

# Start with the Story



**BRAND-BUILDING IN  
A NARRATIVE ECONOMY**

Kristian A Alomá, PhD

## *Advance Praise*

*“If you and your team are in the business of building trusted relationships with people, then you recognize the challenge of understanding the psychology behind their often-irrational behavior. Kristian Aloma has been a student and practitioner of psychology and behavior within the context of branding and marketing for years and has identified a profound unlock through the power of story. Aloma is an accessible academic, effortlessly simplifying complex constructs so that we can move forward on actions that matter.”*

—DAVE HEALING, SENIOR DIRECTOR OF BRAND  
STRATEGY & ACTIVATION AT ZILLOW GROUP

*“Kristian Aloma knows his stuff. He is a uniquely talented analyst who has been studying the consumer mind for decades. Now that he has decided to share his expertise with the rest of us, we will all be smarter and better prepared to grow trust, activate customers, and shape behavior. This is an unmissable book for anyone looking to build a brand that matters.”*

—BRIAN REICH, AUTHOR, SPEECHWRITER,  
AND COMMUNICATIONS STRATEGIST

*“Kristian Aloma has an innate ability to follow the human thread through stories of brands and their relationships with consumers. His use of narrative psychology to highlight how we think and why helps to bridge the gap between business and psychology in a way that just makes sense. Using this framework, Kristian provides the language businesses need to ‘talk’ to their consumers and to build long-lasting and trusting relationships with them.”*

—ELIZABETH SCHWAB, PSYD, ASSOCIATE DEPARTMENT  
CHAIR OF THE BUSINESS PSYCHOLOGY DIVISION AT THE  
CHICAGO SCHOOL OF PROFESSIONAL PSYCHOLOGY

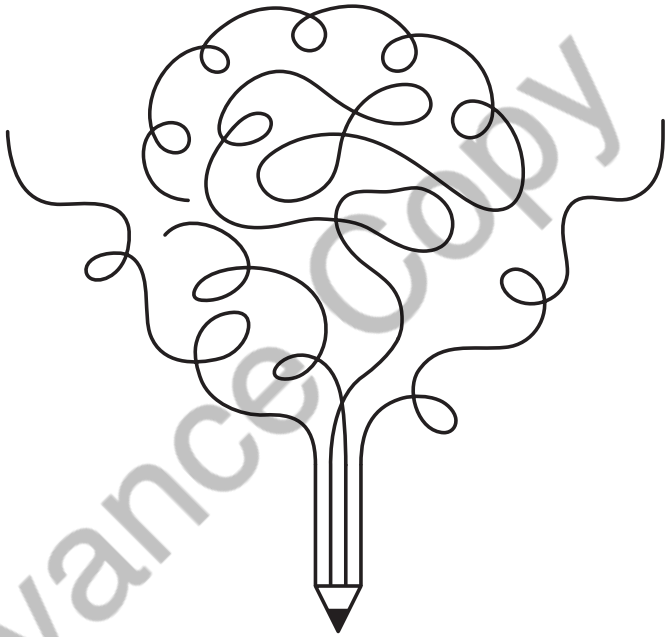
*“I’ve witnessed Kristian Aloma help hundreds of nonprofit leaders in organizations big and small realize how important their brands are to their stakeholders. Using Kristian’s narrative framework, nonprofits all over the world are able to identify and strengthen their relationships with donors. If you’re looking to grow your brand and strengthen its impact, Kristian’s book is the place to start.”*

—ELISE MADRICK TOWNSEND, MSW, ASSOCIATE DIRECTOR  
OF NONPROFIT EXECUTIVE PROGRAMS AT THE KELLOGG  
SCHOOL OF MANAGEMENT AT NORTHWESTERN UNIVERSITY

*Start with the Story*

Advance Copy

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# Introduction

Marketing makes me angry.

Skin care ads tell customers the only way they'll be beautiful is if they use their products to improve their complexion. Insurance companies play up the risks of tragedy, leading customers to pursue purchases out of anxiety rather than security. Toy manufacturers tell children which toys are for girls and which are for boys, causing subtle shame when a child wants to play with a toy designed for another gender. It saddens me to see campaigns built on emotional exploitation.

As a brand strategist with a PhD in psychology, I've watched our industry largely use psychology to manipulate behavior, rather than inspire action. The above examples reveal marketing at its worst. But you don't have to look far to recognize how our industry has leveraged a cold and Pavlovian approach to marketing. We've largely treated consumers like hungry

animals, trying to associate our products and services with the stimulus that gets them to salivate. We look for certain words and images that will trigger the desired response, no matter the impact on the customer.

If a Pavlovian relationship with your customers feels wrong, you're likely to agree with what I say next.

- **Marketing can feel disingenuous.** It can seem like the bottom line is the only metric that matters, and I wonder if it has to be that way.
- **Marketing can be manipulative.** I worry that some of the tactics used in marketing are unfair to the customer.
- **Marketers don't always think about the customer's best interests.** Sometimes I wonder whether we're doing right by the customer and am concerned that I'm complacent in tactics that don't fully represent me or my organization.

So many marketers tell me they feel deflated. They worry that making a sale is more important than making a positive impact in someone's life. Or growing the business and doing what's best for the customer are mutually exclusive. We often treat the customer as an afterthought or a data point to track, rather than the focus of our efforts as marketers.

But while the ethical concerns I have about marketing are what I feel most passionate about, that's not the only problem today's marketers face.

- **Traditional marketing is inconsistent.** Something that works one week might not the next.
- **Traditional marketing is unpredictable.** This industry

is temperamental, so even when I get something right, it doesn't mean it will continue to work in the future.

- **Traditional marketing feels like gambling.** Sometimes I feel like I'm throwing darts at a dartboard, but the value of the bullseye is constantly in flux.

If you agreed with those statements to any degree, you're not alone. I talk with marketers from all over the world who feel the exact same way. Marketers want more predictability. They want more certainty or clarity so that they can confidently build a new initiative. Yet no matter how many frameworks they use to define their marketing strategy, there's one factor that always throws a wrench in even the best-laid plans:

*Human beings.*

Their behavior can be unpredictable. Their emotions can be complex and difficult to understand. And their choices can appear illogical or irrational. The result is a marketing strategy that works great one week, but for no obvious reason flops the next. Marketing to these customers with traditional frameworks is like loading a ship with cargo but not equipping it with any sails. It will inevitably drift and might find land, but it will be no thanks to the captain.

Inconsistent and imprecise results are a major problem, considering that the goal of marketing is to attract the right people, motivate them to take a specific action, and inspire loyalty... over and over again. We need a clearer and more complete understanding of how people think to do our jobs effectively.

The good news is it is possible to meet and exceed your goals



without sacrificing your conscience. You can build campaigns that are predictable and effective. You can do right by the customer *and* build a profitable company. And there is no role better suited to accomplishing both than you, the marketer.

## **BUILDING A BETTER BRAND**

What is a “better brand,” anyway?

It is both effective and mutually beneficial. It’s built on the understanding that the customer is a person, not just a consumer. And when we prioritize the relationship between a company and its loyal fans in our marketing plans, we can do the impossible: we can harmoniously exceed the bottom line *and* positively impact the customer.

Historically, psychology hasn’t been an integral part of the marketing framework. We need a new model that relates to the customer in a meaningful way—that uses principles of psychology to weave a company into customers’ lives.

This methodology isn’t a cheap tactic or manipulative trick. It isn’t a clever way to push poor products onto unsuspecting consumers. And it’s not a quick fix. If you’re a marketer who is looking to move product as quickly as possible, this isn’t the right book for you.

This book is for marketers who recognize that building brands is a social science. For those who understand that the decisions we make as marketers and brand-builders impact the way people feel about themselves, whether it’s positive or negative. This book is for those who know that our identities

are tied to the objects we own, the services we hire, and the companies that offer them.

Today my company Threadline uses the framework you'll learn about in this book for clients from all kinds of industries, all over the world. From the research we conduct with consumers to the conversations we have with everyone from salespeople to the CEO, we hear about how they are motivated by something bigger and more meaningful than the bottom line. Most marketers and customer-facing professionals just like helping people. Improving their lives. Making them smile.

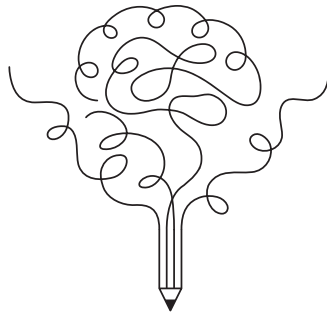
There is no one better positioned to make a positive change in marketing than you. You are the bridge between business objectives and human impact, products and services and their role in people's lives, financial transactions and personal relationships. You are the key to better businesses built on better brands.

Together, we can redefine what it means to be a marketer, build a brand, and grow a business. We can root our practices in the social sciences and approach brand-building with as much rigor, structure, and care as a psychologist does their patients. Marketing impacts everyone and marketers wield incredible power. That's why I love this work and why I'm also so humbled by it. Once you understand the impact of your company in your customers' lives, you realize the responsibility of marketing is both to the success of the organization and the well-being of its customers.

Ultimately, this book is for those who recognize that a brand can do so much more than sell a product. It is for those who

want to make a positive impact on people, their communities, and the world.

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## *Chapter One*

# Welcome to the Narrative Economy

I began my PhD after years of working for an emotional branding agency. It was an extension of more than a decade of advising clients on how consumers felt about their products or services. So when I began developing my dissertation, I knew I wanted to formally unpack the minds of consumers. Repeatedly, my literature reviews led to one place: identity. Consumers—people—do nearly everything they do either because of their identity or to shape their identity.<sup>1</sup> As I unpacked the frameworks and insights around identity, I was introduced to a field of psychology that would eventually transform how I view the world.

Narrative psychology is a subset of psychology that looks at

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<sup>1</sup> Donald E. Polkinghorne, "Narrative and Self-Concept," *Journal of Narrative and Life History* 1, no. 2-3 (January 1991): 135-153, <https://doi.org/10.1075/jnlh.1.2-3.04nar>.

the way people make sense of themselves and their place in the world through the structure of story. We process our past, engage with the present, and predict the future using stories.<sup>2</sup> Our memories are episodic.<sup>3</sup> Our cultures are story-based.<sup>4</sup> Our immersion in stories is so complete that we may not even realize we're in a story until we're yanked out of it.

Narrative psychology tells us that we are constantly managing, updating, and tweaking the story that defines who we are. We tell stories that make sense of the things we do. And we do things that make sense of the stories we've told ourselves.<sup>5</sup> A story that says you're environmentally conscious explains why you use reusable cloth bags at the grocery store. And you continue to use them because that behavior fits within the narrative that you are environmentally conscious. These are stories about major life milestones, personal relationships, and ultimately identity. These aren't necessarily stories that people tell anyone else or that they verbally articulate, but rather stories unfolding in the mind. We aren't just storytellers—we're story-thinkers.

I went to Target to buy a new vacuum a while back. I saw Dyson, Black & Decker, and Shark on the shelves. At face value, I looked at the physical shape of the products and noticed details on

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2 Polkinghorne, "Narrative and Self-Concept."

3 Endel Tulving, "Episodic Memory: From Mind to Brain," *Annual Review of Psychology* 53 (2002): 1-25, <https://doi.org/10.1146/annurev.psych.53.100901.135114>.

4 Joseph Campbell, *The Hero with a Thousand Faces*, 2nd ed. (Bollingen Series/Princeton: Princeton University Press, 1968): 1.

5 Donald E. Polkinghorne, "Narrative Psychology and Historical Consciousness Relationships and Perspectives," in *Narrative, Identity, and Historical Consciousness*, ed. Jürgen Straub (New York: Berghahn Books, 2005): 3-22, <https://doi.org/10.1515/9781782388609-003>.

colors and price. But I also subconsciously created the various stories I could tell about myself by owning each.

The classic vacuum with the fabric bag says that I like retro things or that the 1950s stereotypical mom thing is my vibe. On the other hand, the fancy Dyson model with the cyclone suction power says I care about design or technology. The Shark model might say I care about design and aesthetic, but in a more affordable package. Each tells a different story about who I am.

If you checked out my YouTube history, you'd learn that I love to travel. I follow two channels of travel vloggers. Both are van lifers, the term for people who buy vans that are retrofitted to function as homes in very, very tiny mobile packages.

One vlogger bought a lavish, brand-new Mercedes-Benz Sprinter van. The other bought a vintage 1976 Coachmen RV. Each vehicle performed a similar function but let the purchasers tell a very different story about themselves.

If we look at narrative psychology and consumerism simultaneously, we can understand how the products we buy help us express and shape that identity. If our consumer choices are driven in an effort to help us manage and express identity, and that identity is expressed through narrative, then the world operates on a narrative economy.<sup>6</sup> It is no longer about the exchange of goods and resources, it's about the exchange of stories for resources. We don't just buy goods and services, but rather buy the ability to tell a story. We purchase a way to shape our identity.

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6 Jennifer Edson Escalas, "Narrative Processing: Building Consumer Connections to Brands," *Journal of Consumer Psychology* 14, no. 1-2 (2004): 168-180, <https://doi.org/10.1207/s15327663jcp1401&2-19>.

## YOU ARE WHAT YOU OWN

From a rational perspective, the Porsche Cayenne shouldn't exist.

Owning a Porsche is about driving something fast, powerful, luxurious, and a little dangerous. It markets to young, single, successful professionals who take risks and collect big rewards. A Porsche helps them express and celebrate success. A person buys a Porsche because they look cool, drive fast, and are well out of most people's price range.

So, what happens when that young, single, risk-taker gets older, has a family, and needs to slow down? Most of the time, they reluctantly turn in their Porsche for what is essentially the antithesis of a Porsche—an affordable minivan with three times the airbags and a built-in baby cam that lets you see that adorable baby strapped securely into the back seat. While their baby crawls around with another during a playdate, they vent to the other parents about the car they used to have and the life they used to live.

Psychologists would call them “conflicted.” They were faced with a tension between two identities: the first being the wealthy professional that lives life to the fullest and the other of a responsible parent. These two identities couldn't coexist in a single vehicle, so customers chose to buy a different vehicle (rather than getting rid of their kids) and deal with the cognitive dissonance by repeatedly reminding their neighbors how cool they used to be.

Considering this tension, the Porsche Cayenne couldn't help but appeal to this crowd. It has the look, name, and expense of a Porsche, but in a safer and more responsible package. Four doors with plenty of room for the car seat *and* the groceries.

Now that professional can tell the world and themselves that they are successful enough to drive a Porsche, *and* that they are a responsible parent.

The Cayenne is just one example of how products impact our identities. Years ago, I conducted in-home interviews about health-conscious dietary choices. My research partners and I spoke to people who were hardcore into an organic lifestyle. They only drank and stored water in glass bottles. Their fridges were full of organic fruits and vegetables. Everything in their pantry was from Trader Joe's or Whole Foods.

At least, *almost* everything.

I asked a participant to open the cabinet to record which products they had on their shelves. I was surprised when between a refillable jar of wild rice and whole wheat linguine was a box of Kraft Mac & Cheese.

“Tell me about how you’ve stocked your shelves,” I prompted, genuinely intrigued. I was truly fascinated as to how that box got there. Was it left by a friend? Was it a decade old and a remnant from college days? Or was this person about to tout the health benefits of eating processed foods?

On the contrary, this person was well aware that the cheese inside the little foil packets wasn’t naturally that yellow. They knew the pasta wasn’t organic. They weren’t duped. They never tried to defend the ingredient list.

Instead, they smiled and said, “We know it’s weird, but it’s our boxed comfort.”



As we talked, I discovered that they didn't really see the macaroni product as food at all. It wasn't nutrition or fuel for their bodies, it was a metaphorical warm blanket fresh out of the dryer or a burning candle on a rainy day. It was comfort, not nutrition. It was a box of stress relief that can only come from a warm bowl of fake yellow pasta. They knew that sometimes the organic, health-conscious food that fits their everyday lifestyle just doesn't work when they feel like things are falling apart at work.

Helping parents feel cool or young adults feel comforted are just some of the ways companies help us manage our identity. In research with participants, I've learned about products used to create thousands of different narratives. And after reflecting on those stories and the findings from dozens of peer-reviewed papers, I started to see a clear pattern about how consumers use products and services. Most of them fit into one of four roles.

## **THE FOUR ROLES OF BRANDS IN CONSUMER IDENTITY**

In my academic work and review of the literature, I've concluded there are four roles of consumer goods and services in consumer identity. They include expression/differentiation, resolution, exploration/expansion, and affirmation.<sup>7</sup> Understanding how and when to use each can unlock the incredible link between businesses and identity. Below is a description and an example of each.

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7 Bernd Schmitt, "The Consumer Psychology of Brands," *Journal of Consumer Psychology* 22, no. 1 (January 2012): 7-17, <https://doi.org/10.1016/j.jcps.2011.09.005>.

## 1. EXPRESSION/DIFFERENTIATION

These products or services help us tell the world who we are. What we stand for. What we love. They help us define who we are and who we are not.

Nutella: I don't just like chocolate or peanut butter. I like what Europeans like. I like a sophisticated, decadent, indulgent spread for my toast. I am cultured.

## 2. RESOLUTION

These products or services help consumers cross multiple identities such as mother and professional, caregiver and partner, father and husband. Where identities sometimes conflict, these companies help resolve that tension.

Willow Breast Pumps: I am a mom that cares about breastfeeding, but I hate being tied to a wall like a charging device. I'm also a woman and homeowner, and have errands to run other than emptying my breasts. I can be independent and supportive of my family and ambitions.

## 3. EXPLORATION/EXPANSION

These products or services help us expand our sense of self either through what they provide or being outside of our comfort zone. Sometimes these products are trials that become permanent.

Duolingo: I am a lover of languages and someone who appreciates other cultures. I want to expand my identity by becoming someone who is multilingual.

#### 4. AFFIRMATION

Some products or services remind us who we are. They help us prove to ourselves we are who we want to be. Though affirmation can look and feel similar to expression, its target is different. Expression is for others. Affirmation is for ourselves.

SpotHero: I am a savvy city dweller that won't be duped into paying ridiculous prices for parking.

But building a product or service and impacting identity don't just happen. People are protective of their identity. They don't let just anyone or anything become part of it—just as few people let a guy on the street with a tattoo gun ink their mother's name on their chest. To become part of someone's identity, you have to be more than just a thing they buy. You have to build a relationship.