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# Storytelling by the sales force and its effect on buyer-seller exchange



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#### ABSTRACT

Researchers in disciplines such as sociology, psychology, and management have widely recognized the power of stories. Storytelling research in marketing has been limited in its focus on advertising and branding. Less effort has been made to understand the role of stories in personal selling. The current study explores the role that storytelling plays in the exchange between salesperson and buyer. The authors use qualitative inquiry combined with extensive literature search to examine storytelling by salespeople. Ideas from the humanities, psychology, management, and marketing literature are juxtaposed with insights from depth interviews and field observations of 81 buyers and sellers. Based on these insights the authors identify core themes and a model for storytelling in sales, and point to managerial implications of storytelling.

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#### 1. Introduction

The power of storytelling has been widely recognized across disciplines including sociology (Polletta, Chen, Gardner, & Motes, 2011), psychology (Wyer, 1995), management (Boje, 1991; McKee, 2003), and marketing (Lowe & Hwang, 2012; Makkonen, Aarikka-Stenroos, & Olkkonen, 2012). Humans find stories compelling in a way that a simple presentation of the facts cannot match (McGregor & Holmes, 1999). Psychologists attribute a pervasive role to stories in our cognitive and social functioning (Polkinghorne, 1988; Schank, 1990). Research grounded in narrative transportation theory (Gerrig, 1993) suggests that listeners are actually transported to the world of the narrative wherein they become absorbed into the story world (Green & Brock, 2000).

To understand the power of stories, management researchers have examined the effects of storytelling in handling organizational change (Heracleous & Barrett, 2001), facilitating knowledge transfer (Connell, Klein, & Meyer, 2004), enhancing leadership (Forster et al., 1999), and promoting entrepreneurial endeavors (Lounsbury & Glynn, 2001) among others. Marketing researchers have also studied storytelling but have focused on advertising (Escalas & Stern, 2003; Mattila, 2000) or brands (Woodside, Sood, & Miller, 2008).

While this research has shed light on the importance of stories in varied contexts, it does not adequately capture the role of storytelling in the interpersonal persuasion-driven context of personal selling. Business buyers can be suspicious of salespeople and the truthfulness of persuasion messages (Kraft, DeCarlo, Poujol, & Tanner, 2012). Friestad and Wright's (1994) Persuasion Knowledge Model (PKM) suggests that knowledge of the competencies and motives of a salesperson and the persuasive message can interact to trigger consumer attitudes and coping mechanisms that guard against the persuasion attempt.

Business-to-business research has generally focused on how industrial salespeople should build rich, trusting relationships with buyers to gain benefits such as increased commitment and investment. However, others have demonstrated a potential dark-side to long-term relationships related to perceptions of persuasion. With increased encounters industrial buyers become better able to discern the persuasion tactics of the salespeople (Pillai & Sharma, 2003; Sharma, 2006). Buyers learn to recognize when the industrial salesperson is using persuasion to take advantage of a trusting relationship (Grayson & Ambler, 1999; Moorman, Zaltman, & Deshpande, 1992).

Conversely, narrative transportation theory suggests that when told a story listeners engage in a special form of processing that results in fewer counterarguments (Gerrig, 1993) and easy to remember heuristics (McGregor & Holmes, 1999). This opposes the suspicion triggered in buyers when persuasion knowledge is engaged. Considering these alternative perspectives, how do stories told by salespeople influence the exchange between buyers and sellers?

The lack of inquiry into storytelling in a selling context leaves salespeople operating in the dark when employing one of the most powerful and ubiquitous forms of human communication (McAdams, 1993; Schank, 1990). We expect that stories are used differently and understood differently in the persuasion-driven sales setting. We explore these phenomena via three research questions: 1) When salespeople

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tell stories, what are their motives for doing so? 2) What is the nature of the stories told in a sales context? 3) How do buyers respond to stories told by salespeople? The answers to these questions will provide guidance to salespeople in using stories to deliver value to buyers.

In order to address these questions, we conducted a qualitative, interpretive study involving depth interviews of salespeople, sales managers, buyers, and purchasing managers, followed by observation of salespeople calling on buyers in the field and at a trade show. The field work in turn informed a reevaluation of elements of the literature and relevant themes emerged (Homburg, Workman, & Jensen, 2000; Workman, Homburg, & Gruner, 1998).

In this paper, stories are first defined and described. Next we review prior research on stories and storytelling and relevant theoretical perspectives. The qualitative study is then described, the emergent themes expounded, and a general model for storytelling in sales proposed. The paper concludes with a discussion of contributions, limitations, and further research.

## 2. Background

#### 2.1. Definition of story

Based on Bruner (1986), Cohan and Shires (1988), Leitch (1986), and Prince (1980), we developed the following definition of story: A story is a discourse dealing with interrelated actions and consequences in chronological order. Actions and consequences may be understood as events, processes, situations, or states (Ryan, 1985).

The causal linkage of events is a defining attribute of a story. Note that the following is a disclosure or factual statement by a salesperson as he tried to explain a cleaner to a buyer, but not a story as it fails to *causally* link events:

Our newest cleaners encourage the growth of good bacteria and control odors.

However, the following example from a ride along with a salesperson is a story by our definition because it causally links the original state and final state via the intervening research and reformulation processes:

Not that long ago our commercial cleaners were formulated to kill all bacteria. But research showed that there are good bacteria that will eat bad bacteria. Our newest formula encourages the growth of these good bacteria and so it is far more effective at odor control than the harsher cleaners of the past.

Such terse stories dominate interpersonal spoken narrative (Denning, 2004); but they also exhibit a beginning, middle, and end like complex narratives (Toolan, 1988).

#### 2.2. Stories in sales and relationships

Prior research on stories has focused on how people process stories. For example, Bruner (1986) suggests that hearers extract story gists or skeletons that serve as simple and memorable frameworks around which to organize the exterior world. Gergen and Gergen (1988) indicate that buyers may mesh stories, both self-created and heard, into an amalgam of narratives through which to view the past, present, and future. Stories have been shown to be easily encoded and processed holistically rather than piecemeal as arguments are (Zukier, 1986).

Other researchers have sought to identify the consequences of stories, given the unique way in which they are processed. For instance, Pennington and Hastie (1992) showed that a narrative story sequence represents a more persuasive way to order evidence for jurors than by legal issue or by witness (i.e. lists of facts or arguments). McGregor and Holmes (1999) indicated that stories result in biased memory in favor of evidence consistent with the story, and

the gist or skeleton of the story may be used to form a heuristic. In fact many cognitive scientists say that memories are chiefly based on stories (Wyer, 1995).

In particular, analysis of storytelling in the marketing literature has sought to explain how stories work in a persuasion-based environment in research on advertising and brands. Polyorat, Alden, and Kim (2007) found that narrative print ad copy created higher ad message involvement and product evaluations than argument (also called factual or list). Mattila (2000) wrote that stories relate experiences and are thus preferable for advertising experiential services. Padgett and Allen's (1997) brand image study placed heavy emphasis on the causal aspects of stories. They postulated that stories are powerful because, "The ad demonstrates rather than explains the functional elements of the service ... (p. 57)."

Like advertising, sales is a persuasion-based marketing activity. One focus of the sales force is to use persuasion to increase customer purchases of products from the firm (Haas, Snehota, & Corsaro, 2012). Terho, Haas, Eggert, and Ulaga (2012, p. 181) assert that "credible demonstration" to "build the value story" is critical in sales communication. Haas et al. (2012) suggest that stories are also important sensemaking tools in relationships and sales. They can provide a more subtle tool for convincing customers than arguments when employing influence tactics like recommendations, promises, or ingratiation (McFarland, Challagalla, & Shervani, 2006).

The ability of stories to create mental imagery and concisely communicate information should also prove useful. Yang, Fang, Fang, and Chou (2014, p. 348) stated, "Even if information is disclosed, the recipient firm may fail to absorb if it does not share the context in which the knowledge was created." The highly memorable, context laden nature of stories provides a rich information sharing tool for salespeople to create the "shared mental models" that Yang and colleagues found necessary for the "interpretation of knowledge." Others have found information sharing important to relationship development (Claycomb & Frankwick, 2010). In discussing mutual confiding in committed relationships Stanko, Bonner, and Calantone (2007, p. 1097) said, "The tie strength and embeddedness literature emphasizes the quality of information/knowledge exchanged and used in close relationships."

Stories can facilitate the bonding that has long been thought necessary for such close relationships to flourish (Crosby, Evans, & Cowles, 1990). Researchers have shown that relationships depend on mutual disclosures for which stories are an ideal method of communication as stories are so frequently reciprocated by the listener (Ensari & Miller, 2002; Gable, Gonzaga, & Strachman, 2006; Jacobs, Evans, Kleine, & Landry, 2001). We extend this literature to consider how stories are told and processed in buyer–seller exchange.

#### 2.3. Narrative processing

In this study, we rely on tenets of narrative transportation theory to provide a foundation with which to understand how stories are processed. Aesthetically based narrative processing is more holistic in nature than the piecemeal or "logico-scientific" orientation of analytical processing (Bruner, 1986). Narrative processing allows us to make decisions in a world fraught with ambiguity, vagueness, uncertainty, and a general lack of information (Robinson & Hawpe, 1986). Zukier (1986) asserts that the analytical processing used on arguments addresses truth in terms of verifiability or falsifiability so that one false statement causes rejection of the entire argument. In contrast, narrative processing accepts bounded rationality, constructs the most plausible inferences, discounts some contradictory evidence, and produces a reduced narrative, skeleton, or gist useful in decision making and forming heuristics (Bruner, 1986; Gerrig, 1993; McGregor & Holmes, 1999).

Narrative transportation theory or NTT, states that individuals are transported to the story world and employ holistic narrative

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