

## **Managing Your Brand Relationships\***

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In words of Howard Schultz, CEO, Starbucks, “to be relevant in 25 years’ of time, we want to live inside people’s houses, to be a trusted friend inside their homes. And we’re in a fortunate position that most people start their day drinking a cup of coffee; either at home or hopefully in a Starbucks store.”<sup>i</sup> Consider also the following instances. “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 perhaps meant for a pet or a child. Except, that the “Hampi” in question is a Hyundai Santro car that is owned by two twenty something sisters who live and work in Hyderabad, India and “food” for Hampi refers to whether Hampi has been refueled!!”

Across different markets, brands are being imbued with personalities<sup>ii</sup> and consumers are developing relationships with brands.<sup>iii</sup> Some even love their brands and see them as part of their extended self.<sup>iv</sup> A study in the UK in 2004 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 used because of functionality. Two studies in 2009 confirm this trend in India as well. What are the implications of this development for brand management? How should firms develop and manage brand relationships? Evidence is accumulating that strong brand relationships are the best way to achieve loyalty with customers.

We first look at the increasing importance of intangible value in the basket of value that a firm provides to its customers. Next we look at different “types” of brands as brands progress towards relationships. Thereafter, we outline the steps to diagnose where a firm’s brand lies in this continuum. This is followed by a suggested action plan to build and maintain the brand’s relationship with customers.

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

Societies and consumers are moving towards increasing individualism. Even in the North American and Western European 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, occupation and social class. 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 a teacher or clerk or for that matter a person in his 40s or 50s meant a certain type of behavior, dress, and material ownership patterns. Today there is greater freedom of individuals to express who they really are and to vary that over time. People now have begun to construct their identities out of available symbolic resources in order to weave a coherent account of who one is.<sup>v</sup> An increasingly important ‘available symbolic resource’ includes brands that an individual consumes. While individualism is already an established fact in developed countries, it is now becoming a stronger phenomenon in emerging markets and collectivist societies like Japan, China and India as well. As individual desires become increasingly important in consumer

decisions, the individual consumer has begun to evaluate brands in terms of how the brand affects him and serves him as a person above and beyond the functional value that a product provides.

As a consequence, the nature of the value that customers are looking for is also evolving to incorporate a greater proportion of intangible value; the tangible value provided by the functionality of the product or service is becoming the table stakes for a company to participate in a market. The intangible value requirements include requirements such as a product being green, a company being a good social citizen; the product and the firm listening to consumer concerns; 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.”

The increasing proportion of intangibility in the value that firms provide is, at least partly, manifested in the increasing ratio of market capitalization of listed firms to their book value. Figure 1 provides the change in the ratio of market capitalization to book value for listed firms over a 35 year period from 1978 to 2004 in the US and India. For many firms, a significant proportion of this intangible value comes from the brand.<sup>vi</sup>

Figure 1

**Rising Intangible Value**

**Book Value as % of market value**

	<b>1978</b>	<b>2004</b>
<b>US</b>	95%	28%
<b>India</b>	96%	50%

Source: Fortune, April 16, 2004 and author compilation based BSE 30

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

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.

At a 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 Tata Indigo Manza car will give 23.9 kilometres per litre (approximately 56 miles per gallon) of gas. A Grundig tape recorder of the

1960s from Germany was a guarantee of longevity with good sound quality.

At a third level, in addition to functional benefits, brands are about emotional benefits. Buying a BMW 320i makes the customer feel good about himself; it gives him some status amongst his peers; and it offers performance. This level of branding starts tapping the individuality of the consumer. By the 1980s most top brands had reached this category.

At the final level, individual consumers form relationships with brands. The brand has a personality; becomes anthropomorphic in nature, 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. Or the brand was present and associated with significant milestones in a person's life. The consumer feels connected to the brand. 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 Coca Cola stable in India, exemplified through its advertising campaigns, makes a certain type of consumer associate with the brand.

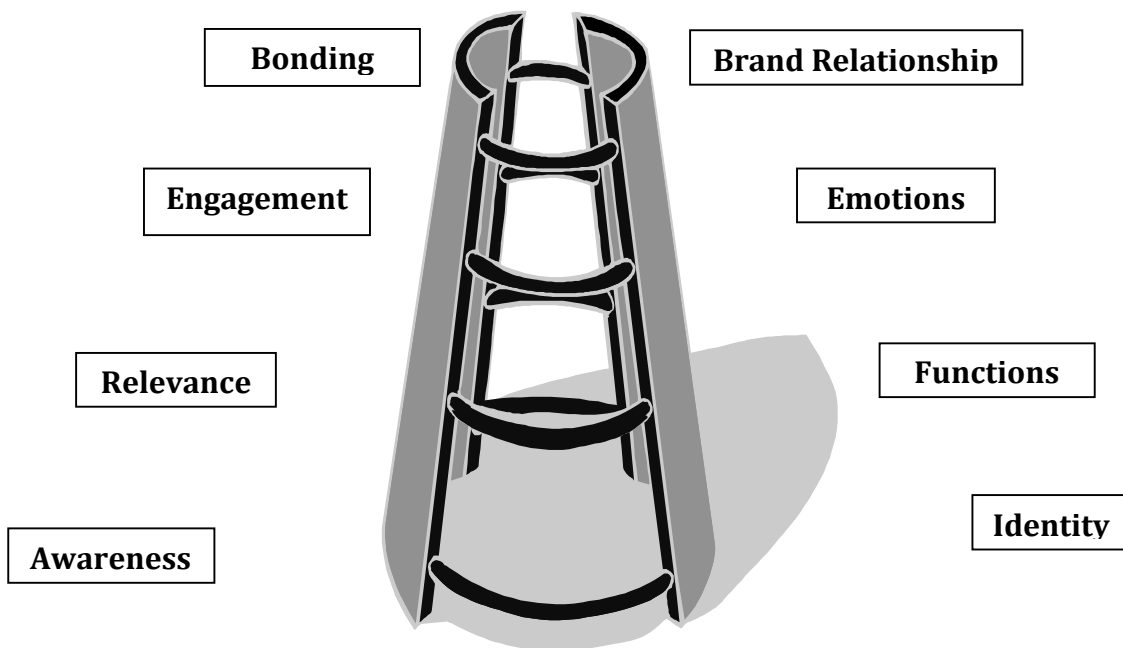
Putting together anecdotal customer perspectives, conceptualizations and evidence in the research literature, and our research, we find that at the final level of the brand ladder, customers bond with the brand and brand relationships are created which exist along one or more of the following dimensions.<sup>vii</sup>

- *Brand partner quality*: brand is taken as a reliable and trustworthy partner, giving one a sense of being respected and looked up to in the presence of the brand.
- *Love and passion*: are the affect-based feelings related to brand indicating warmth, affection and passion, possessiveness towards the brand, feeling of uniqueness, and a biased positive feeling towards the brand.
- *Self-connection*: is the extent to which the brand becomes the focus of the consumer's life. The past, present, and the future (expected) selves ranging across the time horizon. It also comprises of the encouragement of the tolerance in face of the adverse circumstances.
- *Interdependence*: is the day-to-day routine interaction with the brands and making consumption as an important ceremony to be celebrated.
- *Commitment*: shows the longevity of the brand relationship and stability to be maintained by a consumer.
- *Intimacy*: represents strong beliefs about the superior performance of the product. It includes the brand relationship memory of personal associations and experiences within which the brand plays an important role and elements of congruity of the brand with the person.

Figure 2 is a summary diagram of the brand ladder.

## Figure 2

## The Brand Ladder



What is the difference between a brand having an emotion based positioning (at level 3 of the brand ladder) and a brand developing a relationship with the customer (level 4 of the brand ladder)? Table 1 below captures this difference.

**Table 1**  
**Difference between affect and brand relationship**

	<b>Affect</b>	<b>Brand Relationship</b>
Level of affect	The level of affect is variable. What does this brand say about me to others? To myself?	There exists a passion for the brand. What does this brand say about me – to me?
Longevity of use	A brand could be used one time or more to show affect towards the same.	It's a long term commitment with the brand.
Consumption pattern	Varying levels of usage of the brand.	Behavior tends to approach ritualism.
Post consumption pattern	Using the brand feels good to the customer	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.
Co-creation	More on attracting and engaging customer. The customer may be or may not be the user of the product.	Users participate in co-creation of brand value and the process has greater mutuality.

The evolution of brand towards relationships needs to happen at customer end; this process also needs to be facilitated by events within the firm. In order for the customer to experience a brand relationship, the firm has to help the relationship formation and maintenance with suitable internal processes.

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 this exists will the customer develop a strong relationship with the brand along one or more of the brand relationship dimensions. 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 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 in 2005 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 able to build better relationships with the Edelweiss brand.”

Edelweiss lived by an ethical credo 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 Rs. 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 Rs. 349 – which meant that since Edelweiss had committed Rs. 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 which 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 the client’s consent. This widely publicized incident within Edelweiss conveyed unambiguously the required behaviors to the employees and resulted in desired employees behaviors culminating in better client and brand relationships in the wholesale financial services market.<sup>viii</sup>

Infosys, an IT services firm from Bangalore believes that every single atom in the company manifests the brand and that the people in their company should act the brand and behave in a way to earn respect. Infosys runs a special Infy TV for the employees providing news, panel discussions and contest specifically for the internal audience. It is the brand value system and the company’s vision that drives the structure, design and the experience of the brand. Beyond the physical attributes of

the brand are *the world of doing things* – the brand promise and the execution of the same; and *the soul* - the company, its values, belief systems and intent.

Consumers' relationships with brands manifest themselves in two ways.

First there are direct brand and consumer relationships. Our research on young consumers in the age group of 13 to 25 years in a survey across SEC A and B categories in India suggested a strong relationship with their phone brand: "Nokia is the first thing I see after getting up and the last thing before sleeping. Being away from all my loved ones this is something which keeps me connected." Another respondent said, "This Nokia cell phone was gifted to me by my boyfriend and had been a great source in influencing my relationship. Our bond has become stronger with the help of this brand. There are many special moments that hover around this brand between me and my boy friend. If not for this brand I would have missed a lot of good times in life."

Second, there is that a sense of community that a consumer develops with other consumers around brands. This includes brand communities, brand tribes and brand sub-cultures. Researchers see brand communities as a medium that serves the members. Social links are provided by the "third place" brands like Gold Gym and Starbucks. These communities help in fostering strong brands like Body Shoppe.<sup>ix</sup> Arguably, these communities are stronger for some brands and for those people who need a collective sense of self relatively more than others.

The evidence from the company Lima, a consumer non-durable company operating in India, suggests that the greater the elements of brand relationship that exist for a brand, the more likely that the product or service underlying the brand will have greater sustainability in the marketplace.<sup>x</sup>

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

Snapple was a juice drink coming out of New York that had grown to sales of \$640 million by 1993 from \$4 million 10 years earlier. Snapple's brand identity could be summarized as under. Snapple was a quirky, fun, parties and parade drink that consumers loved. Buyers would pay and come to hang out events organized by Snapple. Snapple was not a cola and it was not a "should drink" beverage. Snapple stood for a playful exuberance, expression of a vivid sensuality (personal authenticity), and mix and match ethos. People not only felt good about buying Snapple but also considered it to be an authentic partner that was different from a Coke or other similar drinks. Snapple was about adding a little whimsy to the humdrum and the everyday. In short, consumers co-created the brand with the firm; the brand was in the relationship stage (along the dimensions of brand partner quality and love and passion) with a strong brand franchise.

On the other hand, the Nirma and Ghadi brand detergents in India are bought primarily for their functionality (the promise that they will wash clothes well at a reasonably low price).

So where is your brand in the mind of the customer?

The first step is to see if the relationship is developed with the product because of the functionality or is the relationship developed with the brand. For example, a consumer might just use Nokia cell phones because of the product benefits and may not share a relationship with the brand.

Consider Lima, a consumer non-durable company operating in India that does monthly brand tracking studies across 25 cities in India on the dimensions of what it calls “brand love.” Consider some of the questions that are asked in the brand tracking study as given in the following table for a couple 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

The first seven questions capture aspects of love and passion and intimacy from our brand relationship dimensions. 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>xi</sup> Analysis of the data upto March 2009, suggests that changes in the brand relationship dimensions correlate more 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 over a 53 week period.

Edelweiss is a \$200 million boutique financial services firm based out of Mumbai India. It started life in the whole sale banking space and over the five years to 2010 has diversified into retail financial services like investment, life insurance and advisory as well. Over the last 15 years, it has sought to create brand image that is seen to be professional, expert and an enabler to achieve one's financial goals but the brand has existed mainly in the wholesale financial services space. In a brand tracking study done in June 2009 amongst retail customers,<sup>xiii</sup> Edelweiss was perceived as being a cub or a puppy; innovative, knowledgeable (research), aggressive, progressive; international, different, and prestigious. There seemed to be a power distance (hierarchy) between the customer and the brand. For instance, in comparison with its competitors who were considered to be friendly, Edelweiss was perceived to be more formal - needing the customer to take an appointment before a meeting. Unlike other respondents, employees perceived the company as being a Lion/Cheetah. “Cheetah. It is very sharp. Someone who goes fast.” Edelweiss was perceived as being more trustworthy and providing better advice than the competition. However, there was no evidence that retail customers had any ‘relationship’ with the Edelweiss brand. There was simply aided and unaided brand recall and a reputation of

the brand as innovative, knowledgeable, aggressive, progressive; international, different, and prestigious.

At a higher level on the brand ladder, Mahindra and Mahindra, a tractor to SUVs to two wheeler maker from India 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 three of the six dimensions of brand relationships on the FB site.

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 steps of the brand ladder. Consider the Minute Maid Pulp 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). This is the first step of the brand ladder – it describes "What it is" or product attribute based differentiation.

Similarly, for Maaza Mango in India, Coca Cola has celebrated the fact that Maaza is the best Mango experience you can get in a bottle. The communication platform "Bina Gutli wala aam" and all the activities Coke did around it were to communicate superior quality and performance on Mango taste. This is the second step of the ladder – it describes "What it does" or functional differentiation. Both these products are in the functional step of the brand ladder, with Maaza having a foot in the affect rung because of the experience promise.

Further up the 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. This is the third step in the ladder - "How it makes you feel" or emotional differentiation.<sup>xiii</sup>

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.

Table 3 below suggests an illustrative list of questions that marketers and firms need know the answers to about their brands to determine which step of 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.

**Table 3**  
**Diagnosing Status of Brand Relationship**

Questions	Identity	Function	Emotion	Brand Relationship
Does my brand engage the customer's emotions?			✓	
Does the customer consider my brand a companion?				✓
Is my brand bought by the customer primarily for its functionality?		✓		
Is my brand thinking on behalf of customer?				✓
Is my brand just another name in the herd?	✓	✓		
Is my brand linked to the customer's aspirations?			✓	
Is there a strong brand community that exists around my brand?				✓
Is my brand promise converting into the brand relationship lived by the consumers?				✓
Am I able to create passion through my brand?				✓
Is my brand able to nurture the consumer at the levels of body, mind and soul?				✓
How much of the brand is co-created by the customer?			✓	✓

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

Research and other evidence on brand relationships indicates the following. First, brand relationships exist across income strata – but there are product category effects and income effects.<sup>xiv</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. 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. Some data suggest that the higher the income, the stronger the strength of brand relationship. On the other hand, many owners of Hero Honda CD100 Dawn, an entry level motorcycle in India, positioned as an alternative to public transport, sells for \$900 and serves as a commuting vehicle and as a family vehicle; it also displays evidence of brand relationship along the dimension of brand partner quality and interdependence.<sup>xv</sup> Also, the role of family in brand usage is greater than peers in the Indian context that is the case in developed countries. But if

the consumer has developed strong relationship with brand, it is highly unlikely that they will switch despite high familial influence.

Second, age and gender have a significant influence on the nature of the brand relationship that is established. Across countries, for young consumers, and teenagers in particular, strong relationships with their brands are present. Younger consumers tend to establish stronger affect based brand relationships as compared to older consumers. Our research in India indicates that the age group 13-19 is higher on the affect dimension than young adults (20-25 yrs); as they go through a transition phase they construct their identities out of available symbolic resources in order to weave a coherent account of who one is as they grow more independent of their parents. The older group develops strong brand relationships also, but they are relatively more rational about their relationships with brands.

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.<sup>xvi</sup> 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. Unlike men, women develop brand relationships on affect rather than cognition and the expressivity about their brand relationship also differs; women use greater emotional experiences whereas, men use more factual experiences with the brand.

Third, brand relationship development is a function of opportunities in the “market.” A politician, for example, utilizes opportunities to build awareness of himself and simultaneously connects on a relationship basis with his constituents. In August 2010, when more than 30 miners were trapped 700 metres 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 has 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 is complete. According to a private polling firm, Adimark, Golborne's public recognition factor has shot up 24 points to 91 percent since the disaster.<sup>xvii</sup> Laurence Golborne may well have built a strong enough relationship of his personal brand with the Chilean voters to mount a bid for the President's office in the national elections.

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; 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 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>xviii</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>xix</sup> In many of these cases, the brand relationship appears to exist along all the dimensions of brand relationship.

### **Building the Brand Relationship**

So what are the different ways to building and managing a brand relationship with the customer? Below, we outline 8 key steps that firms need to be executing on to develop and sustain strong brand relationships.

**Step 1:** The first step is to articulate what is the nature of the relationship that the brand can have with the customer; like any relationship, the root of a brand relationship draws on whether the brand is based on beliefs and values that underpin its existence. Brand beliefs are almost like a cause. The cause is underpinned with belief but does not stop there. The aim is to somehow win hearts and minds. For this one needs to understand hearts and minds, how the world works, how the media can be used, and what the hot buttons in society currently are. 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 belief and values that it espouses.

Consider Camper shoes, a family business working out of the Mediterranean island of Majorca. Camper values slowness; it abhors the trend towards speed in modern life as exemplified by brands like MacDonaldis and Nike. Although Camper is a brand with a global reach, the traditional Majorcan way of life provides the design inspiration for many of its shoes. Some take their shape from ancient Mediterranean ships from a slower way of life. Others are inspired by the name: Camper means ‘peasant’ in Catalan and it is hard to think of a more earthy name. 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, which runs counter to fashion’s normal seasonal U-turns. Another belief element was provided by the firm’s chief designer Marti Guixe in 2003 with the motto emblazoned on some Camper bags; the English translation is “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 well be leveraged by the firm, which believes in and lives its simplicity, to have the consumer put Camper in his brand portfolio. It becomes an emblem of simplicity, an integral part of his life.

For Butterfield & Robinson who organize trips for their clients, the belief is that it is not about travel but about theater that provides memorable experiences to the customer.

As individualism advances in all societies and consumers draw more on brands to construct their self, 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 example of this alignment on a large scale is provided by SouthWest Airlines, the low cost airline that has had a brand promise of being the low fare airline since its launch in 1973; 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 maintain 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 most tickets directly saves upto 10% on ticket prices. Flexible union contracts enables 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.

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 instills 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>xx</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 Body Shoppe that have built brand communities; 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 is just 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 vastness of the Grand Canyon and resting their sore muscles, the hikers clinked their glasses and smiled. Such experiences build deep bonds with customers who measure their relationship with the firm in terms of the number of times they have gone out with the firm. Customers are passionate about the brand experience and form lasting friendships on these trips. What is important to Butterfield & Robinson is not the number of trips that customers make, but the quality of the experience provided – like the watching the sunrise fish catch in Vietnam or enjoying a private dinner party at a czarist palace serenaded by a choir.

**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. 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 affect because it is now ingrained in rituals and habits of the consumer.

What are rituals? Rituals are repeated interactions that people have in their daily lives with other people, events or products. Driving your car to work can be a ritual act of freedom or servitude. Taking a car for the MOT certification is a ritual. Dentist appointments are rituals. Brewing coffee or stopping at Starbucks is 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. The Fourth of July, Diwali – the festival of lights and graduation ceremonies are rituals. Rituals are active engagements that can 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.

Consider Cadbury chocolates in India where, traditionally, festive and auspicious occasions are marked by ritual gifting and consumption of “sweets” like barfi, rosogulla and laddoo. Indians like to have sweets on occasions of joy and sharing and these traditional sweets are deeply ingrained in the occasions and the relationships that go with it. Cadbury is attempting to associate chocolates with the ritual of gift giving with the slogan “Kuch Mitha Ho Jai” (lets have some sweets – which are Cadbury chocolates) and to build a brand that has relationships on the dimensions of interdependence, love and passion and intimacy and is closely associated with the ritual of giving “sweets.”

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 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.”) Today Lego works with these fans to build

relationships. Body Shoppe has created many activities and rituals around the brand communities that have been built around the brand.

**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 pagans. Defining your pagans 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 faithfuls and pagans is also central to sustaining the brand relationships. When Wayne Rooney was recently 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 help maintain believers and sustains the brand relationship over time; we consider other ways to sustain the brand relationship below.

### **Sustaining Brand Relationships**

**Step 1:** The first step is to periodically match the belief and values *in execution terms* and 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 got back the money by selling them sub-standard goods. The bank's roots lay in ethical and humanitarian practices – in helping its customers get a fair deal. 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. Along with this decline, was a decline in the quality of customers. 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 – partly a result of the stance that the bank had taken, in recent memory, 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 intimacy, brand partner quality and commitment.

The bank proceeded to define being an ethical bank as "responsible sourcing and distribution of funds." Importantly, it asked its customers to define what ethical

banking and investing meant and as a consequence it stopped serving customers like tobacco firms, industries that exploited animals and oppressive regimes. It closed several accounts. The Cooperative bank then had an intensive training program for its employees to help them explain to present and potential customers what ethical investing was all about. And then it started an advertising campaign underlining its ethical banking practices. The bank's 1993 annual report showed a return to profits for the first time in three years. Retail customer deposits grew from GBP 1 billion in 1993 to 10 billion in 2003.<sup>xxi</sup>

The Essar group in India has operations across shipping, telecom, oil and petrochemicals believes in enduring value for customers and stakeholders in core manufacturing and service businesses created through positive attitude and actions. This focus on enduring value can be a critical differentiator in an environment where there are still many fly by night operators that can fleece customers. Essar is building the brand based on these core values inside-out; building the belief in the employees first and then making the brand relevant outside to the external customers; as customers are brand evangelists and the employees are active advocates – they are the custodians of the brand. Combining this is more likely to lead to a one brand one message consistency embedded in the company's work systems. The company efforts are to bring the internal stakeholders together and provide a platform for strengthening the brand. As one step in this process, Essar has revamped the company intranet on similar lines as social media websites to strengthen the communication processes within the company in order to build the belief in the cause.

**Step 2:** The second step is to reinforce and/or rejuvenate the brand relationship by capturing elements of contemporary consumer experience with the brand that build and nurture relationships and then sharing these with present and potential customers through appropriate marketing communication messages. Consumers need to be reminded about why they love the brand.

Parle G is one of the oldest cookie brands in India, with a history going back more than 50 years. Its brand positioning is on taste and health “swad bhare, shakti bhare” (full of taste and strength/energy). 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 declining brand loyalty. While sticking to the core message, and keeping the core position of taste and energy, Parle G tailored its message by increasing its granularity. For mothers, it came up with the message “Parle G for Genius;” which mother did not aspire to have her child move to a genius status? Sounds far fetched? It worked in a relatively low income country where parental aspirations for children is a driving force behind many business transactions and relationships. For those wanting to buy Indian it said, Hindustan's Taakat (the country's strength). It reminded people of why they had chosen to have Parle G as a part of their lives in a way that resonated and renewed the commitment and intimacy on the part of the customer.

Heinz is an iconic brand in the US with high levels of brand commitment and interdependence. In 1999, faced with generic store brands and competition, Heinz decided to do something to re-excite their consumers and maintain their relationship with the customer. With the help of their advertising 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.

## Conclusion

As value migrates to more intangible benefits, the importance of brand relationships is increasing. 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. With increasing individualism in most countries leading to customers relating more to products and services, in addition to their personal relationships, brand relationships offer an important source of competitive advantage.

## About the Research

The insights in this article draw from our research and case writing over the past three years on brands and brand relationships. In our first study, we examined the nature of brand relationship that existed amongst SEC A and B category consumers in the age range of 18 to 35 with respect to mobile phones and apparel. We gathered responses through a structured questionnaire from 134 respondents for mobile phones and 85 respondents for apparel to assess the existence of brand relationships for these two categories and the influence of family and friends on brand relationship formation. In a second study, we gathered data from 170 more respondents on their engagement levels with brands with the purpose of identifying type of brand personality and the nature of brand relationships with these brands. In a follow-on study, we used 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 to examine the impact of gender and age on the nature of brand relationships. The Edelweiss and Hero Honda cases track the construction and growth of a brand and its relationship with customers 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> See J.L. Aaker (1997), “Dimensions of Brand Personality,” *Journal of Marketing Research* for an exposition of how consumers are personifying brands.

<sup>iii</sup> See S. Fournier (1998), “Consumers Relationships with Brands,” *Journal of Consumer Research* on how consumers develop relationship with brands

<sup>iv</sup> A. Ahuia, A. (2005) ‘Beyond the Extended Self: Loved Objects and Consumers’ Identity Narratives’, *Journal of Consumer Research* 32(June): 171–84.

<sup>v</sup> See JB Thompson (1990), *Ideology and Modern Culture*, Polity Press, Cambridge

<sup>vi</sup> Simon and Sullivan (1993), “A Financial Approach to Determining Brand Equity,” *Marketing Science*

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- <sup>vii</sup> See S. Fournier (1998), "Consumers Relationships with Brands," *Journal of Consumer Research* on how consumers develop relationship with brands
- <sup>viii</sup> A. Sahay and N. Sharma (2010), "Edelweiss (A): Building and Managing Corporate Reputation," *IIMA Case (MAR416A)*
- <sup>ix</sup> See Fournier and Lee 2010
- <sup>x</sup> The name of the company and the brand have been disguised at the company's request
- <sup>xi</sup> Data provided by the company Lima
- <sup>xii</sup> See N. Sharma and A. Sahay (2010), "Edelweiss (B): Branding in the Retail Space," *IIMA Case (MAR416B)*
- <sup>xiii</sup> V. Kini, Vice President, Marketing, Global Juice, the Coca Cola Company, *Email communication*, September 14, 2010
- <sup>xiv</sup> See A. Sahay and N. Sharma (2010). "Brand Relationships and Switching Behavior for Highly Used Products Amongst Young Consumers," *Vikalpa*, January-March.
- <sup>xv</sup> A. Sahay and N. Mathen (2010), "Hero Honda: Multisegment Positioning and Selling," *IIMA Case (MAR418)*.
- <sup>xvi</sup> A. Sahay, N. Sharma and K. Mehta (2010), "Role of Affect and Cognition in Consumer Brand Relationship: Exploring Gender Differences in an Emerging Economy Market Context," *Working Paper, IIMA*
- <sup>xvii</sup> <http://timesofindia.indiatimes.com/world/rest-of-world/Chile-miners-soon-to-see-loved-ones-over-video-link/articleshow/6482890.cms>
- <sup>xviii</sup> See Schouten and McAlexander (1995)
- <sup>xix</sup> See Schembri (2009)
- <sup>xx</sup> See Thomson et. al. (1999) *Journal of Marketing Management* on the role of buy in of employees in brand performance
- <sup>xxi</sup> See "Creating Passion Brands" by Helen Edwards and Derek Day