

# Storytelling marketing approaches in purpose-driven firms. Evidence from Benefit Corporations disclosure

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## Abstract

Purpose-driven companies are on the rise, leading to virtuous business practices and cross-industry collaborations through the B movement. Benefit Corporations (BCs) have emerged as a response to the current economic and managerial paradigm shift. This study explores the use of storytelling in the communication practices activated by BCs operating in Italy, the first European country to adopt specific legislation to institutionalize the emerging managerial model. By adopting a qualitative approach, based on the analysis of four case studies, the research suggests that storytelling supports BCs in conveying their values to relevant stakeholders and promoting active participation in sustainable practices. The study provides theoretical and managerial implications that could benefit practitioners and scholars and outlines a future research agenda.

*Keywords: Benefit Corporation; Storytelling; Communication; Digital Marketing.*

## Introduction

Over the last few decades, BCs have emerged as a novel corporate structure, presenting an alternative to traditional frameworks (Sciarelli et al., 2020) and striving to offer a fresh approach to managing purpose-oriented organizations.

Benefit Corporations (BCs) have been recognized as part of a global movement that is rapidly gaining attention from scholars, practitioners, and policymakers. As an innovative hybrid form of managerial model that pursues both profit and social benefit objectives, BCs tackle the negative externalities stemming from the singular focus on profit maximization in the traditional capitalist model. Within this context, It is important to note that the implementation and effective communication of responsible business practices are proven to enhance corporate performance and simultaneously contribute to sustainable development initiatives (Palladino et al., 2022).

Even though BCs appear to be an emerging topic in literature across different disciplines, little attention has been paid to communication processes carried out through their disclosure practices (Cetindamar, 2018).

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Given these scenario conditions, the present study intends to contribute to the debate by further exploring disclosure techniques exploited by BCs. By filling this gap, the present study analyzes storytelling capability in engaging and communicating BCs values with their stakeholders. Recognized as a powerful tool for conveying strategic purpose to external audiences, storytelling is transforming 21st-century organizations and management practices (Brown, 2005) by communicating a vision and inspiring others to action (Marshall & Adamic, 2010).

## **Theoretical background**

### *Benefit Corporation on the rise: conceptualizing the emerging managerial model*

In a rapidly changing world, businesses are called to compete and at the same time cooperate to obtain a viable competitive advantage over time. In this context, the so-called “purpose-oriented” business is an expression of an innovative managerial model oriented to the conduct of business in a virtuous manner (Brunetti, 2010) through the lens of social entrepreneurship (e.g., Baron, 2007; Brooks, 2008; Cho, 2016). The hybrid space in which these companies convey their value proposition is characterized by the multiplicity and heterogeneity of management models and organizational structures that gravitate there.

In this direction, the "B" movement collects under its umbrella a variety of businesses interested in balancing their economic and financial goals with their environmental, social, and governance (ESG) performance, by prioritizing the interests of all stakeholders (Chen & Marquis, 2022) involved into their value creation processes. As an expression of the B movement, BCs and Certified B Corporations (B-Corps) are crucial in bridging the gap between traditional and alternative profit frameworks. They define their mission to include a social component as part of their operating activities, as expressed by Alberti & Varon Garrido in 2017 and further discussed by Kopaneva in 2022.

While both BCs and B-corps provide an important fourth-sector space among nonprofits, for-profits, and government entities (Haigh et al., 2015; Stecker, 2016), a distinction in their operational profiles needs to be further specified.

The Certified B Corp model is a designation bestowed by an external organization based in the United States (Roth & Winkler, 2018), following an evaluation of the social and environmental impact created by an entity, enterprise, or corporation that seeks certification. The process of applying for B Corp certification is voluntary and necessitates adherence to stringent social responsibility standards (Moroz et al., 2018; Diez-Busto et al., 2021). The certifying body is Blab, an organization established in 2007 dedicated to advancing socially conscious business practices through specific criteria and decision-making standards. To elaborate, the certification body approves entities that have achieved at least eighty points out of a total of roughly two hundred

in the evaluation. Once certified, organizations are required to ratify various agreements, including articles of incorporation, adhere to membership terms, and remit fees based on their size.

The organizations that receive certification from the Blab entity are categorized as Bcorps. Bcorps are part of the spectrum of organizations aimed at international stakeholders, which also includes Benefit Corporations (BCs). The legal qualification of BCs is independent of Bcorps. Consequently, a company may opt to be a BC without being a Bcorp, and may also be certified by Blab (Hiller, 2013).

Similarly to B Corps, BCs reflect a shift from the traditional for-profit model to one that focuses on non-profit missions while still generating profits. This movement has led to concrete initiatives in several regions and countries (Blasi and Sedita 2022). Italy became the first European country to regulate BCs with the introduction of Law 28-12-2015 n officially. 208 (Bandini et al., 2023). This followed the development of BC legislation in several US states and has paved the way for similar legislative initiatives in other European countries.

The establishment of institutional legitimacy for the BCS within the legal framework mandates adherence to multiple parameters. These include (i) the delineation of an expanded mission aimed at generating value for the broader public good, (ii) the implementation of broader governance involving all stakeholders, and (iii) the alignment of strategic and operational decisions with the principles of accountability, coupled with the issuance of a public annual report on their social impact (Cetindamar; 2018).

Unlike B-corps, which bring together a wide variety of forms and business models under the same umbrella, BCs are therefore distinguished by homogeneity in the adoption of legal, economic, and managerial profiles. For these reasons, the present study adopts BCs as a reference perimeter. Given that the academic discourse surrounding BCs is still in its nascent stage, the authors deem it pertinent to delve into the marketing facet of this subject, considering that their status alone serves as an instrument of branding (Raiser, 2011; Cho, 2016).

### *Storytelling and Digital Storytelling as a tool in communication practices*

Storytelling is widely regarded as the primary method of making sense of the world (Jiwa, 2018). Communication through narratives is a central component of how humans make sense of their environment, organize experiences and ideas, and communicate with their community to create shared understanding and meaning (Nicoli et al., 2022; Schank & Abelson, 1995).

Stories play a crucial role in human communication because they transmit tradition, identity and community across generations. Thanks to the storyteller's narrative skills,

a story can capture the audience's attention, entertain, persuade and form new ways of thinking. The presence of points of contact between the story and the audience's personal experiences increases the memorability of the narrative, making it more incisive and superior to other forms of communication (Coker et al., 2017)

Due to its engaging nature, storytelling has the potential to attract and sustain interest and enable audiences to make meaningful connections (Duarte, 2010). Another advantage of storytelling is its accessibility, as it does not require the audience to have specialist knowledge in order to understand and associate the communicated knowledge.

Several studies in the literature confirm the effectiveness of storytelling as a tool for organizations to communicate their mission and values, creating unity with business goals and brand (Norlyk et al., 2014), as well as strengthening ties with all their stakeholders (Kaufman, 2003). When storytelling is employed as a marketing and communication tool, it facilitates the creation of a direct connection with the consumer, helping to build their trust and empathy towards the brand (Júnior et al., 2023). The use of this technique by companies can therefore bring numerous benefits, although it is necessary to clearly define the intended goal, as only a precise understanding of the purpose allows storytelling to be employed effectively to achieve the desired results. Denning (2006) identifies eight different storytelling models associated with as many distinct corporate objectives as follows: stimulating action; communicating who you are; conveying values; communicating corporate identity (branding); promoting collaboration; taming criticism; sharing knowledge; guiding people into the future.

As technology evolves, storytelling adapts to new media and also takes on new forms thanks to emerging technologies and social networks that enable a shared and shareable narrative (Uzunboylu et al., 2020). In particular, digital storytelling (DST) is increasingly used to create deeper emotional and cognitive connections with audiences. Storytelling enables companies and organizations to build stronger relationships with their audiences, fostering greater cognitive engagement and a positive response to the proposed content (Hamelin et al., 2020).

The dynamics underlying such relationships include cognitive and emotional components, achievable through the consumer's immersion in the proposed narrative experiences (Pera & Viglia, 2016). Particularly in phygital interaction contexts, where physical and digital elements are integrated, these relationships can be further amplified (Batat, 2022). Hybrid experiences generate memorable interactions that strengthen the bond between consumer and company, fostering more articulated forms of engagement (Clemente et al., 2024).

Although plenty has been reported regarding the use of digital storytelling within communication practices, there has been a lack of studies analyzing the application of this tool by Benefit Corporations. Such an examination is particularly useful to understand how BCs promote their environmental and social sustainability activities to

their target audiences, triggering mechanisms of understanding, trust and participation on the part of their stakeholders.

## **Methodology**

In this study, the authors adopt a qualitative approach as outlined by Dubois and Gadde (2002). The chosen approach employs a case study method as proposed by Yin (2013) to thoroughly analyze four BCs to fulfill the specific purpose of the research contribution.

Furthermore, the authors also incorporate a variety of secondary sources such as interviews, website content, social media pages, and industry reports (Creswell & Creswell, 2017) to enrich their study further and provide comprehensive insights into the cultural enterprises under examination. This multifaceted approach allows for a more in-depth understanding of the subject matter and contributes to a well-rounded analysis.

The selected cases are EcorNaturaSi (primary sector); Eni Plenitude (Secondary sector); Zordan 1965 (Tertiary sector); and Synesthesia (Quaternary sector).

These subjects present different characteristics linked to size, sectorial activity, and geographical location. Furthermore, the choice fell on these subjects also for their approach to digital marketing and, as it will be seen, to approaches that exploit digital storytelling, thus presenting some differences and similarities. For future developments of this work-in-progress research, it is possible to conduct semi-structured qualitative interviews with the founders and managers of the chosen BCs.

## **Preliminary findings**

This study is intended as a work in progress, aimed at providing initial insights into the use of storytelling techniques by Benefit Corporations.

The preliminary analysis of selected BCs' company reports, websites, and social media channels, revealed the use of storytelling practices, classifying them into two main areas: online and on-site practices. This analysis confirms the growing interest of companies in implementing communication strategies geared towards the disclosure of their sustainable practices, recognizing the importance of these in strengthening relationships with stakeholders, both internal and external, through active and transparent communication (Martin-de Castro, 2021).

Social media and websites are privileged channels for disseminating information on companies' sustainable initiatives and activities. However, on-site events also play an important role in this context. In both cases, storytelling emerges as a fundamental tool, not only for conveying the actions undertaken by companies but also for provoking a

reaction in users, encouraging them to actively participate and collaborate in sustainability practices.

A significant contribution of digital technologies, particularly for BCs, is the ability to facilitate dialogue and interaction with stakeholders. A concrete example is offered by the “Percorsi” section of the NaturaSi website, which presents insights and readings in the form of short stories accompanied by images. These narratives link the company's core business - the production of organic and biodynamic food - to topics such as personal well-being and environmentally sustainable tourism. Through these stories, NaturaSi underlines its commitment to combating food waste and its social contribution, made possible by collaborating with local producers and associations. The simple and engaging narrative makes the user aware of the benefits of organic farming, not only for their well-being but also for the health of the planet, stimulating them to make more responsible and conscious choices.

Zordan 1965, BC and B-corp, uses storytelling techniques as part of its “Let's Talk” project, which includes an online magazine and free webinars with content aimed at inspiring sustainable development by promoting dialogue with active stakeholders on the ground. This initiative builds on the company's commitment to sustainability and transparency, to create an inclusive space for sharing stories that highlight its impact on the community and the environment. Through storytelling, Zordan links its mission of craftsmanship and environmental responsibility with broader social goals, encouraging collective action for a more sustainable future by engaging in open conversations with the community. Further applications of digital storytelling by the BCs are evident in the Zordan Museum, whose narrative flows through a visual timeline, narrating the company's development in a continuous relationship of value interconnection with its territory of origin, and a *Wunderkammer* that, through an immersive experience, represents how Zordan interprets its philosophy in its operational and strategic processes.

An example of the application of storytelling in physical contexts is provided by Synesthesia, which employs it during its dissemination events to raise awareness among its stakeholders about its activities in support of community well-being and to promote participation and cooperation in sustainability practices. In particular, this BC uses storytelling to make technical and scientific topics accessible, to reduce the digital divide, and to promote technological accessibility. Through the direct testimonies of Synesthesia employees and director, who act as storytellers, viewers are emotionally involved in the dialogue and feel more inclined to participate. This approach transforms communication from unidirectional to bidirectional, fostering a deeper interaction between the BC and its interlocutors. Storytelling based on first-hand accounts was also used in the book published by Synesthesia (2021), which collects interviews with protagonists on topics at the intersection of innovation and sustainability, further consolidating the bond between the company and its stakeholders.

Innovative storytelling methods are essential to communicate new models of energy production, dissemination, and sharing. This is the view of Eni Plenitude, which is using an immersive digital experience combining augmented and virtual reality to imagine the future of renewable and smart energy with its “A Plenitude of Future” initiative. Storytelling plays a key role in guiding participants through potential future scenarios and promoting sustainable behavior. By engaging users in interactive environments, the initiative promotes awareness and collective action, encouraging responsible energy use and highlighting the role of new technologies in shaping a sustainable future.

Preliminary results showed a significant use of storytelling in the communication practices of the analyzed BCs, pursuing various objectives among those identified by Denning (2006) and described in the literature. In particular, all the BCs examined aim to communicate their identity and convey their values, as seen in the case of BC Zordan. EcorNaturaSi uses storytelling to promote action and cooperation among stakeholders, Synesthesia stands out for its use of narrative techniques to foster learning on issues related to digital innovation, while Eni Plenitude employs DST to evoke a sustainable future, integrating the implementation of new technologies.

### **Implications and conclusion**

BCs employ storytelling, integrating online and offline tools, as a key component of their communication practices. This study contributes significantly by conceptualizing a process for storytelling specifically tailored to BCs, which supports their efforts in conveying core values and objectives, particularly in the area of social and environmental sustainability. The use of such a tool improves their ability to engage stakeholders, fostering a deeper understanding of their commitment to sustainability and facilitating alignment between corporate objectives and stakeholder expectations.

The research presented, still at an embryonic stage, has several implications for both theory and practice.

On a theoretical level, it contributes to the literature on Benefit Corporations (BCs) and their communication, marketing, and stakeholder engagement practices. The preliminary results appear to be aligned with disclosure benefits highlighted by Hoogendoorn, van der Zwan, and Thurik (2019), as these companies exhibit a strong orientation toward sustainability which has compelled them to prioritize disclosure to enhance their reputation as well as brand equity. Furthermore, by using corporate narratives to communicate company values, this study highlights the often neglected role of storytelling. In particular, to the best of our knowledge, this represents the first study to focus on the use of storytelling by BCs.

From a managerial point of view, it is found that the use of storytelling techniques and digital storytelling by BCs can contribute to building a solid system of relationships with their audiences, raising their awareness of the companies' values and initiatives,

and encouraging their active participation in the journey towards sustainability. With specific relation to digital storytelling, the authors highlight the relevant contribution of this technique in developing accessibility strategies to strengthen the relationships with their consumers/users, and attract new audiences. At the same time, the engaging narratives can also benefit the internal staff involved in BCs value creation processes in terms of motivation to actively co-create value.

However, the study has some limitations, including the small number and specificity of the case studies, which raise issues of representativeness. Furthermore, the exclusively corporate perspective limited the analysis of storytelling practices, neglecting the stakeholder perspective. These limitations offer opportunities for future research, which could include a larger sample of BCs and integrate the contribution of stakeholders, and key actors in the corporate storytelling process.

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