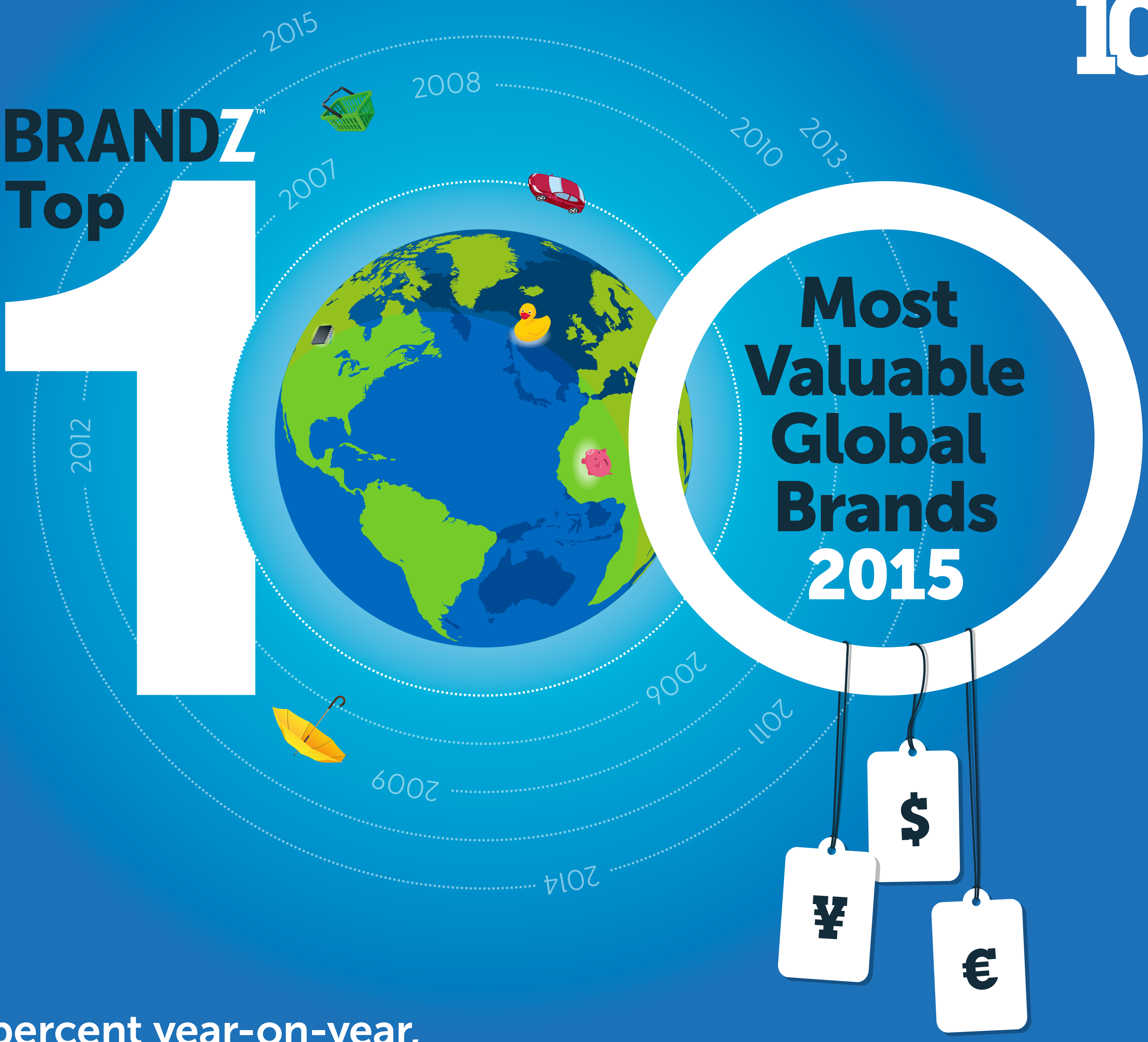
10th Anniversary Edition

BRANDZ™ Top 100 Most Valuable Global Brands 2015



Brand Value rises 14 percent year-on-year, 126 percent over a turbulent decade

Methodology and valuation by
MillwardBrown

WPP

BrandZ Top 100 Most Valuable Global Brands 2015

10th Anniversary Edition

TOP 10 BRANDS

1	Apple	$246.9 Bil.	+67%
2	Google	$173.6 Bil.	+9%
3	Microsoft	$115.5 Bil.	+28%
4	IBM	$93.9 Bil.	-13%
5	VISA	$91.9 Bil.	+16%
6	at&t	$89.5 Bil.	+15%
7	Verizon	$86.0 Bil.	+36%
8	Coca-Cola	$83.8 Bil.	+4%
9	McDonald's	$81.1 Bil.	-5%
10	Marlboro	$80.3 Bil.	+19%

TOP 10 RISERS

Facebook	+99%	$71.1 Bil.
Apple	+67%	$246.9 Bil.
Intel	+58%	$18.3 Bil.
Chipotle	+44%	$10.6 Bil.
China Life	+44%	$17.3 Bil.
Audi	+43%	$10.1 Bil.
Tencent	+43%	$76.5 Bil.
CPIC	+38%	$5.1 Bil.
Verizon	+36%	$86.0 Bil.
Baidu	+35%	$40.0 Bil.

BRANDZ™ GLOBAL TOP 100 GROWS 14% IN BRAND VALUE

Technology and retail lead brand value surge.

2015 $3.3 Trillion

2014 $2.9 Trillion

2013 $2.6 Trillion

Growth across all Categories from 2014

14%

VALUABLE BRANDS DELIVER SUPERIOR RETURNS

The BrandZ™ Strong Brands Portfolio has outperformed both the S&P market index and the MSCI World Index since 2006.

- BrandZ™ 102.6%
- S&P 500 63%
- MSCI 30.3%

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Download the Mobile app
www.brandz.com/mobile

IN THE NEWS...

Apple becomes world's number one most valuable brand, worth $247.0 Billion

Alibaba Group
Alibaba enters the Global Top 100 and is the number one in retail ahead of Amazon and Walmart

Facebook rises 99% in Brand Value

CATEGORY CHANGE

$ Value of Top 10 Brands in each category
% Change in catetory Brand Value

Retail (Alibaba Group)	$268.3 Billion	+24%
Technology (Apple)	$900.8 Billion	+24%
Insurance (China Life)	$80.4 Billion	+21%
Telecom Providers (at&t)	$388.2 Billion	+17%
Beer (Budweiser)	$78.6 Billion	+9%
Soft Drinks (Coca-Cola)	$139.6 Billion	+8%
Oil & Gas (ExxonMobil)	$115.3 Billion	+6%
Fast Food (McDonald's)	$179.3 Billion	+4%
Cars (Toyota)	$143.6 Billion	+3%
Personal Care (L'Oréal Paris)	$101.6 Billion	+2%
Regional Banks (Wells Fargo)	$254.5 Billion	+1%
Apparel (Nike)	$99.7 Billion	+0.1%
Global Banks (HSBC)	$120.8 Billion	-2%
Luxury (Louis Vuitton)	$104.6 Billion	-6%

NEW ARRIVALS

- Alibaba Group — Retail
- Huawei — Technology
- HDFC Bank — Regional Banks
- Telstra — Telecom Providers
- Costco Wholesale — Retail
- SoftBank — Telecom Providers
- China Telecom — Telecom Providers

10-YEAR PERFORMANCE AND TRENDS 2006 TO 2015

The BrandZ™ Top 100 Most Valuable Global Brands increases 126% in brand value

2006 $1.4 Trillion

2015 $3.3 Trillion

10-YEAR TOP 10 RISERS

Apple	at&t	amazon.com	Domino's	SKOL	verizon	Google	ZARA	SAP	HERMÈS PARIS
+1,446%	+1,240%	+941%	+900%	+702%	+477%	+364%	+331%	+299%	+292%

CHINA GROWS IN VALUE AND NUMBER OF BRANDS

2006: 1 Brand

2015: 14 Brands

Brand Value growth +1,004%

BRAND VALUE SHIFTS TO TECHNOLOGY

Global Top 100 Brand Value shifted to technology, which grew from 35% of Top 100 total value in 2006, to 44% of total value in 2015. The consumer categories collectively declined.

	2006	2015
Technology	35%	44%
Consumer & Retail	34%	22%

Methodology and valuation by Millward Brown

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TOP 100: 1 Apple, 2 Google, 3 Microsoft, 4 IBM, 5 VISA, 6 at&t, 7 Verizon, 8 Coca-Cola, 9 McDonald's, 10 Marlboro, 11 Tencent 腾讯, 12 facebook, 13 Alibaba Group, 14 amazon.com, 15 中国移动 China Mobile, 16 Wells Fargo, 17 GE, 18 UPS, 19 Disney, 20 MasterCard, 21 Baidu 百度, 22 ICBC 中国工商银行, 23 vodafone, 24 SAP, 25 American Express, 26 Walmart, 27 T-Mobile, 28 Nike, 29 Starbucks, 30 Toyota, 31 The Home Depot, 32 Louis Vuitton, 33 Budweiser, 34 BMW, 35 HSBC, 36 Mitsubishi UFJ, 37 Pampers, 38 L'ORÉAL, 39 hp, 40 Subway, 41 中国建设银行, 42 ZARA, 43 Mercedes-Benz, 44 ORACLE, 45 Samsung, 46 movistar, 47 Deutsche Telekom, 48 Commonwealth Bank, 49 Shell, 50 中国农业银行 Agricultural Bank of China, 51 accenture, 52 Gillette, 53 FedEx, 54 Shell, 55 Hermès, 56 intel, 57 Colgate, 58 BT, 59 ANZ, 60 citi, 61 Orange, 62 中国人寿 China Life, 63 Sinopec, 64 IKEA, 65 中国银行 Bank of China, 66 DHL, 67 Cisco, 68 中国平安 Ping An, 69 Siemens, 70 Huawei, 71 PetroChina, 72 usbank, 73 ebay, 74 HDFC Bank, 75 H&M, 76 GUCCI, 77 J.P.Morgan, 78 Honda, 79 Pepsi, 80 Ford, 81 bp, 82 Telstra, 83 Nissan, 84 Westpac, 85 LinkedIn, 86 Santander, 87 Woolworths, 88 PayPal, 89 CHASE, 90 Aldi, 91 ING, 92 KFC, 93 twitter, 94 Nissan, 95 Red Bull, 96 Bank of America, 97 docomo, 98 Costco, 99 SoftBank, 100 China Telecom, Scotiabank

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WELCOME

Brand value rises steadily despite a disruptive decade

Report examines future value growth in a new normal

It's 10 years since WPP launched the BrandZ™ Top 100 Most Valuable Global Brands, with the brand valuation methodology of Millward Brown. During the intervening decade, 2006 to 2015, Brand Value increased 126 percent to $3.3 trillion. This year alone value rose 14 percent.

In this expanded 10th Anniversary edition of the BrandZ™ Global Top 100 we share the important trends that drove Brand Value over the past 10 years. And we recommend the strategies and actions to build and sustain Brand Value going forward.

This is a pivotal moment for brand builders. We're at the threshold of a new normal. The inflection came with the global financial crisis that divided the past decade evenly into two halves. None of the 13 categories examined in this report were spared from the effects of the recession itself or the aftermath of more cautious consumer spending.

At the same time, shaped by the attitudes of the millennial generation, consumer values evolved. Consumers now view high quality products that offer good value for money as a basic entitlement. They scrutinize brands and favor those that protect the health of their customers and the planet. All these changes happened in the context of the other ubiquitous disruptor – technology.

Technology transformed every brand in every category over the past decade – sometimes radically. Look at the technology category itself; ten years ago, a cloud was a white cotton puff in the sky. Today, technology B2B brands are transitioning from on-site presence to cloud computing. Or consider retail; ten years ago, Walmart was the Brand Value category leader. Today Alibaba and Amazon are the most valuable retail brands on the planet, and they operate no physical stores.

Key 10-year findings

In this 10th Anniversary edition of the BrandZ™ Top 100 Most Valuable Global Brands we examine all these developments and suggest what the impact on brands is likely to be in the future – category-by-category. The pages are filled with profitable reading for anyone interested in brands and brand building. It's difficult to summarize so much knowledge, but here are three important findings based on our analysis of 10 years of BrandZ™ valuation data.

- **Brand:** The highest Brand Values are attained when a clear and compelling brand proposition forms the basis of a Big Idea creative solution.
- **Difference:** The data shows that being different in a meaningful way accelerates Brand Value growth.
- **Trust:** High trust correlates with high Brand Value, and most pertinently, because of the erosion of consumer trust in some categories, trust can be repaired.

Trust is not enough, however. In today's socially networked world, trust (the reservoir of faith based on past performance) must be paired with recommendation (the promise delivered today).

We also believe in the power of purpose to drive Brand Value. Consumers respond positively to brands that communicate a purpose beyond making money. Brand purpose essentially means improving the life of the consumer in some way. Ideally, a brand's purpose also improves the world.

Finally, it's critical to recognize that the competitive landscape is about to change. Ten years ago only one Chinese brand ranked on the BrandZ™ Global Top 100. Today, the 14 ranked Chinese brands total $432.4 billion in Brand Value, a 1,004 percent increase. So far these brands have built value mostly in China. But they'll be going global in the coming decade.

Building valuable brands

Brand experts from over 30 WPP companies contributed to this report with insights and thought leadership essays that provide deeper strategic understanding and tactical advice for implementation. They participated in over 25 focus groups that delved into the dynamics shaping the 13 product and service categories covered in this report.

Our experts are specialists in advertising; insight; branding and identity; direct, digital, promotion and relationship marketing; media investment management and data investment management; and public relations and public affairs. We are especially focused on new global markets and new media, the application of Big Data and the coordination all our resources for the benefit of our clients, something we call "horizontality." Collectively we bring global knowledge based on our WPP presence in 111 countries.

By linking all this talent, creativity, and wisdom we amplify global trends and insights that help our clients in useful and unique ways. We invite you to access our unrivaled BrandZ™ resource library. Its titles include: the BrandZ™ Top 100 Most Valuable Chinese Brands 2015; the BrandZ™ Top 50 Most Valuable Latin American Brands 2014; and the BrandZ™ Top 50 Most Valuable Indian Brands 2014. To download these and other BrandZ™ reports, please visit www.brandz.com. For the interactive BrandZ™ mobile apps go to www.brandz.com/mobile.

The backbone of all this intelligence remains the WPP proprietary BrandZ™ database, the world's largest, customer-focused source of brand equity knowledge and insight, and the BrandZ™ brand valuation methodology of Millward Brown, a WPP company. Our BrandZ™ database now has more than 4.5 billion individual data points. It's a manifestation of Big Data and, yes, it is in the cloud!

It's our consumer focus that makes all this data not just big, but powerful. First we analyze relevant corporate financial data and strip away everything that doesn't pertain to the branded business. Then we take a critical step that makes BrandZ™ unique and definitive among brand valuation methodologies. We conduct ongoing, in-depth quantitative consumer research with more than 170,000 consumers annually, across more than 30 countries, to assess consumer attitudes about, and relationships with, over 10,000 brands.

At WPP, we're passionate about using our creativity to establish and build strong, differentiated brands that deliver lasting shareholder value. To learn more about how to apply our experience and expertise to benefit your brand, please contact any of the WPP companies that contributed expertise to this report. Turn to the resource section at the end of this report for summaries of each company and the contact details of key executives, or feel free to contact me directly.

Sincerely,

David Roth

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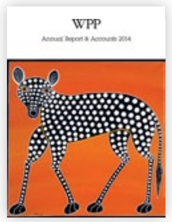

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wpp.com/annualreport2014

1 Highlights

INTRODUCTION

BrandZ™ Global Top 100 increases 14 percent in value to $3.3 trillion

Value rises 126 percent during past decade, despite market turbulence

The BrandZ™ Top 100 Most Valuable Global Brands 2015 increased 14 percent to $3.3 trillion in total Brand Value, its highest level ever, following a 12 percent rise a year earlier.

Over the 10 years since WPP launched the BrandZ™ Global Top 100 in 2006, total Brand Value rose 126 percent. The Asia-Pacific region now generates almost one-fifth of that value, and China alone accounts for 13 percent, although North America still comprises two-thirds.

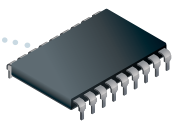
Reflecting the growth octane of high-value brands, even through disruptive periods, an average of only four or five brands per year entered or dropped out of the ranking between 2006 and 2015, 42 brands in total.

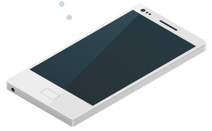
Five categories outperformed the BrandZ™ Top 100 in brand value growth during the 10 years since the BrandZ™ Global Top 100 ranking began. Fast food rose 252 percent in brand value; beer, 183 percent; technology, 175 percent; apparel, 139 percent; and telecom providers, 136 percent.

The technology and retail categories led the year-over-year brand value rise in the 2015 BrandZ™ Global Top 100, with both increasing 24 percent. Insurance and telecom providers also experienced strong value growth, 21 percent and 17 percent, respectively. Two categories declined – global banks and luxury – and apparel remained even year-on-year. In addition:

- Apple displayed remarkable brand strength, returning to the number one position in the ranking based on consumer regard for the brand and its devices. The brand's iPhone 6 success contributed to an $18 billion quarterly net profit, the largest quarterly profit for a public company ever recorded.
- The Chinese e-commerce brand Alibaba entered the BrandZ™ Top 100 for the first time, rising immediately to first place in the retail category, following its record breaking IPO, which raised $25 billion on the New York Stock Exchange.
- Facebook's brand value almost doubled. The 99 percent increase followed a 68 percent rise a year earlier. The other top risers in brand value included Apple, up 67 percent and Intel, up 58 percent.

These category and brand value fluctuations in the BrandZ™ Global Top 100 2015 reflect the dominance of technology as well as the impact of other trends and disruptive forces, including greater frugality and the uncertainty of geopolitical events like the drop in oil prices and economic sanctions against Russia.





Valuable brands deliver superior shareholder returns

BrandZ™ Portfolio outperforms the S&P 500 Index and the MSCI World Index

The BrandZ™ Strong Brands Portfolio increased 102.6 percent over 10 years, between April 2006 and April 2015, outperforming both the S&P 500, which grew 63 percent, and the 30.3 percent gain of the MSCI World Index, a weighted index of global stocks.

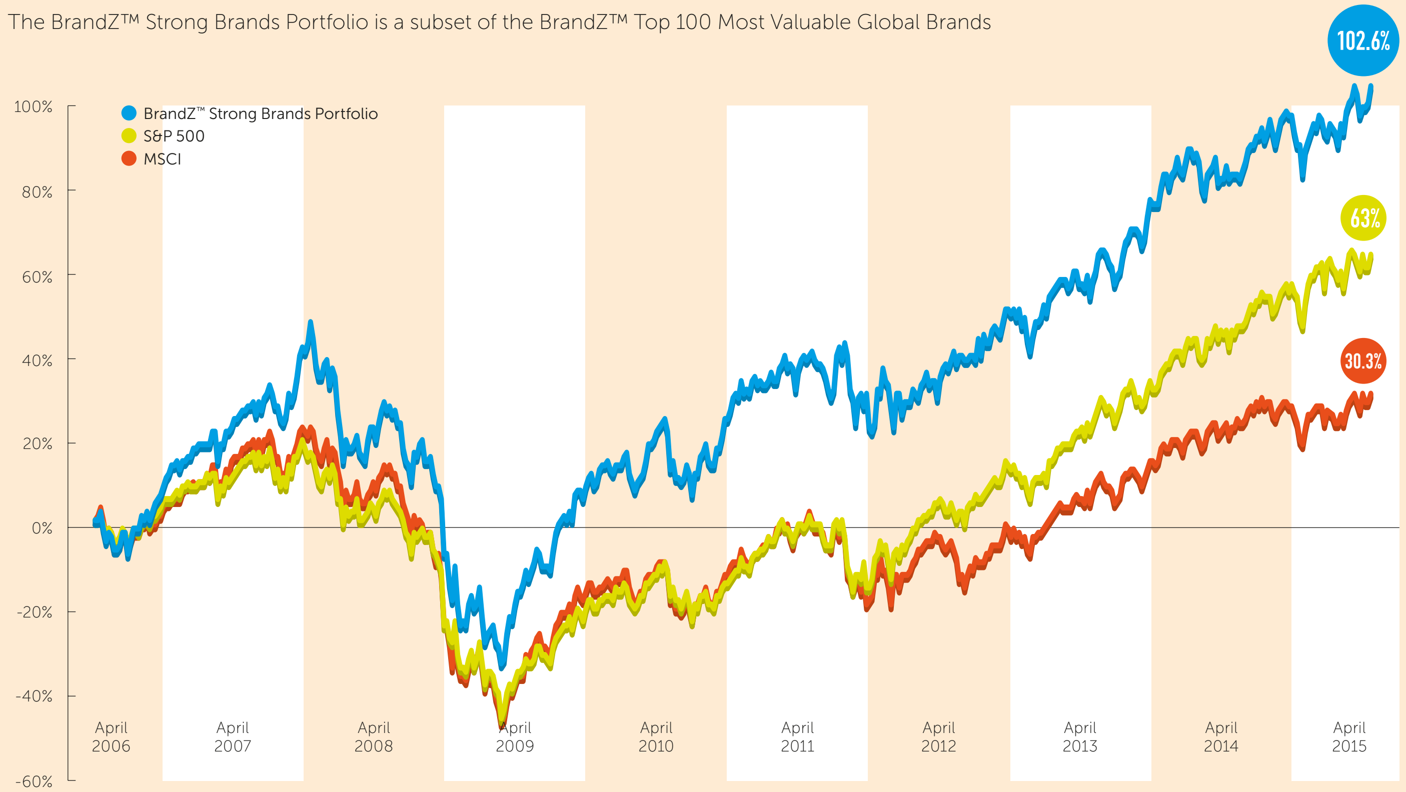
The strong performance of the BrandZ™ Strong Brands Portfolio, relative to two well-regarded indexes, affirms that valuable brands deliver superior returns in a sustained way over time and despite significant market disruptions. It also demonstrates the positive return on money invested to build meaningfully different salient brands.

In concrete terms, $100 invested in the 2006 would be worth $130 today based on the MSCI World Index growth rate, and $163 if it grew at the same pace as the S&P 500. That $100 invested in the BrandZ™ Strong Brand Portfolio would more than double in value to $203.

BrandZ™ Portfolio vs S&P 500 and MSCI World Index

The BrandZ™ Strong Brands Portfolio increased 102.6 percent over 10 years, between April 2006 and April 2015, outperforming both the S&P 500, which grew 63 percent, and the 30.3 percent gain of the MSCI.

The BrandZ™ Strong Brands Portfolio is a subset of the BrandZ™ Top 100 Most Valuable Global Brands



Categories and Brand Value fluctuations

The category leaders in brand value appreciation, technology and retail, experienced periods of transition. Both rose 24 percent in Brand Value, but for different reasons. The brand value rise of the technology category reveals how effectively both business-to-consumer and business-to-business technology brands adjusted to change.

Brands with large business-to-business operations, such as Intel and HP, grew in Brand Value following years of reinvention in the transition to cloud computing and new business models. The Apple and Microsoft brands experienced confidence in new leadership. The iPhone success silenced skepticism that Apple post-Steve Jobs would sustain innovative leadership. In the first year under its new CEO, Microsoft refreshed its culture and exhibited greater willingness to be more open and collaborative with its partners and customers.

In contrast, the retail category brand value rise reflects the inclusion of Alibaba rather than the overall brand value health of the category. Without Alibaba, the category rose just 2 percent as e-commerce and changing shopping attitudes continued to transform retail. Walmart, with over 11,000 stores worldwide, ranks third in the category following two brands that operate no physical stores – Alibaba and Amazon.

Just about every category experienced the pressure of changing consumer attitudes, in part driven by the growing influence of the millennial generation. In the soft drinks, fast food and personal care categories, brands responded to consumer concerns about healthier ingredients. Category leaders like Coca-Cola and McDonald's introduced new products and communications to address these issues.

Increasing importance of brand

This 10th Anniversary edition of the BrandZ™ Top 100 Most Valuable Global Brands reveals that brand became more important during the past 10 years as a way to survive and flourish through difficult times and amid heightened competition.

The global financial crisis of 2008 and 2009 bisected the decade. It impacted certain categories more than others. The global banks and cars categories still have not rebounded fully to their pre-recession level. However, no category was spared from the post-recession shift to less conspicuous and more conscious consumption.

Some brands were better than others at navigating these challenges. These brands typically were Salient, coming readily to mind as consumers made purchasing decisions. In addition, but most succinctly, Difference made the difference. Brands able to communicate a genuine and meaningful difference experienced greater brand value success.

Difference became more important as categories projected more sameness. Sameness was partially a function of success. Car performance and safety is better than ever, for example. Mid-level models offer driving and comfort technology features similar to those of luxury cars. Car brands worked to define areas of difference, and they weren't alone.

Over the past 10 years, the BrandZ™ Global Top 100 brands rose steadily in being seen as Different, Meaningful and Salient, the components of Brand Power, one of the BrandZ™ metrics of brand equity. Recently, however, the Different and Meaningful scores leveled while Salience continued to rise.

Along with Difference, purpose was important. Across categories, brands that enjoyed strong value increase often showed that they improved the life of the consumer in some way. In some cases, brands articulated a higher purpose that involved improving not only the life of the consumer but also the wellbeing of the world.

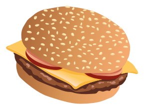
In fast food, Chipotle advanced its promise of healthier ingredients by removing items with genetically modified food from its menu. Chipotle rose 44 percent in Brand Value. Personal care brands continued to emphasize healthier ingredients. Dove continued its campaign to redefine beauty more inclusively.

Brand Value growth shifts to Asia

The greatest brand value growth came from Asia, specifically China. Ten years ago only one Chinese brand ranked in the BrandZ™ Global Top 100 – China Mobile, a state-owned telecoms provider. Today 14 Chinese brands rank in the Top 100. Most of them, not surprisingly, are state-owned enterprises in financial services, oil and gas and telecommunications.

However, four of the brands are market-driven companies without state ownership, and they're in technology – Tencent, Alibaba, Baidu and Huawei. Tencent and Baidu grew in brand value 43 percent and 35 percent, respectively. Alibaba and Huawei are newcomers to the BrandZ™ Top 100 Most Valuable Global Brands.

Since 2006, the value of Chinese brands in the BrandZ™ Global Top 100 has grown 1,004 percent. The shift in brand value growth to Asia, the emergence of valuable publicly-owned brands even in China, and the dominance of technology indicate a lot of about the future of brands and brand building over the next 10 years.



KEY RESULTS

Top line year-on-year and 10-year changes

Brand Value rises 14 percent year-on-year

The total value of the BrandZ™ Top 100 Most Valuable Global Brands 2015 rose 14 percent. The increase followed a 12 percent rise a year ago, and a 7 percent rise in the BrandZ™ Global Top 100 2013 ranking.

Brand Value rises 126 percent over 10 years

In the decade since WPP launched the annual BrandZ™ Top 100 Most Valuable Global Brands report in 2006, Brand Value of the Global Top 100 grew 126 percent, leveling during the recession, but otherwise rising steadily.

BrandZ™ stock portfolio outperforms key indexes

The BrandZ™ Strong Brands Portfolio increased 102.6 percent over 10 years, between April 2006 and April 2015, outperforming both the S&P 500, which grew 63 percent, and the 30.3 percent gain of the MSCI World Index, a weighted index of global stocks. This result confirmed the power of strong brands to generate superior shareholder returns.

Apple is the world's most valuable brand

With a 67 percent rise in Brand Value to $247 billion, Apple returned to number one in the BrandZ™ Top 100 Most Valuable Global Brands ranking. Success of the iPhone 6 and the related excitement surrounding the Apple brand drove the increase. Apple also led in the rate of brand value growth over 10 years – 1,446 percent.

Facebook Brand Value almost doubles

Facebook led the Top Risers with a year-on-year brand value increase of 99 percent, based on the brand's ability to remain relevant through acquisitions and to monetize its audience of over one billion people worldwide. Two other technology brands, Apple with its 67 percent brand value increase, and Intel, up 58 percent, followed Facebook in the Top Riser ranking for 2015. Since its first appearance in the BrandZ™ Global Top 100, in 2011, Facebook's Brand Value has increased 272 percent.

Alibaba leads newcomers and retail category

Alibaba entered the BrandZ™ Top 100 Most Valuable Global Brands, following its record IPO. It immediately rose to number one in the retail category ahead of Amazon and Walmart. Huawei, the Chinese technology brand, also was a newcomer. Six of the seven newcomer brands are based in the Asia-Pacific region. The exception is the US warehouse store retailer Costco.

Technology and retail lead category growth with 24 percent rise

Technology and retail each increased 24 percent in Brand Value, leading all categories. Many brands contributed to the technology brand value rise. The retail result reflects the inclusion of one brand, China's Alibaba. Without Alibaba, retail grew only 2 percent.

Fast food leads 10-year category growth

Fast food led the categories in brand value growth over the past decade, with an increase of 252 percent. Four other categories outperformed the BrandZ™ Top 100's 126 percent brand value growth over the past 10 years: beer, 183 percent; technology, 175 percent; apparel, 139 percent; and telecom providers, 136 percent.

Value shifts to technology

The technology and telecom providers categories comprised 44 percent of the total Brand Value of the BrandZ™ Top 100 Most Valuable Global Brands 2015 ranking, compared with just 36 percent 10 years ago. The proportion of value generated by consumer brands in the BrandZ™ Global Top 100 declined to 22 percent from 34 percent 10 years ago.

Brand value growth pace shifts to Asia

Twenty-one Asian brands comprised 17 percent of the total Brand Value of the BrandZ™ Top 100 Most Valuable Global Brands 2015. Despite this growth pace, North America continued to dominate the ranking. Half the brands of in the Global Top 100 are based in North America and they constitute two-thirds of its value.

China outpaces other BRICs

Fourteen of the 15 BRIC market brands in the BrandZ™ Top 100 Most Valuable Global Brands 2015 were Chinese, up from just one Chinese brand 10 years ago. The Brand Value of Chinese Brands in the BrandZ™ Global Top 100 increased 1,004 percent over that time. Because of the economic slowdown in Brazil and Russia, India was the only other BRIC market represented in the BrandZ™ Global Top 100 this year. New to the Global Top 100, the regional bank HDFC ranked number 74.

Luxury declines 6 percent

The slower Chinese economy and the impact of government restrictions on official gift giving impacted the luxury category, which declined 6 percent in Brand Value. Global banks, the only other category that lost value, declined 2 percent.

CROSS CATEGORY TRENDS

Disruptions and opportunities shape brands in a pivotal year

Disruption

Changing societal trends touch every category

Competitive, societal and geopolitical forces caused disruption across every category. Oil and gas brands cut capital investment to weather a perfect storm of plummeting oil prices and sanctions that prevented partnering with Russian companies to explore the Arctic. Consumer health concerns impacted sales in the soft drinks and fast food categories.

Millennials were less inclined than their parents to own a car or drink a beer. They bank online and once they become interested in insurance, they're likely to make that purchase through an online aggregator. Google, already an aggregator in insurance, entered the telecom providers category with a Google-branded service. Alibaba's Alipay banking, Tencent, Baidu and Apple Pay are only some of the examples of how non-traditional players are nibbling at the perimeter of the banking category, as banks, not known for innovation, are becoming even more risk averse because of compliance concerns.

Differentiation

More important, harder to achieve

With more choice available and a rise in consumer desire for personalization, it was more important than ever for a brand to be seen as different. But it wasn't easy. In fact, the scores for being Different and Meaningful declined during the past year for the BrandZ™ Top 100 Most Valuable Global Brands. Different and Meaningful, along with Salience, are components of Brand Power, one of the BrandZ™ measurements of brand equity. Salience continued to rise. But not being seen as sufficiently Different weakens a brand's competitive strength and potential for commanding a premium.

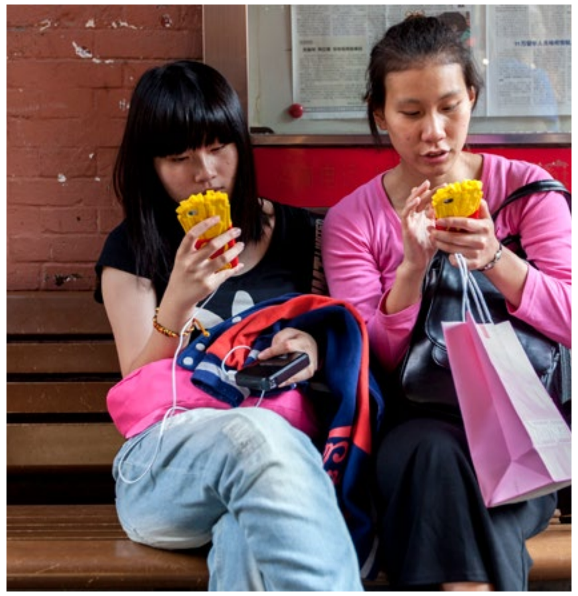
In some categories, as brand leaders have done an excellent job building global scale and creating products and services of reliable quality, functionality has flattened as a point of difference. Carmakers produced the highest performing and safest models ever, but the increased global production, which gained economies of scale, also limited local style and communication distinctions. The beer category faced a similar dilemma.

Brand Experience

Increasingly important way to communicate difference

Brand experience rose in importance as functionality achieved fairly uniform quality levels and flattened as a differentiator. Safety and driving comfort technology no longer defined luxury in the car category because it was installed in cars at all price points. Instead, brand experience defined luxury in cars. Luxury brands reduced their practice of creating logo trinkets to provide a low price access point to the brand. Instead, luxury brands protected their exclusivity by limiting entry-level price points and using brand experience to introduce the brand to a wider audience. The brands webcast catwalk shows, for example.

At the other end of the category spectrum, telecom providers promoted brand experience as their antidote to commoditization. The bundling of entertainment content accelerated. For retailers seeking to repurpose a legacy of physical locations, stores became the showroom for tactile interaction with the brand. As Internet access to car information educated consumers and changed how people shop for cars, some car dealerships turned locations into places to experience the brand, sometimes combining the physical and virtual, as in city locations developed by Audi.



Higher Meaning or Purpose

Brands relate to consumers on a deeper sustainable level

Brands associated with a 'higher purpose' beyond functional product benefits. Many developed initiatives connecting the brand with relevant social initiatives. Driving factors included: changing customer values, often connected to a generational shift; the power of social media to help or hurt reputation; and the need to engage and differentiate in categories crowded with competitors. An enticing social mission also facilitated brand entrance and expansion in developing markets.

Some of the more explicit connections to meaning happened in fast food, where Chipotle and Panera specifically positioned their brands as healthier than the competition and aligned with consumer concerns about healthy eating and environmental sustainability. In retail, CVS promoted its core brand mission as a healthcare retailer and services provider. Personal care brand L'Oréal Paris introduced its "Sharing Beauty with All" project, promoting sustainable production and consumption. Estée Lauder added a corporate responsibility function. Dove extended its inclusive vision of beauty to its men's care products, as part of Unilever's corporate mandate to connect brands to higher meaning.

Privacy

Balance is more delicate as brands delve deeper

Conditioned to exchange some personal information for a perceived value, consumers have accepted this quid pro quo transaction in which personal data is used as currency. But it's changing. Telecom providers are positioned to become indispensable providers of data and devices to the connected home. Insurance brands installed telemetric gadgets in cars to collect the data needed to design insurance premiums based on actual driving habits.

And all brands collected and analyzed data to personalize offerings. As home and car connectivity intrudes deeper into personal lives, the transaction – what I give for what I get – is less discrete and obvious. Brands will need to carefully negotiate the tension between providing the personalization that data collection allows and transgressing beyond the individual consumer's privacy boundary.

Health and Ingredients

Consumer concerns drive new product introductions

Brands responded to rising consumer concern about what they put on their bodies (personal care) and in their bodies (soft drinks and fast food). Consumption of diet cola declined as consumers rejected artificial sweeteners. Coke and Pepsi bet that the combination of cane sugar and the stevia leaf would produce a more natural solution with the right blend of sweetness to appeal to consumers seeking cola flavor but a mid-calorie impact. McDonald's announced US plans to phase out menu items made from chickens treated with antibiotics. It also offered the option of milk from cows not treated with growth hormones. Personal care consumers looked for scientific reassurance that ingredients were safe, natural and effective. To build trust, haircare brands used more scientific language to describe products.

Craft

Relatively small volume but a powerful indicator

Craft, as in craft beer, appeared across many (sometimes unlikely) categories, including soft drinks (craft colas), banking (small operations with friendly names), telecom providers (Cricket in the US), insurance (Oscar's Health Care in the US) and personal care (Harry's or Dollar Shave Club). Craft impacted luxury, which by definition is about craft, with the popularity of small brands that protect exclusivity with limited reach rather than proclaiming it with a logo.

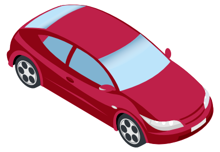
Craft brands may not always drive a lot of volume, at least not yet. But like the canary in the coalmine they're an early warning that something is in the air. It's the consumer reaction to a world of mass produced merchandise, a desire for products that feel more authentic made by hand rather than by machine. It's classic disruption – small players doing little things.

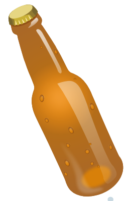
Collaboration

Competing to win sometimes requires collaborative effort

Brands at all levels entered into mutually beneficial relationships to extend their businesses and influence, and potentially increase revenue and profit with less capital investment. In a collaborative venture between Apple and IBM, Apple gained easy access to enterprise business and IBM enjoyed the opportunity to create its business applications for Apple devices. Microsoft, under new leadership, assumed a more collaborative approach.

TAKE AWAYS





10 action points for building and sustaining valuable brands

1

Innovate and delight

Regardless of category, consumers have little problem finding products and services that work well and are good enough. Good enough doesn't stand out from the competition, however. It certainly doesn't command a premium or keep customers returning for more. It's not enough to ask, does this product or service perform well? The key questions are: How does it make the customer feel? Does the customer feel just OK? What would it take to make the customer feel delighted?

2

Be meaningfully different

Many people have a lot of stuff, and much of it has a sense of sameness. This isn't necessarily a criticism. A lot of the sameness is at a high level, a function of an overall rise in product quality because of consumer demand and fierce competition. In these circumstances, when people need a clear reason to choose one product or service over the next, being different becomes more important. Difference defined broadly can be about product functionality but also about brand experience and communication.

3

Stand for a purpose

Every valuable brand needs a purpose. Not every brand needs to make the world a better place, although aspiring to that ideal is intrinsically a good thing for brands to do and it can be commercially smart. But every brand needs a purpose beyond simply making money. At its most basic, that purpose is to have a positive impact on the lives of customers. In a world where a brand's appeal – both functional and even emotional – often doesn't make it unique, purpose becomes an important differentiator.

4

Walk the talk

Make the purpose clear both inside the organization and externally. Align the organization behind the purpose. Every member of the organization is a potential brand ambassador. Manifest the purpose in everything the brand does. The positive impact that occurs to a company's bottom line and Brand Value when its people believe in and align around a purpose can be significant.

5

Build and maintain trust

Trusted brands are more likely to enjoy higher Brand Power. In other words, a trusted brand is more likely to come to mind when the consumer is purchasing in the relevant category. Trust accrues over time. But trust is fragile. Brand actions today are transparent. Be honest. Be worthy of the customer's trust. Address problems openly when they happen. Demonstrate that the brand understands any customer concerns.

6

Renew and improve the brand experience

Make the brand experience seamless from the brand promise to product performance, and delivery to customer service. The brand experience needs to be compelling and consistent in both the physical and online worlds. It needs to fulfill the customer's desire to dream, explore and find products and services – in a convenient, time-efficient way. Brand experience is one of the important ways brands can be different from the competition and delight customers.

7

Rely on consumer insights

As big data gets even bigger, it's important to remember that connecting the dots always reveals the same picture: a human being with basic needs for survival, protection, relationships and meaning. Intelligent consumer insight is the foundation of success for any brand, big or small. Consumers don't want to be treated like a unit in a demographic category. It's about human beings, not algorithms. The combination of big data and analytics can lead to consumer insights and a more personalized brand interaction with the customer. It's important to know exactly how much personalization is acceptable, however, especially as home automation and the Internet of Things potentially reveal so much more about how people live.

8

Think holistically

Organizational siloes impede speed and change. They make branding more difficult. Abandon the traditional branding siloes in favor of an integrated approach. The flow from research and data gathering, through analytics and insights, to creative execution and shopper marketing works best when the communication experts communicate and collaborate easily with each other. This kind of "horizontality" works.

9

Get noticed

As important as it is to do everything right, it's also important to get the word out. A strong and genuine brand proposition with a big idea, well executed and creatively communicated, enjoys a multiplier effect that helps drive value. Be clear about what the brand means. Then suffuse that meaning through all parts of the organization, from the C-suite through HR and the every other function. Traditional marketing – promotion, sales and distribution – will remain important, but part of a larger mix of activities, which increasingly will involve digital and social media.

10

Keep changing

Once the brand is sufficiently different and purposeful and being implemented throughout the organization and communicated externally in a coherent, consistent, and effective fashion – it's time to change. Branding is a process with no end. It moves as fast as consumers change – in the best cases even faster. Successful brand builders are always unsatisfied. They're always chasing the future.

2

10-Year Results

FINDINGS AND IMPLICATIONS

VALUE GROWTH

Brand Value grows robustly despite global financial crisis

The Brand Value of the BrandZ™ Top 100 Most Valuable Global Brands rose robustly over the past decade, increasing 126 percent from $1.4 trillion in 2006 to $3.3 trillion in 2015.

Year-to-year growth varied depending on market conditions, with fluctuations most exaggerated during the recession and the immediate recovery period. Brand Value increased every year without exception, although it grew by less than 1 percent in 2008 and 2011.

Despite the recession and other disruptive forces, the overall Brand Power of the BrandZ™ Global Top 100 also increased during the past 10 years. The Top 100 scored 170 in Brand Power in 2015 compared with 142 in 2006 (An average brand scores 100).

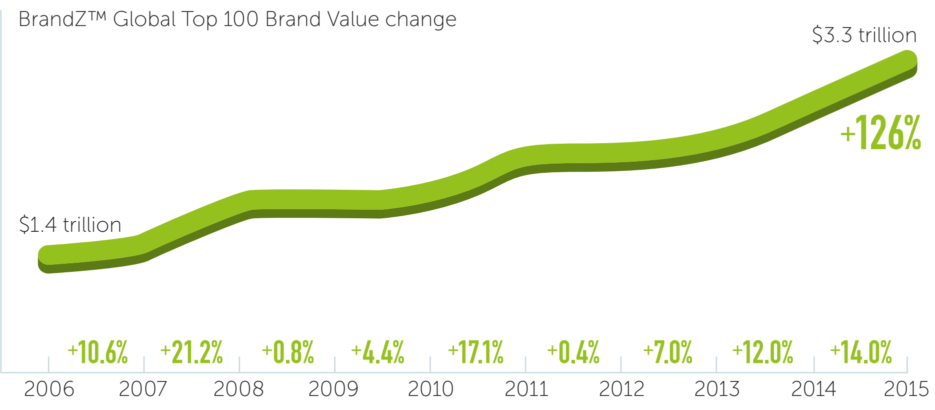
Brand Power is the BrandZ™ metric of brand equity, a brand's ability to predispose a consumer to select the brand and pay a premium for it. The three components of Brand Power are: Different (unique and trend-setting in a positive way), Meaningful (fulfills consumer needs in relevant ways) and Salient (comes to mind spontaneously).

All three components contributed to the Brand Power rise of the BrandZ™ Global Top 100 over the past decade. However, over the past year Salience continued to increase, while the scores for Different and Meaningful leveled.

The overall increase in Salience reflects the evolving makeup of the BrandZ™ Global Top 100, with newcomers scoring higher than dropout brands. The decline of meaningful difference suggests an opportunity for brands to reverse the trend, connect with consumers and accelerate the growth of sustainable Brand Value.

Brand Value rises robustly over the past 10 years ...

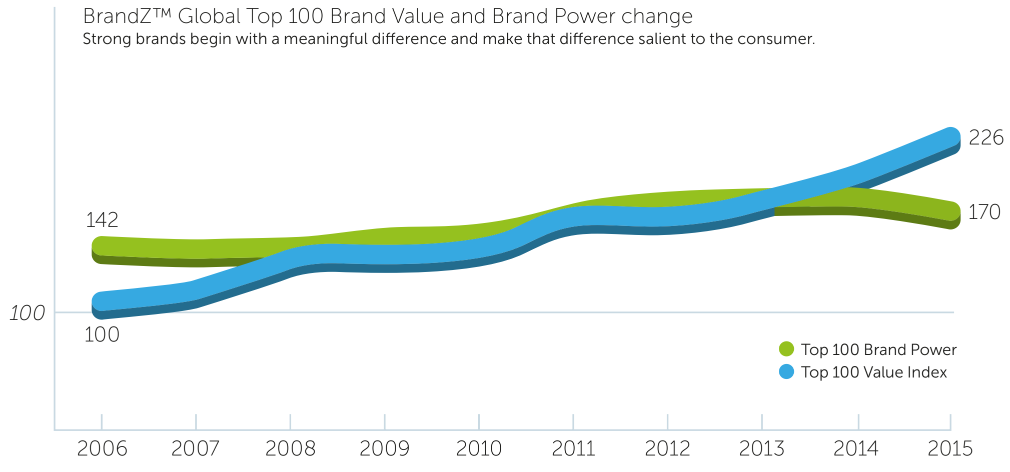
The Brand Value of the BrandZ™ Top 100 Most Valuable Global Brands rose robustly over the past decade, increasing 126 percent from $1.4 trillion to $3.3 trillion. Year-to-year Brand Value growth fluctuated, especially during the recession and the immediate recovery period.



Source: BrandZ™ / Millward Brown

... Brand Power drives Brand Value ...

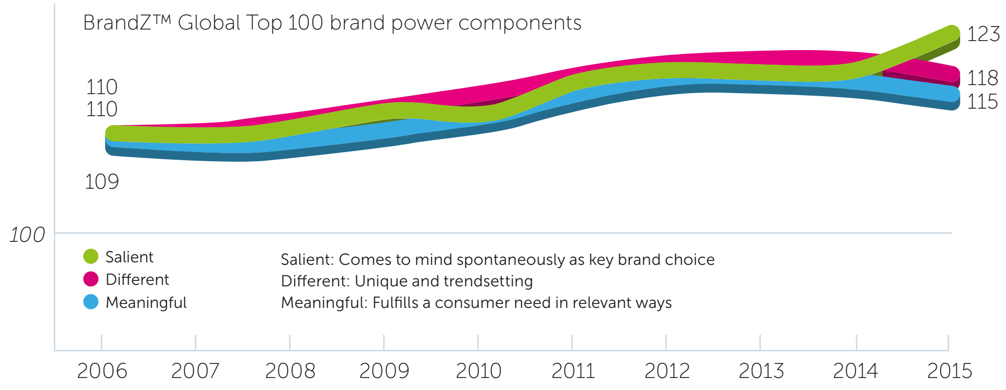
The overall Brand Power of the BrandZ™ Global Top 100 increased. The Top 100 scored 170 in brand power in 2015 compared with 142 in 2006. An average brand scores 100. There is a good correlation between increased Brand Power and Increased Brand Value.



Source: BrandZ™ / Millward Brown
Average brand = 100

... Brands rely more on Salience to drive Brand Power

All three components of Brand Power – Different, Meaningful and Salient – contributed to the Brand Power rise of the BrandZ™ Global Top 100 over the past decade. Salience continues to increase, while Different and Meaningful level.



Source: BrandZ™ / Millward Brown

TOP 10 RANKING CHANGES

Top 10 brand flux reflects impact of a dynamic market

Between 2006, the year WPP launched the BrandZ™ Top 100 Most Valuable Global Brands ranking, and 2015, the Brand Value of the Top 10 almost tripled, to $1.1 trillion, one-third of the total value of the Global Top 100. But five of the Top 10 dropped out and were replaced. No brand occupies the same rank today as it did 10 years ago.

This reality reflects both the essential power and stability of high-value brands and the extraordinary pressures that brands faced during the past 10 years, including the global financial crisis that bisected the decade, the changing consumption attitudes that emerged from the crisis, and the disruption that technology triggered across categories.

Most astonishingly, 10 years ago, Apple, the world's most valuable brand, did not even rank in the BrandZ™ Global Top 10. Apple's rise demonstrates the strength of the brand, which increased 1,446 percent in Brand Value since 2006. Apple's performance also mirrors the overall influence of technology.

Four of the BrandZ™ Global Top 5 most valuable brands in 2015 are in technology. Six of the Top 10 are technology or telecom provider brands. The addition of more technology brands to the Top 10 reduced the diversity of categories represented, eliminating banks, cars and retail. Now comprised of only North American brands, the Top 10 also became less geographically diverse.

IBM's rise in the Top 10, from number eight to number four, shows that a heritage brand over a century old, can reinvent itself. Similarly, the younger Microsoft brand refreshed both its products and its processes to compete in today's more open and collaborative business culture.

The two telecom providers in the Top 10, AT&T and Verizon, demonstrate the impact of Brand Power on Brand Value. These big and salient brands stretched from being voice and data conduits alone to offering content, in an attempt to serve customers in a meaningfully different way.

China Mobile slipped from the Top 10. While the telecom provider remains a powerful brand, it's no longer China's most valuable brand. That designation belongs to Tencent, the Internet portal. The market-driven brand surpassed state-owned China Mobile last year in Brand Value.

Two iconic brands that ranked in both the 2006 and 2010 Top 10 – Coca-Cola and McDonald's – Illustrate how a powerful brand can sustain a business through difficult transitions. Both brands adjusted their products and communications to more effectively address consumer concern about health and calorie intake.

The disappearance of Walmart and Citi from the BrandZ™ Global Top 10 exemplified the impact of disruptive forces. The largest retailer in the world in sales, with over 11,000 stores worldwide, Walmart now ranks third in the retail category, after e-commerce leaders Amazon and Alibaba, which operate no physical stores.

Like other global banks, the financial crisis and an erosion of consumer trust hurt Citi. Although its business has rebounded as it has reorganized, the global banks category overall has not recovered in Brand Value to pre-recession levels.

Market dynamics impact Top 10

Between 2006 and 2015, five of the Top 10 dropped out and were replaced. And no brand occupies the same rank today as it did 10 years ago

BrandZ™ Global Top 10: 2006 and 2015

Rank	2006	Brand Value 2006 $M	2015	Brand Value 2015 $M
1	**Microsoft**	62,039	**Apple**	246,992
2	**GE**	55,834	**Google**	173,652
3	**Coca-Cola**	41,406	**Microsoft**	115,500
4	**China Mobile**	39,168	**IBM**	93,987
5	**Marlboro**	38,510	**Visa**	91,962
6	**Walmart**	37,567	**AT&T**	89,492
7	**Google**	37,445	**Verizon**	86,009
8	**IBM**	36,084	**Coca-Cola**	83,841
9	**Citi**	31,028	**McDonald's**	81,162
10	**Toyota**	30,201	**Marlboro**	80,352

Source: Millward Brown (including data from BrandZ, Kantar Retail and Bloomberg)

TOP 10 RISERS

Sustainable brand strength drives value rise over time

Five of the 10 Top Riser brands come from technology or telecom providers categories. These are high value and high salience brands. Their presence isn't surprising. However, the presence of five other categories – retail, fast food, beer, apparel and luxury – indicates that brand value growth is widely distributed. Brands within all these categories excelled in brand growth for different reasons.

Domino's Pizza won on brand strength and communication. It responded boldly to consumer criticisms about product taste by improving its recipe and communicating honestly about the change. Apple's Brand Value reflects its commitment to being different in the products it makes and the brand experience it provides. The constant innovation and disruption that characterized Amazon's last decade drove value growth.

For many of the brands that increased most in Brand Value over the past 10 years, the rise was steady, but not without bumps. In 2010, when consumers adjusted their post-recession spending, the apparel category declined 4 percent in Brand Value, and Zara increased, but only 4 percent.

In 2012, although Facebook's Brand Value increased 74 percent on the strength of its IPO, the technology category increased only 2 percent, as fierce competition and efforts to adjust businesses from locally based devices to the cloud impacted many brands. Google declined that year by 3 percent in Brand Value, SAP by 1 percent.

The importance of the brand value increases for these 10-Year Top 10 Risers is not simply that the brand value increased, but that it increased in a sustainable way, rising over time despite the year-to-year ups and downs.

10-Year Top 10 Risers

Rank	Brand	Category	Brand value % change 2015 vs 2006
1	**Apple**	Technology	1,446%
2	**AT&T**	Telecom Providers	1,240%
3	**Amazon**	Retail	941%
4	**Domino's Pizza**	Fast Food	900%
5	**Skol**	Beer	702%
6	**Verizon**	Telecom Providers	477%
7	**Google**	Technology	364%
8	**Zara**	Apparel	331%
9	**SAP**	Technology	299%
10	**Hermès**	Luxury	292%

Source: BrandZ™ / Millward Brown
Does not include fast-rising brands, such as Facebook, that entered the ranking since 2006

CATEGORY CHANGES

Despite disruptions, most categories rise in value

Led by fast food and technology, all but two of the 13 product categories in the BrandZ™ Top 100 Most Valuable Global Brands report improved in Brand Value – often significantly – over the past 10 years.

Seven categories at least doubled in value: fast food, technology, beer, apparel, telecom providers, soft drinks and retail. But disruption touched many categories. And every category felt both the immediate impact of the global financial crisis and the hangover of cautious consumer spending.

The biggest shift of Global Top 100 Brand Value went to technology, which along with telecom providers accounted for 44 percent of the total in 2015, compared to 35 percent 10 years ago. The consumer categories collectively declined in their proportion of overall value.

Although consumer concern about healthy ingredients and calorie consumption increased significantly during the past decade, the two categories most impacted by this trend, fast food and soft drinks, increased in Brand Value 252 percent and 118 percent, respectively.

That's because the Brand Power of the category leaders, McDonald's and Coca-Cola, enabled the brands to sustain their value even as they strove to adjust their businesses for rapidly evolving consumer expectations.

In addition, value rose rapidly for newer, healthier, innovative brands, like Panera and Chipotle, which was not yet in the fast food category ranking when the BrandZ™ Global Top 100 launched in 2006. Responding to health concerns, Chipotle removed genetically modified food from its menu.

Personal care brands also responded to consumer concern about the safety of product ingredients, as well as more inclusive ideals of beauty and the rapid growth of the male grooming sector. The fluctuations of China's economy, which helped drive category brand value growth, also influenced its recent slowdown.

Changing millennial tastes shaped beer brands, which introduced craft beer versions and new flavor options. In the luxury category, consumer reluctance to spend ostentatiously during the recession evolved into more conscious consumption, with greater interest in craftsmanship and provenance than logos.

Fast-fashion brands drove brand value growth in the apparel category, although the athletic clothing and affordable luxury apparel brands also prospered. Brands in the middle, lacking a compelling value proposition, felt squeezed.

Some business-to-business technology brands worked to reinvent themselves for cloud-based enterprise solutions. Meanwhile, the business-to-consumer leaders broadened their influence on people's lives. Competition not only included Apple, Google and Facebook, but also the Chinese contenders, Tencent, Alibaba and Baidu.

BrandZ™ includes Alibaba in the retail category because of its e-commerce dominance. E-commerce led a transformation of retail so radical that today the two most valuable retail brands – Alibaba and Amazon – operate no physical stores.

The Internet and disintermediation impacted the insurance category. Brands analyzed big data to personalize their offerings, even as aggregators commoditized the business in certain markets, like the UK. Chinese brands grew rapidly based on the size of the market and the needs of the growing middle class for insurance and wealth-management products.

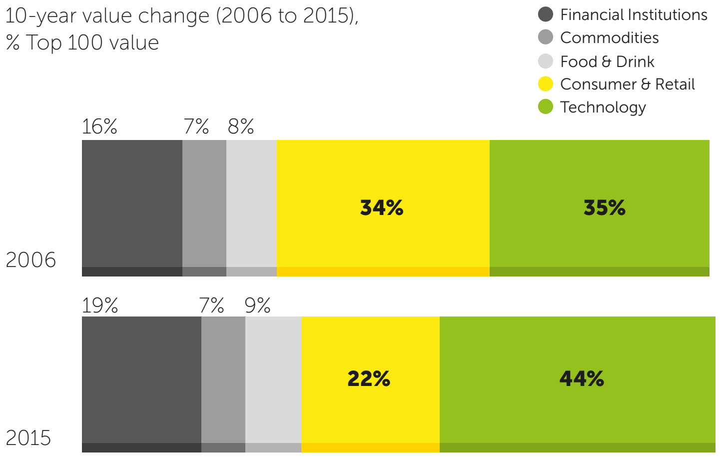
Telecom providers also focused on building brands and expanding from simply being conduits of voice and data to becoming content-provider brands. The heavy investment to create these ecosystems and build networks drove industry consolidation.

The global financial crisis especially impacted the cars and banks categories. While business ratcheted back up, cars and global banks remain the only two categories that have not recovered in Brand Value to pre-recession levels. (For further details about 10-Year trends and performance, please see Part 5: The Categories.)

Global Top 100 Brand Value shifts to technology

The biggest shift of Global Top 100 Brand Value went to technology, which along with telecom providers accounted for 44 percent of the total in 2015, compared to 35 percent 10 years ago. The consumer categories collectively declined in their proportion of overall value.

10-year value change (2006 to 2015), % Top 100 value



Source: BrandZ™ / Millward Brown

10-Year Category Changes

Rank	Category	Brand value % change 2015 vs 2006
1	**Fast Food**	252%
2	**Beer**	183%
3	**Technology**	175%
4	**Apparel**	139%
5	**Telecom Providers**	136%
6	**Soft Drinks**	118%
7	**Retail**	101%
8	**Personal Care**	83%
9	**Luxury**	70%
10	**Insurance**	42% *
11	**Oil and Gas**	13% *
12	**Cars**	-3%

Source: BrandZ™ / Millward Brown
Based on the Top 10 in each category
* Value change in Insurance since 2008, Oil and Gas since 2010.
Global and Regional Banks weren't presented in 2006, so haven't been included here.

BRAND STABILITY

Brands and categories stable over 10 years

The brand composition of the BrandZ™ Top 100 Most Valuable Global Brands has remained substantially consistent since the ranking launched in 2006. This result reflects the remarkable stability of high-value brands.

Over the past decade, 42 brands entered or dropped out of the ranking, an average of only four or five brands per year. China and other fast-growing markets drove most of that change.

The consistency of the BrandZ™ Global Top 100 brands is evident in the 13 product categories covered in the report. With one exception, at least half of the brands that comprised the original Top 10 in each category are present today. In four categories – beer, cars, fast food and personal care – seven of the original Top 10 remain.

The most stable categories are those where capital investment creates the highest barriers to entry. In both oil and gas, and telecom providers, eight of the Top 10 brands have not changed.

More brands changed in categories that experienced extreme disruption, like retail, where only five of the original 2006 Top 10 brands remain. E-commerce provided easier access to the category, which attracted younger, more innovative brands. Only four of the original brands remain in insurance because of market disruption and the addition of high-value Chinese insurance brands in 2011.

As competition heats up across categories in the next ten years, reaching and remaining in the Global Top 100 will become even more difficult. Growing sustainable Brand Value will more than ever require cultivating meaningful difference and then communicating effectively to make the difference Salient in the mind of the consumer.

10-Year Brand Churn

Category	Brands present in 2015 and 2006
Apparel	6
Beer	7
Cars	7
Fast Food	7
Insurance	4
Luxury	6
Oil and Gas	8
Personal Care	7
Retail	5
Soft Drinks	6
Technology	5
Telecom Providers	8

Source: BrandZ™ / Millward Brown
Insurance since 2008, Oil and Gas since 2010, Telecom Providers in 2010, before this it was only the Mobile category

WPP people in Greater China (including associates)

16,000

SHANGHAI, CHINA

Value of all Chinese brands in Top 100

$432 BILLION

"Tiny Planet" Series by Paul Reiffer

1. DIFFERENCE MAKES THE DIFFERENCE

Brand Difference drives Brand Value

In a world of so much product sameness, being different makes a difference. Brands consumers view as "Different" generally achieve higher Brand Value.

Over the past 10 years, the brands valued both in 2006 and 2015, which ranked in the top half of the BrandZ™ Top 100 Most Valuable Global Brands, achieved an average Difference score of 139 and grew 124 percent in Brand Value. In contrast, brands in the bottom half of the ranking scored 96 in Difference and increased only 24 percent in Brand Value (An average Difference score is 100).

How brands achieve difference varies. The top-scoring brands on Difference are also seen as creative, in control and trustworthy. But it's not enough to be different just for the sake of being different. Difference needs to correspond to the brand proposition. Brands need to be different with a purpose that's inspiring and relevant to consumers.

The fast food, retail and technology categories are highest in Difference overall. Global banks and soft drinks are lowest – although individual brands buck the trend, such as Chase Bank and Red Bull. The possibility of being seen as different is open to any brand in all categories.

Difference influences Brand Value

Brands consumers view as "Different" generally achieve a higher Brand Value than brands not viewed as different.

	BRAND VALUE BRANDS 1 TO 50	BRAND VALUE BRANDS 51 TO 100
Average Difference Score	139	96
10-Year Value Change	+124%	+24%

Based on the BrandZ™ Top 100 Most Valuable Global Brands 2006 and 2015

Source: BrandZ™ / Millward Brown

BRAND IMPLICATIONS

Difference is vitally important. It impacts how much money a brand makes and the sustainability of the brand's value and profit growth. A category leader - like Coca-Cola or BMW - needs to guard leadership and keep refreshing the brand message to be always unique. An innovator like Apple needs to constantly lead the innovation curve. In the digital era, all brands need to increase meaningful difference to engage consumers and increase Brand Power.

2. BRAND BECOMES MORE IMPORTANT

Strongest brands survive during challenging times

Brand Power proved crucial during the past 10 years. The decade divided roughly into two halves, before and after the global financial crisis. No category was spared as consumers spent more cautiously and consciously.

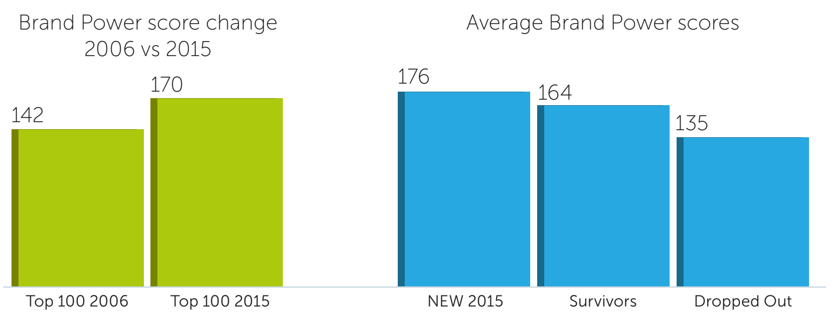
High Brand Power helped brands survive and even flourish during this turmoil. Brand Power is the BrandZ™ measure of one aspect of brand equity, a consumer's predisposition to purchase a particular brand. In 2006, the BrandZ™ Global Top 100 brands achieved an average Brand Power score of 142. By 2015 that score had increased to 170 (A score of 100 is average).

Newcomer brands in part drove the increase in Global Top 100 Brand Power scores. Brands entering the Global Top 100 since 2006 score 176 in Brand Power, on average. The average score of brands that dropped from the ranking since 2006 is 135.

In fact, 135 is a high score, but not high enough to remain in the increasingly competitive BrandZ™ Global Top 100 ranking with valuable newcomer brands that effectively build Salience and Meaningful Difference, the key components of Brand Power.

Brand Power becomes more important

The BrandZ™ Global 100 Brand Power score rose as new brands entered the ranking with higher Brand Power scores than the brands that dropped out.



Source: BrandZ™ / Millward Brown

BRAND IMPLICATIONS

Brand Power helps sustain and grow Brand Value and profitability. Given the amount of market disruption, brand should become more important, even in categories, such as banks or oil and gas, where financial performance, rather than brand historically has driven Brand Value. In the digital era, brands need to be more meaningfully different to engage with consumers and achieve higher Brand Power.

3. PURPOSE BUILDS EQUITY

Clear purpose fast tracks brand equity

Having a clear brand purpose accelerates the growth of brand equity, the factor that predisposes a consumer to purchase a particular brand, or to pay more for it, or both.

Purpose essentially means having a reason for being beyond making money. At its basic level, brand purpose is about improving the life of the consumer in some way – making it easier, richer or more interesting, for example.

At its most fully formed and ideal level, brand purpose not only improves the life of the consumer but also contributes to making the world better. Achieving this ideal level is not only a good thing to do, but is also smart for brand building.

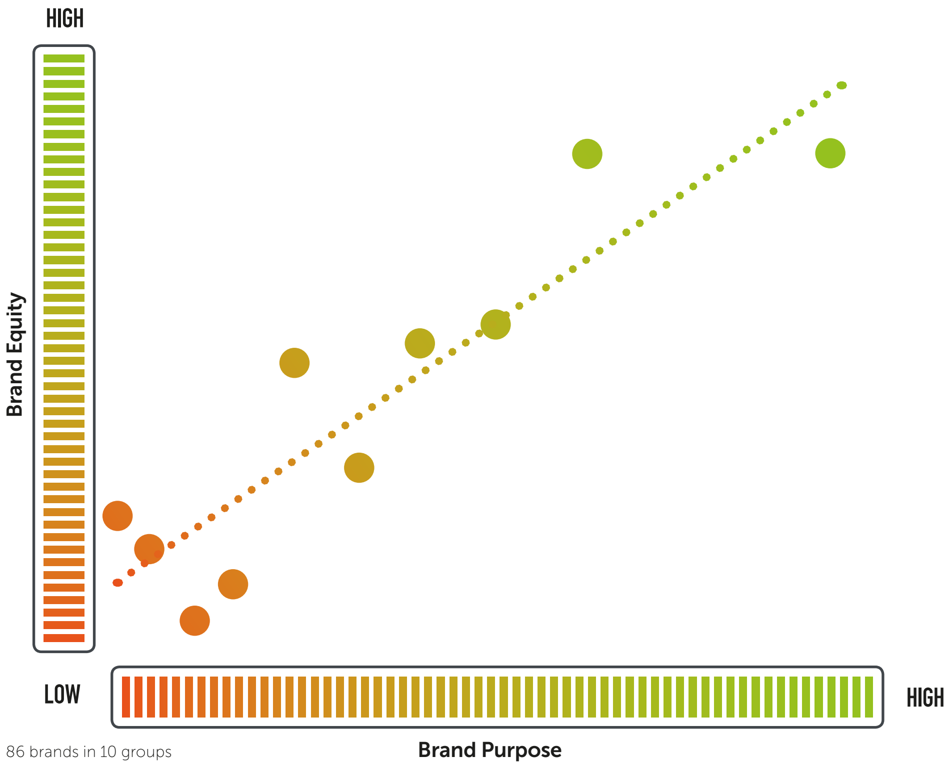
Strong brands depend on difference. Difference is harder to achieve today, when competitors provide comparable brand functionality and even emotional appeal. Brand purpose, especially a higher purpose, becomes a differentiator.

BRAND IMPLICATIONS

Because consumers will continue to expect more from brands, having a purpose is not really optional. But brand purpose cannot be invented. It must be genuine to the brand, inspire the employees, be relevant to the consumer and clearly communicated. Done right, brand purpose helps sustain brands through the inevitable market fluctuations.

Brand purpose builds brand equity

Having a clear brand purpose accelerates the growth of brand equity, the factor that predisposes a consumer to purchase a particular brand, or to pay more for it, or both.



86 brands in 10 groups

Source: BrandZ™ / Millward Brown

4. BRANDING PRECEDES ADVERTISING

Perfect the proposition, then communicate it

Two things are critical for building and sustaining valuable brands: a clear, resonant brand idea or proposition, and compelling advertising. In combination, the two components drive Brand Value exponentially.

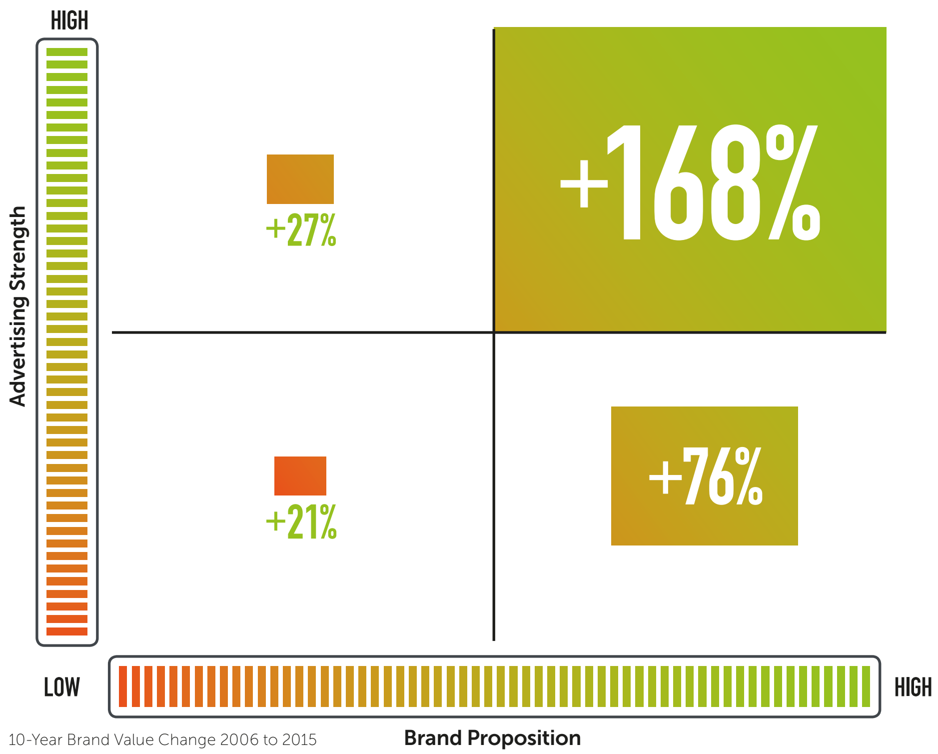
The brands that consumers say have a strong brand proposition and excellent advertising grew 168 percent in Brand Value over the past 10 years. But strong brand proposition comes first. Brands with a strong brand proposition but lacked excellent advertising grew just 76 percent over 10 years.

And the other way around, brands with strong advertising but not much of a brand-proposition story to tell appreciated only 27 percent in Brand Value. Brands that consumers said performed poorly both in brand proposition and advertising grew only 21 percent in 10 years.

A clear and well-communicated brand proposition drives brand value. Deficiency can be costly, since each percentage point of brand value increase – or decrease – represents billions of dollars.

Brand strength drives value

The brands that consumers say have a strong brand proposition and excellent advertising grew 168 percent in Brand Value over the past 10 years.



10-Year Brand Value Change 2006 to 2015

Source: BrandZ™ / Millward Brown

BRAND IMPLICATIONS

Focusing first on creating a meaningful and compelling brand proposition, and then a Big Idea for Communication and advertising it, is the most efficient and effective way to build Brand Value and receive the greatest effectiveness and return on marketing investment. How to ensure a brand's proposition remains to be Meaningful to the consumers and how to execute the proposition throughout the organization to deliver consistent brand experience are the key challenges for many brands.

MARKETING INVESTMENT

Branding leads advertising as driver of Brand Value

Holistic multi-agency approach most efficient and effective

Jim Prior
CEO
The Partners and Lambie-Nairn
Jim@the-partners.com

With studios in London, New York and Singapore, The Partners delivers brand strategy, innovation and creative ideas for clients including Deloitte, Coca-Cola, Samsung, Ford and eBay. Over its 30-year history, The Partners has remained one of the world's most consistently-awarded brand consultancies.

www.the-partners.com

For 40 years Lambie-Nairn has created dynamic brands that reshape categories and grow and evolve over time. Our approach goes beyond the creation of brands and into their on-going management, allowing us to offer a progressive, powerful and relevant approach to building and maintaining brands.

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THE PARTNERS

Lambie-Nairn

There are two big questions that brand owners and marketers should be asking about their businesses. The first question, "What is the value of my brand?" is very accurately answered by the BrandZ™ data, as it has been for some years now. But the answer to the second question, "How do I grow the value of my brand?" has been more difficult to discern in precise terms. Until now.

Now, WPP brand consultancies The Partners and Lambie-Nairn have collaborated with Millward Brown and BrandZ™ on the world's first financially quantified analysis of how brand-building activities drive growth in Brand Value. Taking 10 years of BrandZ™ valuation data and uniquely combining this with Millward Brown consumer opinions of these brands, the findings prove that investing in brand positioning and identity produces markedly greater returns in Brand Value when compared to, or used in conjunction with, strong advertising. This data will enable brand owners to prioritize, plan and manage their brand-building efforts more effectively, drive superior value into their brands and significantly enhance their marketing ROI.

The headline findings of this new study are:

- Superior Brand Value and greatest brand value growth occur when brands deliver the full combination of a unique and compelling core proposition, a distinctive brand identity, and great advertising. Brands that scored highly on all these criteria over the last 10 years experienced brand value growth on average of 168 percent.
- Brands that have a strong proposition and identity but that are not considered by consumers to produce great advertising, still perform well in brand value growth terms. Their average brand value growth over 10 years was 76 percent.
- However, where consumers perceive a brand to have great advertising but to have a weaker proposition and identity, brand value growth is evident only at a greatly reduced rate of 27 percent.
- Brands considered lacking in all the criteria – strong proposition, identity and great advertising grew in value over time, but only by 21 percent.

Strong brand proposition key to brand value growth

The most remarkable finding from this study is the extent of the Brand Value growth that comes from establishing a strong core proposition and identity at the heart of a brand. The data clearly demonstrates that great advertising is, by itself, insufficient and inefficient. It needs to be underpinned by broader, deeper strategic and creative definitions. While brand consultancies have long argued this point in principle, the data now clearly shows the substantial added financial value this brings: 168 percent growth in value where branding is strong, versus 27 percent growth where it is not, even where advertising is strong. And substantially greater growth in value, 76 percent, occurs where branding is strong and advertising is not, rather than in the opposite case, when advertising is strong but branding is not, 27 percent.

There is certainly no argument against great advertising here. It is abundantly clear from the data that great advertising contributes substantial value to brands. However, the data shows that advertising drives Brand Value, especially so when it is deployed in conjunction with a strong brand proposition and identity.

With brand values running into billions of dollars, these percentage differences equate to highly significant financial amounts and leave no doubt that high caliber brand consultancy is essential for building brand value and strength. Given that the financial investment required to define a strong proposition and identity is, generally speaking, considerably less than the investment required to drive a strong presence in advertising media, any brand owners not currently investing in brand proposition or identity should be encouraged to make an urgent redistribution of budgets to address this. The case for a holistic, multi-agency approach to brand building – horizontality, as we name it in WPP – is made very clear here.

5. INNOVATION DRIVES BRAND VALUE

Trend-setting brands viewed as Different

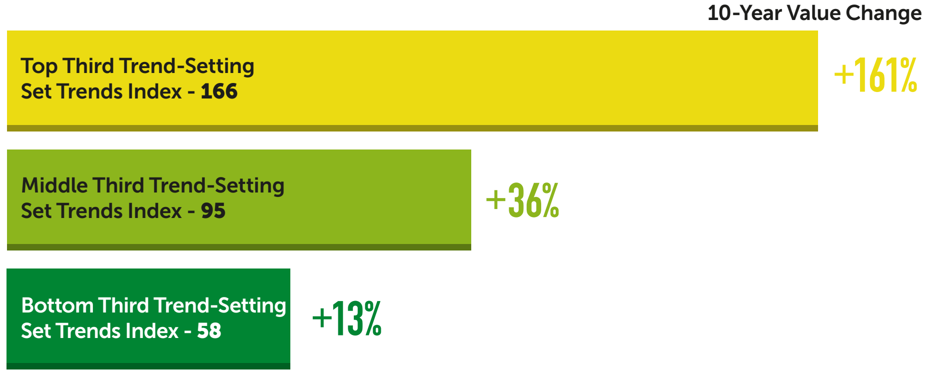
Consumers see innovative brands – brands that set trends – as Different and as leaders. These perceptions pay significant dividends in brand value growth. Over the past 10 years, brands that scored highest in the BrandZ™ trend-setting metric increased an average of 161 percent in Brand Value. Brands that scored lowest increased only 13 percent.

When consumers score a brand high in trend-setting, they typically view it as creative, different, desirable, adventurous or assertive. The trend-setters include many technology brands, but not exclusively. Nike, UPS and PayPal score high in the BrandZ™ Trendsetter Index, for example.

Trend-setting brands share in common the determination to understand the needs of consumers, the ability to identify the gaps where needs are going unmet, and the willingness to take the creative leaps and risks required to close those gaps with new products and services.

Trend-setting brands win in value

Over the past 10 years, brands that scored highest in the BrandZ™ trend-setting metric increased an average of 161 percent in Brand Value.



Three groups of brands from the 57 brands in the BrandZ™ Global Top 100 that have 10-year value change and the Trend-setting metric.

Source: BrandZ™ / Millward Brown

BRAND IMPLICATIONS

Brands need to set trends to win. They need to become leaders through innovation. Especially as categories become more competitive, being a trendsetter means being seen as different, which is increasingly difficult but critical for brand value growth. The difference needs to be noticeable, relevant to the customer, genuine for the brand and matched with a big creative idea. Brands need to be forward-looking and can deliver innovative product and experiences beyond consumers' expectation at more acceptable prices. Even without breakthrough products, brands still need to make sure their communications look and feel innovative.

6. LOVE ISN'T ALL YOU NEED, BUT IT'S POWERFUL

Loved brands grow value at faster pace

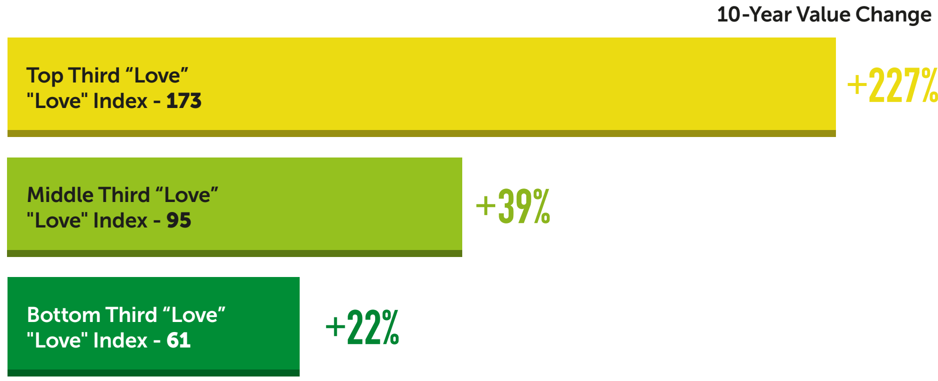
Brands can't survive on love alone. But love has a multiplier effect. Brands that are loved by consumers increase more rapidly in Brand Value – and the impact is substantial. Over the past 10 years, the rise in value for brands scoring high in the BrandZ™ "Love" metric was 10 times greater than the value rise for brands scoring low in Love.

Love measures the emotional affinity of a brand. It's not simply about making the brand warm and friendly, although that's fine, if it's genuine. Rather, love usually follows great performance. Brands from across categories score high in love, from a payment system like Visa to fast-food giant KFC to Baidu, the Chinese search engine.

Sometimes brands do all the right things but are not highly loved. Then love is an area to boost, because love is a key component of making a brand meaningful. Loved brands exist in partnership with their customers and try to understand the world from the customer's point of view.

Loved brands are highly valued

Over the past 10 years, the rise in value for brands scoring high in the BrandZ™ Love metric was 10 times greater than the value rise for brands scoring low in Love.



Three groups of brands from the 57 brands in the BrandZ™ Global Top 100 that have 10-year value change and the Love metric.

Source: BrandZ™ / Millward Brown

BRAND IMPLICATIONS

Love alone is not enough. But when love is part of the full package of efficacy and purpose, and communication is humane in tone, love can strengthen brand loyalty and drive brand value growth. Sustaining love depends to a large degree on continuous and genuine communication.

7. INNOVATION AND LOVE FORM A VIRTUOUS CIRCLE

Balance ensures long-term success

Love and innovation go together like a horse and carriage. They separately drive brand value growth. But together they form a virtuous circle that balances brands with qualities that help ensure long-term survival and success.

Brands seen as innovative are more likely to be loved. Love provides the space brands need to innovate while still functioning effectively day to day in the unremitting pressure of the marketplace.

Consumers often become infatuated with the newest, shiniest product. That's fine for brands looking for a fling. But it's not enough to sustain brand value growth over the potentially long lifetime of a great brand.

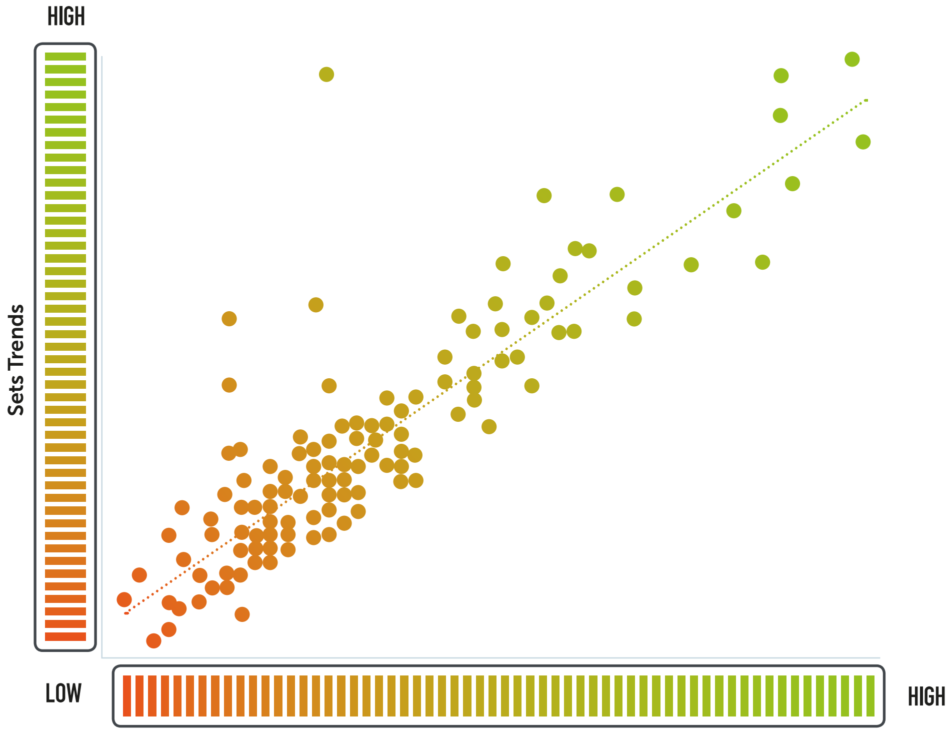
Even the most trend-setting brands experience swings between periods of intensive innovation and periods of iterative progress. Love provides the forgiveness necessary when a brand's cycle of creative development is out of sync with consumer expectations.

BRAND IMPLICATIONS

From the consumer view, some brands are more innovative and others more lovable. For the brand it doesn't have to be an either-or situation. Even the strongest brands gain greater stability and long-term resilience from a healthy balance of innovation and love.

Love and innovation are a winning combination

There is a strong and productive correlation between being innovative as a brand and being loved.



Based on 165 brands in the BrandZ™ rankings

Source: BrandZ™ / Millward Brown

8. TRUSTED OR BUSTED

Repaired trust adds brand power, value

Consumers may try a brand once or twice but they won't stay with it if they don't trust it. A brand's good behavior over time builds trust. Once the trust reservoir is filled, consumers are more likely to recommend a brand, assuming that its current behavior matches its promise.

Brands can lose trust. And, most important, brands can restore trust. The possibility of restoring trust became important as brands recovered from the global financial crisis. Not only is it possible to restore trust, but greater trust also correlates with greater Brand Value, Brand Power and differentiation.

A comparison between the 10 BrandZ™ Global Top 100 brands that improved most in trust over the past decade and 10 brands that declined most in trust revealed that the trust improvers significantly outperformed the trust decliners in the growth of Brand Value, Brand Power and Brand Difference.

The 10 trust improvers came from many categories and include brands such as Apple and Domino's Pizza. Not surprisingly, global banks dominate the trust decliner group.

Trust impacts Brand Value and Brand Power

Changes in trust correlate with changes in Brand Value, Brand Power and Brand Difference.

	Top 10 Trust Movers	Top 10 Most Valuable	Top 10 Trust Decliners
Brand Trust Change	+13	-2	-17
Brand Value Change	+571%	+179%	+118%
Brand Power Change	+58	+61	-28
Brand Difference Change	+25	+21	-1

Source: BrandZ™ / Millward Brown

BRAND IMPLICATIONS

It's possible to repair trust. And repaired trust makes a big difference to Brand Value, Brand Power and Difference. Conversely, when trust erodes – and is not repaired – both Brand Value and Brand Power are negatively impacted.

9. A WORLD OF DIFFERENCE

Multinationals Different, and regionals, Salient

The brands that comprise the BrandZ™ Top 100 Most Valuable Global Brands are by definition the most international brands in the world. Not surprisingly, about two-thirds of the brands are multinational in the broadest sense, with businesses that extend across the globe. The businesses of the remaining one-third cross borders too, but primarily within the surrounding region.

Both kinds of brands achieve high value. But the average Brand Value of multinational brands is about 25 percent higher than that of regional brands. Multinational brands are older and involved in wider activities. Most interesting, multinational and regional brands achieve their Brand Power in contrasting ways.

Multinational brands excel in being seen as Different. That's because wherever a multinational brand competes, it usually faces a regional brand leader setting the category standard. The regional brands trade on Salience because they're present, widely distributed and heavily advertised. They're Meaningful because of their local affinity.

Consumers also view the regional brands as more responsible, probably because the brands are more connected with the regions that they serve. Consumers view multinational brands as responsible too, but not to the same extent.

Strengths of multinational and regional brands differ

Both multinational and regional brands achieve high value. But the average Brand Value of multinational brands is about 25 percent higher than regional Brand Value.

	Multinational	Regional
Average Brand Value	US $35.3 bil.	US $27.8 bil.
Meaningful	111	121
Different	120	112
Salient	117	133
Responsible	105	112

Source: BrandZ™ / Millward Brown

BRAND IMPLICATIONS

It's critical for the multinational brands to emphasize their difference and to make that difference relevant in each regional market in which they compete. To be more accepted in each regional market, multinational brands need to act responsibly and guard against the perception that big is automatically bad. Regional brands with aspirations to be multinational need to understand the basis of their meaningful difference, how exportable it is, and how it enables the brand to fit in or disrupt new markets.

10. VALUE RISES IN ASIA

Brand Value in China up 10-fold in 10 years

North America, home to the BrandZ™ Top 10 Most Valuable Global Brands, still comprises two-thirds of the total Brand Value of the BrandZ™ Top 100. That Brand Value increased over 137 percent during the past 10 years, a slightly faster growth rate than the Top 100 overall.

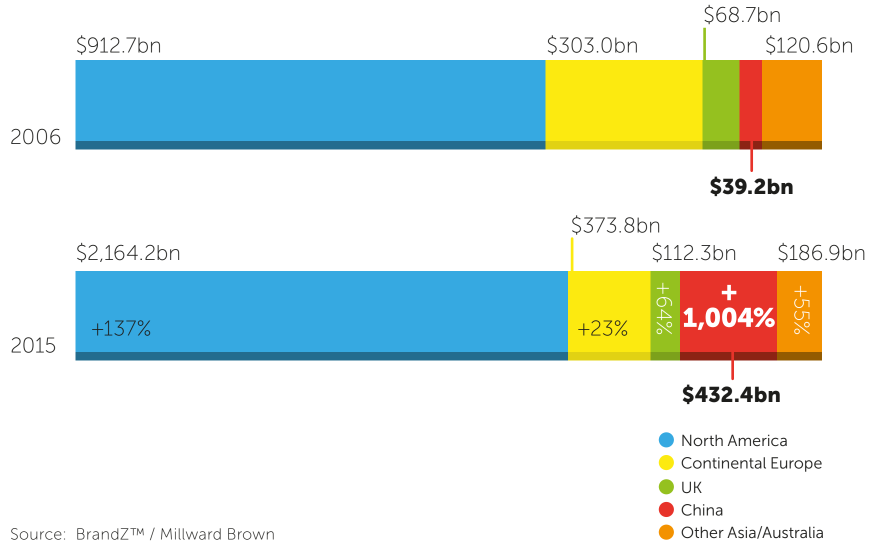
The Brand Value of brands based in the UK and Continental Europe also grew, but more modestly over the last 10 years. The value of brands from Australia and from Asian markets, including Japan and South Korea, also steadily appreciated.

During the same period, however, the number of Chinese brands represented in the BrandZ™ Global Top 100 increased from just one in 2006 to 14 in 2015, and the total Brand Power of Chinese brands increased 1,004 percent.

In just a decade, China developed from representing only minimal Brand Value in the BrandZ™ Top 100 Most Valuable Global brands to being the second center of Brand Value growth after North America.

Brand value growth velocity shifts to China

The number of Chinese brands represented in the BrandZ™ Global Top 100 increased from just one in 2006 to 14 in 2015, and the total Brand Power of Chinese brands increased 1,004 percent.



Source: BrandZ™ / Millward Brown

BRAND IMPLICATIONS

The competitive landscape is about to change. Chinese brands have so far built value in their home market. But the examples of the technology brand Huawei, and Alibaba, the e-commerce leader, suggest that Chinese brands are following the same arc as Japanese and South Korean brands, moving from low-cost manufacturing to added value, and from regional to multinational. Most Chinese brands will expand first to other fast-growing markets, and these brands move quickly. Many brands from fast-growing markets have already become the key competitors against western brands at the local level. Some of them are turning into key global competitors.

Being meaningfully different can command a premium

But many salient brands miss this major opportunity

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The Top 100 brands are all big and salient, but in many categories they struggle to be seen as meaningfully different. This works to their detriment because brands that are perceived as meaningfully different possess some important properties:

- **They grow faster in response to marketing support;**
- **They are more resilient to competitive action; and**
- **They can command a price premium over close alternatives.**

These are all very desirable qualities, so why do so many of the Top 100 struggle to be perceived as meaningfully different? Part of the challenge is that brands only become truly meaningful through personal experience. In the documentary *Objectified*, Bill Moggridge, co-founder of the design firm IDEO, suggests that our appreciation of well-designed objects develops over time: they wear in not out. The same is true of brands.

Potential buyers may understand how a brand could make their lives better but ultimately it will be their own experience that confirms whether the brand truly does meet their needs. A potential buyer may find a brand more appealing than others but only the passage of time will deepen that affection. However, this process can be shaped and guided by marketing communication that focuses attention on positive aspects of the brand experience.

The power of difference

Being meaningful is a powerful brand asset, but the power of that asset is strengthened if your brand is perceived to be different from the alternatives. Why? Because difference serves these three important roles:

1. **Difference helps people make a choice between close alternatives;**
2. **Difference justifies paying a price premium; and**
3. **Difference makes people feel more satisfied with their choice.**

When it comes to choosing between alternatives a difference might be trivial in nature; in the absence of more knowledge an attractive design may be enough to clinch the deal. However, when it comes to justifying a price premium, all the evidence suggests that better differentiated brands can command higher prices. And particularly when people do pay a premium, an easily available rationale justifying the choice helps stave off buyer's remorse.

One of the biggest marketing myths of the modern day is that differentiation is hard to sustain. In part, this is because marketers tend to think in terms of product differentiation, not perceived differentiation. Marketers are intimately familiar with how their product stacks up against its competition; consumers are not.

Consumers' assessment of product differentiation is partial and just as susceptible to influence as is their brand experience. Besides, there is huge scope for differentiating brands in terms of ideals, values, tone of voice, personality and design. Perceived differentiation is about creating the feeling of difference and, once established, it will be very difficult for competitors to displace the idea from consumers' minds.

Start with what differentiates your brand

The starting point for creating meaningful difference lies in defining what could make your brand be seen as different. To be a valuable asset, the differentiation created by the brand needs to be potentially meaningful to the target audience, sustainable and easily appreciated. Trivial line extensions or facelifts may be easily appreciated but they are unlikely to be meaningful or sustainable.

To identify a more fundamental meaningful differentiation, many brands take a step back and examine their purpose. What difference is the brand going to make in people's lives? The power of purpose lies in creating something unique that your brand champions. It is inherently differentiating. While the true motivational power of purpose may lie more with people working for the company than consumers, a strong sense of purpose helps align innovation and marketing efforts to best effect.

Ensure you deliver on your promise

Once you have identified something that differentiates your brand – functionally or emotionally – the next step is to ensure the brand delivers on its promise. To build meaning it is critical to deliver a positive experience, not just once but on a repeated basis. It is repeated good experiences that build habit and affection. The flip side is that a single bad experience can undermine years of investment in a matter of moments, unless addressed quickly and effectively.

Lastly, do not assume that marketing communication has no role in creating meaning through experience. Marketing communication has a huge role in framing the brand experience – modeling what it is going to be like to use the brand and how that experience might be different. Marketing communication does not just make a brand salient – it has a powerful influence on what aspects of a brand people notice and experience.

ACTIONS FOR BUILDING MEANINGFUL DIFFERENCE

1 Identify what will differentiate the brand and then make the difference as meaningful and salient to as many people as possible.

2 Create deeper meaning with positive and repeated brand experience. Focus attention on the positive aspects of brand experience.

3 Deliver on the expectations created by brand marketing.

4 Depend on marketing communication to build meaningful difference as well as salience.

3 The Future of Brands

FUTURE OF BRANDS

Greater choice will make brands more important

But many factors will make choosing more complicated

Having a strong and valuable brand will become even more important in the next 10 years as consumer choice increases. But building and sustaining brand strength and value will become more challenging.

Technology will continue to lower barriers to entry for new competitors. Influenced by millennials, consumer expectations will rise around issues such as healthiness, authenticity, personalization, and sustainability.

In this world, saliency, functionality, and emotional appeal become table stakes. A brand will need to build its business around a compelling core purpose that can be clearly and persuasively communicated.

Success will require a brand to be meaningfully different in ways that are genuine for the brand and relevant to consumers. Brand will need to permeate all parts of the organization and be manifest in everything the organization does.

Not every brand will need to save the world. But no brand can degrade it. All brands will operate within a commercial ecology where the benefit provided and the profit extracted is in balance.

Consumers will not always engage with brands in a predictable hierarchical progression, from awareness to functionality to emotional connection. Rather, consumers will respond to a weave of factors that include functionality and emotion as well as strands of meaning or purpose.

In addition, a fractured media landscape will complicate brand building. Brands will need to contend with the disconnection between the need to build salience and the need to build scale, the introduction of newer marketing tools more suited for reaching narrow target audiences and building niche brands.

Need for purpose

The economic and demographic evolution of consumerism drives the preeminent importance of purpose. Worldwide, even in developing markets where consumers still have fundamental product efficacy concerns, people recognize that although products and services can make life easier and more enjoyable, material wealth alone is unsatisfying.

Maybe people understood this point intellectually, but the recession provided a teaching moment with emotional impact. When consumers worried if they could afford to buy more stuff, they questioned whether all their stuff was necessary. Emerging from the recession, consumers rejected just logos and "conspicuous consumption" in favor of "considered consumption."

Now, more than six years since the start of the global financial crisis, those lessons seem embedded in our evolving purchasing attitudes. Yes, we consumers want more "stuff" and more experiences. We want the good life, but we also want to feel good about living the good life. Our own happiness is diminished if it comes at the expense of others or of the earth.

In practical terms, some factory conditions in Asia still don't stop us from buying cheap jeans. And better times and short memories could resurrect more profligate spending habits. However, an important demographic factor – the rising millennial generation – suggests that changing consumer attitudes are not just temporary coping strategies.

Millennials like to have stuff too. Sometimes they want ownership; other times they prefer to share. But they respect brands with a larger purpose. And how brands behave along the supply chain is important to them. They're quick to post opinions on social media. Understanding these consumers is critical. It can't be faked.

Future brand success in each of the 13 categories analyzed in this report depends to a great extent on addressing the concerns of these millennial consumers and those who share their views. (Please see related story.)

Meaningful difference

The need for purpose is closely related to the need for meaningful difference. This fundamental requirement for brand success will become even more important as brands excel in functionality and consumers choose a brand more because the brand helps them express who they are or aspire to be.

People have always relied on brands to express how they see themselves or want to be seen. The difference for the future is that we'll select a brand not only for the status it signals, but also because it mirrors and even validates our personal values. Or we'll choose a brand because of how it makes us feel because of the experience of the brand, or its design and style, or its unmatched convenience. Some quality, or combination of qualities, will distinguish a successful brand from its competitors.

The need to be meaningfully different applies to brands in developed and also developing markets such as China, where members of the rapidly expanding middle class are becoming much more sophisticated consumers. In fact, in developing markets, the need to establish meaningful difference is more urgent as more competitors, often imitators, enter the market and expand choice.

Even the most valuable global brands have room to improve. Over the past 10 years, the BrandZ™ Top 100 Most Valuable Global Brands ranking has increased to a strong score of 123 in Salience, but slightly less in being seen by consumers as Different or Meaningful. More important, scores in Meaningful and Different are not only lower that Salience scores, they're flattening, while salience is trending up. Salient, Meaningful and Different are the three elements of Brand Power, one of the BrandZ™ measures of brand equity.

Trust and privacy

The consumer need for brands to have purpose and meaningful difference broadens the definition of trust. Up until now, consumer trust in brands has been self-centered, i.e., "I trust brands that fulfill their promises to me." But consumer trust will come to mean "I trust brands that fulfill their promises to me… and also do good in the world, or at least don't do harm." The wider concern for societal welfare will vary by consumer. Most consumers will confer trust pragmatically, with self-interest being the first – but not the exclusive – priority.

In developing markets, trust remains more fundamental. In China, consumers don't always trust brands to deliver products of consistent quality and safety. But trust also incorporates larger societal concerns, which in China are expressed in more communal or nationalistic ways. The most trusted brands will not only deliver reliable products and services, but they will also do their part to help strengthen the nation and improve life for the Chinese people.

In developed markets, most brands – or even categories – are trusted to perform reliably, but values and motivations are another matter. As consumers, we trust banks to keep our money safe, but we're less impressed with their values. In the future, being a valuable global brand will require being trusted for more than functionality.

Privacy is a related trust issue. Currently, we react to each new breach of personal data as if it's a natural disaster: shocking, but unavoidable and soon forgotten. But this complacency will soon be tested by more pervasive home and auto connectivity. As brands embed themselves more fundamentally into our lives, the privacy transaction changes from retail (receiving a benefit for providing a piece of personal data) to wholesale (receiving a more general benefit as every data point of daily life is vacuumed and analyzed). Brands won't be able to function without trust.

Personalization and disruption

Access to volumes of data will enable brands to further personalize products and services that are, by definition, more meaningfully different. The larger challenge for brands will be to gather and use data responsibly and sensitively, understanding when "personalized " becomes just too personal.

Along with discretion, creativity will be an important determinant of brand success. In the future, access to data will become like functionality is today – a baseline. Data will enable brands to see how people actually behave and react to various circumstances, but data and analysis alone won't supply the product or service idea that helps people manage, simplify or add enjoyment to their lives. That will still require imagination and a "Big Idea."

Along with personalization, experience will offer another way for brands to be meaningfully different. Brands will be more open to collaborating when necessary to provide a distinctive brand experience. But experience won't always be about use. It can also be about service or aftercare.

Finally, competition and disruption will increase. For many categories the barriers to entry are getting lower. With enough vision, capital, and boldness, it's becoming more possible to break into just about any category, even banking, where regulations and licensing requirements traditionally repelled challengers. And societal trends, like the sharing society, open possibilities for entirely new categories. Even strong and valuable brands will need to disrupt in order to grow.

MILLENNIALS

Millennial values and attitudes impact and shape all categories

APPAREL

Millennials expect selection, style, and price. They want it all. They want it now. And conditions along the supply chain matter to them.

BANKS

For millennials, a bank is a mobile phone with apps for moving money around. They're more likely to trust a digital brand than a bank brand for financial transactions. However, as millennials enter their family-formation years, they will need banking relationships, which is an opportunity for traditional bank brands.

BEER

Their sweet palate and preference for high alcoholic content influenced the new product introductions of major brewers, but the millennial need for authenticity, and for brands other than those their parents drink, also drives the craft trend. Millennial tastes will mature, but that could mean a greater preference for spirits or wine.

CARS

To their parents, a car meant freedom and status. For millennials, it's just one mode of transportation. It doesn't require ownership or confer status, which is more likely gained from a mobile device. Outside of urban areas, car ownership will still be important, but more as a need than a want.

FAST FOOD

Millennials love a juicy burger too, but they like it better if the beef is locally sourced from responsibly raised animals. They prefer to eat in comfortable settings that remind them of their favorite coffee restaurant. That they're willing to pay for all this drives growth of the fast-casual segment of fast food.

INSURANCE

Not much into ownership of cars or homes, millennials are tough customers for property and casualty insurers. Transactions typically happen online. As millennials reach family-formation years their attitudes may shift and life insurance brands in particular may find opportunities.

"We see change, and we see it massively with millennials empowered by technology. Historically, you had a product and you sprinkled some brand magic around it. You painted on some values and emotion. The brand values might have been synthetic 10 years ago. Now – and in the future – brand values need to be genuine and authentic."

Rob Alexander
Global Planning Director
J. Walter Thompson

LUXURY

Millennials like the fundamental idea of luxury – craft and authenticity – but not the way it's traditionally expressed, with logos that speak more loudly than the product. That said, millennial luxury can be a mobile device decorated with a stylized apple missing a bite.

OIL AND GAS

Less likely to own a car or a home, millennials don't get too fussed over fluctuations in gas prices. Oil spills grab their attention, however. Oil and gas brands can either ignore this constituency or realize that it will soon produce the next generation of policy influencers.

PERSONAL CARE

The male grooming trend reflects how millennial attitudes and spending can drive a fast-growing category segment. Changes in product formulation – more natural ingredients – and notions of beauty also reflect millennial influence.

RETAIL

Millennials know what they like. They mix and match from a fixed repertoire of brands. Shopping either in physical stores or online is fine, but the experience needs to be fast and friendly.

SOFT DRINKS

When millennials get thirsty, they drink varieties of water or other beverages that seem healthier than colas. They drink cola too - sometimes craft brands that seem more authentic than the global brands but aren't any healthier.

TECHNOLOGY

It's the sweet spot, but not without its threats. Millennials adopt quickly and move on quickly, so it's easy to become last year's news. On the other hand, being too aggressive opens a brand to being seen as too corporate and all that implies – big, remote, imperialistic and narrowly profit-driven; that is, not millennial.

TELECOM PROVIDERS

These are the arteries that pump the voice, text messages and entertainment with which millennials fill their days. However if there's a way to get all of that faster, better, or cheaper, whether by renting, borrowing, owning, or sharing, millennials will find it.

PURPOSE

Purpose will guide successful brands and help inspire workforce excellence

Functional and emotional benefits alone are insufficient

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I remember writing the following sentence in the early 90s, as part of a brand strategy summary when I was at Unilever: "In the future, customers will want to know what the brand thinks about child labor."

As you might expect, this idea didn't go over well. But this finding, which our research team uncovered almost 25 years ago, has been validated with time, and it indicates where brands are headed.

What happened in the intervening years? Technology. It's created much better-informed consumers, everywhere. In the old days, it was standard practice to charge one price for coffee creamer in Holland and fifty percent more in Belgium, just half an hour away. That's impossible today.

In the old days, we marketers would want to customize products to people's specific needs. That was impossible, so we'd do market research and develop an assortment strategy, a compromise at the intersection between the product range people would have liked, and the amount of variety that was profitable to produce.

Today, technology enables us to personalize more completely - sometimes in the product, but also in many other ways that communicate with the consumer. If we can't completely personalize a tub of yogurt, for example, maybe we can provide instructions that pertain to the customer's health or exercise regime.

But technology has even broader implications that deeply impact Brand Value propositions. Technology enables a level of transparency that makes brand behavior – good and bad – immediately known to customers and other stakeholders. They want to know what is happening in the supply chain and how brands think – and act – about topics like child labor, women's pay equality or sustainability.

And because technology shortens lead times and enables high-quality products to be manufactured and delivered quickly, products can be easily imitated and ultimately commoditized. A well-managed private label can rapidly erode the distinctiveness of a national or global brand.

The new value proposition

These factors force brands to think through their value propositions. What enables a brand to charge a bit more? It used to be quality. We used to say it was all about functional benefits. That's still true for some products but now it's more often emotional benefits that help distinguish brands from their competitors. If a brand doesn't have emotional benefits in addition to the functional, it will lose preference over time.

When product distinction is minimal, people will select the brand that stands for something they believe is worth supporting. That's where we come full circle, because I believe that most successful brands come from companies that were created to make a positive difference in the world. The motivation wasn't to make a lot of money, but to improve someone's life, to make a difference.

Purpose will be the acid test for the successful brands of the future. If you have a purpose, you know why you're in business, and it guides everything you do. You will be successful, because you will be able to talk about it. Your purpose will be true; it will also inspire your workforce. Future winners will need to win with employees. That's where all the added value comes from, and as in the past, purposeful brands stand for something bigger than making money.

This need for purposefulness applies to all brands, even the most valuable brand in the BrandZ™ Global ranking. No one can argue that Apple doesn't have functional excellence and great emotional appeal. But Apple has an opportunity to build not just functional and emotional benefits, but also purposeful benefits.

Apple could have leveraged its "Think Different" slogan to better the rest of society. It could have invested more of its profits into improving America. Apple would be known as a brand that made America a better place. Had Apple also advanced a purposeful benefit, it would not only be successful against competition but almost immune from it.

This view is different from how businesses have operated and may cut against organizational structures. One could argue that it's too optimistic or skeptically ask: So how does this change happen? My answer is that not only will this change happen over time, but it will happen inevitably, for two reasons.

First, bad behavior is transparent, and we as consumers will no longer tolerate it. Second, many of today's young people - tomorrow's business leaders and analysts - hold different values. They believe in a triple bottom line consisting of economic growth, environmental responsibility, and social progress.

One thing won't change. You'll still need to start with great products. However functional benefits, or emotional benefits, or purposeful benefits alone will not build brands. Building sustainable Brand Value is an and-and-and proposition.

MEDIA

Fragmentation: Uncertainty and opportunity for marketers

The digital innovation imperative

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The smaller particles become and the larger the number of routes they can travel, the greater the difficulty of predicting their behavior. The fragmentation of media delivery systems and the atomization of audiences and content are the ingredients of uncertainty for brand marketers.

Audiences have become both disaggregated and independent of schedules. The fast-growing media channels are homes to faster-moving content fragments. And the achievement of both paid and organic reach is increasingly mediated by algorithms that strive to optimize usefulness to the increasingly capricious consumer while yielding to the platform.

In aggregate this demands a new mindset among advertisers: "Stay nimble for the long run." These ideas are in apparent opposition, but the willingness to depart from legacy processes, the courage to embrace the new, together with the patience and determination to believe that fame over time, born from confidence in consumers' ability to assemble a dynamic jigsaw of messaging, experiences and other stimuli, are co-dependent in the pursuit of success.

Brands that succeed in the coming years will be those that can combine innovation in function and purpose with communication assets that are useful and relevant. Those assets will proliferate and increasingly take on the native form of the channels that carry them. In every brand there will be a new active ingredient. That ingredient will be data. The data will both tell stories and allow stories to be discovered; the data will interact with passive beacons and active devices, giving consumers a nudge to action and enabling those consumers to share what they discover.

Once the Pandora's box of data-enabled discovery is opened in the pursuit of closer consumer connections, the marketer needs to shine light into the dark corners of that box to ensure that his house is clean. This is the new transparency. Brands that succeed in the future will have a purpose, will take a position, will live that through the supply of materials and data, and in doing so will welcome the atomization of messaging required to optimize the dizzying demand chain we now live in.

MARKETING TRUTHS FOR THE DIGITAL AGE

1. Channels and behaviors that disrupt are also the ones that enable.
2. Authenticity and advocacy go together.
3. Fragmentation and precision are a balanced threat and opportunity.
4. An internal audit of brand integrity is cathartic and pays a long dividend.
5. Innovation is not optional. Not everything experimental in every channel succeeds, but the only sure path to failure is to not try in the first place.
6. Somehow fame still matters. As WPP advertising sage Jeremy Bullmore said, "If you want to be as famous as Madonna, everyone has to know who you are."

DIGITAL

Digital will soon comprise half of media spending

Connected and fragmented landscape will challenge brands

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Spending on digital advertising is expected to comprise more than half of total advertising expenditure in the UK this year, an indicator of the significant shift happening in many media markets, including the US, the world's largest.

This shift reflects the (slightly delayed) impact of digital on every aspect of the media value chain, an impact that is going to be even more dramatic in the next five years as the digital transformation of all media nears completion. At that point, all communications that *can* be practically delivered digitally *will* be delivered digitally, creating huge opportunities and challenges for marketers.

The digital transformation will widen the gap between media opportunities designed to create maximum impact at a mass cultural level ("tent pole" events) and those designed for millions of personalized interactions based on digital IDs. The decline in print revenues is already one of the signs of this disappearing middle ground of media. For brands, success means balancing the extremes of short-term performance and building long-term brand strength.

Mobile is already taking the lead in consumer screen time in the world's biggest markets, led by Asia and Africa, but with the US close behind. As mobile inevitably becomes the control center for all connected systems of communications, it becomes the starting point for brands in terms of both understanding and engaging consumers.

The mobile-centric web is visual and bite-sized (e.g. Instagram). Video will continue to be the predominant media format, but will be delivered via a diverse system of platforms and content types – each with its own design specifications. This phenomenon is driven even faster by a greater share of content consumption moving from traditional linear TV to being streamed, and by the primacy of mobile as the leading connection point to the Internet.

Managing the complexity that comes from a landscape that is both highly connected and fragmented, therefore, demands a very different approach. Being able to build enduring audience profiles from digital data, the automated management of messaging and programmatic trading, are the table stakes for brands and media agencies.
As Phil Cowdell, Chairman of MediaCom North America says: "Where once it was all about the intelligent application of scale, the future is about the scaled application of intelligence."

SUSTAINABILITY

Environmental, demographic, social forces are transforming the world

Brands must prepare today to remain relevant tomorrow

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The world is still adjusting to the transformative impact of technology and globalization over the last twenty years, yet in the coming decades major demographic, social, and environmental forces look set to reshape our world once again.

By 2030, a predicted 4.9 billion-strong global middle class will drive demand for consumer goods and services, but to meet the needs of this huge market, brands will have to overcome significant social and environmental challenges.

The impact of climate change, ecosystem decline, and water scarcity will limit supplies of natural resources, increase material and manufacturing costs, and disrupt supply chains. There will be an unprecedented strain on food resources, infrastructure, and public services. Access to employment and the need for equality of opportunity will continue to be major concerns.

Society will look to business to play a major role in addressing these challenges, and will expect businesses to be able to demonstrate the value they create not just for shareholders, but also for employees, suppliers, and wider society. Technology will continue to transform the way consumers and citizens engage with brands, and keep the spotlight on business practices and values, from head offices right down the supply chain.

There will be major opportunities from new markets in areas like smart technology, alternative energy, and the sharing economy. As businesses adjust, we will see disruptive innovation in products and services, and the emergence of new business models, and closed loop supply chains. Established brands that fail to adjust will disappear.

If today's brands want to remain relevant to the consumers of the future, they need to start preparing for these changes now. They need to be bold and prepared to fundamentally rethink their business models, supply chains, products and services, and the way they engage with customers and other stakeholders.

They will need to forge new partnerships and to look outside their own operations for new sources of innovation and inspiration. They will need to see their customers as more than just consumers, and to create the products and services that address real needs and make a difference in people's everyday lives.

Marketing has a key role to play in this transition. As businesses seek to reshape themselves to be sustainable for the long-term, they will need the best strategic insight, research and communications. They will need to be more open and engaged than ever before and to reach out to ever-wider audiences and to forge new partnerships.

Today's leading businesses have already started the journey of sustainable transformation, and our companies are working with many of these pioneers.

To learn more about the sustainability commitment of WPP, as well as the sustainability initiatives by WPP, its companies and clients, please visit ***wpp.com/sustainability***

Download the WPP Sustainability report
wpp.com/sustainabilityreport2014-15

WPP people in Italy (including associates)

2,200

ROME, ITALY

Value of all Italian Brands in Top 100

$13 BILLION

"Tiny Planet" Series by Paul Reiffer

BRAND EXPERIENCE

Car dealerships offer case study for remaining relevant

To excite customers requires more engaging brand experience

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FITCH delivers seamless solutions by combining the physical, human and digital elements of a brand to create unique experience signatures.

www.fitch.com

FITCH

In an age when we have so much information at our fingertips and when potential customers can research the details of any product whenever and wherever they happen to be, brands across categories are struggling to remain relevant. One of the most intensely impacted categories – and an excellent case study of how to remain relevant, or not – is cars, and the fate of traditional car showrooms.

Not only do car brands have to entice increasingly time-scarce customers to their showroom, they also have to provide an experience that caters to visitors who may already have extensively researched their potential purchase. In this changing landscape the out-of-town showroom is simply not cutting it.

As the car-buying process evolves, car dealerships must introduce radical and rapid change if they are to resonate with today's car buyer. Simply put, consumers are no longer interested in driving to industrial parks on the outskirts of town to speak to car dealers who too often know little more about the car than they do. Our research shows that dealership visits in most Western Europe markets have become much less frequent in the path to purchase, with one or two visits at most. Car brands have to be far more proactive in engaging and enticing their audience.

Old tactics fail new expectations

As with most major purchases today, car shopping begins online. Nobody today looks to spend the amount it costs for a new or second-hand car without exhaustive investigation on the Web, seeking to understand the differences, attributes and performances across those cars they desire. Researching through blogs and looking for discounts on comparison sites - in fact, investigating your dream car can be done almost entirely online. The showroom visit is the final step on this journey, where buyers can justify their decision and test-drive their new car, although our research shows even the test drive is on the decline. This means traditional key sales tactics are no longer valid. The idiom, "75 percent are more likely to buy if it's been test driven," no longer holds.

The automotive industry as a whole has been slow to react to the changing world of the consumer. The industry still expects potential customers to spend their valuable weekends traipsing out to showrooms, where they'll be given a weak cup of coffee and forced to listen to salesmen convince them they have their best interests at heart. Manufacturer websites generally still have poor navigation and unclear information – a clear sign that what they really want is to bring you into their space to control the sale.

Go to the customer

Dealerships need to take themselves to the customer. The advent of pop-up is beginning to be seen on a still limited but more regular basis. Innovative car brands, such as Tesla, are beginning to appear in high footfall shopping centers and travel hubs, while test drives are being organized through brand spaces and connections to nearby car parks. Gradually we are seeing car brands reacting to time-starved modern lifestyles, where the test-drive comes to you. The Fiat Live Store in Brazil even allows a one-to-one consultation without the customer having to leave home. People can get an online tour of vehicles from consultants wearing head-mounted cameras.

Innovative brands are also reconfiguring the showroom to create more contemporary, welcoming environments, less of a male domain as more women are making the decisions on car purchases. Research suggests women influence 80 percent of car purchases in the US. The Lexus Intersect space in Tokyo, for example, focuses less on the vehicles and more on the whole Lexus lifestyle, from food to fashion. These are easily accessible retail spaces where the customer can fully experience the brand. The traditional, slick-suited salesman incentivized to deliver the hard sell is making way for more attentive and approachable assistants who can foster a relaxed dialogue and help support a longer-term relationship that importantly extends beyond the purchase.

Audi City in London has created a tech-enhanced space where visitors are encouraged to explore and configure their ideal car using touchscreens and multisensory displays. Staff guide customers through a huge range of options, understanding their needs and explaining the implications of each choice. As the look and performance of cars becomes more and more similar, showrooms need to highlight the importance of technological innovation and personalization. This will become even more critical once the industry decides which way to jump on the connected car debate.

Reinventing retail

The dealership process is being fundamentally reinvented. Just as supermarkets have segmented into superstores and convenience stores, so dealerships must consider how alternative sales formats can better reach their audiences. Dealerships need to proactively begin a dialogue with customers long before they reach the showroom, and maintain it long after they have left. They need to make the service experience outstanding and the space an environment where the customer can get to know the brand and vice versa. Creating a reason to visit is key to the success of the dealership. It must be a space where customers can take the full purchasing journey – from dreaming to exploring and locating. Dealers need to help customers meet and connect with the brand and get a taste for the manufacturer's experience signature. This is what will drive sales - not bad coffee on an industrial estate.

TECHNOLOGY

Across categories brands say they're in technology

Judge what they deliver, not what they claim

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Cohn & Wolfe, a global communications agency, builds brands and corporate reputations by uncovering fresh insights that lead to relevant, unexpected ideas that engage and motivate stakeholders. This forms the foundation for integrated campaigns that foster trust, inspire action and deliver measureable business success.

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When is a technology brand not a technology brand? This should be a pretty simple question to answer (clue: the brand does not do technology), but it's not quite that simple. Like the crowd of rebellious slaves on an ancient Roman hillside shouting, "I am Spartacus," many brands across multiple sectors are yelling, "we are tech" in a bid to reap the rewards that go with the classification. Some brands are clamoring to get into tech from the manufacturing sector, some are online retailers or property services, some are old fashioned financial services or information businesses that hope to transform themselves through recategorization.

So why become a tech brand? There are both hard and soft answers to that question. The hard answers start with valuation and the simple observation that while the average NASDAQ 100 stock has a P/E multiple of 25.2, the average Dow Industrial company has a P/E of 16.55. So from a CEO's point of view it is pretty easy to see which sector you would like to be in. The soft reasons are related to the cleanliness of image that surrounds technology companies. By surrounding themselves with the aura of innovation, a brand can look sharper and more purposeful - making its products more attractive, benefitting recruitment and encouraging investors.

Identifying the real tech brands

A 2014 study by PwC and Bloomberg showed that seven of the top 10 companies by value are technology firms, as are four of the top 10 fastest risers. Eight of the top 20 companies listed in the most recent Forbes report on the world's most valuable brands are technology firms, although interestingly it lists GE as "diversified" while the PwC / Bloomberg report categorizes it as "technology." And perhaps most importantly, in the BrandZ™ Top 100 Most Valuable Global Brands 2015, five of the Top 10 fastest risers are technology brands: Facebook, Apple, Intel, Tencent and Baidu.

Given the rewards, the desire to be seen as a technology company is quite understandable. But we should be able to tell the real technology companies from those masquerading as such. Well, it turns out that the clue mentioned in the first paragraph here doesn't actually help much. Any company in any sector today uses technology in a very profound way. I once heard the Vice President of IT at Morgan Stanley pronounce that his firm was a technology company that happened to focus on financial services. Which raises the question: is a bank a bank because it has branches and people you can talk to, while an online bank becomes a technology company – or are all banks technology companies? And could we really countenance eBay being classified as an auction firm when it is so palpably clear that it is a deep technology company?

But in this ever-widening morass of brands claiming to be tech, there are clear divides between say an IBM or HP, whose very core is technology and the applied technology through a digital service of LinkedIn or Netflix. At the same time, the old labels of software and hardware as sub-divisions of technology no longer hold true; Apple, a supposed hardware company, is differentiated by its software, while one-time software specialists Oracle and Microsoft have bridged the divide into hardware.

STEPS TO CLARIFY TECHNOLOGY IDENTITY

1. Know what you are and make a firm decision. Are you a retail brand that uses technology or a technology brand in retail markets?
2. If you consider yourself a technology company, then map out the category of technology that you really belong in: infrastructure, devices or data.
3. Judge yourself by the peer group in that category. Learn from others even if they are in distinctly different sectors of the category. What works for a consumer data brand may have lessons for the corporate data company
4. Be very cautious about being in more than one category. Only the very biggest and best can achieve cross-category success.

Three new categories add clarity

To provide meaning to the over-generalized category of technology we need to break out three new categories that will enable cross-category analysis and restore some purpose to the brand valuations. The right structure for this is the division of technology between infrastructure, devices and data services, as follows:

- The infrastructure companies are clearly delineated and sometimes dismissively referred to as "old tech." These are the IBMs and HPs, the Dells and Oracles. They make the systems that make the world spin, and much like the men who sold the shovels to the gold miners, they tend to make the money too.
- The device players arise from multiple origins; out of consumer electronics companies like Samsung and LG, from PC companies like Apple and Lenovo, and from left field with the likes of Amazon. All bring a unique interpretation to this sector and the competition that they engender has been massively beneficial to the consumer.
- The data services span a far greater divide, from the enterprise players such as Equifax and LinkedIn to the consumer plays of Facebook, WhatsApp and Pinterest. All these companies are monetizing the need to consume data whether it is a corporate credit report, a message or a birthday reminder. The fact that these companies are marketing from the consumer youth markets all the way to the biggest enterprises, and with very different business models, does not stop them from actually being in the same category.

Meaningful peer groups

While we can apply categorization across all technology companies, it is interesting to note that very few, such as Dell, are attempting to be in two categories (devices and infrastructure), while others like IBM have gotten out of one category (devices) to focus exclusively on another (infrastructure). Most intriguingly, there are just three companies attempting the triple-play of being in all three categories simultaneously; Google, Apple and Amazon have stakes in each market and each is clearly determined to be the one cross-category giant in future years.

By looking at the technology market through these three different lenses we may be able to make sense of the brands crowding in and be able to evaluate them against a relevant peer group so that we can meaningfully compare growth, profitability and brand momentum.

So when we look at the mire that is the technology market today, the answer is not to try and discern the tech brands from the non-tech but to understand that practically anyone can be Spartacus these days. Instead we need to place finer definitions on what we mean by technology and judge companies through what they deliver and not what they claim.

4

The Global Top 100

BRANDZ™ TOP 100 MOST VALUABLE GLOBAL BRANDS 2015

BRANDZ™ TOP 100 MOST VALUABLE GLOBAL BRANDS 2015

	Brand	Category	Brand Value 2015 $M	Brand Contribution	Brand Value % change 2015 vs 2014	Rank change
1		**Technology**	246,992	4	67%	1
2	Google	**Technology**	173,652	4	9%	-1
3	Microsoft	**Technology**	115,500	4	28%	1
4	IBM	**Technology**	93,987	4	-13%	-1
5	VISA	**Payments**	91,962	4	16%	2
6	at&t	**Telecom Providers**	89,492	3	15%	2
7	verizon	**Telecom Providers**	86,009	3	36%	4
8	Coca-Cola	**Soft Drinks**	83,841	5	4%	-2
9	McDonald's	**Fast Food**	81,162	4	-5%	-4
10	Marlboro	**Tobacco**	80,352	3	19%	-1
11	Tencent 腾讯	**Technology**	76,572	5	43%	3
12	facebook	**Technology**	71,121	4	99%	9
13	Alibaba Group 阿里巴巴集团	**Retail**	66,375	2	NEW ENTRY	
14	amazon.com	**Retail**	62,292	4	-3%	-4
15	中国移动 China Mobile	**Telecom Providers**	59,895	4	20%	0
16	WELLS FARGO	**Regional Banks**	59,310	3	9%	-3
17	GE	**Conglomerate**	59,272	2	5%	-5
18	ups	**Logistics**	51,798	5	9%	-2
19	Disney	**Entertainment**	42,962	5	24%	4
20	MasterCard	**Payments**	40,188	4	2%	-2
21	Baidu 百度	**Technology**	40,041	5	35%	4
22	ICBC 中国工商银行	**Regional Banks**	38,808	2	-8%	-5
23	vodafone	**Telecom Providers**	38,461	3	6%	-3
24	SAP	**Technology**	38,225	3	5%	-5
25	American Express	**Payments**	38,093	4	11%	-1
26	Walmart	**Retail**	35,245	2	0%	-4
27	T · ·	**Telecom Providers**	33,834	3	18%	0
28		**Apparel**	29,717	4	21%	6
29	Starbucks	**Fast Food**	29,313	4	14%	2
30	TOYOTA	**Cars**	28,913	4	-2%	-4
31	The Home Depot	**Retail**	27,705	2	25%	9
32	LV Louis Vuitton	**Luxury**	27,445	5	6%	-2
33	Budweiser	**Beer**	26,657	4	9%	2
34	BMW	**Cars**	26,349	4	2%	-2
35	HSBC	**Global Banks**	24,029	3	-11%	-7
36	RBC	**Regional Banks**	23,989	4	6%	2
37	Pampers	**Baby Care**	23,757	5	5%	2
38	L'ORÉAL PARIS	**Personal Care**	23,376	4	0%	-2
39	hp	**Technology**	23,039	3	18%	10
40	SUBWAY	**Fast Food**	22,561	4	7%	3
41	中国建设银行 China Construction Bank	**Regional Banks**	22,065	2	-12%	-8
42	ZARA	**Apparel**	22,036	3	-5%	-5
43	Mercedes-Benz	**Cars**	21,786	4	1%	-1
44	ORACLE	**Technology**	21,680	2	4%	1
45	SAMSUNG	**Technology**	21,602	4	-17%	-16
46	movistar	**Telecom Providers**	21,215	3	2%	0
47	TD	**Regional Banks**	20,638	4	3%	0
48	CommonwealthBank	**Regional Banks**	20,599	3	-2%	-4
49	ExxonMobil	**Oil & Gas**	20,412	1	3%	-1
50	中国农业银行 Agricultural Bank of China	**Regional Banks**	20,189	1	11%	4

Source: Millward Brown (including data from BrandZ, Kantar Retail and Bloomberg)
Brand Contribution measures the influence of brand alone on financial value, on a scale of 1 to 5, 5 highest

Coca-Cola includes Lights, Diets and Zero
Budweiser includes Bud Light

BRANDZ™ TOP 100 MOST VALUABLE GLOBAL BRANDS 2015

	Brand	Category	Brand Value 2015 $M	Brand Contribution	Brand Value % change 2015 vs 2014	Rank change
51	accenture	**Technology**	20,183	3	11%	4
52	Gillette	**Personal Care**	19,737	5	4%	0
53	FedEx	**Logistics**	19,566	5	15%	5
54		**Oil & Gas**	18,943	1	0%	-1
55	HERMÈS PARIS	**Luxury**	18,938	5	-13%	-14
56	intel	**Technology**	18,385	2	58%	30
57	Colgate	**Personal Care**	17,977	4	2%	-1
58	BT	**Telecom Providers**	17,953	3	17%	6
59	ANZ	**Regional Banks**	17,702	4	-7%	-8
60	citi	**Global Banks**	17,486	2	1%	-3
61	orange	**Telecom Providers**	17,384	3	12%	1
62	中国人寿 China Life	**Insurance**	17,365	3	44%	19
63	Sinopec	**Oil & Gas**	17,267	1	21%	4
64	IKEA	**Retail**	17,025	3	-12%	-14
65	中国银行 BANK OF CHINA	**Regional Banks**	16,438	2	16%	3
66	DHL	**Logistics**	16,301	4	19%	7
67	CISCO	**Technology**	16,060	2	17%	5
68	中国平安 PING AN	**Insurance**	15,959	3	29%	9
69	SIEMENS	**Technology**	15,496	3	-8%	-10
70	HUAWEI	**Technology**	15,335	3	NEW ENTRY	
71	PetroChina	**Oil & Gas**	15,022	1	21%	5
72	usbank	**Regional Banks**	14,786	3	-1%	-7
73	ebay	**Retail**	14,171	3	-9%	-12
74	HDFC BANK	**Regional Banks**	14,027	4	NEW ENTRY	
75	H&M	**Apparel**	13,827	2	-11%	-12

Source: Millward Brown (including data from BrandZ, Kantar Retail and Bloomberg)
Brand Contribution measures the influence of brand alone on financial value, on a scale of 1 to 5, 5 highest

BRANDZ™ TOP 100 MOST VALUABLE GLOBAL BRANDS 2015

	Brand	Category	Brand Value 2015 $M	Brand Contribution	Brand Value % change 2015 vs 2014	Rank change
76	GUCCI	**Luxury**	13,800	5	-14%	-16
77	J.P.Morgan	**Global Banks**	13,522	3	9%	2
78	HONDA The Power of Dreams	**Cars**	13,332	4	-5%	-8
79	pepsi	**Soft Drinks**	13,134	4	14%	9
80	Ford	**Cars**	13,106	3	11%	4
81	bp	**Oil & Gas**	12,938	1	1%	-7
82	Telstra	**Telecom Providers**	12,701	4	NEW ENTRY	
83		**Fast Food**	12,649	4	6%	0
84	Westpac	**Regional Banks**	12,420	4	6%	1
85	LinkedIn	**Technology**	12,200	5	-2%	-7
86	Santander	**Global Banks**	12,181	3	10%	5
87	Woolworths	**Retail**	11,818	4	-1%	-5
88	PayPal	**Payments**	11,806	4	20%	9
89	CHASE	**Regional Banks**	11,661	3	0%	-2
90	ALDI	**Retail**	11,660	2	22%	10
91	ING	**Global Banks**	11,560	3	18%	7
92		**Technology**	11,447	4	-17%	-21
93	NISSAN	**Cars**	11,411	3	3%	-3
94	Red Bull	**Soft Drinks**	11,375	4	5%	-2
95	Bank of America	**Regional Banks**	11,335	2	12%	-1
96	NTT docomo	**Telecom Providers**	11,223	3	12%	-1
97	COSTCO WHOLESALE	**Retail**	11,214	2	NEW ENTRY	
98	SoftBank	**Telecom Providers**	11,131	2	NEW ENTRY	
99	中国电信 CHINA TELECOM	**Telecom Providers**	11,075	4	NEW ENTRY	
100	Scotiabank	**Regional Banks**	11,044	2	-3%	-11

Pepsi includes Diets
Red Bull includes sugar-free and Cola

TOP RISERS

Technology, China, brand strength drive top risers

Analysis of the BrandZ™ Top 20 Risers reveals three drivers of brand value growth: the influence of technology; the purchasing power of China, despite an economic growth slowdown; and the ability of strong brands to outperform difficult categories.

Six of the Top 20 Risers are technology brands: Facebook, Apple, Intel, Tencent, Baidu and Microsoft. The brands come from both business-to-consumer and business-to-business sectors. While each brand grew in value because of the overall power of the technology category, each brand has its own story.

Facebook almost doubled in value based on key acquisitions that kept the brand relevant with younger users; improved its mobile presence; and grew advertising sales, monetizing an audience of well over 1 billion people worldwide.

After Apple introduced its iPhone 6, the brand reported quarterly earnings of over $18 billion, the highest corporate quarterly profit in history for a public company, which quieted most critics who had questioned the sustained brand power of Apple.

Intel and Microsoft experienced brand value comebacks as they adjusted for success in markets that had changed substantially. Intel shifted focus more to cloud computing, having built a business around microchips powering PCs. At Microsoft, a CEO change signaled a renewed corporate culture more aligned with the flexibility and collaboration that customers today expect.

Tencent, China's most valuable brand, fortified its position as an Internet portal where people can talk, text and chat, and also buy and sell products and services. In a year when mobile search exceeded PC search for the first time in China, Baidu, China's leading search engine, increased its monthly active users of mobile search to over 500 million.

A quarter of the top risers are Chinese

Five of the Top 20 Top Riser brands are Chinese. Three are insurance brands and two are in technology. The overwhelming presence of Chinese brands indicates that the slowing of China's economy is relative; the size of the market, with over 1.3 billion people and an expanding middle class, continues to be formidable.

Tencent and Baidu are two of the three top Chinese Internet brands competing with each other. Third is Alibaba, which is a newcomer to the BrandZ™ Top 100 Most Valuable Global Brands this year.

These three brands are all creating enormous ecosystems to serve the online needs of Chinese consumers, although each comes from an original competence: Tencent, a social network like Facebook; Baidu, a search engine like Google; and Alibaba, an e-commerce site like Amazon.

The scale of China's market drives some of the success of the insurance brands – China Life, CPIC and Ping An – but at least two other factors are at work. First, the Chinese insurers increasingly are financial services brands where China's middle-class customers find a wide range of services, including insurance as well as wealth management advice and products. Second, insurance is a relatively new concept for Chinese consumers, who view it from an investment perspective.

Strong brands outperform categories

Without the highest value retail brand, Alibaba, the retail category grew only 2 percent in Brand Value. But the Brand Value of The Home Depot and Lowe's increased 25 percent and 23 percent, respectively, on the strength of the expanding US economy and the positioning of the brands as home improvement leaders.

The 27 percent brand value rise of Lidl, the grocery hard discounter, reflected the post-recession consumer focus on value for money and convenience, both found in smaller hard discounters at the expense of the large hypermarkets.

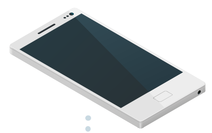
In fast food, a category beset by consumer concerns about healthy eating, Chipotle increased 44 percent in Brand Value because it delivered healthier food in a more comfortable fast food environment, and told its story well in innovative brand communications.

With brand value increases of 28 percent and 23 percent, respectively, Dr. Pepper and Fanta grew while much of the soft drinks category experienced the pressure of consumer health concerns around calories and artificial sweeteners. These two brands communicated their uniqueness. Fanta benefited because it's juice-flavored.

The 43 percent brand value increase of Audi reflected the automaker's success in securing its place as one of the world's three leading luxury car brands. Audi also benefited from its popularity in China, where the brand increased sales 18 percent year on year.

At a time when many apparel brands found themselves squeezed in the middle between value offerings and luxury, Tommy Hilfiger succeeded in communicating the affordable luxury of the brand. In its own way, Geico's brand communications distinguished it in a commoditized insurance category.

Verizon completed its purchase of the 45 percent of Verizon Wireless owned by UK-based Vodafone. The transaction lifted Verizon's share price. And finally, the Disney brand again sprinkled the magic dust, this time in the form of the film *Frozen*, which increased box-office and merchandise revenue and profit.



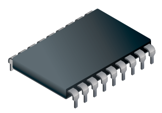
Top 20 Risers

Rank	Brand	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	**Facebook**	Technology	71,121	35,740	99%
2	**Apple**	Technology	246,992	147,880	67%
3	**Intel**	Technology	18,385	11,667	58%
4	**Chipotle**	Fast Food	10,645	7,372	44%
5	**China Life**	Insurance	17,365	12,026	44%
6	**Audi**	Cars	10,127	7,058	43%
7	**Tencent**	Technology	76,572	53,615	43%
8	**CPIC**	Insurance	5,172	3,747	38%
9	**Verizon**	Telecom Providers	86,009	63,460	36%
10	**Baidu**	Technology	40,041	29,768	35%
11	**Tommy Hilfiger**	Apparel	2,580	2,004	29%
12	**Ping An**	Insurance	15,959	12,409	29%
13	**Microsoft**	Technology	115,500	90,185	28%
14	**Dr. Pepper**	Soft Drinks	2,697	2,115	28%
15	**Lidl**	Retail	6,031	4,748	27%
16	**Geico**	Insurance	5,196	4,128	26%
17	**The Home Depot**	Retail	27,705	22,165	25%
18	**Disney**	Entertainment	42,962	34,538	24%
19	**Fanta**	Soft Drinks	6,017	4,879	23%
20	**Lowe's**	Retail	10,756	8,764	23%

Source: Millward Brown (including data from BrandZ, Kantar Retail and Bloomberg)

NEWCOMERS

More Asia-Pacific brands join BrandZ™ Global 100



Seven newcomers joined the BrandZ™ Top 100 Most Valuable Global Brands this year – three telecom providers, two retailers, a technology company and a regional bank.

Reflecting the ongoing shift in Brand Value from Europe and North America to Asia, three of the newcomer brands are Chinese, with one each from Australia, India, Japan and the US.

The telecom providers include the Australian Telstra, SoftBank from Japan and China Telecom. Their presence indicates the power and salience of telecom provider brands generally, along with developments specific to each brand.

Telstra increased in Brand Value based on the strength of the Australian market and opportunities in Asia. SoftBank owns the majority of telecom provider Sprint, which positions it to compete in the large US market. Having received government approval to operate 4G late in 2013, China Telecom spent much of 2014 installing its 4G network across China.

The Chinese business-to-business technology newcomer Huawei supplies telecoms with network infrastructure and increasingly focuses on providing the Internet and cloud infrastructure required for improved connectivity in e-commerce and other industries.

The contrast between the retailer newcomers – Alibaba and Costco – reflects two key drivers of retail growth today: e-commerce and brand experience.

Alibaba, the Chinese e-commerce brand, joins the list after its record-breaking IPO. It effectively links consumers and businesses online, broadens retail to include offerings like financial services, and keeps customers within its ecosystem on its own mobile payment system.

Costco is all about stores – big ones. It is a successful warehouse club at a time when consumers are looking for more edited assortments in smaller stores. Costco's success cuts against these contemporary trends because it delivers a positive brand experience for customers, a strong bottom line for investors, and a progressive work environment for employees.

With 55 percent of its over 3,400 bank branches located outside India's urban areas, HDFC was well-positioned to serve the expanding interests and wealth of customers living in rural India.

The Newcomers

Rank	Brand	Category	Brand Value 2015 $M
13	**Alibaba**	Retail	66,375
70	**Huawei**	Technology	15,335
74	**HDFC**	Regional Banks	14,027
82	**Telstra**	Telecom Providers	12,701
97	**Costco**	Retail	11,214
98	**SoftBank**	Telecom Providers	11,131
99	**China Telecom**	Telecom Providers	11,075

Source: Millward Brown (including data from BrandZ™ and Bloomberg)

CATEGORY CHANGES

Brand value rise distributed unevenly across categories

Category Changes

Rank	Category	Brand Value % change 2015 vs 2014	Brand Value % change 2014 vs 2013
1	**Technology**	24%	16%
2	**Retail**	24%	16%
3	**Insurance**	21%	11%
4	**Telecom Providers**	17%	8%
5	**Beer**	9%	14%
6	**Soft Drinks**	8%	4%
7	**Oil & Gas**	6%	3%
8	**Fast Food**	4%	10%
9	**Cars**	3%	17%
10	**Personal Care**	2%	12%
11	**Regional Banks**	1%	6%
12	**Apparel**	0%	29%
13	**Global Banks**	-2%	15%
14	**Luxury**	-6%	16%

Source: Millward Brown (including data from BrandZ™, Kantar Retail and Bloomberg)

The 14 percent brand value growth of the BrandZ™ Top 100 Most Valuable Global Brands 2015 exceeded the 12 percent growth rate in the 2014 report. But brand value growth was distributed less evenly across categories, and two categories lost value.

Disruptive forces, including changing consumer attitudes, the economic slowdown of developing markets and geopolitical factors influenced the varying rates of brand value growth, even as brand value grew overall, driven primarily by technology, the strengthening of the US economy and continued demand in China.

Apparel experienced no brand value change in the 2015 report after leading the categories in the 2014 report with a 29 percent increase. Similarly, the global banks and luxury categories declined in value in the 2015 Global 100 report, after rising 15 percent and 16 percent, respectively, in the 2014 report. ▶

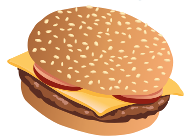
Consumer and Retail

The consumer and retail categories lagged all categories in brand value growth, with the exception of global banks. Although the retail category rose 24 percent in Brand Value, that increase mostly resulted from the inclusion of Alibaba, the Chinese e-commerce brand, for the first time.

Without Alibaba, retail rose only 2 percent, which is comparable to the increases in the consumer categories: cars, 3 percent; personal care, 2 percent; and apparel 0 percent. Luxury declined by 6 percent.

The car category is one of only two categories that have not yet rebounded to pre-recession levels. The other category is global banks. Car sales in the US and China drove category value growth, although Chinese sales slowed from a year ago.

China's slower economy also impacted the personal care and luxury categories. And luxury continued to be impacted by post-recession consumer spending, which was a factor in apparel, too. Fast-fashion apparel brands generally improved in brand value, as did some of the premium brands. The middle suffered, however.



Food and Drink

The fast food and soft drinks categories exemplified how exceptionally strong brands enable businesses to perform well despite forces challenging the entire category.

Each food and drink category fell in the midrange of brand value growth: beer, 9 percent; soft drinks, 8 percent; fast food, 4 percent. But all the food and drink categories felt the effects of changing consumer attitudes and concerns. Millennial tastes challenged beer consumption in the developed markets. Beer brands introduced new products and pursued growth opportunities in other parts of the world.

Consumer health concerns impacted both soft drinks and fast food. Brand strength afforded category leaders Coca-Cola and McDonald's some space to address the challenges with changed product offerings and marketing communications.

Financial

It was not a good year for bank brand value appreciation. The global banks declined 2 percent in Brand Value and the regional banks improved only 1 percent. While banks mostly performed well financially, consumer trust continued to erode. The regional banks enjoyed a somewhat higher level of trust, but a category effect seemed to depress consumer perception across the category.

Insurance improved 21 percent in Brand Value following an 11 percent increase a year earlier. The size of the Chinese insurance market and the interest in insurance among China's new middle class drove much of this growth. Brands in the US and Europe contended with commoditization of the category and the impact of technology, with more insurance products available online through aggregators.

Commodities

Of all the categories, oil and gas was most disrupted by geopolitical forces as the price of oil plummeted from $100 to around $50 a barrel, and sanctions against Russia (because of the Ukraine crisis), prevented major western multinational oil companies from partnering with state-owned Russian companies in Arctic exploration.

The oil and gas category increased 6 percent in Brand Value based on strong financial results earlier in the year.

Technology

With a 24 percent rise in value, technology tied with retail as the fastest growing category in the BrandZ™ Top 100 Most Valuable Global Brands 2015 report. The telecom providers category was fourth in brand value growth, with a 17 percent increase.

Both business-to-consumer and business-to-business technology brands experience strong brand value appreciation. Apple claimed first place in the BrandZ™ Global Top 100 based on record sales for its iPhone 6 and the power of its brand to build a loyal fan base. After acquisitions that helped monetize Facebook, the brand almost doubled in value.

Business-to-business technology brands showed financial improvement, following several years of transitioning complicated global enterprises to the cloud. Intel rose 58 percent in Brand Value. Chinese brands increased their presence in the technology category. Tencent, the Internet portal, rose 43 percent in Brand Value, and Huawei, the telecom equipment provider and mobile phone producer, entered the BrandZ™ Global Top 100 at number 70.

Telecom providers faced accelerated acquisition and consolidation in mature markets and attempted to build scale, add content and strengthen the emotional appeal of brands built around functionality. The North American brands AT&T and Verizon ranked first and second, respectively, followed by China Mobile.

BRAND CONTRIBUTION

Strong brands sustain leaders through category turbulence

Brand Contribution measures the strength of brand alone on earnings, without the influence of financials or external factors. It's expressed on a scale of 1 to 5, 5 being highest. (Please see the BrandZ™ valuation methodology section.)

Brands ranked in the Brand Contribution Top 15 came from diverse categories.

Five of the Top 15 came from luxury, three from personal care, three from beer, and one each from fast food, soft drinks, technology and baby care.

Brands in these categories struggled with difficult forces of change, including evolving consumer attitudes. The luxury and personal care brands were also especially impacted by slower economic growth in China. The Brand Contribution Top 15 succeeded despite category pressures.

Brand Contribution also helps sustain success. Ten of this year's Top 15 also ranked in the Brand Contribution Top 15 last year: Panera, Gucci, Pampers, Coca-Cola, Hermès, Chanel, Gillette, Burberry, Baidu and Louis Vuitton.

Guinness, which was not present in the 2014 ranking, appeared in prior years, while these brands appeared in the BrandZ™ Brand Contribution Top 15 for the first time: Esteé Lauder, Heineken, Corona and Clinique.

Top 15 in Brand Contribution

Rank	Brand	Brand Contribution	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	**Panera**	5	Fast Food	2,966	2,871	3%
2	**Gucci**	5	Luxury	13,800	16,131	-14%
3	**Pampers**	5	Baby Care	23,757	22,598	5%
4	**Coca-Cola**	5	Soft Drinks	70,042	67,712	3%
5	**Hermès**	5	Luxury	18,938	21,844	-13%
6	**Chanel**	5	Luxury	8,987	7,810	15%
7	**Gillette**	5	Personal Care	19,737	19,025	4%
8	**Guinness**	5	Beer	4,951	5,014	-1%
9	**Burberry**	5	Luxury	5,722	5,940	-4%
10	**Estée Lauder**	5	Personal Care	3,969	3,973	0%
11	**Baidu**	5	Technology	40,041	29,768	35%
12	**Louis Vuitton**	5	Luxury	27,445	25,873	6%
13	**Heineken**	5	Beer	9,668	8,670	12%
14	**Corona**	5	Beer	8,476	8,025	6%
15	**Clinique**	5	Personal Care	5,986	5,429	10%

Source: Millward Brown (including data from BrandZ™, Brand Analytics and Bloomberg)
* Brand Contribution measures the influence of brand alone on financial value, on a scale of 1 to 5, 5 highest

TOKYO, JAPAN

Value of all Japanese brands in Top 100

$76 BILLION

WPP people in Japan (including associates)

4,000

"Tiny Planet" Series
by Paul Reiffer

REGIONS // OVERVIEW

Chinese presence in Top 100 rises, but North America still dominates

Over the past 10 years, regional growth in the number of high-value brands shifted from North America and Europe to Asia, specifically China.

The BrandZ™ Top 100 Most Valuable Global Brands 2015 report includes 14 brands from China, compared with only one brand in the 2006 report, China Mobile. Chinese brands today produce $432.4 million in Brand Value, an increase of 1,004 percent in the past decade.

At the same time, the number of brands from Continental Europe and the UK declined by 11, and from North America by four. Still, 50 percent of the BrandZ™ Global Top 100 brands today come from North America, and those brands total $2.2 trillion in Brand Value, two-thirds of the Top 100 Brand Value.

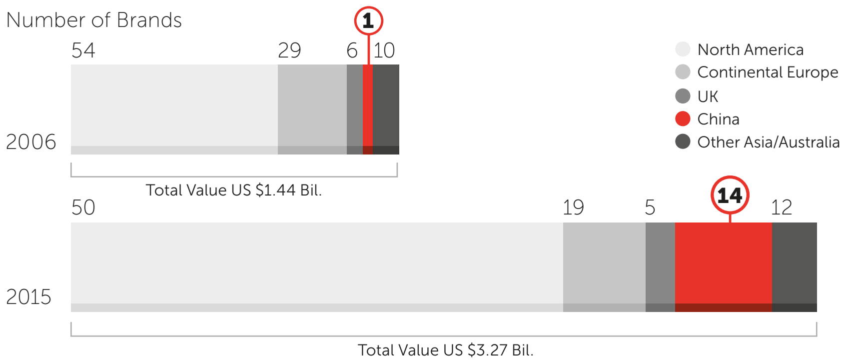
Regional brand presence in the BrandZ™ Global Top 100 fluctuated over the past decade, especially following the global economic crisis of 2008 and 2009, and with the fortunes of the BRIC markets.

With the appearance of the first Indian brand in 2010, ICICI bank, all of the BRIC markets were represented for the first time in the BrandZ™ Global Top 100. That year seven of the 13 brands from fast-growing markets were Chinese.

By 2012, 18 BRIC-market brands appeared in the Global Top 100. China led with 13 brands, followed by India and Russia with two each, and Brazil with one. Mexico and South Africa each were represented with one brand. As the number of high-value brands from fast-growing markets increased, they also changed in type of ownership.

Over 10 years China brands and value increase in the BrandZ™ Global Top 100...

In 2015, 14 Chinese brands are included in the BrandZ™ Global Top 100, up from only one brand 10 years ago. Chinese brands today produce $432.4 million in Brand Value, an increase of 1,004 percent in the past decade.



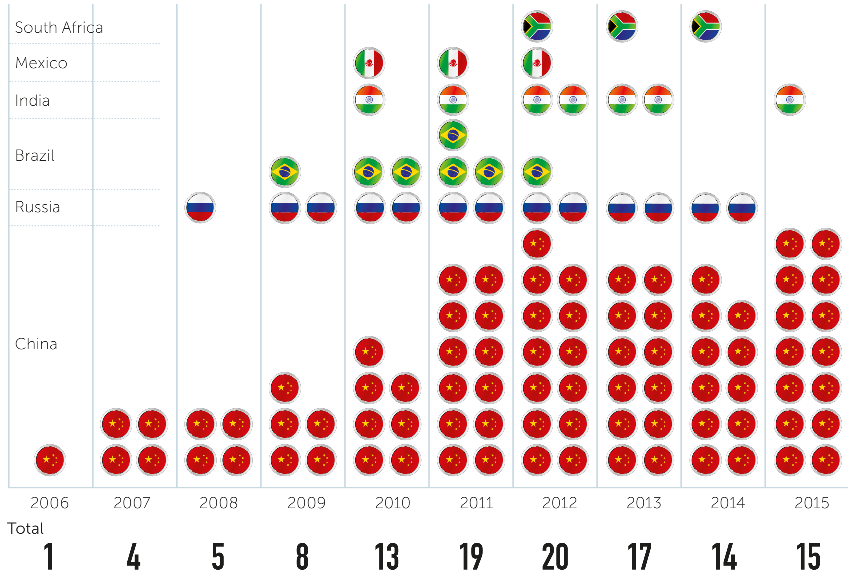
Source: BrandZ™ / Millward Brown

The high-value brands from fast-growing markets tend to be in the banks, oil and gas or telecom provider categories, which usually are at least partly state owned. As the Chinese market opened, more market-driven Chinese brands appeared in the Global Top 100, including Tencent, Alibaba and Baidu, leading Internet brands.

In a glimpse of how Brand Value could grow over the next decade, Tencent surpassed China Mobile as the country's most valuable brand in the BrandZ™ Top 100 Most Valuable Chinese Brands 2015 ranking. And the three Internet brands together account for less than half the value of the Top 10 Chinese brands.

... Chinese brands lead fast-growing markets in BrandZ™ Global Top 100...

The presence of brands from fast-growing markets in the BrandZ™ Top 100 Most Valuable Global Brands increased over the past 10 years from only one brand in 2006 to 15 brands today. More Chinese brands steadily appeared, while the presence of brands from other fast-growing markets fluctuated.

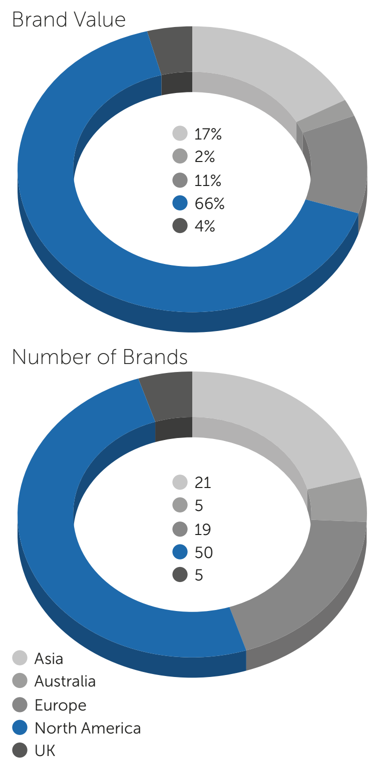


Source: BrandZ™ / Millward Brown

... But North America continues to dominate in number of brands and value

Half of the BrandZ™ Global Top 100 brands in 2015 come from North America, and those brands account for two-thirds of the Top 100 Brand Value. The 21 high-value brands from Asia, primarily China, account for 17 percent of Global Top 100 Brand Value.

Top 100 by...



Source: BrandZ™ / Millward Brown

More BrandZ™ BRIC Resources

For more information about brand development in BRIC countries, please see these other BrandZ™ reports:

The BrandZ™ Top 100 Most Valuable Chinese Brands 2015;
The Power and Potential of the Chinese Dream;
The BrandZ™ Top 50 Most Valuable Indian Brands 2014;
and the BrandZ™ Top 50 Most Valuable Latin American Brands 2014.

For more information about brands in Latin America also visit **www. brandanalytics.com.br.**

Visit www.brandz.com

NORTH AMERICA

Technology drives region's dominance in Brand Value

North America accounts for half of the brands in the BrandZ™ Top 100 Most Valuable Global Brands ranking, and two-thirds of the Brand Value.

The North America Top 10 and the Global Top 10 rankings are identical, and include some of the world's most iconic brands, such as Apple, Google, IBM, Coca-Cola and McDonald's. Six of the Top 10 brands are in technology or telecommunications, categories that enjoyed strong brand value appreciation.

The North America Top 10 grew over 19 percent in Brand Value, outpacing the brand value appreciation of the Global Top 100 overall. The $1.1 trillion in Brand Value produced by the North America Top 10 represents about 35 percent of the brand value total of the Global Top 100.

Seventeen of the BrandZ™ Global Top 20 brands are North American. They include Facebook at number 12 and Amazon at number 14 - brands that further demonstrate the concentration of technology Brand Value in North America. (Because of its e-commerce dominance, BrandZ™ ranks Amazon in the retail category.)

Top 10 Brands from North America

Rank	Brand	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	**Apple**	Technology	246,992	147,880	67%
2	**Google**	Technology	173,652	158,843	9%
3	**Microsoft**	Technology	115,500	90,185	28%
4	**IBM**	Technology	93,987	107,541	-13%
5	**Visa**	Payments	91,962	79,197	16%
6	**AT&T**	Telecom Providers	89,492	77,883	15%
7	**Verizon**	Telecom Providers	86,009	63,460	36%
8	**Coca-Cola**	Soft Drinks	83,841	80,683	4%
9	**McDonald's**	Fast Food	81,162	85,706	-5%
10	**Marlboro**	Tobacco	80,352	67,341	19%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)

ASIA

Chinese brands drive strong regional growth

After North America, Asia is the most represented region in the BrandZ™ Top 100 Most Valuable Global Brands – in number of brands, with 21, and in regional contribution to Top 100 Brand Value, with 17 percent.

The Asia Top 10 grew 25 percent in Brand Value, substantially outpacing the healthy 14 percent overall brand value growth of the BrandZ™ Top 100 Most Valuable Global Brands. Chinese brands primarily drove the Asia performance, despite the slowdown of the country's economic growth.

Eight of the Asia Top 10 brands are Chinese; they come from technology, retail, telecom providers, banks and insurance categories. Japan and South Korea are represented with one brand each, in the cars and technology categories respectively. Alibaba, the Chinese e-commerce giant in the BrandZ™ Global Top 100 ranking for the first time following its record IPO, helped drive the Asia Top 10 Brand Value. But so did the 43 percent brand value increase of Tencent, the Internet portal; the 35 percent rise of Baidu, the search engine; and a 44 percent brand value increase for China Life.

Although Japan's weaker economy slowed the brand value rise of Toyota, it remained the world's most valuable car brand. Samsung's brand value declined a bit, but the South Korean brand remained well positioned to compete in mobile devices and the smart devices and appliances needed for the connected home.

Top 10 Brands from Asia

Rank	Brand	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	**Tencent**	Technology	76,572	53,615	43%
2	**Alibaba**	Retail	66,375	N/A	N/A
3	**China Mobile**	Telecom Providers	59,895	49,899	20%
4	**Baidu**	Technology	40,041	29,768	35%
5	**ICBC**	Regional Banks	38,808	42,101	-8%
6	**Toyota**	Cars	28,913	29,598	-2%
7	**China Construction Bank**	Regional Banks	22,065	25,008	-12%
8	**Samsung**	Technology	21,602	25,892	-17%
9	**Agricultural Bank of China**	Regional Banks	20,189	18,235	11%
10	**China Life**	Insurance	17,365	12,026	44%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)

LATIN AMERICA

Economic downturn thwarts brand value appreciation

The category composition and brand valuations of the Latin America Top 5 reflect both the economic growth potential of the region and its recent disappointments.

Three of the Latin America Top 5 brands are Brazilian, and two are Mexican. All but one, Natura, are beer brands.

The Brazilian personal care brand Natura continued to connect with the growing consumer interest in wellness and sustainability, but competition and a weakened Brazilian economy impacted financial performance.

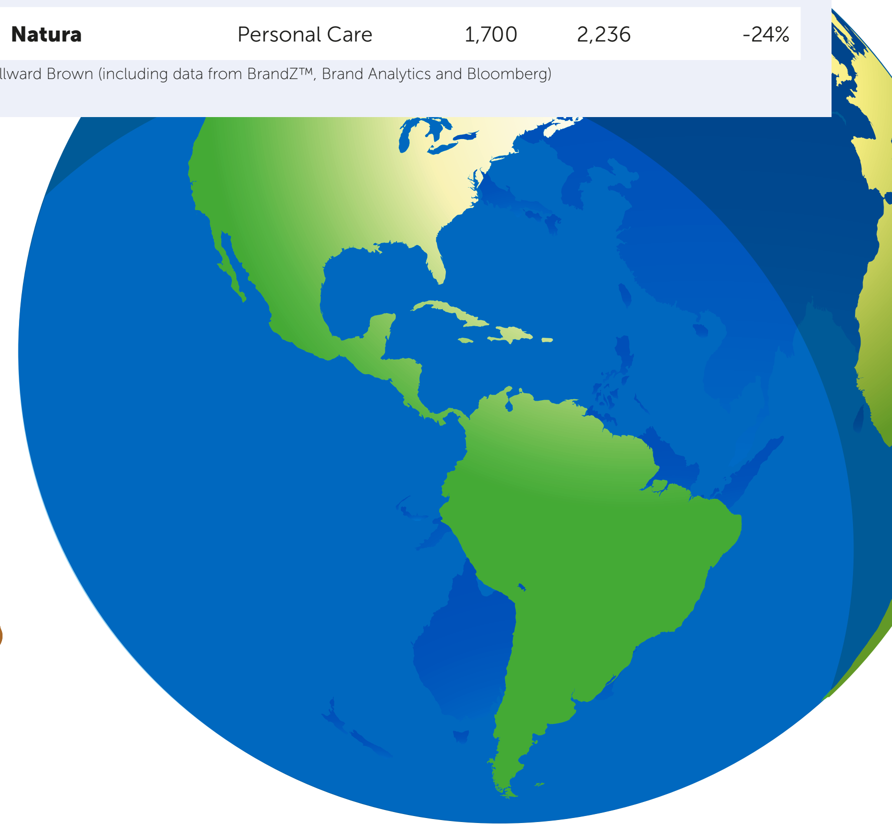
Of the beer brands in the Latin America Top 5, two are Mexican, Corona and Modelo, and two are Brazilian, Skol and Brahma. AB InBev, the world's largest brewer, owns all four brands. AB InBev positions Corona as a global brand, with worldwide distribution. It markets Skol, Brahma and Modelo primarily as local brands, while it also distributes them abroad.

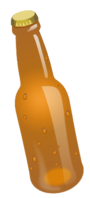
Each of the Latin America Top 5 brands appears in the BrandZ™ category rankings, but none has reached the brand value threshold required for ranking in the BrandZ™ Top 100 Most Valuable Global Brands.

Top 5 Brands from Latin America

Rank	Brand	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	**Skol**	Beer	8,500	7,055	20%
2	**Corona**	Beer	8,476	8,025	6%
3	**Brahma**	Beer	4,185	3,585	17%
4	**Modelo**	Beer	3,604	N/A	N/A
5	**Natura**	Personal Care	1,700	2,236	-24%

Source: Millward Brown (including data from BrandZ™, Brand Analytics and Bloomberg)





CONTINENTAL EUROPE

Consumer trends, slower China sales impact growth

Top 10 Brands from Continental Europe

Rank	Brand	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	**SAP**	Technology	38,225	36,390	5%
2	**Deutsche Telekom**	Telecom Providers	33,834	28,756	18%
3	**Louis Vuitton**	Luxury	27,445	25,873	6%
4	**BMW**	Cars	26,349	25,730	2%
5	**L'Oréal Paris**	Personal Care	23,376	23,356	0%
6	**Zara**	Apparel	22,036	23,140	-5%
7	**Mercedes-Benz**	Cars	21,786	21,535	1%
8	**Movistar**	Telecom providers	21,215	20,809	2%
9	**Hermès**	Luxury	18,938	21,844	-13%
10	**Orange**	Telecom Providers	17,384	15,580	12%

Source: Millward Brown (including data from BrandZ™, Kantar Retail and Bloomberg)

Continental Europe accounts for about one-fifth (19 percent) of the brands in the Global Top 100, and 11 percent of the Top 100 Brand Value.

Following a strong 19 percent increase a year ago, the Brand Value of the Continental Europe Top 10 appreciated less than 2 percent. The strength of two national telecom providers, Germany's Deutsche Telecom and Orange, of France, drove brand value appreciation.

However, it was not enough to offset weakness in apparel, luxury, and cars categories that grew little or declined for a variety of reasons, including the weakness of some European national economies, changing consumer attitudes and slower consumption in China.

Germany, France and Spain were represented with one telecom provider each. Of the remaining seven brands, three are German: SAP in technology, and BMW and Mercedes-Benz in cars. Three are French: Louis Vuitton and Hermès in luxury and L'Oréal Paris in personal care. And one is Spanish - Zara in apparel.

UK

Disruptive global forces impact UK-based brands

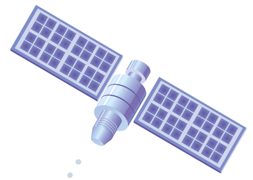
The Brand Value of the UK Top 10 brands declined over 4 percent compared with a rise of 14 percent overall for the BrandZ™ Top 100 Most Valuable Global Brands.

The decline reflects the diversity of categories comprising the UK Top 10, and the fact that these categories – telecom providers, global banks, oil and gas, retail, apparel and luxury – felt the impact of geopolitical disruption and changing consumer attitudes.

Global banks continued working to reorganize their businesses following for the financial crisis, and to restore consumer trust. The oil and gas brands faced two unexpected events: the collapse of oil prices and the sanctions that prevented collaboration with Russian state-owned oil companies to drill in the Arctic.

The Tesco brand value decline in part reflected a consumer attitude shift in favor of smaller stores, discounting and convenience. The Next brand found a sweet spot in affordable fashion. Burberry's brand value decline was related to the overall value drop in the luxury category, partially because of the slowdown in China sales.

Telecom providers fared better in the UK, although competition heated up as the major players attempted to differentiate their brands as content providers. Vodafone sold its stake in Verizon Wireless to Verizon, which left Vodafone well-funded for expansion or acquisition.



Top 10 Brands from the UK

Rank	Brand	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	**Vodafone**	Telecom Providers	38,461	36,277	6%
2	**HSBC**	Global Banks	24,029	27,051	-11%
3	**Shell**	Oil & Gas	18,943	19,005	0%
4	**BT**	Telecom Providers	17,953	15,367	17%
5	**BP**	Oil & Gas	12,938	12,871	1%
6	**Tesco**	Retail	9,410	14,842	-37%
7	**Barclays**	Global Banks	8,835	9,536	-7%
8	**Standard Chartered**	Global Banks	6,892	9,150	-25%
9	**Next**	Apparel	5,973	5,716	5%
10	**Burberry**	Luxury	5,722	5,940	-4%

Source: Millward Brown (including data from BrandZ™, Kantar Retail and Bloomberg)

BRAZIL

Disappointed consumers still spend, but more realistically

The bubble of rising consumer expectations expanded rapidly during the past 10 years – until it burst.

Millions entered the middle class, brands grew in value, and the country prepared to host the 2014 FIFA World Cup and Summer Olympics of 2016. It seemed like Brazil, the world's fifth-most populous country, was about to assume its rightful place as a global economic power.

Then world demand for commodities slackened and oil prices plunged, adding to the problems of Petrobras, the national oil company already facing judicial scrutiny for official misconduct. When the World Cup failed to live up to its promise as a showcase for the new Brazil, belief dimmed that the Olympics would succeed at this role.

And if all this weren't enough to worry about, parts of the country faced serious water supply and other utility problems. In the 2014 national elections, Brazilians reelected the ruling party, but only by a slim margin, reflecting widespread dissatisfaction.

These developments produced a national hangover, and consumers spent money more cautiously. The impact is evident in the absence of Brazilian brands from the BrandZ™ Top 100 Most Valuable Global Brands 2015, although Natura appears in the personal care sector rankings, and two Brazilian brands, Skol and Brahma, rank in the beer category.

Disillusioned consumers

Brazilian consumers had experienced hard times before, but they'd convinced themselves that this time progress would be inexorable. When it wasn't, they didn't stop shopping, but they shopped more rationally and resorted to well-tested coping strategies.

The implication for major brands is that customers may find "good enough" and cheaper options in certain categories. This openness to other less expensive options creates an opportunity for smaller brands.

If there's good news for major brands it's this: If consumers didn't increase their spending, they didn't move backwards either. They may be more critical and more conscious of their purchasing, but consumers are not letting go of relationships they've developed with brands over the past 10 years, and people with more money and optimism are driving a premiumization trend in certain categories, such as personal care and food.

For millennials, lacking the experience of earlier economic cycles, dashed hopes may change attitudes permanently, making this generation much more realistic in the future. Circumstances also affected media consumption. After the expense of World Cup advertising, more brands turned to social media for a better return on investment.

Top 10 Brands from Brazil

Rank	Brand	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	**Skol**	Beer	8,500	7,055	20%
2	**Bradesco**	Regional Bank	5,202	4,177	25%
3	**Itaú**	Regional Bank	4,315	3,376	28%
4	**Brahma**	Beer	4,185	3,585	17%
5	**Sadia**	Food	2,757	2,466	12%
6	**Antarctica**	Beer	1,859	1,145	62%
7	**Natura**	Cosmetics	1,700	2,236	-24%
8	**Bohemia**	Beer	1,309	1,094	20%
9	**BTG Pactual**	Regional Bank	1,118	896	25%
10	**Ipiranga**	Retail	1,072	1,103	-3%

Source: Brand Analytics

FUTURE VIEW

Creativity critical now to optimize media ROI

During this period of Brazil's national disappointment and reassessment, it is difficult to predict brand development too far in the future. It is possible, however, to recommend the actions brands need to take to navigate through the downturn.

People will continue to shop despite the difficult national economy; purchasing will be rational, but at the same time, premiumization will continue in certain categories and for people more insulated by wealth from the economic travails.

The impact of the slowed economic growth will vary by category, but across categories, the challenge for brands is to avoid sinking into pessimism and producing a self-fulfilling prophecy.

Brands that don't continue to invest during this difficult period will be in a weaker position when the economy turns – and it will turn. Instead, brands need to optimize their marketing investment, using social media, for example.

Brands also should avoid excessive price promotion. That practice potentially will damage the power of the brand. Creativity is crucial at this moment because there are opportunities to stand out without spending a lot of money, especially since some brand competitors will cut back.

Brands are not paying too much attention to the 2016 Summer Olympics yet. The Games are more focused on Rio de Janeiro, in contrast to the FIFA World Cup, which was viewed as more of a countrywide event. Optimism going into the Olympics has faded because of the difficult economy and because the World Cup didn't produce the anticipated bounce.

RUSSIA

Brands develop, but more slowly than in other BRICs

A wide variety of brands exist in Russia, including: strong strategically important brands, some international brands, some new private brands, and private brands from the Soviet era that are popular in Russia but mostly unknown anywhere else.

Within this context, brands became more important in Russia during the past decade, as consumers gained more experience with product and brand choice, either through travel or the Internet.

Brands developed in Russia at a slower pace than in other BRIC markets, however, because of politics and market structure. The state continued to predominate in the key strategic industries. The energy giants have international presence and are closely identified with Russia. The state banks are large and powerful, and competing with them is difficult.

At the same time, some strategic brands adopted marketing practices to better understand and respond to changing consumer needs. Sberbank, a bank formed in Czarist Russia is a clear example of the transformation of a heritage institution into a contemporary brand.

Outside of these strategic product and service categories, the government was more open to the presence of Western brands, especially if they partnered with Russian brands and did not impede the development of private local brands.

Several large Western food conglomerates increased activities in Russia through acquisition or joint venture during the past 10 years. Russian brands in certain categories, including apparel and technology, have expanded across borders, particularly into the neighboring states of Eastern Europe.

Some aspects of brand building in Russia remained particularly Russian. E-commerce has great potential in Russia, a geographically vast country, larger than China but with about one-tenth of the population. Concerned about counterfeiting, however, consumers lack trust. They want to see the goods before they purchase them.

Some hybrid solutions have developed. In one option people order online, receive the product and confirm its quality, before paying in cash. In a variation of the "click and collect" phenomenon that is increasingly popular in the West, Russian retailers sometimes organize "inspect and collect" locations.

FUTURE VIEW

Importance of brands likely to grow

What a difference a year makes. The future of brands in Russia today is as uncertain as many other aspects of Russia's development, following the conflict over Ukraine and the imposition of Western sanctions.

It's likely that brands will continue to increase in importance. The larger questions are: (1) Whether a weakened ruble and political restrictions will inhibit the growth of Western brands; and (2) Whether Russian restrictions on Western brand expansion could open more space for the growth of Russian brands.

Meanwhile, even the super-wealthy are feeling some pressure, but they've shifted some of their purchasing from London or New York to Dubai. Because of the currency value decline, luxury items priced in rubles were relatively cheap, and people purchased them in Moscow.

CHINA

More experienced with brands, consumers are willing to experiment

A decade ago, Chinese consumers preferred Western brands. Western brands were well known and trusted at a time when Chinese brands were just emerging in categories such as real estate, apparel and appliances.

Ten years ago consumers primarily sought value for money. They held foreign brands in higher esteem because of perceived quality, safety and status. Even fast food brands represented a special experience.

Since then, however, as Chinese consumers increasingly traveled abroad and gained experience, Western brands lost some of their mystique. Some differentiators eroded when Western fast food and dairy brands experienced safety issues similar to those of the Chinese food brands.

Today, multinational brands don't automatically connote status or luxury. Chinese consumers seek brands that they feel are most suited to their needs and with which they connect emotionally. Product efficacy counts more than provenance.

The Internet also drove the change in consumer attitudes toward brands. The Internet provided unprecedented access to brand information. And e-commerce enabled consumers to conveniently purchase a broad range of products.

With greater exposure to brands and products, along with rising wealth and a greater sense of personal well-being, Chinese consumers today are willing to experiment with more brands.

Change in Chinese brands

Ten years ago Chinese brands focused primarily on manufacturing and selling products, not marketing. Chinese brands aimed to become big and famous. Branding equated with advertising, and campaigns often relied on celebrities.

Today, marketers of Chinese brands attempt to create advertising around consumer insights and relevance to consumer needs. The change in Chinese brand marketing reflects the greater sophistication of Chinese consumers, and the lessons learned from the marketing practices of multinationals.

In some ways, Chinese brand marketing has surpassed multinational marketing. Chinese brands are closer to local consumers. Multinationals maintain offices in China, but often rely on a global decision-making process. The Chinese brands are more sensitive to local nuances, which is important in a market as large and diverse as China.

And Chinese companies build brands somewhat differently than multinationals. They tend to start with distribution and get products into the market as quickly and widely as possible, making refinements nimbly on the run. Multinationals are more likely to perfect brands strategies before launch.

In addition, the multinational brands usually establish in the large coastal cities before expanding to the lower-tier cities and villages where the majority of the population lives. Chinese brands typically originate regionally and grow into national presence. Snow Beer, originally a northeastern regional brand, is an example of this process.

Going global

Chinese brands in certain segments, like appliances, enjoy significant overseas sales, but until now these companies have grown from their manufacturing skill as OEMs. They have not exerted the marketing effort required for global brand building.

That's the next step, and it's happening, based on the record IPO of Alibaba and the success of Xiaomi in building a quality and well-designed smartphone at an affordable price. Huawei, the Internet infrastructure provider and mobile phone maker, derives two-thirds of its revenue from overseas business.

Meanwhile, the meaning of "Brand China" seems to be progressing along the familiar arc of developing economies that first produce cheap manufactured goods and mature into marketers of desirable value-added products and services. In a virtuous circle, each global success of a Chinese brand moves "Brand China" along, and the improving perception of "Brand China" helps propel the global growth of more Chinese brands.

FUTURE VIEW

More openness means opportunity and competition

China is much more open to brand building today than in the past, and this trend will continue. This development is a double-edged sword, however. The political environment encourages a more open market, but that openness invites more competitors.

Meanwhile, with greater choice, more knowledge about brands and greater self-confidence, Chinese consumers are more selective. Brands need to stand for more than fame and status.

In a competitive Chinese market with sophisticated consumers, brand becomes more important, especially when reaching the millennial generation, which is individualistic. Among anticipated trends and developments:

- Chinese consumers will be much less driven by status;
- The provenance of a brand, whether it's local or foreign, will matter less than its efficacy and ability to emotionally connect with consumers;
- Certain categories, like technology, will lead growth;
- Healthiness and well-being, trends that are impacting entire categories in the West, will continue to be important in China.

Despite all these changes and the greater sophistication of Chinese consumers, interaction with brands is still relatively recent. Consequently, Chinese consumers will try new things (an opportunity); but they'll be less loyal (a threat).

Top 10 Brands from China

Rank	2015 Global Rank	Brand	Category	Brand Value 2015 $M	Brand Value 2014 $M	Brand Value % change 2015 vs 2014
1	11	**Tencent**	Technology	76,572	53,615	43%
2	13	**Alibaba**	Retail	66,375	N/A	N/A
3	15	**China Mobile**	Telecom Providers	59,895	49,899	20%
4	21	**Baidu**	Technology	40,041	29,768	35%
5	22	**ICBC**	Regional Banks	38,808	42,101	-8%
6	41	**China Construction Bank**	Regional Banks	22,065	25,008	-12%
7	50	**Agricultural Bank of China**	Regional Banks	20,189	18,235	11%
8	62	**China Life**	Insurance	17,365	12,026	44%
9	63	**Sinopec**	Oil & Gas	17,267	14,269	21%
10	65	**Bank of China**	Regional Banks	16,438	14,177	16%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)

INDIA

Rapid change touches most product categories and geographic regions

Banks and financial services remain India's dominant sector. Just about everything else about brands and consumer appreciation of brands has changed in the past 10 years, or is in the throes of rapid change.

Ten years ago consumers shopped primarily for value. Value continues to be important, but people are willing to spend more. Greater wealth and changed attitudes about spending add price elasticity to many categories.

Indian brands have improved and moved toward the quality and offering of international brands. In cars, for example, with the exception of the luxury level, Indian brands compete with the international brands.

The growing urban middle class primarily fueled spending and brand interest 10 years ago. In rural India, income and consumption had fluctuated with the seasons. Today, as the agrarian economy becomes more diversified, incomes are rising and stabilizing. People are consuming more – even entertainment, often on mobile phones.

The emergence of the millennial generational, which impacts brand building in many parts of the world, is more exaggerated in India, because it touches the tension between tradition and modernity, family and individuality.

The millennials, who have grown up with greater affluence than their parents, spend money more easily. The proliferation of travel sites in India reflects this mindset open to new experiences. The millennials also have an upgrade mentality. In a relaxation of family traditions, they feel freer to question the authority of their parents.

Growth across categories

These changes have impacted most categories. Fashion and apparel have grown as categories in India because of increased wealth, more brand choice and also because the Internet provided a window onto global trends. People follow international fashion blogs. Film is an influence. Wardrobes have expanded, particularly among young people.

The luxury category almost did not exist in India 10 years ago. Consumers had limited disposable income and brands had limited market exposure. The global luxury brands were available only in high-end hotel shops. Now luxury brands are available in malls.

FMCG brands were available, of course, but in the last 10 years the market has expanded at the premium end. Health foods are becoming more popular. In personal care there is much more segmentation across the category.

Fast food didn't exist as a category in a meaningful way 10 years ago. Eating out was a special occasion. Consumers are more willing to experiment today, and there is more choice. Today most of the major fast-food brands are represented in India.

Impact of mobile

E-commerce has been growing rapidly and expanding the market, driving categories and consumption, in part because of how young people consume and seek fashion online, often on mobile, rather than by shopping in a physical store. E-commerce predominates in certain categories, like mobile phones, especially with the growth of online malls, such as Flipkart.

The financial services sector has been among the most aggressive in taking advantage of mobile. Greater online presence has enabled banks to extend their presence deeper in India, providing credit and other products and services to a rising middle class.

Still, mobile remains a relatively untapped opportunity for introducing and promoting brands. Local brands often enter the market using mobile, and despite the presence of many global brands, India, with 22 regional languages and over 600 dialects, remains a diverse country with many local brands.

FUTURE VIEW

Consumers increase quality expectations

Having grown more sophisticated about products and brands, Indian consumers are less tolerant of products that don't perform well. They expect more and will demand excellence.

As more consumers enter the middle class, people with more purchasing power will want to differentiate themselves with the brands they use. There will be more segmented marketing, as is already happening in personal care.

In this changing brand environment, brand communication across urban and rural India will need to be more uniform so that all groups feel they're receiving comparable attention from brands.

More towns will emerge where brands can drive penetration, but leading brands need to innovate to meet the needs of these consumers. Simply introducing standard versions of products to regional markets will not be enough, especially as new, more consumer-centric brands appear.

Customization of products to meet the tastes and desires of India's diverse cultures will be important in certain categories, like food. Customized communication, however, will be necessary across all categories. That will require an understanding of cultural nuances, and more than simply dubbing a standard commercial into local languages.

Shopper marketing in-store communication will increase in categories like food where brands want to improve penetration. Food preferences vary widely by region and culture in India. Food sampling works. Shopper marketing will also play a larger role in new and niche categories.

These other trends and developments will emerge:

- As retail changes dramatically from traditional shops to modern stores, packaging will become more important;
- The development of modern retail may also drive more private brands; and
- Start-up brands, which now focus mostly on execution issues and driving product into the market, will need to pay more attention to differentiation and brand building.

Indian brands will increasingly export. Some of the FMCG brands are expanding first into the geographically close or developing markets in Southeast Asia, Africa and the Middle East. India's cinema also has export potential, which will drive interest in Indian brands; it has already attracted big players Disney, Fox, and Sony eastwards.

"Brand India" will continue to be about services – banking, technology and cinema, for example. It may be that "Brand India," a service center, will balance "Brand China," a manufacturing center.

THOUGHT LEADERSHIP

SUSTAINABILITY

Brands communicate about sustainability

But not in a language millennials understand

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There's no mistaking the swelling tide of attention to, and interest in, corporate sustainability – both from the perspective of businesses seeking to operationalize and communicate their commitment to ethical environmental and social issues, and from consumers looking to do the right thing without sacrificing quality or affordability in their brand and product choices.

Guiding millennials through the evolving sustainability landscape may be a key foundational element of creating meaningful conversations on this topic in the years to come. It's critical because of the size and influence of the millennial generation. But it's not easy and not many brands are communicating clearly and consistently.

While corporate sustainability spending is up, many brand initiatives in this space are inward-facing (i.e. manufacturing, distribution, etc.), talking above consumers' understanding level, and not as relevant or tangible to consumers as they could be. In exploring future-looking best practices for reaching millennials in this evolving consumer landscape, it's important to understand how the sustainability dialogue has evolved in their lifetime:

1. **The language has changed.** Where their parents were encouraged to "Go Green," choose "environmentally-friendly" products and services, and make efforts to "reduce, reuse & recycle", millennials are more likely to encounter messaging focused on "Sustainability." Qualitative research suggests that this may be a less consumer-friendly term, and one that may not trigger immediate associations to environmental responsibility as the previous lexicon.
2. **The scope has broadened.** As technology has advanced and the spotlight on the issue in mainstream media has intensified, the number of issues and actions related to sustainability has also grown. Unlike the "Green" initiatives of yesteryear that seemed more singularly focused on minimizing negative environmental impact, sustainability covers a breadth of issues including natural resource preservation, reduction of carbon imprint, ethical sourcing and manufacturing practices, ensuring businesses' viability into the foreseeable future, among many other topics. Furthermore, from a consumer perspective, the previously well-defined line between Corporate Social and Environmental Responsibility has become blurry.
3. **Focus has shifted.** Focus today is on internal corporate practices. Today's sustainability messaging appears far less focused on what the average consumer can do to aid the effort, and more about initiatives that companies are taking. While the running hypothesis is that consumers are more likely to choose brands that reflect their personal values, qualitative research findings over the past 10 years point to a gap between corporate sustainability practices and personal relevance of such initiatives to consumers' day-to-day lives.
4. **Brand communications have proliferated.** Browse the websites of major consumer brands, and one common element emerges – most feature a page or microsite dedicated to their beliefs and activities in the area of sustainability. Many have integrated it into their overall brand purpose, manifesto or corporate pillars, and a significant subset communicate their activity in this space directly to consumers via advertising, digital / social media, and on product packaging. While this communications push is raising the profile of such issues to consumers, the lack of consistency in types of measures being taken, and their sheer ubiquity, makes it difficult to determine who the leaders in corporate sustainability are within a given category.

Mind the Gap

Despite being shaky, incomplete, and somewhat antiquated, mainstream consumers' understanding of sustainability isn't completely off the mark. For many, it revolves around three interconnected issues:

- Reducing waste and introduction of harmful substances into the environment;
- Preserving the planet's natural resources and life forms; and
- Ensuring future generations have access to sufficient, clean and safe food, water, and air.

While these areas often represent a part of corporate sustainability and social responsibility manifestos, blue chip companies often place a much broader range of issues under the sustainability umbrella, from ethical manufacturing practices to diversity and inclusion efforts, zero carbon-imprint distribution to charitable giving, health and wellness promotion to local and organic food cultivation.

Arguably, millennials represent a cohort more interested and invested in these issues than any other segment. Research indicates a salient belief among millennials that previous generations have created an environmental and social equity deficit that they are unfairly left to contend with. However, bundling all of these issues into a catchall sustainability platform, may do a disservice to engaging them in a meaningful dialogue with relevance to their individual lives and purchase decisions.

In reviewing a wide swathe of recent corporate sustainability messaging, another key element of the consumer relevance gap is revealed: the ultimate benefits of corporate sustainable practices are often far too lofty to resonate at an individual and local level. Much of the typical talk tracked addresses a responsibility to "the planet" or "future generations," and discusses negative implications of neglecting this responsibility in equally far-off terms.

Localizing and individualizing corporate sustainability positioning is crucial to engaging consumers at large, and millennials specifically, in the next five to ten years.

BRANDS FACE CONSUMER EDUCATION OPPORTUNITY

Consumer research about sustainability points to good and bad news: On the one hand, there's a high level of awareness that sustainability (when clearly defined) is an important 21st century issue. But unfortunately, most mainstream consumers (i.e. those who don't self-identify as actively leading a "Green" lifestyle) lack a clear understanding of what it means. When the word is presented in isolation without any topical context, more than half of consumers in a recent Firefly Millward Brown study didn't associate "Sustainability" with anything related to environmentalism or social responsibility.

When presented in the context of environmentalism, consumer definitions of sustainability come into somewhat clearer focus, but still remain vague and rife with uncertainty. With deeper digging, consumer-generated examples of sustainable living are often quite narrow, limited to "old school" issues like recycling and pollution. Addressing this knowledge gap can be tricky for a couple of reasons:

- Because mainstream consumers, especially millennials, know that sustainability is "the right thing to do," there can be a bias toward over-reporting their identification and engagement with such efforts. (Millward Brown has an established set of best practices for conducting research that minimizes this bias in research.)
- Consumers don't know what they don't know. So while they may be taking all the measures they know of, to help ensure a sustainable planet, there are often a plethora of other things they aren't aware of, and therefore don't engage in.

This high awareness / low understanding dynamic presents an opportunity for brands to educate and empower consumers to be active participants in the global sustainability effort. It furthermore suggests that unlike many marketing efforts that are driven by consumer behaviors, needs and desires, sustainability strategies of the future may be best served by placing brands in the driver's seat.

SOCIAL MEDIA SPECIAL REPORT: THE SOCIALZ VERVE INDEX

Digital brands dominate ranking, but strong creative breaks through

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Part One: Overview of SocialZ Verve

For the second year running, the SocialZ Verve rankings report incorporates our proprietary Verve Scoring methodology, which measures the overall social vitality of a brand in social media. The Verve Score is a Twitter-based aggregate measure accounting for existing user disposition for a given brand, the volume mentions for a brand combined with the favorability of those mentions: the higher the score, the more that brand has been elevated within social media. Verve encompasses brand users, contemplators and influencers; those having the opportunity to be exposed to brand marketing; and those responding to media coverage. Modeled over time, Verve has the ability to reflect outcomes in brand equity, sales, and TV impact.

Verve captures the explicit expressions of consumer engagement with a brand, whether that is driven by consumption or commercial activity. Brands are built in social media not only by their marketing strategies but also by everyday consumer experience, cyclical media coverage, and cross-platform promotions. We parse these by segmenting the data topically and assessing the content drivers for each brand.

The mainstream use and acceptance of social media has meant that brands have started to develop more established presences in social media (whether intentionally or not). Relative to last year, we observed consistency across most brand commentary. Whether it's wide-eyed admiration of the latest Apple product, simultaneous delight and disgust in fast food restaurants, or dropped data on wireless carriers, the core product experiences of our top brands were similar year-on-year. However, some brands are susceptible to more variation when in categories that are not much talked about except in catastrophic circumstances: while mailing a package may be humdrum, an employee tragedy at FedEx is likely to elicit more of a response in social media.

The SocialZ Verve ranking focuses on English language social media only, and Chinese brands are not included in this ranking.

Brand Love in Action

Born and bred digital brands dominate the top ten brands in the SocialZ Verve ranking, and we saw only minor movement among the ranking of these brands. Social networks – Google (led by YouTube), Twitter, and Facebook vie for the top three spots based on consumer activity and fast, frequent sharing on these platforms. Analyzing these social brands with the social data they generate showcases exactly to what degree they permeate our daily lives. These technological behemoths not only capture but also reflect our imaginations, through the photos, statuses, and videos we use to document our days.

> "Scary how much Google knows about me simply based on the YouTube videos that I watch..."

> "I wish I could just install Google in my brain so that I won't have to study all the time."

Among the strongholds in the top ten are perpetual consumer favorites, Apple, Disney, and Nike. The ubiquity of these brands in real life is reflected by their ubiquity in social media, right down to incessant coverage of "Let It Go" from Disney's hit movie *Frozen*. These iconic brands fuel avid attention through new product releases and strong integrated social media activity. In particular, the Nike+ app's social updates serve as not only as product marketing but also provide meaningful value for their athletic consumers.

Part Two: Consumer Experience in Social Media

Meaning and Marketing

Our brand equity framework informs both our analysis of Brand Value and our SocialZ Verve rankings. In the former, we can evoke brand meaning when measuring Brand Contribution; in the latter, we can discern it most clearly among brands whose consumers comment about their favorability towards the brand and whether it meets their needs. These consumer experiences tend to form the foundation of brand commentary for categories whose products are consumed frequently or which bring a bit of everyday delight, like free samples at Costco. For other brands, especially those in business-to-business categories, online commercial activity and news articles dominate the social media coverage. In either case, marketing typically amplifies the normal thrum of activity, rather than forming the base of it.

The marketing content that tends to break through social media most strongly is that which has either high reach or significant creative value, like Colgate's #BrilliantSmile celebrity campaign or IKEA's iconic catalog. Brands that are able to achieve both – such as Budweiser's touching #BestBuds Super Bowl commercial featuring a pony and a puppy – can gain a strong foothold in consumer chatter. The other perennial driver of marketing commentary is sponsorships of sports and event spaces, especially any event space lucky enough to host Twitter's favorite boy band, One Direction.

> "That puppy commercial by Budweiser was definitely the best one. They never fail."

> "@GilletteStadium the one direction show next year is 12 days before my 16th birthday can I get a party package"

Part Three: Category Commentary

Technology

While social platforms clearly dominate not only the 2015 SocialZ Verve ranking but also the technology category, some other technology companies quietly rose in the rankings this year. Apple was buoyed by not only the iPhone 6 launch and news of the hotly anticipated Apple Watch, but also by the launch of HealthKit and Apple Pay. The latter in particular had spillover effects beyond the technology category – its launch partners like Bank of America also enjoyed a dose of consumer appreciation in connection with the product. Other business-to-business technology companies sometimes have to work harder to maintain mainstream consumer engagement, meaning that when there are security gaps like the Heartbleed hacks, such stories trend more perceptibly in an otherwise quiet conversation about those brands.

Cars

Automotive brands are clustered in the top half of the SocialZ Verve ranking of the BrandZ™ Top 100 brands. These brands tend to attract distinctive audiences on Twitter: their new models attract envy; their current drivers obsess over their rides; and big TV spending and the robust secondary sales market churns out a large volume of promotion. We see a broad mix of content about these brands being shared, including glamour shots by proud owners, how-to repair videos, and news about manufacturing and safety. Broad penetration in the market and mostly positive, everyday experiences tend to support the brands through tougher times: despite widespread recalls for several of the brands, automotive brands are one of the strongest and most consistent categories in our SocialZ Verve ranking for 2015.

> "I drive a 2005 Toyota matrix and I deliver pizzas. Life is beautiful"

> "I want a Toyota Tundra now."

> "I hate driving in general but the feeling of doing 120 on the highway in the BMW coming back from Cali is amazing."

Retail & Apparel

As in 2014, these categories are highly experientially driven, with commentary about purchases, employee interactions, and other shoppers often prompted live from within a brick-and-mortar location (or at home in front of the mirror). Fast-fashion favorites H&M and Zara are followed closely for their celebrity collaborations, advertising campaigns, and generally espousing the latest looks. However, increasingly consumers are turning an eye on aspects of these retailers that sees beyond what's in stock. In an age of increasing scrutiny about wage equality, Costco is lauded not only for its bulk buys, but also for its perceived fair treatment of its workers. Conversely, other retailers like The Home Depot struggled with data breaches, hackers, and stolen financial information – suggesting that they are bearing the burden of increased consumer anxiety over transaction security and data privacy.

> "Props to @Costco for closing on #Thanksgiving so employees can be with their family #BlackFriday"

The SocialZ Verve Index

English language only. Chinese brands are not included in this ranking.

SocialZ Rank	Brand	SocialZ Rank in 2014	Movement
1	Google	2	+1
2		1	-1
3	facebook	4	+1
4	ebay	8	+4
5	amazon.com	7	+2
6	Disney	5	-1
7		10	+3
8		9	+1
9	SAMSUNG	11	+2
10	Starbucks	3	-7
11	Microsoft	16	+5
12	McDonald's	6	-6
13	Coca-Cola	12	-1
14	Ford	17	+3
15	Mercedes-Benz	21	+6
16	Walmart	14	-2
17	LinkedIn	19	+2
18	intel	33	+15
19	BMW	23	+4
20	IBM	30	+10
21	hp	26	+5
22	at&t	36	+14
23	TOYOTA	27	+4
24	verizon	28	+4
25	PayPal	31	+6
26	KFC	18	-8
27	HONDA The Power of Dreams	22	-5
28	Red Bull	20	-8
29	NISSAN	34	+5
30	ORACLE	32	+2
31	SAP	37	+6
32	accenture	55	+23
33	LV LOUIS VUITTON	24	-9
34	pepsi	25	-9
35	SUBWAY	15	-20
36	IKEA	29	-7
37	VISA	38	+1
38	CISCO	40	+2
39	GUCCI	39	0
40	ZARA	49	+9
41	Gillette	60	+19
42	MasterCard	58	+16
43	COSTCO WHOLESALE	NEW ENTRY	
44	Budweiser	43	-1
45	L'ORÉAL PARIS	59	+14
46	CHASE	48	+2
47	AMERICAN EXPRESS	42	-5
48	ALDI	68	+20
49	H&M	35	-14
50	GE	50	0
51	Pampers	56	+5
52	RBC	62	+10
53	HERMÈS PARIS	54	+1
54	FedEx	88	+34
55	citi	53	-2
56	TD	70	+14
57	The Home Depot	64	+7
58	SIEMENS	63	+5
59	ups	69	+10
60	DHL	74	+14
61	SoftBank	NEW ENTRY	
62	WELLS FARGO	51	-11
63	Colgate	65	+2
64	Scotiabank	72	+8
65	HDFC BANK	NEW ENTRY	
66	Bank of America	47	-19
67	vodafone	46	-21
68	HSBC	57	-11
69	NTT docomo	67	-2
70	Telstra	NEW ENTRY	
71	Marlboro	66	-5
72	Westpac	78	+6
73	orange	73	0
74		83	+9
75	Woolworths	71	-4
76	Santander	75	-1
77	T	81	+4
78	ING	79	+1
79	usbank	80	+1
80	movistar	82	+2
81	ANZ	76	-5
82	CommonwealthBank	85	+3
83	ExxonMobil	87	+4
84	J.P.Morgan	52	-32
85	BT	84	-1
86	bp	89	+3

Source: Emerging Media Lab, Millward Brown

ENTREPRENEURSHIP

Necessity and ingenuity fuel entrepreneurial trend

Traditional brands with start-up mentality gain cultural traction

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Entrepreneurship and "start-up mania" are all the rage for today's forward-thinking brands. Fueled by necessity and ingenuity following years of recession, inspired by initiatives like Kickstarter (shopping), Quirky (inventions) and Indiegogo (crowd sourcing), and reinforced by the disenchantment with all things corporate. In so many categories, from Etsy (handcrafts) to Tesla (cars) to Warby Parker (eyeglasses) to Airbnb (travel), young, creative and socially engaged entrepreneurs are the new symbols of success for millennials.

These entrepreneurs embody a new vision of the working world: fast but flexible living, casual dress, innovative thinking and a commitment to do no evil. They are seen as more visionary, more inspiring, bolder and more exciting; qualities that serve as strong predictors of future brand growth.

Entrepreneurs and small businesses, until recently deemed unworthy of credit by the financial sector, are becoming the new financial darlings, recognized as perhaps the best shot for traditional banks to marry business development with image redemption. From Barclay's Social Innovation Facility to the Goldman Sachs 10,000 Small Businesses program, banks whose businesses and reputations suffered after the global recession are now proposing to help entrepreneurs by providing them with greater access to education, financial capital and business support services. Mainstream banks, eager to celebrate the growing importance of entrepreneurs, are promoting local programs. The "Small is Huge" program of Wells Fargo, for example, aims to support small non-profit organizations and strengthen communities.

Jumping on the "brandwagon"

But it's not just the start-ups and their investors leveraging this phenomenon. Retailers, logistics and support service companies are also jumping on the entrepreneurial "brandwagon." American Express is tapping into the cultural shift in American business, recognizing the evolution in the way millennials view money. Amex has set out on a campaign to redefine success from what used to be a destination to what is now seen as more of a journey. The brand is successfully playing off of Black Friday, the post-Thanksgiving shopping frenzy, with its Small Business Saturday initiative, encouraging consumers to support local businesses. UPS Connect reminds us that "dreams don't require logistics… start-ups do." And Walmart is featuring women entrepreneurs online and on shelf to show its ongoing commitment to women-owned businesses.

Worldwide phenomenon

This start-up ethos has spread across the planet, capturing the hearts and minds of the young, the eager and the independent from Nairobi to Mumbai to Shanghai. The airlines caught on early, starting with British Airways, followed by Turkish Airlines and, most recently, Delta's Innovation Class program offering a "Mentor Seat," next to a business or thought leader, to an entrepreneur vetted through LinkedIn.

In Europe, where the unemployment rate of people under 25 is much greater than that of older generations, the telecom provider O2 is offering grants and funding across their key European markets to train and develop social entrepreneurs. French retailer E.Leclerc invites young promising leaders to become bosses of their own stores, while Tesco, in the UK, has launched an innovation lab to tap the wisdom of the start-up community to push innovation in every form. The entrepreneurial zeitgeist has even taken hold in traditionally conservative categories like spirits, where Chivas Regal has created a $1million venture fund to "empower extraordinary new start-ups."

Asian accelerator

In Asia, the sheer size of many markets has created overnight entrepreneurial brands. In China, Xiaomi received initial funding only in 2010 to manufacture inexpensive smartphones. It's now one of the largest mobile phone brands in the world. Xiaomi has gained great traction with consumers by crowd-sourcing design. Product managers scour user forums for customer feedback. Suggestions can move from concepts to products within a week! Technology brands like Tencent are now playing the role of "angels," offering financing service platforms for the Internet start-ups founded by their young "alumni."

Chinese banks are also getting in on the game. Hua Xia Bank recently shifted its strategic positioning to be "the financial service provider of small and micro enterprises." The Chinese online apparel brand Vancl is way ahead of the curve. Its founder, Chen Nian, broke the rules by offering young independent consumers stylish own-brand business casuals sold via e-commerce only. As a result, Vancl has quickly become one of China's most successful online retailers.

We expect to see the cultural shift towards entrepreneurship continue beyond 2016 as start-up brands scale while their bigger counterparts seek to bathe in some of their pioneering glory. There will no doubt be fits and starts as some of the start-ups trend down, but at a time when the public has been stirred by signs of "business not as usual," the phenomenon of these lighthouse brands will continue to grow and inspire.

SYDNEY, AUSTRALIA

Value of all
Australian brands
in Top 100

$75 BILLION

WPP people
in Australia and
New Zealand
(including associates)

4,000

"Tiny Planet" Series
by Paul Reiffer

5

The Categories

APPAREL

Competitive and macro forces impact category

Consumers expect style, value and experience

Apparel category Brand Value flattened in the 2015 BrandZ™ Top 100 Global ranking, following a 29 percent rise a year ago when apparel led all categories in value increase.

Competition got tougher and consumers got smarter. Well-informed by store visits and online research, consumers shopped across brand repertoires, mixing and matching wardrobe elements looking for the best value, which they often found at the fast-fashion leaders: Zara, H&M and Uniqlo.

These brands refined the store experience to entertain and impress shoppers with product range and display, and to lengthen the duration of shopping trips. The fast-fashion leaders also expanded their online presence, as new exclusively e-commerce brands entered the apparel category.

Fast-fashion brands operated in the sweet spot for post-recession consumers – at the convergence of affordable style and convenience. Their ongoing assortment updates invited more frequent shopping compared with brands that renewed styles seasonally.

However, the fast-fashion brands also felt the impact of global economic pressures and currency fluctuations. H&M, for example, sourced primarily in Asia where the dollar was strong, but priced much of its merchandise in the weakening Euro.

Meanwhile, low-priced apparel basics appeared in non-apparel outlets, even supermarkets. The consumer's ability to find value for money at both the premium and budget ends of the market squeezed brands in the middle.

The fastest risers in the BrandZ™ Apparel Top 10 were not the fast-fashion brands, but Tommy Hilfiger, an affordable luxury lifestyle brand, and Nike, the leader in sportswear.

Store and online expansion

Zara continued to focus on the in-store experience, from the sales floor to the changing areas. The brand implemented an information loop in which store employees reported to management what they heard from customers, providing insights that enabled the organization to better understand, location by location, what articles sell, or don't sell, and why.

Zara added to its existing 2,000 stores worldwide and expanded its online business by introducing Internet sales to Mexico and South Korea and putting a Zara site on China's Tmall. As part of its strategy to increase its presence in the shopping districts of major European and US cities, Zara purchased a building in New York's Soho, an important shopping district.

H&M added 325 stores in 2014 and ended the year with 3,261 brand stores in 55 markets. It planned to add several hundred more stores this year. New markets planned for 2015 include Peru, Macau, South Africa and India.

The brand also increased its online presence in 2014. Adding France, Italy, Spain and China gave it a presence in a total of 13 countries, and it planned to add nine more European countries this year. In a brand extension, H&M planned to launch a personal care line called H&M Beauty in 900 stores in 40 markets and online. ▶

Brand Value change

0.1%

Apparel
Top 10 Total Brand Value

$99.7 BILLION

CATEGORY DEFINITION

The apparel category is comprised of mass-market men's and women's fashion and sportswear brands.

Top 10 Apparel

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**Nike**	29,717	4	21%
2	**Zara**	22,036	3	-5%
3	**H&M**	13,827	2	-11%
4	**Uniqlo**	8,074	3	11%
5	**Next**	5,973	3	5%
6	**Ralph Lauren**	5,643	5	-11%
7	**Adidas**	4,615	4	-36%
8	**Hugo Boss**	4,320	4	-5%
9	**Lululemon**	2,898	5	-11%
10	**Tommy Hilfiger**	2,580	4	29%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Apparel brands score high in differentiation

The BrandZ™ Apparel Top 10 caught up with the Global Top 100 in differentiation during the past 10 years. That rise led to a big increase in Brand Value – 139 percent for apparel compared to 126 percent for the Top 100. Differentiation is one of the key drivers of brand success. An average brand scores 100.

Over the same period, consumers showed a greater interest in value. Consumers choosing to buy on price alone declined from 13 percent to only 6 percent, whereas the importance of the brand increased from 55 percent to 63 percent.

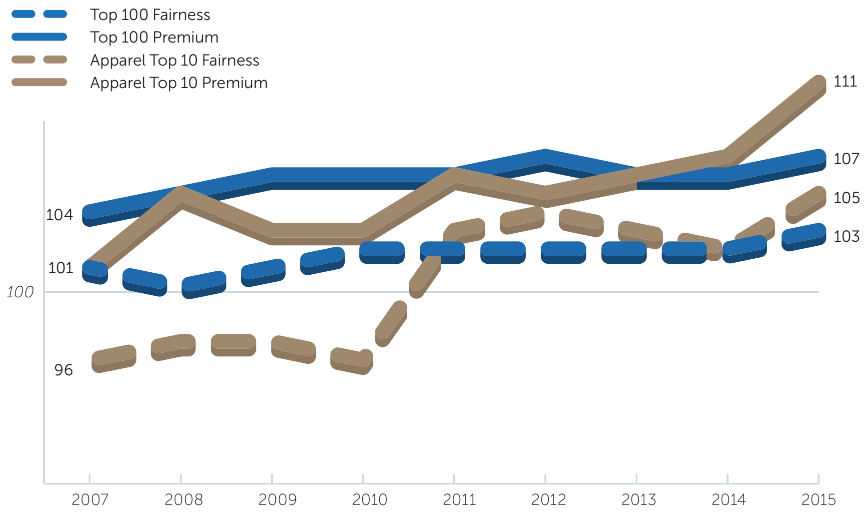
The Apparel Top 10 appear to have successfully persuaded consumers that they offer fair value for money, with pricing that sometimes even justifies a premium. The Fairness score of the Apparel Top 10, an indication of value, rose sharply in 2011, suggesting that brands listened to consumer spending concerns coming out of the recession and adjusted prices effectively. At the same time, the Premium measure also increased.

Six of the Apparel Top 10 brands – Adidas, Nike, Ralph Lauren, Lululemon, Hugo Boss and Tommy Hilfiger – tend to have a more premium offer. These brands are high Difference, scoring 139, while the successful value brands score 113 on Difference, still well above the average. Both sets increased over the period.

Among the value brands, Uniqlo and H&M ranked highest in Fairness, scoring 137 and 112 respectively. These brands compete on more than one dimension. They offer low price and perceived added value: for Uniqlo, clothes engineered for climate comfort; style in the case of H&M.

Apparel Top 10 exceed Top 100 in Fairness and Premium

The BrandZ™ Apparel Top 10 exceeded the Global Top 100 in both Fairness and Premium scores, indicating that apparel brands have successfully persuaded consumers that they offer fair value for money with pricing that sometimes even justifies a premium.



Source: BrandZ™ / Millward Brown
Average brand = 100

Shifting control to stores

Uniqlo planned to continue its aggressive expansion in the US and Europe, where it opened a Berlin store in 2014, its first in Germany. The brand also opened its first store in Australia.

Uniqlo experienced especially strong results in Mainland China, Hong Kong and Taiwan, where it operated around 374 stores and planned to open 100 annually. Sales for Greater China increased 66.5 percent for the fiscal year 2014.

At the end of its fiscal year, Uniqlo operated 633 international stores and planned to add about 200 in the next 12 months. It operated 852 stores in Japan. The company also announced plans to shift more management control to the stores, to better match the product mix to local tastes and drive sales per store.

Uniqlo continued to differentiate with a focus on functional fashion, emphasizing fabrics with innovative technology that provide comfortable warmth or coolness.

Lifestyle brands

While the fast-fashion brands succeeded around style, value and rapid inventory rotation, Tommy Hilfiger, an affordable luxury brand built around an aspirational preppy lifestyle, rose 29 percent in Brand Value, the fastest riser in the BrandZ™ Apparel Top 10.

The strength of the US dollar weakened Ralph Lauren's international business and its share price declined. The brand's US sales took a surprising dip in early 2015 because of aggressive discounting by competitors.

Ralph Lauren implemented a restructuring plan to create a global brand management model as the company continued international growth, and it opened a flagship Polo store on Fifth Avenue.

Several factors negatively affected the sales and the share price of Hugo Boss, including weakness in the luxury sector in some important European and Asian markets and a slowdown in Russian tourism.

BRAND BUILDING ACTION POINTS

1. Build a total brand experience that's exciting and consistent across all touch points.
2. Truly know your customer, his or her needs and behaviors, and cultivate a deep connection, showing through your actions that you value the relationship.
3. Offer the consumer a combination of value for money that differentiates and emphasizes more than price alone, a less compelling proposition.

Athletic performance is mixed

The FIFA World Cup in Brazil presented an important opportunity for athletic apparel and footwear brands. Nike did not officially sponsor the World Cup, but instead provided kits to 10 of the teams. It also introduced new products at the Sochi Olympics and the Super Bowl.

The brand also focused on its digital presence, expanding the Nike ecosystem, which includes its digital fitness-monitoring devices. Nike's women's business grew at a faster rate than the men's business. A new advertising campaign called "Better for It" motivated women to exercise and improve fitness and health. Online business grew 42 percent.

Adidas officially sponsored the World Cup. Its profit declined sharply in 2014, however, because of difficulties in the Russian market and its US golf division. The brand planned to accelerate growth by concentrating on key world capitals, including New York, London, Paris and Shanghai. Over the next few years, Adidas planned to add 55 more US stores.

Despite increased competition, the overall strength of the athletic leisurewear category helped Lululemon slowly recover from negative publicity around the recall of a line of yoga stretch pants that were immodestly sheer.

INSIGHT

Consumers seek store and online brand experience

Consumers are looking for the total brand experience. On one hand, there's the experience in the shop, where consumers want more than just the racks of clothes. They're looking for ways to experience the brand outside the products being offered. Those experiences can include interactive screens and being inspired by how people wear clothes and many other things. The same need for experience applies to the digital world - not just plain advertising, but total brand experiences, which are of course in line with the in-store experience.

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FUTURE VIEW

Lower prices and more competition will make it more important to engage consumers with the brand in stores and online.

Brands will not be able to ignore ethical supply chain practices following the Bangladesh factory disaster.

Online shopping will continue to increase as a proportion of total apparel spending.

The fast-fashion brands will continue aggressive global expansion with both physical and virtual stores.

CARS

Brand Value change

3%

Cars
Top 10 Total Brand Value

$143.6 BILLION

CATEGORY DEFINITION

The car category includes mass market and luxury cars but excludes trucks. Each car brand includes all models marketed under the brand name.

Consistent quality produces need for more differentiation

Societal trends challenge category growth

Carmakers face a paradoxical dilemma: their product quality is better than ever, but their brands are increasingly difficult to differentiate.

Engine technology innovation has improved performance and reduced carbon emissions for most cars, while technology aids for driving safety and passenger comfort have become standard equipment at all price points.

Reducing the number of chassis used worldwide produced economies of scale and cost savings, but also resulted in sameness of car models.

Factors such as urbanization and the influence of millennials are changing the very idea of mobility in fundamental ways. Young people, in contrast to their parents, don't rely on cars for freedom or for defining and projecting a self-image. They have mobile devices.

In addition, people can select transportation alternatives based on sharing rather than ownership to get from place to place. Those who rely on a car expect it to be the ultimate mobile device compatible with all operating systems, and many brands including Google are developing the ultimate category disruptor: the autonomous auto.

More challenges

Carmakers enjoyed strong sales in the US and China, but Europe's economic problems hurt results. Of the 13 categories studied in this BrandZ™ report, cars is one of two categories that hasn't rebounded in brand value to its pre-recession level.

Car sales usually lag in times of recovery as they require substantial financial investment. This recovery is even more challenging because in today's digital world, brands no longer control either the conversation with customers or the path to purchase.

The number of dealerships has declined in Europe and North America and increased in China where car buyers also shop and purchase online. Online sales hold both the promise of direct connection with the consumer, but also the possibility of disintermediation with an emphasis on price and the loss of critical customer data. Brands responded in a variety of ways to all these challenges. ▶

INSIGHT

Colliding trends complicate brand building efforts

In all the years I've worked in the car industry, I've never seen so many important trends colliding. One of those is the connected car. No one has cracked that. Engine technologies and the push for consumers to find better value are causing a lot of innovation. But there's insufficient differentiation. And what is the role of the car in the future? With increased urbanization people won't be willing to sit in gridlock. And young people aren't as interested in car ownership. Where do auto brands play in that world?

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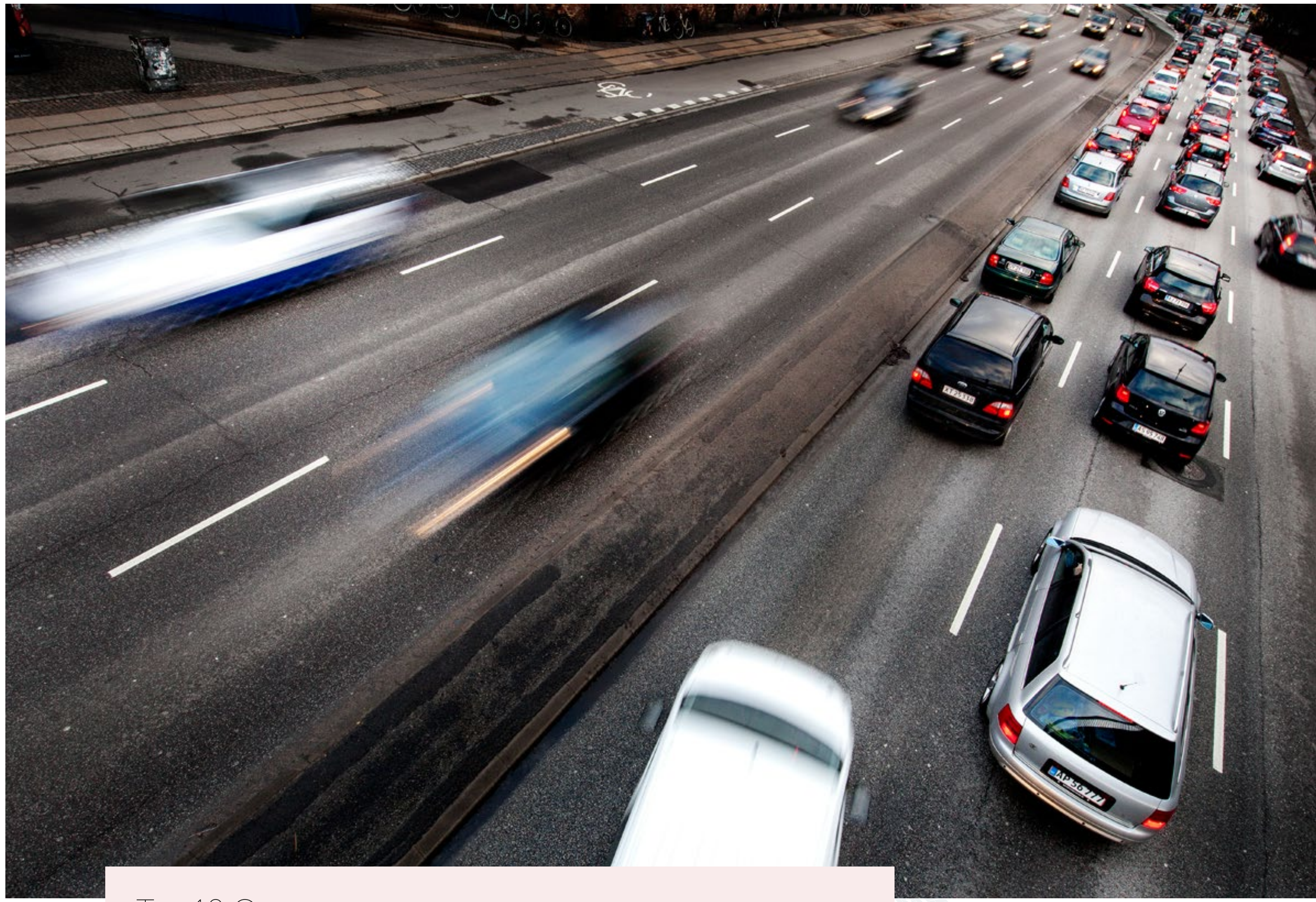


Top 10 Cars

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**Toyota**	28,913	4	-2%
2	**BMW**	26,349	4	2%
3	**Mercedes-Benz**	21,786	4	1%
4	**Honda**	13,332	4	-5%
5	**Ford**	13,106	3	11%
6	**Nissan**	11,411	3	3%
7	**Audi**	10,127	4	43%
8	**Volkswagen**	9,283	3	10%
9	**Land Rover**	4,987	4	N/A
10	**Lexus**	4,329	3	N/A

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Difference drives Brand Power

The car category, along with global banks, is one of only two categories analyzed in the BrandZ™ global report that have not recovered in brand value to their pre-recession levels.

And although the Car Category's BrandZ™ Top 10 has improved in Brand Power, the BrandZ™ measurement of brand equity, it lags in the Top 100 overall. On a Brand Power scale where an index of 100 is average, the brands in the Car Category Top 10 score 123, compared with a score of 170 for the Top 100 overall.

A key reason that the Car Category's Top 10 underperforms against the Top 100 in Brand Power is that the Car Top 10 divides into brands that score high in different areas, a component of Brand Power, and those that don't. High scorers include Audi, BMW, Mercedes-Benz, Toyota and VW.

Brand Power for these brands is close to that of the Top 100, while the other car brands score closer to the average. Brands with higher different scores are more attractive to consumers and create greater affinity.

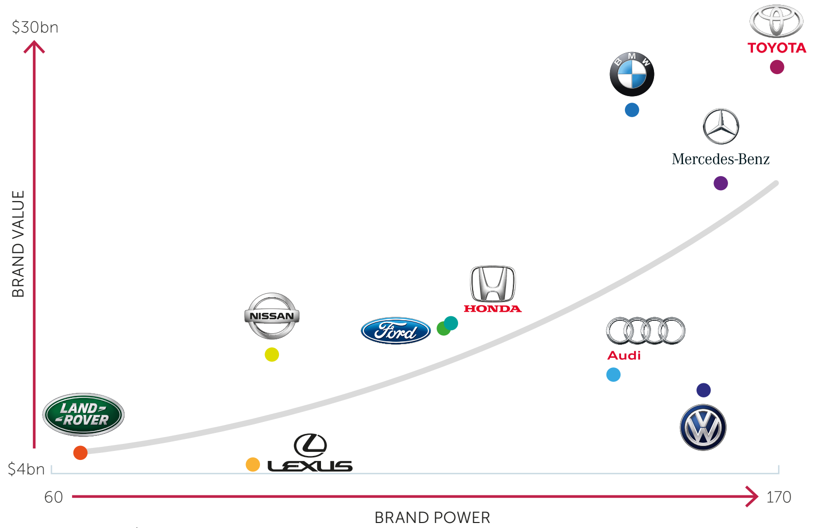
Ironically, one of the causes of the decline in difference for some brands is that carmakers are producing the best cars ever. These improvements in engine performance, safety and design, have left consumers less clear about some of the distinguishing brand propositions.

In fact, car brands that have a strong differentiating proposition (stand for something unique) have twice the valuation of less differentiated brands. Differentiated brands also grew 10 percent in value over the past 10 years, compared with an average 5 percent decline in value for the less differentiated.

More significantly, brands that score higher in Brand Power also are high in Brand Value. Stated another way, high Brand Power drives high Brand Value.

High Brand Power drives high Brand Value

Brands that score higher in Brand Power also are high in Brand Value. Stated another way, high Brand Power drives high Brand Value.



Source: BrandZ™ / Millward Brown
Average brand = 100

Brands respond

Sensing a demand for vehicles that achieve high levels of environmental responsibility without sacrificing performance, BMW introduced its BMWi hybrid. A leader in hybrid technology, Toyota worked to enhance its technical achievements with emotional appeal.

Toyota's luxury brand Lexus, which ranked highest for overall dependability in two respected independent surveys, attracted consumers seeking luxury with reliability. Land Rover, the heritage British brand of off-road vehicles, now owned by India's Tata Motors, enjoyed the sweet spot where the popularity of SUVs converged with the desire for luxury.

Many brands sold fleets to car sharing operators as a way to introduce potential customers to the brand experience. Luxury brands balanced this opportunity for mass exposure against potential brand dilution. Audi tested Audi Unite in Sweden, an arrangement in which up to four people can share the lease of a car.

Audi and Mercedes-Benz battled with BMW in the race to become the world's luxury car market share leader. VW continued to seek production efficiencies from global platforms. The brand enjoyed significant presence in China, but lagged in its' US market share.

US recovery drives sales

As the US economy recovered, the auto industry enjoyed the best sales since 2006 - 16.5 million units - driven by pent up demand, low interest rates, and cheap gas at the pump as crude oil prices plummeted. SUVs and light trucks were especially popular.

The compact crossover, basically a smaller SUV, also was popular, but the US market was filled with choice at most segments, including micro cars, subcompacts, compacts, lower midsize, upper midsize, hatchbacks and the crossovers and SUVs. Sedans were the only soft segment.

As luxury amenities became more accessible in mid-market brands, luxury brands like Mercedes-Benz introduced lower priced models as entry ramps to the brand. Drivers of pick-up trucks who sought luxury could select options like the Ford King Ranch, and in some neighborhoods those who desired – and could afford – ultra luxury, badges like Maserati and Bentley became more prevalent.

INSIGHT

Drive the same path to purchase as shoppers

How the brands get to people is massively important. It's about how the brand pops up in the customer journey. A dealership in a wealthy Chicago suburb had the best location for reaching people who could spend over $100,000 on a car, but customer traffic was slow. The dealer put one car in an art-gallery-type space downtown, opposite one of the city's best restaurants. In the first week he surpassed his dealership in the number of customers taking a test drive and providing contact details.

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The range of offerings reflects America's physical breadth and place of car ownership, which remains critical in rural areas. At the same time, massive recalls impacted some carmakers, particularly GM, which was the focus of a congressional inquiry into faulty ignition switches.

Slowdown in fast-growing markets

Slower economic growth impacted the rate of car sales in China, and carmakers pursued sales in lower tier markets as local governments in some major cities imposed quotas on car purchasing to help abate air pollution.

Despite these factors, China remained the world's largest car market. Driven by the popularity of SUVs and vans, passenger car sales increased almost 10 percent to 19.7 million units in 2014, according to the China Association of Automobile Manufacturers.

Although Chinese brands continued to expand at home and abroad, exports declined somewhat and Chinese consumers preferred to purchase foreign brands. Audi achieved an 18 percent year-on-year increase in sales volume in China, a strong performance especially because Audi is mostly locally produced, while other luxury car brands generally import vehicles to serve the China market.

VW continued to be the bestselling car brand in China, and enjoyed the strongest brand equity among the mass-market car brands in China. For the second consecutive year, GM sold over 3 million cars in China, its largest market.

Because of the high number of first-time buyers in China, most sales went through dealerships. But car brands also sold online, and several e-commerce companies developed one-stop options for purchasing and arranging finance from a mobile phone.

In India, a country where two-wheel vehicles remained popular, passenger car sales slowed to about 1.85 million units. Several carmakers suspended operations in Russia because of the drastic decline in the value of the ruble.

BRAND BUILDING ACTION POINTS

1. Build meaning into your brand. Your product has to be good and deliver on its promise, but people don't always buy the best products. They buy into what a product says about them or how it makes them feel about themselves.
2. Technology will reveal exactly how people drive. Understand the data and trust your instinct. Use the data creatively to create points of differentiation.
3. Don't view each brand communication individually. Rather, understand the full communication system and how the different parts of that system can build and impact on each other.
4. Explore new ways to provide convenient customer access to the brand, and present the brand with consistency in the physical and online worlds.

FUTURE VIEW

With the emergence of the sharing economy, cars are one piece of a more complicated mobility jigsaw. The ultimate questions car brands need to answer are: What is the value proposition for cars? And will car brands drive that proposition, or technology companies like Google or Apple?

The winning brands will rapidly evolve the ownership experience from an occasional transaction to one where there is a genuine and ongoing relationship between brand and customer. The experience will touch all aspects of the relationship, to the core of what ownership means, which could be weekend access to a variety of cars.

Brands also need to ask: What will the real estate look like? What will be the role of the dealership? How will a brand attract customers to the purchase funnel? How will brands differentiate?

LUXURY

Economic weakness in key markets dims luxury sales

Consumers warm to unique craftsmanship

Of the 13 categories tracked in the BrandZ™ Top 100 Most Valuable Global Brands, luxury declined most in Brand Value, with a 6 percent drop compared with a 16 percent rise a year ago.

Following a strong recovery from the global financial crisis, the pace of sales flattened for several reasons, including the economic slowdown in China, Brazil and Russia. In addition, China's anti-corruption regulations trimmed luxury gift giving in that country.

Changing values and attitudes about consumption also impacted luxury brands. Some consumers, particularly millennials, viewed luxury products as expensive indulgences inconsistent with their desire to live in a modest and sustainable way.

In addition, luxury brands limited efforts to reach a mass audience and instead reaffirmed exclusivity as a vital characteristic of luxury. Instead of offering trinkets at entry-level price points to widen accessibility, brands relied on content, such as live streaming fashion shows, to introduce new customers to the brand experience.

This resurgence of exclusivity created an opportunity for more ubiquitous and popularly priced luxury brands like Michael Kors. Sold both at its own locations and in department stores in over 85 countries, Michael Kors entered the BrandZ™ Luxury Top 10 for the first time this year.

Meanwhile, new luxury markets emerged – in Mexico, Turkey and Nigeria, for example. And brands also targeted the large and fast-growing demographic made up of international travelers who purchase luxury at airport shops.

Economic and currency factors

The slowdown of the Chinese economy especially impacted Prada. With one-third of its sales coming from the Asia-Pacific region, Prada's annual profits and brand value dropped. Both Louis Vuitton and Gucci, which expanded rapidly in China, were impacted by the economic slowdown and the anti-corruption regulations that dampened official gift giving.

INSIGHT

Leaders introduce the brand story to more consumers

Creating brand experiences that encourage the consumer to engage more in-store or online is becoming more important. For a time, luxury brands focused on the backstage experience at fashion shows. Increasingly, they're producing extensive videos that expand the brand story by showing the craftsmanship and attention to detail that goes into making a luxury good.

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ADDEDVALUE

Brand Value change

-6%

Luxury
Top 10 Total Brand Value

$104.6 BILLION

CATEGORY DEFINITION

The luxury category includes brands that design, craft and market high-end clothing, leather goods, fragrances, accessories and watches.

Top 10 Luxury

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**Louis Vuitton**	27,445	5	6%
2	**Hermès**	18,938	5	-13%
3	**Gucci**	13,800	5	-14%
4	**Chanel**	8,987	5	15%
5	**Rolex**	8,532	5	-6%
6	**Cartier**	7,612	4	-15%
7	**Prada**	6,540	5	-35%
8	**Burberry**	5,722	5	-4%
9	**Michael Kors**	3,815	3	N/A
10	**Tiffany**	3,232	3	N/A

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

In contrast, Hermès was less affected by China's economic slowdown, perhaps because the brand is a relative newcomer to China, and also because of its more discreet designs. Without the logo emphasis that had characterized some of its competitors, it better fit the more reserved mood of today's Chinese consumers. Jewelry was popular in Asia because of its timelessness and investment value.

Because of the price transparency created by the Internet, many brands harmonized their prices across regions. Some brands harmonized prices to slow the grey market of goods purchased in Europe, at relatively lower prices, for sale in China at a profit.

While these actions protected brand equity by eliminating large price differences across markets, they also trimmed lucrative margins in certain markets. Chanel lowered retail prices in Hong Kong and China while raising prices in Europe. Other luxury brands, such as Cartier, Patek Philippe and Burberry, took similar actions.

Changing ideas of luxury

For many post-recession luxury consumers, it was acceptable to purchase and enjoy luxury but not to be profligate and ostentatious. Even shoppers who typically had purchased an expensive leather bag every season instead looked for durability, adopting an attitude that *The Futures Company* calls "considered consumption."

Durability came in the form of a well-made leather bag from a famous brand, for example, or a bag from a lesser-known brand recognized by only those "in the know" for unique design and craftsmanship. One example of these small but growing brands was The Row, whose creative head left to take on the job at Hermès.

To satisfy the consumer desire for more discreet luxury, some of the large brand houses introduced more understated designs and promoted their artisan roots. Burberry personalized perfume by etching the user's initials on the bottle.

New products and communications

Brands responded to these trends both with new products and communications. Burberry expanded the link between fashion shows and music with Burberry Acoustic, a project that promotes young musicians. While Burberry continued to be a communication innovator, other brands began to catch up.

Louis Vuitton created a campaign around travel, connecting the brand with its heritage in fine luggage. Its Foundation Louis Vuitton art museum in Paris, designed by the renowned architect Frank Gehry, was among the most notable expressions of brand experience. Rather than sponsoring an existing art exhibition, Louis Vuitton curated its own collection.

Louis Vuitton also released a campaign called Series 1. Produced by a collective of photographers rather than a single photographer, the campaign created variety and more of a local feel rather than a global statement. The brand also built Louis Vuitton hotels, for the ultimate brand immersion.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Changing consumption attitudes impact category

The consumer view that the BrandZ™ Luxury Top 10 are responsible brands has declined over the past decade.

In 2007, consumers viewed the Top 10 luxury brands as being more responsible than the Global Top 100 brands. On an index where an average brand scores 100, the Luxury Top 10 scored 105 and the Top 100 scored 101.

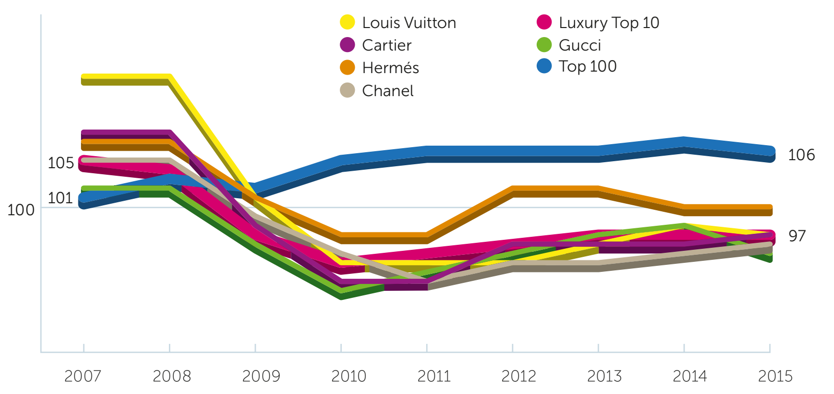
But the responsibility score of the BrandZ™ Luxury Top 10 plummeted with the global economic crisis in 2009, and it has not fully recovered. By 2015, the Luxury Top 10 scored only 98 in responsibility compared with 107 for the Top 100.

Although Hermès scored marginally better, all brands felt the impact of changing consumer attitudes about consumption. Post-recession consumers, especially millennials, have a harder time aligning luxury purchases with their views about consuming responsibly and expecting brands to serve a higher societal purpose.

In addition, the Brand Value of the Luxury Top 10 dipped sharply last year after rising steadily over the past 9 years. The decline resulted from the economic slowdown of important luxury markets like China and Russia.

Luxury Top 10 declined in responsibility

The responsibility score of the BrandZ™ Top 10 luxury brands plummeted with the global economic crisis in 2008, and it has not fully recovered.



Source: *BrandZ™ / Millward Brown*
Average brand = 100

INSIGHT

Luxury means far more than logo for many shoppers

Luxury means different things to different consumers. While some covet luxury institutions, others are more motivated by being "in the know" – the first to access a brand, a product, a story. The appeal is that few others know about it. Digital content makes these brands more easily discoverable and sharable.

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Under the leadership of a new design head, Tiffany reinvented some of its traditional collection to meet contemporary tastes. While still a brand known for gift purchasing, it appealed to women desiring to purchase jewelry for themselves. The T collection – bracelets and other items featuring the Tiffany "T" created a new access point to the brand while maintaining exclusivity.

Matching the social mood of the times, Tiffany introduced a line of men's wedding bands and engagement rings for same-sex couples. The initiative benefited from both the increase in same-sex marriages and the growing men's fashion market.

Chanel made headlines at Paris Fashion Week with innovative presentations at both the spring and fall shows. In the spring, Chanel staged its fashion show as a women's rights demonstration, while in the fall, Chanel presented its fashions ironically, using a set designed as a hypermarket. On aisles transformed into catwalks, models paraded past Chanel-branded hardware and FMCG products.

BRAND BUILDING ACTION POINTS

1. Less is more. In luxury, brands cannot be everything to everybody. Focus on developing a unique and niche perspective.
2. Start collecting data across all different channels of the business. Luxury traditionally has been a space driven by qualitative and artistic expression, rather than data-driven strategies. However, today brands must tap into this new information stream to effectively maneuver the global market.
3. Heritage remains important; the average age of a BrandZ™ Luxury Top 10 brand is 129. But to cultivate the next generation of luxury customers, brands need to present the brand experience – if not the products – more accessibly.
4. As people travel more, the luxury brands need to have a consistent brand story that works internationally without being bland, and with resonance for local markets.

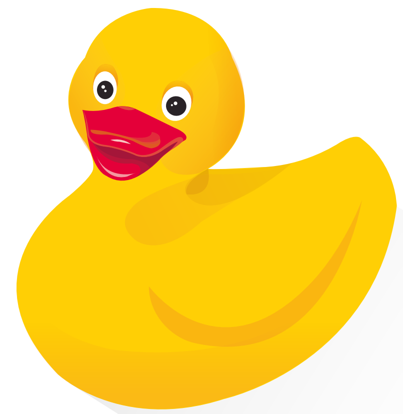
FUTURE VIEW

Preferences are moving away from the traditional global luxury brands to brands that have a much more refined design perspective and overall concept. Exclusivity is not just about price, but about personalization of the experience and the emotional connection a consumer makes with the brand. The new status is having something that speaks to you as an individual, not something that exhibits wealth.

The growth of international travel will continue to shape the business, and will present special challenges for communicating to consumers before, during, and after travel. These travelers will come from China, certainly, but also other markets with growing affluence, such as Mexico, Turkey and Nigeria.

Heritage will remain important. However, brands need to adjust for millennial consumers and their expectations of authenticity, individuality, creativity and a higher purpose beyond consumption. The purpose may be about how the brands make things – how they preserve skills and crafts.

PERSONAL CARE



Brand Value change

2%

Personal Care
Top 15 Total Brand Value

$114.2 BILLION

CATEGORY DEFINITION

The personal care category includes brands in health and wellness, beauty, and facial, skin, hair and oral care.

Brands articulate viewpoints on beauty and social mission

Men's grooming drives innovation and growth

Category leaders rolled out programs to connect brands with a higher purpose beyond a product's functional benefits. The purpose usually involved sustainability and the welfare of customers and employees.

Factors driving these initiatives included evolving consumer attitudes about beauty and consumption, the influence of millennials, and the power of social media to strengthen or weaken brand reputation.

By championing a higher purpose, brands also attempted to differentiate and avoid commoditization in a crowded and competitive category. Combining commercial interests with a social mission also facilitated expansion in developing markets.

Brands emphasized wellness, naturalness and internal beauty, rather than idealized notions of female beauty. Brands also introduced more products for men, as masculine grooming remained one of the fastest-growing category segments.

However, the personal care category grew just 2 percent in Brand Value, as consumers indulged selectively, and slower economic growth in China and Brazil impacted sales. The luxury segment performed relatively well, driven by the personalization and premiumization trends and the growth of airport sales.

Luxury brand Lancôme led the personal care category in Brand Value appreciation with a 23 percent gain. Slower growth in China resulted in flat Brand Value for Estée Lauder. The 24 percent Brand Value decline of Natura reflected a slowdown of Brazil's economy and increased competition.

Acting on a higher purpose

L'Oréal Paris introduced its "Sharing Beauty with All" project, promoting sustainable production and consumption of beauty products, and its "L'Oréal Share & Care" program to ensure that its employees worldwide have access to healthcare and enjoy social benefits, including work-life balance.

Estée Lauder added a corporate responsibility function, appointing a high-level executive to oversee progress in several areas, including product innovation, sustainable supply chain and social impact.

INSIGHT

Brands focus more on role in society

Personal care brands today pay a lot more attention to human insight, as opposed to just product insight. It's about the brand's role in society and about putting forward a point of view. In haircare for example, one of the bestselling haircare brands made a shift from just talking about shine as the outward benefit to focusing on the inner shine or strength of the woman. It's an empowering platform that's also credible for the brand. This kind of approach needs to be genuine, otherwise it can look clichéd or self-serving.

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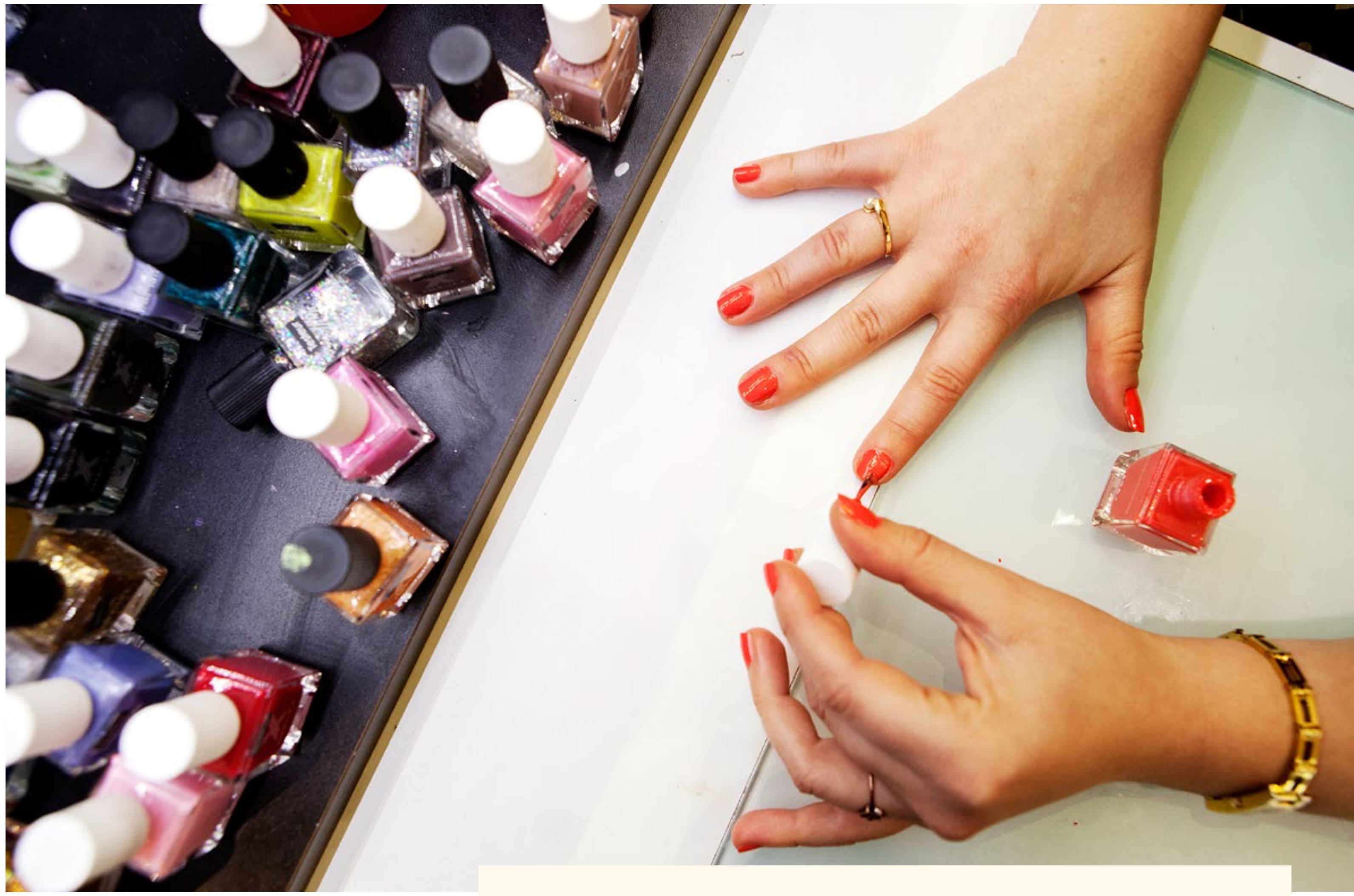

Dove, which introduced a more expansive and inclusive view of beauty and womanhood more than 10 years ago, expanded on the theme with a focus on building and protecting the self-esteem and individuality of girls. The educational program sparked debate through both print and viral video.

The Dove initiatives are part of Unilever's corporate mission to grow its brands while reducing their environmental impact, and to make a positive social contribution. As more brands adopt a higher purpose, the challenge for Dove is to retain its differentiation.

Dove again moved beyond functionality when it marketed its Dove products for men in the context of a wider definition of masculinity. Dove Super Bowl ads for Dove Care showed fathers with their infants and grown children, including a dad at the wedding of his daughter, to emotionally convey the tagline that "Care makes a man stronger."

Top 15 Personal Care

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**L'Oréal Paris**	23,376	4	0%
2	**Gillette**	19,737	5	4%
3	**Colgate**	17,977	4	2%
4	**Lancôme**	8,356	5	23%
5	**Nivea**	6,488	3	-12%
6	**Garnier**	6,351	4	1%
7	**Clinique**	5,986	5	10%
8	**Dove**	5,314	3	10%
9	**Olay**	4,045	4	-3%
10	**Estée Lauder**	3,969	5	0%
11	**Crest**	3,952	4	2%
12	**Oral-B**	2,926	4	9%
12	**Pond's**	2,178	2	10%
14	**Neutrogena**	1,840	3	3%
15	**Natura**	1,700	4	-24%

Source: Millward Brown (including data from BrandZ and Bloomberg) and Brand Analytics
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

INSIGHT

Big brands face major opportunity in men's grooming

Many small brands proliferate in personal care. But there's a huge opportunity in the men's space for big brands to do better and build a true relationship with men. Men are feeling a lot of social pressures, especially when it comes to looking good or at their best (something that women have had to deal with for a long time). At the moment there's not a lot of fussiness among average men when purchasing personal care (especially because they don't know what to purchase). Men aren't going to experiment with a lot of small brands. They're going to select what they know and what they're comfortable with. The big brands have an opportunity to dial it up.

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the futures company

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Premiumization, trust drive brand success

Innovation and brand trust enabled the Personal Care Top 10 to increase the premium that consumers are prepared to pay. The Top 10 achieved a Premium score of 113 compared to the Top 100 Premium score of 107. (An average brand scores 100.)

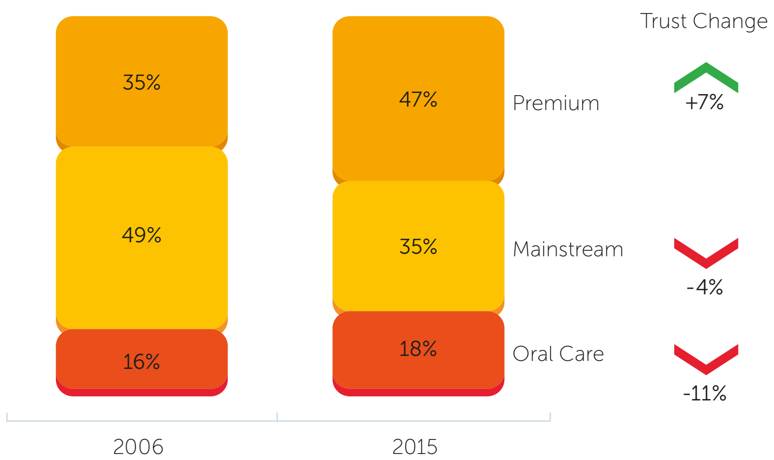
The distribution of Brand Value among the Personal Care Top 10 brands reflects this result. In 2006, mainstream brands, such as Dove, Gillette and Nivea, accounted for half the Top 10 Brand Value. Today mainstream brands comprise only 35 percent of the value. Oral care brands grew slightly from 16 percent to 18 percent of Top 10 value.

In contrast, the premium offerings, such as Clinique, Estée Lauder, Lancôme and L'Oréal Paris, today comprise nearly half the Brand Value of the Personal Care Top 10, up from only a third of the value 10 years ago.

The Personal Care Top 10 surpassed the BrandZ™ Global Top 100 in trust, with a score of 105 compared to 101 for the Top 100. Trust scores increased for premium personal care brands over 10 years (+7), slipped a little for the mainstream brands (-4), and declined more significantly for oral care (-11). The changes in trust scores corresponded with Brand Value increases or decreases.

Increased trust in premium brands adds value

Innovation and brand trust enabled the Personal Care Top 10 to increase the premium that consumers are prepared to pay. The premium brands increased in trust and Value.



Source: BrandZ™ / Millward Brown
Average brand = 100

Male grooming

The rise in male grooming brought large opportunities and also challenges. The facial hair trend, razor blades available by subscription for home delivery, and the millennial preference for electric razors impacted the long-time leader in male grooming, Gillette.

For many years, Gillette has sent men razor kits on their eighteenth birthday. This ceremonial passage into adulthood, called the "Welcome to Manhood" campaign, was based on the insight that once men select a razor brand they tend to stick with it. The market has changed, however.

Gillette launched an online razor subscription service. It also introduced an innovative flexible razor as well as electric razors for trimming mustaches, beards and body hair. In its "100 Years of Hair" campaign, the brand cleverly showed the evolution of male grooming, ending with a promotion for Gillette's body razor.

In a video series called, "Life Hacks," Nivea became a life coach for young men, offering fast and funny educational tips for solving problems, such as chilling wine quickly or deodorizing sneakers. L'Oréal Paris experienced strong sales in China for its L'Oréal Paris Men Expert product line. The men's personal care trend is most advanced in Asia, particularly South Korea.

INSIGHT

South Korea leads the male grooming trend

The South Korean male grooming market is staggering in size. South Korean men feel pressured to come across as professional guys who are modern and want to get ahead. They feel a need to look perfect. It's a bit like what motivates some women to spend so much money on personal care. They're expected to by society. What will make men in the US, the UK or Europe spend on men's grooming is unlikely to be quite the same factor.

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Premiumization, personalization and ingredients

In a category with so much product segmentation and choice, brands continued to seek points of difference through innovation, premiumization and personalization. Some of the innovation came in the form of products that offered solutions for specific needs, or multiple benefits around a core promise.

Consumers continued to be concerned about ingredients. Personal care customers increasingly expected to receive scientific reassurance that ingredients were natural or at least not harmful. Hair care brands shifted to scientific language to describe their products in an attempt to build trust and give consumers a reason to believe.

Oral care brands developed apps for monitoring tooth brushing and making it fun for children. Colgate offered apps based around favorite cartoon characters like *SpongeBob SquarePants* and *Dora the Explorer*.

Communication

Changing consumer expectations influenced communication. More accessible brand ambassadors replaced remote supermodels. Young TV personality Kendall Jenner for example, is a part of an emerging fashion movement dubbed "Social Media Modelling", and now represents Estée Lauder. Brand ambassadors were popular in Asia, where brands also recruit bloggers after they've gained fame and followers.

Sampling, an important marketing tool in personal care, became more challenging because of declining customer traffic in department stores, at least in the US. Brands turned to alternatives like Birchbox, a subscription service that delivers a monthly, curated collection of personal care product samples. This approach can be disruptive because it provides new brands relatively easy market entry.

Several P&G brands, including Gillette and Olay, partnered with LinkedIn on a project called "Face the World," about preparing college students to present themselves well in the physical and digital worlds.

L'Oréal Paris developed an app for millennials. It worked as a mobile consultant but also included a product delivery aspect. Clinique opened a flagship store on Alibaba's Tmall, which is a business-to-consumer e-commerce platform in China. Estée Lauder also opened a Tmall store. The site helped brands penetrate beyond the major Chinese cities where they have a physical presence.

BRAND BUILDING ACTION POINTS

1. Define a clear purpose for your brand; one that allows it to play a meaningful role in society and culture. Too many functional benefits alone, and over reliance on promotions, particularly in mass, risk commoditization.
2. Focus on innovation that is true to the brand's purpose and driven by consumer's needs, not just brand's production capabilities.
3. Build an agile organization able to react fast and experiment, while still having long-term focus and direction.
4. Treat your customers as participants in evolving the brand. How they use the products or comment about them can help shape the brand and keep it relevant.
5. Create communications that are relevant, consistent, and differentiating. Consumers are bombarded with information, facts, and marketing messages. Help them screen out the competitive media noise.

FUTURE VIEW

While a brand's emotional appeal or higher purpose will become more important, it won't be enough by itself. Functional innovation will remain basic.

Brand purpose will need to resonate with the customer and be genuine. As more brands assert a higher purpose, purpose will become less of a differentiator.

Changing attitudes about gender will influence the personal care category and present opportunities for astute brands.

Consumers will continue expecting products and brands to feel more personal, which could be an execution challenge for the big players.

The proliferation of new products with pharmacological benefits could erode category trust if the innovations don't fulfill their promise.

RETAIL

Brand Value change

24%

Retail
Top 20 Total Brand Value

$348.1 BILLION

CATEGORY DEFINITION

The retail category includes physical and digital distribution channels in grocery and department stores and specialists in drug, electrical, DIY and home furnishings. Amazon appears within retail because it achieves approximately 90 percent of its sales from online retailing.

The most valuable retail brands lack physical stores

E-commerce produces transformation

Driven by the entrance of Alibaba, the value of the retail category grew 24 percent, tying it with technology as the fastest rising category in the BrandZ™ Top 100 Most Valuable Global Brands.

Chinese e-commerce giant Alibaba qualified for the Top 100 after its IPO and instantly topped the BrandZ™ Retail Top 20, just ahead of Amazon. JD.com, a Chinese e-commerce site that processed 689 million orders in 2014, also entered the BrandZ™ Retail Top 20 for the first time.

Alibaba and Amazon have no physical stores but surpassed Walmart, which operates over 10,000 stores worldwide, and ranks third in the Retail Top 20. This irony illustrates the impact of e-commerce on the radical transformation and rationalization of retail.

The impact is also evident in the churn of brands. Almost half of the BrandZ™ Retail Top 20 brands have changed since the BrandZ™ Top 100 Most Valuable Global Brands report launched 10 years ago.

At that time, consumers expected a trade-off between price, selection and convenience. Now they expect it all – the broad range and sharp pricing of big-format stores, but with more personalized products and service, including greater convenience.

As retail evolves, successful retail brands will remain what they've always been - trusted locations where consumers can access experiences, products and services they want or desire to own – and in the future, may want or desire to rent or share.

Demographic changes, such as aging societies, will influence an expanded offering, which could include, for example: home automation, home monitoring, meal delivery and health care services.

Watch the Alibaba Film:
http://bit.ly/16hCGoG

INSIGHT

Retail rationalization: fewer brands meet broader needs

We're seeing retailer rationalization. Consumers are consolidating their shopping routines with fewer select retailers that are meeting broader needs. To succeed, retailers need to build and sustain loyalty at a new level. They must start with a shopper-first mentality that's more than a slogan on the wall. It requires mining data to get beyond identifying people by broad demographic categories, and instead achieve personalization that recognizes individual shoppers and their specific needs that go beyond products into streamlining shopper routines, and delivering on convenience.

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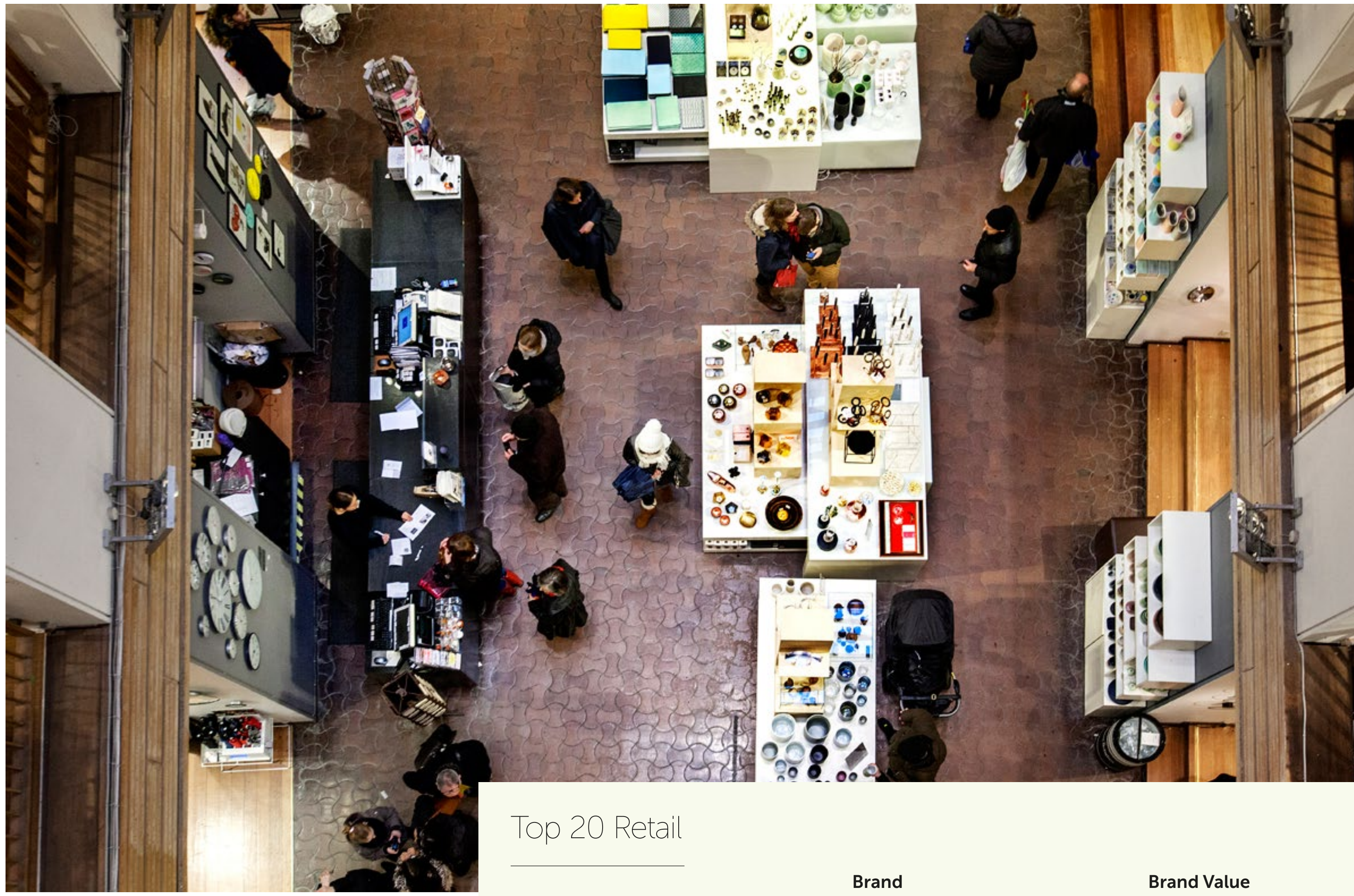
KANTAR RETAIL

Not every brand will be as broad as Alibaba, Amazon or JD.com, but for successful retailers, technology and brand experience, both physical and virtual, will be as vital as location, and the most successful retailer brands will be integral to the lives of their customers.



Share of life

Because of the rise of e-commerce, combined with demographic trends – smaller households and more urban living – consumers did less shopping with big retailers, and gaining share of life became more important, according to *Kantar Retail*.

To remain in consideration, retailers adopted a shopper-first attitude, using big data to understand individual shoppers and provide an edited selection and personalized service.

Amazon continued to embed itself deeper into the lives of its customers with programs like Amazon Prime, which builds loyalty with one-day delivery and access to content. Meanwhile, the brand extended into more categories such as fresh food, which it's introduced in several markets.

Top 20 Retail

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**Alibaba**	66,375	2	N/A
2	**Amazon**	62,292	4	-3%
3	**Walmart**	35,245	2	0%
4	**The Home Depot**	27,705	2	25%
5	**Ikea**	17,025	3	-12%
6	**eBay**	14,171	3	-9%
7	**Woolworths**	11,818	4	-1%
8	**Aldi**	11,660	2	22%
9	**Costco**	11,214	2	19%
10	**Lowe's**	10,756	2	23%
11	**CVS**	10,280	3	21%
12	**Tesco**	9,410	4	-37%
13	**Walgreens**	8,484	3	2%
14	**Target**	8,400	2	-11%
15	**Carrefour**	8,000	3	-12%
16	**JD.com**	7,649	2	N/A
17	**7-eleven**	7,492	4	N/A
18	**Macy's**	7,103	3	N/A
19	**Whole Foods**	7,009	4	-24%
20	**Lidl**	6,031	2	27%

Source: Millward Brown (including data from BrandZ, Kantar Retail and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Brand Value balance shifts to online brands

Retail brands rapidly recovered in Brand Value following a slowdown during the recession, with the Brand Value of the Retail BrandZ™ Top 20 category growing 70 percent since 2010, slightly better than the Top 100 overall.

This result includes the arrival of Alibaba, rising straight to the number one rank in this 2015 report. It also reflects how the proportion of value within the Retail Top 10 has shifted dramatically over the last 10 years to online brands.

Online retailers make up more than half the Retail Top 10 value now, compared to a mere 14 percent in 2006. The main casualties have been the mainstream retailers that had over half the value, and now only have less than a fifth.

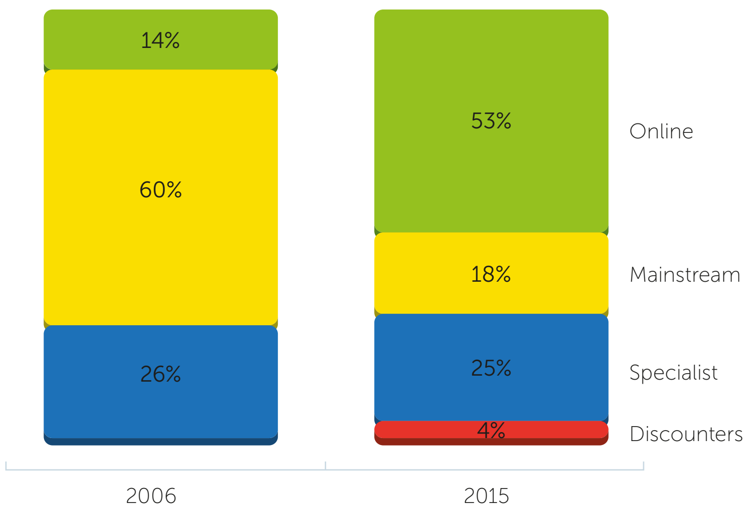
Over the past 10 years, the Brand Value of online brands increased a massive 645 percent, while specialist brands improved 93 percent in Brand Value and mainstream brands declined 41 percent.

The disruptive force of these developments is reflected in the churn of the retail ranking. Eight brands joined the Top 20 after 2010: 7-eleven, Alibaba, CVS, JD.com, Macy's, Walgreens, Whole Foods, Woolworths. Eight brands dropped out: Asda, Auchan, Best Buy, Kohls, M&S, Safeway, Sainsbury's, Sam's Club. At the same time, certain individual retail brands of various types far exceeded the average brand power score of the Top 100, which is 172, on a scale where the average score for all brands is 100.

The highest scoring online brand in Brand Power is Alibaba (239); specialist - Ikea (289); mainstream - Walmart (217); and discounter - Aldi (149). Brand Power is the BrandZ™ measurement of brand equity.

Online brands dominate in Brand Value

Online retailers make up more than half the BrandZ™ Retail Top 10 value now compared to a mere 14 percent in 2006. The main casualties have been mainstream retailers.



Change in value makeup of the BrandZ™ Retail Top 10 brands 2006 to 2015

Source: BrandZ™ / Millward Brown
Average brand = 100

Similarly, Alibaba not only operated several e-commerce sites, including Taobao Marketplace and Tmall, a third-party platform for brands, but also facilitated transactions through its Alipay app, keeping customers within the Alibaba ecosystem, which also includes banking and other financial services.

A combination of competitive issues, including price competition from dollar stores and other rivals, slowed Walmart's same-sales growth in the US, and sparked the chain's determination to gain greater share of life and reinforce the relevance of the Walmart brand and its "Always Low Prices" promise.

INSIGHT

Multichannel shoppers are better customers

People who shop online and in a physical store are more likely to be better customers who shop more frequently and spend more. The physical store environment gives people the opportunity to experience brands and products - to see, touch, try on, be exposed to things you may really want, just not right now. Conversely, the digital store makes instant gratification possible, particularly when services such as "buy online, pick up in-store" and same-day delivery are available. Retailers need to both expose customers to experiences that create desire, and make it possible to purchase wherever and whenever the customers want. It shouldn't matter whether the customer purchases online or in-store; if they are doing both, they are buying more.

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J. WALTER THOMPSON
WORLDWIDE

Remaining relevant

Walmart sought lower pricing from vendors and increased employee wages as part of an effort to improve store experience. With over 4,500 locations just in the US, Walmart leveraged its omnipresence by allocating some space to health care clinics, and experimenting with car insurance and other financial services.

Other retail brands with health care clinics included the major drug chains such as CVS and Walgreens. Target also operated health care clinics, which drive shopping trips and increase share of life. It's an area into which certain retailers enjoy consumer permission to expand.

In another initiative to keep its locations and range relevant to changing consumer needs, Target worked to differentiate its grocery department with organic food, craft beer and other products to attract millennial shoppers traditionally drawn to the chain's reputation for urban style at a fair price.

As low grocery prices and convenient location attracted shoppers to food discounters Aldi and Lidl, hypermarkets like Carrefour and Tesco opened smaller stores. Walmart also opened smaller stores under its Neighborhood Market and Walmart Express banners, and experimented with a format called Walmart to Go.

The appearance of 7-Eleven in the BrandZ™ Retail Top 20 for the first time confirms the strength of the convenience trend. The convenience store chain operates 55,000 locations worldwide, including a strong presence in Asia.

Seeking convenience

Macy's, another BrandZ™ Retail Top 20 newcomer, also illustrated the importance of convenience. After several decades competing against category killer specialists, department stores resurged as convenient one-stop emporiums with edited selections across many categories.

Convenience helped drive the success of CVS and Walgreens, which evolved from category-killer drug stores to convenience locations, small enough to easily shop but large enough to offer a wide range that includes not only pharmacy but also grocery.

Even the home improvement category-killers, including Home Depot, pioneer of the DIY warehouse, opened locations about the size of the hardware stores they initially challenged. Lowe's planned two small stores for Manhattan. B&Q, the UK's home improvement leader, subdivided some of its warehouse locations and shared the space with other retailers.

Convenience also explains the development of "click and collect," a popular phenomenon in Europe that enables consumers to purchase online and pick up from outlets often located along their commuting routes.

Concerned that "click and collect" would reduce store visits, US retailers have been slower to adopt it, but Walmart tested a "click and collect" system, having gained expertise from Asda, its UK brand.

Meanwhile, Amazon experimented in Manhattan with a one-hour delivery service called Prime Now. Amazon also introduced the Dash Button, a tool that puts replenishment of key items at the customer's fingertips.

BRAND BUILDING ACTION POINTS

1. Hit all the basics. Consumers expect more today, and the store experience really matters. Consumers don't have the patience for long check lines or searching for products on the shelf; they want adequate staffing.
2. Narrow the gap. Retailers need to narrow the gap between shopper expectations and what they find in stores and online. Consumers don't expect to make a trade-off between price and convenience.
3. Improve experience. When consumers walk into the physical store or click online, delight them with the immersive brand experience.

FUTURE VIEW

As successful retailers gain a greater share of the consumer's life, consumers will shop at fewer big retailers. To remain in consideration, retailers need to personalize their offerings and service, improve convenience, and provide a compelling and differentiating brand experience.

Big data will be critical to understanding individual shoppers and providing a personalized service that edits the product range into a manageable and relevant selection. While there will be fewer big retailers, new start-ups that meet specific needs are likely to appear.

Store experience will increase in importance as a place to express the brand. The social aspect of shopping will continue to be important. It needs to work harmoniously with the shopping consumers do online when looking for a wide range and convenience.

Mobile will be critical, especially the location-based apps that enable the retailer to interact with the shopper in real time and offer purchasing opportunities that are personalized to fit the shopper's product preferences and budget.

PERSONALIZATION

Personalization means much more than initials on a bag

It's about connecting with the individual beyond the data

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Added Value is a leading global strategic marketing consultancy providing brand strategy, innovation, insight and communications services.

www.added-value.com

ADDEDVALUE

The word personalization in the world of branding often refers to tailored marketing through the power of digital data. Technology has allowed businesses to track and target consumers online based on previous online behavior and other data. This information enables brands to create experiences that are in tune with consumer needs and to drive consumers to quicker purchase decisions.

The trouble with personalization viewed this way is that it's based on past behavior. Take Amazon for example, which recommends books you might like based on books that you've bought already. This approach works brilliantly if you love a crime novel author and want to buy another; it is an effective model to make consumers purchase quicker and ensure they don't become bombarded with books they're simply not interested in. This model has its place in many scenarios – particularly small ticket items and replenishment shopping for groceries or weekly travel cards.

However, with purchases beyond the weekly shop, how does Amazon know what you want? Just because someone bought "Born To Run" while training for the marathon does not mean that person now is only interested in running books. Similarly, if someone buys chicken for dinner that doesn't mean they want chicken exclusively every week. Curating experience can also mean closing down options, limiting interests rather than opening up to new avenues and possibilities.

We also think of personalization as having your name brandished on a product. Coca-Cola had great success with its "Share a Coke" campaign. Coke replaced its logo with popular first names and turned the soft drink into a personalized gift item for "sharing happiness." Similarly, luxury fashion house Goyard recalled its bespoke heritage with an "Art of Customization" service. It enabled customers to create an individual monogram from a selection of colors, patterns and fonts.

A broader idea of personalization

While having your name on your favorite drink or handbag is fun and a step to feeling more connected with the brand, surely we don't want our initials on everything we buy. When considering this topic we must think about how broad the concept of personal is. There are now 7 billion people in the world, and while there is a valuable place for genuinely innovative products and services that provide an exceptionally tailored experience to an individual, our interpretation of what we mean by personalization need not be so narrow.

In its broadest definition, personalization means individuality. That doesn't have to mean embossed initials. In fact, consumers develop an identity by associating themselves with the brands that speak to them and say something about their aspirational, myriad selves. The implication for brands is simple: be clear on who you are and whom you are for, rather than merely playing back your consumer. In essence, be for someone not for everyone. Kate Spade is a great example of this idea. The brand is exceptionally clear on its story. Dubbed the "Kate Spade New York Girl," the brand speaks to consumers in every medium as that aspirational girl. She lives a more interesting life – one not of materialism, but of books, culture, dance, cocktail parties and that perfect song from the '80s. She has a personality, a lifestyle and a place. As a result, it appeals or it doesn't. You know if you're a Kate Spade woman because you personally identify with the brand.

Personalization can also be created through storytelling. By giving people a fascinating brand story they will become more connected and invested in your brand and often use these stories as social currency in return. Huit Denim is an interesting example. It's a luxury fashion forward brand that set up shop in a small town in Wales named Cardigan. The town used to make 35,000 pairs of jeans a week, but one day the factory was closed; jobs were lost. Setting up in Cardigan brings manufacturing back to a struggling economy with highly skilled craftsmen on the doorstep. It's a beautiful, personal story, one that its wearers love to share.

Unique experiences are another way brands are getting personal. Audi has changed the automotive retail experience by creating state of the art technology in new city center showrooms. These locations reinvent the car dealership, fitting it into relatively small urban spaces where digital technology enables customers to experience and personalize the full range of Audi options. The spaces are also used for cultural events that match the interests of Audi customers. The showrooms now only allow customers to create cars that fit their exact needs, but the also fit their personal lifestyle needs. Most city dwellers no longer have the means or the time to make a trip out to suburban car dealerships. This model brings the car to them.

Brands can get personal in many ways. What is critical to remember is that the value equation must be balanced. If people are giving away personal information for free, it must be clear what they are getting in return.

BEER

Brand Value change

9%

Beer
Top 10 Total Brand Value

$78.6 BILLION

CATEGORY DEFINITION

The beer category includes global and regional brands, which in an increasingly consolidated industry, are mostly owned by four major brewers.

Brewers innovate to satisfy changing tastes in mature markets

China and Latin America drive volume growth

The beer category increased nine percent in brand value on the strength of consumption in China and Latin America, despite slowing consumption and changing tastes in some mature markets.

Advertising and social media reinforced the salience of major brands with campaigns built around events like the FIFA World Cup. The sheer proliferation of World Cup-related marketing however, meant little meaningful differentiation among brands.

The local brewing, consolidated global operations and centralized marketing communications that helped global category leaders achieve economies of scale and enhance profitability also contributed to flattened brand distinctiveness, (Please see the 10-Year Trends story).

In addition, major brewers faced several challenges in mature markets, including: the demanding tastes of millennial drinkers; a shift from on-trade to off-trade consumption; and the imposition of government restrictions on marketing.

In response to the millennial pursuit of new taste experiences and product authenticity, brewers either added line extensions to their major brands, or purchased or developed alternative brands, sometimes to compete with craft beers.

A phenomenon in North America and the UK, craft beer is related to a larger global shift toward premiumization. It also reflects an attempt to make beer relevant for more occasions.

Diversity and niches

Latino influence was reflected in the success of two brands with origins in Mexico - Modelo and Corona. Modelo, acquired by AB InBev through its acquisition of Grupo Modelo, entered the BrandZ Beer Top 10 for the first time, while Corona, an earlier AB InBev acquisition, led the import sector in the US, ahead of Heineken, the number one import in other markets.

AB InBev, also the maker of Budweiser, the most valuable brand in the BrandZ™ beer category, released a hybrid beer called Oculto, a tequila-flavored beer aimed at the younger drinker attracted to Mexican brews and amused by the skull on the label. Reminiscent of the Day of the Dead, the eyes glow when the beer is chilled. This entry followed AB InBev's rum-flavored variant called Cubanisto.

INSIGHT

Brewers balance local relevance, global economies

Most lagers struggled for a meaning, trying to balance local relevance and against the need for global economies. For example, when most of a brand's advertising is created in the US, it may not resonate elsewhere. Brands invested to build Salience by being present and visible around the World Cup, but being Meaningful and Different drive Brand Power. When brands focused mostly on the World Cup their equity actually declined, because they shared the space with so many competitors.

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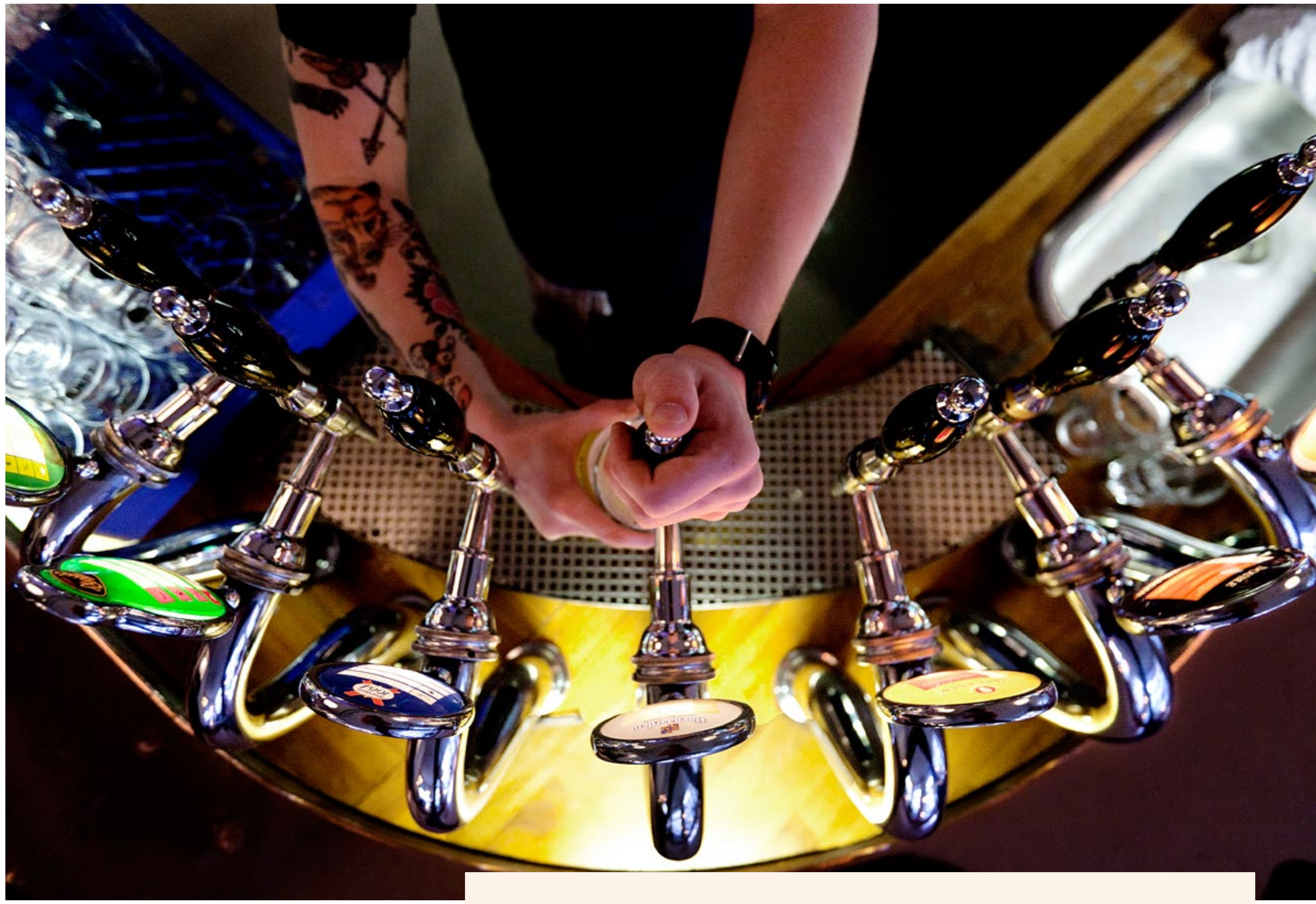


Brewers in many country markets created mixtures of beer and alcohol to meet millennial preferences, which include a sweet palate, an interest in cocktails and the desire to feel the effects of alcohol quickly. Brewers also sought to build incremental growth by converting more women drinkers from spirits to beer.

The brand repertoire of many beer drinkers included both a mainstream brand and a craft brand that connected with their sense of personal identity. Sometimes the newer and smaller craft beers did a better job telling their brand heritage stories than did the major brands, which are, on average 99 years old.

Top 10 Beer

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**Budweiser**	13,752	4	16%
2	**Bud Light**	12,905	4	3%
3	**Heineken**	9,668	5	12%
4	**Stella Artois**	8,650	5	5%
5	**Skol**	8,500	5	20%
6	**Corona**	8,476	5	6%
7	**Guinness**	4,951	5	-1%
8	**Brahma**	4,185	4	17%
9	**Coors Light**	3,916	3	N/A
10	**Modelo**	3,604	5	N/A

Source: Millward Brown (including data from BrandZ™, Brand Analytics and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Globalization dilutes brand character

The BrandZ™ Beer Top 10 grew by 183 percent in Brand Value during the past 10 years, exceeding the growth rate of the Top 100 overall, which grew 126 percent. However, the Beer Top 10 tracked lower than the Top 100 in Brand Power, the BrandZ™ measurement of brand equity.

Last year major beer brands invested heavily in media around the FIFA World Cup. Because consumers now see beer brands as less distinctive in character, it appears that the investments maintained awareness without creating points of meaningful difference. The scores for viewing beer brands as sexy declined while the scores for viewing them as straightforward increased.

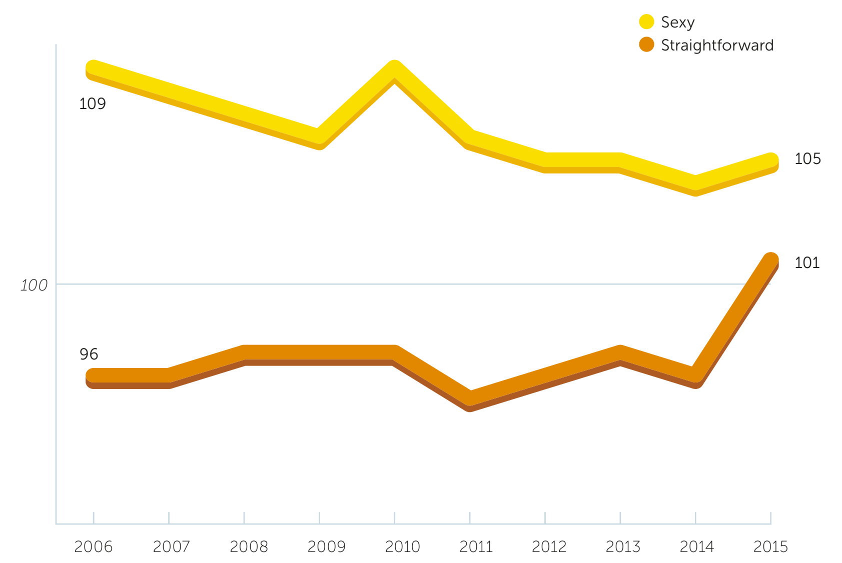
The global production and communication practices of the major brewers, which yield economies of scale, contributed to the softening of differentiation. Advertising restrictions against associating drinking and sexiness probably influenced this development as well.

Difference is key in driving profitability and growth. The brands that have remained in the BrandZ™ Beer Top 10 over the 10-year period have a high Difference score of 106. An average brand scores 100. Brands that dropped from the Top 10 scored only 84 in Difference.

The brands comprising the BrandZ™ Beer Top 10 ranking changed only slightly over the last decade. Four of the Top 10 beer brands – Skol, Corona, Brahma and Modelo –have Latin American heritage. Budweiser and Bud Light continued to lead the ranking, on the strength of their global distribution and high ad spending, but they switched order, with Bud Light moving to first place followed by Budweiser. Heineken retained its lock on third place.

Brands exhibit less distinctive character

Consumers now see beer brands as less distinctive in character. The scores for viewing beer brands as sexy declined while the scores for viewing them as straightforward increased.



Source: BrandZ™ / Millward Brown
Average brand = 100

More fragmentation

While millennials showed little interest in their fathers' beer brands, they found authenticity in the brands their grandfathers consumed. In the US this drove interest in brands such as Pabst Blue Ribbon and Coors Banquet. Coors advertising stressed the provenance of Coors Banquet (being brewed in the Rocky Mountains), and in some of its variations emphasized heritage with the line, "Someone named Coors tastes this beer everyday."

North America continued to experience the 'wineification' of beer, meaning that a category driven by a few volume leaders is fragmenting into smaller brands, the craft beers, none of which individually controls significant share.

INSIGHT

Consolidation softens competitive bite among brands

Because of the amount of consolidation that's taken place, many brands that were previously competing are now in the same portfolio, at global and/or local level. In the past, there might have been an aggressive strategy to better the competition. Budweiser and Beck's was a classic example in the UK. Now they're in the same stable. When a key competitor comes into the same stable, it's a transition in terms of culture, mindset and strategic approach. You're now looking after a brand you need to nurture and be fond of, rather than one that you've been aiming to knock out.

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Fragmentation further complicated brand portfolio management. This task is already difficult in the US, because, while in other countries brewers control their distribution, beer brands in the US funnel through independent distributors who may handle hundreds of competing brands.

Light beer retained its popularity in North America, despite fragmentation, because of local taste preferences and because lightness confers permission to indulge. Bud Light and Coors Light led consumption. Bud Light remained the number two most valuable brand in the BrandZ™ beer category, while Coors Light entered the BrandZ™ Beer Top 10.

Marketing concerns

The vast majority of beer in the US was sold off-trade, while in the UK, traditionally an on-trade market, consumption continued to shift to home and away from pubs and restaurants. Having the majority of beer volume sold in supermarkets, often at a discount, intensified the marketing challenge for brewers.

Fulfillment trends in the UK and continental Europe compounded the problem. With the popularity of click and collect, purchasing online and picking up at a drive-thru, the consumer less often experienced point-of-sale brand marketing.

Despite uneven economic growth across Latin America, beer consumption remained strong. Brazil's Brahma beer, owned by AB InBev, was a World Cup sponsor. The BrandZ™ ranking of the Top 10 beer brands includes two Brazilian entries, Brahma and Skol, along with Mexico's Corona and Modelo.

The major brewers continued to aggressively market their Chinese brands, in some instances with World Cup sponsorships. Two issues impacted beer consumption in Russia: the economic slowdown and the imposition of regulations restricting beer advertising on TV. Regulations prohibiting liquor advertising also moderated beer sales in India.

Meanwhile, SAB Miller continued to expand its brands throughout Africa from its base in South Africa. Driven by growing affluence in some parts of Africa, the global brewers invested in local brands and moved toward premiumization.

BRAND BUILDING ACTION POINTS

1 Introduce new products to match trends and reach new drinkers, but don't tinker with the soul of the main brand.

2 Establish a fast-to-market protocol where multiple new ideas are tested in differing geographies, allowing for a continuous pipeline of options.

3 Refine the portfolio to create efficiencies and boost profitability with brands that cater to growing market segments.

4 Make beer relevant on more occasions. Growth will come from people choosing to have a beer with a meal rather than wine or spirits. You don't win and lose drinkers. You win and lose occasions.

INSIGHT

The "wineification" of beer in the US challenges brands

We're seeing the "wineification" of beer in the US. Wine is difficult for a marketer because wine lacks the economies of scale found in beer. A retailer has to stock an enormous number of brands with seemingly attractive margins, but most exhibit an extremely low velocity off the shelf. They're going to be sitting there a while. Craft beers are built on the wine category model. In the US, big brewers are built on massive power brands that offer capacity, volume and synergies but for the moment have lost some of their sex appeal.

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FUTURE VIEW

Given the size of the millennial market, that generation's desire for higher alcohol experiences will continue to impact the beer category.

As with most categories, the opportunity to sell product online is enormous. But beer isn't just any product. Because it's alcoholic, the potential liability risks are also enormous. The brewer that figures out how to sell alcohol online while minimizing risk wins the game.

Craft continues to grow in popularity. But there will be a craft shakeout when drinkers start to ask, "Why are there 2,884 different brands, and why are they so expensive?"

FAST FOOD

Brand Value change

4%

Fast Food
Top 10 Total Brand Value

$179.3 BILLION

CATEGORY DEFINITION

The fast food category includes Quick Service Restaurants (QSR) and casual dining brands, which vary in customer and menu focus, but mostly compete for the same day parts

Rising consumer expectations trigger operational changes

Brands improve healthiness and experience

McDonald's had a difficult year. But the challenges facing the world's largest fast food restaurant chain reflected powerful forces disrupting and transforming the entire category.

For consumers concerned about healthier ingredients, ethical supply chains and environmental responsibility, the fast food formula of low prices for simple meals delivered with consistent quality in a familiar setting was no longer sufficient.

To meet these expectations, fast food brands revisited their operations – from food sourcing to menu options and restaurant experience. Some did a better job than others and in so doing projected a larger brand purpose.

These operators included Chipotle, the Mexican grill, which led the BrandZ™ Fast Food Top 10 in Brand Value increase with 44 percent, and Panera, which experienced a decline in profit because of increased competition in the fast-casual market that it invented. Neither brand ranked in the Top 10 when the BrandZ™ Global report launched 10 years ago.

Chipotle's net income increased 36 percent while same-stores sales improved 16.8 percent in 2014. Chipotle operated in 1,783 locations, primarily in the US. In contrast, McDonald's operated in 14,350 locations in the US, its home market, where annual sales declined 1.1 percent, with a 4.1 percent drop in customer traffic and a like-for-like sales decrease of 2.1 percent.

Although McDonald's remained number one in the BrandZ™ Fast Food Top 10, the rank it's held since the inception of the BrandZ™ Global Top 100 report a decade ago, McDonald's declined 5 percent in Brand Value, following a 5 percent decline a year ago. With a sharper menu focus and a boost from the stronger US economy, Burger King improved 19 percent in Brand Value on a 9 percent gain a year ago.

A merger of Burger King and Tim Hortons, the Canadian coffee shop chain, resulted in an organization of over 19,000 restaurants, the world's third-largest fast-food operation (by location) after McDonald's and Yum! Brands. The transaction signaled plans to expand aggressively outside of North America.

McDonald's responds

Chipotle represents the freshness-focused end of the fast food brand continuum, while McDonald's is a pioneer of process, capable of providing affordable and well-priced meals with machine-line proficiency across enormous location networks.

McDonald's operates over 36,000 restaurants worldwide, second only to Subway, with almost 44,000. But the McDonald's operation is much more complicated, and that was part of the company's problem.

McDonald's experimented with many new menu options, which added cost and slowed service. In contrast, Burger King adopted a strategy of launching few new products quickly prepared and highly promoted to meet the needs of its price-conscious customers.

When Ray Kroc established McDonald's in 1955, the chain's post-war industrial efficiency was a value consumers respected. For chains like Chipotle and Panera, efficiency is an operational necessity that customers take for granted, but sustainability is the value they respect more.

McDonald's had taken incremental steps to link efficiency with sustainability, adding healthier menu items and refurbishing its locations. Recently appointed McDonald's CEO Steve Easterbrook articulated a strategic imperative to remake McDonald's as what he called a "modern progressive burger company." ▶

Top 10 Fast Food

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**McDonald's**	81,162	4	-5%
2	**Starbucks**	29,313	4	14%
3	**Subway**	22,561	4	7%
4	**KFC**	12,649	4	6%
5	**Chipotle**	10,645	4	44%
6	**Pizza Hut**	8,511	3	13%
7	**Tim Hortons**	4,590	4	13%
8	**Domino's Pizza**	3,750	3	N/A
9	**Burger King**	3,169	3	19%
10	**Panera**	2,966	5	3%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Fast food leads categories in growth of Brand Value

Fast food led all 13 categories in the BrandZ™ Global Top 100 report in the rate of Brand Value growth over the past 10 years. The BrandZ™ Fast Food Top 10 grew 252 percent in Brand Value over the past 10 years, double the pace of the Top 100, which grew 126 percent.

The Fast Food Top 10 also improved in Brand Power, the BrandZ™ measurement of brand equity. Between 2006 and 2015, Brand Power of the Fast Food Top 10 grew from 103 to 146. An average brand scores 100.

McDonald's, more valuable than the rest of the category put together, maintained brand power as new competitors, such as Chipotle and Panera introduced new category concepts, Starbucks refurbished its brand, Domino's Pizza renewed its recipe and Burger King rebounded.

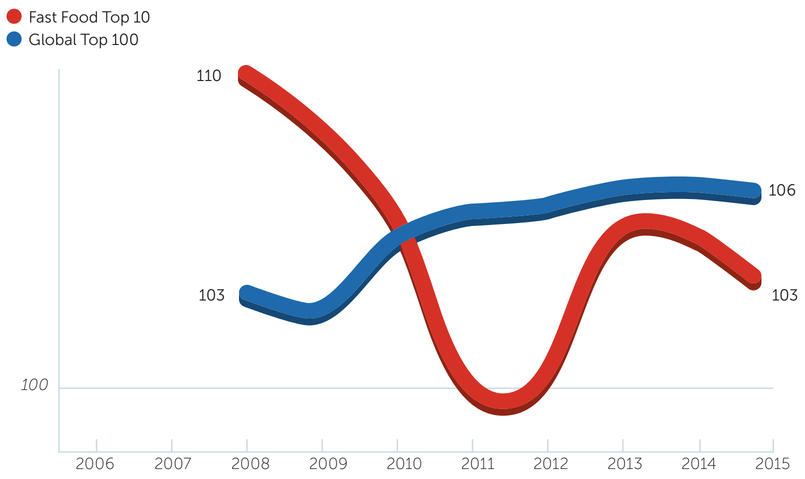
However, consumer opinion of fast food brands as being responsible declined sharply during the recession and then recovered, but not to its former level. In 2008 the Fast Food Top 10 scored higher than the Top 100 in responsibility, 110 compared with 103, on an index where an average brand scores 100.

During the recession, the Fast Food Top 10 responsibility score declined below 100. It's only 103 today, while the Top 100 score has increased to 107. These findings suggest that the global economic crisis left consumers skeptical about brand responsibility across many categories and especially fast food.

While the Fast Food Top 10 high Brand Value and Brand Power scores reflect how consistently these brands delivered affordable and tasty food over the past 10 years, that achievement may no longer be enough to meet rising consumer concerns about supply chain ethics and food healthiness.

Consumers skeptical about responsibility of fast-food brands

Consumer opinion of fast-food brands as being responsible declined sharply during the recession and then rebounded, but not to its former level.



Source: BrandZ™ / Millward Brown
Average brand = 100

Within weeks of Easterbrook's appointment, McDonald's announced US plans to phase out menu items made from chickens treated with most antibiotics. It also offered the option of milk from cows not treated with growth hormones. And the company raised employee hourly wages in US company-owned stores as a step toward creating a devoted workforce and improving customer experience.

Higher purpose

Starbucks CEO Howard Shultz most clearly demonstrated the power of a CEO to connect a brand to a higher purpose. Before other fast food and retail brands felt pressured to raise employee minimum wages, Starbucks paid higher hourly rates and introduced a college tuition reimbursement program for employees.

When the recent period of high unemployment coincided with the return of many soldiers from wars in Iraq and Afghanistan, Starbucks pledged to hire 10,000 veterans or their spouses.

INSIGHT

Experience differentiates brands

We're seeing a rise in food quality over time. But that's homogenizing the category at a relatively high level. In many categories it's difficult to buy a really bad product. In fast food it's getting harder to find a bad meal with virtually all the traditional players improving their offers. A quality experience can be an important differentiator. It can sometimes nullify price as a factor.

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BRAND BUILDING ACTION POINTS

1. Add meaning. Many fast food leaders have grown to global scale because they are excellent, well-run machines. But the machine model doesn't go far enough anymore. It's necessary to add layers to the machine, perhaps a personal touch, a sense of generosity to the customer or the commitment to stand for something larger.
2. Be purpose driven. Whatever promise the brand stands for, deliver it consistently, from supply through to the restaurant experience and brand communications. Also, renew the operation regularly because if it's good, a competitor is ready to copy it.
3. Renew and improve the brand experience. How customers experience the brand depends on multiple factors including food quality and taste, speed and friendliness of service, and the restaurant environment. In fast food, change happens fast; a new concept today can be playing catch-up tomorrow.

And when Americans protested a controversial grand jury decision regarding the shooting of an African American by white police officers, Shultz inserted Starbucks into the national conversation about race.

These initiatives inspired both supporters and critics. They reinforced Starbucks' credentials as a bold and forceful brand from which customers can expect strong jolts of caffeine and progressive social opinion and action.

Practical business

With 21,366 locations in 65 countries, Starbucks has enormous impact on the environment and the lives of people along the supply chain. But like its competitors, Starbucks is in business to make money, and it did. Food sales, including its new sodas, bakery and other offerings, increased the average ticket; as a result same-store sales grew 6 percent.

Similarly, some of the fixes McDonald's implemented under Easterbrook were more for driving revenue than clarifying purpose. The chain announced the plans to experiment with all-day breakfast, for example. Extending a popular and profitable daypart was easier and less expensive than adding new menu items.

Domino's Pizza enjoyed its fifth year of like-for-like sales growth following the reformulation of its pizza recipe. Flavor improvement was only one part of the Domino's success story. The brand also focused attention on fewer, more impactful offerings and invested in brand communication and digital.

McDonald's, Starbucks and Panera were among the first fast-food restaurants to accept Apple Pay when it was introduced. At Starbucks, which offered its own payment system, 16 percent of US purchases were transacted using mobile. Starbucks also planned to experiment with mobile ordering.

Transparency and ingredients

In an effort to be more transparent and meet criticisms head-on, McDonald's launched its "Our Food, Your Questions" campaign, in which a brand spokesperson frankly answers customer questions such as why the burger in the box doesn't quite look like the burger in the advertising.

That kind of transparency has worked in the past. Domino's Pizza launched its new pizza recipe with a video of mortified executives vowing to improve the taste of the pizza, and courageously revealing that focus groups at the time compared it with cardboard.

Chipotle introduced a satirical video series called "Farmed and Dangerous," which expanded on earlier videos that demeaned industrial agriculture and associated the brand with natural and more wholesome sourcing.

The company increased the transparency of efforts to reduce and ultimately eliminate genetically modified food. Food safety issues related to meat sourcing in China hurt McDonald's as well as KFC and Pizza Hut, both part of Yum! Brands.

FUTURE VIEW

Concerns about health and wellness will influence the food choices that people make. But people will be open to occasional indulgences.

Ingredient sourcing will influence choice, as people increasingly will prefer sustainable, locally-grown organic options.

Consumers will be open to new food tastes. Some will be variations on existing products, e.g. Shake Shake Fries - French fries serviced with small pouches of seasoning, a McDonald's menu item from Asia that's increasingly available in the US.

Price will remain important, but most consumers won't calculate price to the penny. They'll look at a price band - $5 to $8, for example - select whatever best meets their needs.

SOFT DRINKS

Soft drink innovations address health concerns

Brands introduce new products and marketing

Brand leaders introduced new products, packaging innovations and marketing strategies to build sales, despite the consumer health concerns that challenged the soft drinks category worldwide.

Avoidance of artificial sweeteners or chemical ingredients slowed consumption of diet colas and energy drinks, although most consumers regulated their intake instead of rejecting soft drinks completely.

In the US, Pepsi reclaimed the number two spot in volume consumed, having ceded it to Diet Coke in 2010. Pepsi now ranks in between Coke and Diet Coke in consumption, according to the trade publication *Beverage Digest*.

Greater awareness of health and obesity issues also touched growing markets like China, India and even Mexico, where cola has been a popular beverage for a long time.

Sensing a possible opportunity, smaller brands introduced craft cola drinks that emphasized naturalness, although the calorie count could be significant. Meanwhile both Coke and Pepsi updated their respective strategies.

Coca-Cola unified four Coke variants under the masterbrand and revised its "Open Happiness" slogan to "Choose Happiness." The strategy attempts to sustain the brand by embracing consumer concerns and providing options.

Pepsi, which refreshes the brand with each successive generation, launched an updated version of the "Pepsi Challenge," featuring contemporary entertainment and sports stars on social media.

While working with regulators and adjusting product ingredients, the major brands also took steps to protect brand reputation with acts of positive corporate citizenship, such as revising manufacturing and supply line practices to become carbon neutral.

Addressing health concerns

Coke introduced Coke Life in the US and UK, having launched it first in Latin America. The brand attempts to satisfy consumers seeking a mid-calorie cola without artificial sweetener.

Soon after the introduction of Coke Life, Coca-Cola announced plans to unify its four Coke variants – Coke, Diet Coke, Coke Zero and Coke Life – under the Coke masterbrand, starting in the UK.

Coke Life derives its sweetness from a blend of cane sugar and extract of the stevia leaf. Pepsi launched its version of a stevia-sweetened cola on Amazon, in an effort to target consumers who might prefer a naturally sweetened mid-calorie drink. Called Pepsi True, the drink also comes in a green can.

In another effort to address health concerns, Coke introduced a milk product. A joint-venture brand called Fairlife, the milk is positioned as a healthy and premium drink, produced on dairy farms that use sustainable practices. It fits with Coke's entry into other beverages, such as teas, coffees, juices and waters. Like some of these other entries, Fairlife will not be branded as Coke. ▶

Brand Value change

8%

Soft Drinks
Top 15 Total Brand Value

$153.6 BILLION

INSIGHT

Consumers opt for occasional indulgence

Our 25-year consumption trend shows that weekly consumption of carbonated soft drinks is rapidly decreasing, driven more so by diet variants in recent years. Some consumers prefer regular soft drinks to diet as they want to avoid the artificial sweeteners. Consumers who are still drinking the soft drink category are doing so less often, as soft drinks have become more of a permissible treat than a lifestyle beverage.

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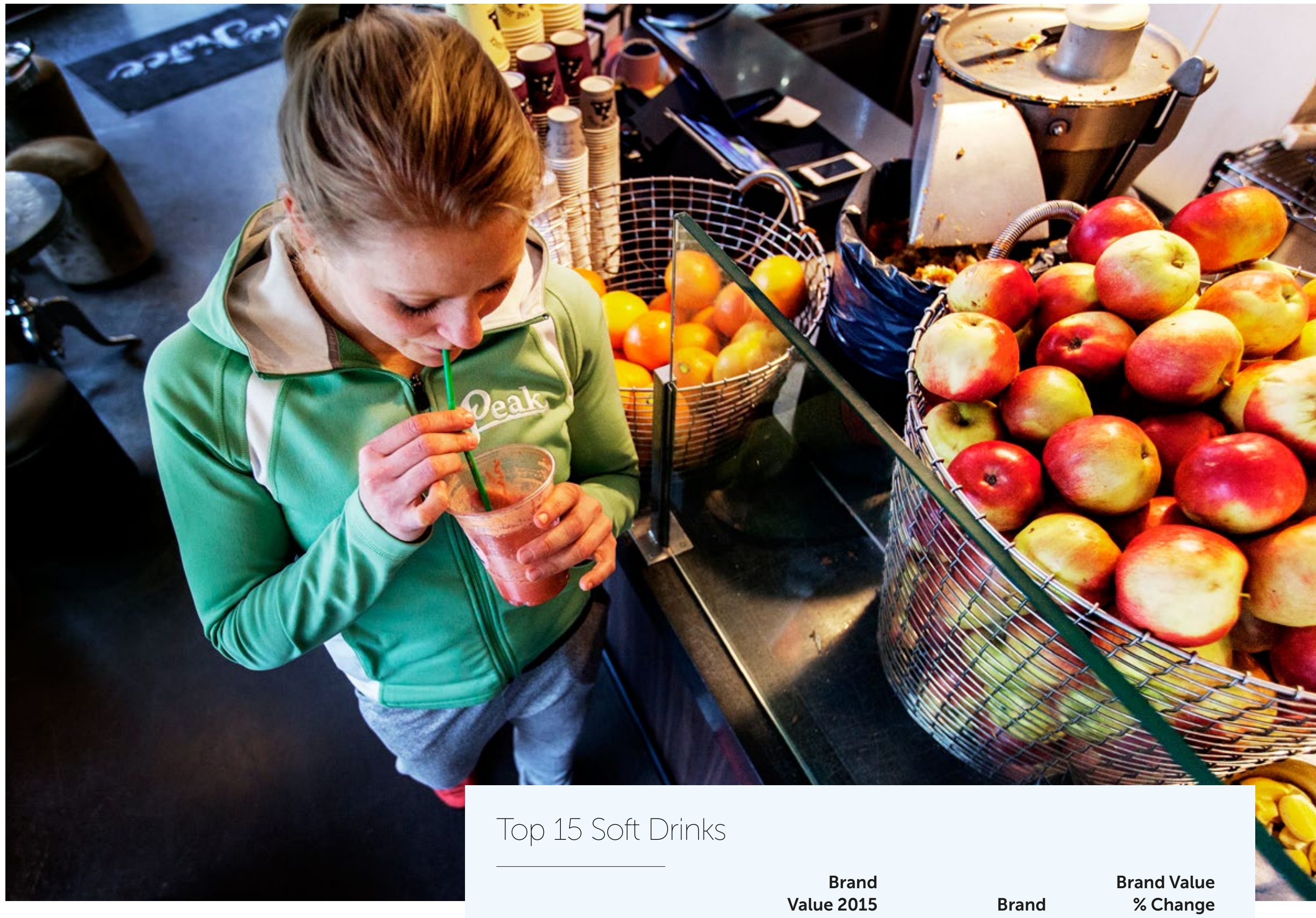
CATEGORY DEFINITION

The soft drink category includes these non-alcoholic ready-to-drink beverages: carbonated soda drinks, juice, bottled water, functional drinks (sport and energy), coffee and tea (hot and iced)



Top 15 Soft Drinks

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**Coca-Cola**	70,042	5	3%
2	**Diet Coke**	13,799	4	6%
3	**Red Bull**	11,375	4	5%
4	**Pepsi**	10,836	4	16%
5	**Nescafé**	6,342	4	-5%
6	**Tropicana**	6,026	4	16%
7	**Fanta**	6,017	3	23%
8	**Sprite**	5,255	3	16%
9	**Nespresso**	5,224	5	5%
10	**Gatorade**	4,693	4	14%
11	**Lipton**	3,748	4	N/A
12	**Minute Maid**	2,768	3	11%
13	**Dr. Pepper**	2,697	4	28%
14	**Mountain Dew**	2,490	3	7%
15	**Diet Pepsi**	2,298	3	6%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Note: Diet Coke includes Diet Coke, Coca-Cola Light and Coca-Cola Zero
Note 2: the valuation of Lipton includes hot beverages only
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Top 10 value doubles, dominated by Coca-Cola

Despite pressure on the category because of consumer health concerns, the BrandZ™ Soft Drinks Top 10 more than doubled in Brand Value over the past 10 years

Coca-Cola's Brand Value grew 114 percent, nearly matching the brand value appreciation of the Top 100. Coca-Cola is worth more than the value of the next 9 soft drinks brands put together and has never forfeited the number one spot in the soft drinks category since the BrandZ™ rankings began.

The biggest loser from Coca-Cola's dominance is Pepsi, which has slipped from number two in 2006 to number four today, passed by both Diet Coke and Red Bull.

The BrandZ™ Soft Drinks Top 10 also increased in being seen as Different, mainly due to Coca-Cola (founded in 1886) and younger entries since 2006, including Red Bull (founded 1987) and Nespresso (founded 1988).

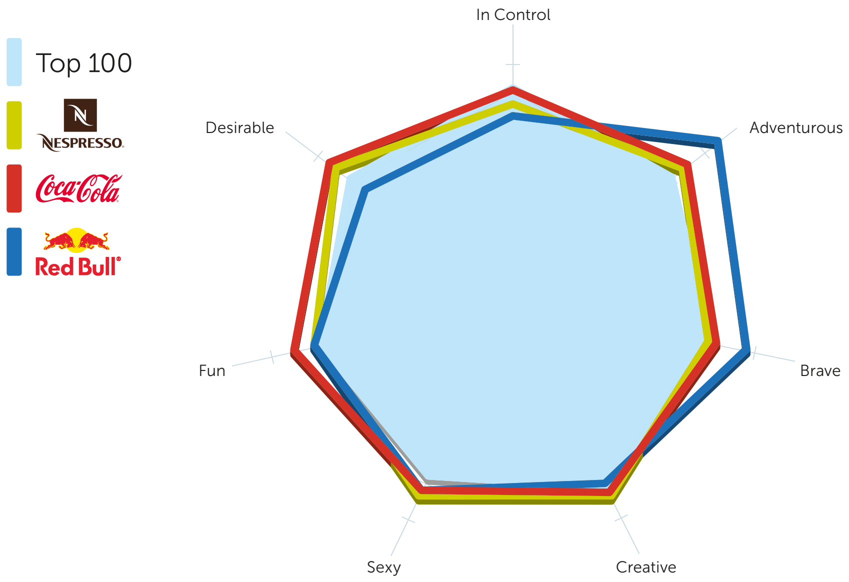
The brands seen by consumers as Different are those with the most vibrant and distinctive personalities. Consumers see Coca-Cola as the most desirable, fun and in control, and Red Bull as hugely adventurous and brave.

Consumers view Nespresso as particularly creative, reflecting its innovative delivery system, and sexy persona, underlined by its advertising featuring George Clooney.

Tropicana and Gatorade also entered the soft drinks Top 10 since 2006, alongside Red Bull and Nespresso. This change reflects Brand Value changes and also the widening of the BrandZ™ soft drink category definition.

Key brands seen as Different

Consumers see Coca-Cola as very desirable and full of fun, Nespresso as equally sexy and creative, and Red Bull as uniquely adventurous and brave.



Source: BrandZ™ / Millward Brown

INSIGHT

Craft sodas command premium price

As people become more selective about how they choose to engage in the category, we're seeing the craft soda brands become more prevalent. As drinking a soda becomes a special occasion, people might spend four dollars on a bottle of all-natural craft soda rather than buying a Coke or a Pepsi.

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MillwardBrown

In China, colas experienced increased competition from milk drinks that are sometimes carbonated. Chinese consumers are concerned not just with reducing sugar, but also with increasing nutritional value. Juices are growing in popularity with Chinese consumers for that reason.

Health concerns also drove an increased interest in tea drinks. The heritage Lipton brand, owned by Unilever, appeared in the BrandZ™ Soft Drinks ranking for the first time.

New occasions

PepsiCo cross-marketed its portfolio of snack and beverage brands. In one example, it packaged Mountain Dew and Doritos together as a "Dew and Doritos" promotion intended for noshing video gamers.

Connecting with the food brands in the PepsiCo portfolio enhances the Pepsi brand to consumers and also improves the overall corporate image, positioning PepsiCo more like a consumer products conglomerate than a pure beverage company.

Pepsi marketed numerous flavors of its Tropicana orange juice brand to reach more consumers and to expand occasions beyond breakfast. Pepsi created a breakfast occasion when it introduced Mountain Dew Kick Start, a lightly carbonated energy drink with juice.

In China, Pepsi created a digital campaign connecting the Chinese New Year, a time for family reunions, with a campaign called "Bring Happiness Home".

Coke and Pepsi also attempted to build more occasions and gain share in food service and vending. As vending machines become digitized, they enable the brands to make the experience more interesting and engaging or playful. The machines also become another point for interacting with consumers and collecting customer information, potentially personalizing the offer.

Responding to trends

To exploit the interest in personalization and experience, both Coke and Pepsi experimented with countertop machines for making cola drinks at home, Coke in partnership with Keurig, and Pepsi with SodaStream. Both brands face a similar challenge – achieving taste consistency.

Pepsi introduced its own craft cola called Caleb's Kola, to counter the influence of craft colas, which offer local provenance and genuineness, although the calorie counts – the prices – can be higher than Pepsi or Coke.

Caleb's Kola comes in a glass bottle and is named for the inventor of Pepsi Cola. Ingredients include natural sugar and Kola nut extract. The stealth entry contains no Pepsi branding.

Both Coke and Pepsi offered drinks in smaller bottles, in an effort to provide a refreshing indulgence but limit the calorific impact. While the strategy doesn't boost consumption, higher margins help profitability at a time of declining consumption. Per capita consumption of carbonated soft drinks declined to 674-eight ounce servings per year, the lowest level since 1986, according to *Beverage Digest*.

Sprite and Fanta, Coca-Cola brands that offer a carbonated juice-flavored alternative to cola, both increased in US volume according to *Beverage Digest*. So did two brands pitched to younger drinkers, Mountain Dew and the energy beverage Red Bull, which owns a Formula One team and continues to create content associating the brand with extreme sports.

BRAND BUILDING ACTION POINTS

1. Be honest with consumers. Taking action to address their concerns about sugar and naturalness will help build sustainable brand value. But take actions in ways that don't disconnect consumers from the brands they love.

2. Demonstrate concern. Show that the world's biggest brands do care about the planet and are taking important leadership steps to be environmentally responsible. It's part of the story of provenance, about how the product got to the shelf.

INSIGHT

Consumers want straight talk about concerns

Brands, particularly in the food and drinks sector, need to be honest with customers if their messages are going to land. People aren't stupid and have a good idea of what's in the products that they know and love. When communicating about concerns, that consumers have, brands need to be transparent; they shouldn't hide or mask the reality. What matters to consumers is how you level with them. Let them know you share their concerns are dealing with the issues, without compromising on your core brand story.

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FUTURE VIEW

Concerns about sugar and artificial ingredients – and regulatory responses to those concerns – will continue to shape the soft drinks category.

Addressing consumer concerns will require new and reformulated products and other innovations.

The rise of craft colas suggests that the number of competitors, with products that claim to be healthy (or less unhealthy) is likely to increase.

The major brands, which are excellent innovators, are likely to recognize and adapt to trends such as craft cola, tea and juices, rather than fight them.

SAN FRANCISCO, US

Value of all US brands in Top 100

$2.1 TRILLION

WPP people in the US (including associates)

24,000

"Tiny Planet" Series by Paul Reiffer

THOUGHT LEADERSHIP

REINVENTION

Businesses must change faster than the landscape

Brand is the crucial link

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The Futures Company helps our clients accelerate their growth by helping them to make better decisions through anticipating market and consumer changes, in both the short and long term. It does this by combining its unique and proprietary data, its innovative research solutions, its collaborative consulting approach and its amazing people.

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If businesses don't learn faster than their external environment changes, then they decline and eventually die. And at present, the external environment is changing rapidly. It's easy to see this in the world of digital technology, but it's also true of the economic landscape and the deep mistrust now shown by consumers for business in almost all markets, in the resources shifts that are depleting natural capital, and in the deep shift of social values towards well-being, both individual and social.

Businesses that reinvent themselves, then, are those that have noticed that the world is changing and are reshaping their businesses in response. A couple of examples:

Microsoft's decision to give away Office software on devices was surprising, given the history of the company, but the business logic was clear. In a world where users switch between multiple devices to complete the same task, and use tablets as business tools, Microsoft's pricing structure looked old-fashioned and got in the way of its users. The risk was that people would start to use alternative products instead, learning how they worked and taking them back into the office environment.

In the US, CVS identified that the health market is growing and valuable, and that retail has a growing part to play in it. However, it was not a credible health provider as it also sold tobacco products. The short-term cost to the business: $2 billion in lost sales against a turnover of more than $120 billion. The medium-to-long term gain: a platform for a growing health services business.

In both these cases, reinvention took the form of shifting part of the proposition to change customer perceptions in a way that was in line with changing markets and changing expectations.

Change or be changed

Some businesses have reinvention forced on them. McDonald's is on a difficult journey towards a being business that delivers healthy menus, contemporary restaurants, and sustainable sourcing. But it doesn't really have a choice, against a background of changing tastes and declining sales, notably in the US. A decade ago, McDonald's was positioned to compete against Burger King. Now it is businesses such as Chipotle, once owned by McDonald's, that are taking share from it. The desire for reinvention is clearly there: the last CEO, Don Thompson, started the shift, but resigned because of poor results. There have also been missteps along the way and examples of when traditional ideas about how the business should compete resurfaced. In the "Mighty Wings" disaster the company was left with millions of pounds of unsold inventory, for example. The Board is aging and narrowly based. Meanwhile, millennials eat at McDonald's because it's cheap, but would prefer to eat almost anywhere else, which is a fatal combination.

If McDonald's is having a tough time reinventing itself, companies that didn't start on the process struggle more. In the retail sector, both Walmart in the US and Tesco in the UK have experienced flat sales and poor profits because they have failed to respond to changing customer attitudes and the changing retail environment since the financial crisis.

Effectively, other businesses have reinvented the sector around them. Companies such as Costco in the US, and Mercadona in Spain, have invested heavily in staff and training, treating their people as an asset rather than a variable cost. They have changed the balance of the business from a focus on choice and price to a focus on service and price, understanding why people buy as much as what people buy. In the UK, similarly, Aldi and Lidl have come out well from the financial crisis, but only part of that story is about discounting. It is, at least as much, about valuing their customers' time and rewarding their interests.

In all of this, the brand is a golden thread that links these together, connecting changes in the wider operating environment of the business to its business model and the customer experience. Brand becomes a future-facing idea of the business that also embodies the story it tells its customers. The brand is the lever that helps businesses to learn.

5 CRITICAL ASPECTS OF REINVENTION

1

Reinvention has to be future facing, and therefore involves some element of risk. But if you wait too long, as in the case of McDonald's, you'll always be running to keep up.

2

It has to be outward looking, often looking at the business through a new pair of eyes or looking at what businesses that are not your competitors are doing.

3

It needs to focus on people, and more exactly, on some aspect of values, perceptions, expectations and behaviors that is changing.

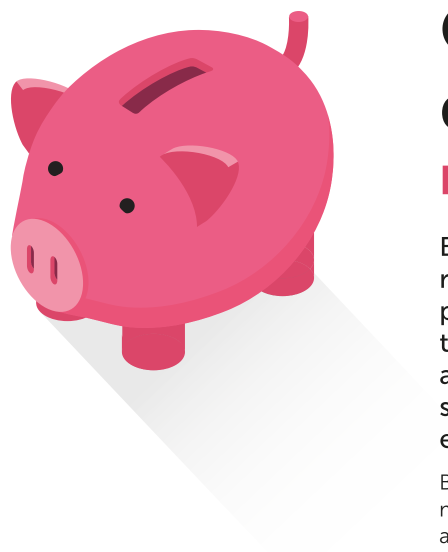
4

It needs to identify a new pool of revenue that reinventing will give you access to, or an existing pool that it connects you to.

5

It needs to involve some change in your business model and customer experience that is tangible and visible.

BANKS // GLOBAL



Global bank profits are high despite low consumer trust

Resident regulators monitor daily business

Banks earned large profits as they refocused their operations, often pursuing high-wealth clients on the consumer side of the business and serving the medium and smaller organizations of rising entrepreneurs on the business side.

Because of ongoing revelations of past misdeeds, banks continued to suffer from a massive deficit in consumer trust even as consumers patronized banks, believing that their money was protected, if not by the bank then by government guarantees.

Restoring consumer trust was important to safeguard the brand, lift internal morale and sustain growth, at least in the case of retail banks. In some instances, CEOs proclaimed a higher vision aimed at both internal and external audiences.

Not known for their innovation, banks became even more risk averse under the in-house scrutiny of government regulators. But the rest of the business world did not pause while the banks sorted themselves.

Instead, Alipay, a banking function of Alibaba, and Apple Pay were only the most publicized examples of how non-traditional players nibbled at the perimeter of banking and portended category disruption and transformation.

Making money

The post-crash regulatory environment raised two key questions: in what businesses do banks *want* to operate, and in what businesses *can* they operate? Generally, global banks concentrated on three businesses – commercial, investment and retail banking – but their levels of involvement varied by bank.

Regulations and consumer pressure made it more difficult to be in the most profitable business, investment banking. Banks attempted to resolve the tension between being a highly profitable investment bank and strictly adhering to their social responsibility values.

Banks divested some businesses because they were unprofitable or because of the regulatory burden. With exceptions like Goldman Sachs, J.P. Morgan and Morgan Stanley, many investment banks ceased equity trading. Citi returned strong profits, even as the bank streamlined many of its operations.

Many banks pursued wealth management business. Leveraging its heritage in international trade, HSBC cultivated relationships with high-wealth individuals among its commercial clients to build its personal banking and wealth management practice.

INSIGHT

At the deepest level, consumers still don't trust banks

There are different types of trust. During the financial crisis we lost all trust. We worried that the banks were at risk of failing. The banks shook every dimension of trust we might have had. They recovered to the point where we now have transactional trust. But I distinguish that from relational trust. I trust you to get the job done. You are part of the world's financial plumbing. But do I really trust you in the sense that I would trust a really beloved consumer brand? Probably not.

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Landor

Brand Value change

−2%

Global Banks
Top 10 Total Brand Value

$120.8 BILLION

CATEGORY DEFINITION

The bank category, which includes both retail and investment institutions, is split into two segments, with the brands classified as either global or regional. Global banks are defined as deriving at least 40 percent of revenue from business outside their home market.

Top 10 Global Banks

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**HSBC**	24,029	3	-11%
2	**Citi**	17,486	2	1%
3	**J.P. Morgan**	13,522	3	9%
4	**Santander**	12,181	3	10%
5	**ING Bank**	11,560	3	18%
6	**Barclays**	8,835	2	-7%
7	**BBVA**	8,739	4	N/A
8	**Morgan Stanley**	8,289	2	N/A
9	**Goldman Sachs**	8,255	3	-2%
10	**UBS**	7,933	3	-18%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

Businesses of small and medium size, with an annual revenue of $50 to $500 million, increasingly interested HSBC and many other commercial banks, as governments in developing markets sought to drive their economies by financing entrepreneurial, often family-owned operations.

Santander prospered as Spain's economy strengthened. Economic growth in the US helped balance the slowdown in Brazil and elsewhere in Latin America. Spain's economic recovery also boosted the financial results of BBVA, the country's second largest bank.

Following years of post-financial crisis restructuring, the large Dutch bank ING reported strong earnings, repaid its government bailout early and passed the European stress test.

Transformation and disruption

But even as the banks prospered, they faced potential threats as the industry transformed faster than banks innovated. A growing market of young people with above average income transacted most of their financial affairs online, and not always with banks.

As home ownership or family formation complicates their financial needs and they need a banking relationship, these younger consumers may favor the Internet brands with which they transact business everyday.

Internet brands could own the consumer payment relationship, even if banks remain the clearing house for all the transactions. In that situation, the banks would gain fees and interest revenue, but they'd perform more like a utility.

The infiltration into banking by online brands could quickly penetrate beyond payment systems. Regulations that restrict some banking activities don't apply to the online brands, at least for now. Easy Internet access also eliminates the viability of banks as financial supermarkets. Any one-stop shopping will happen online.

The impact of Internet brands on banking is already evident in China, where online leaders like Alibaba, Tencent and Baidu offer mobile apps that make banking easier and more nimble than interacting with a large, highly regulated bank. (Please see the regional banks story.)

Future challenges

The entry of nontraditional players could threaten not only the key profit drivers of banks, but also their fundamental role as the gatherers and custodians of savings and fees from transacting.

Banks potentially could be squeezed into gaining just cost recovery and a small margin – a utility business – unless they preempt the Internet brands in forming banking relationships with the younger generation of customers.

Responding to changing demographics is also critical. Aging boomers are entering a phase of their lives when they're no longer increasing their assets, but rather drawing down their savings. The younger affluent consumers will become the source of savings deposits.

As many of these consumers for the first time face major financial decisions, brand and trust become important. Banks have the requisite knowledge but the social networks have the customer relationships.

INSIGHT

Banks need to resolve basic identity

There is a big question mark about the future viability of the global, all-encompassing model of banking brand that came to prominence in the decade before the financial crash. There are huge regulatory and systemic pressures continuing to build up that threaten this model. Some have already given up the ghost and retired to more modest ambitions in purely retail or regional banking. Others soldier on, in the hope that a more favorable turn in the economic cycle will allow them to reap the benefits of having a global brand that connects retail and commercial with wealth management and investment banking. It is probably a brave decision to continue with this brand strategy, but impossible to say at this stage if it will prove to be ultimately a winning model or not.

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BANKS // REGIONAL

Regional banks grow steadily in strong local economies

Focus on building relationships and trust

Top 10 Regional Banks

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**Wells Fargo**	59,310	3	9%
2	**ICBC**	38,808	2	-8%
3	**RBC**	23,989	4	6%
4	**China Construction Bank**	22,065	2	-12%
5	**TD**	20,638	4	3%
6	**Commonwealth Bank of Australia**	20,599	3	-2%
7	**Agricultural Bank of China**	20,189	1	11%
8	**ANZ**	17,702	4	-7%
9	**Bank of China**	16,438	2	16%
10	**US Bank**	14,786	3	-1%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

Brand Value change

1%

Regional Banks
Top 10 Total Brand Value

$254.5 BILLION

The BrandZ™ Regional Banks Top 10 increased 1 percent in brand value compared with a 2 percent decline in value experienced by the Global Banks Top 10.

The growth of regional banks resulted mostly from prominence in their home markets, as well as some international expansion, primarily in neighboring countries.

One other factor often differentiated the regional from the global banks: consumer trust. Some regional banks tend to be more trusted because during the global financial crisis they were less likely to be implicated in transgressive practices.

In addition, regional banks with strong consumer banking businesses may be more focused than most global banks on building relationships to serve a broad mix of customers, not only high-wealth individuals.

Four of the BrandZ™ Regional Banks Top 10 are Chinese. Of the other six banks, two are based in each of these countries: the US, Canada and Australia.

Slower economy impacts China's banks

For some Chinese banks, the regional focus that had driven growth now inhibited it, as China's economic expansion slowed. Related factors that impacted bank performance included poorly performing loans and market reforms that lifted the interest rate ceiling on certain products.

Banks responded with multiple strategies, such as expanding the focus on wealth management and developing greater online presence, often with mobile apps and partnerships with Internet brands.

Similar to western banks, the Chinese banks were slower to innovate than the Internet companies, which aggressively entered financial services in China. Internet leaders Alibaba, Baidu and Tencent had investment products offering higher returns than most banks.

Chinese banks also pursued new initiatives. Agricultural Bank of China, for example, continued to expand in major cities to serve younger clients with high net worth, using the expertise it gained from its core business in China's rural communities.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Global and regional banks experience image decline

The Brand Value of global banks declined 5 percent over the past 10 years, while the Brand Value of regional banks almost doubled, and the Top 100 brands overall grew 126 percent.

This divergence in the value growth of global and regional banks reflects the fact that regionals were less impacted by the worldwide financial crisis and buoyed by faster growing Asian markets, particularly China.

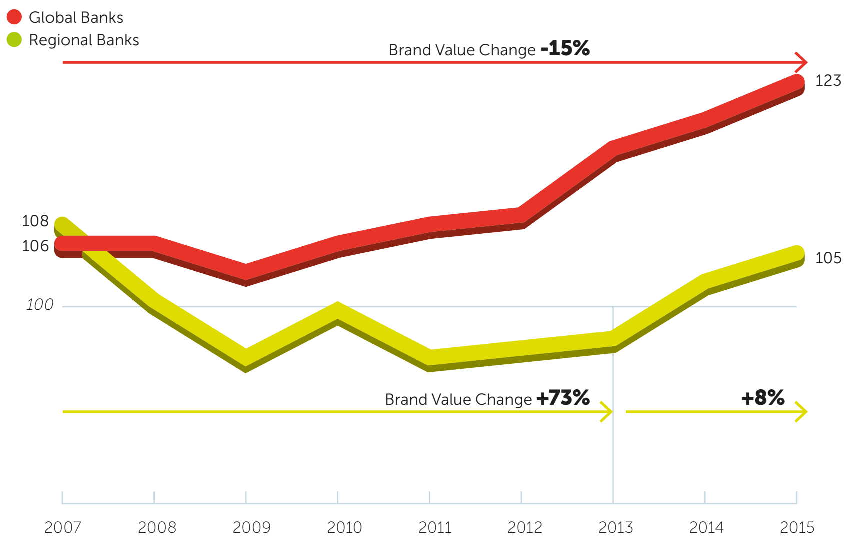
But neither the global nor regional banks did a good job of ingratiating themselves to consumers. The global banks declined in being trusted and increased in being seen as dishonest, arrogant and uncaring. Regional banks declined in their level of desirability, trust, and difference while being seen as more uncaring.

Consumer perception of banks did not turn sharply negative until the last few years, suggesting that during the economic downturn, consumers waited for banks to reform themselves, and when they saw little change, lost patience.

Consumers probably didn't discriminate between global and regional bank brands but rather viewed them both as large financial institutions that did little to earn trust. This general perception subjected all brands to a category effect.

Perceived dishonesty impacts Brand Value

This chart illustrates the relationship between Brand Value and perceived dishonesty or trustworthiness. The midline of 100 is where dishonesty and trustworthiness are in balance. Scores above 100 signal dishonesty and below 100, trustworthiness. Since the global financial crisis, the consumer perception of global banks as dishonest has grown steadily. In contrast, consumers viewed regional banks as trustworthy. Between 2007 and 2015, the Brand Value of global banks declined 15 percent. In contrast, consumers viewed regional banks as reasonably trustworthy until 2013, and their Brand Value increased by 73 per cent. As they are increasingly rated as dishonest, from 2013 to today, however, regional bank brand value growth has slowed dramatically to 8 percent. The banking category as a whole is becoming more tainted.



Source: BrandZ™ / Millward Brown
Dishonesty / Trustworthy balance = 100

US economy drives North American banks

The US banks enjoyed the benefit of a strengthening US economy. Wells Fargo, with over 8,700 banking outlets throughout the US, reported record profits. The bank primarily specializes in retail banking.

As a brand, Wells Fargo continued its positioning as a large community bank that advances the commitment to service signified by its logo of a stagecoach, which recalls its formation in 1852, during the gold rush years in San Francisco. Its 2009 merger with Wachovia helped push Wells Fargo into the number one rank in the BrandZ™ Regional Banks Top 10.

Based in Minneapolis, US Bank is a regional bank serving consumers and small businesses. It also provides commercial banking nationally and operates in some international businesses such as payment services.

INSIGHT

Engagement with customers is most critical

Trust is the wrong word. It's like trying to talk about love. It's vague and general. What we're really talking about is engagement, the extent to which consumers and people inside the banks are willing to engage with the brand and the extent of the engagement. The real question is: how do you engage consumers and high wealth individuals and institutions and governments? Don't worry so much about the overarching propositions and slogans that are set in stone outside the building, but get into the almost micro level of innovation. Do a lot of cool stuff.

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THE PARTNERS

BRAND BUILDING ACTION POINTS

1. **Re-establish trust**. This can happen through: a) massive cultural change; b) hiring non-banking people (including C-suite) who understand the hopes, dreams and fears of consumers, not just their financial affairs; c) rewarding staff on attitude over performance.
2. **Determine focus**. Banks need to decide where they want to make their profit going forward. Do they want to double down on the things they can be successful at, or do they want to be part of the broader financial conversation and provide services to consumers?
3. **Create a clear vision**. Banks need to articulate a vision for the business, ensuring that leaders walk the talk and develop the internal behaviors aligned with the vision. They need to design everything – systems, products, processes, pricing, promises and communications – through a customer experience lens. Then banks need to simplify, simplify, simplify.

Building US networks

TD, a leading Canadian bank, operates more branches in the US than in Canada. TD grew in the states by combining with several US banks, including Commerce Bank in 2009.

TD built a network of around 1,300 locations along America's east coast, from Maine to Florida. Calling itself "America's Most Convenient Bank," the TD bank is known for customer service, with long banking hours that include weekends.

Like TD, RBC is a Canadian-based bank. It derives almost two-thirds of its revenue from its Canadian operations, with the balance divided roughly equally between US and the rest of the world. As part of its effort to increase its US presence, RBC planned to buy Los Angeles-based City National, which operates branches in major US cities and is known for its high-wealth management business.

Australia and Asia

Commonwealth Bank of Australia is the country's largest bank. A robust home loan business driven by low interest rates produced a record profit for the Commonwealth Bank of Australia. Both Commonwealth Bank of Australia and ANZ enjoyed substantial growth as Australia's economy expanded, driven by the development of natural resources.

Based in Melbourne, ANZ is the largest bank in New Zealand and one of the largest in Australia. It operates worldwide in over 30 countries and is especially well positioned in Asia following its acquisition several years ago of RBS operations in Taiwan, Singapore, Hong Kong, Indonesia, the Philippines and Vietnam.

INSIGHT

In banking, big and established gain trust

Most people trust banks. People put all their money in banks. But there's a difference between trust and likability. We want to build excitement around the brand. And yet the banks that have really succeeded are the banks that everyone would call solid. Big banks are doing well because people like solid banks. They like conservatism. They like banks that have a greater capital base than other banks. The solid old institutions are suddenly popular again because people recognize that's where their money's going to be safest.

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FUTURE VIEW

With disruptive innovation, the brands that are part of our everyday lifestyles – the major consumer technology giants – will dominate the category. Within only a few years we'll see the mainstream adoption of online brands that offer savings, investment and even insurance products. These brands currently have permission: they're trusted, and for the moment they operate without the same regulatory constraints as banks.

The challenge for banks is to grasp the opportunity digital technology now presents to completely reinvent not just brands, but the entire industry. Banking brands that invest in technology to bring their relationships with customers into the second and third decade of the 21st century have the best chance of breaking free from the financial quagmires of recent years.

INSURANCE

Insurers attempt to build differentiated identities

Brands resist forces of commoditization

As competitive, technological and demographic factors disrupted the insurance category, brands sought to differentiate in meaningful ways and communicate distinctive brand identity.

It wasn't easy. Brands in the US tried to stand out in a noisy media landscape filled with provocative or clever cartoon characters and spokespeople, building salience by emphasizing some combination of ease, advice, price and care.

In other markets, like the UK, aggregators stripped out value to offer rock-bottom pricing, further commoditizing the insurance category and forcing even traditional insurers to compete on price.

Meanwhile, enabled by big data and analytics, insurers continued to transition from a product-driven to a consumer-centric business model. But segmentation was complex and required understanding how individuals shopped for insurance and the communication each preferred – digital, mobile or in-person.

A generational change in attitude compounded the challenge of adding new customers because millennials are less inclined to purchase insurance, or at least to purchase it as their parents did.

All of these factors were folded into the ongoing insurance category challenge of demonstrating value and brand experience to customers who buy insurance products reluctantly, hoping never to use them.

Communicating more than price

Many brands added back value and explained why value merits a higher price. They switched their approach from being product-centric (what we want to sell you) to being more consumer-centric (how we can help make your life better). Brands tried to humanize the online claim process with face-to-face web connections.

By using actors or characters to project humor or friendliness, brands tried to make buying insurance easier. In the US, Geico's talking gecko lizard enlivened insurance advertising, while Progressive's spokeswoman focused on ease and price.

To position its brand as consultative and helpful, a UK brand created a campaign around the character of Winston Wolfe, the "fixer" from the movie *Pulp Fiction*. In some ads he fixed insurance problems. In other ads he solved more everyday problems, like tying a bow tie.

Brand Value change

21%

Insurance
Top 10 Total Brand Value

$80.4 BILLION

CATEGORY DEFINITION

The insurance category includes brands in both the business-to-consumer: life, property and casualty, and the business-to-business sectors. Health insurance is excluded here.

INSIGHT

Opportunity for value over price

The insurers spend bucketloads of money being salient but being different and meaningful is a tough one for them to crack. There's probably space for a challenger to open the curtain a bit and explain transparently why their [insurance] cover costs what it does. The brands that will succeed are the ones that demonstrate the value they add and deal with the customer personally and quickly.

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MEDIACOM

Challenges and disruptions

Insurers used various tactics to reach insurance-averse millennials, less inclined than their parents to face off across the kitchen table with an insurance agent. State Farm operated its Next Door Café in Chicago. A brand named Oscar, to sound cooler than brands of older generations, was established in New York as the craft beer of healthcare insurance.

Technology, big data and analytics furthered disrupted the insurance category with data monitors that enabled providers to personalize rates with pricing that flexed according to customer behavior. These monitors included telemetric devices in cars that recorded driving habits, wearables that tracked exercise and recorded health statistics, and automated home devices like Google's Nest thermostats.

Top 10 Insurance

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**China Life**	17,365	3	44%
2	**Ping An**	15,959	3	29%
3	**AIA**	9,614	3	15%
4	**State Farm**	8,373	3	1%
5	**Allianz**	5,979	3	12%
6	**AXA**	5,835	2	3%
7	**Geico**	5,196	2	26%
8	**CPIC**	5,172	2	38%
9	**Prudential**	3,449	1	N/A
10	**Zurich**	3,423	2	N/A

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

Already in the insurance business as an aggregator, Google raised its potential impact on the category when it launched its own branded wireless telecommunications network. The move expands Google's repository of data on human behavior that could be used to personalize and price insurance products.

More disintermediation

Disintermediation of the agent continued, mostly in home or auto insurance, where an online application is relatively straightforward and there is less need for human interaction than in life insurance, where policies can be more complicated, the stakes are higher, and the sale is more emotional.

The US market remained bifurcated, between strong agent-driven businesses and growing online options. Even online brands sought to refine their presence with propositions that were not about price alone, but also included interactive and consultative qualities.

In the UK, where insurance purchasing mostly happens through online aggregators, agents primarily served business clients or consumers with complicated insurance needs. In contrast, the Chinese brands employed enormous teams of agents; China Life had over 640,000.

Life insurers faced other challenges. Unlike auto or home insurance, life insurance isn't legally required. And it aligns with life stages, only becoming a priority for most people during periods of transition like marriage or parenthood. Life insurance can be a baseline product for insurers whose portfolios include investment and retirement products.

China, other Asian markets drive growth

In parts of the world where insurance and banking are combined in a category called bancassurance, insurers offered portfolios of financial products. China's Ping An, for example, provided banking and wealth management along with insurance.

Because insurance is relatively new to China, brands like Ping An, China Life and CPIC educated consumers about insurance and offered tailored products that promised not only peace of mind, (as in more developed markets), but also sound investment for recently acquired wealth.

Profit for Hong Kong-based insurer AIA rose 22 percent based on strong performance in China and other areas of Asia-Pacific, where it operates in 17 markets and has a bancassurance arrangement with Citibank. Prudential, a British brand, focused on growth potential in Asia and enjoyed a strong rise in share price.

Focused more on Europe than developing markets, Germany's Allianz experienced strong sales and profit growth in life and health insurance, but weakness in property and casualty insurance as well as in its asset management business. Profit declined slightly for Zurich, in part because of non-recurring costs and the effect of low interest rates on investments.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Chinese brands boost category brand power

The BrandZ™ Insurance Top 10 recovered steadily in Brand Value after plunging during the global economic crisis, but the Top 10 Insurance brands continue to lag behind the Top 100 overall in the rate of brand value growth.

The Insurance Top 10 also improved in "Brand Power", the BrandZ™ measurement of brand equity. The Insurance Top 10 now exceeds the Global Top 100 in Brand Power, with an index score of 186 compared to 170 (where 100 is average).

It was primarily the inclusion of three Chinese insurance brands – Ping An, China Life and CIPC – as well as AIA, from Hong Kong, that drove both the rise of Brand Value and Brand Power. Chinese insurance brands almost doubled in Brand Power scores in just five years, from 188 in 2011, to 275 in 2015.

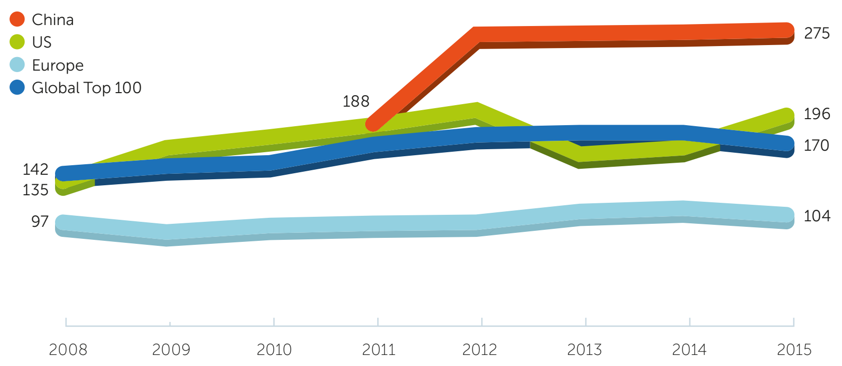
Chinese insurers provide a broad offering of financial services, including investment products. To Chinese consumers, the insurance brands deliver the three components of Brand Power: they're Salient, Meaningful and Different.

In contrast, the Brand Power of US insurance brands grew marginally from 187 in 2011 to 196 in 2015. In Europe, where so much insurance is purchased from aggregators, the brand power of insurance brands improved only from 96 to 104 over the same five years.

The China insurance brands are only 17 years old on average, compared with 85 years for the other insurance brands. And the China/Hong Kong insurance brands are worth on average more than double the US/European brands, $12 billion compared with $5.4 billion.

Chinese brands boost category Brand Power

The inclusion of Chinese insurance brands drove both the rise of Brand Value and Brand Power in the insurance category.



Source: BrandZ™ / Millward Brown
Average brand = 100

INSIGHT

Millennials are a special challenge

Brands are doing a lot of exploration to understand what they need to do operationally to deliver against a differentiated brand that appeals to both their traditional customers and to millennials. They wonder: "Do we talk about being around for 300 years, or do we talk about having more mobile than anyone else?"

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INSIGHT

Consumers thinking beyond product price

Insurance is not only a commoditized category, but one filled with products customers hope they will never have to use. Price will always be a requirement. But we're seeing a rise in desire by insurers to think more deeply about brand identity. Brand will become more important in the insurance category.

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BRAND BUILDING ACTION POINTS

1. Demonstrate clearly the value that the brand adds. Explain the features and benefits that the brand offers beyond the competition, and also communicate the meaning of the brand, and why it cares about the people it insures.
2. Demonstrate that concern when customers file claims and actually need the brand. Life can be hard enough when things are going well. Don't make it harder when something goes wrong. The message is "no worries." Make it the reality.
3. Speak to people the way they want to be spoken to. Use data to understand how people live their lives; make customers see insurance as a product that fills an important life need rather than as a to-do box to be reluctantly checked.
4. Get beyond the noise. Be well regarded not only because the brand has a memorable spokesperson, but also because its products are somehow different in a way that customers appreciate.

INSIGHT

Brands work to be trusted advisors, but must get consumer attention first

Consumers only consider a few brands of insurance when shopping. Given the high spend in the category, many brands have decided to stand out by shouting louder in more memorable ways. Under the umbrella of what we call "characters and critters," the real and cartoon spokespersons that brands invent are meant to be easily remembered. With awareness achieved, brands have a better opportunity to secure customers, become trusted advisors and add protection to their lives.

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FUTURE VIEW

Younger customers will expect a more mobile or digital experience, but they may not expect to transact all insurance businesses without an agent.

Data and analytics will enable brands to customize communications to the audience. Brands may speak mostly about price, but they'll also be able to reach people willing to participate in a richer conversation aimed at building a relationship.

The data and analysis from the connected home, the Internet of Things, and wearables will offer opportunities to create products with benefits and pricing that closely match the driving, health and home maintenance habits of individual customers.

Expecting more deception, consumers welcome honesty

Whether brutal or disarming, honesty helps restore brand trust

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Brand Union is a global brand agency with a deep expertise in brand strategy, design, interaction, brand management and employee engagement.

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In my younger days somebody I knew who was sliding into oblivion through drugs and a lifestyle that required theft and serial lying, made a life-saving decision to redeem himself. It took time for him to kick his addictive habits, but strangely the most difficult was not the drugs. It was his decision to never lie again that was the most difficult. Honesty can be brutal, but he decided that while this might alienate him from friends, family and colleagues, it was the only way he could live with himself, to always tell the unbridled truth, even if it hurt people close to him.

Today consumers are demanding the same level of honesty from the organizations and brands that depend on us for their existence. The problem is, just like my friend, brands have for decades been used as shields to hide the truth and the bad habits of greedy organizations, and as a result trust has been catastrophically eroded. Trust in brands has disintegrated in recent times. The 2014 survey from the Reputation Institute found that only 15 percent of people trusted what companies communicated in their ads, and 43 percent were unsure if goods and services were of a high quality. When trust disintegrates, only the stripped back naked truth will convince us to believe the headlines, slogans and brand promises they make. Sweeping the lies and deceit under the convenience of a catchy strapline doesn't work anymore.

Social media pressure

The pervasiveness of social media has pressured previously trusted brands to own up to their misdemeanors. No one would argue that the power of social media has helped start-ups to build brands overnight. Equally, it can expose untruths in nano-seconds and destroy brands that waver from the truth. Ryanair, Domino's Pizza, Nestlé, FedEx, KFC, Chrysler, McDonald's, Dolce & Gabbana are just some of the brands that have felt the pain of social media. Just recently the UK's most loved "cuppa" brand, PG Tips, quietly reduced the amount of tea in their little tea bags by 7 percent. They thought they would get away with it but they got found out. They justified the change with talk of a new blend and claimed that the brewing time and the results are unaffected. But that's not the point. They could have told us and perhaps we would have been persuaded. A bit of brutal honesty might have helped.

It is fast becoming the case that if a brand is to survive and thrive it must have transparency, authenticity and provenance woven into the strands of its DNA. Transparency for obvious reasons, authenticity because fakes will get exposed and provenance because we all want to know where things come from. Whether it be the food chain, the supply chain or the company's own provenance, consumers demand that brands expose their hard wiring in all their glorious nakedness. As author Simon Sinek's "golden circle" tells us, start with the why and work backwards to the how and the what — always start with the why, then they'll get it.

The power of disarming honesty

There is an interesting paradox to the rather distasteful concept of brutal honesty that takes on a rather more flavorsome meaning. Think "disarming honesty." Honesty that is so surprising that it helps the brand to become credible and believable. Honesty that builds trust through a statement that says, "Look at me, I've got nothing to hide."

Many will have heard the story by advertising sage Jeremy Bullmore of an Air Canada flight he was on. On landing, the aircraft slammed down onto the runway with a terrifying bang, jolting passengers and crew in their seats. Quite reasonably, the passengers waited to hear the explanation from the captain. A voice on the PA system announced, "This is Captain Johnson speaking. I've been flying with Canadian for over thirty years... and that was the worst fucking landing I've ever made!" The captain was suddenly a hero. As the passengers left the plane, they all wanted to shake his hand; they probably wanted fly with him again. In a world of woolly excuses, he'd been disarmingly honest.

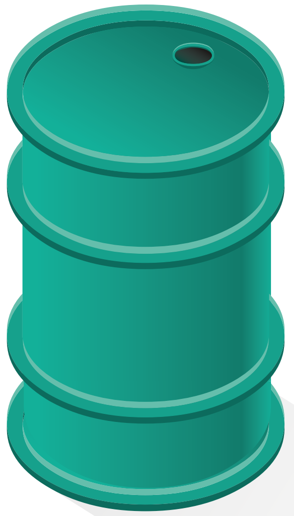
While brutal honesty may be important when brands need to say sorry, disarming honesty for some brands can be a powerful brand strategy. It's hard not to respect Patagonia's audacious honesty when it comes to responsible capitalism. In a world of marketing megaphones trying to shout "buy me" louder than the next, Patagonia's "Don't buy this jacket" campaign on Black Friday stood out. It essentially said, "Don't buy what you don't need," and described in detail the environmental cost that goes into one of their jackets. They even have a nudge-type button when you purchase something through their site that asks, "Are you sure you want this? Think twice before you buy." Their endearing honesty creates an incredibly powerful bond between it and its customers, a bond that has developed into a cult-like following that has had an astonishing payback. Patagonia managed to increase annual sales from $270 million in 2006 to $600 million in 2013.

What does this tell us? Because we have been conditioned to expect brands to tell us the bare minimum and hide the truth in the "terms & conditions," it's sad that we feel a sense of optimism when they are disarmingly honest. I yearn for the day when honesty does not need to be disarming.

CONSIDERATIONS ABOUT HONESTY

- Does "brutal honesty" have the potential to become part of a marketer's toolkit or just a way for brands to say sorry?
- Will telling the truth ever catch on?
- Authenticity, transparency and provenance are fast becoming a brand's licence to operate.
- The concept of "disarming honesty" is proving to be a powerful way of preserving loyalty and building value.

OIL & GAS



Brand Value change

6%

Oil & Gas
Top 10 Total Brand Value

$115.3 BILLION

CATEGORY DEFINITION

The oil and gas category includes both private International Oil Companies (IOCs) and state-owned National Oil Companies (NOCs).

Brands recalibrate spending as global oil prices plummet

Downstream businesses gain new respect

It wasn't business as usual for oil and gas brands, as a perfect storm of geopolitics disrupted their revenue, profit expectations, long-term planning assumptions and stock appreciation.

Oil prices plummeted from over $100 per barrel to less than $50, well below the roughly $70 to $80 a barrel considered necessary for a reasonable return on investment in exploration.

Factors driving down the price of oil included excess supply from Saudi Arabia and other Gulf states, reduced global demand because of US energy self-sufficiency and the slowdown of China's economy.

Sanctions punishing Russia for its incursion into Ukraine added complication, halting Arctic exploration by major western brands in partnership with Russian state-owned companies.

These pressures presaged a period of limited exploration, cost control and consolidation with stronger, cash-rich brands acquiring the assets of competitors weakened by the disruption.

Both the major multinational brands – including Shell, ExxonMobil, BP and ConocoPhillips – and state-owned brands such as Sinopec and PetroChina sharply cut back capital expenditure. Investment in shale oil and gas declined, as the low price for crude softened demand for cheaper energy alternatives.

As an unanticipated consequence, the majors rediscovered their downstream businesses, the refineries and gas stations with consumer-facing brands, which some vertically integrated giants had considered divesting because of their low profit contribution compared with upstream exploration.

Brand and reputation

Industry disruption was also expected to impact investment in brand and reputation. While brand contribution is relatively low in the oil and gas category, companies consider reputation a vital lever for influencing regulations, projecting the credibility necessary for establishing partnerships and gaining lucrative government contracts for exploration. ▶

INSIGHT

Broadening brand proposition is complicated

For top-level stakeholders the brand is about power, authority, security and assurance. But the brand must work at a local level too where it needs to be a brand people can trust to have their best interests at heart. The lower price of oil and increased focus on securing an international agreement on carbon emission reduction may provide an opportunity for companies to use their brand to distinguish themselves in the category. But it's complicated to associate the brand with energy solutions other than petroleum because renewables and alternative sources of energy are different business models, valued differently by the markets.

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HILL+KNOWLTON STRATEGIES

INSIGHT

Brands can't fix geopolitical problems

Because this is so geopolitical, brands are less important. The major oil and gas companies are hunkering down to operate in these circumstances, but their ability to shape what's going on is really quite constrained. They can have some influence on the governments with which they do business, but the geopolitics aren't just about energy. There are other issues about which these companies have no say.

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J. WALTER THOMPSON WORLDWIDE

Top 10 Oil & Gas

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**ExxonMobil**	20,412	1	3%
2	**Shell**	18,943	1	0%
3	**Sinopec**	17,267	1	21%
4	**PetroChina**	15,022	1	21%
5	**BP**	12,938	1	1%
6	**Chevron**	8,994	1	3%
7	**Total**	5,814	1	7%
8	**ConocoPhillips**	5,763	1	N/A
9	**Gazprom**	5,179	1	-17%
10	**Rosneft**	5,001	1	-10%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Chinese brands boost category Brand Power

The BrandZ™ Top 10 Oil and Gas brands scored somewhat higher on reputation than the Top 100 brands overall. Reputation for the Oil and Gas Top 10 suffered following the 2010 BP Deepwater Horizon spill in the Gulf of Mexico and then rebounded, revealing a strong category effect when one of the majors experiences a problem.

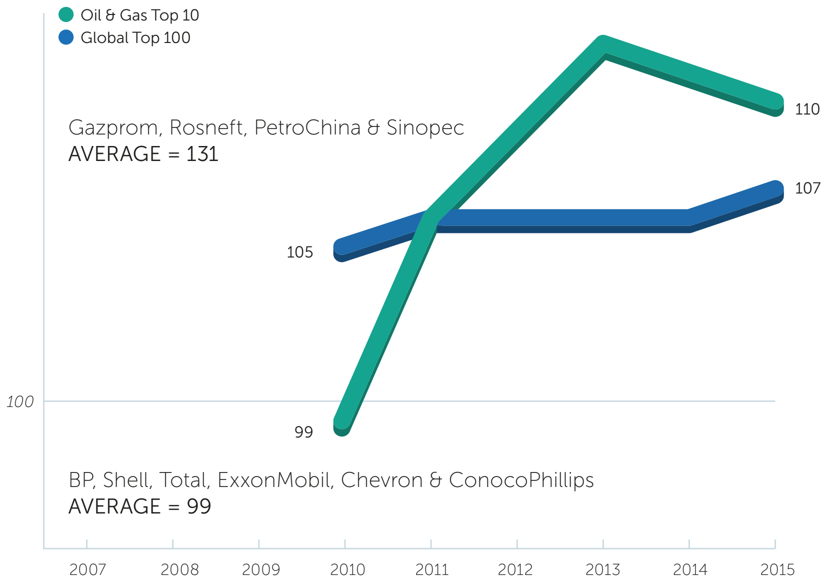
Reputation scores broke down sharply according to ownership, however, with state-owned brands scoring much higher in reputation than MNCs (multinational corporations). The state-owned companies – Gazprom, Rosneft, PetroChina and Sinopec – scored an average of 131 on reputation compared with a score of only 99 for the private companies – BP, Shell, Total, ConocoPhillips, Chevron and ExxonMobil. An average brand scores 100.

BrandZ™ methodology in part drives the contrast in reputation scores. Scores for the state-owned companies are calculated from the opinions of consumers in those countries, who often view their oil and gas companies as local champions that help drive the national economy. Responses from consumers worldwide are used to create the multinational scores.

The BrandZ™ measurement of the oil and gas category starts in 2010, and includes upstream (exploration and refining) as well as downstream (retail) businesses. Since 2010, the Brand Value of the oil and gas category grew a modest 13 percent, compared with a 60 percent improvement by the Top 100 overall.

State-owned brands outscore market-driven brands in reputation

The BrandZ™ Oil and Gas Top 10 score higher than the BrandZ™ Global Top 100 in reputation. Reputation scores break down sharply according to ownership, with state-owned brands scoring much higher in reputation than market-driven brands.



Source: BrandZ™ / Millward Brown
Average brand = 100

The major brands invested in partnerships and communications that affirmed their commitment to social responsibility and the local communities in which they operate. This spending on education or community development initiatives, for example, was expected to continue, but probably at a reduced level.

As the multinationals focus intently on delivering a credible bottom line, they'll attempt to be more targeted and effective in their communications. Consumers in countries with state-owned oil companies usually view those brands favorably, as contributors to the national economy and agenda. (Please see the related story.)

Challenging oil economics further hurt the reputation of Brazil's Petrobras, already weakened by national price controls, poor profit results and scandal.

INSIGHT

Time for radically different brand positioning

This is the most long-term industry in the world. There is an established corporate narrative, which is: the world needs a lot of energy; it's difficult to get at; we're the kind of people who can get it. Now that message is undermined because the world is awash with energy, and at the same time, climate change is back on the agenda. These circumstances challenge traditional brand positioning. This is not the time for ultraconservatism. This is the time for something radically different that can work across stakeholders and respond effectively to NGO critics.

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North American opportunity

One of the bright spots in the complicated geopolitics of the oil and gas category had been North America. In only a few years, the US pivoted from dependence on oil from politically volatile parts of the world to energy independence and the realistic possibility of soon becoming a net energy exporter.

Oil and gas brands operating in North America face enormous potential economies of scale and product demand from both sourcing and selling oil and gas in the world's largest energy consuming market. Americans debated about balancing the benefits gained from energy independence with the risks posed to the environment.

Topics of ongoing local and national political debate included fracking for shale oil and gas, opening up the eastern seaboard for off-shore drilling, construction of the Keystone pipeline to flow oil from the Canadian tar sands to US ports on the Gulf of Mexico, and awarding more export licenses.

INSIGHT

Brands need to tell their stories better

The energy majors need to get better at telling the story of how they're contributing to the economic development of communities around the world. The drop in oil prices is a watershed moment — an opportunity to re-evaluate traditional approaches and start looking at new ones. Reputation-building will still be front and center, but communications will be much more targeted and much more personal.

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Y&R

INSIGHT

Strong reputation influences positive outcomes

The advantage of having a well-established corporate brand is that you can be ready when the licenses are being awarded. I have seen instances where strong corporate brands, together with close relationships and established reputations, have put companies automatically on the short list for licenses, while other majors of similar scale and power have been ignored because they haven't established their reputation in the same way. When international oil companies go into a country where energy is a problem and they can provide a solution, then they can achieve hero status if they manage their reputations well.

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Energy alternatives

Meanwhile, the low cost of oil hurt many smaller, highly leveraged shale oil companies that bet on high oil prices to build demand for a lower-cost energy alternative. And investment in renewable sources like offshore wind, became less attractive.

Although the prudent prescription for oil companies was to ride out the storm, an alternative script suggested that the crisis presents an opportunity to strengthen brand and reputation by articulating a larger vision around climate change and long-term sustainability.

Among the climate stabilizing options being considered were a carbon tax that might be more acceptable with lower oil prices, and a tax credit that would compensate companies for agreeing to put some of the world's reserves off-limits into an unexploitable asset called the carbon bubble.

BRAND BUILDING ACTION POINTS

1. Consider the low oil price not only as a crisis to endure, but also as an opportunity to discover new ways to differentiate the brand and assert brand leadership.
2. Implement more effective and efficient communications strategies that reach the influencers and sustain brand and reputation. Communicate with stories that are targeted and relevant, but with the effectiveness and efficiency required in this tough environment.
3. Do a better job of telling stories about how the brand contributes to the economic development of the communities of the world. Make those stories personal and honest.
4. Invest in unraveling the policy changes facing the businesses, and create a fiscal and regulatory environment that allows the businesses to continue to thrive.

FUTURE VIEW

One of the defining aspects affecting the oil and gas category over the next few years will be lower prices and the reorganization of businesses and investments to reflect this new normal.

Also significant will be the low-carbon transition; responding to the moral dilemma of providing energy to the growing population of our world, and the need to avoid catastrophic climate change.

DISRUPTION

Constant disruption is the new normal

It threatens stability but also drives innovation

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Cohn & Wolfe, a global communications agency, builds brands and corporate reputations by uncovering fresh insights that lead to relevant, unexpected ideas that engage and motivate stakeholders. This forms the foundation for integrated campaigns that foster trust, inspire action and deliver measureable business success.

www.cohnwolfe.com

Will 2015 be the year when the economic disruption caused by the crash of 2008 finally begins to subside? Can we hope for a "new normal" of sustained growth and stability? After all, seven years of famine is supposed to be followed by another seven of relative feast!

The short answer to that is, forget it. Whatever you thought was "normal" doesn't exist anymore. In its place is a world of constant disruption, at both the macro and micro levels.

From a macro perspective, the global banking crisis has shattered the traditional slow economic cycle from expansion to contraction and back again – probably forever. We have to get used to a world where the next convulsion may be just around the corner.

Accompanying this underlying financial instability is the economic rollercoaster caused by the slump in global oil prices. Predictions in this game are not hard to find. You can find experts to give you almost any opinion you like. Some believe that oil at $50 or so a barrel is here to stay, underpinning a new era of long-term global growth.

Others will tell you that oil has fallen way too fast and will soon be heading back up to $70 or even $80 a barrel. There is only one truth: nobody, but nobody, can predict how this massive game of chicken being played with the price of our most vital commodity will finally turn out.

Disruption at the macro level

Also at the macro level, remember the famous BRIC countries? This was the collective name for the turbo-charged emerging economies of Brazil, Russia, India, and China, which would catapult the world economy onto a higher plane of economic growth.

In 2015, prospects for the BRIC nations are far more difficult to figure out. Consider these three impossible questions:

1. Has China's current slowdown bottomed out? Will the world's second largest economy start to gather economic steam again, as it did in the boom years of the noughties? Or will structural weaknesses in the Chinese financial system bring its economy down, with all of the political instability that would bring?
2. Where is Brazil headed? The tidal wave of poor economic and political news is threatening to swamp what was once the beautiful B in BRIC. Can this be stabilized?
3. Possibly the most difficult question of all: whither Russia? If the optimists on oil are correct, and the price per barrel stays around the $50 mark, Russia's economy won't be able to bear it. And what will that mean for the continuing deadly standoff over Ukraine?

Disruption at the micro level

At the micro economic level, there is a whole other kind of disruption taking place, mostly of a more positive nature. In almost every sector, technology is disrupting traditional business models, overturning and creating new economic paradigms.

This phenomenon can be summed up in one word: Uber. The taxi-hailing service has disrupted not just its own moribund industry, but also everything in its path. As FT Associate Editor Andrew Hill noted recently in the FT: "To be 'Ubered' has become a catchphrase well beyond the domain of transportation."

Uber appeared to come out of nowhere to dominate its industry. The disruption was super-fast and brutal. We can be certain this pattern will be repeated in other industries by bold entrepreneurs who are willing to take on vested interests and create new paradigms.

Disruption will follow disruption. The ascent of Netflix changed the broadcasting industry forever. But who would bet against yet another challenger appearing to reinvent the model again?

The next wave

If I had to place my bets for the next wave of disruption, I would pick out two possibilities.

First, the car industry stands on the verge of true technological and economic disruption that has the potential to make life better for people and the environment. After years of false starts, BMW and others have already made enormous strides in the development of electric vehicles. And now Google is going head-to-head with (guess who?) Uber, in the race to be the first company to produce a driverless car.

Second, mobile technology promises to bring a much better future for the banking industry after the post-2008 disasters. There now exists the opportunity for a banking brand that is bold enough to reinvent the category using next-generation smartphone devices and 4G networks.

The two kinds of disruptions described here – the inherent instability of the world's financial and economic systems at the macro level, and the furious, positive dynamism of entrepreneurs at the micro - stand in stark opposition to one another. The former threatens the very future of the world economy, the latter offers economic opportunity and growth through radical change. The big question for us in 2015 is, which one will dominate the other?

KOLKATA, INDIA

Value of all Indian brands in Top 100

$14 BILLION

WPP people in India (including associates)

14,000

"Tiny Planet" Series by Paul Reiffer

TECHNOLOGY // CONSUMER

New products and services satisfy consumer demand

Monetizing keeps investors happy

With a 24 percent rise in value, technology tied with retail as the fastest growing category in the BrandZ™ Top 100 Most Valuable Global Brands 2015 report.

Brands sought a delicate balance between satisfying customers with new products, services, and mobile apps, and satisfying Wall Street by monetizing their offerings. In a competitive and volatile category, brand became even more important to reassure customers and inspire loyalty.

On the strength of the iPhone 6, Apple returned to first place in the BrandZ™ Top 100 Most Valuable Global Brands in 2015. The numbers spoke volumes, literally. For its first quarter, Apple reported profits of $18 billion, the best performance of any company ever, driven by sales of almost 75 million iPhones.

The success of iPhone 6 and iPhone 6 Plus mirrored the decline in the rate of tablet sales, suggesting that tablets are being squeezed, as consumers increasingly use large-screen phones for mobile computing needs.

Apple, the world's most valuable brand as well as its largest company by market capitalization, became part of the Dow Jones Industrial Average, an achievement that recognized both Apple's success and the impact of technology brands generally.

In addition, Chinese technology brands increased in brand value, despite the slowdown of China's economy. Telecom equipment provider and mobile phone maker Huawei entered the BrandZ™ technology ranking for the first time. With the record IPO of Alibaba (please see the retail category story), the impact of Chinese brands became even more apparent in the West.

Slight rankings shifts

Google dropped to second place in the BrandZ™ technology ranking, as heavy investment spending increased costs and revenue slowed, in part because of the strong dollar.

Microsoft rose one slot, to third place, on the strength of three things: a shift in focus to the cloud, a more collaborative corporate philosophy, and an aura of optimism surrounding the installation of a new CEO. (Please see the B2B story.)

Number five in the BrandZ™ technology ranking is the Internet portal Tencent. Often compared with Facebook, Tencent became China's most valuable brand. Baidu, China's leading search engine, grew 35 percent in Brand Value, while for the first time, Chinese consumers conducted the majority of their Internet searches on mobile devices.

Brand Value change

24%

Technology
Top 20 Total Brand Value

$1.0 TRILLION

CATEGORY DEFINITION

The technology category includes business-to-consumer and business-to-business providers of hardware, software, portals, consultation and social media platforms. The diversity of the technology category reflects the convergence occurring as brands develop integrated systems of products and services.

INSIGHT

Tribal loyalty influences our device choices

A lot of how consumers buy tech is tribal. Tech has become the new way of displaying who we are. We don't consciously admit it because it would be embarrassing to suggest we're conforming to some tribal stereotype. If you get your phone out and you put it on the table, it's making a statement about you. Some brands didn't understand this idea. They've produced good products, but the brands lacked any tribal identification.

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Watch the Tencent Film:
http://bit.ly/1BZs2Ow

Top 20 Technology

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**Apple**	246,992	4	67%
2	**Google**	173,652	4	9%
3	**Microsoft**	115,500	4	28%
4	**IBM**	93,987	4	-13%
5	**Tencent**	76,572	5	43%
6	**Facebook**	71,121	4	99%
7	**Baidu**	40,041	5	35%
8	**SAP**	38,225	3	5%
9	**HP**	23,039	3	18%
10	**Oracle**	21,680	2	4%
11	**Samsung**	21,602	4	-17%
12	**Accenture**	20,183	3	11%
13	**Intel**	18,385	2	58%
14	**Cisco**	16,060	2	17%
15	**Siemens**	15,496	3	-8%
16	**Huawei**	15,335	3	N/A
17	**LinkedIn**	12,200	5	-2%
18	**Twitter**	11,447	4	-17%
19	**Sony**	7,989	3	4%
20	**Adobe**	7,399	2	N/A

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

In sixth place, Facebook almost doubled in Brand Value. It acquired WhatsApp and continued to monetize its audience, successfully increasing revenue from mobile advertising sales. Although membership growth slowed, the user base of about 1.4 billion, plus the users of WhatsApp, Instagram and Messenger, kept the brand relevant to a younger audience.

Apple brand strength prevails

The iPhone success, paired with the related rollout of Apple Pay and the subsequent launch of Apple Watch, quieted the debate about whether Tim Cook could sustain the Apple of Steve Jobs' eye.

In a separate and portentous move, Apple collaborated with IBM, opening up an enormous opportunity to sell its phones, laptops and other devices to businesses without having to create its own enterprise sales force.

Having always sold premium products, Apple became more explicit about its luxury positioning with the introduction of the Apple Watch, and announced plans to refurbish Apple stores with sales counters and displays suggesting department store exclusivity.

At the same time, premium positioning also presented Apple with one of its fundamental competitive challenges, as Chinese brands such as Huawei and Xiaomi and Indian makers like Micromax offered quality smart phones at much lower prices.

Apple's Brand Power remained a major advantage. Consumers were drawn both to the efficacy, ease of use and design of Apple products, and to the allure of the brand itself.

Google positions for the future

Based on its advantages in consumer data and analytics, Google also pursued business-to-business initiatives. In addition, the brand continued to develop a driverless car and Google Fiber, while pausing its Google Glass effort.

The company announced that it would create its own Google-branded telecom network for its Nexus phones, using third-party Wi-Fi capacity from T-Mobile and Sprint. The deal followed by about a year Google's purchase of Nest Labs, makers of thermostats and other devices that learn to predict settings based on consumer use.

These initiatives positioned Google for the emergence of the connected home, as a brand that owns the portals that distribute data and the devices that collect and analyze it.

In a synergistic way, this information about how people live in their homes could help Google's online advertising business, enabling the brand to further personalize messages.

INSIGHT

Consumer brands face more churn

There is constant need for innovation in technology; a driving concern with what's next. The category moves at a fast pace. It's great if you're a brand that works at that pace. If you don't constantly innovate in this category, you'll be gone. There's probably more churn ahead for the consumer brands. And every company is really a technology company today across categories. Done well, the technology helps to build the brand value. The ability to differentiate is harder, but even more important.

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Hardware, software and services

Samsung was also well positioned to benefit from the connected home and the Internet of Things because of its broad product range, which includes mobile devices as well as TVs, refrigerators and other appliances.

Samsung introduced its Galaxy S6 smartphone with a curved screen to compete with the iPhone 6. It followed the S5, which received a mild reception from consumers and Samsung found itself competing both with Apple at the premium end and the price-driven brands like China's Xiaomi.

Amid the rapidity of change, young brands such as Instagram, Snapchat and Tumblr challenged relatively youthful brands like Facebook; Facebook met this threat by acquiring Instagram and WhatsApp. In another effort to engage young users, Facebook enabled developers to create clever apps for using photos, video and audio.

Twitter ended 2014 with 288 million users as user growth slowed, but revenue growth increased. With around 330 million users worldwide, LinkedIn continue to exceed revenue and profit projections.

TECHNOLOGY // BUSINESS

Business-to-business brands reinvent, reorganize, and begin to recover

Cloud transition continues but shows results

Business-to-business technology brands showed financial improvement following several years of playing catch-up, transitioning enormous, complicated global enterprises to the cloud from business models based on hardware and devices.

INSIGHT

Growth rate for technology is slowing

As Apple and Google move into new businesses, their dabbling is a sign of weakness rather than strength. The sector is slowing down so fast that people with money don't know what to invest in. The investment opportunities going forward will be much more about real customer needs and solving real customer problems.

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Many of the initiatives seemed more iterative than innovative, but they were part of a long-term business reinvention process that included workforce reduction. Brands competed fiercely on price but also collaborated when necessary, sometimes blurring the boundary between consumer and business.

These efforts to reposition companies for the cloud and restore sustainable growth helped drive sharp rises in value for some brands, with Intel up 58 percent, Microsoft up 28 percent, and HP up 18 percent.

Intel's chip business had weakened with the decline of the PC market. Intel's share price recovered sharply with strong sales of server and PC chips. Cloud providers, which are a growing Intel revenue stream, may have driven server chip demand. Intel also developed chips for mobile phones and focused attention on the emerging Internet of Things.

The Microsoft improvement reflected a change in leadership, corporate culture and business model. In a dramatic effort to sharpen focus, HP split the company into two new public corporations - one focused on the cloud and infrastructure, the other on devices.

Two brands entered the BrandZ™ Technology Top 10: Huawei, the Chinese telecom equipment provider and mobile phone producer, and Adobe. A maker of graphic design software and a digital advertising solutions provider, Adobe rejoined the Global Top 100, having ranked in the Technology Top 10 in 2008.

Huawei enjoyed strong profit growth as it continued to provide economical telecom solutions to governments and enterprises around the world. Adobe boosted profits by providing cloud subscriber-based digital marketing solutions, from design to channel optimization.

Culture change brightens brand

Microsoft announced plans to distribute the next version of its Windows 10 as a free upgrade for the first year to people who already own Windows. The initiative ensures a high adoption rate and the Microsoft brand looks more generous.

Microsoft also made other free software available and released Windows for iOS, the Apple operating system. These initiatives depended on having desirable products, cultivating customer relationships, and then finding opportunities to sell customers more premium products to improve their businesses or enrich their lives.

This business model may not seem radical, but it is a departure from Microsoft's former culture, which was more sales driven and protective. It is indicative of the company's more flexible and collaborative approach under its new CEO.

10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Being different drives value

The technology category was a primary driver of the BrandZ™ Global Top 100 Brand Value rise over the past 10 years. Technology grew 175 percent in Brand Value, compared with 126 percent for the Top 100 brands over all.

Technology brands comprise almost one-third of the total value of the BrandZ™ Top 100 Most Valuable Brands in 2015, compared with one-fourth of the value 10 years ago. The average value of a technology brand is $57 billion, about twice the $27 billion average value of a non-technology brand.

Business-to-consumer brands grew 328 percent in Brand Value, while business-to-business brands grew 81 percent. Brand churn, with the entrance of new, high-value consumer brands, explains the contrast in growth rates. Brand churn also points to the need to constantly innovate to remain a contender in the technology category.

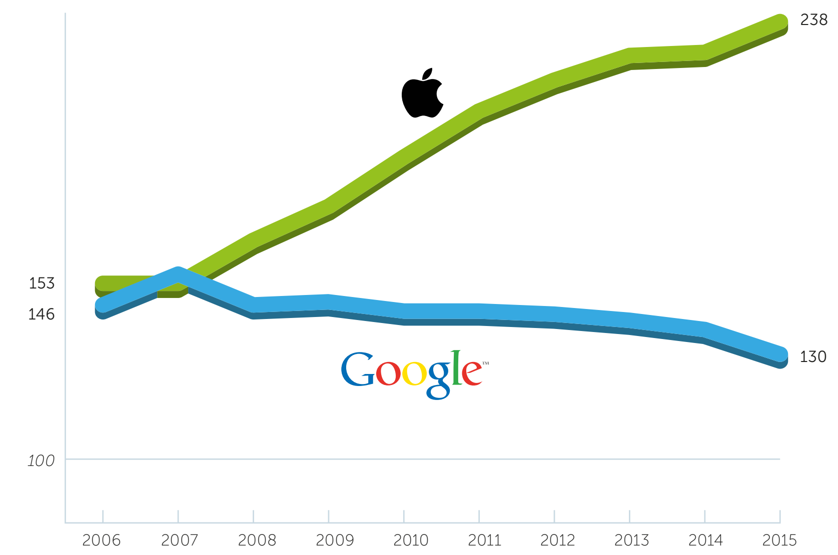
These six business-to-consumer brands from the BrandZ™ 2015 technology ranking are new since 2006: Facebook, Twitter and LinkedIn, along with Chinese entrants Tencent, Baidu and Huawei. No new business-to-business brands appeared in the ranking, but a few dropped out.

Differentiation was a key growth factor. Apple, which had promoted the brand with the phrase "Think Different," substantially increased its Difference score over the past 10 years, when its innovations included smart phones and tablets. Google's Difference score declined slightly; apparently the brand's innovations aren't as obvious to consumers.

It is no coincidence that Apple and Facebook, the two brands rated highest in Difference, are also among the fastest risers in Brand Value. Apple's Brand Value increased 1,446 percent over the past 10 years.

Differentiation is a key value driver

Apple substantially increased its Difference score over the past 10 years, when its innovations included smart phones and tablets. Google's Difference score declined slightly. The brand's innovations aren't as obvious to consumers.



Source: BrandZ™ / Millward Brown
Average brand = 100

Subscription models

Microsoft's initiatives reflect a wider B2B trend, as customers chose to pay to use a technology product, rather than pay to own it. SAP, for example, took a major step in its transition to the cloud from its business model of earning revenue from long-term licenses for software.

SAP introduced redesigned software for managing management functions, like finance and logistics, in real time. Called S/4 HANA, the software can be installed on client computers, or it can be accessed from the cloud, or used in a hybrid of both options.

Oracle also continued its transition to the cloud with the purchase of TOA Technologies, and the company introduced a server designed for compatibility with its software, but at a competitive price. Cisco's rebound was based on its switching business, which drives almost one-third of the company's revenue. (Switches are the hardware devices that connect devices to a network.)

Cisco's share price improved based on the company's business evolution and the perception that the brand is well positioned as a provider of network and Internet infrastructure as enterprises transition to the cloud and the Internet of Things. Cisco collaborated with many companies, including Microsoft, on a cloud project.

INSIGHT

Innovation key for current growth cycle

Innovation is key as the economy enters a growth cycle. Brands are focused more on "How do we grow market share?" rather than "How do we cut costs?" - at least in the US. Companies are investing in R&D and also small acquisitions, when it makes sense to purchase expertise.

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HP Reinvention

As part of a five-year turnaround effort, HP split the company into two businesses. One of the new businesses, Hewlett-Packard Enterprise, will focus on some of the growth areas of B2B technology, including: cloud, big data, security and mobility.

The other business, HP Inc., will leverage the company's traditional manufacturing strengths, in PCs and printers for example, to develop business in related emerging technologies such as 3D printing.

By splitting the company into two brands, HP intends to compete with more agility and sharper focus. Hewlett-Packard Enterprise primarily will be a B2B brand, facing competitors such as IBM and Oracle, while HP Inc. is more consumer focused.

Both companies will operate with a "Playing to Win" strategy adapted from P&G, in which the companies compete only with the products and in the markets where they're well positioned to succeed.

IBM links with Apple

IBM announced massive investment in cloud, analytics, mobile, social and security technology. It made several important acquisitions, and as part of its shift to the cloud, sold its mainframe business to Lenovo. Revenue from new businesses increased substantially, but during this transition, not surprisingly, net income declined for 2014.

IBM entered a partnership with Apple. The linkage of these two iconic brands enables IBM to design business applications for Apple devices. Apple gains a strong inroad into B2B and an opportunity to sell more devices.

Apple is not the only consumer-facing brand active in B2B. Businesses look to Google for analytics. Using Gmail or Google Analytics is free or less expensive than a package of solutions from a traditional B2B brand. Using Google also creates seamlessness between the technology used at work and home.

Amazon leveraged the enormous computing power used for its online retail business to provide cloud services for business. Chinese e-commerce leader Alibaba opened a data center in the US that will provide B2B cloud services. Both Amazon and Alibaba appear in the BrandZ™ retail category.

BRAND BUILDING ACTION POINTS

1. Focus on consumer needs and wants. Technology is most successful when it enhances outcomes rather than trying to change consumer behavior; when it makes our everyday activities faster, smarter, bigger, more enjoyable or immersive.
2. Make yourself as agile as possible. You'll need to react faster than ever to remain competitive. Ensure you offer routes into your brand that are channel- and platform-agnostic. Make it easy for consumers to research you, find you, try you and buy you.
3. Work harder to create an ongoing dialogue with your customers. Give them plenty of reasons to stay with you, and to repurchase, renew and upgrade.
4. Give customers reasons to say positive things about you. Enable them to co-create solutions with you for new products, renewed products or improved approaches for interaction of brand and consumer.

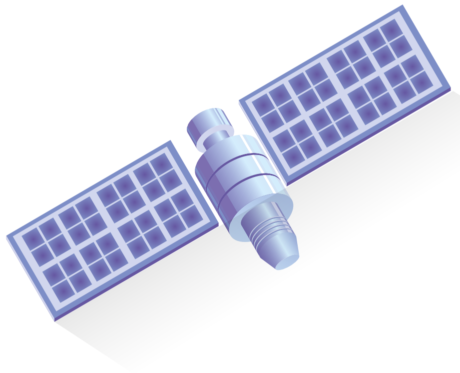
FUTURE VIEW

Some successful brands, like Apple, are excellent at building tribes of followers who feel an emotional connection to the brand but also an obligation. One reason these customers keep buying the brand's products is because they'll lose too much personal history or entertainment if they don't. This walled garden approach works until either consumers revolt or someone smart finds a way to smash the wall. The more sustainable approach: Focus on building the brand, not on launching products and assuming loyalists will obligingly purchase them.

Consumer technology brands primarily adopt a "brand through product" approach to marketing. They work off the premise that one's latest product is the strongest current message about the brand. This approach is not sustainable, as more products come to market on shorter lifecycles. Instead, brands will need to embrace a "branded house" approach (think automotive market), with marketing that builds a higher purpose and position for the brand, under which individual product campaigns will live on smaller budgets through more targeted channels.

Major brands that fail to commercialize successfully could implode under the weight of stock-market pressures. Consumer-facing brands with business revenue streams, like Google or Facebook, need to monetize in ways that don't compromise the experience for the consumer user. These kinds of brands face the mortal risk of entering a vicious cycle where the more they commercialize, the more users they lose and the less valuable their platform becomes.

TELECOM PROVIDERS



Leaders expand scale and emotional appeal

Prepare for opportunities in home automation

Acquisition and consolidation accelerated in mature markets as telecom providers attempted to build scale, add content and strengthen the emotional appeal of brands built around functionality.

Faster 4G LTE connections continued to proliferate, even in developing markets like China and India, where the availability of low-priced devices expanded smartphone use and increased data transmission.

Brand Value change

17%

Telecom Providers Top 10 Total Brand Value

$388.2 BILLION

CATEGORY DEFINITION

The telecom providers category includes brands that primarily develop, maintain and market hardwire or wireless infrastructure networks for voice and data transmission.

INSIGHT

Telecom brands signify lifestyle in South Korea

South Korea is a classic model for where the telecommunications category is heading. In South Korea you go from connection to connection and entertainment, and ultimately, the functional aspects are played down and the telecoms become lifestyle brands. Leading companies in all markets need more than a connection; they need integrated content. The nature of the content draws the audience and helps differentiate the brand. Whether or not a brand buys or creates its own content is a business decision.

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The major telecom providers also advanced their fiber-optic programs to gain competitive advantage in speed and quality, and to create infrastructure to benefit from the next major opportunities: home automation and the Internet of Things.

Meanwhile, the telecom brands faced challenges from a broad set of competitors, including cable companies, local niche telecoms, Google and over-the-top Internet providers that enabled customers to obtain voice for free.

Based on strong financial results in its home market and in Asia, the Australian telecom provider Telstra appeared for the first time in the BrandZ™ Telecom Providers Top 10.

China Mobile remained the world's largest Internet provider with over 800 million subscribers, and for the first time, more Chinese people used mobile devices rather than PCs to access the Internet.

Verizon completed its purchase of the 45 percent of Verizon Wireless owned by UK-based Vodafone. The transaction lifted Verizon's share price and lowered Vodafone's market value, although it also left Vodafone well-funded for expansion or acquisition.

Acquisition and consolidation

The consolidation trend was most evident in the UK, as BT agreed to acquire EE, the nation's largest mobile operator, itself the product of a prior joint venture of T-Mobile, owned by Deutsche Telekom, and Orange.

The transaction establishes BT among UK telecom providers offering a quad play bundle of landline, mobile, Internet and TV. Investors rewarded the move with a rise in share price. Sky, the UK-based TV channel, announced plans to create a quad play offering through an agreement with O2, which is owned by Spain's Telefónica. Meanwhile, Hutchinson Whampoa, owner of Three Mobile network in the UK, agreed to terms with Telefónica to purchase O2.

Quad plays are a strategic effort to create a more emotional customer connection to the brand, differentiate with exclusive content and raise revenue from higher data use. Quad plays also enable premium-priced products, especially important as voice becomes commoditized by free over-the-top options like Skype, Viber or WhatsApp.

TalkTalk Group and Virgin Media already offer quad plays in the UK, and European telecom providers offer quad plays throughout the continent. Whether customers prefer bundled services, and if bundling will lower customer churn, remain open questions.

Fighting for share

In the US, AT&T and Verizon continued to battle for share, trying to maximize income from existing customers and minimize churn after challengers Sprint and T-Mobile disrupted the market by offering contract-free arrangements.

AT&T and Verizon responded with more transparent plans, including options without long-term contracts and unbundling that separated the cost of the device from the cost of service. AT&T acquired the Cricket brand to serve price-sensitive customers with no-contract, pre-paid rates.

Top 10 Telecom Providers

		Brand Value 2015 $M	Brand Contribution	Brand Value % Change 2015 vs 2014
1	**AT&T**	89,492	3	15%
2	**Verizon**	86,009	3	36%
3	**China Mobile**	59,895	4	20%
4	**Vodafone**	38,461	3	6%
5	**Deutsche Telekom**	33,834	3	18%
6	**Movistar**	21,215	3	2%
7	**BT**	17,953	3	17%
8	**Orange**	17,384	3	12%
9	**Telstra**	12,701	4	N/A
10	**NTT DoCoMo**	11,223	3	12%

Source: Millward Brown (including data from BrandZ™ and Bloomberg)
Brand Contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

The pricing changes were part of the larger effort to build brands around service rather than devices. At a time when retailers closed or downsized their physical locations and strengthened their online presence, telecom providers added stores as a way to differentiate with brand experience and deepen customer relationships by simplifying a complicated transaction. The launch of iPhone 6 late in 2014 drove traffic.

In an effort to diversify beyond its traditional business, AT&T partnered with Uber, preinstalling the car-sharing service's app on all AT&T android phones, and providing a wireless service to many Uber drivers. The brand also planned to link its home automation service, "Digital Life" and its connected car service, "Drive". AT&T added 800,000 connected cars in the fourth quarter of 2014.

Facing the future

Along with their wireless services, both AT&T and Verizon offered high-speed the fiber-optic wiring that provides landline, Internet and TV. Along with offering similar benefits to the quad play, fiber-optic wire enables telecoms to offer the speed and resolution clarity required to compete more effectively with cable companies for content delivery.

Fiber-optic wiring in millions of homes positions telecom providers for the connected home phenomenon, which foresees a time when mobile devices become the command units controlling household energy use, appliances and cars.

INSIGHT

Consumers buy brands that are front of mind

With the amount of choice these days and our increasingly scrambled minds – thanks largely to our technology-driven "always on" environment – being front of mind matters more than ever. We see this when we monitor linkages between what people say and their subsequent behavior. Top-of-mind as well as most preferred brands dominate consumer choice. Many companies still insist on tracking purchase intention and prompted brand awareness, yet neither question correlates with actual behavior. In most categories, unless a brand is ranked first or second on preference or is absolutely front of mind, it will rarely be bought, unless a sales person or a compelling online review persuades the customer otherwise.

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10-YEAR TRENDS & ANALYSIS

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Powerful brands are lacking love

The telecom provider category grew 136 percent in Brand Value over the past 10 years, slightly more than the growth pace of the Top 100 overall. And while Brand Value growth for many categories leveled during the recession, telecom growth continued because consumers cut spending without giving up their mobile phones.

The category outperformed the Top 100 in Brand Power, the BrandZ™ measurement of brand equity that drives market share. The BrandZ™ Telecom Providers Top 10 comprises dominant brands that scored 223 in Brand Power, compared with a score of 170 for the Global Top 100. (An average brand scores 100.)

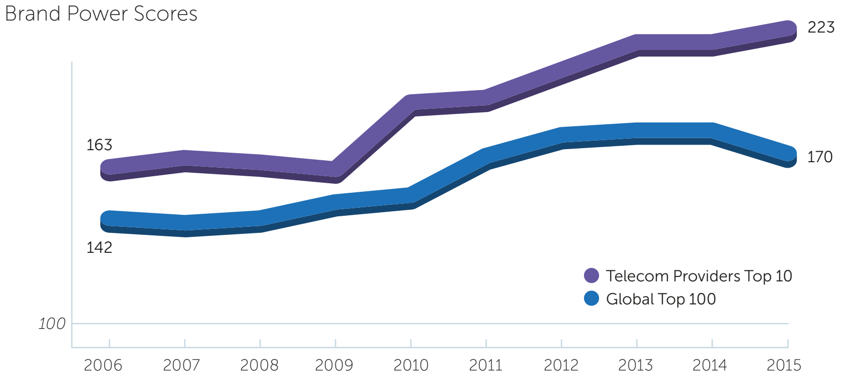
The eight brands that remained from 2006 – Verizon, AT&T, China Mobile, Orange, Vodafone, NTT DoCoMo, Movistar and Deutsche Telecom – effectively increased their Brand Power from 185 to 218. The two new brands – BT and Telstra – scored well above 200, replacing the brands that dropped out, having scored only 135.

But in spite of commanding dominant market share because of the services they provide, telecom providers are less loved than other brands. Their "uncaring" score increased from 103 to 110, only marginally behind the worst scoring categories of global and regional banks, which scored 114. Consumers also see telecom providers as more arrogant than other brands.

Telecom Providers are powerful brands that dominate

The telecom providers brands are hugely dominant in their territories. The brands come to mind as the best to deliver these services, even if they are not best loved. The category outperformed the Top 100 in Brand Power, the BrandZ™ measurement of brand equity.

Brand Power Scores



Source: BrandZ™ / Millward Brown
Average brand = 100

Japan's NTT DoCoMo introduced fiber-optic service and bundled discounts. Google announced plans to expand its Google Fiber service beyond its original rollout in Kansas City, Provo, Utah and Austin, Texas to more mid-sized US cities.

And in a move that could eventually disrupt the telecom providers category, Google launched a Google-branded wireless service, buying network capacity from Sprint and T-Mobile. The service, which will work only on Google's Nexus phone, is initially a learning experience for Google and a laboratory for innovation.

Meanwhile, the US Federal Communication Commission ruled on the contentious issue of net neutrality. The commission decided to regulate the Internet like a utility and prevent the telecoms from adjusting customer pricing according to bandwidth consumed.

High speed expands globally

By early 2015, 4G LTE networks were available in 124 countries, according to the Global Mobile Suppliers Association.

While there was no single global telecom provider, some brands created regional networks. Mexico's América Móvil and KPN of the Netherlands increased cooperation following a failed attempt to hook up several years ago.

Drawn by the growth of Mexico's middle class and the possibility of building one network to serve North America, AT&T purchased Lusacell, a wireless brand owned by Mexico's Grupo Salinas. AT&T also planned to buy the Nextel brand in Mexico and combine it with Lusacell.

Orange and Vodafone were among the international telecom brands competing in Africa with local brands such as MTN, as the increased availability of affordable devices expanded the market.

With a smartphone penetration rate of over 70 percent, Korea remained one of the most advanced telecom markets, where functional benefits are played down and telecoms are seen as lifestyle brands.

INSIGHT

Home automation is the next big telecom opportunity

Telecommunication companies are already connected to our homes, so they are well positioned for home automation, which is a strategically important brand opportunity. As telecoms already have the pipe into the home and are trying to offer more and more to the consumer, home automation is the natural progression. The telecoms plan is to be key players in connecting the devices and appliances that consumers use, and in collecting the data that helps analyze and predict how people use these products. Telecoms will provide home automation packages the way they provide entertainment bundles today, as we see both large and small players prioritizing development of home automation.

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BRAND BUILDING ACTION POINTS

1. Choose a strong position. It could be about reliability; reliability can demand a premium. Or a positioning can stress innovation or local provenance. Whatever the position, support it.
2. Make it simple for the customer. Brands may claim they're simple, but the claim loses credibility when the customer tries to understand the monthly statement.
3. Consistently deliver a great retail brand experience, and not just in the flagship stores. Make the retail experience help customers move easily through what can be a complex transaction.
4. Be prepared for disruptive new players operating with completely different business models. They'll potentially be more of a threat than the strongest of your existing rivals. Make yourself as agile as possible. You'll need to react faster than ever to remain competitive.

FUTURE VIEW

Functionality, specifically speed, is important for brand building now, but will decrease as a differentiator over time. Fiber-optic will continue to grow in importance.

Entertainment will be a key differentiator. Content will be critical to own a position in the market, at least for the major brands. Whether or not to gain the content through ownership or partnership is a secondary question.

Trust will be important. Consumers need to trust that brands will deliver with their usual high levels of quality, even as they expand more into content delivery and other services.

Connectivity disrupts brands and opens opportunities

New data features drive car-purchasing decisions

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TNS

The connected car is arriving fast, no doubt because it offers so many benefits to so many different stakeholders. Put simply, the connected car is a vehicle that collects and shares digital data in ways that improve the safety, convenience and comfort of its passengers. It enables consumers to feed their appetite for constant connectivity, interfacing via voice, email and apps to deliver a wholly personalized car experience.

The level and sophistication of these connectivity features is a decisive factor for tech-savvy buyers deciding which brand and model to choose. Increasingly car buyers prioritize car connectivity features over other aspects such as engine power or fuel efficiency.

Others benefit too: urban planners and local governments gain from smart mobility and reduced congestion; safety campaigners are promised huge reductions in traffic accidents; green campaigners get cuts in CO^2 emissions through smoother traffic flows; insurance providers can customize rates according to driving habits; and rental services are able to roll out new pay-per-use business models.

Disruption and opportunity

The potential of the connected car has changed the landscape of brand competition in the auto world. Companies with no role in the automotive category just a few years ago have now become key actors. In a bid to control the critical human-machine interface, digital players have adapted their smartphone platforms to driver specific needs. Telecom players see the installation of SIM cards in new vehicles as the gateway to the next wave of growth. Even some Tier 2 OEM suppliers are attempting to develop direct relationships with consumers in a bid to break free of auto manufacturer mediated success.

Each new player brings value to the consumer-auto brand equation and each stands to take a significant part of the profit pie as a result. The challenge for auto manufacturers is that the auto market is unlikely to grow fast enough to generate the financial returns desired by old and new industry players alike. In consequence each manufacturer is attempting to carve out its own position in the connected world. Each is steering a complex path between efforts to protect its traditional, central role in the value chain, and opening up their platforms to third party technology and telecoms players that have their own powerful brand appeal for consumers.

While vehicle manufacturers and technology players wrestle for control, new mobility businesses have bloomed by meeting consumer needs head-on. The connectedness of modern life has been leveraged to enable a wide variety of new mobility services to prosper. Mobile devices have become the seamless integrator of travel management across road, rail, sea and air. Car sharing and car-pooling have been taken to new levels. Access to limousine and taxi services has changed beyond all recognition. It's now even possible to rapidly identify in real-time, scarce parking spaces in busy city centers.

Open sourcing and Uber example point the way

Uber's business model, which connects riders to drivers via an app, illustrates how a laser-like focus on delivering an excellent consumer experience can create considerable value. The app is easy to access and download and it delivers a completely new user experience. Instead of facing the hassle of hailing a cab, users are able to spend their time productively and can even track their taxi during its journey to collect them.

Uber has grown exponentially since its 2009 launch, doubling its size every six months and expanding to cover over 50 countries. The business model is instructive: its technology platform is easy for multiple devices to access and can be easily integrated with other, third party apps; the platform will connect to any app the consumer finds value in.

This flexible, adaptive approach is unlocking value in multiple aspects of consumer life. Businesses are creating value by embracing the open source model in web-based photo albums, personal finance management systems, cross-platform software for recording and editing sounds, password management and many other areas of daily life.

It is the ability of vehicles to connect to one another that supports every other aspect of their potential. Cars that can communicate using a common technological standard have far more sources of data available to help guide their drivers and keep them safe, than those that can only use their own bespoke channels. Manufacturers should consider following the open source model and concentrate on forging strategic partnerships that enable data sharing. That is where the most value lies for consumers and therefore is the single biggest opportunity for automotive brands.

IMPERATIVES FOR SUCCESS

1

Worry less about ownership and more about enabling the most consumer value.

2

Be nimble in a digital space that is fast moving and unpredictable. New apps that capture consumer interest are constantly emerging.

3

Enable integration with the widest range of services. The brands that provide the most flexible and adaptable interface will win the connected car race.

6 Resources

BRANDZ™ BRAND VALUATION METHODOLOGY

Introduction

The brands that appear in this report are the most valuable in the world.

They were selected for inclusion in the BrandZ™ Most Valuable Global Brands Top 100 and category rankings based on the unique and objective BrandZ™ brand valuation methodology that combines extensive and ongoing consumer research with rigorous financial analysis.

The BrandZ™ valuation methodology can be uniquely distinguished from its competitors by the way we obtain consumer viewpoints. We conduct worldwide, ongoing, in-depth quantitative consumer research, and build up a global picture of brands on a category-by-category and market-by-market basis.

Our research covers three million consumers and more than 100,000 different brands in over 50 markets. This intensive, in-market consumer research differentiates the BrandZ™ methodology from competitors that rely only on a panel of "experts" or purely financial and market desktop research.

Before reviewing the details of this methodology, consider these three fundamental questions: Why is brand important; Why is brand valuation important; What makes BrandZ™ the definitive brand valuation tool?

Importance of Brand

Brands embody a core promise of values and benefits consistently delivered. Brands provide clarity and guidance for choices made by companies, consumers, investors and other stakeholders. Brands provide the signposts we need to navigate the consumer and B2B landscapes.

At the heart of a brand's value is its ability to appeal to relevant customers and potential customers. BrandZ™ uniquely measures this appeal and validates it against actual sales performance. Brands that succeed in creating the greatest attraction power are those that are:

MEANINGFUL
In any category, these brands appeal more, generate greater "love" and meet the individual's expectations and needs.

DIFFERENT
These brands are unique in a positive way and "set the trends," staying ahead of the curve for the benefit of the consumer.

SALIENT
These brands come spontaneously to mind as the brand of choice for key needs.

Importance of brand valuation

Brand valuation is a metric that quantifies the worth of these powerful but intangible corporate assets. It enables brand owners, the investment community and others to evaluate and compare brands and make faster and better-informed decisions.

Distinction of BrandZ™

BrandZ™ is the only brand valuation tool that peels away all of the financial and other components of brand value and gets to the core — how much brand alone contributes to corporate value. This core, which we call Brand Contribution, differentiates BrandZ™.

The Valuation Process

Step 1: Calculating Financial Value

Part A

We start with the corporation. In some cases, a corporation owns only one brand. All Corporate Earnings come from that brand. In other cases, a corporation owns many brands, and we need to apportion the earnings of the corporation across a portfolio of brands.

To make sure we attribute the correct portion of Corporate Earnings to each brand, we analyze financial information from annual reports and other sources, such as Kantar Retail. This analysis yields a metric we call the Attribution Rate.

We multiply Corporate Earnings by the Attribution Rate to arrive at Branded Earnings, the amount of Corporate Earnings attributed to a particular brand. If the Attribution Rate of a brand is 50 percent, for example, then half the Corporate Earnings are identified as coming from that brand.

Part B

What happened in the past or even what's happening today is less important than the prospects for future earnings. Predicting future earnings requires adding another component to our BrandZ™ formula. This component assesses future earnings prospects as a multiple of current earnings. We call this component the Brand Multiple. It's similar to the calculation used by financial analysts to determine the market value of stocks (for example: 6x earnings or 12x earnings). Information supplied by Bloomberg data helps us calculate a Brand Multiple. We take the Branded Earnings and multiply that number by the Brand Multiple to arrive at what we call Financial Value.

Step 2: Calculating Brand Contribution

So now we have got from the total value of the corporation to the part that is the branded value of the business. But this branded business value is still not quite the core that we are after. To arrive at Brand Value, we need to peel away a few more layers, such as the in-market and logistical factors that influence the value of the branded business — for example: price, availability and distribution.

What we are after is the value of the intangible asset of the brand itself, which exists in the minds of consumers. That means we have to assess the ability of brand associations in consumers' minds to deliver sales by predisposing consumers to choose the brand or to pay more for it.

We focus on the three aspects of brands that we know make people buy more and pay more for brands: being Meaningful (a combination of emotional and rational affinity), being Different (or at least feeling that way to consumers), and being Salient (coming to mind quickly and easily as the answer when people are making category purchases).

We identify the purchase volume and any extra price premium delivered by these brand associations. We call this unique role played by brand the Brand Contribution.

Here's what makes BrandZ™ so unique and important. BrandZ™ is the only brand valuation methodology that obtains this customer viewpoint by conducting worldwide ongoing, in-depth quantitative consumer research, both online and face-to-face, building up a global picture of brands on a category-by-category and market-by-market basis.

Step 3: Calculating Brand Value

Now we take the Financial Value and multiply it by Brand Contribution, which is expressed as a percentage of Financial Value. The result is Brand Value. Brand Value is the dollar amount a brand contributes to the overall value of a corporation. Isolating and measuring this intangible asset reveals an additional source of shareholder value that otherwise would not exist.

BRANDZ™ BRAND VALUATION METHODOLOGY

Why BrandZ™ is the definitive Brand Valuation Methodology

All brand valuation methodologies are similar — up to a point.

All methodologies use financial research and sophisticated mathematical formulas to calculate current and future earnings that can be attributed directly to a brand rather than to the corporation. This exercise produces an important but incomplete picture.

What's missing? The picture of the brand at this point lacks input from the people whose opinions are most important - the consumers. This is where the BrandZ™ methodology and the methodologies of our competitors part company.

How does the competition determine the consumer view?

Interbrand derives the consumer point of view from panels of experts who contribute their opinions. The Brand Finance methodology employs a complicated accounting method called Royalty Relief Valuation.

Why is the BrandZ™ methodology superior?

BrandZ™ goes much further and is more relevant. Once we have the important, but incomplete, financial picture of the brand, we communicate with consumers, people who are actually paying for brands every day. Our ongoing, in-depth quantitative research includes three million consumers and more than 100,000 brands in over 50 markets worldwide.

What's the BrandZ™ benefit?

The BrandZ™ methodology produces important benefits for two broad audiences.

- Members of the financial community - including analysts, shareholders, investors and C-suite, who depend on BrandZ™ for the most reliable and accurate brand value information available.
- Brand owners, who turn to BrandZ™ to more deeply understand the causal links between brand strength, sales, and profits and to translate those insights into strategies for building brand equity.

WPP people in the UK (including associates)

16,000

LONDON, UK

Value of all UK brands in Top 100

$111 BILLION

"Tiny Planet" Series
by Paul Reiffer

BRAND VALUE

Brand valuation and insights are critical for success in a changing marketplace

They drive sales, grow market share and build shareholder value

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Millward Brown is a leading global research agency specializing in advertising effectiveness, strategic communication, media and brand equity research.

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Brand is among the most valuable financial assets of modern corporations. Brand contributes more to shareholder value creation than any other asset – tangible or intangible. Strong brands help drive sales, grow market share and build shareholder value. They're a key to the success of many of today's leading stock market winners.

Valuable brands deliver superior return to their shareholders. We matched a portfolio of brands from our BrandZ™ Top 100 Most Valuable Global Brands against the performance of the S&P 500 over the past 10 years. The BrandZ™ portfolio grew by 102.6 percent, substantially outperforming the S&P 500 Index, which grew only 63 percent.

As revealed in this 10th Anniversary of our BrandZ™ Top 100 Global ranking, market disruptions and changing consumer attitudes about consumption and corporate responsibility will make building and sustaining strong brands vital over the next decade. In this new normal, measuring Brand Value and mining the rich insights embedded in those valuations also are becoming even more important. We see examples every day.

- An IPO raises record funding based on past performance and future promise. But soon after the IPO, the stock weakens. How does an entrepreneur restore the brand to its upward trajectory?
- A company makes a substantial investment to expand its brand. But brand isn't a static mission statement. Brand becomes fully formed only when it's activated. How does a company motivate the entire organization to align behind the brand?
- It's time to pursue a merger or acquisition. How does a company assess the value of the potential purchase? And after the purchase, how does the company quickly understand how the brand is perceived in the minds of consumers worldwide, country-by-country?

Impact on sales, bottom line, shareholder value

The answers to these questions affect sales, the bottom line and shareholder value. Consider Alibaba. The Chinese e-commerce giant achieved a record IPO and entered the BrandZ™ Global Top 100 for the first time this year, rising immediately to number 13 and passing Walmart and Amazon to reach the top of the retail category. But soon after its IPO, Alibaba's share price weakened.

Consumer insights based on BrandZ™ data could help reverse this trend, as indicated by the example of another Chinese Internet company. Autohome is the leading online automobile news, social media and purchase site in China, providing independent and interactive content to automobile buyers and owners. Its IPO raised $120 million. After the IPO, the CEO decided he wanted to focus on shaping the business to meet the future needs of existing and new customers.

Based on BrandZ™ research and findings, the Autohome board decided to expand into e-commerce and the used car business with an aligned brand vision, summarized as "Lead everything auto." Revenue year-on-year increased by 82.1 percent to $100.5 million for the first quarter of 2015, and Autohome's share price increased 72 percent.

Now that Autohome has expanded its brand, how can it align the brand through the organization? First inspire people with the brand and its purpose. Then, incentivize people to enthusiastically and consistently implement the brand. Several of the BrandZ™ Top 100 Global brands, in North America, China, and India, already use BrandZ™ metrics as an objective bonus KPI to systematically measure and reward brand implementation.

Unparalleled view of consumers

BrandZ™ data also helps companies assess potential mergers and acquisitions. The BrandZ™ valuation authoritatively quantifies the financial value of the target company's most important intangible asset, its brand. In addition, BrandZ™ data provides an unparalleled view of consumer attitudes about the brand, which is priceless knowledge to have both before and after a merger or acquisition.

The importance of understanding, and strengthening, consumer perception can't be overstated, as the Apple experience suggests. Consumer belief in the brand sustained Apple as its share price weakened after the death of its founder Steve Jobs. Brand strength provided the space for the company to recover and return with a burst of creativity in the form of iPhone 6, Apple Watch and Apple Pay, which drove a 67 percent gain in brand value and propelled Apple to number one in the BrandZ™ Top 100 Most Valuable Global Brands 2015.

The key to achieving and sustaining brand strength at the level that's required to compete successfully today requires access to the best big data, to insightful analysis that flows from that data, and to the creative talent that can transform the insights into communicating big ideas. And that is ultimately the power of BrandZ™.

Voice of the consumer

The valuations in this BrandZ™ Top 100 Most Valuable Global Brands report are based on the BrandZ™ methodology, which is explained in detail in the resources section at the end of the report. To understand why BrandZ™ can most accurately measure brand value and provide rich customer insights it's important to understand these two points:

1. Big data. BrandZ™ has over 4.5 billion data points. On an ongoing basis we look at 10,000 brands across over 30 country markets. Our data includes over three million in-market quantitative consumer interviews.
2. Consumer view. Like any brand valuation methodology, BrandZ™ begins with financial information. But we uniquely combine the financial data and our consumer research to calculate the final brand value.

The rich data that provides the basis for brand valuations also forms a uniquely deep and broad reservoir of consumer attitudes at any given time, in just about any place in the world. This is the kind of knowledge and insight that can help guide performance of an IPO, activate brand throughout an organization and evaluate a potential merger or acquisition.

This data can be mined and analyzed for insights about categories, competition, generational values changes - just about any information necessary for brand building. And all of this proprietary knowledge is available to WPP companies and their clients to craft winning brand propositions, create and implement impactful communications, and build strong and valuable brands.

BRANDZ™: THE ULTIMATE RESOURCE FOR BRAND KNOWLEDGE AND INSIGHT

Reports, apps and iPad magazines powered by BrandZ™

BrandZ™ Top 100 Most Valuable Chinese Brands 2015

The report profiles Chinese brands, outlines major trends driving brand growth and includes commentary on the growing influence of Chinese brands at home and abroad.

BrandZ™ Top 50 Most Valuable Indian Brands 2014

This groundbreaking study analyzes the success of Indian brands across 13 categories, examines the dynamics reshaping the Indian market and offers insights for building valuable brands.

BrandZ™ Top 50 Most Valuable Latin American Brands 2014

The report profiles the most valuable brands of Argentina, Brazil, Chile, Colombia, Mexico and Peru and explores the socioeconomic context for brand growth in the region.

For the iPad magazine, search BrandZ Latin America on iTunes.

The Chinese Golden Weeks in Fast Growth Cities

Using research and case studies, the report examines the shopping attitudes and habits of China's rising middle class and explores opportunities for brands in many categories.

For the iPad magazine, search Golden Weeks on iTunes.

The Power and Potential of the Chinese Dream

"The Power and Potential of the Chinese Dream" is rich with knowledge and insight, and forms part of a growing library of WPP reports about China. It explores the meaning and significance of the "Chinese Dream" for Chinese consumers as well as its potential impact on brands.

The Chinese New Year in Next Growth Cities

The report explores how Chinese families celebrate this ancient festival and describes how the holiday unlocks year-round opportunities for brands and retailers, especially in China's lower tier cities.

For the iPad magazine search for Chinese New Year on iTunes.

TrustR

Engaging Consumers in the Post-Recession World

Trust is no longer enough. Strong brands inspire both Trust (belief in the brand's promise developed over time) and Recommendation (current confirmation of that promise). This combination of Trust plus Recommendation results in a new metric called TrustR.

ValueD

Balancing Desire and Price for Brand Success

Desire is primary. High Desire enables Price flexibility. A new metric, Value-D, measures the gap between the consumer's Desire for a brand and the consumer's perception of the brand's Price. By quantifying this gap, Value-D helps brands optimize their profit and, market-positioning potential.

BRANDZ™ ON THE MOVE

Get the BrandZ™ Top 100 Most Valuable Chinese Brands, the Latin America Top 50, the India Top 50 and many more insightful reports on your smartphone or tablet.

To download the apps for the BrandZ™ rankings go to **www.BrandZ.com/mobile** (for iPhone and Android). BrandZ™ is the world's largest and most reliable customer-focused source of brand equity knowledge and insight.

To learn more about BrandZ™ data or studies, or view one of our industry insight videos, please visit **www.BrandZ.com**, or contact any WPP company.

RepZ

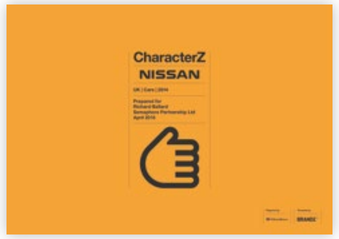
Maximising Brand and Corporate Integrity

Major brands are especially vulnerable to unforeseen events that can quickly threaten the equity cultivated over a long period of time. But those brands with a better reputation are much more resilient. Four key factors drive Reputation: Success, Fairness, Responsibility and Trust. Find out how your brand performs.

Brand Toys

Playful visualization tool engages clients

We are in an era of data overload. Marketeers have never had so many numbers at their fingertips. The challenge is not about getting more data, but about how to read it and interpret it quickly. We've taken this premise and applied it to brands, creating Brand Toys - the world's first brand visualisation tool.



CharacterZ

Brand personality analysis deepens brand understanding

Need an interesting and stimulating way to engage with your clients? Want to impress them with your understanding of their brand? A new and improved CharacterZ can help! It is a fun visual analysis, underpinned by the power of BrandZ™, which allows detailed understanding of your brand's personality.

WPP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Added Value is a leading global strategic marketing consultancy providing brand strategy, innovation, insight and communications services. Added Value has 17 offices in 11 countries across Europe, North America and Asia-Pacific, and is accredited among "Best Companies to Work For 2014". Added Value is part of Kantar, the data investment management division of WPP, the world leader in marketing communications services. Follow us @AddedValueGroup.

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Brand Union is a leading WPP-owned global brand agency with over 500 people in 23 locations, serving every major market. The agency has deep expertise in brand strategy, design, brand management and employee engagement, and is in the business of helping clients define, create, and curate positive moments of interaction.

We believe that experiences form the basis of all kinds of human relationships and that the strongest bonds form over time as a result of multiple positive encounters. Using our proprietary experience framework, we create brand imprints to help us understand how consumers view and experience brands and how we can help enhance every moment of interaction.

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Burson-Marsteller, established in 1953, is a leading global public relations and communications firm. It provides clients with strategic thinking and program execution across a full range of public relations, public affairs, reputation and crisis management, advertising and digital strategies. The firm's seamless worldwide network consists of 73 offices and 85 affiliate offices, together operating in 110 countries across six continents.

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Founded in Chicago in 2012, Cavalry is a 65-person integrated advertising agency with particular expertise in marketing to men and using those insights to drive growth for underdog brands. Cavalry began with traditional advertising responsibilities for two MillerCoors brands. Today the agency leads strategy, advertising, social media, and digital marketing for Coors Light, Coors Banquet, Keystone Light, Smith and Forge Hard Cider, Redd's Apple Ale and the MillerCoors Innovation pipeline as well as Coors Banquet in Canada.

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Cohn & Wolfe, a global communications agency, builds brands and corporate reputations through an uncompromising commitment to creativity. The agency's strategic approach unearths fresh, relevant insights leading to communications solutions that deliver measurable business success. Over its 40-year history, Cohn & Wolfe's brand marketing work and world-class digital media campaigns have attracted top brands around the world, winning awards at the Cannes Health Lions, the Global SABREs and the Global *PRWeek* Awards. With a creative network of more than 1,200 employees in over 50 offices across North America, EMEA and Asia, the agency has been named a "Best Place to Work" by *PRWeek, Crain's NY, Advertising Age* and *PRNews*.

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Digit is a design company that has spent the last 15 years at the forefront of technology. All of our work is underpinned by our philosophy called Simple Human Interaction. It's all about making technology invisible, and using it to enable people and brands to communicate better.

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Firefly Millward Brown is one of the largest global qualitative research practices. We use our in-depth understanding of marketing and consumer behavior to identify true brand opportunities that inspire strategic recommendations to drive brand success. Brands benefit from Firefly's cultural understanding of the 40 local markets we serve and the regional and global context we provide.

We are passionate about people and how they interface with brands. It is the pursuit of this interaction that allows us to deliver illuminating insights for our clients' businesses.

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Designing the future. FITCH transforms consumer experience and accelerates business success. We deliver seamless solutions by combining the physical, human and digital elements of a brand to create unique experience signatures.

FITCH is a leading global retail and brand consultancy with an integrated offer of strategy, design and implementation, which enables us to deliver across all touchpoints. We do this for clients that include Adidas, B&Q, Lexus, Brown-Forman, Dell, Toyota, H&M, Philips, and McLaren Automotive.

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Forward is a leading content-marketing agency based in London, Shanghai and Singapore. We create engaging, shareable editorial in multiple languages, raising brand awareness and driving sales. Clients include Patek Philippe, American Express, Standard Life, Fidelity, B&Q and Tesco. Find us at @tweetfwd.

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Over the past five years, Grey London has transformed its creative and business performance, emerging as one of London's fastest and most dynamic agencies. 2014 saw us named *Campaign's* Network of the Year, *Adweek's* Global Agency of the Year, IPA Effectiveness Agency of the Year, the most-awarded UK agency at D&AD (and third-most awarded globally) and Campaign Big Awards Direct Agency of the Year. Our in-house partners include The Social Partners (word-of-mouth/social media), GreyPOSSIBLE (digital), GreyShopper (shopper marketing), GreyWorks (production), and we work with companies including Vodafone, News UK, HSBC, McVitie's, Duracell, Gillette, Volvo, GSK and Lucozade.

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Hill+Knowlton Strategies is a leading global strategic communications consultancy, providing services to local and multinational clients worldwide. The firm is globally headquartered in New York City, with 88 offices in 49 countries - including 13 offices in the US. Led by Global Chairman and CEO Jack Martin, Hill+Knowlton Strategies serves as a trusted advisor to clients, developing and executing communications campaigns and business strategies to manage the impact of the public on an organization's reputation, brand and bottom line.

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This company is dedicated to the knowledge of people's behavior and all their relationships - family, social, political - as well as their consumption habits and use of services. An expert on opinion and market research solutions (both off and online), quantitative and qualitative research, geo-marketing, innovation, data mining, analysis tools and data integration.

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IMRB international

Established in 1971, IMRB International, a member of the Kantar Group, is a pioneer in market research services in Asia. IMRB's footprint extends across 53 offices in 18 countries spanning South Asia, Middle East, North Africa, South East Asia and Europe. With a multi-disciplinary and multi-cultural workforce of over 1400 full-time researchers and analysts servicing clients, IMRB is at the forefront of research and consulting services. IMRB partners with its clients through the entire brand lifecycle by bringing together consumer research experts (IMRB One) with sector and domain expertise from its specialist units like Probe Qualitative Research (PQR), Customer Satisfaction Measurement & Management (CSMM), IMRB Kantar World Panel, Media, Retail, Digital, Social & Rural Research Institute (SRI) and B2B Research and Technology Consulting (BIRD). LIVELABS helps clients to innovate and develop new products and services. An eight-time winner of the MR Agency of The Year, IMRB is also accredited with the ISO 20252: 2012 Quality Certification.

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J. Walter Thompson Worldwide, the world's best-known marketing communications brand, has been creating pioneering solutions that build enduring brands and business for more than 150 years. Headquartered in New York, J. Walter Thompson is a true global network, with more than 200 offices in over 90 countries, employing nearly 10,000 marketing professionals. The agency consistently ranks among the top networks in the world and continues a dominant presence in the industry by staying on the leading edge—from hiring the industry's first female copywriter to developing award-winning branded content today. For more information, follow us @JWT_Worldwide.

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KANTAR RETAIL

We are the retail and shopper specialists. We are a leading retail and shopper insight, consulting and analytics and technology business, part of Kantar Group, the data investment management division of WPP. We work with leading brand manufacturers and retailers to help them sell more effectively and profitably. At Kantar Retail we track and forecast over 1000 retailers globally and have purchase data on over 200 million shoppers. Amongst our market-leading reports are the annual PoweRanking® survey and the Digital Power Study. Kantar Retail works with over 400 clients and has 26 offices in 15 markets around the globe.

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KANTAR WORLDPANEL

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels. Its High Definition Inspiration™ approach combines market monitoring, advanced analytics and tailored market research solutions that inspire successful actions by its clients.

Kantar Worldpanel's expertise about what people buy or use - and why - is recognized by brand owners, retailers, market analysts and government organizations globally.

With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel helps brands grow in fields as diverse as FMCG, impulse products, fashion, baby, telecommunications, and entertainment, among many others.

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kinetic

Kinetic is the global leader in planning and buying out-of-home media, and its mission is to pull forward, and make real the future possibilities of the world of out-of-home communications.

Kinetic is a WPP company and part of the tenthavenue performance marketing division. Kinetic's expertise and insight helps deliver solutions for clients that achieve ambitious brand and marketing goals.

In addition to its core business, Kinetic provides wide-ranging specialist expertise through its complementary service divisions including Aureus, Aviator, Kinetic Active, Kinetic Futures, Meta, Zone and Hi Rezz. Kinetic employs over 900 professionals across 42 offices worldwide.

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Lambie-Nairn

International branding agency Lambie-Nairn believes that strong brands are fluid, dynamic properties that evolve and develop over time. For 40 years we have been creating dynamic brands that have reshaped categories and grown and evolved over time. In recent years we have extended our approach beyond just the creation of dynamic brands and into their ongoing management. Putting all this together, Lambie-Nairn offers a uniquely progressive, powerful and contemporarily relevant approach to building and maintaining our clients' brands.

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Landor

A global leader in brand consulting and design, Landor helps clients create agile brands that thrive in today's dynamic, disruptive marketplace. Landor's branding services include strategy and positioning, identity and design, brand architecture, prototyping, innovation, naming and verbal identity, research and analytics, environments and experiences, engagement and activation, and interactive and media design. Landor has 28 offices in 22 countries, working with a broad spectrum of world-famous brands. Clients include Barclays, Bayer, BMW, BP, FedEx, GE, Intuit, Kraft Foods, Pernod Ricard, Procter & Gamble, Samsung, and Taj Group.

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MEC

MEC is committed to growth. Growth for our people, our clients and our industry. MEC pushes the boundaries of what's possible in order to thrive in Digital / Mobile / Search / Social / Performance Marketing / Data / Analytics / Insight / Sponsorship / Branded Entertainment / Multi-cultural / Content / Retail and Integrated Planning. Our 5,000 highly talented and motivated people work with category-leading advertisers in 93 countries and we are a founding partner of GroupM. #dontjustlivethrive.

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MEDIACOM

MediaCom is one of the world's leading media agencies. MediaCom is a people-driven agency; our People First philosophy makes us different from other media agencies. It means we focus on people: consumers, clients and staff. It means we look at all areas of consumers' lives, understanding the connections and implications of their world and how they as individuals interact with clients' brands.

Our services include media planning and buying, interactive planning and buying (including digital, direct and search), ROI research (encompassing direct response media), online/search engine marketing, consumer insights, media strategy and branded content. Specialist divisions include MediaCom Interaction and MediaCom Business Science.

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MillwardBrown

Millward Brown is a leading global research agency specializing in advertising effectiveness, strategic communication, media and brand equity research. Millward Brown helps clients grow great brands through comprehensive research-based qualitative and quantitative solutions. Specialist global practices include Millward Brown Digital (a leader in digital effectiveness and intelligence), Firefly Millward Brown (our global qualitative network), a Neuroscience Practice (using neuroscience to optimize the value of traditional research techniques), and Millward Brown Vermeer (a strategy consultancy helping companies maximize financial returns on brand and marketing investments). Millward Brown operates in more than 55 countries and is part of Kantar, WPP's data investment management division.

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MillwardBrown Vermeer

Millward Brown Vermeer is the consultancy arm of Millward Brown, dedicated to unleashing purpose-led brand growth.

In today's global and technology-enabled market, brands and businesses face unprecedented complexity, constant disruption and profound questions: What business are we in? Why do we exist? And how do we build our organization?

Millward Brown Vermeer is the only global marketing consultancy focused on the development and embedding of consumer insight-led marketing strategy, structure and capability.

Our fusion of practitioner and consulting experience means we provide whole-brain solutions to strategic marketing challenges, rooting our approach in consumer research, stakeholder understanding and financial analysis.

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MINDSHARE

MindShare is a global media agency network with billings in excess of US$31.4 billion (source: RECMA). The network consists of more than 7,000 employees, in 116 offices across 86 countries spread throughout North America, Latin America, Europe, Middle East, Africa and Asia Pacific. Each office is dedicated to forging competitive marketing advantage for businesses and their brands based on the values of speed, teamwork and provocation. MindShare is part of GroupM, which oversees the media investment management sector for WPP, the world's leading communications services group. Follow us on Twitter @mindshare and facebook.com/mindshare and LinkedIn.com/company/mindshare.

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PENN SCHOEN BERLAND

Penn Schoen Berland (PSB), a member of Young & Rubicam Group and the WPP Group, is a global research-based consultancy that specializes in messaging and communications strategy for blue-chip corporate, political and entertainment clients. PSB's operations include over 200 consultants and a sophisticated in-house market research infrastructure with the capability to conduct work in over 90 countries. The company operates 11 global offices in Washington D.C., New York, Seattle, Los Angeles, Denver, London, Hamburg, Madrid, Dubai, Delhi and Singapore, that are supported by in-house field capabilities and fully equipped to provide the complete creative solutions PSB clients need.

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S2B shopper 2 buyer

Shopper2Buyer (S2B) is solely dedicated to planning and buying media to reach shoppers in the right environment.

S2B leverages rich shopping data to drive proprietary insights and inform the marketing plan that encompasses all relevant media points along the shopper journey from "pre-trip" (out of store) to trip (in-store) and post-trip (advocacy and repeat), to ultimately closing the sale.

Using proprietary technology, S2B delivers plans for national, market and retailer-specific requests based on thorough consideration of in-store media placement and opportunities within each individual location.

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SMOLLAN

Smollan is an international retail solutions company. Focused on perfecting retail and shopper experiences, we are the pivot point where the retailer, brand owner and shopper intercept. We deliver growth for retailers and brand owners across five continents through leading solutions in field sales and retail execution, activation, and information and technology.

With extensive industry experience, an exceptional human platform and sophisticated systems, Smollan has provided consistent excellence in operational execution for three generations.

www.smollan.com

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the futures company

The Futures Company is a strategic insight and planning consultancy with offices in North America, Latin America, Europe and Asia-Pacific. Through our subscription and consulting services, we help clients to build more powerful connections with people and culture and to unlock new sources of growth.

The Futures Company was formed through the integration of The Henley Centre, HeadlightVision, Yankelovich and most recently, TRU. The Futures Company is part of Kantar, the data investment management division of WPP and one of the world's largest insight, information and consultancy groups.

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THE PARTNERS

Over its 30-year history The Partners has won a host of distinguished industry awards, including 17 D&AD Pencils, and is the only design agency to have won three Gold Lions at Cannes. Part of the global WPP Group, with studios in London, New York and Singapore, The Partners delivers brand strategy, innovation and creative ideas for clients including: Deloitte, Vodafone, Coca Cola, Investec, Argos, The National Gallery and eBay.

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TNS

TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and customer and employee relationships, based on long-established expertise and market-leading solutions. With a presence in over 80 countries, TNS has more conversations with the world's consumers than anyone else and understands individual human behaviors and attitudes across every cultural, economic and political region of the world.

TNS is part of Kantar, the data investment management division of WPP and one of the world's largest insight, information and consultancy groups.

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WUNDERMAN

Consistently ranked among the world's top digital, CRM and mobile agencies, Wunderman delivers deeply connected brand experiences, consumer engagements, data and insights, and healthcare marketing solutions that build brands and businesses. We blend creative, data and technology to connect customers and brands. Founded by Lester Wunderman in 1958, the agency now has 175 offices in 60 countries. Best Buy, Citibank, Coca-Cola, Ford, Microsoft, Pfizer, Telefónica, Shell, UnitedHealth Group and leading local brands are among our clients. Wunderman is part of WPP (NASDAQ: WPPGY) and Young & Rubicam Group. Learn more at www.wunderman.com and @wunderman.

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Y&R

Y&R is one of the leading global marketing communications companies, comprising the iconic Y&R Advertising agency; VML, one of the world's most highly regarded digital agencies; premier mobile marketing company iconmobile; shopper marketing and retail network Labstore; and Bravo, our integrated solutions agency for multicultural marketplaces.

Y&R Advertising has 189 offices in 93 countries around the world, with clients that include Campbell's Soup Company, Colgate-Palmolive, Danone, Dell, Xerox, GAP, Land Rover, Lloyds and Telefónica, among many others.

www.yr.com

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WPP

WPP is the world's largest communications services group with billings in 2013 of \$72.3 billion and revenues of \$17.3 billion. Through its operating companies, the Group provides a comprehensive range of advertising and marketing services including advertising and media investment management; data investment management; public relations and public affairs; branding and identity; healthcare communications; direct, digital, promotion and relationship marketing and specialist communications. The company employs over 179,000 people (including associates) in over 3,000 offices across 111 countries.

WPP was named Holding Company of the Year at the 2014 Cannes Lions International Festival of Creativity for the fourth year running. WPP was also named, for the third consecutive year, the World's Most Effective Holding Company in the 2014 Effie Effectiveness Index, which recognizes the effectiveness of marketing communications.

For more information, visit www.wpp.com

The number of people employed by WPP companies (including associates) in the given countries detailed in this report as at 31 December 2014.

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The brand valuations in the BrandZ™ Top 100 Most Valuable Global Brands are produced by Millward Brown, using financial data from Kantar Retail and Bloomberg.

The consumer viewpoint is derived from the BrandZ™ database. Established in 1998 and constantly updated, this database of brand analytics and equity is the world's largest, based on over three million consumer interviews about more than 100,000 different brands in over 50 markets.

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