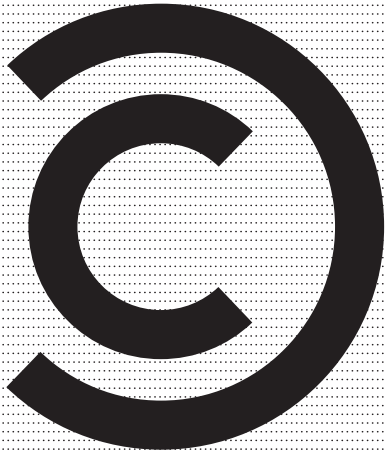


# CONVERSATIONAL CAPITAL

*How to Create Stuff People Love to Talk About*







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**“MY NAME IS SJOERD KOOPMAN AND I AM MANAGING DIRECTOR OF INTELLECTUAL CAPITAL PROJECTS FOR SID LEE. THE MOST PROMINENT OF THESE PROJECTS IS THE RECENT CREATION OF A BOOK ENTITLED “CONVERSATIONAL CAPITAL: HOW TO CREATE STUFF PEOPLE LOVE TO TALK ABOUT.”**

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Authored by Bertrand Cesvet with Tony Babinski & Eric Alper, the book runs counter to the critical mass of marketing literature. It speaks not of how word-of-mouth is transmitted, but of how it can be created to begin with.

Conversational Capital is a far-reaching philosophy that redefines our collective understanding of consumption as more than an empty or hollow experience. Conversational Capital compels marketers and consumers alike to see consumption as an identity-shaping process; a process that is a natural outgrowth of our innate human desire to discover, be stimulated, and indeed to talk.

Creating consumption experiences that shape identity, and by extension, spark conversations

demands that they be charged with meaning and intensity. This Conversational Capital abstract explains how to make that happen.

Those interested in learning more about Conversational Capital are invited to engage the authors in their very own one-on-one conversation in the Conversations section of <http://www.conversationalcapital.com>.

The book can be purchased in retail stores and online booksellers across North America and the UK including: Amazon, Barnes and Noble, Borders, Chapters, FT Press, Indigo, Target, Waterstones, WH Smith.

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**QUESTIONS CAN BE DIRECTED TO**

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A photograph of two men in a meeting. The man on the left is in the foreground, slightly out of focus, wearing a light blue shirt and looking towards the right. The man on the right is in the background, wearing a white shirt and a black baseball cap with a gold logo, looking towards the left. The background is a bright, out-of-focus office space.

**CONVERSATIONAL  
CAPITAL  
EXPLAINED**

# *intro- duction*

It is a notion so entrenched, that by now it has almost become a truism. Word-of-mouth has become the communication lever for product manufacturers and marketers, creators of what we call “consumer experiences.” Peer-to-peer communication can kill innovative design, turn accepted pricing wisdom on its head, and neuter multi-million dollar advertising campaigns. Its growing influence is being felt throughout the economic sphere, and beyond.

While most of us understand the vehicles through which word-of-mouth spreads, its power and origins remain mysterious and impossible to control. But are they really?

In order to understand why certain products and experiences enjoy positive word-of-mouth we focused our attention on what consumers talk about. As we interviewed consumers on the street, attended focus groups and experienced firsthand conversations with anyone that crossed our path, we came to realize that consumers often tell the tales of their consumption experiences to affirm their social identity. For example, in order to signal their social stature, more and more newly affluent tell detailed descriptions of their latest vacations. We realized that for many consumers, in addition to the immediate and obvious benefit derived from consumption experiences (e.g. “I went to Tuscany to relax”), they were reaping a second, and perhaps more important form of residual identity-shaping value: Conversational Capital (i.e. “I went

to Tuscany, therefore I will be perceived as a sophisticated global traveler”). Following this logic, consumers collect and use consumption experiences, good and bad, not merely as the components of conversation, but as assets that shape their identities.

In other words, they have a vested interest in talking about consumer experiences with their peers.

Recognizing the importance of the residual value of consumer experiences, we worked to deconstruct the components of conversations related to consumer experiences.

What we discovered was that, almost invariably, what was being discussed fell into eight categories or, as we term them, engines: Rituals, Exclusive Product Offering (EPO), Myths, Relevant Sensory Oddity (RSO), Icons, Tribalism, Endorsement and Continuity. In experiences where consumers recognized these so-called engines, the saliency (significance) and resonance of their consumption experiences increased, thus rendering those very experiences worthy of talk. The outgrowth of this realization is unsurprising; for consumption experiences to be used as identity markers, they have to be meaningful for consumers.

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*Consumers are looking for*

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# EXPERIENCES

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The title of a recent study conducted by researchers at the London School of Economics puts it succinctly: “Advocacy Drives Growth.” The findings of the study, conducted in the UK, have universal implications. They reveal that consumer advocacy—namely positive word-of-mouth—predicted sales growth for retail banks, car manufacturers, mobile phone networks and supermarkets. The study also indicated that companies with greater degrees of advocacy grew faster than their competitors—and generated greater sales.<sup>1</sup>

This begs a fundamental question for creators of consumer experiences: if advocacy drives growth, what drives advocacy? The short answer is that advocacy is a product of meaningful interaction. Consumers tend to become advocates when their consumption experiences are high in saliency and meaning. For marketers this indicates the necessity not only of communicating an experience’s intended meaning, but also of actualizing that meaning at as many touch points as possible. Then and only then will the intended market enjoy the experience and share that enthusiasm with peers.

This insight is crucial, particularly in an era marked by increasing consumer sophistication. As consumers grow more sophisticated—two important phenomena are emerging:

- 1. Satisfaction has become a mere “green fee.” Consumers expect to be satisfied. For advocacy to occur, consumer experiences must transcend satisfaction and enter the realm of emotions and personal significance.***
- 2. Consumers have begun to crave more than transactionality—they are seeking experiences that leave them changed and enriched with the stuff of stories.***

This heralds a fundamental and intimidating shift in marketing orientations, as everyone around us senses that we’ve entered a new marketing era, but no one knows what it looks like and what it will lead to. Conversational Capital is thus a vision for what this next stage heralds.

<sup>1</sup> Marsden, P., Samson, A. and Upton, N. “Advocacy Drives Growth.” Brand Strategy. Nov./Dec. 2005.

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*Why saliency drives*

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# CONVERSATIONAL CAPITAL

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The creators of consumer experiences have forgotten that what they are designing, manufacturing and promoting are just that: experiences. Born of decades of mass production and mass-marketing, this enduring failure to recognize the importance of experiences in consumption has created a void that has rendered too many aspects of the consumer relationship with products and services essentially meaningless. In a Harvard Business Review piece entitled “Understanding Customer Experience,” Christopher Meyer and André Schwager express this very clearly: “[The- re] is too often a split between what marketing promises, and the brand. ‘Customer experience’ encompasses every aspect of a company’s offering—the quality of customer care, of course, but also advertising, packaging, product and service features, ease of use, and reliability.”<sup>2</sup>

Conversational Capital seeks to repair this disconnect by maximizing the potential for saliency within consumer experiences. The result is a three-step process whose effect on the bottom line should be clear to any marketer:

- 1. Salient consumer experiences are more likely to have an identity-shaping residual value we call Conversational Capital.***
- 2. Conversational Capital fuels positive word-of-mouth.***
- 3. Positive word-of-mouth allows marketers to reduce marketing and promotional costs while driving growth.***

<sup>2</sup> Meyer, C. and Schwager, A. “Understanding Customer Experience.” Harvard Business Review. Cambridge, MA. February 1, 2007.

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*The Eight Engines of*

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# CONVERSATIONAL CAPITAL

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**BY STUDYING WORD-OF-MOUTH SUCCESS STORIES  
WE HAVE IDENTIFIED EIGHT POWERFUL ENGINES  
OF CONVERSATIONAL CAPITAL, WHICH CAN BE  
UNDERSTOOD AS WORD-OF-MOUTH TRIGGERS.**

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**1.  
*Rituals***

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Rituals are an essential part of how human beings create and formalize meaning. The presence of ritual marks out an experience as deeper in meaning—a phenomenon that is true for consumer experiences as well. Consider an interaction with greeters at Wal-Mart, or the act of placing a lime wedge into a bottle of Corona beer. These small rituals make the experiences of discount shopping or drinking beer feel slightly more exalted.

There is a special subset of ritual that occurs so often that we would like to draw special attention to it. We term it Initiation.

Before every Cirque du Soleil show, clowns interact with the crowd as they take their seats, turning innocent audience members into potential comic victims. Espresso connoisseurs finesse the intricacies of their machines to extract the perfect demitasse, crowned by the glory of rich cream foam. All of these are initiations; rites of passage that serve as transitions from the banal and everyday into the meaningful. When consumer experiences include rites of initiation, they become more memorable because they are existentially richer.

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**2.  
*Exclusive Product Offering  
(EPO)***

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In an era of growing customization, opportunities to own something exclusive are increasing every day. adidas offers shoppers the opportunity to fashion their own pair of shoes in the “mi Originals” section of its heritage stores. At Build-A-Bear Workshop, customers can create a lovable friend on-the-spot from a virtually limitless array of combinations. Human beings love to feel unique, and to assert their individuality. The presence of EPO in an experience means that, in a world of six billion people, they can.

Over Delivery is another facet of EPO. The act of Over Delivery signifies that an experience transcends simple customer satisfaction, making that experience all the more unique. Consider Volvo’s overarching emphasis on safety, or adidas’ Over Delivery on originality by offering 2,400 shoe varieties in its heritage line.

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### 3. **Myths**

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Myths are the narratives that become part of the very fabric of a consumption experience because they provide important clues as to the fundamental meaning of that experience. Michael Dell working out of his college dorm, the stunts and schemes carried out by Richard Branson, Keith Kellogg trying to improve hospital patients' diets—these are now part of the folklore that tells consumers what Dell, Virgin and Kellogg's stand for, and why that should matter.

### 4. **Relevant Sensory Oddity (RSO)**

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Method cleaning product packages look more like sculpted works of art than packaging. Flower vases in certain hotels designed by Philippe Starck are so large they seem to defy visual perspective. Flight Attendants in Air France's L'Espac Première don't all wear the same perfume—but what if they did? When our senses are presented with something extraordinary, we recognize an experience as special, and are subsequently more inclined to talk about it.

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### 5. **Icons**

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Icons are signs and symbols that clearly demarcate a consumption experience from any other. These triggers can range from design features like the three trademark stripes on adidas sneakers to familiar logos and product symbols like Mr. Clean or the Pillsbury Dough Boy. They can include familiar and distinguishing packaging features like the Coke bottle, and even structures like Cirque du Soleil's familiar blue and yellow big top. Meaningful associations transform signs and symbols from mere product identifiers into components of identity-shaping experiences.

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### 6. **Tribalism**

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Mac users have always thought of themselves as a band apart. Wisely, Apple has facilitated their desire to gather together as members of their own tribe. This has helped to create one of the most loyal and vocally supportive user groups on the planet. And it works because the desire to gather into tribes is fundamental to human nature. We like to associate with like-minded people, or simply to be close to people we find interesting. Being part of a group that we feel is worth belonging to helps us to make more sense of our lives because affiliation confirms our sense of identity.

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### 7. **Endorsement**

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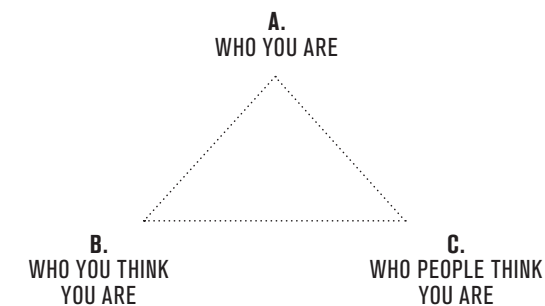
Endorsement is not merely about a celebrity lending his or her name to your product or experience (though under the right circumstances, it can be). Rather, endorsement happens when someone credible speaks up for you. If a trusted authority praises you in a spontaneous and genuine manner, it can have enormous impact because it confirms the relevance of your consumption experience.

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### 8. **Continuity**

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One's reputation is the result of the relative proximity of three factors to one another.



The closer these three factors are to one another—the more continuous and integrated—the more likely a brand is to enjoy cascading word-of-mouth. The farther apart they are, the more likely one's reputation is to suffer.

Conversational Capital hinges on the integrity and continuity of image and experience. Word-of-mouth success is the result of effective communications, the inherent value of an experience, and consumer advocacy.

This last point is tremendously important. We began this manifesto by claiming that Conversational Capital could very well change the way consumer experiences are marketed. This is because we believe that much of today's marketing practice is still hindered by a mass-marketing paradigm that doesn't take into account the bedrock importance of Continuity.

Our mantra is deeply rooted. We cannot over-emphasize that for discontinuous experiences (experiences that fail to deliver on what they promise), satisfaction is an unlikely goal, much less advocacy. Despite this understanding, marketers continue to concentrate their efforts on above-the-line efforts that are disconnected from the rest of consumer experience. More recently, the new breed of "experience marketers" has repeated the same mistake. The results are often hollow stunt or, at best, buzz.

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*Implementing*

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# CONVERSATIONAL CAPITAL

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**WE BELIEVE THAT DESIGNERS OF CONSUMER PRODUCTS AND SERVICES CAN INFLUENCE WORD-OF-MOUTH BY ENGINEERING THE PRESENCE OF THE EIGHT ENGINES IN THEIR EXPERIENCES. CRAFTING HIGHLY SALIENT CONSUMER EXPERIENCES REQUIRES A DELICATE BALANCE OF STRATEGIC ANALYSIS, INSIGHT AND CREATIVITY. HERE'S AN OVERVIEW OF THE APPROACH WE USE TO MAXIMIZE THE CONVERSATIONAL CAPITAL OF BRAND & THEIR OFFERINGS.**

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## GETTING READY

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1.  
***Assemble the Right Team***

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Implementation must be a group effort, embracing a diversity of talent and perspective, accompanied by extensive analytical ability and real debate. Implementing Conversational Capital requires work-hopping and prototyping—ideally the province of groups and teams.

2.  
***Carry out a Conversational Capital Audit***

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The Conversational Capital Audit allows organizations to determine where they stand in terms of client satisfaction and word-of-mouth. Audits are about mining internal and external information to build an understanding of where the company succeeds or fails.

We begin by asking very basic questions about consumer satisfaction, both within organizations and among consumers:

- ***Are customers satisfied with this product or experience?***
- ***Are they compelled to talk about it?***
- ***Would they talk about it if asked?***
- ***Would they talk about it if unsolicited?***

Audits are essentially a way of testing experiences for their residual value. Essentially, Conversational Capital increases this value by providing consumers stories to enjoy and employ long after the immediate experience of a product or service is over.

The project team can subsequently begin studying the experiential dimensions of their product or service. These consist of the consumer path, the sensory experience, form, function and flow, problem points and the resulting story.

Once the audit is completed, development teams will have to synthesize their learnings into a handful of actionable insights that form the basis for the creation of Conversational Capital.

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## GETTING TO WORK

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Equipped with the learning and insights from the preparatory phase, the project team can begin designing the consumer experience. This is a five-stage process that is continuous rather than iterative.

### 1. *Get the Story Straight*

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Stories form the atomic centre of Conversational Capital. Each of the examples we've cited is informed by a central narrative: what we call the "metastory." The Apple experience tells a story about innovation, individuality and freedom. Cirque du Soleil tells a story about human potential, youth, excitement and optimism. The adidas story is about technical excellence, the triumph of the human spirit and international unity.

In this respect, leading brands are like outstanding individuals: they own their story like no one else. It's what sets them apart and draws people to them. In creating and recreating your story, it is helpful to think of your "metastory" as the overarching notion that makes your experience meaningful and sets it apart.

The degree to which an organization will have to dig to find its story will depend on where it stands in terms of consumer satisfaction and experience saliency. The engines of Conversational Capital are there to help them through the process.

### 2. *Manipulate the Engines*

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Using your story as a guide, carry out a series of creative workshops around the eight engines. For example, a team working on engineering Conversational Capital may be seeking to create RSO in a store. Like Abercrombie & Fitch, they may come up with the idea of having very loud electronic music, a unique scent and dark club-like lighting. A team working on a soft drink may come up with the idea, like Corona, of placing a slice of lime into the bottle as a ritual. The same team may find a way of making their packaging iconic by using a transparent bottle rather than standard green or amber glass. By brainstorming around the eight engines, the team will create a very large set of options that, when strategically selected, form the basis for a rich and meaningful experience.

### 3. *Package The Ideas*

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Packaging an idea means giving it flesh—putting it into a physical form that will make it easy for everyone to understand. Doing so involves taking an idea out of the abstract, ineffable world of thought and expressing it in such a way that even the least sophisticated will grasp it.

That physical form can be anything. It can range from a script, layout or video to a complete architectural maquette. However complex an idea, it must be simple and comprehensive, graspable by both the left and right brain.

### 4. *Prototype the Experience*

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The prototyping phase begins with a brief to everyone who will be needed to carry the project forward. The brief will allow writers, industrial designers, architects, marketers, public relations professionals and anyone else possibly involved in the project to share an understanding and speak the same language. It allows for a supreme level of cohesion.

The goal is to arrive at a working prototype of the experience by approximating reality as intimately as possible so that all parties can proceed to the next stage: monitoring.

### 5. *Monitor and Adjust*

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Readers may have noted that, up until this point, Conversational Capital has not relied on traditional forms of consumer research such as focus groups, surveys or beta-testing. Nevertheless, consumer interaction is essential, and this is where it comes in.

Once a working prototype has been created, consumers must be allowed to use it and provide feedback. This is an important distinction, in that most marketing research compels us to test before the experience exists in the 3-D world. And yet most people aren't that imaginative in the 2-D world of paper, forums or online forms.

Monitoring will allow all involved to see how well they have done in terms of creating saliency and satisfaction. If they have fallen short in any area, this is an opportunity to repair and adjust, using the eight engines as a guide and measuring stick. If an outstanding reaction has been provoked, the monitoring process can be used to spot opportunities for improvement.

Conversational Capital challenges us to consider that the business of creating and marketing products isn't a simple matter of routine, faceless consumption and easy categorization. Rather, it is part of a storytelling continuum in which consumers are asking us to become their partners in self-affirmation. It thus moves us out of the sphere of mere economics and into the formation of culture itself. That's a big responsibility; one which could be infinitely rewarding should we choose to accept it. Because the end result is a world richer in meaning, charged with saliency and driven by the unfettered power of creativity.

A photograph of two men sitting at a table in what appears to be a cafe or office setting. The man on the left is in the foreground, looking down with a serious expression. The man on the right is wearing a dark cap and a light-colored shirt, looking towards the first man. The background is blurred, showing other people and interior lights. The text 'THE INTERVIEW' is overlaid in the lower right quadrant.

**THE  
INTERVIEW**

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**THIS INTERVIEW TOOK PLACE IN JUNE 2008  
WITH SJOERD KOOPMAN AS MODERATOR.**

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***BC:*** Bertrand Cesvet  
***TB:*** Tony Babinski  
***EA:*** Eric Alper

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***Tell me what the central message of the book is.***

**BC:** The central message of Conversational Capital is essentially that the world needs more intense and meaningful consumption experiences, and critically, that there is a means by which to design these very sorts of experiences that translate into a clear payoff—positive word-of-mouth.

I feel that the subtitle of the book, “How to Create Stuff People Love to Talk About,” is very much a good encapsulation of the topic. We go beyond the well-treaded territory of speaking of how word-of-mouth is transmitted to exploring its origins. Ultimately that lays a clear path to designing and engineering word-of-mouth into consumption experiences to begin with.

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***How do you see the book or subject evolving?***

**EA:** Conversational Capital will affect change not just in marketing departments, but across business units—across human resources, research and development, and operations. If it is to be impactful, Conversational Capital must transform the way we go about designing products and experiences because when our collective mission becomes rooted in giving people something to talk about, our behavior across organizations must change; not just the message(s). In other words, we have to walk the talk.

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***You certainly seem to understand how this book has impacted your own organization. How do you expect it to challenge those of other organization?***

**BC:** I expect and, indeed, I hope that Conversational Capital will challenge some long-held assumptions about what we do and why we do it. For example—I hope we challenge the belief that marketers are seeking to create satisfaction.

One of the key premises of the book is that product and experience design is fundamentally short-sighted in its mission. Many people design consumption experiences with the notion that consumers should be satisfied. We contend that customer satisfaction is merely baseline; it is about meeting consumers’ expectations and doesn’t provide fuel for conversations. Thus the claim is that to give rise to word-of-mouth, we should design experiences that provide the artifacts necessary for advocacy in the form of positive word-of-mouth. That’s a paradigm-shift from either of the dominant perspectives that underlie product design, namely a focus on engineering or operations.

Of course this premise may seem abstract—it is best illustrated with a practical example:

Pretend you operate an airline and you’re designing a product; a service. Let’s call it an economy-class seat from New York to San Francisco. Right now you’re really concerned about what happens during the six hours of that flight—is the plane clean; are the passengers fed and watered?

What Conversational Capital implores you to do is design the experience not simply for the six hours that a passenger is going to spend in that seat, but also design it for its residual value; for the stories that are going to come out of that flight.

These stories are important to making your brand worth choosing. The storytelling required to give rise to these stories is a creative endeavor.

So, to other organizations, I think the primary challenge is to become creative, to become conceptual and most of all to become holistic about how we think about experiences before they even begin and after they end so that we give consumers something to talk about.

**TB:** I think that if an organization takes it seriously, Conversational Capital is going to lead them to question how they bring products to market in the first place. I think often products or services are developed out of expediency or convenience or in order to take advantage of certain changes in the market without really thinking about whom the products are for or what they are supposed to mean, much less what the shelf-life of the product is. In other words, in our consumer society I would say that the bulk of products are fundamentally soulless. And the products we celebrate in this book are soulful, they are full of meaning, charged with the personal stake of the people who’ve invented and developed them and that is why consumers connect with them.

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***Do you feel that Conversational Capital can have implications outside the marketing world?***

**TB:** I think that Conversational Capital can have a tremendous cultural impact because Conversational Capital proposes that consumption isn't an empty experience—that, in fact, consumption of products and ideas is a fundamental human activity. And yet, society at large doesn't seem to recognize that. We lament conspicuous consumption and over-consumption. We tend to think of consumption as the enemy. And while I can understand where that comes from, the reality is that consumption has become an identity-defining process. It is something we take for granted as being a natural outcome of the freedom we enjoy—to choose.

Conversational Capital has the power to catalyze political movements; fuel the spread of ideas; transform our communities, and make us, as individuals, more compelling and interesting. It is a clarion call to the necessity of playing freely with our collective imagination and creativity in the realm of business and beyond.

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***The process of committing words to paper is one that opens your thoughts to criticism. Are you expecting any particular commentary from the public? If so, what?***

**BC:** You're absolutely right; to me the process of committing ones' thoughts to paper is a challenging process. It's one thing to think of something and keep it to yourself—it's quite another to share your thinking with the world.

Exposing your thinking involves an inherent element of risk; risk that people will challenge your thinking. Fortunately, we're pretty open people and we recognize that committing our thoughts to paper is an open invitation for readers to participate, and, by extension, challenge and augment our thinking.

We recognize, too, that this isn't a book for everyone. In writing Conversational Capital, we have encapsulated a process that underlies what had previously been an organic phenomenon. The process we refer to is as much art as it is science. So if the reader opens the book with the expectation that they will be reading a 12-step recipe to success or that it is the product of a group of study-obsessed academics, they might be disappointed. But ultimately, we wrote a book that we meant to get read—that means that we welcome all the feedback that comes with making our thinking public.

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**EA:** In terms of whether I expect the public to challenge the ideas in this book, I think that is something that we fundamentally invite. The title of the book, to restate the obvious, is Conversational Capital. What we expect to come out of it, is a conversation.

We wrote this book as a conversation between ourselves; as three guys sitting on a couch debating with the constant participation of members of our organization. We challenged each other, we had other people challenge us. And that is my expectation, that this book evolves into a conversation, where others influence the idea as much as we have. Ultimately, I hope that it becomes a conversation on what we can do to affect consumerism and consumer experiences in meaningful ways and I think that's a healthy conversation to have.

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***Can you tell us how you see that conversation taking place?***

**BC:** I think that's going to happen in other people's organizations. I think that's going to happen in any media in which people feel welcome to interact with us. Our view is that we need to be generous in terms of fueling the conversation. And our view too is that the examples that we bring to the table should interest people. If that proves to be the case, we invite them to challenge

our own thinking. We invite them to participate and add to this philosophy. The conversation in our view will take place online, in print, in any media that is interactive. And indeed, at [conversationalcapital.com](http://conversationalcapital.com).

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***SID LEE has a deep well of creative and strategic resources to draw from. How do people who want to embrace the ideal of Conversational Capital but don't have deep creative pockets, go about doing so?***

**TB:** I think that an organization's ability to leverage Conversational Capital will depend very much on the organization itself. Some organizations that are, let's say, entrepreneurial in scope—that are driven by a single vision, may already be very rich in the engines of Conversational Capital and find it very easy to leverage the insights in our book because they have unconsciously lived by them. For organizations that are larger, more hierarchical and more mainstream, the challenge might be more difficult.

However, I think that the eight engines of Conversational Capital are very clearly demarcated. It is pretty easy to know what they are about. Conversational Capital is, in essence, a way of looking at things that is story-based. Every or-



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# **THE AUTHORS**

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## Bertrand CESVET

*Chairman & Chief Strategist*

**SID LEE**

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**BERTRAND CESVET IS CHAIRMAN AND CHIEF STRATEGIST OF MONTRÉAL-BASED CREATIVE HOTBED SID LEE. OVER THE PAST 10 YEARS, HE HAS HELPED TRANSFORM A SMALL, BUT PROMISING CREATIVE SHOP INTO A LEADING PURVEYOR OF EXPERIENTIAL DESIGN & COMMUNICATION SERVICES FOR BREAKTHROUGH BRANDS. IN DOING SO, HE HAS EARNED THE EAR OF MANY A C-SUITE EXECUTIVE WHO VALUES THE DISRUPTIVE INSIGHTS HE INJECTS INTO THEIR BUSINESSES.**

### *Bertrand's Story*

For someone who now defines himself at the intersection of creative and analytical thought, the road for Mr. Cesvet hasn't always been clear. As a student at McGill University, Bertrand obtained an Honors degree in Economics. His creative side was present even then as he pursued, unbeknownst to his parents, a second major in Art History. Immediately after the completion of his undergraduate studies, Cesvet was offered a place in McGill's MBA program, a path that later led to the launch of his career in the realm of strategy consulting.

At Mercer Management Consulting (later Oliver Wyman), Bertrand Cesvet developed a reputation as a rigorous and analytical strategist who formed disruptively elegant business interventions; Bertrand became known for his creativity. But alas, creativity and strategy consulting made strange bedfellows and when the opportunity arose to embrace life in more creative strategic pursuits, Bertrand Cesvet took it.

Bertrand's arrival at SID LEE, then a nascent enterprise trying to exist as a communications firm, signaled the arrival of strategic thinking to the upstart operation. The first realization of his team centered around the potential of interactive marketing. Among the young leader's intellectual realizations was to include the planning discipline within the realm of interactive marketing. The first keynote client to prove the case was Cirque du Soleil—a relationship that was as formative then as it is today.

The timing however, of SID LEE's big foray into the Internet age was by most measures sub-

prime. The dot com implosion thrust the firm directly into the maelstrom of instability surrounding interactive marketing. In a matter of days, Cesvet and his partners were forced to lay off half of the company's workforce, and indeed, sustain themselves without pay. Thankfully, sound leadership, a committed team and the enduring loyalty of a handful of clients helped SID LEE weather the storm.

Emerging from that struggle was a lean firm focused on what was then termed "integrated" communication. This was Cesvet's early vision for the firm—to develop a consistent strategy around marketing interventions, regardless of whether they flexed interactive, design or advertising disciplines.

And so it continued, the firm resurgent, gaining momentum and worldwide respect. Then something happened that proved the harbinger of a second tipping point for Cesvet and his partners. It occurred on a walk around Lake Léman in Switzerland accompanied by Bertrand's close friend and associate, François Lacoursière. Surrounded by Geneva's splendor, Cesvet posed a question that led to an epiphany—he wondered why "some people talk more about some destinations than others." From that simple inquiry began a three-year effort to understand the antecedents of word-of-mouth. Armed with extensive research, a wealth of practical experience with the world's leading brands and a team of partners who challenged his ideas and injected their own, Bertrand Cesvet presented a philosophy he termed Conversational Capital.

The essence of that notion was that word-of-mouth was an invaluable currency that could not only be managed, but indeed built into branded experiences, destinations, objects and indeed, personalities. From that idea and its components emerged a treatise that taught marketers and leaders everywhere how to create stuff people love to talk about.

It was a philosophy that fundamentally transformed the mission of SID LEE—repurposing the firm as a leading purveyor of experiential design & communication services for breakthrough brands—brands that now include adidas, Cirque du Soleil, Red Bull, and MGM Mirage.

Mr. Cesvet lives in Montréal with his wife Josée and their two daughters, Gabrielle and Emma. An avid gourmet, global nomad and music aficionado, Bertrand Cesvet is nothing if not eclectic.



## Tony **BABINSKI**

*Creative Director*

**SID LEE**

FOR AS LONG AS HE CAN REMEMBER, TONY BABINSKI WANTED TO BE A WRITER. HE SUSPECTS THAT THIS DESIRE SPANG FROM THE PROFOUND SENSE THAT THE BOOKS, STORIES AND FILMS HE PLUNGED INTO FROM EARLIEST MEMORY REVEALED A HIGHER ORDER OF REALITY—AND THAT THE ACT OF WRITING WOULD CONNECT HIM TO THAT DELICIOUS, DANGEROUS, AND ELECTRIFYING SOURCE. HOW IN THE WORLD DID HE END UP IN ADVERTISING?

Subsequent encounters with MGM musicals, *The British Invasion*, *Buster Keaton*, and *Orson Welles* further convinced him that music, comedy and film were tributaries of the same spring, and so, after following the conventional path that leads one to a B.A. in English at McGill University in 1985, he started his career in the film business, as a Production Assistant, and later, Location Manager.

Film production at its best is rigorous, and military in its efficiency. From that early start Tony developed a down-to-earth problem-solving approach to work and (he hopes) life. However, exploring Montréal's nooks and crannies, negotiating and drawing up location contracts, while more fun than you might imagine, wasn't writing, and Tony wanted to write for a living. Opportunity lay in public relations, and, later, advertising. When Tony discovered, to his surprise, that copywriters work with musicians and directors, and direct actors themselves from time-to-time, he realized that advertising dovetailed with his filmic ambitions, so he stuck with it.

Ever the restless entrepreneurial soul, Tony worked mostly as a freelancer, and briefly co-owned an agency of his own called H3B, which operated for five years. At the same time, he became a writer, scorer and producer of award-winning experimental short films, and eventually a bona fide scriptwriter (with four feature film

screenplays and two television documentaries under his belt).

Tony became part of SID LEE in 2000, when he joined the team that pitched and won the *Cirque du Soleil* account. Tony's experience on the business led him to write the official history of *Cirque du Soleil*, "*Cirque du Soleil: 20 Years Under the Sun*."

During his longish career, Tony was nagged by a sense that his work in advertising did not allow him to fully leverage the broader skills required to write in long form. All of this changed when SID LEE began to work in more experiential disciplines. He also began to develop a portfolio as a director of online and other longer form projects. More recently, he has become a creator of live shows. He welcomes *Conversational Capital* as an opportunity to carry the discipline of storytelling even further.

Today, Tony sits as comfortably as a restless creative can in his role as Creative Director at SID LEE. He still writes music and screenplays. Oh yes, and as of 2008 he has been married for 20 years. His wife and three children don't seem to mind that he often walks around in a distracted state, talking and humming to himself (in both English and French, naturally, since he is a Montréaler by birth and inclination).



## Eric **ALPER**

*Lead Strategist*

**SID LEE**

ERIC ALPER, 22, FIRST CAME TO SID LEE AS AN INCESSANT THORN IN BERTRAND CESVET'S SIDE, REFUSING TO LEAVE WITHOUT A JOB IN HAND. SIMULTANEOUSLY ANNOYED AND AMUSED, MR. CESVET DECIDED TO GIVE THE PERSISTENT YOUNG CHARGE A TRY. AND SO IT WAS THAT A FRUITFUL COLLABORATION WAS BORN.

At SID LEE, Eric serves as a Lead Strategist for projects addressing marketing communications, retail, hospitality, and experiential design. He brings to these pursuits a rigorous, insight-based approach to crafting resonant consumer experiences that is realized at the interface of science and art. Eric has developed and proven his method to strategic planning with a global portfolio of clients.

Together with Bertrand Cesvet (Chairman and Chief Strategist of Sid Lee) and Tony Babinski, he has co-authored the world's first book to explain the elements necessary to developing positive word-of-mouth from the ground up. Initially, Alper was asked by Bertrand to be a key collaborator on the *Conversational Capital* project, tasked with organizing, expressing and validating the substance of their collective ideas. Through his extensive international travel, he brings with him a multitude of cultural and ideological references.

A recent graduate of McGill University, Eric has since sought to attract a global cadre of talent in the realms of strategic and creative planning, while simultaneously training those in the academic and business communities in the mechanics of building word-of-mouth directly into products, people and places.

Oddly enough, Eric is fluent in Russian, hails from Texas, and currently resides in Montréal where he has ample opportunity to practice his French.



*Another* **SID LEE** *fanzine*