## Harvard Business Review

## MARKETING

## How to Build Brand Religion

by Ron Faris JANUARY 29, 2014

On Thursday at 11 a.m., the Supreme store in Soho debuts a new sneaker design, and people wait around the block to be the first to purchase it. Roughly a mile away in Madison Square Park, a line snakes past manicured lawns as people wait an hour in line to buy a Shake Shack cheeseburger. Further downtown, Tyler, the Creator, the impresario leading man of the hip-hop collective Odd Future, hosts a pop-up shop on Orchard Street with a thousand kids waiting in line to meet the artist and buy his gear.

Typically, lines get a bad wrap: They're inconvenient and annoying. But if you look closer, you'll see people — especially young people — actually enjoying it.

Why? Sometimes, the experience of anticipation can be just as powerful as the product you're selling. And if the product is good and the demand exceeds the supply, the line will be a microcommunity of your very best fans wanting to pay patronage to your brand. The line, at this point, ceases to be a pattern of inconvenience. The line instead is the physical embodiment of brand religion.

So what, exactly, is brand religion? This question is best answered not by looking at the history of brands and their ethos, but by looking at how some religions spread from a niche sect to the masses. Malcolm Gladwell noted in his book *The Tipping Point* that religions spread not by the force of their charismatic founders, but by the emotional zeal of its followers that spend their days marinating in the dogma. The more a community convenes to exchange ideas around the dogma, the more emotional they grow about the ideas. They, in turn, become influencers in that community and grow more motivated to seduce more followers to the religion.

Cultural or brand fanatics behave similarly. From my experience, fanatics — be it sport, religion, music, or otherwise — are cajoled by emotion. When a fanatic becomes emotional, he or she is more

apt to pay more, wait longer, and share louder – elements of what I call "irrational commerce". The key is to create physical and virtual moments for fans to congregate, share their urgency, and reward them with scarce products or experiences they can't find anywhere else. The fan, in turn, captures the moment socially (via Instagram, for example) to recruit others who are less fanatical about the brand. The more communal moments brand fanatics can share with one another, the more brand religion can grow. Gary Vaynerchuk cites in his most recent book, *Jab, Jab, Right Hook*, that community managers should curate these social moments (what he calls "jabs") to provoke fans for an emotional reaction. A series of these "jabs" will in turn lead to a consumer call-to-action for that fan (i.e. the "right hook").

And while large brands like Nike cater to fanatic fans through the release of limited run shoes, for example, brand religion is particularly important for small-to-medium businesses because it leverages the power of small communities to evangelize the product. This is valuable for several reasons: Small brands can't just open online stores and expect to be successful without hosting and curating a vibrant and nurturing community. If they do, they'll fall prey to the dynamics better served for large incumbents like Amazon and Zappos, whose direct response-driven purchase funnels are fundamentally based on cost-per-acquisition and impressions served. Huge ad buys can be prohibitively expensive for small businesses and might not deliver sales, let alone long-term fans. Additionally, competing to be the "most affordable" won't cut it.

Though price is a valuable differentiator in the marketplace, it won't promise loyalty because a mere fan will only be as loyal as your cheapest competitor. Even Apple, arguably the most powerful brand on the planet, stumbled when it released its value-oriented iPhone 5c to lukewarm demand. At that aggressive price-point, there were just too many other affordable Android handsets to consider (not to mention it's own higher-end iPhone 5s, which far out-performed its cheaper sibling).

I've seen much of this first-hand: My wife recently started working at SoulCycle, arguably one the most cult-like exercise franchises out there today. At the heart of the SoulCycle brand is the experience: the combination of anthemic music, atmospheric lighting, and motivational exercise from an authentic and charismatic instructor. Fans don't spin; they "ride," picking the locations of their bikes on the company's website, much like reserving a seat on a flight — with those seats closest to the instructor selling out first. All the merchandise sold is exclusive and limited run, refreshing every month. This scarcity only feeds into the fanaticism driven by the experience endured by its hardcore fans and makes up 12% of the company's revenue. In my estimation, all these tactics ladder up to one governing principle: the founders made a conscious decision to build a brand, not a gym.

Ultimately, this is what brand religion is all about: stoking emotion with a combination of scarcity and urgency. It's irrational commerce at its finest.

When I spoke with my friend Neil Blumenthal, co-founder and co-CEO of Warby Parker, he reinforced these points by explaining the tactics his company employs to deliver a cult-like brand. The team first created its ethos ("our commandments," Neil said), which is the articulated reason for your

existence. This guides your business practices while also letting fans know you're filling a deep emotional void. At the heart of Warby Parker's particular ethos is full, unbridled transparency.

When building their community, they made a point to talk about issues that typical corporations sweep under the rug. After the company launched, for example, it became clear they couldn't keep up with the demand of their trial-at-home offering. Consequently, they temporarily suspended the program (a move that other growth companies would avoid in lieu of more sales). They were proactively apologetic about it and explained in great detail why they had to curtail one of their most differentiating aspects of their offering. Customers were quick to forgive, and everyone moved on.

Warby Parker's transparency was also evident in their unique approach to marketing communications. Each year since 2011, the company unveils an Annual Report. In it, fans can find everything from key unique metrics that are driving the business (tidbits they know ardent fans will drop in cocktail conversation), down to the beer and bagels the employees prefer to drink at their Happy Hours or eat at their breakfast meetings. This quick, quirky snapshot of their culture adds a unique flair of personality to the brand, which makes it stand out against competitors.

Finally, Warby Parker's use of scarcity and urgency to build brand religion has been masterful as evidenced by their frequent limited-run capsule collections they release. "Most of our competitors put out two capsule collections a year," said Neil. "We put out 20." Most of these collections sell out in the first 48 hours and add to the fever pitch of the fans following the brand.

If there's one thing the new world of social commerce has taught us, it's that there are no rules any brand must follow to attract an engaged audience. But building a strong, emotional brand by tapping into urgency and scarcity is an important perspective to consider. Like musicians and sports teams before them, brands doing it right regard their community members more as fans rather than customers. And if you can fuel their addiction to your brand ethos, you'll likely convert them for a fraction of the customer acquisition cost typically associated with winning them over.

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