threadline

Building Brand Relationships

Deepening the connection between your business and your customer

In today's marketplace, the strength of the relationship between a business and its consumers has never been more critical.

A deep, meaningful connection can differentiate a brand from its competitors, foster loyalty, encourage repeat purchases, and transform customers into brand advocates. In essence, these relationships serve as the foundation for long-term business success.

Increasingly, consumers seek brands that align with their values, understand their needs, and contribute positively to their lives. This shift underscores the importance of not just selling a product or service but creating a complete experience that aligns with consumers' identities and aspirations. Brands that succeed in this endeavor build enduring relationships that withstand market fluctuations and competitive pressures.

This white paper aims to provide a comprehensive framework for measuring and validating brand relationships. Drawing from the principles of interpersonal psychology, narrative psychology, and our decades of experience in studying and building brands, we will explore various dimensions of brand relationships and their impact on key business metrics. By the end of this white paper, we hope you will gain a deep understanding of the importance of brand relationships, how to measure them effectively, and the tangible business benefits they can deliver.

The Bottom Line of Brand Relationships

Prioritizing brand relationships provides real benefits to both the business and the customer. Organizations that invest in building trust, focusing on customer retention, or doing more than just meeting the obligations of their transaction see benefits across the organization. Among the most tangible is the impact on customer lifetime value (CLV) and stock price. However, focusing on the relationship is also at the heart of responsible marketing.

Customer Lifetime Value

The depth of a brand's relationship with its customers can significantly impact customer lifetime value (CLV). CLV is a metric that quantifies the total worth of a customer to a business over the entirety of their relationship. The stronger and deeper the relationship, the higher the CLV. Research has consistently shown that customers who feel a deep connection with a brand are more likely to remain loyal, make repeat purchases, and refer others to the brand.

Studies on customer satisfaction and retention have highlighted the critical role that relationship depth plays in extending the CLV. Meta-analyses on customer loyalty and spending indicate that brands with a higher degree of relational depth see a substantial increase in CLV. For instance, a study by Gupta and Lehmann (2003) revealed that in some cases, an increase in retention rates from 80% to 90% could increase customer lifetime value by 95%.

Stock Price

The strength of brand relationships does not just influence customer metrics but can also have a profound effect on a company's stock price. Strong brand relationships often lead to greater customer loyalty and retention, which translates into steady revenue streams and reduced volatility in earnings. These financial benefits can positively influence investor perceptions and, consequently, stock prices.

An increase in retention rates from 80% to 90% could increase customer lifetime value by 95%

Case studies and research findings support this assertion. For example, a study conducted by Madden, Fehle, and Fournier (2006) demonstrated that companies with high brand equity experienced significantly better stock price performance compared to those with lower brand equity. The research noted that strong brand relationships could act as a buffer against market fluctuations and contribute to more stable stock price growth over time.

Responsible Marketing

Brands today are more than just purveyors of products and services; they play a significant role in shaping the lives of individuals and society at large. Ethical and responsible marketing involves prioritizing long-term relationships over short-term gains. By fostering genuine connections with customers, brands can move away from the pitfalls of fast capitalism and wasteful consumerism.

Prioritizing relationships encourages sustainable practices and supports customers in making mindful purchasing decisions. This shift not only helps in building high-value, long-term relationships but also ensures that brands contribute positively to society. According to the 2019 Aflac CSR Survey, 70% of Americans believe that large companies have a special responsibility to make the world a better place. Brands that embrace ethical marketing practices are perceived as more trustworthy and reliable, further strengthening their relationship with customers and enhancing their overall brand equity.
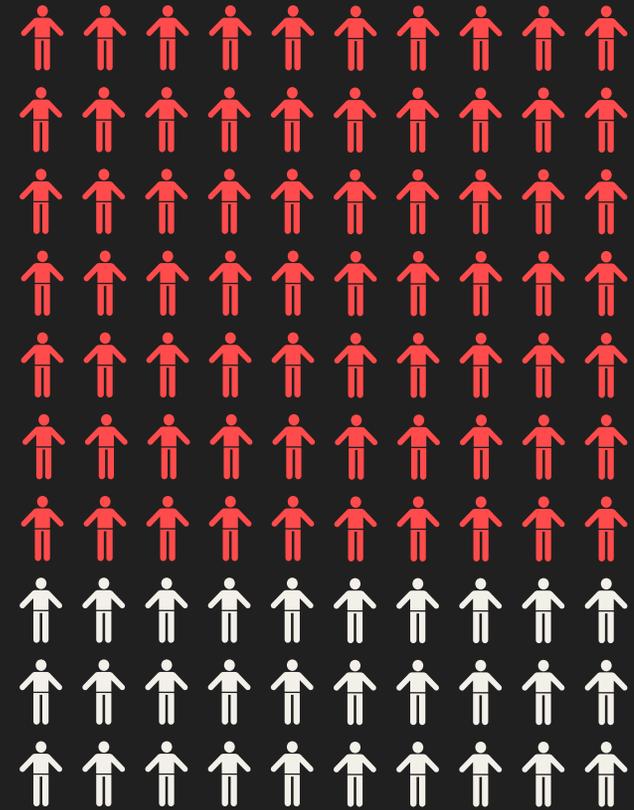
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Threadline Brand Relationship Model

This model began with a simple observation: similar to the way they build personal relationships, consumers build relationships with the brands in their lives. This is demonstrated in a growing body of research in consumer psychology that has uncovered how consumers connect with brands.
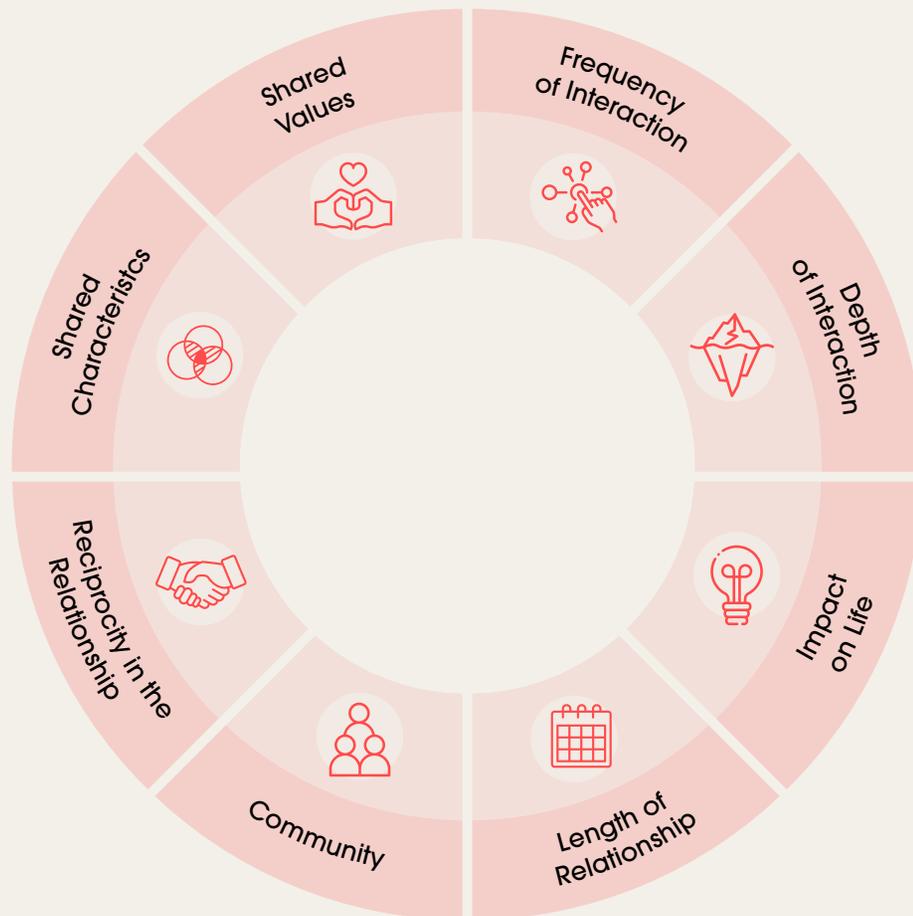
From courtship to marriage frameworks, trust building to trait confusion, healthy to toxic (associations?), consumers have been creating relationships with the products and services in their lives in ways that mimic relationships with other people. By tapping into insights from those studies and the fields of interpersonal relationships, consumer psychology, and more, this model was developed to help businesses understand and enhance their connections with customers.

The framework is built on eight essential elements, each representing a different aspect of the relationship between a brand and its customers. These elements provide a comprehensive framework for analyzing and improving brand interactions. They include frequency of interaction, depth of interaction, impact on life, length of relationship, community, reciprocity, shared characteristics, and shared values. By focusing on these eight elements, brands can better understand the complexities of their interactions and create more impactful and rewarding experiences for their customers.

Frequency of Interaction

Frequency of interaction refers to how often customers engage with a brand. Regular interactions are crucial because they keep the brand top of mind and foster a sense of familiarity and comfort. Frequent engagement can include purchasing products, visiting a website, interacting on social media, or even seeing advertisements.

Research on consumer engagement points out that regular touchpoints with a brand can significantly enhance customer loyalty. According to Brodie, Ilic, Juric, and Hollebeek (2013), increased consumer engagement leads to consumer loyalty and satisfaction, consumer empowerment, connection and emotional bonding, trust, and commitment. Think about the difference between your interactions with your coffee maker compared to your car insurance agent.

Depth of Interaction

Depth of interaction distinguishes between superficial and meaningful engagements. Deep interactions involve significant personal relevance and emotional connection, while surface interactions are more transactional and less engaging.

Deep interactions are essential for fostering consumer loyalty and engagement. Algharabat, Rana, Alalwan, Baabdullah, and Gupta (2020) found that brands that engage deeply with customers are more likely to develop strong emotional bonds, resulting in greater loyalty and advocacy. Think about the intimacy inherent in people's relationship to their brand of feminine hygiene products compared to the shallowness of their relationship to travel toothpaste.

Impact on Life

Impact on life measures the significance of a brand in a consumer's daily routine. Brands that significantly impact customers' lives become indispensable, influencing their habits and decisions.

The connection between brand significance and loyalty is well documented. Fournier (1998) demonstrated that brands that play a vital role in consumers' lives enjoy stronger loyalty and a more resilient customer base. The type of car you drive, especially if you're regularly on the road, is likely to be more meaningful to you than the brand of charcoal you purchase if grilling isn't really your thing.

Length of Relationship

The length of the relationship between a brand and its customers is crucial for building trust and attachment. Long-term relationships often indicate sustained satisfaction and loyalty.

Studies on brand loyalty duration suggest that longer relationships correlate with higher levels of trust and customer attachment.

Various studies have shown that customers who remain with a brand for extended periods are more likely to advocate for it and resist switching to competitors. Consumers often have very loyal connections to certain brands of ingredients used to make family recipes because they've been making the recipes for so long. However, new relationships with brands can be more fickle and fleeting.

Community

Community refers to the sense of belonging that customers feel towards a brand-associated group. A strong community can significantly enhance customer engagement and loyalty by providing a platform for shared experiences and mutual support.

Algharabat et al. (2020) and Relling, Schnittka, Sattler, and Johnen (2016) found that brand communities play a vital role in strengthening relationships by creating a sense of kinship and shared purpose among customers. Think Harley riders, Apple fanatics, and sports brands. Each can have a strong sense of community centered around the brand, creating deep loyalty.

Reciprocity in the Relationship

Reciprocity involves the mutual exchange of value between the brand and the customer. When customers perceive that a brand genuinely cares about their well-being beyond financial transactions, their satisfaction and loyalty increase.

Nadeem, Juntunen, Hajli, and Tajvidi (2021) highlighted the importance of perceived care and responsiveness from brands in enhancing customer satisfaction and engagement. Brands that go above and beyond in their interactions are more likely to retain loyal customers. Your favorite hotel chain likely threw in extra perks, your salon fits you in at the last minute, or your favorite subscription box added an extra supply of goodies. Consumers want to feel like more than a number to their favorite businesses.

Shared Characteristics

Shared characteristics refer to the alignment of personality traits and interests between the brand and the customer. This alignment strengthens the identification with and affinity customers feel towards the brand.

Nadeem et al. (2021) found that brands that share similar characteristics with their customers tend to have stronger relationships. This alignment fosters a sense of connection and mutual understanding. You might be drawn to the quirky sense of humor of your favorite snack brand or the wholesome aura exuded by your preferred fitness apparel brand. When brands feel more like us, we're more likely to feel connected to them.

Shared Values

Shared values are the core beliefs and principles that align between the brand and its customers. Brands that share values with their customers foster deeper and more enduring relationships.
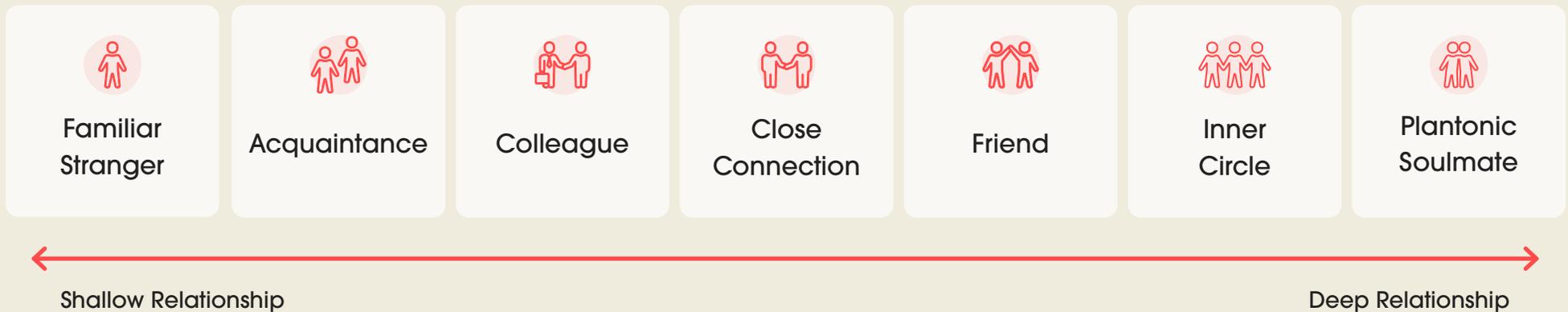
Liu and Getz (2024) demonstrated that value alignment is crucial for strengthening consumer-brand bonds. When customers feel that a brand shares their values, they are more likely to develop a strong emotional attachment. Nike may have angered a swath of its audience by endorsing the value system surrounding Colin Kaepernick, but it strengthened ties with those it considered most valuable.

It's important to note that there is no perfect brand that scores strongly on every one of these attributes – nor should that be the ultimate goal. What's key is to focus on the aspects of your relationship that are both important to your audience and that you are capable of addressing. By being great in a few key aspects, and solid in as many as possible, you can build a meaningful relationship with your audience.

When customers feel that a brand shares their values, they are more likely to develop a strong emotional attachment.

7 Types of Brand Relationships

Understanding the various types of relationships that brands can have with their consumers is crucial for tailoring marketing strategies and fostering deeper connections. Let's explore a spectrum of brand relationships, ranging from minimal interaction to profound emotional bonds. This section will delve into each type, providing a comprehensive overview and real-world examples to illustrate these concepts.

| Familiar Stranger | Acquaintance | Colleague | Close Connection | Friend | Inner Circle | Plantonic Soulmate |

Shallow Relationship ←———————————————→ **Deep Relationship**

Familiar Stranger

At the most superficial level, we have the Familiar Stranger. This type of relationship is characterized by minimal interaction and awareness. The customer knows the brand exists but has little to no emotional connection or loyalty. Engagement is typically a one-time occurrence or extremely infrequent, driven more by convenience or necessity than any genuine preference.

An example of a Familiar Stranger relationship might be a random product purchased from an Instagram ad—something that catches your eye momentarily but leaves no lasting impression. Some companies are completely content existing here but likely have very little desire to build a long-term relationship with their audience.

Acquaintance

Moving up the relationship spectrum, the Acquaintance is a step above a Familiar Stranger. Customers in this category have had a few interactions with the brand and recognize it, but the relationship remains weak. There is some level of familiarity, but the brand does not play a significant role in the customer's life. For instance, consider a car battery you purchased in an emergency or a coffee shop you visit only when your favorite place is too crowded. These brands are recognized, but they may not hold a permanent place in your routine.

Close Connection

When a brand relationship reaches the level of a Close Connection, it starts to become more significant. Customers view the brand as trustworthy and reliable, with interactions that are friendly and more personal. However, this relationship, while solid, doesn't extend into more intimate or emotional territories. For example, a local bike shop where you get your bicycle tuned up regularly represents a Close Connection. You appreciate the friendly service and trust their expertise, but the relationship does not go much deeper.

Colleague

A Colleague relationship signifies a more consistent and functional interaction. Here, the brand is trusted for its specific utility, but the relationship remains professional and detached. The customer relies on the brand for a particular service or product, appreciating its reliability without forming a deeper emotional bond.

Friend

Brands that achieve the Friend status have developed a considerable amount of trust and loyalty from their customers. This relationship is characterized by frequent, positive interactions and a sense of camaraderie. Customers might recommend these brands to others and remain loyal even in the face of minor issues. An example would be the diner you go to every month. It's familiar, you recommend it to others, and you trust that it will take care of you.

Customers in the Platonic Soulmate not only trust and rely on the brand but also feel a strong personal and emotional bond.

Inner Circle

Brands in the Inner Circle have established a deep, trusting relationship with their customers. At this level, the brand is not just a service provider but a part of the customer's life. Customers share significant aspects of their lives with these brands and rely on them for consistent support and engagement. Think of a skincare brand you swear by for its life-changing products. You might follow their updates closely, participate in their community, and advocate for them passionately.

Platonic Soulmate

At the pinnacle of brand relationships is the Platonic Soulmate. This rare and profound connection is marked by complete alignment of values, high emotional investment, and deep mutual understanding. Customers in this category not only trust and rely on the brand but also feel a strong personal and emotional bond. An example of this would be a company whose logo you have tattooed on your skin—an ultimate symbol of loyalty and connection. Such brands become an integral part of the customer's identity and lifestyle, influencing decisions and preferences on a fundamental level.

Conclusion

Strong brand relationships are foundational to driving customer loyalty and engagement.

They transform casual consumers into dedicated advocates, ultimately boosting the brand's long-term success. Each type of relationship—from the Familiar Stranger to the Platonic Soulmate—offers unique insights into how customers interact with brands and the potential for deepening these connections.

For brand managers and market research professionals, the practical applications of this knowledge are vast. Utilizing the insights and strategies discussed can help in tailoring marketing efforts to foster stronger, more meaningful relationships with customers. This involves regular and deep interactions, creating significant impacts on customers' lives, and fostering a sense of community and reciprocity. Aligning brand characteristics and values with those of the customers further strengthens these bonds.

At Threadline, our methodologies are designed to assess and strengthen these relationships effectively.

Through our proven frameworks and innovative approaches, we help brands navigate the complexities of consumer interactions and build lasting, impactful relationships.

Our strategies are grounded in narrative psychology and behavioral economics, ensuring that every touchpoint with the customer is meaningful and resonates deeply.

Measuring and validating brand relationships is not just a strategic advantage but a necessity in the modern marketplace. By understanding the nuances of these relationships and leveraging the right tools and methodologies, brands can foster loyalty, enhance customer satisfaction, and drive sustainable growth. Embracing these principles will not only elevate your brand but also create enduring connections that stand the test of time.

Quiz

To truly understand the depth and quality of your brand's relationship with its customers, we've developed a comprehensive self-assessment quiz. This quiz is designed to help you see where your brand stands in its relationship with consumers. The questions will help you evaluate various aspects of the relationship, from the frequency and depth of interactions to the shared values and sense of community.

As you take this quiz, we encourage you to answer each question as honestly as possible. If you're uncertain about a response, it's best to err on the side of caution and choose a more conservative answer. This approach will give you the most accurate assessment and highlight areas where your brand can improve its connection with customers.

Remember, the goal of this self-assessment is not just to score your current relationships but to identify opportunities for growth and enhancement. By understanding where your brand excels and where it needs more attention, you can develop strategies to deepen these relationships and build a more loyal and engaged customer base.

How frequently do your customers use or engage with your product or service?

1. Less than once a year
2. Once a year
3. Once a quarter
4. Once a month
5. Once a week
6. Once a day
7. Multiple times a day

In how many ways does your customer use or engage with your product or service?

1. One way and only one way
2. A couple of ways
3. We show up in a few places
4. We're used in several ways
5. We're there in most parts of their life
6. They rely on us quite a bit
7. They almost can't survive without us

How would your customer describe the significance of using your product in their life?

1. Very unimportant or meaningless
2. Somewhat unimportant or meaningless
3. Unimportant or meaningless
4. Neither unimportant/important nor meaningless/meaningful
5. Important or meaningful
6. Somewhat important or meaningful
7. Very important or meaningful

Compared to the industry or category of your product or service, how long has your customer been using or engaging with your business?

(This question is intentionally relative. For some industries three years may be a lifetime, for others it may take twenty years.)

1. The shortest time compared to our industry
2. A very short time compared to our industry
3. A short time compared to our industry
4. An average amount of time compared to our industry
5. A long time compared to our industry
6. A very long time compared to our industry
7. The longest time compared to our industry

How connected do your customers feel to you or a community of other customers?

1. Our customers don't feel connected in any way with other customers
2. Our customers recognize that other customers may have something in common but don't want to connect with them
3. Our customers will connect to other customers, but they don't seek them out
4. Our customers feel a close kinship with other customers
5. Our customers will describe themselves as part of our community
6. Our customers voluntarily contribute to or engage with our community
7. Our customers have created a fan club centered around our business

How much do your customers believe you care about their best interests beyond the financial value they provide?

1. Our customers don't think we care at all
2. Our customers aren't sure what to expect from us
3. Our customers expect we'll deliver only what they paid for but nothing more
4. Our customers expect us to deliver on what we promised but assume it will be difficult to get any more than that
5. If our customers ask, they know we will try to solve any issues they've shared with us
6. Our customers know we will do whatever it takes to make a problem right, if we're aware of it
7. Our customers know we will go above and beyond even before they ask

How similarly do your business and your customers think and act (intellectual, humorous, serious)?

1. Our customers do not think and act the way we do at all
2. There are almost no similarities between how we and our customers think and act
3. There are very few similarities between how we and our customers think and act
4. There are similarities between how we and our customers think and act but nothing notable
5. There are some similarities between how we and our customers think and act
6. There are a lot of similarities between how we and our customers think and act
7. Our customers think and act exactly the way we do

How much do your customers think your values align with their own?

1. Our values do not align at all
2. Our values are not very aligned
3. Our values are aligned slightly less than average
4. Our values are more or less aligned
5. Our values are aligned slightly more than average
6. Our values are very aligned
7. Our values are perfectly aligned

Scoring

Once you have completed the quiz, tally your scores by summing up the numbers corresponding to your answers. Each answer has a specific point value, and the total score will give you an indication of the depth and quality of your brand's relationship with its customers. Refer to the following score ranges to understand the type of relationship your brand currently has with its consumers.

8 – 16	Familiar Stranger
17 – 24	Acquaintance
25 – 32	Colleague
33 – 40	Close Connection
41 – 48	Friend
49 – 56	Inner Circle
57 – 64	Platonic Soulmate

About Threadline

Threadline is a boutique insights and strategy agency built on narrative psychology. We elevate brands using research techniques that uncover deeper insights, strategies that inspire long-term loyalty, and experiences that build stronger relationships. We call it Narrative Design, and by focusing on the narrative mind, we help organizations identify and play a meaningful role in the story of people's lives. What story does your brand inspire?

Discover how narrative design can transform your brand by visiting www.threadlinebranding.com or email our founder, Kristian Alomá, PhD at kristian@threadlinebranding.com.

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