

## **How to Understand, Build and Sustain Brand Relationships \***

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## **Abstract**

As an increasing proportion of value becomes intangible, brands are becoming more important for the growth and vitality of firms. Customer loyalty is more likely when customers form relationships with brands; thus, brand relationships are getting increasingly important for the managers. In this article we draw on the literature, our own research and case writing to explain the notion of consumer brand relationships and how these relationships are formed. We develop the notion of a brand ladder in a build-up to brand relationships. Using the brand ladder and the diagnostic tool kit outlined in the article, managers can understand where their brands are on the brand ladder and get a clear understanding of where the brand exists in the relationship formation process. We then provide action steps that firms and managers can take to build and sustain brand relationships.

## **Key Words**

Brands, Relationships, Emotions, Building, Sustaining

Consider the following. “I am a Ford man,” said a rental car customer recently at the forecourt in Virginia – it was as if he “belonged” to the Ford brand and vice versa. In another instance, a woman asked, “have you given food to Hampi?” A seemingly innocuous question for a pet or a child? Actually, the “Hampi” in question is a Hyundai Santro car owned by two twenty something sisters who live and work in Hyderabad, India and “food” for Hampi means whether Hampi has been refueled!!” Consider, also, the words of Howard Schultz, CEO, Starbucks, “to be relevant in 25 years’ of time, we want to live inside people’s houses, to be their trusted friend.”<sup>i</sup>

Different studies have indicated that among the reasons for unusually strong brand loyalty are habit, unique sensory stimuli, inter-generational influence, emotional security and fit with personal identity even while respondents were rationally claiming that the brands were functional.<sup>ii</sup> Across different markets, brands are being imbued with personalities<sup>iii</sup> and consumers are developing relationships with brands.<sup>iv</sup> Some even love their brands and see them as part of their extended self.<sup>v</sup> Such phenomena have implications for the development and management of brand relationships by firms. Strong brand relationships are an option for managers to increase customer loyalty and, thereby, get marketplace advantage. We explore how managers may diagnose, build and sustain brand relationships to obtain customer loyalty and competitive advantage.

We first look at the increasing importance of intangible value in the basket of value that a firm provides to its customers and the role of brands within intangible value. Next we look at the brand ladder – how a brand can exist – and how brands

encompass relationships. Thereafter, we outline the steps to diagnose where a firm's brand is on the brand ladder and conclude with an action plan to build and sustain brand relationships.

### **The Increasing Importance of Intangible Value**

Today's greater freedom of individuals to express who they are and to vary that over time means that people have begun to construct their identities out of available symbolic resources in order to weave a coherent account of one's identity.<sup>vi</sup> Societies are moving towards increasing individualism. Even in developed Western societies, till the 1960s, who the person was at heart would be buried under a welter of circumstances; the self was bounded by birth, location or occupation. While the rigid social stratification of medieval times had gone in form, it still survived in spirit. Till well into the 20<sup>th</sup> century – to be an 'accountant,' for example, meant a certain type of behavior, dress, and material ownership patterns. In the early 21<sup>st</sup> century, an increasingly important 'available symbolic resource' includes brands that an individual consumes. While individualism is an established fact in developed countries, it is now becoming a stronger phenomenon in emerging markets and collectivist societies like Japan, China and India.<sup>vii</sup> With increasing individualism, the consumer evaluates brands on how the brand effects and serves her as an individual, beyond functional value.

As a consequence, customer value is also evolving to incorporate a greater proportion of intangible value. The intangible value requirements include, for example, a product being green, a company being a good social citizen; these along with other factors such as usage lead to a "bonding" and "relationship" that a customer has with

a brand -- the feeling that “this brand is a part of my life;” and these have neuro-physiological bases.<sup>viii</sup>

The increasing proportion of intangibility in the value that firms provide is manifested in the increasing ratio of market capitalization of listed firms to their book value. The ratio of market capitalization to book value for listed firms, for example, has increased over time for listed firms in the US, UK and India.<sup>ix</sup> Intangible assets like patents, trademarks, franchises, R&D and brands permit the company to earn cash flows in excess of the return on tangible assets. For a sample of 15 firms, between 30% and 151% of the firm’s replacement value came from the brand; and across 20 different industries, the brand equity value ranged from 25% to 95% of intangible value of the firm. <sup>x</sup>

Neuroscientific evidence suggests that brands always play a role for consumers; that consumer decisions have a brand and emotion related dimension. For preferred brands, deemed a “rational choice,” there was still a significant response in the right ventral striatum, the reward center of the brain that is connected to emotions,<sup>xi</sup> an important underpinning of brand value. Evidence also suggests a strong affective memory component through hippocampus and ventro-lateral prefrontal cortex activation for a preferred brand as compared to no or low activation for a non-preferred brand.<sup>xii</sup>

### **The Brand Ladder: Evolution of a Brand towards Relationships**

A brand is a product as it is experienced and valued by the customer. And branding (or brand management) is the management perspective that focuses on shaping a

product's perceived value amongst consumers. Successful brand management leads to different value components that include identity related value, functionality and related value, usage experience and emotion related value and relationship value that forms with frequent interaction with and use of the brand.<sup>xiii</sup>

Brands are first and foremost identifiers. My brand is different from yours. As the mid west was settled in the US, ranchers needed to be able to identify their cattle from those of other ranchers in cases of theft and overlap. So they “branded” their cattle; one knew that a particular animal belonged to Circle K ranch. In the second level, brands are a promise of quality, performance and functional benefits. Buying Surf detergent from Unilever is a guarantee of the “whiteness” of the wash that the consumer obtains. A Grundig tape recorder of the 1960s from Germany was a guarantee of longevity with good sound quality. The consumer uses primarily cognitive pathways in the brain in the second level.

At a third level, in addition to functional benefits, brands are about transactional specific emotional benefits. Buying a BMW 320i makes the customer feel good about herself; it gives her some status amongst peers; and it offers performance. The nucleus accumbens fires in anticipation of the reward (good feeling of status along with the attendant dopamine). This level of branding starts tapping the individuality of the consumer and uses affect pathways in the brain by providing transaction and usage specific affect benefits.<sup>xiv</sup> By the 1980s most top brands had reached this level.

In the fourth level, consumers form relationships with brands. The brand has a personality; becomes anthropomorphic in nature<sup>xv</sup>, is personal to the consumer and

becomes a part of the consumer's life. If the brand is missing, the consumer feels as if she is missing something in her life. The consumer identifies himself with the brand: "I am a Ford man," for example. Consumers can develop relationships with brands on the basis of brand attributes or brand personality. For instance, the rugged brand personality that Thums Up, a soft drink brand from the Coke stable in India, exemplified through its advertising campaigns, makes a certain consumer type associate with the brand. The consumer feels connected to the brand; feels love and passion for the brand and feels incomplete without the brand; relevant brain pathways and neurons display long term potentiation that persists over time; in the Kahneman terminology, the consumer is now using primarily System 1.<sup>xvi</sup>

Neurologically, a distinctive feature of love is that just a subliminal verbal reference, of a loved person or brand, activates brain areas like the fusiform and angular gyri which are involved in the abstract representations of others; this does not occur when referring to friends or a hobby.<sup>xvii</sup> In addition, similar brain reactions in the fusiform gyrus were recorded for people who felt passionate about a retail luxury store and where they spent much more in absolute and relative terms than others, suggesting that love and relationships can extend to a brand. Significantly, activity in the gyrus, the amygdala and the anterior cingulate cortex in the brain significantly correlated with the passion score.<sup>xviii</sup> Love is also associated with high levels of oxytocin (connecting to neurons in the nucleus accumbens) and vasopressin (acting in the ventral pallidum) that promote bonding (associated with brand relationships) that persist over time. Brand love is known lead to higher purchase and positive WOM.<sup>xix</sup>

It is important also to note that symbolic, hedonic and experiential benefits of a

brand<sup>xx</sup> are subsumed under the affect related activity in the brain, while functional benefits tend to be more cognitive in nature. Brand relationships, on the other hand, result from dopamine and oxytocin in the brain in the region of nucleus accumbens and amygdala<sup>xxi</sup> and critically, have a long term neurological potentiation in a set of relevant neurons through a particular pattern of connections among neurons - that is physiologically different from the “temporary” excitation of transaction specific affect, hence the difference in the categories between affect and brand relationship.

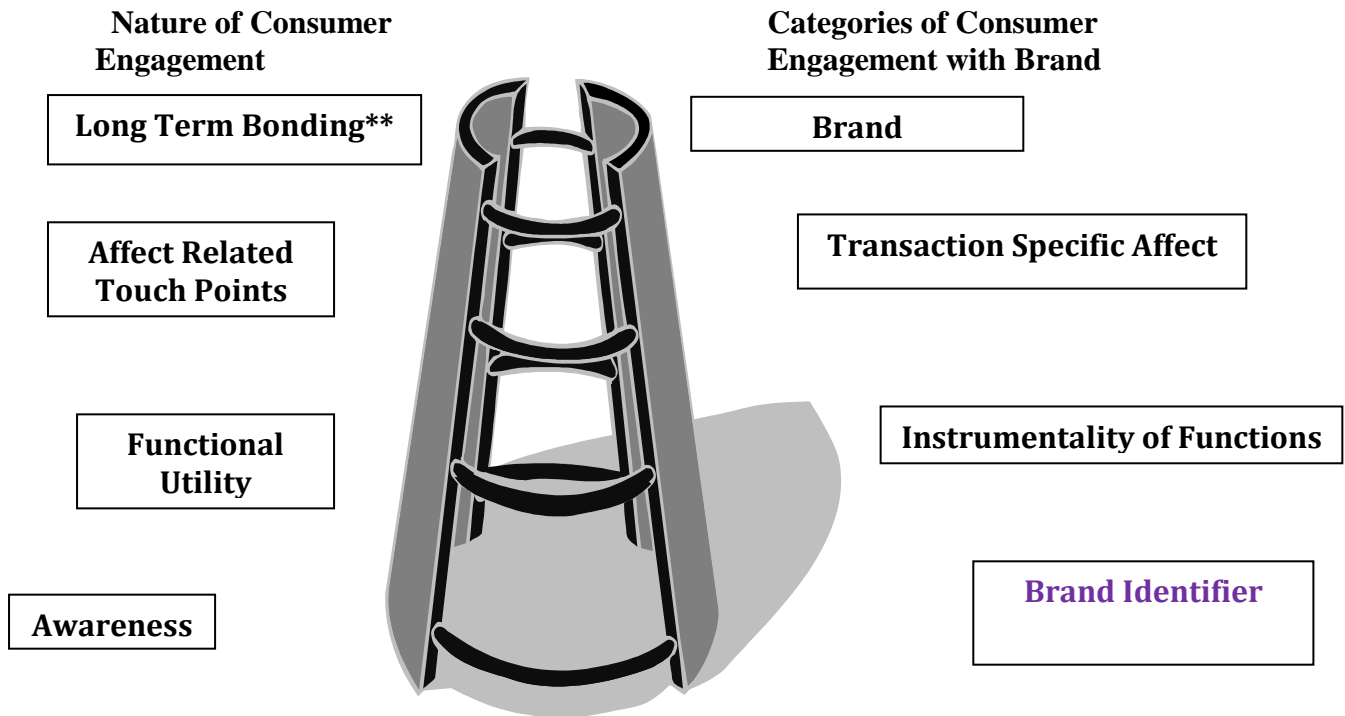
The conceptualizations and operationalizations of brand relationship and brand love, from a research and practice standpoint, are closer to the neurological bases of love as emotion<sup>xxii</sup> rather than friendship.<sup>xxiii</sup> Brands that customers have affect for but where customers have not reached a “love” or “relationship” stage should therefore, also be neurally different and should be classified as a different stage of engagement of those brands with the customer. These data suggest that brand love and, therefore, brand relationships exist at a different level of engagement as compared to simple “affect,” associated with transaction specific affect (or “friendship”) that we postulate as being in the affect level of the brand ladder, i.e., brand relationships tend to be more System 1 driven.<sup>xxiv</sup>

Our research, put together with anecdotal customer perspectives, conceptualizations and evidence in the marketing and neuroscience research literature strongly indicates that at the brand relationship level of the brand ladder, customers bond with the brand; brand relationships are created along dimensions such as brand partner quality, love and passion, self connection and interdependence, commitment and intimacy.<sup>xxv</sup> The customer’s preferred brands activate the regions of the brain (paracingulate gyrus and



temporo-parietal junction) used for emotional meta-representations.<sup>xxvi</sup> Figure 2 summarizes the brand ladder.

**Figure 2**  
**The Brand Ladder\***



\*Right side of the ladder – different categories of customer engagement with a brand.

\*\*Left side of the ladder – nature of customer engagement in each level.

Table 1 below captures the difference between brands in level 3 (that is primarily based on transaction specific emotional value) and a brand that has developed a relationship with the customer (level 4).

**Table 1**  
**Difference between affect and brand relationship<sup>xxvii</sup>**

Criteria Defining Level of Brand Engagement Categories 3 & 4	Affect	Brand Relationship
Level of affect	Emotions generated can be because of the functional benefits/ social benefits; limited in nature. Emotions tend to be event and time specific.	there exists a very high level of affect/passion for the brand; this affect is at a qualitatively higher level compared to level 3. Emotions are at the level of a bond (Batra, Ahuvia and Bagozzi 2012) – and somewhat independent of the functionality and time. Dopamine levels

		in the brain tend to be higher; <sup>xxviii</sup> The pathways are affect related.
Longevity of use	A brand could be used once or more	It's a long term commitment with the brand (Batra, Ahuvia and Bagozzi 2012; Fournier 1998).
Consumption pattern	Varying levels of usage of the brand.	Behavior tends to approach ritualism (Fournier 1998).
Post consumption pattern	Using the brand feels good to the customer. There is a dopamine surge specific to the event.	It becomes a part of one's life. Consumer feels self-connected and possessive about the brand. Absence of the brand leads to a sense of deprivation – serotonin levels fall. Long term higher dopamine levels.
Co-creation	More on attracting and engaging customer.	Users participate in co-creation of brand value and the process has greater mutuality.

The evolution of a brand towards relationships needs to happen at the customer end through customer actions, emotions, beliefs and attitudes; however, this process needs to be facilitated by managerial actions. In order for the customer to experience a brand relationship, the firm's internal processes have to create and manage the relationship formation and maintenance.

From the perspective of the firm, a brand has to have an underlying belief underpinning it. Belief in a brand must relate to its purpose. In this sense, brand belief is akin to the Japanese notion of "*shimei*" – "the reason for our existence" – a cause that is higher than the product. Only when the brand *shimei* is strong, well articulated and accepted, will the customer develop a strong relationship with the brand. From the firm's perspective, it is important for the employees of a firm to understand, accept and buy into the brand belief because their interactions with the customer are also a part of the brand relationship. Consider Edelweiss, a boutique \$800 million investment bank operating out of Mumbai, India.

According to CEO, Rashesh Shah, “As a company, one needs to actively say what you are – otherwise the company becomes something else by default. This was a very real challenge for Edelweiss when company had just doubled its headcount. It was important at this juncture to communicate internally to the people as to what Edelweiss stood for. In fact, since in the wholesale financial services business, the people in the firm were the brand to the customers, it was critical for all persons in the firm to understand what the firm stood for so that customers were not only able to build better relationships with the Edelweiss brand but also, importantly, customers understood the nature of the organization and the reason for its existence – “service with integrity.” The adherence to and enforcement of internal values and processes enabled us to communicate the reason for existence and develop a stronger brand and stronger brand relationships.”

Edelweiss lived by an ethical credo of service with integrity and wanted all its employees to understand its meaning and implications for actions. The head of the equities brokerage business was fired for doing what he thought was the right thing by the firm. Equity brokerage clients normally gave instructions to their brokers to buy (or sell) at a target price. In this instance, the client (say A) had instructed Edelweiss to buy at INR 348. The nature of buying equities is such that, frequently, one is not able to buy exactly at the client requested price. In this instance, the brokerage head was able to buy the required equities for the client at an average price of INR 349 – which meant that since Edelweiss had committed INR 348 to the client, Edelweiss would have to take a small loss. The brokerage head also had another client (say B) where he had been able to purchase the required equity for B at a price that was lower than what the client had agreed to. On his initiative, the brokerage head transferred

the “profits” in B’s account to offset the “losses” in A’s account so that there was no loss to Edelweiss. He was fired for doing something with a client account without client consent. This widely publicized incident within Edelweiss conveyed unambiguously the belief systems and required behaviors; the resultant employees’ behaviors culminated in better client and brand relationships. <sup>xxix</sup>

### **Diagnosing your brand presently in the mind of the customer**

So where is your brand in the mind of the customer? The first step is to discover the nature of the engagement with the brand; whether the consumer is primarily (or exclusively) using the brand because of the functional benefits or has developed some affect relating to the brand or has an emotional bond with the brand. For example, a consumer might just use Vivo cell phones because of the product benefits and may not share a relationship with the brand – partly because the Vivo brand operates at the budget constrained end of the market where the primary requirement is functionality.

Or customers may have developed an affect-based relationship with a phone brand. For example, our research on young consumers in the age group of 13 to 25 years in a survey across two customer categories in India suggested a strong relationship with their phone brand. Consider Lima, a consumer non-durable company that does monthly brand tracking studies across 25 cities in one country on the dimensions of what it calls “brand love.” The following are some questions that Lima asks in the weekly brand tracking study as given in the following table for two of its brands, Racer and Duke.

**Table 2**

Brand Racer

1	Is a fun brand
2	Is a brand which is for people that enjoy life
3	Is for people who don't take life too seriously
4	Is a brand for someone like me
5	Is a brand leader
6	Makes me feel good about myself
7	For people who take a positive approach to life.
8	Is value for money
9	Has great taste

These questions capture aspects of love and passion and intimacy from brand relationship dimensions<sup>xxx</sup>. Data on the above items along with purchase intention and sales data help Lima to track brand strength of Racer and Duke on an ongoing basis.<sup>xxxi</sup> Analysis suggests that changes in the brand relationship dimensions correlate directly to purchase intentions and sales for Lima. For instance, the brand love score for the Racer brand of Lima is significantly higher than that of the Duke brand and so also is the consumption intent and consumption over a 53 week period. Thus, the evidence from the company Lima suggests that stronger brand relationships will lead to greater sustainability in the marketplace.<sup>xxxii</sup>

In a different level on the brand ladder, Mahindra and Mahindra, a tractor to SUVs to two wheeler maker, made use of the digital space to move up in the brand ladder by creating awareness, building relevance about the brand and then engaging the customers and facilitating the bonding process. Using social media, Mahindra customers started sharing their experiences with the automobile on videos and

pictures. The company used various forms of contests to engage the customers and finally the facebook page was filled with the posts and comments made by the users who are now advocating the company and bringing in more present and potential buyers to the site. Customers displayed dimensions of brand love, self connection and intimacy of brand relationships on the FB site. Customers are not only aware of the brand (identifier) and its functionality (level 2), but are also engaging with it on the emotional level and some are moving towards forming a relationship with the Mahindra brand through its XUV500 offering. Thus, Mahindra operates in all four steps of the brand ladder.

Coca Cola is a global leader in branding with an Interbrand estimate of the Coke brand being valued at \$65 billion. It has different brands on different categories of the brand ladder. Consider the Minute Maid Pulpy Orange launch in India: this is an example of a brand launch where Coca Cola focused on the product attribute for the first two years (Where's the Pulp campaign). These reflect the first and second categories of the brand ladder - it describes "What it is and what it does" or product attribute based differentiation. The brand is evaluated primarily along cognitive pathways and the dorso lateral pre-frontal cortex (DLPFC) in the brain.

At a different place in the brand ladder is Thums Up, a Coca Cola beverage brand in India. It celebrates the masculinity in you, the strong cola for the real man. For many years, Coca Cola has focused on establishing Thums Up as the ultimate Male Icon amongst beverages. A Thums Up drinker feels good drinking it in front of his (consumer profile is 70% male) peers – in a situation and time based affective evaluation. This is the third level in the ladder - "How it makes you feel" or emotional

differentiation.<sup>xxxiii</sup> The right ventral striatum and nucleus accumbens become more active, while the insula becomes less active as compared to baseline levels.

Continuing on, this would turn into a brand relationship when a Thums Up drinker's sense of identity is tied to the brand; when he feels something missing if the brand is not present, when Thums Up is present at significant milestones in the person's life; when it provides feelings of uniqueness and a person feels passionate about the brand; when Thums Up is driven primarily by System 1 processes in the brain; the caudate nucleus and the amygdala also are activated along with a spurt in dopamine levels.

Table 3 below lists illustrative questions that firms need to answer about their brands to determine where in the brand ladder their brand is in. This would help the firm to map the present status of the brand to the brand relationship possibilities that exist. It has two parts. The first part deals with "marketing" related questions; the second part deals with the neuroscience related data requirements. Without a brand diagnosis, a firm is very likely handicapped in enhancing the effectiveness of its brand.

**Table 3**

**Diagnosing Status of Brand Relationship**

<b>Questions (PART 1)</b>	<b>Identifier</b>	<b>Function</b>	<b>Emotion</b>	<b>Brand Relationship</b>
Does my brand engage the customer's emotions?			✓	✓
Am I able to create passion through my brand? (Thums Up, Apple, Camper)				✓
Is my brand linked to the customer's aspirations? (Thums Up, Mahindra)			✓	
Does the customer consider my brand a companion? (Lima, Thums Up; Maggi)			✓	✓

Is there a strong brand community that exists around my brand? (Harley Davidson, Mahindra)			✓	✓
Is my brand bought by the customer primarily for its functionality? (MinuteMaid; Vivo)	✓	✓		
Is my brand just another name in the herd?	✓			
Is my brand thinking on behalf of customer? (Edelweiss, Lima)				✓
Is my brand promise converting into the brand relationship lived by the consumers? (Mahindra, Thums Up, Camper; Maggi)				✓
Is my brand able to nurture the consumer at the levels of body, mind and soul? (Harley Davidson; Maggi)				✓
How much of the brand is co-created by the customer? (Mahindra, Harley Davidson)		✓	✓	✓
<b>Questions (PART 2)</b>				
In the presence of, or in interacting with or using the brand, the nucleus accumbens, the caudate nucleus, the VMPFC, and the anterior cingulate cortex become much more active than baseline levels			✓	✓
In the presence of the brand, or in interacting with or using the brand, the anterior insula and the DLPFC becomes less active relative to baseline levels				✓
In the presence of the brand, or in interacting with or using the brand, the DLPFC becomes more active as compared to baseline levels	✓	✓		
In the presence of, or in interacting with or using the brand, the right ventral striatum and hippocampus become more active as compared to baseline levels			✓	✓
In the presence of, or in interacting with or using the brand, the angular and fusiform gyri become more active relative to baseline levels				✓



### **3. How Do Brand Relationships Exist and What Kind of Brand Relationships Can You Build?**

Brand relationships exist across income strata – but there are product category effects and income effects.<sup>xxxiv xxxv</sup> Consumers are more likely to form brand relationships with products that they use more frequently and are dependent on for functional or emotional reasons.<sup>xxxvi</sup> Consumers who are above a certain consumption threshold (in terms of the variety and quantity of products and brands consumed) are more likely to develop brand relationships. Low price brands can also be candidates for brand relationships among lower income customers. Many owners of Hero CD100 Dawn (an entry level motorcycle in India, positioned as an alternative to public transport, that sells for approximately \$700 and serves as a commuting and family vehicle) display evidence of brand relationship along the dimensions of brand partner quality and interdependence.<sup>xxxvii</sup>

Second, age and gender significantly influence the nature of the brand relationship. Strong brand relationships are present for young consumers, and teenagers. Younger consumers tend to establish stronger affect based brand relationships as compared to older consumers. Our research indicates that the age group 13-19 is higher on the affect dimension than young adults (20-25 yrs); the older group also develops strong brand relationships, but their brand relationships are relatively more instrumental.

In addition, females at a younger age had a greater affect laden brand relationship as compared to males; this difference between males and females, however, narrows with age. Both males and females at an older age tend to have a greater degree of

cognition in their brand relationships as compared to earlier stages in life.<sup>xxxviii</sup> This is consistent with neuro-physiological evidence showing the “executive command center of the brain” (parts of DLPFC and OFC), that enables control of impulse and emotion, is not completely developed in teenagers.<sup>xxxix</sup> Unlike men, women develop brand relationships on affect rather than cognition and women use greater emotional experiences, whereas, men use more factual experiences with the brand.<sup>xl</sup>

Third, “opportunities in the “market” help develop brand relationships. A politician, for example, utilizes opportunities to connect on a relationship basis with his constituents. In August 2010, when more than 30 miners were trapped 700 meters below the ground in a mine in Chile in South America, one official on the surface increasingly finding himself in the spotlight was Laurence Golborne, the Mining Minister. He interacted warmly with the miners' families, crying and laughing with them as he spent the nights and days at the mine. Indeed, one family asked him to preside over a religious wedding planned between one miner and his longtime partner after the rescue was complete. Golborne's public recognition factor shot up 24 points to 91 percent after the disaster.<sup>xli</sup>

Fourth, in many instances, the desire for a brand leads to significant changes in the consumer’s behavior. For instance, when consumers develop relationships with the luxury/high-end brands they are ready to change themselves to suit the brand requirements. A consumer who wears a Rolex watch changes himself to suit the brand requirement, his appearance, the way he carries himself. Within this category the brands can be either aspirational that makes you change in order to develop relationship or the brands could be inspirational like body shop inspires a consumer

due to the values and environmental friendly approach. This has also been called the Deidorot Effect after the French philosopher – who had a rather cluttered office cum study – and yet after hanging on his coat stand in the office a robe of some distinction found himself over time replacing other things in his office to match the robe including his own clothing... displaying self connection and intimacy.

Fifth, in many brand relationships, there is a strong brand community of users (e.g., Harley Owner Groups, Mac User Groups; Java Community Centers); a significant part of the brand relationship benefits comes from the brand community based activities and the emotional benefits generated. Among American Harley Davidson consumers, for example, there exists a hierarchy based on the status of the bikers. They reinforce the ethos and values with the community and show a ritualistic pattern in their usage; the ritualistic usage pattern decreased risk activation of the anterior insula and amygdala, increased positive feelings from dopamine and serotonin. The individuals who are a part of the subculture – their identity, motives and level of commitment evolve in patterns that are linked to the product and its usage.<sup>xlii</sup> Fellow riders develop relationships with others who have similar values and perspectives, indicating the co-construction of the Harley–Davidson brand experience. In this process of consumption, consumers also start entertaining each other and socialize thus, making consumption a socializing tool and the brand a symbol of that socialization.<sup>xliii</sup> Research supports the importance of purposively selecting, initiating, and managing interactions amongst customers when facilitating brand communities.<sup>xliiv</sup> Research also suggests that brand relationships occur through the connection of the self concept with the brand and through a collective sense. Under independent self-construal, self-concept connection is more important. Under

interdependent self-construal, brand country-of-origin connection is more important.<sup>xlv</sup> Thus, existence of brand relationships is influenced by product category effects, demographics, market opportunities, consumer driven change in self behavior and the possibility of building brand communities; in each of these cases, neural pathways in the brain have undergone long term changes. We address the question of how to build brand relationship in the following section.

### **Building the Brand Relationship**

So what are the different ways to building and managing a brand relationship with the customer? Below, we outline **seven** key steps that firms need to take to build and sustain strong brand relationships.

**Step 1:** The first step is to articulate the root of a brand relationship that is based on beliefs and values that underpin its existence – the “*shimei*” or reason for existence. Brand beliefs are almost like a cause. Belief underpins the cause but does not stop there. The aim is to win hearts and minds. For this one needs to understand hearts and minds; a strong brand belief married to a holistic and continually updated understanding, communicated with energy and imagination and backed by the delivery – by the walking the talk makes for a compelling brand belief. The creation story of the brand becomes a part of the brand’s values that it espouses. The brain is known to look for “meaning” before detail and it requires emotion for imprinting.<sup>xlvi</sup>

Camper is a family business working out of the Mediterranean island of Majorca. Camper values slowness; it abhors speed in modern life as exemplified by brands like

MacDonalds and Nike. Although Camper, an earthy name, is a brand with a global reach, the traditional Majorcan way of life and ancient Mediterranean ships from a slower way of life provide the design inspiration for many of its shoes. Others are inspired by the name: Camper means ‘peasant’ in Catalan. The qualities of a peasant way of life – austerity, simplicity and discretion are reflected in the design. Many of the designs are classics that are produced year after year, with only subtle enhancements, running counter to fashion’s normal U-turns. Another belief element comes from motto emblazoned on some Camper bags; “Don’t buy them if you don’t need them.” A customer’s desire for simplicity, or the need to be seen to be simple, may be leveraged by the firm, which believes in and lives its simplicity. It becomes an emblem of simplicity, an integral part of his life and connects on different brand relationship dimensions. The brain is wired to look for “meaning.”<sup>xlvi</sup> Research suggests that people with greater individualism (independent self construal) with a strong self-concept brand connection resist negative information about the brand;<sup>xlvi</sup> the role of brand belief and values becomes more central to the brand relationship.

**Step 2:** Here the firm should align internal company processes, capabilities and people so that it helps to build the articulated brand relationship. Perhaps, the most successful large scale example of this alignment is provided by SouthWest Airlines, the low cost airline that has had a brand promise of being the low fare airline; that builds relationships with customers on the basis of low fares, fun and reliability; that is an integral part of the life of many flyers. Every aspect of the firm’s internal processes is geared to deliver on the brand promise and to build and sustain the relationship. The firm flies only one type of aircraft Boeing 737 – this reduces maintenance costs. Flying to secondary airports saves on landing charges. Not interlining baggage and not providing meals saves on time and costs. Selling tickets

directly saves upto 10% on ticket prices. Flexible union contracts enable baggage handlers to help check in people and vice versa improving the turnaround time at the gates enabling the plane to leave faster, keeping the planes in the air for longer, increasing asset utilization and decreasing costs. Having 5-7 people (of which only 2-3 may be directly working with the new hire) independently interview new hires makes for a certain kind of hire - one that sings announcements on planes and one that tries to make the plane ride a fun experience. Amarchand Mangaldass, a leading law firm in India, is equally careful in who it hires; it builds a dossier on its potential hires before the interview and each interview is done by at least one partner level person.

Wawa, a convenience store chain in the North East of the US has a careful and rigorous hiring practice that includes personality assessments. New employees are given far more and in-depth training than is standard in the mass retail industry. Wawa attempts to instill pride in the products offered, particularly in its private label. Individual attention to customers makes regular patrons feel a part of a community. Wawa believes in keeping employees informed of company goals and let them know how their individual efforts have an impact on company performance. Research in the UK with over 350 managers confirms that intellectual and emotional buy in of the employees is critical in improving the performance of a brand.<sup>xlix</sup>

**Step 3:** The third step to building brand relationships is to construct experiences around the brand and its usage by the customer. The masters in this category of constructing brand relationships are firms like Harley Davidson that have built brand communities that provide brand experiences; members of these communities have lifestyle choices and activities built around the brand that enable brand relationship

development along the dimensions of intimacy, brand partner quality, love and passion, interdependence and commitment. For example, in the process of consumption, Harley Davidson owners also start entertaining each other and socialize, making consumption a socializing tool and the experience of socialization helps the brand develop relationships on the dimensions of interdependence and intimacy.

At Butterfield & Robinson, a destination experience company, travel becomes a vehicle for providing an experience that builds relationships with clients who come back again and again. For example, after an afternoon hiking up the walls of the Grand Canyon, exhausted Butterfield & Robinson travelers were greeted with a celebratory bottle of champagne. Standing on the rim, overlooking the Grand Canyon and resting their sore muscles, the hikers clinked their glasses and smiled. Such experiences build deep bonds with customers. The brain forms new affective pathways that keep the brand relationship going. Research tells us that such preferred brands activate the paracingulate gyrus and the temporo-parietal junction in the brain – regions that have a role in meta-representations and anthropomorphization of brands that are a part of the process of building brand relationship.<sup>1</sup> In addition, such experiences lead to multisensory etching of pathways in the brain. Emotion with sensory support - sensory-emotional etching- is more powerful for long-term brand memories and relationships. Part of the brand relationship with products like Harley Davidson comes from the sound of the revving of the engine.

**Step 4:** The fourth step to build a brand is to connect your brand with rituals. As consumers grow older, cognition based relationships start to become more important.<sup>li</sup> The affect basis of the relationship becomes the table stakes for continuing the

relationship. Making your brand a part of ritualistic actions by the consumer makes the brand more connected with the consumer and strengthens the brand relationship. The brand becomes less dependent on the vagaries of transient affect because it is now ingrained in rituals and habits of the consumer; it has become a part of the non-declarative memory of the consumer in the form of rituals that constitute procedural memory. Rituals decrease perceived risk for consumers by lowering anterior insula activity and making the consumer feel safer.

What are rituals? Rituals are *repeated interactions and/or actions* that people have in their daily lives with other people, events or products. Rituals are active engagements that become imbued with meaning; rituals can become touch points for the brand that can be made more pleasant, engaging, and more fun. In the hubbub of modern life, rituals can often be overlooked or understated; but they are no less important today than they were in earlier times. A ritual tends to be performed in the same way each time it is observed, so ritual events function as mnemonic devices that elicit specific thoughts and sentiments from the individual. Thus, appropriate feelings are generated each time a ritual is enacted and dramatized.”<sup>lii</sup> The anterior insula deactivates and the nucleus accumbens, caudate nucleus and right ventral striatum activate more.

Neurologically, the brain registers the same pattern of activity when viewing images associated with strong brands and religious images; and religion and ritual behaviors are closely associated; most religions are rooted in rituals like praying, kneeling, singing, etc. that lead to a closer bond.<sup>liii</sup> In addition, rituals require motor activation that leads to the formation of a more stronger procedural memory in the putamen. While emotions and feelings work on the episodic and semantic memories, rituals



also work on the procedural memories, which are unconscious, and, once formed, remain for life. Given that the brain is wired to reduce energy consumption and to do so, it tends to push activities into the unconscious<sup>liv</sup> rituals are very powerful in building strong long term brand relationships.

Rituals continue to be important in modern life as well.<sup>lv</sup> Brewing coffee or stopping at Starbucks can be a ritual. Painting one's fingernails can be a ritual. Eating at Chipotle with a spouse or eating dinner at home with family can be a ritual. Think also of Lego bricks. For children between the ages of 2 and 9, making any of the possible 900 million possible combinations from the eight different types of Lego bricks is a ritual in the process of growing up that is almost taken for granted by most parents. Toy buyers and retail guests going to Lego headquarters are taken through rooms that recreate the time when the middle aged buyers would have used Lego themselves. Today the Lego ritual includes hundreds of web sites and chat rooms to "The Brick Testament" by the Reverend Brendon Smith (a site "in no way sponsored, authorized or endorsed by the company.") Lego works with these fans to build relationships.

**Step 5:** The fifth step to building brand relationships is to create ingroups and outgroups, the yin of believers and the yang of non-believers, the faithful and the heathens. Defining your heathens is important in defining who your brand is. Apple Computer twisted IBM's famous "Think" mandate by encouraging people to "Think Different." A Starbucks drinker knows the difference between a Tall and a Grande. People who drink Starbucks in the morning are probably not going to care to have a Nescafe Instant.

The belief systems of the ingroup come with their own invented lexicon and practices that the firm can help to develop. Maintaining this sense of faithfulness and heathens is central to sustaining the brand relationships; in many ways, this is similar to what happens with intense religious behavior; the brain activity patterns are also similar. The sense of “belonging” provides the brain with dollops of dopamine and oxytocin that are central to our well being; that makes one feel secure and feel threatened when it is taken away. When Wayne Rooney was reported to be considering moving from Man United (the most valuable soccer club in England) to Manchester City, he received death threats, such was the passion of the Man U fans. Such sharp definitions, of believers and others not only help to maintain the brand, but also it sustains the brand relationship over time; we consider, below, other ways to sustain the brand relationship below.

### **Sustaining Brand Relationships**

**Step 1:** Firms must periodically match the belief and values *in execution terms*; they need to match the capability of the firm with customer requirements and the changing environment.

Consider the Cooperative Bank in the UK, whose roots go back to the cooperative movement in the UK in the 19<sup>th</sup> century started to help mill workers get out of the “bonded labor” of the mill owners who paid them a pittance and then also sold them sub-standard goods. The bank’s roots lay in ethical and humanitarian practices leading to a fair deal for customers. By 1990, the Cooperative Bank found itself in a

tiny niche with its market share of current accounts falling from 2.7% to 2.1% in the five years to 1991 accompanied by a decline in customer quality. In a market where everyone chased the same young, professional, high value customer, the Cooperative Bank was left with the older, poorer, low margin end of the spectrum. The bank was seen as old fashioned, working class and not providing full service.

Cooperative turned things around by focusing on its roots, which had to do with ethical investment practices arising from the stance that the bank had taken in its early days against investment in apartheid South Africa and a vaguely remembered concept of humanitarian roots of the cooperative movement. The Cooperative team concluded that growing commercialism under Thatcher's Britain with its perceived rapaciousness had created a space for creating an image of an ethical bank that customers could relate to and build a relationship with on the dimensions of brand partner quality and commitment.

The bank proceeded to define being an ethical bank as "responsible sourcing and distribution of funds." Importantly, in a co-creation process, it asked its customers to define what ethical banking and investing meant and it stopped serving customers like tobacco firms, industries that exploited animals and oppressive regimes. The bank trained its employees to explain ethical investing to present and potential customers. And then it started an advertising campaign underlining its ethical banking practices. The bank returned to profits in three years. Retail customer deposits grew from GBP 1 billion in 1993 to 10 billion in 2003.<sup>lvi</sup>

**Step 2:** The second step is to reinforce and/or rejuvenate the brand relationship by capturing and / or enhancing elements of the consumer experience with the brand that build and nurture relationships and then sharing these with present and potential customers. Consumers need to be reminded about why they love the brand. Without reminders and some changes, the neural potentiation, the activation of the various brain parts relevant to brand relationships decays and hence, the strength of the brand relationship, decays.

Nestle's Maggi instant noodle is the oldest brand in its category in India, with a history going back more than 30 years. Its brand positioning is on "a quick, convenient, tasty and healthy snack" that a mother makes for her children, that young people, on the go, have regularly. It is a part of everyday life of a wide cross section of middle and bottom of pyramid India and shows brand relationship dimensions of brand partner quality, commitment and intimacy. In the recent years, the brand faced fierce competition and a ban for a few months in 2015 on some tests showing excess levels of lead and mono-sodium glutamate. While sticking to the core message, and keeping the core position of quick, healthy and tasty meal, Nestle went beyond. During the 5 month ban, thousands of customers posted on various social media platforms that they missed Maggi; Nestle started a campaign that it missed its customers too and that it would be coming back soon; in this campaign, Nestle reminded people directly and indirectly about why they missed Maggi through social media message and a TV campaign; it shared the results of tests from national and international laboratories that showed Maggi to be safe. Nestle also reminded people of why they had chosen to have Maggi as an integral warp and weft in the fabric of their lives in a way that resonated and renewed the commitment and intimacy on the

part of the customer; renewing the neural potentiation, the dopamine and serotonin effects and strengthening the neural pathways. Within 6 months of the lifting of the ban in November 2015, Maggi had built up its market share to more than 55%.

Heinz is an iconic brand in the US with high levels of brand commitment and interdependence. Faced with generic store brands and competition, Heinz decided to do something to re-excite their consumers and sustain their relationship with the customer. With the help of its agency, Heinz came up with messages like “14 billion French fries can’t be wrong,” and “Quiet please, tomatoes meeting inside.” Based on contemporary consumer experience with the brand, the hundred year old brand found a new way to engage consumers in a fun way and reminded them about how and why they loved the brand and reinforced relevant pathways in the brain.

## **Discussion and Conclusion**

As value migrates to intangible benefits, the importance of brand relationships increases. Building and sustaining brand relationships is thus becoming more important. Successful brand relationships require a diagnosis of where a brand is currently in the brand ladder. Subsequently, the brand owner needs to define the nature of brand relationship that he would like to and can build and then is required to line up the organization behind the brand belief that will underpin the brand relationship. Just like with friends and family, customers tend to stay more with brands with which they have developed relationships on one or more dimensions. Our research suggests that strong brand relationships constitute a significant neural barrier to change in brand preference.<sup>lvii</sup> With increasing individualism in most countries leading to customers relating more to products and services, developing brand

relationships offer an important source of competitive advantage to firms. We should, however, be mindful, that building brand relationships are one amongst many ways to build customer loyalty and competitive advantage.

### **About the Research**

The insights in this article draw from research and case writing over the past seven years on brands and brand relationships. The first study examined the nature of brand relationship amongst consumers in the age range of 18 to 35 for mobile phones and apparel. 134 respondents (mobile phones) and 85 respondents (apparel) provided data to assess the existence of brand relationships and the influence of family and friends on brand relationships. In a second study, data from 170 more respondents on brand engagement level identified the type of brand personality and the nature of brand relationships with brands. In a follow-on study, resonance field imaging (a simple form of MRI) and depth interviews with a small sample of customers in the age range of 18 to 35, examined gender's and age's influence on brand relationships. A third study collected fMRI data from respondents about changes in brand preferences arising from cognitive load and framing of discounts. The cases on Edelweiss and Hero Honda study construction and growth of a brand relationship in two different environments. Finally, there is the data on "brand love" tracking provided by an organization that wishes to remain anonymous; we have called this organization Lima.

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<sup>i</sup> See "The Future of Brands."

<sup>ii</sup> Sahay, A. and N. Sharma (2010), "Brand Relationships and Switching Behavior for Highly Used Products in Young Consumers," *Vikalpa*, January-March, 28-40.

<sup>iii</sup> See J.L. Aaker (1997), "Dimensions of Brand Personality," *Journal of Marketing Research* for an exposition of how consumers are personifying brands.

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- <sup>iv</sup> See S. Fournier (1998), "Consumers Relationships with Brands," *Journal of Consumer Research* on how consumers develop relationship with brands
- <sup>v</sup> A. Ahuvia, A. (2005) 'Beyond the Extended Self: Loved Objects and Consumers' Identity Narratives', *Journal of Consumer Research* 32(June): 171–84.
- <sup>vi</sup> See JB Thompson (1990), *Ideology and Modern Culture*, Polity Press, Cambridge
- <sup>vii</sup> Abhishek and Sahay, (2016) "Role of Culture in Celebrity Endorsement: Brand Endorsement by Celebrities in Indian Context," *International Journal of Indian Culture and Business Management*, Vol. 10,
- <sup>viii</sup> See McClure et. al. 2004
- <sup>ix</sup> Sahay and Sharma (2013), Managing your Brand Relationships, *Working Paper*, IIMA.
- <sup>x</sup> Simon and Sullivan (1993), "A Financial Approach to Determining Brand Equity," *Marketing Science*
- <sup>xi</sup> See Pedroni et. al. 2008; Zurawicki 2011
- <sup>xii</sup> See McClure et. al. 2004
- <sup>xiii</sup> See Holt (2004), "How Brands Become Icons," *Harvard Business School Press*.
- <sup>xiv</sup> See Keller, Kevin L. (1993), "A Customer Based Approach to Conceptualizing and Measuring Brand Equity," *Journal of Marketing*, 57, 1-19.
- <sup>xv</sup> See Aggarwal and McGill 2012 *Journal of Consumer Research*
- <sup>xvi</sup> See Fournier 1998 and Batra, Ahuvia and Bagozzi 2012 on brand relationships and brand love; see Zurawicki (2011) on long term potentiation; see Kahneman 2011 for System 1.
- <sup>xvii</sup> See Zurawicki 2011, "Neuromarketing," p. 155
- <sup>xviii</sup> See Pribyl, C., Nose, I., Taira, M., Fleming, J. H., Sakamoto, M., Gonzalez, G., Coffman, C., Harter, J. K., and Asplund, J. (2007), "The Neural Basis of Brand Addiction: An fMRI Study," *Gallup Management Journal*, November 1., <http://gmj.gallup.com/content/102520/Neural-Basis-Brand-Addiction-fMRI-Study.aspx>.
- <sup>xix</sup> Fetscherin, Marc, Michele Boulanger, Cid Goncalves Cilho and Gusatavo Souki (2014), "The effect of product category of consumer brand relationships," *Journal of Product and Brand Management*, 23(2), 78-89.
- <sup>xx</sup> Park, Jaworski and MacInnis (1986) use these aspects of brand benefits in their article on "Strategic Brand Management," *Journal of Marketing*, 50,
- <sup>xxi</sup> See Zurawicki, L., 2011, *Neuromarketing*. Springer Verlag, p-148-155.
- <sup>xxii</sup> See Batra, Ahuvia and Bagozzi (2012) for love as emotion vs. love as relationship," *Journal of Marketing*,
- <sup>xxiii</sup> See Fournier (1998) on brand relationships and Batra, Ahuvia and Bagozzi (2012) on brand love
- <sup>xxiv</sup> Kahneman, D. (2011), *Thinking Fast and Slow*, Allen Lane (Penguin Books)
- <sup>xxv</sup> See Fournier (1998), Park and Lessig 1981) and Laroche et al (2003).
- <sup>xxvi</sup> see Santos et. al. 2012 in *Journal of Consumer Behavior* on neural correlates of brands
- <sup>xxvii</sup> This table builds on the works of Batra, Ahuvia and Bagozzi (2012) and Fournier (1998)
- <sup>xxviii</sup> Schulz, W. (2002), "Getting formal with dopamine and reward," *Neuron*, 36, 241-263.
- <sup>xxix</sup> A. Sahay and N. Sharma (2010), "Edelweiss (A): Building and Managing Corporate Reputation," *IIMA Case (MAR416A)*
- <sup>xxx</sup> See Fournier (1998) and Batra, Ahuvia and Bagozzi (2012)
- <sup>xxxi</sup> Data provided by the company Lima
- <sup>xxxii</sup> The name of the company and the brand have been disguised at the company's request
- <sup>xxxiii</sup> V. Kini, Vice President, Marketing, Global Juice, the Coca Cola Company, *Email communication*, September 14, 2010;
- <sup>xxxiv</sup> See A. Sahay and N. Sharma (2010) on Brand Relationships and Switching Behavior for Highly Used Products Amongst Young Consumers, *Vikalpa*.
- <sup>xxxv</sup> See Fetscherin et. al (2014).
- <sup>xxxvi</sup> See Fournier 1998
- <sup>xxxvii</sup> A.Sahay and N. Mathen (2010), "Hero Honda: Multisegment Positioning and Selling," *IIMA Case (MAR418)*.
- <sup>xxxviii</sup> See A.Sahay, N.Sharma and K.Mehta (2012), on Gender Differences in Role of Affect and Cognition in Brand Relationships in the *Journal of Indian Business Research*, 4(1), 36-60.
- <sup>xxxix</sup> See "The Teenage Brain" by Frances Jensen. 2015. Harper Collins Publishers
- <sup>xl</sup> See Kring, A.M. and Gordon, A.H. (1998), "Sex differences in emotion: expression, experience and physiology", *Journal of Personality and Social Psychology*, Vol. 74 No. 3, pp. 686-703.
- <sup>xli</sup> <http://timesofindia.indiatimes.com/world/rest-of-world/Chile-miners-soon-to-see-loved-ones-over->

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[video-link/articleshow/6482890.cms](https://www.researchgate.net/publication/3128890)

<sup>xlii</sup> See Schouten and McAlexander (1995) in *Journal of Consumer Research* on brand communities

<sup>xliii</sup> See Schembri (2009)

<sup>xliv</sup> See Algesheimer, Dholakia and Herrman in *Journal of Marketing* (2006) on the Social Influence of Brand Communities in the context of European Car Clubs

<sup>xliv</sup> See Swaminathan, Page and Gurhan-Canli (2007) in *Journal of Consumer Research*,

<sup>xlvi</sup> See Ramachandran, V.S. 2009. *The Tell Tale Brain*.

<sup>xlvii</sup> Ramachandran, V.S. 2009. *The Tell Tale Brain*.

<sup>xlviii</sup> See Swaminathan, Page and Gurhan-Canli (2007) in *Journal of Consumer Research* on how independent vs. interdependent self construal and level of self concept brand connection help to maintain different kind of brand beliefs.

<sup>xlix</sup> See Thomson et. al. (1999) *Journal of Marketing Management* on the role of buy in of employees in brand performance

<sup>l</sup> Santos, Jose Paolo, Luis Moutinho, Daniela Seixas, Sofia Brando, (2012), "Neural correlates of the emotional and symbolic content of brands: A neuroimaging study," *Journal of Consumer Behavior*, 11(1), 69-93.

<sup>li</sup> See Sahay, Sharma and Mehta (2012) in *Journal of Indian Business Research*, 4(1), 36-60.

<sup>lii</sup> See Mead (1956); Rook (1985) for an exposition on rituals and how they are associated with feelings

<sup>liii</sup> See Lindstrom (2008) "Buyology" for the relationship between brain activity and ritual behavior

<sup>liv</sup> Dolcos, F., Jordan, A.D., , and Dolcos, S., (2011), "Neural correlates of emotion, cognition interactions: A review of evidence from brain imaging investigations," *Journal of Cognitive Psychology*, 23(6), 669-694.

<sup>lv</sup> See Westman (2011) in *Reviews of Anthropology*

<sup>lvi</sup> See "Creating Passion Brands" by Helen Edwards and Derek Day

<sup>lvii</sup> See Sahay, A., P. Bannerjee, N. Chatterjee and C. Pammi (2016)," Change in Brand Preference Between Strong and Weak Brands with Cognitive Load and Discount Framing: An fMRI Study," Working Paper, IIMA.