

Broad Matters Season 6 Episode 4
“How To Achieve Brand Love” with Hang Nguyen

Ken Szymusiak:

Welcome to Broad Matters.

Amy Wisner:

A podcast bringing you thought leadership, innovative perspectives, and real world impact, from Michigan State University's Eli Broad College of Business.

Ken Szymusiak:

I'm Ken Szymusiak, managing director for the Burgess Institute for Entrepreneurship and Innovation.

Amy Wisner:

And I'm Amy Wisner, business communication professor in the Department of Marketing.

Ken Szymusiak:

Today, we have Hang Nguyen in the studio. She's an associate professor in the college's Department of Marketing. Her research is on brand and product innovation, social media engagement, and returns on marketing investments.

Hang Nguyen:

Broad College means a lot to me. The school has provided tremendous support for me to grow and become who I am today. I feel honored to be part of the Broad family, a top of mind business school.

Amy Wisner:

Recently, Hang has explored the concept of brand love, where customers fall head over heels for a brand and form lasting emotional bonds with their products, services, and experiences. On this episode, Hang will talk about some of today's most loved brands, how companies can win the hearts of their customers and build brand love, and what it all means for the bottom line. Welcome to the podcast, Hang.

Hang Nguyen:

Thanks for having me. I'm excited to talk about my work on brand love. Companies have invested billions of dollars into marketing and brand-building programs, and brand love is still a growing part of this.

Ken Szymusiak:

Can you tell us a little bit about yourself and your role within the Broad College?

Hang Nguyen:

I joined the marketing department in 2013 after obtaining my doctoral degree in business administration from the University of Connecticut. Before becoming a marketing professor, I have almost 15 years of professional experience in business consulting and marketing research. In early 2000s, I played an important role in the success of the two multimillion U.S. dollars projects that promoted U.S. and German investment to Vietnam.

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These backgrounds have given me a great start in my academic career, enriching my teaching and research in the areas of brand and product management and social media marketing.

Currently, I'm associate professor of marketing, teaching product innovation for undergrad students and brand strategy for MBA students. I also serve as chair of the graduate committee and doctoral dissertation committee. Now being with the Broad College for almost 10 years, I'm truly a Spartan. Go Green!

Ken Szymusiak:

I love this concept of brand love that you're researching, Hang.

Hang Nguyen:

Thank you.

Ken Szymusiak:

Can you tell us a little bit about how you kind of stumbled into this research field and what are kind of some of the discoveries you've had around brand love that you've thought have been really interesting as you've dug into the research?

Hang Nguyen:

Sometimes I feel people are willing to pay extra premiums just to get the products from their loved brand. And as a brand, you can move to the really far territories when you can introduce new products. So I just think that this is a really interesting area and very much the core of marketing. Whenever you want to conduct any marketing strategy, brand is essential of your research. That's why I'm really interested in studying brand love.

Ken Szymusiak:

I mean, brands change so quickly over time in terms of their recognition, and there's so many products in the marketplace. What has your research found that you think is really translatable to a business owner or someone thinking about how their brand is recognized by their customers?

Hang Nguyen:

So you know that as the marketing professor, I'm studying brand love as a form of connection that goes beyond just enthusiasm about a company or its products. When consumers love a brand, they form a lasting emotional bond that can be incredibly strong. Brand love increases customer loyalty, encourages customer to become ambassadors for the brand, and drives future sales.

To build brand love, you need to do more than just telling customers what you are offering and how your products stand out. You need to fully understand the customer journeys and find meaningful ways to impact and improve their lives. Creating the unique and meaningful customer experiences is essential for brands to create emotional bonds with their customers.

And another aspect that I would like to suggest the company to do is to focus on innovation, because based on my research, innovation is another key driver of brand love. New technologies, services, and business models fill needs that customers have and offer them something they can't get anywhere else. So you can focus on technologies, but innovation doesn't necessarily have to be technological.

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The last advice that I can have for my brand managers would be to consider building brand love- a long-term investment instead of a marketing cost.

Ken Szymusiak:

Fascinating way to think about brand, in my opinion. Because I think there's still a perception by many people that when they hear branding or marketing, they think advertising. But really it's total product and service development, right? It's from the core.

I always love the example of Apple, right? Which I think is kind of the pinnacle of brand recognition and value at this point in time. But I always tell my students that they've even engineered how long it takes to open the box. Right? When you're opening your iPhone, they've counted the seconds of anticipation, right? Nothing has been left to chance.

So many companies just look at it as, "I'll just put up a billboard." But every company really has the opportunity to make unique experiences if they try.

Hang Nguyen:

And, you know, I totally agree with you that building a brand is not overnight and it's not just advertising or doing marketing research. You should have the combination of marketing research to understand customer insights, the voice of the customers. But you also need to really invest in your brand-building programs to really create emotional connection with customers through incredible customer experiences along different touchpoints in their journey. So I would say that it's really the long-term investment, but it really pays off in the long run.

Ken Szymusiak:

Yeah. Some of your research is some of the first to show how profitability can be gained by building brand love, right?

Hang Nguyen:

Yeah. So actually, one point increase in brand love is associated with a 4.8% increase in a company's return on assets two years later.

Ken Szymusiak:

Wow.

Hang Nguyen:

But you know that sometimes brand managers are really excited to invest in the short term because the end of the day, you are evaluated by your short-term sales, your short-term profits, and forget to invest in marketing activities or initiatives. It hurts the company in the long run.

Ken Szymusiak:

Thinking about that long-term customer value, right, and how branding impacts the amount of money they're probably willing to spend with you over time, there's so many products that we just have commoditized now and you can go on Amazon or Alibaba and get the cheapest thing for so many things, but then you realize that people spend more just because a product has a brand on it. And if you spend

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a little bit of time there, I think it's fascinating your research is showing that that really does pay off in the long run.

Hang Nguyen:

When you think about brand, it's not a commodity, because if you build a strong brand, it has some value. For example, inter-brand research shows that companies, they have billions of dollars in value, and that one really impacts the perceptions of the consumers when they choose any product in their life. The other side is that it is also impact investors who want to invest in the brands, or it's going to affect any company's future transactions, like mergers and acquisitions. At the central of the community of stakeholders, including suppliers, customers, investors, brands really play an important role in that community.

Amy Wisner:

Brand love obviously goes beyond just satisfaction for customers, and so I'm curious to know what companies need to do to build this brand love through innovation, and maybe you can talk about some R&D or what's going on in the field.

Hang Nguyen:

In my research, innovation is one driver of brand love. New technologies, services, and business models fill a need that customers have and offer them something that they can't get anywhere else. It should be no surprise that ground-breaking companies like Amazon, Netflix, and Tesla are among the most loved brands in the world.

However, technology doesn't necessarily have to be technological. The airline, JetBlue, won customers' hearts simply by investing in innovative customer service. So I would suggest the company to make good investment in innovation by coming up with different new features of the product or different benefits of the product that create an emotional connection with the customers and outstanding customer experience.

In addition to specific products, they can also invest in improving the entire customer journey in different customer touchpoints in order to give customers enough information, but also find a very creative way to interact with them emotionally and effectively. The end of the day, you would like customer love your brand by their heart and also their mind.

Amy Wisner:

I think it's interesting some of the research that you've done on companies like Zappos, and so I'm curious to know what have they done uniquely in this brand love area.

Hang Nguyen:

The former CEO of Zappos, Tony Hsieh, he was very much well known for his philosophy in doing business with the customers. The way that he builds the culture in the company for all employees is that they encouraged them to interact with customer at the emotional level. And he encouraged their employees to go beyond traditional functional ways of interacting with the customer and to create a “wow” moment for the customers, and they really did that.

In one of the examples that he mentioned is that one of his employees actually received a call from the customer, mentioning that her mother had leg problems and she couldn't wear a specific type of shoes and she was looking for shoes that really make her feel more comfortable.

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She ordered five pairs of shoes, but then she figured out that no pair of shoes really fits with her foot and she had to return the five pairs of shoes.

Then, she called the company, Zappos, employee at the time and saying that, "Sorry, I had to return five pairs of shoes because they don't fit." So the company actually said that, "Don't worry about that." They accept the returns and then they also gave her the coupon so then she can buy any pair of shoes in the future so that make her mother very happy.

So what the company did is that they didn't really treat customers as customers, they treat customers as their family members and they really treat them with their hearts. So Zappos was a brand that really loved by many, many customers. And also you know that you want to return the shoes, you can return in one year instead of just three months.

Amy Wisner:

It sounds like what we're talking about is brand love is really putting people over profits.

Hang Nguyen:

That's a great observation. The starting point is that you put customer on top of profits, but then it is the long-term investment. Once you build your brand love, you will be able to have a larger group of loyal customers and you also will be able to adjust premium price. So my research suggests that strong brands get more profits than weak brands.

Amy Wisner:

That's beautiful.

Ken Szymusiak:

Hang, we've had a chance to talk about a few brands you love, related to your research. Are there others that come to mind that as a customer yourself or as a professor and researcher that you've really enjoyed uncovering or maybe you have deep brand love for yourself?

Hang Nguyen:

I'm really brand loyal because I'm a professor. So, I would like me to be professional in front of my students, but also caring and connected with them. So then they not only want to learn my knowledge, but also they feel very comfortable and to share their thoughts and their opinions with me. That's why I selectively choose some brands that really express myself. For example, I love Apple products too. Do you know it is the first thing I touch in the morning and the last thing at night, right?

Ken Szymusiak:

That's true.

Hang Nguyen:

Yeah.

Ken Szymusiak:

Yeah, I never thought about that.

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Hang Nguyen:

I cannot live without Apple products like iPhone, iWatch, and iMac, right?

Ken Szymusiak:

Yeah.

Hang Nguyen:

So definitely it's clearly the beloved brand for many customers. And also MSU brand is the one that I love-

Ken Szymusiak:

Yeah.

Amy Wisner:

Yes.

Hang Nguyen:

... because this is very much like your home, right? So I just feel very proud to be part of the community.

Ken Szymusiak:

I love going through the airport and having people yell, "Go Green" at you.

Hang Nguyen:

Yeah.

Ken Szymusiak:

It's the best.

Amy Wisner:

Go White!

Hang Nguyen:

That's right.

Ken Szymusiak:

Yeah.

Amy Wisner:

I'm curious what opportunities are there in 2023 for companies to build brand love. What should companies and brand managers be thinking about right now?

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Hang Nguyen:

Did you know, for all of us, a new year always bring hope, resolutions, opportunity, and challenge, and surely there are opportunities for companies to build brand love. In 2023, JPMorgan research forecasts the global GDP growth this year to climb 1.6%. So I will say that for a lot of companies, that's a great year for them to recover after the shocking year, 2022.

And, my hope is that the company will see the value of building brand love and develop different initiatives to create the emotional connection with the customer, investing in improving customer journey and innovations to really create incredible experiences for the customers. So I would say there are great opportunities for a company to really focus on investing in brand love.

Ken Szymusiak:

That's great. What's next for your research in terms of your research around brand love is headed? And what projects do you have in the works?

Hang Nguyen:

As you know, my research is the first to quantify the returns on investment in building brand love. There are still multiple avenues for future research in this domain. For example, researchers can consider investigating the influence of competitive reactions on the link between brand love and firm performance. In addition, with the rise of social media and big data, future work can explore the effect of investor sentiment and social influence in the process of translating brand assets into shareholder value.

Finally, brands are vital assets to firms. However, they are becoming more vulnerable with the rise of the internet and social media. More than ever, various stakeholders, including customers and suppliers, create the value of the brand assets. So further research can provide more insights into how firms can manage brand assets more effectively in this more dynamic environment.

Currently, I'm working on using advanced techniques of social media linguistic analysis to develop a typology of customer sentiments to brands, ranging from love to hate. I also want to see how brand love or hate transfer from one brand to another in a portfolio of brands, particularly for companies that are pursuing the house of brands versus the branded house strategy. Furthermore, I would like to develop an analytical model to optimize the level of investment in brand love and the synergy each brand can create within a portfolio and the returns on investment. So this is a very exciting project for me and I really look forward to seeing it will be published in a top marketing journal.

Amy Wisner:

I just love how much we've gotten to talk about love. This has been really great speaking with you, Hang. How can we keep up with you and your work going forward?

Hang Nguyen:

You can contact me via social media. I have a Facebook account, I have an Instagram account, and also a LinkedIn account. In 2023, I plan to open my YouTube channel where I can talk about brand love, I can talk about social media strategy, and I can advise different companies to conduct effective marketing programs in order to promote their companies and their brands.

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Amy Wisner:

We'll make sure we come and show you some love.

Hang Nguyen:

Thank you so much!

Ken Szymusiak:

Thanks for joining us.

Amy Wisner:

Follow us on Twitter, LinkedIn, Instagram, and Facebook, @MSUBroadCollege, or visit us on the web at broad.msu.edu/news.

Ken Szymusiak:

And remember, like, rate, and subscribe to Broad Matters on Apple Podcasts, Google Podcasts, and Spotify. That does it for this episode. I'm Ken Szymusiak.

Amy Wisner:

And I'm Amy Wisner. Join us next time to hear faculty and staff weighing in on relevant issues and discussing how their work makes an impact, illuminating how and why Broad matters.