CHRIS MALONE | SUSAN T. FISKE

THE HUMAN BRAND

How We Relate to

PEOPLE, PRODUCTS, AND COMPANIES

JOSSEY-BASS™
A Wiley Brand

More Praise for *The Human Brand*

"Today's technology makes it appear as if marketing has become more complex. In fact, it hasn't — especially for those brands who think and act like 'the shop on the corner.' People's connection to what they buy and whom they buy it from is what's important. That's been the same for generations. The challenge is in making large brands appear 'small.' *The Human Brand* cuts through the complexities of 'marketing local' in the digital age to tell the simple truth: connections are key."

—**Patrick Doyle**, president and chief executive officer,
Domino's Pizza, Inc.

"How do we earn the lasting loyalty of others? Chris and Susan provide fundamental, yet powerful, insights into building relationships that matter. They challenge us to 'come out from behind the curtain' and lead with courage, conviction, and heart. Never before has the humanization of brands and leadership been so vital to success."

—**Jay Gould**, president and chief executive officer,
American Standard Brands

"By re-focusing us on the primal foundations of survival, *The Human Brand* takes a major, comprehensive step towards understanding the real drivers of commercial success. If you care about what ignites, engages, and sustains deep, strong relationships with your brand and company, read this book."

—**Susan Fournier**, coauthor, *Consumer-Brand Relationships*,
and professor, Boston University School of Management

"In all the noise and all the confusion, the insights on what really matters for corporations to maintain true customer loyalty make *The Human Brand* invaluable."

—**John Williams**, president and chief executive officer, Domtar
Corporation

"The insights detailed in *The Human Brand* have completely reshaped our thinking and approach to building lasting alumni relationships and financial support. Our resurgent alumni results in both areas are a testament to the timely and timeless value of warmth, competence, and worthy intentions."

—**Daniel J. Curran**, president, University of Dayton

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—**Noreena Hertz**, author, *The Silent Takeover* and *Eyes Wide Open*, and professor, Duisenberg School of Finance

“The important insights in *The Human Brand* help explain why B Corporations are able to attract the best talent and the most evangelical customers, and why they deliver lasting benefits to our society and to shareholders.”

—**Jay Coen Gilbert**, cofounder, B Lab

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Cover design by: Adrian Morgan
Cover image : © Robert Churchill | Getty Images

Published by Jossey-Bass
A Wiley Brand

One Montgomery Street, Suite 1200, San Francisco, CA 94104-4594—www.josseybass.com

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Library of Congress Cataloging-in-Publication Data

Malone, Chris, 1969-
The human brand : how we relate to people, products, and companies / Chris Malone, Susan T. Fiske. — First edition.
1 online resource.
Includes index.
Description based on print version record and CIP data provided by publisher; resource not viewed.
ISBN 978-1-118-75815-1 (pdf) — ISBN 978-1-118-75827-4 (epub) —
ISBN 978-1-118-61131-9 (hardback)
1. Consumer behavior. 2. Marketing—Psychological aspects. I. Fiske, Susan T. II. Title.
HF5415.32
658.8'342—dc23 2013028032

Printed in the United States of America
FIRST EDITION
HB Printing 10 9 8 7 6 5 4 3 2 1

For my beautiful wife, Beth, and our remarkable sons, Charlie, Henry, and Patrick. You will always be my greatest love, passion, pride, and inspiration. CM

For my inspiring husband, Doug Massey, and our wonderful children, Geoff, Lydia, and Vanessa. Our twenty-first-century family is my cherished delight in every way. STF

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THE HUMAN BRAND

Acknowledgments

We hope the readers of this book will find it useful, both as customers and as people who think about customers.

No book is an island, and we are grateful to the community of contributors that helped produce it. First, we thank our agent, Jim Levine, who saw its promise, and Jill Totenberg, who supported our early vision. Our editor, Karen Murphy, has guided us from proposal to final form, and we are grateful. Noel Weyrich and Bruce Tucker ably helped us develop the shape and voice of the text, as well as encouraged us to hone and focus our ideas. We thank them each for their thoughtful and constructive guidance.

Much of the most relevant academic research on the warmth and competence model comes from Nicolas Kervyn, who was a postdoctoral visitor and collaborator, and from other members of Susan's Fiske Lab at Princeton. Research on its implications for companies and brands was assisted by Chris's colleagues at Fidelum Partners, including Candice Bennett, Bill Bule, Rick Carpenter, Donald Crawford, Leanne Fesenmeyer, Kennan Kosenko, Steve McMahon, Ashley Phillips, Michael Sinclair, and Erica Seidel.

And we would especially like to thank the experts from various companies and brands, who gave generously of their time for interviews with Chris. These included John Beadle, Greg Brown, Steve Cannon, Tim Cost, Bob Dekoy, Mike Faherty, Kelly Faddis, Joe Hage, Dave Harper, Linda Jenkinson, Peter Kaye, Grace Kim, Michael Kolleth, Sundar Kumarasamy, Tom Laforge, Ed Martin, Pedro Massa, Andrew Parkinson, Andrew Rondepierre, Fred Rost, Stan Sthanunathan, and Russell Weiner.

In addition, we received valuable input, suggestions, and contributions from many enthusiastic supporters, including Jill Avery, Angela Cason, Barry Gesserman, Ilan Geva, Peter Glick, Noreena Hertz, Ken Kozielski, Michael Lowenstein, Victoria Porter, Sean Otto, Gary Schanzer, and Frank Strunk, for which we are extremely grateful. In particular, Ed Wallace, with his work on business relationships, was the catalyst that inspired Chris to pursue the path that led him to Susan, and ultimately to this book. We offer our sincere thanks to each of you.

Finally, we are grateful to our respective families, who encouraged us and tolerated the disruption while we met our accelerated production schedule. They are competent and warm beyond belief, and we are sustained by their continued love and support.

Introduction: Back to the Future

Why our immediate future so strongly resembles our distant past

In late May 2000, the reality television game show *Survivor* debuted in the homes of fifteen million American viewers. The show offered a glimpse into our tribal past with a modern twist—a \$1 million prize for the winning contestant. It was launched soon after Memorial Day, at the start of the summer ratings doldrums. However, by the time *Survivor* reached its first-season finale in late August, its following had grown to more than fifty-one million viewers, second in ratings that year only to the Super Bowl.[1]

Over the subsequent dozen years or so, *Survivor* has proven to be one of the most durable ratings franchises for the CBS broadcast network. It has spawned an entire industry of "last player standing" reality show knockoffs. What accounts for such extreme popularity? Perhaps it's how all these shows tap into something we are hard-wired to recognize and appreciate—the primeval human struggle for survival and the remarkable skills we all possess to perceive, judge, and form mutually supportive relationships in order to survive. *Survivor* and all its imitators offer us insights into the eternal, into the essence of being human, rooted in our prehistoric past.

Social psychologists have deduced that primitive humans were forced, in their struggle for existence, to develop a primal, unconscious ability to make two specific kinds of judgments with a high degree of speed and sufficient accuracy: What are the intentions of other people toward me? How capable are they of carrying out those intentions? Today we judge others almost instantly along these same two categories of social perception, which are known as *warmth* and *competence*.

A person who demonstrates both warmth and competence inspires feelings of trust and admiration within us, motivating us to seek a continuing relationship with that person. One who displays competence in the absence of warmth, however, tends to leave us feeling envious and suspicious, while someone we perceive as warm but not competent stimulates feelings of pity and sympathy. A person who exhibits low levels of both warmth *and* competence often provokes feelings of contempt and disgust.

Survival for our distant ancestors depended upon their ability to quickly judge others according to these criteria. Humans have come to dominate the globe using this deeply programmed social circuitry, painstakingly developed and tested for ages through the harsh, unforgiving process of natural selection. This, the original real-life game of *Survivor*, still shapes all our social interactions today.

We are merely the latest in a line of thousands of generations to inherit this time-tested ability, and we apply it in *all* our relationships, including those involving commercial transactions. We engage with brands and the companies behind them on same basis of warmth and competence because, no different from people, companies and brands have the capacity to stir up these hard-wired primal passions. We experience feelings of affection and admiration for brands and companies that do well by us, and we feel insult or even rage when we believe that those companies have treated us badly.

An Email to Princeton

Chris first stumbled upon academic research on warmth and competence in 2009 and wondered if the social science behind its insights might help explain the kinds of loyalty and relationships we form with companies and brands. Having previously marketed products at both Procter & Gamble and Coca-Cola, as well as promoted professional athletes at the NBA and NHL, he wrote a white paper that integrated warmth and competence theory with customer relationship research. In May, 2010, Chris sent a copy of the white paper in an unsolicited email to Susan with the heading "I've become a fan of your work . . ." He proposed meeting for lunch to discuss possible areas of research collaboration.

As Princeton's Eugene Higgins Professor, of Psychology and Public Affairs, Susan has researched and written extensively about how perceptions of warmth and competence contribute to the common human tendencies toward stereotyping, prejudice, and discrimination. For twenty years or more, she has documented how popular perceptions of ethnic, gender, and occupational group members held by the society at large lead to stereotyped images, emotional prejudices, and discriminatory behavior toward individuals within those groups.

From her childhood, Susan had experienced the contrasting values of warmth and competence as embodied by her two grandmothers. Her father's mother was a warm and kind woman, a classic grandma. Susan's earliest memories recall her grandmother reaching into her huge purse to retrieve candy and Golden books to read aloud on long car rides. Susan's grandmother on the other side of her family was very different. She was a distant but admirable figure, a Harvard-trained economist who, according to family legend, conducted the first unemployment census in Massachusetts. But Susan does not remember her as a warm and comfy grandmother.

Years later, as Susan pondered how to balance family and career, and the seeming need to trade off between warmth and competence, as her grandmothers had done, she grew more curious about the subject and began to conduct experiments and surveys to explore it in depth. As Susan developed the theory of warmth and competence, her studies and those of other researchers showed that as much as 82 percent of our judgments of others can be predicted by these two categories of perception.[2]

Not long after Chris and Susan's first conversation, the two began researching the application of warmth and competence theory to companies and brands. Beginning in June 2010, this unique collaboration has evaluated more than forty-five companies and brands in ten separate studies. The research documents the extent to which many major companies and brands are perceived as lacking in both warmth and competence. They are seen as selfish, greedy, and concerned only with their own immediate gain. In fact, nearly every one of the companies and brands studied in this research has fallen short of customer expectations for honesty and worthy intentions—behaviors indicative of warmth and competence.

The research also reveals striking psychological evidence for why people hate banks, oil companies, and cable companies so much. The constant pressure for faster and larger profits has steered companies in these and other industries into violating all the prerequisites for trust that we all unconsciously expect of them. And yet, there is another side to this coin. When companies held in high esteem for warmth and competence make errors and stumble, they are able to recover from those errors, building even more genuine, trusting, and lasting relationships with customers. We prefer to forgive companies we like, as we would other people we like, if we value the relationships and perceive that their intentions were good.

These insights arrive at a time of rapid change and uncertainty in our economic life. Large companies and brands that once seemed invincible are struggling and steadily losing market share, calling into question much of what they believed about running a successful business. American Airlines is besieged by smaller, friendlier Southwest just as Gap has been besieged by Lululemon. And who can forget Blockbuster, the once-dominant video rentals service, noteworthy for profiting on its punitive late-return fees. The company was bankrupted within a span of a few years when Netflix came along with a penalty-free DVD rental system that represented a healthier relationship between company profit and customer satisfaction.

Americans have decided that bigger is no longer better, and in the case of some of America's best-known brands, bigger may be much worse. At the same time, lots of smaller companies and brands are growing rapidly and filling the void with far fewer resources and a very different approach to doing business. Many of these upstarts are guided by purpose-driven missions that say as much about who they are as people as it does about the products and services they provide. They speak to us more intimately, and they appeal to our natural need for warmth and competence.

The growing divide between big national brands and their customers has been decades in the making. In the eyes of customers, old-line companies don't listen; they advertise. They don't adjust themselves to our needs; they try to sell us what they've got. They aren't flexible, because they have strict policies to ensure consistency and efficiency—and deadening, impersonal aloofness. For as long as anyone reading this book has been alive, big companies and the people who work in them have been in the habit of shaping our expectations in the exact opposite direction of our natural desires for warmth and competence.

The Middle Ages of Marketing

In 1882, the French painter Édouard Manet unveiled his impressionist masterpiece, *A Bar at the Folies-Bergère*. The painting depicts a simple scene with a young barmaid at its center, posing behind a counter lined with libations. In the far right-hand corner of the canvas, a brown bottle of ale is shown with a distinctive bright red triangle on its label—the unmistakable trademark of British brewer Bass & Co. *A Bar at the Folies-Bergère* would be Manet's last major work before his death in 1883 at age fifty-one, but the painting bears one other curious distinction. It is perhaps the first-ever depiction of a commercial trademark in a work of fine art.

Like most cities in Europe and the United States, Paris in 1882 was undergoing rapid transformation. The Industrial Revolution was in full bloom. Daily life was changing fast and forever, as traditional agrarian societies on both sides of the Atlantic embraced modernity, and urban populations exploded due to the ever-rising demand for factory workers. In the U.S. economy, the rapid expansion of national railway networks and telegraph lines prompted the evolution of mass production, packaging, retailing, and advertising. The first national product brands arrived on the scene, including some that survive to this day, such as Levi Strauss, Tabasco, and Heinz. It was in the 1880s that, in the words of one historian, masses of people became dependent for the first time ever on "goods made by unknown hands."[3]

The people who produced those goods faced a number of obstacles in profitably selling them. It may be hard to believe today, but humans were never mentally wired to trust and enjoy goods made by "unknown hands." Before the advent of mass production, mass distribution, and mass media, people in every culture in all of world history knew their butchers, bakers, and candlestick makers by name. Before 1880, there were hardly any packaged goods or ready-to-wear clothing. There were no fixed prices for goods, and often barter was substituted for money.[4] For all these reasons, commercial exchange entailed little distinction between the seller and the product or service offered. Customers were, in effect, buying the person who stood behind the product along with the product itself. And human transactions of all kinds had been that way for so long that we have within us an embedded preference for trusting, face-to-face exchanges in all our affairs.

This was the challenge faced by the people responsible for the earliest brands: brand symbols like the Bass Ale triangle or the Heinz label keystone were impersonal and abstract, while humans prefer the personal and concrete. Military leaders, for instance, have always known that abstract ideas, such as patriotism and freedom, are not enough to inspire and motivate soldiers to risk their lives in battle. Military training all around the world is designed to nurture what already is the natural inclination of men fighting in groups—to fight for their buddies, to fight for each other, to protect and care for the group.[5] In a similar way, people in the 1880s were well practiced in being loyal to the local tailor or shoemaker, whom they regarded as a friend. Now, with a national economy reliant on strangers selling to other strangers, how could people be persuaded, against human nature, to be loyal to an abstract brand instead?

In *New and Improved: The Story of Mass Marketing in America*, Richard Tedlow explains how the Montgomery Ward company tried to humanize its mail-order catalogue by publishing pictures of the company's founders, executives, and even the heads of individual product lines. Beneath those pictures, their signatures appeared as guarantees of customer satisfaction. These little touches had their desired effect, as evidenced by the following excerpt of a letter from a customer found in Montgomery Ward's archives:

> I suppose you wonder why we haven't ordered anything from you since the fall. Well, the cow kicked my arm

> and broke it and besides my wife was sick, and there was the doctor bill. But now, thank God, that is paid, and we are all well again, and we have a fat new baby boy, and please send plush bonnet number 29d8077 . . .

Here was a man unselfconsciously responding to Montgomery Ward's mass marketing message as though he had a personal relationship with the catalogue's employees. Tedlow wrote, "The letter strikes one as mildly ludicrous, but also rather touching in both tone and content, because the author was transferring a community attitude that would be quite appropriate when dealing with a local country storekeeper to the context of a mass-selling situation in which the merchant neither knew the producer nor cared about him or her as an individual."[6]

Modern marketing and advertising also grew up in response to this challenge of goods made by unknown hands. Prior to 1880, advertising was a tiny business, almost entirely limited to small-type notices squeezed in between the stories in newspapers. By 1900, advertising had blossomed into a huge $600-million industry that accounted for 4 percent of the national income, a percentage that remained unchanged for the following sixty years.[7]

Advertising was able to communicate the positive qualities of mass manufactured goods in ways that personalized them. Aside from low prices and wide variety, industrial processes also guaranteed a high degree of product consistency, something hard to come by in preindustrial society. And reliability actually does appeal to our cognitively miserly minds, which generally resist surprises (unless, as Susan has written before, the surprise comes with party hats).[8]

Take the example of Procter & Gamble's Ivory soap, one of the first mass-marketed products, with a brand name and selling proposition that clearly appealed to our penchant for predictability and easily categorized experiences. Many of us have fond, familiar associations with Ivory soap, which make it seem like