotional issues.

His average afternoon might include seeing a depressed teen, an executive with anxiety, and a mother with post-traumatic stress disorder (PTSD). Despite the variety of genders, life situations, ages, and ethnicities, Dr. Corvin started to realize that there was a common trait among all the people who came to see him: They all had a need to be liked by other people.

In his book, *The Need to Be Liked*, he describes this as a *fundamental human need* in psychological terms because:

1. The brain and body are designed to acquire it.
2. Not fulfilling the need has negative effects on the person.

The primary function of this need, he argues, is to “ensure that we form relationships with other people.” There is a clear evolutionary reason why this would have mattered for our ancestors: Those who were able to form relationships and work together were more likely to survive.

So what about the curious cases of Jobs and Ellison? Were they simply immune to this need to be liked and therefore able to behave more harshly?

The answer to the Jobs Paradox lies in Dr. Colvin's point about the many qualities of likeability. Likeability is about being able to personally connect with people on a different level. Jobs, despite his well-known ego and arrogance, had a talent for telling the truth, which people loved and respected.

A few months before Jobs passed away, Nike CEO Mark Parker was asked by an interviewer about the best piece of advice he had ever been given. He recalled calling Jobs shortly after becoming CEO and asking him for any advice. "Well, just one thing," said Jobs. "Nike makes some of the best products in the world. Products that you lust after. But you also make a lot of crap. Just get rid of the crappy stuff and focus on the good stuff."

He wasn't joking. It was that type of honesty and clarity of vision that attracted people to Jobs. It made him likeable, in his own way. It also illustrates an important point of difference.

**Being likeable is not the same thing as being nice.**

Ellison also seemed to have a different standard for how he would behave depending on who he was dealing with. In an interview for

*Softwar*, Ellison noted that "Being insensitive, rude or mean to someone close to you, or a perfect stranger for that matter, is self-destructive and self-degrading behavior. You'll think less of yourself for doing it."

Understanding that likeability doesn't mean the same thing to everyone may seem like a confusing contradiction. As we will soon see, however, likeability is enough to compensate for some very real human failings. In Jobs' case, it may be extreme arrogance. In other cases, as two behavior and decision sciences professors learned, it may even be a lack of competence.

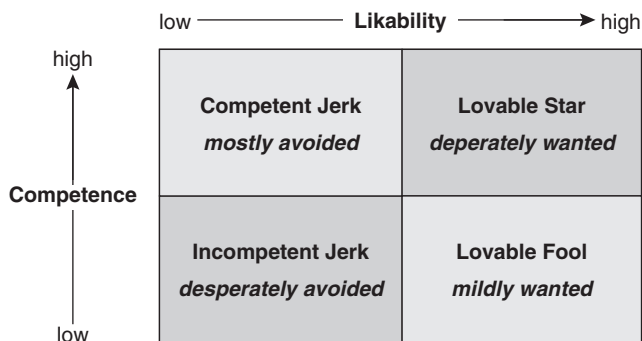
## **The Hidden Appeal of the Likeable Fool**

In 2005, Tiziana Casciaro, a Harvard Business School professor, and Miguel Sousa Lobo, a professor of decision sciences at Duke University, decided to find out just how important likeability was in a business context. Together, they conducted a series of surveys at four organizations: a Silicon Valley tech company, a division of an IT corporation, a U.S.

university, and the Spanish country office of a global luxury goods corporation. Combining this with results from surveys filled out by a large group of MBA students, they ultimately collected and studied data from over 10,000 work relationships.

Everyone they spoke to was plotted against two characteristics based on how they answered questions and how their peers rated them: their likeability and their competence. They then asked participants to imagine they had a job to do at work. Which of their colleagues would they choose to work with? On one level, the results were completely predictable.

Everyone wanted to work with the highly likeable and highly competent individuals (who the study dubbed the “Lovable Star”), and no one wanted to work with the low competence and low likeability individuals (the “Incompetent Jerk”). The unexpected results came when looking at the other two categories.



Copyright © 2005 Harvard Business School Publishing Corporation.  
All rights reserved.

The study demonstrated that when faced with a choice between a more likeable person who workers had a stronger personal relationship with, or someone who had better job performance, but was less likeable—most people chose to work with the “Lovable Fool” (low competence, high likeability) rather than the “Competent Jerk” (high competence, low likeability).

The conclusion of the study was clear: “When faced with a choice between a ‘competent jerk’ and a ‘lovable fool’ as a work partner, people usually opt for likeability over ability.” This is not an isolated

finding, either. Consider these results from research conducted around the world over the past few decades:

- In a communications study from 2003, researchers at the University of Michigan uncovered that “friendly and positive employees are more productive.”
- A 1984 study by the University of California showed that doctors unconsciously spend more time and offer better quality care to patients they like.
- In his book *Making Your Case: The Art of Persuading Judges*, U.S. Supreme Court Justice Antonin Scalia wrote of the importance of being likeable and how it leads to trust. “Some people,” he noted, “are inherently likeable. If you’re not, work on it.”
- A study in 2001 from Columbia University found that the more popular and likeable workers were seen as trustworthy, motivated, decisive, and hard-working, and as such were recommended for fast-track promotions and pay raises.

Across the business world and beyond, likeability has a fundamental power to help us build trust in our interactions with others.

## **Inside Part I: The Crisis and the Solution**

Of course, likeability on some level has always mattered, so why write this book *now*—and why does it matter so much to understanding our world, behavior, and global economy?

Part I of the book will tackle these important questions by looking at the very real believability crisis that we are in, how we got here, and why the idea behind Likeonomics offers a vision for where we need to go next.

In **Chapter 1: Inside the Modern Believability Crisis**, we look backward at the rise of propaganda and how trust in business and institutions has reached an all-time low. You will read how an unexpected public relations campaign for an oil tycoon in the early 1900s jump-started our “modern believability crisis,” and why marketing is often the

source of all manipulation. Moving quickly through the past hundred years, we will see how this growth in manipulation on every level has created an unprecedented challenge for each of us (and the organizations we work with) to inspire or motivate people to do or believe in anything.

Moving to **Chapter 2: Navigating the Likeability Gap**, the concept of the “likeability gap” will help to explain the nature of how we decide and why we choose to work with and help people and organizations that we like. Through the story of the rise of Rwanda and the real reason why so many million-dollar deals start on the golf course, this chapter will look at why relationships matter so much and how being more likeable is the key to building trust.

Finally, in **Chapter 3: The ROI of Likeability**, we will look at what the real business and personal value is behind the concept of Likeonomics. This chapter will move from analyzing decades of research into education reform, to the story of why ROI was originally invented (it’s not what you think). Ultimately, we will tackle several flawed assumptions about measurement and look at some new ideas for how to really measure success and why it is *not* about creating a better spreadsheet.

## **Inside Part II: The Principles**

After the focus of Part I on demonstrating all the ways that Likeonomics explains the world we live in today, Part II will go deeper to offer a practical and useful look at why people trust some organizations or people and not others—and how you can be more trusted and more believable in anything you do.

In looking at all the research about how people and organizations become more believable, as well as the impact that social media has had on how we interact with one another and companies, I wanted to uncover some key principles for what really matters when it comes to being more believable. My aim was to find these principles and then create some sort of acronym to describe them. As readers of my blog already know, using acronyms is a method I often use to make new ideas more memorable.

So one day more than a year ago, I gathered all of my research together and started to define what I thought were the most important principles. The starting point was research that had addressed a similar challenge:

1. **The Likeability Factor**—I looked at Tim Sanders’ award-winning work in *The Likeability Factor*, about how to be more likeable as a person. His four “elements of likeability” came down to friendliness, relevance, empathy, and realness. In his mind, these were in “green light order,” which meant you had to be friendly before you could be relevant, and so on.
2. **The Netherlands Study**—Twenty years ago, the Advertising Research Foundation set their research agenda for 1991 and proposed that studying the impact of likeability on advertising research should be a key topic. That year, several research studies on the topic were conducted and three authors in the Netherlands decided to launch a 10-year study on the effects of advertising likeability. Their results, published in 2006, proposed that there were four components to advertising likeability: entertainment, relevance, clearness, and pleasantness.

As I sat down one afternoon in February to put some of the research down on paper, five core principles seemed to leap out from all the work I had done. In fact, it was so clear that I assumed they must be wrong or too simple. Since that afternoon in February, I revisited my initial acronym almost every week for months with the intention of changing it.

I did more research, consumed more reports, and read more books. I spoke with colleagues and clients to try and poke holes in the idea. I even presented the acronym during a speech in Miami to get a public reaction and have others criticize it. It still worked.

What was even better, the principles I had landed on spelled a powerful acronym that would fit perfectly into the main point I wanted to make in the book:

**TRUST = TRUTH + RELEVANCE + UNSELFISHNESS  
+ SIMPLICITY + TIMING**

So in Part II of the book, we will dig into each of these five principles of Likeonomics to look at why they matter, and offer a practical guidebook on how you can use them.

**Principle 1: Truth**—There is no more important quality than the real truth, and we live in a time where people are more able to demand it than ever. This is not, however, the same thing as honesty. In this chapter, we will learn from the meteoric rise of the most famous talk show host in history, to the story of a struggling brand that took an unheard of risk in telling the truth about why they would always fail to be number one in their industry.

**Principle 2: Relevance**—The challenge to be relevant requires that you center yourself on the world that someone else already cares about. Using global stories of how to shake hands in Kazakhstan and why Canada's favorite storyteller became so beloved, this chapter will define exactly what makes something or someone powerfully relevant, and how you can do it for yourself or your business.

**Principle 3: Unselfishness**—If there is one principle that seems dramatically hard to consistently do, it is behaving in an unselfish way. Combining the story of how a small yet powerful networking group is taking their region by storm and what one of the largest global studies of unselfish corporate behavior has proven about the role of idealism in branding, this section will prove that being unselfish pays off in many ways, and is a necessity for success in our new global economy.

**Principle 4: Simplicity**—Of all the principles, this one has near universal agreement from leading thinkers in the world about its importance. Simplicity is the force that has powered the Apple brand to success and also driven politicians to win elections and world-changing social movements to build a following. In this chapter, we will not only learn how much simplicity can help to achieve, but also some new and completely different methods for simplifying everything from messaging to how you spend your time.

**Principle 5: Timing**—Some of the greatest ideas in human history have succeeded or failed based entirely on timing. More than just suggesting that good timing matters, we will look at the examples of how people are always at the heart of timing, and understanding when to push your idea is the crucial X-factor that can help ensure success.

## **Inside Part III: The StoryBook (Likeonomics in Action)**

If you are the sort of reader who likes to skip the theory and go straight to the stories and case studies that bring each idea to life, you will appreciate this section.

In addition to the dozens of stories I share throughout this book, this final section spotlights a collection of examples of the principles behind Likeonomics at work. It includes everything from the little known story of what might be the happiest country on Earth, to the website that has turned the world of education upside down.

Stories are what inspire each of us, but they also have to be relevant (remember, that's one of the principles!). So each story will also be indexed by industry so you can browse them to identify the ones that feel closest to your own personal situation.

In addition, this StoryBook will be a living part of Likeonomics online, with new stories getting consistently added to the website. You can always visit **[www.likeonomics.com/storybook](http://www.likeonomics.com/storybook)** to read additional stories, and even add your own story in the online community.

# Author's Note: Why I Don't Write about Synergy and Paradigm Shifts

In case you haven't read *Personality Not Included* (my first book), you have probably already noticed that I don't use an "academic" style of writing. Technically, I am a professor, since I teach marketing at Georgetown University, but I also speak around the world on the necessity of being approachable and creating more human businesses, which often starts with language.

In my process of writing *Likeonomics*, there were a few guiding principles I used to remind me of what kind of book I wanted to write. Here are a few of them:

1. **Write like a person, not a professor.** As a writer, I have always been heavily influenced by screenwriting, which means I don't really use too much marketing jargon, opting instead for a more conversational tone. Thanks to a master's degree in English Literature and a BA in Irish Poetry (yes, seriously) and Marketing, I have written and read plenty of academic prose. Personally, I find those kinds of books too stuffy. I'd rather learn from a book that shares ideas and lessons more conversationally, so that's the type of book I aim to write.
2. **Offer real, practical, and useful ideas.** Given that I spend all day as a marketing consultant, leading brand strategy for some of

the biggest brands in the world (in my full-time job at Ogilvy communications agency)—as well as write for one of the largest small business-focused blogs in the world (the American Express Open Forum)—I'm very focused on real and practical ideas for businesses of all sizes.

3. **There is no one perfect industry, country, or brand.** I have gone door to door selling my own startup, as well as led marketing strategy meetings with dozens of participants and millions of dollars at stake. Unlike many vertically focused and process-obsessed marketing consultants, I see many sides of the business story. I know that one method doesn't describe everyone. In this book, I feature big and small brands, global brands, and stories from outside America and dozens of industries—so I can guarantee you will find examples that apply to your situation. If you don't, e-mail me at [likeeconomics@gmail.com](mailto:likeeconomics@gmail.com) and I promise to send you one personally.
4. **Business theory can be boring; stories usually aren't.** I have read hundreds of business books (by choice!). Most have good ideas and are written by very smart people. But they are not usually page turners. You understand the big idea, but you have to wade through some pretty boring stuff to get there. My ultimate aim with *Likeeconomics* is to be entertaining *and* useful. I often describe it as nonboring and nonobvious. In my experience, there are very few business books that can do both these things.

So now that you have a sense of my philosophy, let's get started with a slightly reworded line that authors have used to begin their tales for centuries:

*Once upon a time, there was a crisis . . .*

PART I

# **The Crisis and the Solution**



# Inside the Modern Believability Crisis

## How Rockefeller's Dimes, War Propaganda, and the Marlboro Man Ruined the World

*We are governed, our minds molded, our tastes formed, our ideas suggested, largely by men we have never heard of. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country.*

—Edward Bernays, in *Propaganda*, 1928

**A**bout a hundred years ago, one of the world's richest men had a public relations (PR) problem. His name was John D. Rockefeller, and in 1914, he was dealing with a crisis that most of American history has since forgotten.

A decade earlier Rockefeller had purchased the Colorado Fuel and Iron Corporation (CF&I). In the span of those 10 years, CF&I had quickly come to dominate the growing coal mining industry in

Colorado. With 27 dirty and mostly lawless mining camps in Southern Colorado, they had a virtual dictatorship over the many immigrants who worked in the mines. Thanks to the financial success of mining, the company also enjoyed a controlling political influence across the state of Colorado.

Unfortunately, that money never really made it to the miners' pockets, and mining was a hard life. For years the miners suffered under brutal and dangerous working conditions with a lack of basic rights. Finally, the miners decided to create their own organization, United Mine Workers, to negotiate with their corporate masters for better living conditions and (hopefully) higher pay. In 1913, their early negotiations failed. CF&I had no real interest in sharing the profits with miners; after all, mine workers of the day were not particularly skilled and easily replaceable.

Knowing that they had a weak case, as a last resort the miners called for a strike. In response, CF&I called in their own security team to strong-arm the miners back to work. In a matter of days, they had also used their political influence to pressure Colorado Governor Elias M. Ammons to declare martial law and call in the Colorado National Guard.

It was a disaster. After escalating violence, on April 20, 1914 the National Guard opened fire on the mining camp in Ludlow, Colorado. They set fire to the tents and despite objections from many of their own soldiers, they followed the orders they were given to put down the mining strike at any cost.

In the aftermath, the Red Cross reported finding 26 dead bodies. Among them were two women and 11 children who could not escape and were burned alive while hiding under a cot. The next day the *New York Times* carried this headline: "Women and Children Roasted in Pits of Tent Colony As Flames Destroy It."

Years later in one of the only historical accounts of that day, historian Howard Zinn wrote that it "was the culminating act of perhaps the most violent struggle between corporate power and laboring men in American history."<sup>1</sup> The media called the entire event "The Ludlow Massacre," and the public blamed Rockefeller and corporate greed for the tragedy.

In support of the miners, people picketed outside Rockefeller's office in New York. For the next several months there were more negotiations, mediations, and talks of settlement. They all failed. Finally, the strike

was officially called off in December 1914, having accomplished little. As Zinn wrote, “The Union had not won recognition. Sixty-six men, women, and children had been killed. Not one militiaman or mine guard had been indicted for a crime.”

Despite their failure to win more labor rights, the whole episode was a major crisis for Rockefeller and his entire family, particularly his son John D. Rockefeller Jr., whom he had put in charge of managing CF&I. It got worse when Rockefeller Jr. went before the U.S. Industrial Relations Commission in 1915 and declared, “There was no Ludlow Massacre.” It was clear the family’s reputation was tarnished and they would need help to restore it. Luckily, there was a man named Ivy Ledbetter Lee who was perfectly suited for the job.

## **The Birth of Modern PR**

By 1915, Lee had already established quite a reputation for himself. Growing up in Georgia as the son of a Methodist minister, Lee started his career as a journalist for the *New York Times*. Realizing his passion lay elsewhere, in 1905 he founded one of the nation’s first public relations firms, Parker and Lee, which used the tagline “Accuracy, Authenticity, and Interest” as their motto.

In 1906, when there was a train accident in Atlantic City, New Jersey, Lee was the one who advised his client, Pennsylvania Railroad,\* to issue what is today considered the first press release ever. It shared a public response and disclosed details about the tragedy from the company’s point of view. The move was widely seen as a stroke of genius, and even more widely copied.

Writing a press release gave Lee and his client the ability to influence the media before journalists were able to gather facts from elsewhere. Without the Internet or Twitter, this effectively allowed them to control the story. Soon after, Lee was hired full time by Pennsylvania Railroad, making him what his personal archives described as “the first VP-level corporate public relations person.”

On the heels of the Ludlow Massacre, Lee was brought in by the Rockefellers to help “manage” the public fury. His first act was to travel to Colorado and speak directly to the people there to understand the situation. Having done that, Lee reported to Rockefeller, “The people

---

\*Yes, the same one from *Monopoly!*

of this state have been led to believe by the hostile press that you and your friends are exploiting the state. From friendly sources, I gather this opinion is still widely held.”<sup>2</sup>

The fight to restore the Rockefeller reputation, however, did not start well for Lee. In late 1915, he decided to publish some pamphlets, which he titled “Facts Concerning the Struggle in Colorado for Industrial Freedom.” They contained many factual “errors” and were widely seen as propaganda. They directly led muckraking journalist Upton Sinclair (who achieved fame for his 1906 exposé of the meat-packing industry, called *The Jungle*) to brand Lee with the nickname “Poison Ivy.”

Still, Lee had a gift for the art of influence. Despite his missteps, what he did next was a PR master stroke that is still remembered nearly 100 years later. He advised Rockefeller to carry around dimes in his pocket and hand them out freely to people on the street. A dime (10 U.S. cents) adjusted for inflation was worth approximately 2 dollars by today’s standards. For Rockefeller, though, the amount of the money was unimportant.

The simple act of personal charity changed how people saw him, and how history remembered him. He transformed his legacy from a detached billionaire to an engaged, kind, and grandfatherly benefactor of society.

In 2007, PBS aired *The Rockefellers*, a documentary film about the life and times of the Rockefeller family. Despite the fact that the Rockefeller name was despised for many years, the film description noted, “Their contributions transformed America. When he died at age 86, Junior [Rockefeller’s son] left his six children and 22 grandchildren an invaluable inheritance: a name which stood not for corporate greed, but for the well-being of mankind.”

Thanks to a combination of smart PR and a later dedication from the family to making charitable donations, the Rockefeller family name eventually was no longer a symbol of greed, but rather a leading family in contributing actively to society.

## **#occupywallstreet**

Of course, that was nearly 100 years ago, and times have changed. Today we have big and powerful unions to protect workers’ rights. Our

average life expectancy has gone up by more than a decade. By law in most countries, monopolies are not allowed. The power to shape entire nations and industries no longer falls into the hands of one individual.

Almost exactly a century after the Ludlow Massacre, in September of 2011, a group of protesters organized by a Canadian activist group called Adbusters set up

**Even though today is different, some of the problems haven't changed at all.**

a demonstration in New York's Wall Street financial district. Their goal was to protest the unequal distribution of wealth, Wall Street corruption, and the link between politics and money.

Using the rallying cry "Occupy Wall Street" and Twitter hashtags of #occupywallstreet and #ows, the movement started to spread. On October 15th, a global day of solidarity was planned for 951 cities in 82 countries around the world.

It is not exactly the same as the Ludlow Massacre. Though there were moments of violence, very few people lost their lives. What is clear is that the gulf between corporations and the people has remained over the past century. Judging from recent events, it is safe to say that it has grown into a full chasm.

These two events, separated by nearly 100 years, lead to an interesting and important question. If the tension between organizations and individuals has always been present, why hasn't there been more conflict in the last century? The answer may come from turning our attention to something that has become a dirty word: propaganda.

## **The Propaganda of Revolutions**

For nearly as long as humans have recorded history, there have been examples of rulers and their governments using communications to influence or inspire their people. The ancient Romans used large public gatherings where orators would speak publicly to thousands of people about philosophy, religion, and the status and the necessity of the conquests of the Roman Empire.

Since they had no microphone, many orators would begin by learning techniques created by a man named Marcus Fabius Quintilianus

for using body gestures to signify meaning. Quintillian even wrote a widely used 12-volume textbook on rhetoric and public oration in AD 95 called *Institutio Oratoria*.

Later in history, the power of these orations would come from storytellers recording famous moments of history to retell them. One example is King Henry V's famous "once more unto the breach" call to arms for his English forces, and countless battle cries from military across the world.

It is no coincidence that many of the most recorded forms of mass communication have come from rulers of countries or leaders of military campaigns. Until very recently, the only real reason to inspire mass belief in an idea was to unite a country or band of revolutionaries to win freedom or conquer another culture. It was only in the last century that this started to shift, and the role of propaganda shifted with it.

In the 1920s, mainly to avoid being "smothered in American culture," the Canadian Radio Broadcasting Commission (CBC) began creating public broadcasting content specifically for the Canadian market. Today the CBC employs nearly 10,000 Canadians and produces original programming on news and current affairs, arts and entertainment, children's programming, and sports.

In 2010, the CBC turned to the historical subject of World War II and created a six-part series called *Love, Hate, and Propaganda* with the mission of showing the central role propaganda played in telling the people what to believe. The introduction to the series went on to describe the war in this way:

*The first modern war in which all combatants bombarded their citizens with messages . . . they employed truth, half-truths and sometimes outright lies, used powerful symbols and persuasive words to sway entire populations. . . . Every movie house, school, newspaper and radio became a forum for persuasion and manipulation.*

In one particularly telling interview published on the website for the documentary, nonfiction author Antony Beever was asked why propaganda was so important. He responded: "Hatred alone was not enough. What you had to have was a combination of hatred and fear. In a way you could say hatred was the explosive and fear was the

detonator.” Propaganda was frequently used in this way—to turn fear into action or inaction.

After World War II, there was another form of communications that was also emerging, which would do the same thing—but toward a different objective. Its birthplace was a single street in New York that would soon take on a larger-than-life role in American culture: Madison Avenue.

## **When Advertising Ruled the World**

In 1954, the Leo Burnett Advertising Agency had a challenge before them that only advertising could solve. They had been asked to create a new campaign to reinvent a brand that was launched 30 years earlier exclusively for women with the slogan “Mild as May.” Now the parent company, Philip Morris, wanted to make a change.

The early 1950s were a pivotal time for cigarette manufacturers like Philip Morris. In response to growing evidence of the health risks of smoking, they were introducing filtered cigarettes as a “healthier” alternative. The problem was that men considered filtered cigarettes unmasculine and would not buy them. So when Philip Morris approached the team at Leo Burnett, they had a very specific challenge in mind—to turn one of their most popular brands of cigarettes for women, called Marlboro, into a brand for men.

What happened next would become part of advertising history. Leo Burnett launched their new campaign by photographing men in masculine professions like sea captains, athletes, and cowboys smoking the cigarettes . . . and called them all *Marlboro Men*. It was the image of the cowboy more than any other that immediately stuck in people’s minds. Launching a nationwide search for an authentic cowboy actor, they found an actor named Darrell Winfield and cast him as the Marlboro Man—a role he would keep for the next 20 years until he retired in the 1980s.

The advertising launched in 1955, and within two years sales to men of the Marlboro brand were up 300 percent. The campaign became a textbook example of the power of advertising in the 1950s to influence public behavior and change the pop culture environment. This was only the beginning.

The 1960s were the true golden age of advertising, directly inspiring the popular television show *Mad Men*. As legendary ad man Jerry Della Famina wrote in the updated introduction to his 1970 cult-classic biography, *From Those Wonderful Folks Who Gave You Pearl Harbor*:

*The original Mad Men are all dead. Ironically, they died from consuming the products they sold with such gusto. Their lungs went from the cigarettes they were advertising—and smoked by the carton. Their livers melted from all the scotch, gin, and vodka they made famous—and the three martini lunches they enjoyed in the process.*

The upside was that this time of excess did result in many breakthrough ideas and campaigns. When *AdAge* magazine ad critic Bob Garfield rated the top 100 advertising campaigns of all time, 16 of them came from the 1960s. And many of the other campaigns on the list changed the world around them. Phil Dusenberry, former chairman of BBDO North America, worked with Ronald Reagan in 1984 to help him get reelected. California's legendary "Got Milk?" campaign inspired kids around the country to start drinking more milk. Pepsi-Cola's "Pepsi Generation" defined the attitudes of an entire decade of youth.

Indeed, the golden age of advertising lasted far longer than just the 1960s. The brands dominating that advertising landscape were the same who are around today. And the people creating those ads thrived in their creative roles. "Advertising is the most fun you can have with your clothes on," Della Famina famously quipped. Not only was it fun, but if you spent the right amount and had the right message, you could directly influence public opinion on a mass scale. Then, slowly, over the late 1990s and early 2000s, the Internet came along.

## **The Mass Perception Principle**

For the most part, there used to be a direct *relationship between the money you spent and the perception shift you could buy*. That meant if you spent a lot on buying advertising, you could pretty much shape what people thought about your brand. If you donated large amounts of money to a charity, people would assume you were a good person.

## The Mass Perception Principle

More money spent on communications = better brand perception.

Mass media allowed brands to reach lots of people, and there were only two ways that anyone might know or hear something different than what the advertising told them:

1. The media published a negative article or report.
2. Someone had a negative personal experience or heard something negative directly from someone he or she trusted.

In the first case, media could scale to reach a large group of people, but the odds were good that a brand might avoid this sort of negativity because there were still relatively few media outlets. In the second case, word of mouth required personal interaction (often face to face), so it was unlikely to travel far beyond the people directly affected and their own local personal network. Individual voices didn't scale.

Today, the world is different in three important ways:

1. **Media is now fragmented.** What used to be less than a dozen authoritative media outlets has now exploded into millions as the "long tail" of media has become the majority of what people consume. Aside from a few moments like the Olympics or the Super Bowl, there is no mass audience anymore.
2. **Competition is everywhere.** Hardly anyone owns an industry or a category anymore. And competition can come from anywhere. As we will see in Chapter 2, it is also increasingly harder to do anything that is truly unique.
3. **The truth about anything is harder to hide.** While perception was generally easy to shape through marketing, now people have more ways to share their real experiences with products and services through online reviews and publishing content online. As a result, any negativity from a single customer can influence thousands of others in the blink of an eye.

While the Internet has evened the playing field for anyone with a message to share, it has also created a vast ocean of information that never goes away.

Even if the Internet makes it harder to stand out, it is the business world that often gets blamed for the modern believability crisis. As Gary Ruskin, executive director of Ralph Nader's Commercial Alert organization, once said: business may be causing "an epidemic of marketing-related diseases" from smoking and gambling to obesity or diabetes. It is an ugly picture.

When Superman tried to save the world, he was always fighting against an identifiable foe—Lex Luthor. If consumers today were superheroes, it often seems that business and capitalism has become the evil villains they must rise up against.

## **Marketing as the Bad Guy**

Every movie needs a bad guy. The bad guys ignore social norms. They mistreat the good guys. And they always have ulterior motives to take over the world or make lots of money. Since Rockefeller's time, marketing has been going through a PR crisis of its own. For many outside the industry, any discussion of marketing inevitably brings up discussions about deception, manipulation, exploitation, and all sorts of other evil-sounding words.

Many consumers see marketing as the enemy in their lives—a force trying to interrupt and sell them something by playing on their fears, insecurities, or aspirations.

The corruptive force of marketing is one that branding consultant Martin Lindstrom has spent his career studying and writing about. One of the few people who could be described simultaneously as a consumer advocate *and* a branding consultant, he has published several books written from the perspective of an insider looking at how brands manipulate their customers.

In his popular new book *Brandwashed*, he pulls back the curtain to look at the modern view of marketing as a source of evil:

[Marketers] know more than they ever have before about what inspires us, scares us, soothes us, seduces us. What alleviates our guilt or makes us feel less alone, more connected to the

scattered human tribe. What makes us feel more confident, more beloved, more secure, more nostalgic, more spiritually fulfilled. And they know far more about how to use all this information to obscure the truth, manipulate our minds, and persuade us to buy.<sup>3</sup>

And his is not the only book to portray marketers as the enemy, either. Here is just a short list of titles that have come out in the past decade, which raise similar concerns about a world dominated by marketing and communications:

- *Toxic Sludge Is Good for You: Lies, Damn Lies, and the Public Relations Industry* (John Stauber and Sheldon Rampton, 2002)
- *Consumed—How Markets Corrupt Children, Infantilize Adults, and Swallow Citizens Whole* (Benjamin R. Barber, 2007)
- *Obsessive Branding Disorder—The Illusion of Business and the Business of Illusion* (Lucas Conley, 2008)
- *Buyology—Truth and Lies about Why We Buy* (Martin Lindstrom, 2008)
- *Scroogenomics—Why You Shouldn't Buy Presents for the Holidays* (Joel Waldfogel, 2009)
- *The Buying Brain—Secrets for Selling to the Subconscious Mind* (A.K. Pradeep, 2010)
- *Deadly Spin—An Insurance Company Insider Speaks Out on How Corporate PR Is Killing Health Care and Deceiving Americans* (Wendell Potter, 2010)
- *Age of Persuasion—How Marketing Ate Our Culture* (Terry O'Reilly and Mike Tennant, 2011)

The list more than doubles when you start to include all the books that have come out over the past five years casting capitalism itself as the enemy and arguing against everything from accumulating too many things (*Stuff: Compulsive Hoarding and the Meaning of Things*, Gail Steketee, Ph.D. and Randy Frost, Ph.D., 2010) to the rise of corporate power (*Life Inc: How Corporatism Conquered the World, and How We Can Take It Back*, Douglass Rushkoff, 2009).

All of this negativity points to one undeniable conclusion: Marketing has played a central role in creating a culture where people are afraid

to trust the media around them. There is plenty of evidence that this growing distrust has already become a full-blown crisis.

## **Living in the Society of Distrust**

Almost every week, there is new research published that documents the expanding trust gap between people and the organizations that they interact with. This is not only a story about people losing trust in business, but also a growing distrust in institutions of all sorts, from the church to government.

In 2011, the 12th annual Edelman Trust Barometer Survey showed that the United States was the only country to see trust in all institutions (business, government, media, and NGOs) decline—a result that mirrored a similar drop from 2008 to 2009 during the global financial crisis. In response to the fundamental question “How much do you trust business to do what is right?” for the second straight year *less than half* the people in the United States rated companies positively.

According to other surveys, the news is even worse. A Gallup survey of confidence in institutions conducted in June of 2011<sup>4</sup> found that only 12 percent of Americans had a “great deal” or “quite a lot” of confidence in the U.S. Congress, only 19 percent in big business, and 26 percent in banks. Perhaps most surprisingly, only 48 percent (less than half) of Americans even declared having either a “great deal” or even “quite a lot” of confidence in a church or an organized religion.

This society of distrust is not only limited to the United States. The 2011 Reader’s Digest Trusted European Brands survey presented even more stark results. Based on the responses of more than 33,000 readers in 16 European countries, the survey showed that 3 out of 4 people across Europe did not trust their government, and in Romania it was as low as 6 percent. The same survey reported that advertising topped the list as the least trusted institution (appearing higher than government).

Even Asia, where historically people have been much more likely to trust in businesses and government, this crisis of believability is growing. In the same trust survey from Edelman, 60 percent of respondents from Asia-Pacific surveyed said their trust in business was less today than it was 12 months ago.

Best-selling marketing guru Seth Godin (*All Marketers Are Liars*), as well as legendary author Steven Covey (*7 Habits of Highly Effective People*) both recently used the term “low-trust world” in the titles of their new books to underscore this fact.

Before we can start to discuss how to rebuild this trust, we need to understand some of the core actions that inspire this distrust every day.

**People around the world have a lower trust in institutions of all forms than ever before. This is the modern believability crisis.**

## What Is the Believability Crisis?

The easiest targets to blame for the modern believability crisis are unscrupulous communications professionals. After all, they are often hired as surgeons of spin to expertly slice into our minds and plant ideas with specific agendas. Their expertise in influence is used to modify our behaviors and change our perceptions. A second group you might point the finger toward is greedy investment firms, banks, and companies only motivated by corporate profits. The other clear choice could be politicians more concerned about getting elected or repaying their supporters instead of doing what’s right for their respective countries.

The point is, choosing *who* to blame is not really that difficult; there are plenty of groups who rightfully belong on that list. Looking at *why* their actions have led us to where we are is a more interesting question. If we look more deeply at that question, the reasons for the modern believability crisis come down to four basic things:

1. **Real Spin and Actual Lies**—For every nutritional label that declares a product “all natural” or “heart healthy,” a consumer’s faith in the truth dies just a little bit. The first and most basic reason for distrust is because there are so many companies and people who choose to lie to us either by making misleading claims or simply by hiding the truth. Each time one of these lies erupts into a scandal, for a company or a celebrity or a politician, the public loses a small piece of their trust in the institutions around them. By far, this has been the largest contributor to the modern believability crisis.

2. **Facelessness and Corporate Speak**—We have no personal connection to messages that come from large corporate entities or institutions. As a result we are less likely to believe them. The language they use is corporate and inhuman. Their policies are based on stupidity or greed. In my first book, *Personality Not Included*, I argued that organizations and people needed to find their humanity and personality in order to regain trust. Nearly four years later, this has become even more important. Faceless organizations and people are nearly impossible to like or believe in.
3. **Volume**—There are so many messages that most consumers are bombarded with each day that we are all conditioned to automatically distrust everything as a defense mechanism. Marketing firm Yankelovich estimates that consumers today encounter from 3,500 to 5,000 marketing messages per day, vs. 500 to 2,000 in the 1970s. When the volume increases exponentially, we all have no choice but to start in a default state of distrust. You have to *earn* our trust first, with no benefit of the doubt. This is a big fundamental shift that has contributed to a basic level of distrust in society.
4. **Consumer Protection**—There are many government agencies and third-party groups who have dedicated themselves to some form of “consumer protection.” Typically, a key part of this involves educating consumers to be more savvy. Ironically, this education can also lead consumers to automatically distrust organizations because it reminds them of how many of the messages they see around them are designed to manipulate them in some way, and encourages them to be suspicious of everything.

We live in a society where trust is at a premium and harder to earn than ever before. That’s why it is a crisis. The good news is this doesn’t have to be a crisis without a solution.

## **Solving the Believability Crisis**

A world where it is harder for any of us to trust the organizations that factor into our lives is a world that is broken. For businesses to succeed, economies to rebound, and people to live happier lives, we need to change this society of distrust. We need to fix the modern believability crisis.

Contrary to how it may seem, this is not just a corporate problem to fix. It cannot be us versus them. Dale Carnegie influenced so many people to reshape their views of the world and improve themselves because his books and training courses focused on the intersection of business and life.

There has never been a more important time to focus on this intersection. If we could create more human companies, demand more human politicians and reward the most human ideas, we could start to fix this crisis.

**When people change, governments, companies, and institutions change with them.**

No matter if you are an entrepreneur, employee, leader, neighbor or community member—the real question is how can you build more believable relationships in an era of distrust?

We see the problem clearly. Now in Chapter 2, we will focus on answering this question, starting with how to navigate something I call the “likeability gap.”

## CHAPTER 1 IN 60 SECONDS

### #BELIEVABILITY CRISIS #LIKEONOMICS

- For all history, rulers and government have used communications to influence people.
- In the golden age of advertising, Madison Avenue made propaganda more commonplace.
- The “mass perception principle” meant that more money = better perception.
- Business and capitalism were seen as the bad guys trying to corrupt us.
- As a result, trust in all institutions has reached an all-time low.
- The modern believability crisis means people are less likely to trust anyone or anything.
- This distrust is fueled by four factors: actual lies, facelessness, volume, and consumer protection.
- We must fix this for businesses to succeed, economies to rebound, and people to live happier lives.
- When people change, companies and governments change with them.

*(continued)*

*(continued)*

**Key Takeaway:** We are living in a society of distrust where the *modern believability crisis* makes it harder to influence anyone to do anything. In order for businesses to succeed, economies to rebound, and people to build more trusted relationships, this is a crisis that we need to solve immediately.