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THE ROLE OF STORYTELLING IN STRATEGIC MARKETING COMMUNICATIONS OF BUSINESS

Abstract

The article is devoted to the study of the role of storytelling as a tool of strategic marketing communications in business, taking into account the level of market saturation. The purpose of the study is to analyze the psychological mechanisms of storytelling's influence on the consumer and to determine the features of its strategic application in the oversaturated American and undersaturated Ukrainian markets. In the course of the scientific study, general scientific methods of cognition were used: analysis, synthesis, comparison, systematization, generalization, deduction and induction. The effectiveness of storytelling in strategic marketing is determined by its ability to influence the emotional and cognitive perception of the brand, and narrative immersion and emotional resonance provide a sense of trust in the business. The results of the study showed that using storytelling in marketing, information is obtained that is very quickly remembered and is subject to weak critical thinking. This means that the psychological effect is enhanced if the narrative is unique and meets the expectations of the audience. If we talk about the USA and, in particular, the oversaturated business market, it becomes clear that such technology is capable of building a multi-level competitive strategy, which is primarily focused on capturing the viewer's attention, as well as on developing interactive interaction

with the audience. Therefore, companies use, first of all, emotionally rich, and secondly, personalized stories, which allow to significantly increase the effectiveness of advertising. In the Ukrainian market environment, storytelling mainly performs the function of explaining and legitimizing the brand: it contributes to the formation of its basic identity, establishing an initial level of trust and emphasizing the social role of the business. Thus, it is proven that the specifics of the market directly determine the strategic tasks of storytelling. In Ukraine, it focuses on image construction and primary positioning, while in the USA - on in-depth emotional involvement, audience retention and building long-term relationships with the brand. The practical value of the study lies in substantiating the possibilities of using storytelling as a flexible tool of strategic marketing, taking into account the characteristics of a specific market environment.

Keywords

Storytelling; strategic marketing; communications; emotional impact.

Problem statement

In modern business development conditions, the transformation of marketing communications occurs primarily in the plane of consumer perception. Also noticeable is the importance of emotional impact, which contributes to the development of experiences and a reminder of one’s own subjective experience or a feeling of emotional closeness to advertising, to the plot, and to the brand directly. And in this context, storytelling becomes not just an autonomous creative technique, but a tool capable of triggering mechanisms of perception and understanding of the brand, which significantly increases the level of trust in such advertising [2].

The problematic nature of the use of storytelling is especially clearly manifested in conditions of oversaturated markets, where the intensity of

communications significantly exceeds the consumer's ability to consciously perceive them. The US market demonstrates a situation in which traditional marketing tools lose their ability to attract attention, and brands are forced to compete for the audience's emotional reaction. In such an environment, narrative approaches become a way to overcome information overload and form sustainable engagement, as they allow creating a holistic and meaningful experience of interaction with the brand for the consumer [5].

At the same time, the Ukrainian market is characterized by different conditions for the development of marketing communications, which determines different approaches to the use of storytelling. The relative unsaturation of the market opens up opportunities for using stories as a tool for forming basic meanings, value orientations and primary trust in the brand. Against this background, the scientific problem of insufficient research into the differences in the psychological and strategic functions of storytelling depending on the level of market saturation is becoming more relevant. It is the comparison of the oversaturated American and undersaturated Ukrainian contexts that allows us to outline new approaches to understanding the role of storytelling in strategic business marketing communications [11].

Analysis of recent articles and publications

The topic of storytelling in strategic business marketing communications is quite common in modern scientific research.

As for the psychological aspects of storytelling in strategic business marketing, the most relevant works for the study were S. Arora [1], T.A. Baig et al. [2], S. Ma and H. Wu [6], F. Mandung [7], and M. Ścibor-Rylski [10]. In these works, storytelling is considered as a psychologically based tool of influence that activates emotional resonance, narrative immersion, and consumer involvement. The authors prove that it is the emotional component of stories and perceived

authenticity that form trust in the brand and act as a prerequisite for loyalty and repeat behavior.

The studies of P. Kaushik and B. Senthilkumar [5], P. Fluhrer [4], J. Cai et al. [3], T.B. Phung, D.V.P. Nguyen, and V.P.T. Tran [8], and S. Arora [1] were key in identifying the features of storytelling in oversaturated markets. These works reveal the specifics of storytelling application in conditions of information overload, high competition and advertising fatigue of the audience.

The analysis of the literature on the topic of comparing approaches to storytelling in undersaturated and oversaturated markets was based primarily on the works of S. Purnama et al. [9], L. Voloshko [11], M. Ścibor-Rylski [10]. In these works, storytelling is considered as a tool for forming brand identity and basic trust in developing markets, and as a complex competitive strategy for managing attention, emotions and involvement in oversaturated markets. The influence of cultural and social context on the structure and functions of brand stories is separately emphasized.

The study of combining the psychological analysis of storytelling with strategic functions in different market conditions is a scientific novelty, as the article offers a holistic analysis of storytelling as an adaptive tool of strategic marketing communications in the unsaturated Ukrainian and oversaturated American markets.

The purpose of the article is a comprehensive analysis of the role of storytelling as a strategic tool for business marketing communications in conditions of varying levels of market saturation, taking into account the psychological mechanisms of influence on consumers. To achieve this goal, three main **tasks** will be performed during the study: 1) analyze the psychological aspects of storytelling in strategic business marketing; 2) characterize the features of the use of storytelling in saturated markets using the example of the USA; 3)

conduct a comparative analysis of approaches to storytelling in the undersaturated Ukrainian and oversaturated American markets.

Presentation of the main material

In modern strategic marketing, storytelling is considered as a tool for psychological influence, which allows brands to go beyond rational argumentation. The basis of this approach is the ability of stories to activate the emotional and cognitive processes of consumers. Studies show that the narrative form of presenting information contributes to a deeper understanding of the message and its longer retention in memory compared to traditional advertising messages. That is why storytelling in strategic marketing communications is considered as a psychologically based mechanism for forming stable connections between the brand and the consumer [2].

The key psychological effect of storytelling is narrative immersion, in which the consumer emotionally becomes involved in the story and partially reduces the criticality of the perception of the brand message. Under such conditions, the brand ceases to be perceived as an abstract commercial object and begins to be associated with human experience, values, and emotions. According to S. Ma and H. Wu, the emotional resonance that arises under the influence of brand stories acts as a key intermediate link between narrative appeal and the formation of consumer loyalty [6].

Cultural relevance is also important, because advertising should reflect the cultural, religious, and general worldview of perception, which allows creating understandable contexts that are consistent with one's own ideas about the world, the usefulness of the product, and its necessity in life [8].

Oversaturated markets are formed in conditions of high concentration of brands, similar products and standardized marketing messages. The US market is a classic example of such an environment where competition occurs not only at the level of price or quality, but primarily at the level of attention and emotional

perception of the consumer. Under such conditions, storytelling ceases to be a creative addition to communications and acquires strategic importance. Studies show that it is stories that allow brands to overcome information noise and create semantic differentiation in the conditions of an overloaded media space [5].

Table 1

Psychological mechanisms of storytelling in strategic marketing

Psychological aspect	Characteristic of influence on the consumer
Narrative immersion	reduced critical perception and emotional engagement in the brand story
Emotional resonance	development of emotional attachment and positive attitude toward the brand
Story authenticity	increased trust and consumer identification with the brand
Social identification	alignment of brand values with the audience's personal and social orientations
Narrative memorability	enhanced brand recognition through emotionally rich stories

Notes. Systematized by the author based on sources [2; 6; 8; 10].

Information oversaturation is one of the defining features of the modern market and largely justifies the expediency of using storytelling in the system of strategic marketing communications. In the US market, consumers are in a constant flow of advertising stimuli, which reduces the ability to notice and remember individual messages. In such conditions, storytelling becomes a tool of semantic differentiation that allows a brand not only to attract attention, but also to keep it through an emotionally rich narrative. As P. Kaushik and B. Senthilkumar point out, it is the story, and not the product itself, that often becomes the key factor in choosing a brand in conditions of information noise [5].

Consumer advertising fatigue creates a need for fundamentally different approaches to communicating with the audience. The American market is characterized by a high level of criticality and distrust of standard advertising messages. Under such conditions, emotional storytelling performs the

psychological function of reducing resistance to marketing influence. S. Arora emphasizes that stories that appeal to personal experience and emotions are perceived less intrusively and at the same time form a deeper level of consumer engagement in the digital environment [1].

The focus on authenticity in the oversaturated US market is of fundamental importance for consumer perception of the brand. The audience expects not just an attractive story, but an internally consistent narrative that is confirmed by the company's real practices. When the declared values are not reflected in the actual experience of interacting with the brand, the level of trust decreases almost instantly. F. Mandung draws attention to the fact that the perceived authenticity of stories in digital channels is one of the key factors in forming loyalty, since the transparency of communications in this environment leaves practically no room for artificiality [8].

An important feature of the American market is that storytelling is increasingly less likely to remain a one-sided message. Social networks have created conditions for the active participation of consumers in the development of brand stories, transforming them from passive recipients into co-participants in the communication process. As noted by T.B. Phung, D.V.P. Nguyen and V.P.T. Tran, such involvement forms a stable sense of belonging to the brand and strengthens long-term marketing interaction in conditions of high competition [8].

In parallel, the importance of personalized narratives is growing in oversaturated markets. The use of digital analytics allows brands to abandon universal stories in favor of more precise consideration of the interests, behavior and expectations of individual audience segments. Research by J. Cai et al. confirms that personalized storytelling provides a higher level of engagement and has a more positive impact on brand attitudes than standardized communication messages [3].

In the long term, storytelling used by advertising agencies in the US focuses on long-term goals, not short-term ones, that is, not on attracting customers, but on building trust and loyalty to the company [1].

Table 2

Features of storytelling in saturated markets

Feature	Characteristic
Information overload	intense competition for consumer attention and the need for meaningful differentiation
Audience's advertising fatigue	decreasing effectiveness of traditional advertising and the need for emotional narratives
Focus on authenticity	expectation that the brand story aligns with real values and actions
Interactive nature of storytelling	consumer involvement in co-creating brand stories
Personalization of narratives	adaptation of stories to specific segments and behavioral patterns
Formation of brand communities	building long-term relationships through shared values and experiences

Notes. Systematized by the author based on sources [1; 3; 5; 8].

Advertising in oversaturated US markets is characterized by a shift in emphasis from informing about the functional properties of the product to the formation of emotionally meaningful narratives that ensure brand differentiation under conditions of minimal objective differences between competitors' offers; storytelling in this context plays the role of a strategic tool for building brand identity through personalized stories, sociocultural codes and value conflicts that increase consumer involvement, contribute to long-term memorization of the message and transform the act of consumption into a symbolic form of self-expression.

The conditions of the market directly affect the logic of using storytelling in strategic marketing communications of businesses. In undersaturated markets, in particular in Ukraine, storytelling mostly performs an explanatory and formative

function. Brands use stories to outline their own identity, values and mission, as well as to establish basic trust on the part of consumers. In such conditions, the brand story is often associated with the personality of the founder, the origin of the business or the social significance of the activity, which allows for faster formation of initial audience loyalty [9].

The Ukrainian market is characterized by a relatively lower level of competition and fewer standardized marketing messages. Under such conditions, consumers are more open to simple and sincere brand stories, and value and social narratives play an important role in building trust. L. Voloshko emphasizes that strategic communications of Ukrainian companies often combine marketing tasks with broader social meanings, which strengthens the emotional connection between business and society [11]. In contrast, oversaturated markets, in particular the US market, form completely different requirements for storytelling. Here, brand stories are aimed not at primary explanation, but at complex differentiation in conditions of information overload and high advertising literacy of consumers. P. Fluhrer notes that even small and medium-sized enterprises in mature markets are forced to use emotionally deep and clearly structured narratives in order to be noticeable among numerous competitors [4].

An important difference between markets is the nature of consumers' psychological involvement. In oversaturated markets, storytelling should create a strong emotional resonance and provide a sense of a unique experience of interaction with the brand. According to the results of F. Mandung's research, it is the emotional richness, narrative appeal, and perceived authenticity of stories that determine the level of consumer loyalty in US digital marketing [7]. In Ukraine, the emotional impact of stories is more often based on the proximity, comprehensibility, and cultural relevance of the narrative [11]. Another significant difference is the degree of consumer participation in the formation of brand stories. In the US market, storytelling is increasingly interactive and participatory

in nature, when consumers are involved in co-creating and sharing narratives on social networks. T.B. Phung, D.V.P. Nguyen, and V.P.T. Tran prove that such a communication model strengthens the sense of belonging to the brand and contributes to long-term marketing involvement [8]. In Ukrainian conditions, these approaches are only beginning to develop, and storytelling remains largely one-sided [9].

Table 3

Comparative characteristics of storytelling in undersaturated and oversaturated markets

Comparison criterion	Low-saturation market (Ukraine)	Oversaturated market (USA)
Main function of storytelling	building identity and basic trust	differentiation and competition for attention
Nature of narratives	explanatory, value-based, socially oriented	emotionally rich and complexly structured
Level of competition	relatively low	high and oversaturated with information
Role of authenticity	a means of legitimizing the brand	a critical factor for trust and loyalty
Consumer participation	mostly passive	active and participatory
Strategic outcome	initial loyalty and recognition	audience retention and long-term commitment

Notes. Systematized by the author based on sources [1; 4; 5; 7; 8; 9; 11].

Therefore, it can be argued that the role of storytelling technology is flexible to the market context depending on the characteristics of the business, its geographical location, cultural saturation and overall lifestyle. Storytelling is able to gain trust, in particular, in Ukrainian markets. It allows you to create a certain basis for building trust and understanding of the brand, while in the US market it becomes, using a more professional approach, a factor of multi-level competition, capable of managing emotions and consumer attention.

Conclusions

Therefore, the main significance of using storytelling in marketing strategies lies in its influence on the psychological and emotional state of the audience, which allows you to change or form an attitude towards the product, production, its manufacturer, emotionally involving the consumer in the story of this product.

In the oversaturated US market, storytelling functions as a comprehensive competitive strategy: in conditions of information overload, it is emotionally rich and personalized narratives that ensure attention retention, the formation of brand communities and long-term interaction with the audience, combining communication effect with strategic differentiation. In comparison, in the relatively unsaturated Ukrainian market, storytelling is mainly aimed at forming basic brand identity, trust and social legitimation with a more passive role of the consumer. Thus, in the US, authenticity is a key factor in supporting loyalty, while in Ukraine it is a tool for primary positioning, which confirms the need to adapt narrative strategies to the level of market saturation and consumer behavior models.

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