Launching New Products using Storytelling as a Powerful Entrepreneurial Tool

Zixin Wang[1],[*]

[1] *Economic department, University of California, Santa Barbara, CA, 93106, United States*
[*]*Corresponding author Email: zwang600@ucsb.edu*

ABSTRACT

Most brands will introduce new products to the market. The brands need to keep up with the competition, keep up with evolving customer expectations, and preserve their attractiveness by updating and renewing their product lines. In light of the increasing usage of storytelling in the introduction of new goods by entrepreneurs, the topic of their relative efficacy is raised. Storytelling's impact on consumer attitudes and purchasing inclinations may be seen in this text's setting. Through conducting a survey, this study gets data with the experimental analysis to analyze the narratives with rational descriptions. This paper puts forward the basic strategy of storytelling, especially the content, and perspective should be included in storytelling to promote the construction of the corporate brand story.

Keywords: *Storytelling, Entrepreneurs, New Products, Brand attitudes*

1. INTRODUCTION

1.1. Research Background

Most brands will introduce new products to the market. The brands need to keep up with the competition, keep up with evolving customer expectations, and preserve their attractiveness by updating and renewing their product lines [1]. New product launch events may be held by certain companies in order to publicize their new offerings.

In order to entice customers, many successful incidents were told as stories. As a mechanism of information transmission, meaning distribution, communication, and the exercise of power or identity, narratives are now widely recognized as just that: narratives [2]. When it comes to social knowledge, Schank and Abelson say that the vast majority of it is based on "stories" that individuals create from their own personal and social experiences [3]. These tales offer the framework for processing new experiences; (b) making judgments and choices regarding the individuals, things, and events to which the stories are a reference; and (c) establishing general attitudes and beliefs about these referenced entities. "The previous kinds of literature assumed that narratives could influence people. So, will narratives in a new product launch event affect consumers' buying decisions?

Therefore, this paper will use experimental analysis to examine the relationship between customer buying decisions and narratives during the new product launch event.

1.2. Literature review

An advertising strategy known as "storytelling" or "narrative advertising" is a style of advertising that uses a story-like framework to convey the message of the brand, product, or service [4].

Using stories to communicate effectively, develop rapport, and build trust is a frequent selling technique. This best-selling story innovation gives students the tools they need to develop and share convincing tales. They'll be better prepared for life in general., whether they are marketing themselves or selling things or services [5].

The findings of this study have a significant impact on our understanding of the power of tales. Researchers have shown that storytelling does not need a lot of specifics, which is in accordance with our tendency to create stories [6]. A customer's awareness of a story's existence may be achieved with a few simple clues [1]. Research shows this improves demand, even if the beginning premise of these tales is banal, such as a commonplace pallet or an outdated mosquito net [7].

Customers' attention may be drawn away from the product itself and onto broader and deeper parts of the

meaning by employing tales in a new product launch event. In the immediate aftermath of a one or two-hour event, the product's specifics are likely forgotten, and all that is left to recall is the event itself. Customers are more likely to remember and be drawn to a product launch event that is able to connect with their emotions.

People may empathize with and learn from characters in tales because of the distinct aims and motives they have [8]. Consumers must be involved in the tale to experience narrative conveyance and narrative success; therefore, the presence of characters may be a significant prerequisite. There are many different ways to look at the same thing [9].

Previous literature shows that the narratives affect customers' decisions differently and in different ways. This may be used by companies to increase customer loyalty and build stronger customer ties to their goods. A product launch event is a great opportunity to connect with consumers and develop a strong brand identity.

1.3. Research Gap

The findings of this study might help individuals reassess the impact of the narratives used during a new product introduction. Researchers have shown that narratives have a significant impact on consumers in a variety of ways, but they haven't connected this to the debut of a new product. As a result, this study might serve as an excellent starting point for additional investigation into this possible effect.

1.4. Research framework

In the humanities and social sciences, narrative techniques play an important role [10]. Activating narrative self-referencing (or, more generally, narrative processing) may lead consumers to connect new information with their own tales and experiences in their memories, according to narrative persuasion theories [4].

The importance of consumer storytelling in experience evaluation seems to apply to short service environments and extended service environments, including conventional retail transactions [11].Ordered information, according to Pennington and Hastie, has a higher influence because of the huge quantity of knowledge that individuals learn in their everyday lives [12]. As a result, the new data is presented in chronological sequence, making it simple to follow and intuitively right [13].

Consumer stories and brand stories are inseparable, according to narrative theory [14]. Consumers may interpret brand stories and develop their own stories through consuming brands [15]. If you've ever wondered what it's like to share someone's story, you've come to the right place [9]. causality, time, and prediction are three of

the story's major aspects or the four elements of narrative, characters, climax, and conclusion [16].

All these insights show that the narratives are influential to a human's behavior. When using narratives in a product launch event, the consumers should develop deeper feelings about the product. No one wants to hear big truths. The best way to deliver emotional expressions is to tell a story. A story can bypass the defenses of reason and go straight to the heart, leaving the audience to draw their conclusions. Especially in the information explosion today, if you want to let the audience remember the product launch event, there must be a wonderful story to tell them. Only if you use emotional expressions to affect the consumers, they would have more willingness to buy the product.

Therefore, the hypothesis is:

H1: Customers are more likely to acquire a product if the information is delivered via a story than logical explanation during a product introduction.

H2: Storytelling has a positive influence on consumer attitudes.

H3: Storytelling advertising has a major impact on customer attitudes and buying intentions.

2. METHOD

This research chooses to use experimental analysis. A survey has been created and approved by the Pollfish. People of all ages will answer this questionnaire.

Participants will answer 14 or 12 questions in this survey depending on their answers of the 12th. Participants are asked to provide their first impressions of the product based on an initial visual representation. When they see a comprehensive description of the product they saw previously, they will believe they are witnessing a product launch. In this experiment, half of the participants will read emotive descriptions (narratives) describing the product, while the other half will get functional descriptions (descriptions). Participants will answer the same questions after reading these descriptions, including demographics, preferences, participant's desire to purchase, and more. After seeing the whole CEO description, one question is about the participant's awareness of the description. Instead of asking them to choose from narratives or rational descriptions, it chooses to provide "emotional" or rational for participants to select.

In this research, the independent variables (X) are functional expressions and narratives, and the dependent variable (Y) is consumers' willingness to buy.

3. RESULTS

3.1. T-Test

In order to study whether there is a significant difference in people's first reaction or willingness to buy before seeing the CEO's descriptions (MeanFirstBuy) and people's reaction or willingness to buy after seeing the CEO's descriptions (MeanAfterBuy) among different people in the different Conditions, an independent sample T-test is performed. Condition one is the narratives (emotional), and condition two is the rational descriptions. The results are shown in Table 1.

Table 1. Condition difference

	Emotional or Rational	N	Mean	Std. Deviation	T	P
MeanFirstBuy	Emotional	53	2.8962	.92694	-0.103	0.918
	Rational	64	2.9141	.93671		
MeanAfterBuy	Emotional	53	3.2547	.65094	-1.082	0.281
	Rational	64	3.3958	.74150		

At a significance level of 0.05, the magnitudes of the narratives (emotional) and rational averages are 2.8962 and 2.9141. There is a slight difference from the numerical values, but through further independent sample T-tests, we can see that people with different conditions are independent in MeanFirstBuy. The P-value of the sample T-test is 0.918, which is greater than 0.05. Therefore, This believes that there is no significant difference in MeanFirstBuy between people with different conditions.

Similarly, at the significance level of 0.05, the magnitudes of the narratives (emotional) and the rational averages are 3.2547 and 3.3958. The P-value of the sample T-test is 0.28, which is greater than 0.05. So there is no significant difference in MeanAfterBuy between people with different conditions. However, the P-value of MeanAfterBuy is much lower than the P-value of the MeanFirstBuy. It means the descriptions of the CEO do influence participants at some point.

3.2 Gender

3.2.1 MeanFirstBuy

Table 2. Multivariate analysis of variance with MeanFirstBuy

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	.930a	4	.232	.263	.901
Intercept	110.891	1	110.891	125.663	.000
Condition	.007	1	.007	.008	.928
Gender	.687	2	.344	.389	.678
Condition * Gender	.299	1	.299	.338	.562
Error	96.186	109	.882		
Total	1072.750	114			
Corrected Total	97.116	113			

Table 2 shows the results of repeated variance analysis of MeanFirstBuy. The main effect of Condition is not significant, $F = 0.008$, $p = 0.928 > 0.05$, the main effect of Gender is not significant, $F = 0.389$, $p = 0.678 > 0.05$, and the interaction effect between Condition and Gender is not significant, $F = 0.338$, $p = 0.562 > 0.05$.

3.2.2 MeanAfterBuy

Table 3. Multivariate analysis of variance with MeanAfterBuy

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2.207	4	.552	1.122	.350

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	139.608	1	139.608	284.018	.000
Condition	.645	1	.645	1.313	.254
Gender	1.314	2	.657	1.336	.267
Condition * Gender	.288	1	.288	.586	.445
Error	53.579	109	.492		
Total	1332.472	114			
Corrected Total	55.786	113			

Table 3 shows the results of repeated variance analysis of MeanAfterBuy. The main effect of Condition is not significant, $F = 1.313$, $p = 0., 54 > 0.05$, the main effect of gender is not significant, $F = 1.336$, $p = 0.267 > 0.05$, Condition and Gender The interaction effect is not significant, $F = 0.586$, $p = 0.445 > 0.05$.

According to table 2 and table 3, we can see that gender isn't a significant factor in this relationship. Gender cannot affect participants' willingness to purchase.

3.3. Nationality

3.3.1 MeanFirstBuy

Table 4. Multivariate analysis of variance with MeanFirstBuy

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	13.372a	12	1.114	1.353	.202
Intercept	183.714	1	183.714	223.126	.000
Condition	.001	1	.001	.001	.970
Nationality	12.111	8	1.514	1.839	.079
Condition * Nationality	.780	3	.260	.316	.814
Error	79.866	97	.823		
Total	1038.750	110			
Corrected Total	93.239	109			

Table 4 shows the results of repeated variance analysis of MeanFirstBuy. The main effect of Condition is not significant, $F = 0.001$, $p = 0.970 > 0.05$, the main effect of Nationality is not significant, $F = 1.839$, $p = 0.079 > 0.05$, and the interaction effect between Condition and Nationality is not significant, $F = 0.316$, $p = 0.814 > 0.05$.

3.3.2 MeanAfterBuy

Table 5. Multivariate analysis of variance with MeanAfterBuy

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	9.802	12	.817	1.732	.071
Intercept	227.036	1	227.036	481.359	.000
Condition	.015	1	.015	.032	.858
Nationality	7.067	8	.883	1.873	.073
Condition * Nationality	1.933	3	.644	1.366	.258
Error	45.751	97	.472		

Total	1265.583	110			
Corrected Total	55.553	109			

Table 5 shows the repeated variance analysis results of MeanAfterBuy. The main effect of Condition is not significant, $F = 0.032$, $p = 0.858 > 0.05$, the main effect of Nationality is not significant, $F = 1.873$, $p = 0.073 > 0.05$, and the interaction effect between Condition and Nationality is not significant, $F = 1.366$, $p = 0.258 > 0.05$.

According to table 4 and table 5, It is hard to show that nationality is an important factor influencing the participants' willingness to purchase. However, the interaction effect between Condition and Nationality has changed when comparing the two tables. It changed from 0.814 to 0.258, which means that nationality may influence the participants' willingness to buy, but not significant.

4. DISCUSSION

The findings of this study might help individuals reassess the impact of the narratives used during a new product introduction. Does narrative act as an important role in the event? Will this influence eventually affect consumers' purchase decisions? This paper uses an experiment with a small sample to test the effect of the narratives and try to explain the relationship between them.

Researchers have identified the tales' impact on many elements of consumers in prior literature, but they've linked it to the new product introduction event. It's possible for entrepreneurs to utilize narrative to get customers to become more invested in their goods, and hence more loyal to them. A product launch event is a great opportunity to connect with consumers and create their brand identity. A unique technique to boost sales is to reevaluate and reimagine events in light of the possible power of narratives around the time of a new product introduction.

Brand stories not only contain many of the same elements as consumer favorite books or movies but also serve a similar purpose. Brand stories have characters (consumers), conflicts (personal or consumer pain points), development (journey to solve problems), and climax (product launches). Above all, the brand story has to leave consumers with a feeling.

4.1. Take the consumer as the protagonist

Remember to focus on the person at the center of the brand story: the consumer. When the enterprise conceives the brand story, please keep the consumer in mind all the time, and let the consumer's needs and pain points become the guide for the enterprise to move forward. "If a company can't accurately communicate its brand identity and the type of people who share its core values, it can't sell to consumers."

With the development of brands, as long as the enterprise has a dialogue with the audience. And the consumer story can be naturally integrated into the enterprise brand story.

4.2. Visual narrative

Good storytelling depends on form, not format. The right medium best supports a company's brand narrative: a company can tell its brand story through video, audio, photography, or design.

4.3. With the development of the brand, the story is constantly enriched

As brands scale up, companies may start commissioning partners, freelancers, agents, or employees to tell brand stories on their own. So, companies should ensure that their brand sound and story remains stable and consistent with their own initial vision

5. CONCLUSION

5.1. Summary findings

From the survey's data, It is hardly said that the narratives have more influence than rational descriptions. There could be many reasons, but they all need to be further tested. From the T-test, the participants' willingness to buy before the descriptions does differently from the willingness after the descriptions, whether rational or emotional. Gender cannot be proved that significantly influence the research results, nor do nationality. However, the effect of nationality is relatively low and close to 0.05. So this could be a factor that can influence the research results. There should be more detailed and comprehensive research in further study.

5.2. Limitations

Although this paper assumes the consumers will be affected by the narratives talked about by the CEO, the results didn't seem to prove my hypothesis, which is that consumers will be affected by the narratives in a new product launch event. There is no significant effect on the results. Since the paper's example in this experiment is a technology company, consumers may prefer rational descriptions rather than narratives. This problem is needed to add to this research to define the participants' preferences and then check the effect or relationship.

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