Winning Business: A Qualitative Study of How Investment Banks Build Credibility Using Narrative Paradigm Theory

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Abstract

This study examines how investment banks employ storytelling to establish credibility and build trust during mergers and acquisitions (M&A) transactions. Using Narrative Paradigm Theory (NPT) as a framework, it investigates how coherence and fidelity in storytelling influence client perceptions and decision-making.

Semi-structured interviews with technology founders who recently completed M&A deals reveal three key storytelling practices: understanding client narratives, crafting future-oriented stories, and ensuring authenticity. While narrative coherence and fidelity align with NPT's principles, relational factors—such as cultural alignment, transparency, and sustained engagement—proved equally essential in fostering trust and securing partnerships.

The findings extend NPT to high-stakes organizational contexts, highlighting storytelling as a relational and strategic communication tool. Implications for investment banks include tailoring narratives to client goals, fostering cultural congruence, and addressing concerns with transparency. Future research should explore storytelling strategies across industries, geographies, and bank types to provide deeper insights into its role in trust-building.

Keywords: Storytelling, Narrative Paradigm Theory, Swift Trust, Credibility, Mergers and Acquisitions, Investment Banking, Organizational Communication, Cultural Alignment, Transparency, Relational Dynamics.

Introduction

In the intricate and high-stakes domain of mergers and acquisitions (M&A), trust and credibility are not just desirable traits—they are foundational imperatives. Investment banks, acting as intermediaries and advisors in these transactions, play a critical role in shaping outcomes by fostering trust among clients and stakeholders. However, trust-building in M&A extends beyond financial analysis and technical expertise; it is intricately tied to the ability to communicate effectively and persuasively. At the intersection of strategy and communication lies storytelling, a tool increasingly recognized as central to credibility-building in organizational contexts.

Despite the importance of storytelling in leadership and branding (Heath & Heath, 2007; Fisher, 1984), its application in M&A—an arena defined by complexity and relational dynamics—remains underexplored. Existing research on trust and credibility highlights key factors such as transparency, competence, and authenticity (Mayer et al., 1995; Goffman, 1967), yet little attention has been paid to how these elements are conveyed through narrative structures. Investment banks must navigate the dual challenge of demonstrating technical proficiency while aligning their messaging with the visions and values of their clients. This research aims to bridge this gap by examining how storytelling functions as a relational and strategic mechanism for building trust in M&A transactions.

Guided by Fisher's Narrative Paradigm Theory, which asserts that humans evaluate communication-based on coherence and fidelity rather than purely logical reasoning, this study investigates how investment banks construct narratives that resonate with their clients. Using qualitative interviews with technology founders who recently underwent M&A transactions, this research analyzes how storytelling aligns with stakeholder values and expectations. Additionally, the study incorporates a coding process inspired by Grounded Theory, ensuring that emergent themes are grounded in participants' lived experiences and offer insights beyond theoretical assumptions.

This study contributes to the growing understanding of trust-building in business communication by highlighting storytelling as a multidimensional tool that integrates data-driven insights with relational authenticity. By exploring the interplay between narrative and trust in M&A, the research sheds light on the broader role of storytelling in high-stakes organizational contexts, offering theoretical insights and practical applications for investment banks and their clients.

Literature Review

Communication is central to establishing trust and credibility. Defined as the process of conveying meaning and fostering understanding, communication is a multifaceted discipline encompassing interpersonal, organizational, and persuasive contexts (Goffman, 1967; Fisher, 1984; Bass & Avolio, 1994). This study situates itself in the realm of persuasive and organizational communication, focusing on how investment banks utilize storytelling to forge relationships and instill confidence in clients during high-stakes transactions. Trust-building in such settings requires more than technical expertise; it demands relational strategies that align messaging with stakeholder values and expectations (Mayer et al., 1995; Warnick, 1987).

Storytelling, as a specific form of communication, is widely recognized as a persuasive tool. Narratives offer a framework for audiences to make sense of complex information, especially in contexts where trust and risk are paramount (Fisher, 1984; Goffman, 1967). In the corporate world, storytelling can transcend data-driven approaches by engaging audiences on an emotional and values-based level, fostering stronger relational connections (Bass & Avolio, 1994; Swaim, 2010). Research has demonstrated the utility of storytelling across multiple disciplines, such as political communication, where coherent and value-driven narratives significantly influence public trust (Warnick, 1987; Swaim, 2010). Similarly, in organizational settings, narratives are used to communicate shared goals and inspire loyalty, particularly in times of change or uncertainty (Heath & Heath, 2007; Denning, 2006).

Despite its proven effectiveness, little research has addressed storytelling's application in the financial sector, where credibility and trust are critical. Mergers and acquisitions broadly refer to transactions between two companies combining in some form (Hayes, 2024). Financial services, especially in mergers and acquisitions, often rely on technical data and expertise, but storytelling offers a complementary strategy to humanize these transactions and align them with client aspirations (Bass & Avolio, 1994; Heath & Heath, 2007). Narratives that emphasize past successes or future growth possibilities can bridge the gap between abstract financial concepts and the tangible goals of stakeholders (Goffman, 1967; Fisher, 1984). While communication scholars have examined the role of storytelling in leadership and branding, its specific mechanisms and outcomes in financial sectors remain underexplored (Warnick, 1987; Mayer et al., 1995).

Organizational and Business Communication

The concepts of organizational and business communication provide complementary frameworks for understanding how communication functions within and outside professional settings. Organizational communication refers to the internal exchanges that foster collaboration, operational efficiency, and alignment with strategic goals (Cardoso, 2006). These processes shape the culture and identity of an organization while addressing the dynamic interactions between employees, stakeholders, and leadership. Effective organizational communication serves as a critical tool for navigating complex situations and promoting shared values and goals among internal audiences (Cardoso, 2006; Genelot, 2001).

In contrast, business communication focuses primarily on external interactions, targeting clients, investors, and broader stakeholders to drive business objectives. This form of communication facilitates marketing efforts, customer engagement, and public relations initiatives, emphasizing the promotion of organizational goals in external-facing contexts (Hayes, 2024; Cardoso, 2006). It is inherently outward-facing, designed to enhance commerce through strategic messaging that resonates with external audiences.

While their overlap in practices is apparent in investment bank environments, both forms of communication are essential for building trust and credibility, especially in sectors such as mergers and acquisitions transactions, where internal alignment and external stakeholder confidence are equally critical. For the purposes of this study, the terms organizational communication, business communication, and professional communication will be used interchangeably to reflect their interconnected nature and shared relevance in achieving organizational meaning.

Mergers and Acquisitions

Mergers and Acquisitions (M&A) are critical strategies that companies use to achieve growth, enhance competitiveness, and adapt to evolving markets. Mergers occur when two companies combine to form a single legal entity, pooling resources to achieve shared goals. Acquisitions, on the other hand, involve one company purchasing another, often absorbing the target company while maintaining the acquirer’s corporate identity (Depamphilis, 2022; Bradley et al., 1988). Both processes allow firms to reconfigure their operational and financial structures, often as part of broader corporate restructuring efforts.

The motivations behind M&A are diverse, spanning both financial and strategic objectives. Many transactions aim to achieve synergies, where the value created by the combined entity exceeds the sum of its parts. These synergies may arise from cost efficiencies, resource consolidation, or enhanced market power (Bradley et al., 1988; Hayes, 2024). For example, operational efficiencies such as reducing redundancies in overlapping departments or scaling production capabilities can generate significant cost savings (Hossain, 2021). Strategic goals, such as entering new markets, acquiring advanced technologies, or enhancing competitive positioning, further drive M&A activity, reflecting the transformative potential of transactions (Depamphilis, 2022; Fatima & Shehzad, 2014).

Investment Banks In Sell-Side M&A

On the sell-side, investment banks serve as advisors, guiding the selling company through the complexities of the M&A process. Their involvement typically begins with a thorough assessment of the seller's objectives, such as maximizing valuation, securing favorable terms, and finding a buyer aligned with the company's long-term vision. Investment banks conduct an in-depth valuation of the company using financial models to determine a competitive and realistic asking price. This valuation forms the foundation for positioning the company effectively in the market (Depamphilis, 2022).

One of the key roles of investment banks on the sell side is to create a compelling narrative around the company's value proposition. This involves preparing detailed marketing materials, such as confidential information memorandums (CIMs), to highlight the company's strengths, financial performance, and growth potential. They leverage their extensive networks to identify and approach potential buyers, which may include strategic acquirers or financial sponsors such as private equity firms. Investment banks also manage competitive auction processes to maximize interest and drive up the purchase price, ensuring sellers achieve the most favorable outcomes (Hossain, 2021; Hayes, 2024).

During negotiations, investment banks act as intermediaries, managing communication between the seller and potential buyers. They play a vital role in shaping the terms of the transaction, advocating for the seller's interests while facilitating compromises to reach mutually beneficial agreements (Corporate Finance Institute; Depamphilis, 2022). Additionally, the banks oversee the due diligence process, ensuring that the seller's financial, operational, and legal information is presented accurately and transparently.

Theoretical Foundations: Narrative Paradigm Theory

Walter Fisher's Narrative Paradigm Theory (NPT) offers a robust framework for understanding how storytelling influences human communication and decision-making. Developed in 1984, NPT challenged traditional rationalist models that emphasized logic, evidence, and formal reasoning as the primary mechanisms of persuasion (Fisher, 1984). Fisher argued that humans are fundamentally storytelling beings, or "homo narrans," who interpret and evaluate the world through narratives rather than abstract reasoning alone. By proposing that narrative, rather than logic, serves as the basis for most human communication, Fisher reframed the study of persuasion. Unlike arguments relying on structured evidence and deductive reasoning, narratives are evaluated based on their coherence (internal consistency and logical flow) and fidelity (alignment with the audience's values, beliefs, and lived experiences) (Fisher, 1984; Warnick, 1987). These principles highlight that stories resonate not solely because they are logically sound but because they reflect cultural and emotional realities.

Coherence refers to the degree to which a story is internally consistent and free of contradictions. It examines whether the narrative's characters, events, and overall structure make sense and adhere to a logical sequence. Fidelity, on the other hand, goes beyond structure to assess how well a story aligns with the audience's worldview, values, and personal experiences. For instance, a narrative that coherently explains a past success but fails to resonate with the audience's values may not be persuasive (Fisher, 1984; Heath & Heath, 2007). These criteria make NPT particularly effective for analyzing communication in contexts where trust and credibility are paramount. Thus, Fisher's framework highlights the interplay between a story's structure and its relational impact, where persuasion arises from the story's ability to connect meaningfully with its audience. As Denning (2006) argued, in business communication contexts, stories are essential for aligning organizational messages with audience expectations, offering a compelling lens to explore the dynamics of trust and credibility.

NPT is applied across various fields, including politics, organizational communication, branding, and media studies, illustrating its versatility and relevance. In political campaigns, for example, narratives that emphasize shared cultural values and a clear, coherent vision have been shown to foster trust and inspire voter engagement (Swaim, 2010). Such campaigns often rely on narratives that are not only logically sound but emotionally resonant, demonstrating the dual importance of coherence and fidelity. Similarly, in organizational settings, leaders often use storytelling to communicate a shared vision, align employee efforts with corporate goals, and inspire loyalty during times of uncertainty (Bass & Avolio, 1994; Denning, 2006). These examples underscore the power of storytelling to influence perception, shape behavior, and build trust in diverse organizational settings.

However, NPT is not without its critiques. A major challenge lies in evaluating fidelity, which is inherently subjective and depends on cultural, contextual, and individual factors (Warnick, 1987; Fisher, 1987). For instance, a story that resonates deeply with one audience may fail to connect with another, complicating standardized evaluation. Scholars have called for more systematic approaches to assess fidelity, emphasizing the need to contextualize NPT applications in specific settings (Warnick, 1987; Denning, 2006). Despite this, the flexibility of NPT is one of its strengths, allowing it to be adapted to diverse settings where traditional rationalist models may fall short. Moreover, its focus on the relational dynamics of storytelling ensures that it remains relevant in analyzing complex communication scenarios, such as those encountered in organizational environments.

NPT illuminates how storytelling functions as a tool for building trust and credibility in the high-stakes context of M&A. Investment banks often operate in an environment where technical expertise alone is insufficient to secure client trust. Decisions in M&A are not solely based on financial analysis but are deeply influenced by relational dynamics, emotional resonance, and shared values. Narratives that highlight a bank's track record of successful transactions or align with a client's vision for growth and transformation serve to bridge the gap between quantitative data and emotional assurance (Fisher, 1984; Bass & Avolio, 1994). By crafting narratives that embody coherence and fidelity, investment banks reinforce their credibility, fostering trust in an industry characterized by high stakes and significant uncertainty.

By applying NPT, this study investigates how investment banks craft and deploy narratives that embody both coherence and fidelity. It explores how these narratives resonate with clients, fostering trust by aligning with their values and expectations, or potentially eroding trust if coherence and fidelity are absent. For example, narratives that lack logical flow or fail to connect with a client's aspirations may appear insincere or disjointed, undermining credibility and damaging relational trust. In contrast, stories that are both internally consistent and culturally resonant can humanize technical expertise, bridging the gap between abstract financial analyses and the relational assurances clients seek.

This study also seeks to address critiques of NPT by situating its application within a business context where trust is critical and audience expectations are shaped by the unique cultural norms of the financial industry. The high-pressure environment of M&A demands communication strategies that balance analytical rigor with emotional resonance, making it an ideal setting to examine the dynamics of coherence and fidelity in organizational storytelling. By exploring how these narratives operate within the trust-driven world of M&A, the study extends NPT beyond its traditional applications in politics and media to a new domain, demonstrating its adaptability and relevance to organizational communication. Specifically, this study seeks to describe the following framing question:

1. What are the qualities of stories that tech founders tell that are salient about their experiences working with investment banks?

This research not only advances the understanding of NPT as a framework for analyzing relational communication but also highlights the broader significance of storytelling as a tool for trust-building in organizational settings. By emphasizing the interplay of logical consistency and value alignment, the study contributes to the theoretical discourse on credibility and provides actionable insights for practitioners in competitive financial markets. These findings seek to underscore storytelling's potential to transform transactional interactions into meaningful, trust-based relationships, reaffirming its importance as a relational and persuasive tool.

Methods

This study adopts a qualitative research design to examine how investment banks use storytelling to establish credibility during M&A transactions. Qualitative research is fundamental in this context because it allows for a deeper understanding of the nuanced and subjective experiences of participants, which cannot be fully captured through numerical data or statistical analysis (Davis & Lachlan, 2017). The coding process is informed by principles of Grounded Theory, particularly its inductive and iterative approach, to ensure that findings emerge directly from participants' lived experiences. This study's approach, while not strictly adhering to Grounded Theory, draws inspiration from its emphasis on generating insights through constant comparison and data-driven analysis. This makes it especially suitable for exploring relational and contextual phenomena such as storytelling and credibility (Charmaz, 2006).

Grounded Theory Adaptation

The principles of Grounded Theory (GT), originally developed by Glaser and Strauss (1967), provide a flexible framework for the study's coding process. Although the study does not fully adopt GT as a methodological framework, it integrates key elements to guide the data analysis. The coding process follows a structured yet adaptive approach, allowing the researcher to identify and refine themes that emerge from the data.

The analysis is influenced by Constructivist Grounded Theory (CGT), as articulated by Charmaz (2006), which emphasizes the co-construction of meaning between researchers and participants. This perspective acknowledges that the researcher's positionality and interpretation influence the analytic process, making it particularly useful for examining the nuanced, relational dynamics of narrative trust-building in M&A.

The coding process includes three phases inspired by Grounded Theory:

1. Open Coding: Initial data segmentation to identify recurring concepts and

themes.

2. Axial Coding: Connecting and organizing these concepts into broader categories and exploring their relationships.
3. Selective Coding: Synthesizing the categories into a cohesive theoretical framework that explains the core phenomena under investigation.

This iterative process allows the research to remain flexible and responsive, ensuring that emergent insights accurately reflect participants' perspectives and experiences. To maintain reliability, data is coded collaboratively with an advisor to cross-check interpretations and ensure consistency (Rubin, Rubin, Graham, Perse & Seibold, 1994). The coding process facilitates a structured yet dynamic analysis, enabling the identification of robust and representative themes within the participants' narratives.

Participants and Recruitment

Participants for this study are technology founders who have recently undergone M&A transactions. Technology founders represent a specialized group whose experiences provide valuable insights into the relational dynamics of M&A. Unlike established corporations with extensive in-house expertise, tech startups, and scale-ups often rely heavily on investment banks to guide them through the intricacies of the transaction process. As Suo, Yang, and Ji (2023) highlight, technology mergers and acquisitions are increasingly critical for acquiring external innovation and adapting to competitive pressures, further emphasizing the need for clear and trust-building communication strategies. The stakes are particularly high in the tech sector, where the rapid pace of innovation and market competition magnify the importance of trust and credibility during negotiations.

To recruit participants, the study employs snowball sampling, a technique well-suited for accessing specialized and interconnected professional networks (Davis & Lachlan, 2017). Initial participants were identified through industry contacts and referrals, leveraging their networks to identify additional candidates. This approach is particularly effective for reaching hard-to-access populations, such as senior executives operating in confidential environments. Although snowball sampling introduces the potential for selection bias, efforts were made to recruit participants from diverse industries (e.g., healthcare, proptech, govtech), transaction sizes, and geographic regions to ensure a broad range of perspectives.

The final sample consisted of 9 participants, selected based on the principle of data saturation. Saturation was reached when no new themes or insights emerged from the interviews, suggesting that the data adequately represented the key patterns and experiences of the participant group. As Strauss and Corbin (1998) note, saturation occurs when further data collection no longer contributes to the development of new themes or categories, signaling that the sample size sufficiently supports the research objectives. One participant explained, "We all go through similar hurdles. Once you've heard enough stories, you start seeing the same challenges and solutions repeated in slightly different ways." This reflects the natural convergence of themes that occurs as saturation is achieved, ensuring the study captures the full complexity of the phenomenon without redundancy. The sample size also allows for in-depth qualitative analysis while maintaining manageability in the coding and interpretation phases.

Data Collection

Data was collected through semi-structured interviews, using an interview protocol (Appendix A), conducted via secure video conferencing platforms. Semi-structured interviews were chosen as the primary methodology because they provide a balance between consistency and flexibility, ensuring core topics are addressed while allowing participants to elaborate on their unique experiences (Lindlof & Taylor, 2002). This format supports the exploration of emergent themes, making it particularly suited for studies that examine nuanced relational dynamics, such as how storytelling influences credibility and trust during M&A transactions (Davis & Lachlan, 2017). Additionally by using a framing question, natural themes were able to emerge via participants responses rather than prompted wording. By combining structure with adaptability, semi-structured interviews offer rich, context-sensitive data that capture the depth and complexity of participants' perspectives (Kvale & Brinkmann, 2009).

Interviews, as a research method, were selected for their ability to provide detailed insights into participants' lived experiences, enabling the researcher to explore subjective and context-dependent phenomena. Interviews are particularly effective for uncovering personal narratives and relational dynamics, offering a depth of understanding that cannot be achieved through quantitative methods (Rubin & Rubin, 2011; Moser & Korstjens, 2018). One of the key strengths of interviews is their interactive nature, which allows for clarification, probing, and follow-up questions to enhance the richness and accuracy of the data (Kvale & Brinkmann, 2009). Interviews also capture non-verbal cues and emotional nuances, providing a fuller picture of participants' perspectives.

Interviews however are not without limitations. They are time-intensive, requiring significant effort in scheduling, conducting, and analyzing the data. The quality of the data can depend on the skill of the interviewer, as poorly framed questions or unintended bias can influence participants' responses (Rubin & Rubin, 2011). Additionally, interviews rely on self-reported data, which may be subject to memory biases or social desirability effects, potentially impacting the accuracy of the findings (Moser & Korstjens, 2018). Despite these challenges, interviews remain an invaluable tool for exploring the complexities of storytelling, trust, and credibility in communication.

To ensure alignment with the study's goals of answering how investment banks use storytelling to establish or diminish credibility and build trust during M&A transactions, questions in the interview protocol (Appendix A) were designed to elicit detailed narratives about participants' interactions with investment banks. These questions focused on:

- How investment banks used storytelling to communicate expertise and build trust.
- The perceived coherence and fidelity of these narratives.
- The impact of these narratives on decision-making during M&A transactions.

Each interview lasted between 35 and 90 minutes, was conducted with participant consent, and was transcribed verbatim using AI software to ensure accuracy. The transcriptions were systematically reviewed against the original audio recordings to verify their reliability. In total 432 minutes of audio were produced with five main themes occurred.

As a result of this iterative coding process, the initial research question, what are the qualities of stories that tech founders tell that are salient about their experiences working with investment banks, transitioned to the following two research questions.

RQ1: What were common tensions that founders experienced when choosing to either engage with an investment bank or pick between multiple pirates?

RQ2: What gave founders confidence or diminished confidence in picking an investment bank?

Findings

Investment banks use storytelling to establish credibility and build trust during M&A transactions by taking the time to understand their clients' unique narrative styles, creating future-oriented narratives, and ensuring that these stories feel authentic and aligned with client values.

Understanding and aligning with clients' narrative styles emerged as a key aspect of how investment banks build credibility and trust during M&A transactions. Participants frequently shared that the banks that stood out were those that took the time to truly understand not just their businesses, but how they preferred to communicate and frame their goals. "They weren't just trying to sell me something—they genuinely took the time to understand my business and where I wanted it to go," one participant explained, emphasizing how this effort set certain banks apart from others.

This dynamic process of alignment required more than superficial relationship-building. It involved consistent engagement—tailored insights, periodic check-ins, and an authentic willingness to adapt storytelling to match the client's preferred tone and style. One participant, reflecting on a positive experience, remarked, "I'm pretty sensitive to sleazy sales… but they hit it off with me because they took the time to explain things and match my personality." This approach created a sense of partnership rather than transactionality, a distinction that participants noted as critical in cultivating trust.

The investment banks that succeeded in establishing trust and credibility were those who prioritized this narrative alignment, recognizing that storytelling was not a one-size-fits-all endeavor. They crafted narratives that not only highlighted technical expertise but also resonated with the personal values, communication preferences, and aspirations of their clients. By taking the time to align their storytelling with the client's narrative style, these banks demonstrated authenticity, deep understanding, and a commitment to shared success—qualities that clients expressed they valued deeply in the environment of M&A transactions.

Investment banks that excelled at building trust and credibility during M&A transactions weren't just crunching numbers—they were painting compelling pictures of the future. Clients recalled how the banks that stood out were those that combined hard data with vivid, future-oriented narratives. "It wasn't just about the numbers," one participant shared. "They told a story about where my company could go, and that made it feel real."

This ability to look beyond spreadsheets and create a vision resonated deeply with participants. It wasn't simply about showcasing expertise but connecting that expertise to the client's aspirations and possibilities. By blending logical analysis with emotional resonance, banks made the potential benefits of a transaction feel not only achievable but motivational. Participants often pointed to these future-focused narratives as a deciding factor in their choice of partners, with one explaining that the banks who could help them imagine "what's next" stood apart from those who relied solely on facts and figures. These narratives weren't just motivational—they were strategic. By framing M&A transactions as transformative opportunities, investment banks tapped into their clients' visions for growth, demonstrating an understanding of their goals and a commitment to helping them realize them.

Ensuring that stories feel authentic and aligned with client values was the final theme of the participants' experiences. Many highlighted that investment banks who engaged in what felt to be transparent and honest communication earned their trust more effectively. As one participant shared, "They didn't sugarcoat things—they told me what I needed to hear, not just what I wanted to hear. That honesty made me feel they genuinely had my best interests at heart."

This level of candidness reassured clients, portraying the bank as a partner invested in their long-term success rather than solely focused on closing the deal.

Participants also emphasized that authenticity wasn't just about honesty but also about alignment with their personal and professional values. One interviewee reflected, "They understood how much this deal mattered to me personally and didn't just treat it like another transaction," highlighting how investment banks that acknowledged the emotional stakes of the transaction strengthened their relational bond. Another participant appreciated a bank's efforts to "explain things and match my personality," noting that the ability to connect on a personal level was instrumental in building trust. Conversely, banks that failed to engage in open, candid discussions or came across as overly transactional were frequently dismissed, with clients perceiving such behavior as insincere or profit-driven.

This balance of honesty, transparency, and relational alignment allowed banks to craft narratives that resonated with clients, making them feel understood and valued. By addressing concerns about fees, market challenges, and other uncertainties proactively, these banks positioned themselves as trusted advisors, elevating their credibility and distinguishing themselves in a competitive M&A landscape.

Categories and Tensions

The second research question examines the key factors influencing clients' decisions when determining whether to engage with an investment bank and selecting which bank to partner with for their M&A transaction. The findings reveal that clients navigate multiple tensions in their decision-making processes, including cultural alignment versus transactional priorities, emotional versus logical drivers of decision-making, and the trade-off between fees and expertise. These tensions illuminate the complex landscape of trust, values, and practical considerations that clients must navigate in selecting a partner.

Cultural alignment versus transaction priorities emerged as a defining factor for many participants. Clients repeatedly described feeling frustrated by banks that treated their relationship as merely transactional, lacking a deeper connection to their long-term goals or company culture. One participant recounted a positive experience, explaining, “They got what my company was about—they cared about my employees and where we wanted to go. That made all the difference.” This genuine effort to understand and align with the client’s values was not only appreciated but expected, as it demonstrated the bank’s commitment to the broader vision of the company. By contrast, clients who encountered banks that appeared solely profit-driven or indifferent to their values were quick to walk away, emphasizing that cultural misalignment could be a dealbreaker.

Since this is a human-centered process, tensions between emotional versus logical drivers of decision-making created another layer of complexity. While analytical rigor and technical expertise were essential, the interpersonal connection with the bank often became the deciding factor. As one participant put it, “It was as much about the chemistry and how well they understood our goals as it was about their numbers.” This insight points to a dual dynamic: Clients wanted solid, data-driven analysis but needed to feel that the bank genuinely understood and respected their aspirations. The decision-making process often became an interplay between logic and emotion, with participants reflecting on how relational dynamics could outweigh technical considerations in shaping their ultimate choice.

The tension between fees and expertise was the most practical yet nuanced challenge for participants. Clients acknowledged that cost mattered, but it rarely took precedence over trust and expertise. “At the end of the day, I was willing to pay more for a team that really understood my business and could guide me through the process,” one participant noted, reflecting the premium placed on deep knowledge and reliable guidance. However, the willingness to pay higher fees came with an expectation of transparency and justification for the costs. Participants valued banks that clearly communicated the value they brought to the table, especially when higher fees were involved. While lower-cost options were sometimes attractive, clients were quick to recognize the risks of prioritizing cost over competence.

Discussion

This study advances the understanding of how storytelling shapes trust and credibility during M&A, extending the principles of NPT into financial contexts. By examining participant narratives, I discovered that investment banks successfully build trust by integrating storytelling with relationship-building strategies. Specifically, the findings highlight the importance of adapting narrative styles, creating future-oriented stories, and authenticity in the stories told. These results affirm the central tenets of NPT—coherence and fidelity—as critical components of effective storytelling.

The findings closely align with the predictions of Fisher’s Narrative Paradigm. Participants consistently emphasized the power of coherent and resonant narratives in building trust, validating Fisher’s assertion that humans evaluate communication primarily through the lens of storytelling rather than solely relying on logical reasoning. For example, participants often described how investment banks presented data within a narrative that aligned with their vision, reinforcing the theory’s emphasis on fidelity as a critical measure of narrative resonance. This fidelity ensured that the banks’ stories were perceived as truthful, relevant, and aligned with the client’s values and goals. However, the study also revealed dimensions that extend beyond what NPT traditionally emphasizes. Relational dynamics—such as sustained engagement, interpersonal authenticity, and cultural alignment—played a pivotal role in how participants evaluated and trusted investment banks. These elements, while complementary to NPT, suggest that trust-building in financial contexts requires more than narrative coherence and fidelity. So, Fisher's Narrative Paradigm provides a valuable foundation for understanding the role of storytelling in building trust and credibility, but the findings suggest it can be extended to account for relational and contextual dynamics in business settings.

Limitations and Future Research

This study has several limitations that should be acknowledged. One limitation is the timing of data collection. Participants, particularly technology founders, had difficulty participating during the fourth quarter, October 1st to December 31st, a period often marked by financial planning and heightened business activity (Maffettone, 2023). This constraint may have limited the depth of the sample size, as many prospective participants noted that they were unable to participate due to the timing of the study.

Another limitation lies in the use of snowball sampling. While this method is effective for accessing niche populations like technology founders involved in M&A, it inherently narrows the diversity of perspectives. The reliance on participant networks may limit the range of viewpoints, as individuals within the same network often share similar experiences or outlooks (Patton, 2015). This introduces the potential for selection bias, which may affect the generalizability of the findings (Biernacki & Waldorf, 1981).

Future research should address these limitations by broadening the participant pool to include founders from diverse industries, geographic regions, and organizational sizes. For example, comparing storytelling strategies across industries such as global retailers could reveal how sector-specific factors influence the way narratives are crafted and received. Similarly, including founders from international contexts could shed light on cultural variations in storytelling and trust-building during M&A transactions.

A particularly valuable avenue for exploration would involve contrasting the storytelling strategies of boutique investment banks with those of bulge-bracket firms. Boutique investment banks, known for their personalized relationships and niche expertise, may tailor their narratives to align more closely with specific client values (Xiao, 2016). In contrast, bulge bracket banks, with their emphasis on scale and global reach, may employ more standardized, data-driven storytelling approaches designed to emphasize their prestige and capabilities (Arthurs et al., 2009). Examining these differences could provide a more comprehensive understanding of how bank size and positioning influence storytelling practices.

Additionally, incorporating longitudinal methods could provide deeper insights into how trust evolves over the course of an M&A transaction. Observing the dynamic nature of storytelling and relationship-building from initial negotiations to post-deal integration could reveal how narratives are adapted to sustain credibility and trust at different stages of the process.

Implications

The findings of this study carry implications for individuals directly involved in M&A, including technology founders and investment bankers. For technology founders, the results highlight the importance of selecting banks that demonstrate cultural alignment and communicate their expertise through compelling narratives. Founders should prioritize banks that not only provide technical expertise but also take the time to align their messaging with the founder's vision and long-term goals, as this fosters trust and a stronger collaborative dynamic.

For investment banks, the study offers actionable insights into how storytelling, paired with relational strategies, can create a competitive advantage. Transparency and the ability to address client concerns candidly emerged as critical components of trust-building. Banks that incorporate these practices into their communication strategies are better positioned to stand out in a crowded and competitive marketplace. These findings emphasize that credibility is not just built through expertise but through authentic, client-focused engagement.

Furthermore, this research extends beyond the domain of M&A. Storytelling, as a tool for fostering trust and credibility, resonates universally in a wide range of contexts. The principles affirmed in this study—narrative coherence, fidelity, and coherence/trust-building tactics—are applicable to personal and organizational decision-making alike. Whether selecting a financial advisor, negotiating a partnership, or launching a business, the ability to craft and communicate a meaningful story is a critical skill. This study underscores the universal relevance of storytelling, bridging the gap between financial interactions and everyday relational dynamics.

For communication scholars, this research advances the application of NPT in organizational contexts. By examining how storytelling operates in M&A, the findings highlight the theory's relevance beyond its traditional domains, such as media and politics. Additionally, the study suggests opportunities to refine NPT by integrating relational and interpersonal dynamics into its framework. While NPT's core principles of coherence and fidelity remain essential, this research demonstrates that consumer confidence in M&A settings also relies heavily on looking at trust and credibility as a symbiotic relationship and emphasizing the interplay between both segments.

Conclusion

This study highlights the critical role of storytelling as both a relational and strategic tool in business settings, particularly within the high-stakes environment of investment banking. By exploring how investment banks use storytelling during M&A, the research confirms that narratives embodying coherence and fidelity are pivotal in building trust and credibility, aligning with the foundational principles of NPT. However, the findings also expand NPT's scope by emphasizing that trust-building requires more than effective narratives—it depends equally on relational dynamics such as cultural alignment, sustained engagement, and transparency.

The findings affirm that trust in M&A is a complex interplay between technical expertise, meaningful storytelling, and relational authenticity. Investment banks that successfully integrated data into future-oriented narratives tailored to a client's aspirations were consistently perceived as more credible and trustworthy. These stories, when aligned with a client's vision, fostered a sense of shared purpose that extended beyond transactional considerations. For example, narratives that contextualized financial data within a client's broader goals created alignment and demonstrated a bank's ability to serve as a long-term partner rather than just a technical advisor.

Relational dynamics emerged as equally critical to trust-building. Participants emphasized that storytelling alone was insufficient; it needed to be underpinned by authentic, long-term relationships. Investment banks that maintained consistent communication, demonstrated cultural alignment and addressed client concerns candidly were viewed as more trustworthy and credible. This dual approach—combining narrative-driven expertise with relational trust-building—highlighted that credibility in investment banking relies as much on interpersonal authenticity as it does on strategic storytelling.

In a competitive industry, these findings carry important implications. As the market becomes increasingly crowded, banks that integrate tailored narratives with relational strategies will likely stand out. Boutique investment banks can leverage their personalized approach and niche expertise to create bespoke narratives, while bulge bracket banks can emphasize their global reach and resources within coherent and compelling stories. Both approaches highlight the need for storytelling strategies that resonate with specific client segments and industries.

Ultimately, this study demonstrates that storytelling is not merely a tool for persuasion but a cornerstone for building sustainable relationships in business contexts. By validating and expanding NPT into organizational settings, the research offers theoretical and practical insights for investment banks seeking to enhance client trust. Storytelling, when combined with relational authenticity, emerges as a critical mechanism for anchoring trust and fostering credibility, reinforcing its enduring significance in professional and everyday interactions.

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Winning Business: Strategies Investment Banks Use to Succeed in High Stakes Environment Interview Protocol

Report Building: Thank you so much for participating in this interview. I'm working on a university honors project that explores the strategies investment banks use to succeed in high-stakes environments such as mergers and acquisitions (M&A). While a lot of research focuses on what investment banks do, this study seeks to understand the client's perspective, and you are an essential part of this puzzle. Your insights will help not only this project but also people like you who navigate similar processes. I really appreciate your time and willingness to share your experiences.

Grand Tour Questions #1

- Walk me through the process of how you chose the investment bank you worked with.

- What criteria did you initially set for choosing an investment bank?
- At what point during the process did you feel confident that you had found the right bank?
- What role did trust and rapport play in your decision to go with one bank over the others?
- What significant concerns or hesitations came up during the process? How were those addressed?
- How much weight did you give to fee structures compared to other factors like industry expertise or relationships?
- How important was industry-specific experience in your decision, and how did the winning bank demonstrate this?
- How many investment banks did you meet with before making your decision?

Grand Tour Questions #2

- What is something particularly memorable—whether positive or negative—that you recall hearing from the investment banks you spoke with?
  - How did this affect confidence in the bank?
  - Were there any memorable moments that led you to immediately eliminate or prioritize certain banks?
  - What role did the personal relationship or chemistry with the bankers play in your selection?
  - What specific actions or approaches did the winning bank take that you found most compelling?
  - Did the bank offer any unique services, strategies, or insights that you didn't see from other banks?

Grand Tour Question #3

- Tell me about your current relationship with the investment bank after the transaction was completed?
  - In what ways has the bank continued to provide support or advice post-transaction?
  - Has the relationship evolved into any new opportunities or collaborations?

Appendix B: Visual Model of Founders Stories

Participant A was initially approached by a private equity firm with a buyout proposal. At the time, they had not formally engaged an investment bank but had been in discussions with one, using them as a sounding board. The deal with the private equity firm ultimately fell through. When Participant A decided to pursue a sale again, they were certain they wanted to work with an investment bank. After meeting with two firms, they chose to partner with the bank they had previously consulted. This time, they successfully closed a deal that left the tech founder satisfied.

Participant B decided to sell their business upon realizing they could no longer contribute to its growth. They explored multiple investment banks and recalled feeling overwhelmed by the abundance of interested firms. Ultimately, they selected the bank they felt was the most honest—one that asked thoughtful questions and provided a well-explained financial guidance number. During the process, they nearly finalized a deal but ultimately backed out due to concerns about fit. This required them to restart their search, but they eventually closed with a buyer they were excited about.

Participant C has extensive experience with M&A transactions, having run multiple processes with investment banks and previously worked in the sector. Given their background, this interview focused on their broader perspective on investment banks. They primarily engaged banks specializing in their industry, rarely using the same bank more than once. While all of their deals were successfully completed, they noted that in some cases, using an investment bank was not essential.

Participant D has executed multiple M&A transactions, working with smaller investment banks and boutique firms. However, they expressed a preference for only using a bulge bracket bank moving forward. They noted that in some of their past deals, investment banks seemed more focused on their financial gain rather than the long-term future of the business post-sale.

Participant E took a more extensive approach in comparison to other participants when selecting an investment bank, spending over three years evaluating multiple firms. They found many banks offering similar pitches, making the decision difficult. Ultimately, they chose a bank they felt was the most authentic, based on its track record. However, they received fewer offers than expected and closed at a price below the initial guidance. As a result, they expressed reluctance to use an investment bank again.

Participant F initially sought out an investment bank and selected a newer firm that offered a high valuation estimate and lower fees. However, early in the process, they were dissatisfied with the offers received. They decided to withdraw from the market and focus on growing their business, hoping for a better future outcome. They are still working on the company and do not anticipate using an investment bank again.

Participant G had an established relationship with an investment bank prior to selling, having received regular research reports and mailers from the firm. When they decided to sell, they chose to work with that bank. They reported a smooth transaction process and closed the deal with terms and a valuation they were satisfied with.

Participant H consulted with several investment banks but also had a large investment board guiding the process. After hearing pitches from four banks, the board ultimately decided against using one. While they successfully closed a deal, the founder later reflected that they could have had better options with the support of an investment bank. They stated they would likely use one in the future if in a similar situation.

Participant I was initially approached by a private equity firm before engaging an investment bank. They ultimately decided to bring in a bank to facilitate the process and later realized that its involvement helped secure better deal terms from the private equity firm. They were pleased with the outcome and stated they would use an investment bank again under similar circumstances.