12 percent brand value increase marks shift from recovery to growth

Year of transformation, consolidation and disruption

BRANDZ™ Top 100

most valuable global brands 2014

Methodology and valuation by

MillwardBrown Optimor

WPP

BrandZ™ Top 100 most valuable global brands 2014

2014: YEAR OF TRANSFORMATION, CONSOLIDATION AND DISRUPTION

The value of the BrandZ™ Top 100 Most Valuable Global Brands 2014 is $2.9 trillion.

12%

GROWTH ACROSS ALL CATEGORIES FROM 2013

Top 100 $2.6 trillion — 2013

Top 100 $2.9 trillion — 2014

TOP 10 BRANDS

Google	40% ▲	$158,843m
Apple	20% ▼	$147,880m
IBM	4% ▼	$107,541m
Microsoft	29% ▲	$90,185m
McDonald's	5% ▼	$85,706m
Coca-Cola	3% ▲	$80,683m
Visa	41% ▲	$79,197m
at&t	3% ▲	$77,883m
Marlboro	3% ▼	$67,341m
amazon.com	41% ▲	$64,255m

STOCK MARKET PERFORMANCE

The BrandZ™ Top 100 Most Valuable Global Brands share price index consistently outperform the S&P market index.

TOP 10 RISERS

Brand value appreciated by 54% among the BrandZ™ 2014 Top risers, compared with 44% last year.

TENCENT	+97%
FACEBOOK	+68%
BT	+61%
IKEA	+61%
UNIQLO	+58%
FORD	+56%
MOVISTAR	+56%
NIKE	+55%
DHL	+53%
CVS	+51%

REGIONAL GROWTH

North America — 50 Top 100 brands — 1 Google, 2 Apple, 3 IBM — $959,514m — Top 10 brands 5.9%

UK — 6 Top 100 brands — 1 Vodafone, 2 HSBC, 3 Shell — $155,753m — Top 10 brands 5.4%

Asia — 20 Top 100 brands — 1 Tencent 腾讯, 2 中国移动 China Mobile, 3 ICBC 中国工商银行 — $314,188m — Top 10 brands 15.8%

Continental Europe — 23 Top 100 brands — 1 SAP, 2 T (Deutsche Telekom), 3 Louis Vuitton — $246,799m — Top 10 brands 19%

CATEGORY GROWTH

Top Brand

	Top Brand		
Apparel	Nike	$99,599m	+29%
Cars	Toyota	$138,856m	+17%
Global Banks	HSBC	$123,800m	+15%
Regional Banks	Wells Fargo	$251,351m	+6%
Beer	Bud Light	$72,306m	+14%
Fast Food	McDonald's	$171,621m	+10%
Insurance	中国平安	$66,207m	+11%
Luxury	Louis Vuitton	$111,758m	+16%
Telecoms	at&t	$330,427m	+8%
Oil & Gas	ExxonMobil	$109,033m	+3%
Personal Care	L'ORÉAL	$111,528m	+12%
Retail	amazon.com	$280,975m	+16%
Soft Drinks	Coca-Cola	$142,103m	+4%
Technology	Google	$841,482m	+16%

Newcomers

Twitter
LinkedIn
Ford
Bank of America
PayPal
ING Bank
UBS

KEY VALUATION CHANGES

97% ↑ BRAND VALUE — Tencent 腾讯

Tencent, the Chinese social network and Internet portal, led the list of fastest risers overtaking China Mobile as China's most valuable brand.

TOP 100 DEBUT — Twitter, LinkedIn

Twitter and LinkedIn entered the Top 100 for the first time, at numbers 71 and 78, respectively.

TOP 10 DISTINCTION — amazon.com

Amazon became the first retailer to enter the Top 10 at number 10.

$45.2 BILLION ↑ — Google

Google increased the most in $ value in the 2014 rankings.

It has also increased significantly since 2006, $121.4b, second only to the gain of $131.9b by Apple during the same period.

RISING IMPORTANCE OF TECHNOLOGY

Google's rise symbolizes the strength of the technology category.

Technology brands in the Global Top 100 total $827 billion, almost 30% of the value of the BrandZ™ Global Top 100.

Technology category rose 16% overall in brand value.

FAST GROWING MARKETS

China: 10% ▲ $271,893m

Brazil: 16% ▼ $29,490m

BRAND CONTRIBUTION

Brand Contribution indicates how much of brand value can be attributed to brand itself. The index runs from 1 (low) up to 5 (high).

Luxury is the most represented category in the top brands by Brand Contribution with 6 brands, followed by beer with 2 brands.

www.brandz.com

About Millward Brown

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 Optimor (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.

www.millwardbrown.com

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Welcome

If the 9th annual edition of the BrandZ™ Top 100 Most Valuable Global Brands tells us anything, it is that the recession is over.

We are delighted to share the latest valuation data gathered by Millward Brown on behalf of WPP using the proprietary valuation method of Millward Brown Optimor. It shows that the combined brand value of the world's most important brands has risen by 12 percent to $2.9 trillion. This follows a 7 percent improvement the previous year.

BrandZ™ has cemented itself as an invaluable resource to help businesses understand how their financial health is intrinsically-linked to, and enhanced by, brand building. After a few dark years the evidence is clear that the world's strongest brands are leading the global recovery.

We are providing data from 150,000 interviews with consumers from around the world and the insights, as always, are fascinating. The 2014 edition reveals that the combined value of the BrandZ™ Global Top 100 has almost doubled in eight years. Since 2006, the stock market value of the BrandZ™ Strong Brands portfolio, a sub-set of the main survey, has appreciated by 81 percent over the same period.

Unique to our approach is the recognition that in all markets a small number of consumers account for a large proportion of sales. Loyal consumers are more valuable to a brand than occasional users, a crucial factor when analyzing brand value.

The Top 100 also confirms that more favorable economic conditions have helped traditional Western brands improve their valuations, which means fewer brands from fast-growing economies are represented. Brands that are in business for reasons beyond the bottom line are also more likely to have increased their value.

Not surprisingly technology brands dominate the top positions and there is a new number one. Google has knocked Apple off its perch after three years at the top. Apple is performing well but is it still redefining technology for consumers? What is obvious is that the value of technology brands reiterates how they are now an integral part of our lives.

Apparel is the fastest growing category with the Top 10 apparel brands growing by 29 percent, but all brands must continue to innovate and excite consumers to drive their businesses forward, something Google excels at. There is no room for complacency on quality or customer service as a brand's reputation can be dented in seconds through the power of social media.

Looking at some of the brands with greatest future potential, as well as Apple and Google, Facebook remains an innovative brand people cannot do without and Amazon is constantly expanding its ecosystem. IKEA has successfully positioned itself as different and great value rather than cheap, while MTN is growing rapidly in African markets buoyed by its mission to help people. Red Bull is an experiential lifestyle brand defining differentiation, while there are huge international opportunities for PingAn Insurance, an entrepreneurial private brand. Two other brands with great potential in 2014 are Construction Bank of China and Verizon, which bought out Vodafone.

At Millward Brown, we are proud to produce the BrandZ™ Top 100 and be part of an amazing organisation like WPP, which exists to help businesses improve their competitiveness and profitability by devising and implementing effective marketing, advertising and brand strategies. The insights from around the world revealed within the latest BrandZ™ Top 100 are valuable nuggets of consumer understanding that will help businesses grow the value of their brands in 2014 and beyond.

Warmest regards,

Travyn Rhall
Chief Executive Officer
Millward Brown

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01

Highlights

Introduction

All categories rise in brand value as Global Top 100 improves 12 percent

In a year of real growth, brands experience transformation, consolidation and disruption

The BrandZ™ Top 100 Most Valuable Global Brands 2014 added $310 billion to reach $2.9 trillion in brand value, a 12 percent increase.

Prior to the BrandZ™ Global 2014 results, the Top 100 had increased an average of about 6 percent, $125 billion, annually since the financial crisis of 2008 and 2009.

This year, led by apparel, with a 29 percent overall increase, all categories rose in brand value. And 10 of 14 categories experienced double-digit growth, indicating that brands across the economy have moved beyond recovery into a period of new growth.

Only 18 of the Top 100 brands lost value compared with an average of 31 brands in each annual BrandZ™ Global Top 100 report since the financial crisis.

The resurgent economies of North America and Europe drove brand value growth as the BRIC markets slowed. Only 14 brands from fast growing economies made the 2014 BrandZ™ Global Top 100 ranking compared with 17 brands a year ago.

Despite the BRIC slowdown, Chinese brands increased their impact. The number of Chinese brands in the Top 100 declined by one to 11, but that's up from only two in 2006. In addition:

- With a 40 percent rise in brand value, Google claimed the number one rank from Apple, which held the position since 2011 when it surpassed Google.
- Twitter, LinkedIn, and PayPal appeared in the BrandZ™ Top 100 for the first time.
- Tencent, the Internet portal and social network, led the fastest risers, almost doubling in brand value. Baidu, the search engine appreciated 46 percent, indicating the growing influence of Chinese brands.
- Facebook was the second fastest riser with brand value increasing 68 percent. Amazon entered the BrandZ™ Global Top 10 for the first time, with a 41 percent brand value increase to $64.3billion.
- Technology continued to dominate with nearly a third of the total brand value and around a fifth of the brands, including the top four – Google, Apple, IBM and Microsoft.

Growth brings new challenges

The two key factors that influenced the 12 percent growth surge – technology innovations and consumer confidence – also created some of the challenges categories experienced.

Consumers were willing to spend money and they did, even on high-ticket items like cars and luxury. But chastened by a period of relative frugality and empowered by rapidly changing technology, particularly mobile, consumers changed how they shopped and purchased. They waited for the best prices and purchased more mindfully, with concerns about health and the environment.

Retail experienced perhaps the most dramatic impact, as consumers conflated the physical and online shopping worlds, expecting a new kind of convenience that delivers the wide range available online with best prices and the immediate gratification of physical stores.

Clear that retailing would no longer be about physical stores alone, retailers scaled back their portfolios of locations, repurposed existing space and invested in technology to make the shopping online and in physical stores a seamless experience.

In luxury, some brands learned that they'd become too accessible in an effort to drive sales during the economic slowdown. They worked on achieving the best balance of accessibility and exclusivity in stores and online.

Carmakers loaded the newest models with technology for safety and entertainment. But conditioned by their mobile devices, car buyers sometimes expected even more technology to be available in cars with the speed of a download.

Categories feel impact of Millennials, social media

This effort to understand and meet the demands of customers touched financial institutions, not always known for customer centricity. Global banks increased services and warmed their messaging, although levels of trust remained low. Insurers developed systems to respond to customers one-to-one in relevant ways rather than with mass, product driven efforts.

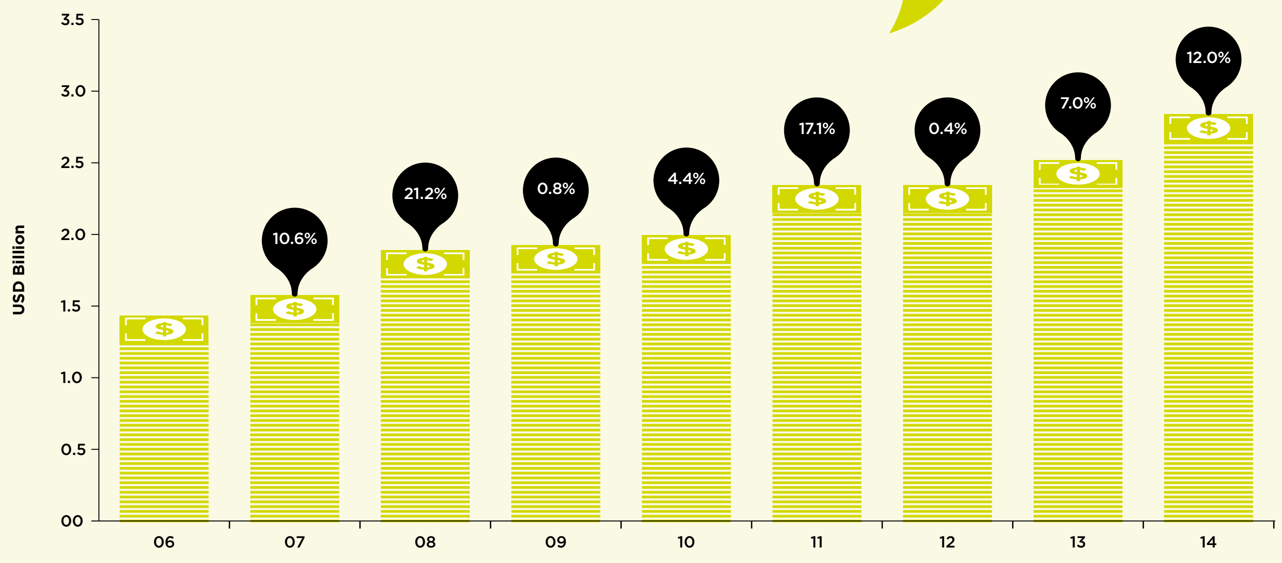
Even categories affected by consumer health concerns appreciated in brand value, but at a slower pace. Fast food, which continued to work through the pressure of health concerns, improved 10 percent. Soft drinks grew 4 percent although the consumption of CSDs (Carbonated Soft Drinks) declined for the ninth consecutive year in the US.

Telecoms experienced consolidation and price disruption pressure but brand value improved 8 percent. The oil and gas category experienced the lowest brand value growth, 3 percent, because of slowed investment in exploration. In every category, brands increased activity in social media to engage consumers in innovative ways. (Please see the BrandZ™ Verve Index, a special report on social media on page 46).

In addition, the attitudes of Millennials, individuals born roughly between 1981 and 1999, also touched most categories. These consumers are more likely to prefer a craft beer, bank and shop on a mobile device, choose vitamin water over cola and eat healthier fast food, but not exclusively. And they're less likely to buy insurance or own a car, either because they prefer sharing or don't have the money.

BrandZ™ Global Top 100 value doubles since 2006

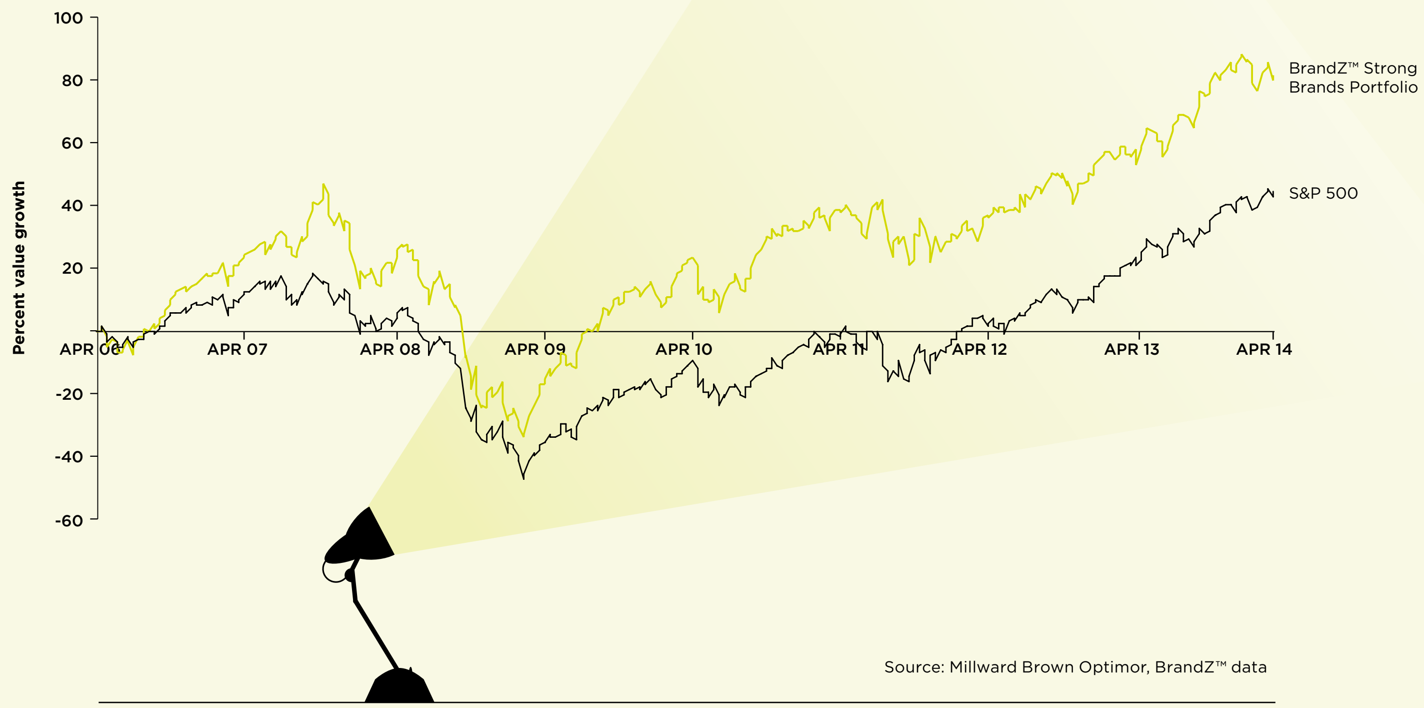
The BrandZ™ Top 100 Most Valuable Global Brands 2014 appreciated 12 percent in brand value. The brand value of the BrandZ™ Global 100 has almost doubled since being introduced in 2006.



Source: Millward Brown Optimor, BrandZ™ data

BrandZ™ Strong Brands Portfolio outperforms the S&P 500

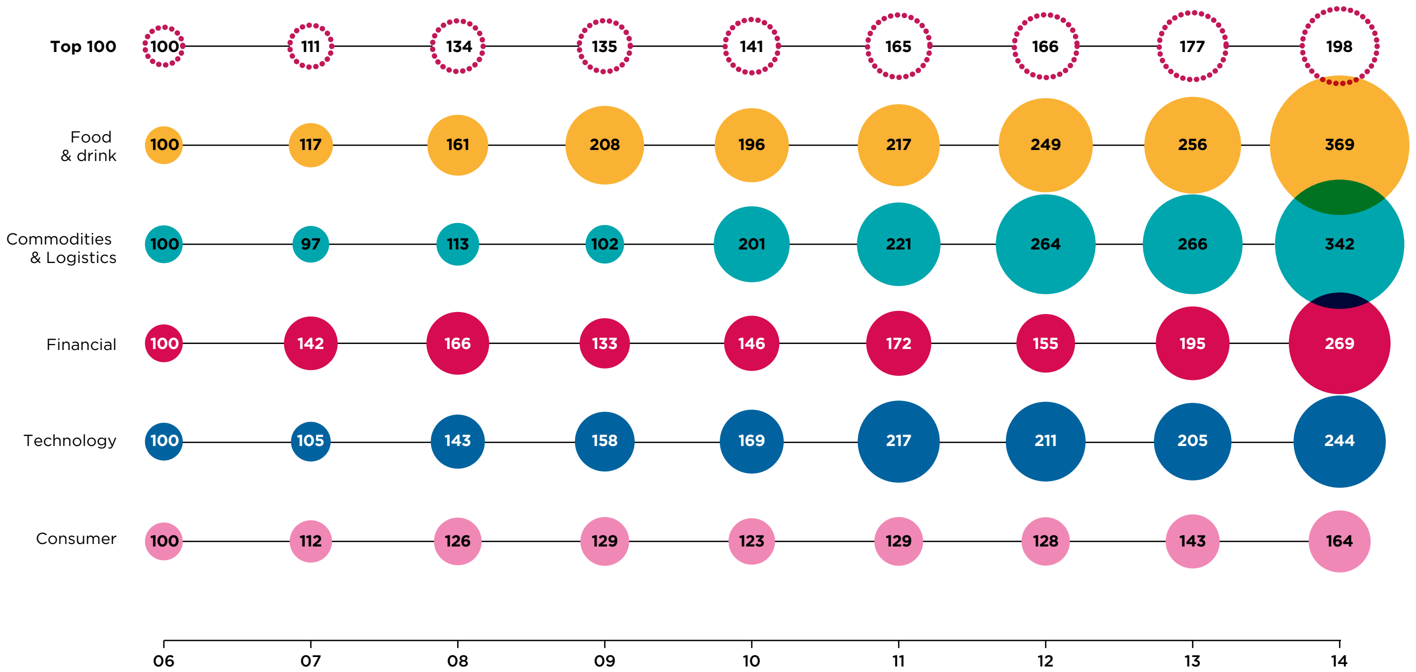
Since the introduction of the BrandZ™ Top 100 Most Valuable Global Brands in 2006, the S&P 500 increased 44.7 percent in market value. In contrast, the BrandZ™ Portfolio of Strong Brands appreciated 81.1 percent.



Source: Millward Brown Optimor, BrandZ™ data

Brand value surges across categories

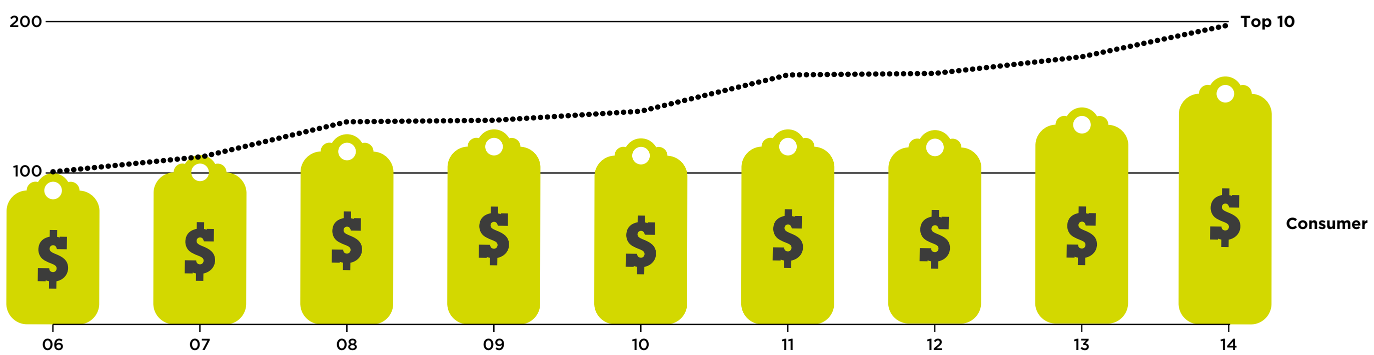
Brand value across categories surged this year, marking a shift to solid growth following fluctuations coming out of the financial crisis and global recession.



Source: Millward Brown Optimor, BrandZ™ data
Index of annual brand value growth, 2006=100

Consumer categories catch up

Consumer categories, which includes apparel, cars, luxury, personal care and retail, grew sharply in brand value in the BrandZ™ Global Top 100 2014, as spending rose following a period of shaky consumer confidence and high unemployment.



Source: Millward Brown Optimor, BrandZ™ data
Index of annual brand value growth, 2006=100

Key Results

The headlines

Top 100 rises 12%

The BrandZ™ Top 100 Most Valuable Global Brands increased 12 percent, to $2.9 trillion, following a 7 percent rise a year earlier.

Value doubles in 8 years

The combined brand value of the BrandZ™ Global Top 100 has almost doubled in eight years, since its inception in 2006.

Outperforms S&P 500

Since 2006, the stock market values of the BrandZ™ Strong Brands Portfolio, a subset of the BrandZ™ Global Top 100, has appreciated 81.1 percent, significantly outperforming the 44.7 percent rise in the S&P 500 over the same period.

Google number 1

Google claimed the number one rank in the BrandZ™ Global Top 100.

Apparel leads growth

Apparel led all categories in overall brand value growth with a 29 percent rise, following 21 percent a year earlier.

All categories up

All 14 categories increased in brand value, 10 of them with double-digits.

Only 18 brands down

Only 18 of the Top 100 brands lost value this year, compared with an average of 30 brands each year since the BrandZ™ Global Top 100 rankings started in 2006. An average of 31 brands annually lost value since the financial crisis of 2008.

Tencent up 97%

Tencent, the Chinese social network and Internet portal, led the list of fastest risers with a 97 percent increase in brand value, overtaking China Mobile as China's most valuable brand.

Facebook up 68%

Facebook (up 68 percent), Baidu, China's leading search engine (46 percent) and Yahoo! (44 percent) also made the Top 20 Risers.

Twitter, LinkedIn are in

Twitter and LinkedIn entered the Top 100 for the first time, at numbers 71 and 78, respectively. Amazon entered the Top 10 at number 10, the first retailer to achieve this distinction.

Microsoft gains 29%

With Microsoft up several slots, after a 29 percent brand value increase, the top four brands in BrandZ™ Global Top 100 are in the technology category – Google, Apple, IBM and Microsoft.

Tech brands drive value

Around a fifth of the BrandZ™ Global Top 100 are technology brands and these 18 brands account for $827 billion in brand value, nearly a third of the Top 100 total value.

Huge gains since 2006

Google increased the most in dollar value, $45.2 billion, in the 2014 ranking. The brand also increased significantly since 2006, $121.4 billion, second only to the gain of $131.9 billion by Apple during the same period.

European brands lead growth

Brands based in Continental Europe increased 19 percent in brand value overall, more than any other region, following a rise of only 5 percent a year ago.

North America dominates

North America dominated in regional representation. Half the brands in the BrandZ™ Top 100 and two-thirds of the Top 100 total brand value originate in North America. All of the Top 10 brands are based in the US.

Fewer fast growing markets

Slower economies in fast growing markets reduced the number of brands from those counties in the BrandZ™ Global Top 100, from 17 a year ago to 14, 11 from China, two from Russia and one from Africa.

Brands from many nations

Other brands from China and Russia, and also brands from Brazil, Colombia and Mexico appear in the category rankings, which include some high-value brands below the Top 100 brand value threshold.

Key Results

Summary of category performance

Consumer and Retail Categories

Apparel
+29 percent

Apparel led the categoriesin brand value appreciation. The brands with the greatest increases – Uniqlo, up 58 percent; Nike, 55 percent; and Adidas, 47 percent – illustrate one of the key category trends, the convergence of apparel and technology into wearables.

Personal Care
+12 percent

More personalized products, men's grooming and innovations combining cosmetics with pharmacology drove sales in a crowded category. The convergence of technology and personal care resulted in small appliances for skin cleaning. Sales in China remained an important factor.

Cars
+17 percent

Carmakers had a good year with sales driven primarily by the resurgent US economy and UK demand. But car sales increased in China, too, despite slower economic growth and government purchasing restrictions aimed at reducing congestion and pollution.

Retail
+16 percent

Retailers confronted the mismatch between legacy real estate and changed consumer shopping habits. Conditioned by shopping both in physical stores and online, consumers expected everything – broad assortment, the lowest prices and immediate gratification. Brands sought ways to meet these expectations by transforming the category with seamless solutions.

Luxury
+16 percent

Consumers felt entitled to buy luxury again. They were more discerning, even in China. And luxury brands strategically rebalanced back toward exclusivity, having increased accessibility in a tactical effort to build sales during the recession.

Food and Drink Categories

Beer
+14 percent

Consolidation continued in a category where four global brewers predominate with large brand portfolios of hundreds of local and global beers. The brewers attempted to drive volume in fast growing markets and accommodate the desires of mature market consumers seeking new tastes and experiences.

Fast Food
+10 percent

Chipotle and Starbucks led in brand value growth with increases of 48 percent and 44 percent, respectively. Both brands met the consumer desire for a fast food experience where the meal is tasty but healthier and offered in a more comfortable restaurant environment.

Soft Drinks
+4 percent

Brand value appreciated in a category where volume of CSDs (Carbonated Soft Drinks) declined for the ninth consecutive year in the US because of consumer health concerns. Brands continued to market ambitiously and introduce new products.

Financial Categories

Global Banks
+15 percent

Having paid off government loans and reorganized their businesses to be more efficient, the banks made money and brand values improved. The public remained skeptical, however, because of bank past misdeeds and high executive pay.

Regional Banks
+6 percent

Strong local economies propelled banks in North America and Australia, where proximity to Asian markets also helped. But the declining band values of some Chinese banks were a drag on overall category brand value.

Insurance
+11 percent

The major European insurance brands did well, with Allianz increasing 48 percent in brand value and AXA up 44 percent. US property and casualty insurers led the way in trying to analyze big data to enhance customer centricity and reach and retain new, young customers. Online insurers continued to disrupt the category.

Commodity Categories

Oil and Gas
+3 percent

Investor pressure on return on investment and geopolitical events intensified the routine oil and gas brand challenges of exploring for resources in some of the earth's most fragile environments. Oil and gas increased the least in brand value of all categories.

Technology Categories

Technology
+16 percent

The consumer brands continued to expand their ecosystems in an attempt to be an invaluable part of consumer daily life. They found ways to monetize their customer relationships while also engaging in less profitable activities to serve humanity and claim a higher purpose. The business-to-business brands adjusted to a commercial model radically changed by Cloud computing.

Telecom Providers
+8 Percent

In Europe, the category experienced more consolidation. And brands added content to their bundle of services, in an effort to differentiate. T-Mobile offered pay-as-you-go pricing in the US, disrupting a market organized around long-term contracts and bundled services.

Cross-Category Trends

The forces building and disrupting brands and categories

Trust

Consumers expect brands to keep their promises. Some categories have disappointed. Coming out of the global financial crisis, many banks strengthened capitalization, sharpened their business focus, revised codes of ethics and improved communication with customers. But with the revelation of new and past misdeeds trust cracked like a fragile shell.

Lost trust damages brands, as apparel maker Lululemon discovered when the stretch fabric of some of its products performed poorly and the company initially blamed customers for the fault. GM and Toyota sustained public rebuke when they failed to maintain safety standards.

The price of lost trust varies. Bank reputations declined, but the difficulty in switching helped limit the business impact. Not all categories are so protected by customer inertia. Strong brands are better able to sustain fluctuations in trust.

Share of life

Brands aim to gain greater share of wallet. But many forward thinking brands are now looking to achieve that goal by increasing share of life, being present in more ways to make a customer's life better or simpler.

The major ecosystems – Apple, Google and Amazon – serve as models for surrounding consumers with product, services and content. But brands in diverse categories are engaged with customers, in useful and brand relevant ways, across many aspects of their lives.

The Home Depot and Lowe's provide home improvement financing. Walmart offers financial services. The Chinese Internet brand leaders, Tencent, Baidu and Alibaba, are building online banking centers and mobile payment systems. Tesco and the Latin American retailer Falabella are MVNOs (Mobile Virtual Network Operators), renting capacity from telecoms and branding a mobile service to gain a greater customer share of life.

Share of life helps broaden and deepen the bond between customer and brand. This relationship potentially benefits the customer with improved service and the brand with additional sales.

Seamlessness

Shopping was multi-channel. Then it was omni-channel. Now it needs to be a seamless, consistent experience whenever and wherever the consumer is dreaming about purchasing, exploring possibilities or transacting business.

Accomplishing this goal may be challenging and complicated. But by definition, seamlessness means that the brand makes the transitions between physical and virtual invisible to the consumer who's interested in the results not the process. And seamlessness centers on the customer.

Personalization

Too ubiquitous, designer logos no longer validate how the consumer sees herself or wants to be seen. Self-expression is in. In the luxury category, popularity increased for interesting jewelry, not simply the traditional precious gems, but other colorful, distinctive stones that consumers chose for their uniqueness. The celebration of uniqueness was evident in the extensive personal care product ranges for hair and skin types serving a more inclusive ideal of beauty.

Customization

Grande soy iced vanilla latte may summarize customization, but the trend doesn't end with Starbucks. McDonald's plans to simplify and customize its menu for the mealtime preferences of various consumer groups, such as Millennials and families. In soft drinks, a category driven by CSDs (Carbonated Soft Drinks), consumption is declining and Coke is customizing.

It's going beyond its Freestyle vending machine that enables customers to mix ingredients and make about 100 varieties of soft drink. In an arrangement with Green Mountain Coffee, the company that makes single-serve coffee pods, Coke is developing a machine for customizing soda at home.

Technology to make driving safer or more enjoyable adds more customizing options in a category known for customization.

Convenience

Conditioned by the economic slowdown and their experience with in-store and online shopping, consumers expected everything – the range available online with the immediacy of physical stores and the best possible price.

Many European hypermarkets and other retailers evolved their click and collect models for ordering online and picking up in-store.

In the latest iteration, shoppers order online and pick up items, often on the way home from work, at conveniently located drive-thru warehouses.

Authenticity

Sometimes the most compelling aspect of a brand is the product itself. To accrue economies of scale the major brewers generally produce beer near where it's consumed rather than where the brand originated. But sometimes the brewers balance this business imperative with the need for brand authenticity.

The major global brewer SABMiller makes Peroni, its Italian brand, in Italy, charging a premium to cover the additional cost. Heineken sold in the US is brewed in Denmark. Luxury brands stressed provenance as part of what makes them authentic and exclusive.

Multi-functionality

The importance of multi-functionality reflects the multi-tasking way many people live their lives. SUVs (Sport Utility Vehicles) combine basic transportation with room for cargo. Soft drinks quench thirst but often while adding a functional benefit, an energy boost or vitamin supplement. Apparel provides protection but it can also monitor metabolism.

Localization

Like the yin-yang of high tech and high touch, global and local are complementary influences for brands to balance. Certain categories, such as fast food, soft drinks and beer, build global scale and consistency, adjusting for local tastes.

Local is gaining in importance. It implies quality and reliability along with originality and attention to detail not associated with mass production. The rise of craft beer and the resurgence of ale in the UK reflect this trend. Local food sourcing is another example.

Healthiness

Consumer concern with health both challenges and propels brands. In soft drinks, CSD (Carbonated Soft Drink) consumption continued to decline.

In fast foods, McDonald's added healthier items, while Chipotle made higher quality food its brand positioning and Subway emphasized freshness.

Chipotle rose 48 percent in brand value. Since the inception of the BrandZ™ Top 100 Most Valuable Global Brands in 2006, the Subway brand has experienced the greatest percentage increase in brand value, 7,338 percent.

Retailer Whole Foods, which stresses its sourcing of organic and sustainable products, rose 37 percent in brand value in the 2014 BrandZ™ Global Top 100. During the national conversation about health care in the US, the drug store brand CVS renounced its $2 billion tobacco business as incompatible with its brand purpose as a health provider.

Technology

Technology impacted every category with innovation or disruption or both. Retailers reduced real estate portfolios of stores and explored technologies to make the experience in the physical and online stores unique, useful and seamless.

Wearables, like Google glasses, signaled the early days of the convergence of technology with apparel. Telematic devices that monitor driving habits potentially can disrupt the insurance category. Carmakers loaded cars with technology to improve safety and driving enjoyment. Car buyers viewed the latest technology as standard not luxury.

Technology disrupted the technology category itself as business-to-business brands, built around PCs, struggled to adjust to the intensified competition and a world of mobile devices.

Payment options

Payment in several categories shifted to a disruptive pay-as-you-use model. Amazon and other Cloud providers sold access on an as-needed basis, replacing the licensing arrangements that enterprise customers maintained with business-to-business technology companies.

In the US, T-Mobile introduced a pay-as-you-use arrangement to a market where telecom providers traditionally locked in customers for two-year contracts.

Among the trends impacting car ownership is the growing popularity of pay-as-you-use car sharing schemes that make vehicles available for hire by the hour.

Men shoppers

Men had confined their luxury purchases to watches and cars. Today they're interested in well-tailored shirts and suits. Men's grooming is one of the fastest growing segments of the personal care category.

Retail shelves once devoted to razors and shave cream in aerosol cans now include facial creams and other pampering products. The packaging in dark colors signifies masculinity and differentiates from the women's products. Among the drivers of this trend are cultural habits coming from Asia. In Korea, for example, men are fine with wearing makeup.

Luxury brands such as Gucci, Prada and Burberry are opening stores devoted exclusively to men.

Take Aways

10 insights for growing brand value

01
Know each customer

It's time to revise the adage the customer comes first. Today, each customer comes first. Working to achieve that goal will improve business. It's about analyzing dots of data that together reveal each customer's shopping needs. In the insurance category, many brands that created one-size-fits-all products now are trying to be more customer centric. They analyze data to understand individual customers and identify key lifetime events and insurance opportunities.

02
Be meaningfully different

Being different in a meaningful way means that customers understand the brand and the advantages that it offers relative to the competition. It's not easy to establish meaningful difference. But it's important as one of the crucial drivers of brand equity, the influence a brand has over the inclination to purchase.

03
Be mindfully present

In a world noisy with brand messages it can be difficult to be seen and heard. Digital and social media are important places to represent the brand. But use discretion. Be present where it makes sense for the brand. Intruding uninvited into conversations risks seeming like a clueless party guest. The encounter might be memorable but unhelpful. Comment when it's appropriate and be authentic.

04
Be agile

Planning is important. The stakes are too high and it's the rare brand that improvises its way to success. But the strategy drafted in the boardroom needs constant market reality testing. Planning and flexibility make a good marriage.

05
Stay relevant

There's an ongoing tension between respecting a brand's heritage and keeping the brand up to date. Keeping the brand up to date doesn't mean presenting the brand as something it isn't. It's great if a brand story is exciting and inspiring. But it's most important that the story is fact, not fiction.

06
Keep your eyes open

Spend time on thought leadership. As brands navigate through transformation, consolidation and disruption, knowledge is vital. It's useful to see what's going on in other places, particularly in the fast growing markets where sometimes, because necessity is greater, so is invention. The use of mobile for payments and banking in China is one important example.

07
Execute

The last few years were good for planning and putting in place new strategies, as consumers caught their breath and regained confidence following the financial collapse and recession. Consumers are back. It's time to execute.

08
Stand for a purpose beyond profit

Given a choice, people want to associate with brands they feel good about, brands that "Do no evil," as Google asserts. And even do some good. "Smarter Planet" works for IBM. But if you're not one of the world's most valuable brands, it's OK and more believable to focus on improving the part of the planet that you touch. The purpose needs to be brand relevant, important to customers and pursued diligently.

09
Employ technology for competitive advantage

In most categories technology is either a driver or disrupter or both. The fusion of apparel and technology into wearables is one example. Because the impact of technology is unavoidable today, brands face a clear choice: risk finding ways to achieve an advantage using technology, or do nothing and risk that your competitors will do something.

10
Invest in brands

There's a quantifiable return on investment in brands. Some of the return is felt at the register. Some of it is in the share price. In the eight years since we introduced the BrandZ™ Top 100 Most Valuable Global Brands, our BrandZ™ Strong Brand Portfolio has appreciated 81.1 percent compared with a 44.7 improvement in the S&P 500.

IS YOUR BRAND READY TO BE LIKE JEEVES?

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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.

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Reginald Jeeves, valet to the wealthy and affected Bertie Wooster, is probably author P. G. Wodehouse's most iconic character. Jeeves is imperturbable in the face of a crisis, resourceful and well-informed. He deals with his master's needs with suave confidence and subtly shapes events to save his employer from embarrassment.

Why are we talking about a fictional character in the context of brands? Because the many brands seeking to expand their roles to take a bigger share of our lives would do well to imitate Jeeves. People are willing to give brands a greater role in their lives only if they empower them, and do so without imposition or undue fanfare.

The brands seeking to increase their influence in this way are following in the footsteps of giants like Apple, Amazon or Nike. These brands have managed to extend their ecosystem so that their products and services are integrally intertwined with multiple aspects of our lives. Apple spans our needs for entertainment, music and productivity. Amazon fulfills our need for convenience with effortless one-click shopping and relevant purchase recommendations for stuff we never knew we wanted. Nike, with its Nike+ Fuelband, has transformed itself from a mere apparel brand to a companion and coach for runners.

The assumption that having a greater share of consumer's lives will have positive benefits for the brand may well prove incorrect if the brand cannot emulate Jeeves. So, with that in mind here are three things brands might learn from the venerable valet.

"I was given to understand that you required a valet." Jeeves offered his services to Bertie Wooster in the knowledge that there was a need for them. No matter how much brands might want to be part of someone's life, they need to make sure that there is a real need for what they have to offer and that the recipient believes them capable of rendering that service. A broad positioning that does not limit the brand to a specific category improves the brand's ability to expand its footprint in our lives.

"I endeavor to give satisfaction, Sir." Jeeves proves his worth on first meeting Bertie by proffering a "little preparation" in order to remedy the after-effects of a night on the town and subsequently proves not only invaluable but infallible. This is a tough act to follow. The bigger the role a brand has in people's lives the bigger the risk of failure. This is particularly important when a brand extends its reach across product or service categories. People do not separate out different incarnations of the brand in the same way that a business does. Tesco's financial and mobile phone services are just as much part of the experience of the Tesco brand as shopping at one of its stores. Do your homework and make sure your new offering lives up to the experience of the existing ones or it may undermine the whole franchise.

"The mood will pass sir." Jeeves sometimes takes a dislike to one of Bertie's latest affectations: a new mustache, vase or a pair of breeches Jeeves considers suitable only for the musical hall. When he does so, Jeeves manages to subtly shape his master's whims for the better. He has a clear set of values and sets in motion a series of actions that will result in a change of mind and behavior. Many brands could learn from his example. Rather than simply exhorting people to buy, they need to step back and consider exactly what associations and feelings they need to change in order to get people to choose their brand.

To imitate Jeeves, marketers will require the same intimate understanding of people's requirements that Jeeves has of his master's. Brands need to anticipate people's needs and desires, not just respond to direct requests. If successful in doing so then the brand will have established a meaningful place in people's consciousness, one that allows it to take a bigger share of their lives.

DIVERSION – A ROUTE TO DISRUPTION

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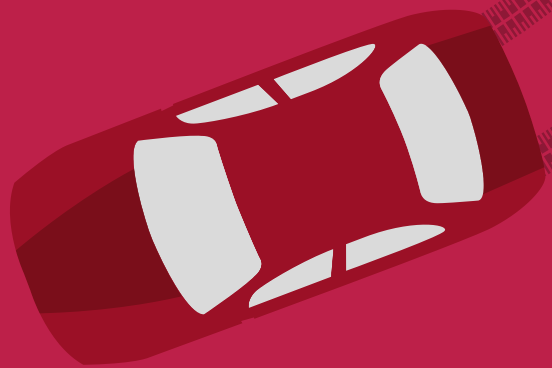


PeclersParis
...fashioning the future

PeclersParis is a unique worldwide trend forecasting, brand strategy and innovation agency that is expert in fashion, beauty and cosmetics, home and consumer electronics products. Our unique expertise is to decrypt socio-cultural and aesthetic trends and translate them not only into innovative brand strategies but also into new products' concepts and design. Founded in 1970. Based in Paris, New York, Los Angeles, Shanghai, Munich and in 15 other countries. To learn more visit **www.perclersparis.com**

Our recent trend research highlights that, as a result of the lengthy economic crisis, defiance and anxiety about the future are rife. Across Europe, people feel that they are trapped in a vicious cycle of austerity. As a result, a new dynamic is emerging: individuals now aspire to control their own destinies. In their efforts to do so, they are challenging and reinventing the codes, norms, stereotypes and rules, which now feel oppressive and seem a reflection of a failing system.

This global inclination towards diversion favors a general wish for disruption, especially among younger generations. In the behaviors that illustrate these "diversion tactics" we see a desire to embrace change in order to rise above the daily routine, or better yet, reinvent the future. As part of this trend, absurdity, irony, nonsense and cynicism are being used as weapons of subversion. Infiltrating all layers of society and fueled by the viral power of social networks, these attitudes are transforming the world into a gigantic disruptive public space.

These tactics also include the display of more uninhibited behaviors and inner impulses that explore and push boundaries. There is a growing fascination for ambiguous genres, and controversial and imaginary realms that blur the lines between good and bad. These behaviors have become an outlet through which individuals can express fears, dislikes and desires, and as escape mechanisms they are powerful routes to resilience.

Exploring consumers' new attitudes and expectations

Resilient behaviors Resilience is the ability to overcome difficult times. It is today seen in the growing promotion and celebration of personal failings: marital (divorce parties in Japan and the USA) or professional (the "fun employment" phenomenon). It aims to break the models imposed by modern society (the cult of efficiency and performance at all costs) and expose the inanity of certain norms, belief systems and preconceptions.

Augmenting the moment There is a strong desire to make the most of 'now'. Surprise, fun, happiness, humor and optimism are powerful ways to disrupt the routine and fight day-to-day stress.

Engaging in communion In a society long marked by individualism, the viral power of social networks is rekindling a desire for collective exchange, freed of taboos and frontiers. Tapping into this means creating real or digital places and symbolic gatherings that serve as outlets for release, as well as new forms of social cohesion.

Embracing new archetypes The expression of individual singularity will prompt the remodeling of traditional archetypes and socio-cultural codes. Some phenomena are already disrupting old models: a new dynamic of female empowerment, a new definition of masculinity, new perceptions of genders, new relationships with beauty and the body...

All this raises the question of how brands should respond to these new attitudes. In part, the answer is to demonstrate their understanding of the disruptive trend and interpret and adapt their messaging accordingly. For example by:

Disrupting Communication codes

Adopting humoristic or ironic tones to denounce outdated models, customs, or conventions and generate "buzz."

Not being afraid to deliver a radical take on branding and advertising, inspired by the casual, quirky tone of Internet culture.

Diverting markets' conventions

Using absurdity to prompt innovation and creativity, which result in communications that, beyond the fun, are truly relevant.

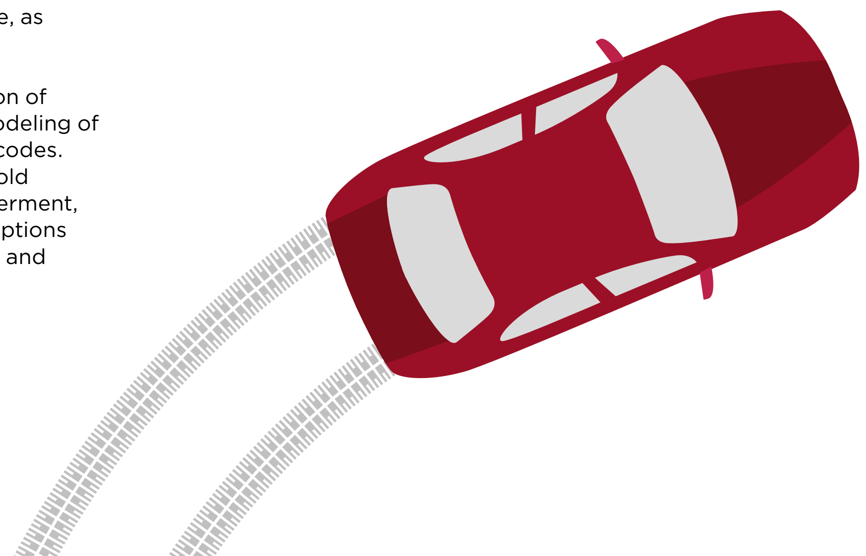
Twisting traditional points of reference to provoke mystery, curiosity, surprise and desire.

Using new technologies to fictionalize reality and augment consumer experience by storytelling at home, in the streets, and in retail.

Breaking free from archetypes

Taking the lead in playing with the boundaries between traditional categories: masculine/ feminine, nature/culture, man /machine.

Such a blueprint will be more easily adopted by some brands than others. Digital brands – Google, Apple, Nest – are the pacesetters of disruption. For fashion brands, reinvention is their lifeblood and so subversion comes as second nature, witness Burberry's high tech 'Brit' stores and increasingly edgy, reportage-style campaigns. Brands that are valued for their heritage and tradition will need to navigate these trends with more caution, especially those that have lost consumer trust, for example financial services brands – but even they may take comfort from knowing that the raison d'être of diversion and disruption is to make anything seem possible.



02
The Global Top 100

BRANDZ™ Top 100 Most Valuable Global Brands 2014

	Brand	Category	Brand value 2014 $M	Brand contribution	Brand value % change 2014 vs 2013	Rank change
1	Google	**Technology**	158,843	3	40%	1
2		**Technology**	147,880	4	-20%	-1
3	IBM	**Technology**	107,541	4	-4%	0
4	Microsoft	**Technology**	90,185	4	29%	3
5		**Fast Food**	85,706	4	-5%	-1
6	Coca-Cola	**Soft Drinks**	80,683	4	3%	-1
7	VISA	**Credit Card**	79,197	4	41%	2
8	at&t	**Telecoms**	77,883	3	3%	-2
9	Marlboro	**Tobacco**	67,341	3	-3%	-1
10	amazon.com	**Retail**	64,255	3	41%	4
11	verizon	**Telecoms**	63,460	3	20%	1
12		**Conglomerate**	56,685	2	2%	-1
13	WELLS FARGO	**Regional Banks**	54,262	3	14%	0
14	Tencent 腾讯	**Technology**	53,615	4	97%	7
15	中国移动 China Mobile	**Telecoms**	49,899	3	-10%	-5
16	ups	**Logistics**	47,738	4	12%	-1
17	ICBC 中国工商银行	**Regional Banks**	42,101	2	2%	-1
18	MasterCard	**Credit Card**	39,497	3	42%	2
19	SAP	**Technology**	36,390	2	6%	0
20	vodafone	**Telecoms**	36,277	3	-9%	-3
21	facebook	**Technology**	35,740	4	68%	10
22	Walmart Save money. Live better.	**Retail**	35,325	2	-2%	-4
23	Disney	**Entertainment**	34,538	4	44%	3
24	AMERICAN EXPRESS	**Credit Card**	34,430	4	46%	4
25	Baidu 百度	**Technology**	29,768	4	46%	8

Source: Valuations include 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.

BRANDZ™ Top 100 Most Valuable Global Brands 2014

	Brand	Category	Brand value 2014 $M	Brand contribution	Brand value % change 2014 vs 2013	Rank change
26	TOYOTA	**Cars**	29,598	3	21%	-3
27	T	**Telecoms**	28,756	2	20%	0
28	HSBC	**Global Banks**	27,051	3	13%	-3
29	SAMSUNG	**Technology**	25,892	3	21%	1
30	LV LOUIS VUITTON	**Luxury**	25,873	4	14%	-1
31	Starbucks	**Fast Food**	25,779	3	44%	13
32	BMW	**Cars**	25,730	4	7%	-8
33	中国建设银行 China Construction Bank	**Regional Banks**	25,008	2	-7%	-11
34		**Apparel**	24,579	4	55%	22
35	Budweiser	**Beer**	24,414	4	20%	-1
36	L'ORÉAL	**Personal Care**	23,356	4	30%	6
37	ZARA	**Apparel**	23,140	3	15%	-2
38	RBC	**Regional Banks**	22,620	4	13%	0
39	Pampers	**Baby Care**	22,598	5	10%	-7
40	The Home Depot	**Retail**	22,165	2	20%	1
41	HERMÈS PARIS	**Luxury**	21,844	5	14%	-1
42	Mercedes-Benz	**Cars**	21,535	4	20%	1
43	SUBWAY	**Fast Food**	21,020	4	26%	8
44	CommonwealthBank	**Regional Banks**	21,001	3	18%	4
45	ORACLE	**Technology**	20,913	2	4%	-9
46	movistar	**Telecoms**	20,809	2	56%	20
47	TD	**Regional Banks**	19,950	3	12%	-1
48	ExxonMobil	**Oil & Gas**	19,745	1	3%	-9
49	hp	**Technology**	19,469	2	19%	5
50	IKEA	**Retail**	19,367	3	61%	24

The Brand Value of Coca-Cola includes Lights, Diets and Zero
The Brand Value of Budweiser includes Bud Light

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BRANDZ™ Top 100 Most Valuable Global Brands 2014

	Brand	Category	Brand value 2014 $M	Brand contribution	Brand value % change 2014 vs 2013	Rank change
51	ANZ	Regional Banks	19,072	3	15%	1
52	Gillette	Personal Care	19,025	4	7%	-7
53		Oil & Gas	19,005	1	8%	-4
54	中国农业银行 AGRICULTURAL BANK OF CHINA	Regional Banks	18,235	2	-9%	-17
55	accenture	Technology	18,105	3	10%	-2
56	Colgate	Personal Care	17,668	4	2%	-6
57	citi	Global Banks	17,341	2	30%	7
58	FedEx	Logistics	17,002	4	24%	4
59	SIEMENS	Technology	16,800	2	36%	13
60	GUCCI	Luxury	16,131	5	27%	8
61	ebay	Retail	15,587	2	-12%	-14
62	orange	Telecoms	15,580	3	13%	-2
63	H&M	Apparel	15,557	2	22%	6
64	BT	Telecoms	15,367	2	61%	30
65	usbank	Regional Banks	14,926	3	9%	-2
66	TESCO	Retail	14,842	4	-9%	-11
67	SINOPEC	Oil & Gas	14,269	1	9%	0
68	中国银行 BANK OF CHINA	Regional Banks	14,177	2	0%	-10
69	YAHOO!	Technology	14,174	3	44%	23
70	HONDA	Cars	14,085	3	14%	1
71		Technology	13,837	4	New	New
72	CISCO	Technology	13,710	2	16%	5
73	DHL	Logistics	13,687	4	53%	25
74	bp	Oil & Gas	12,871	1	12%	4
75	SBERBANK	Regional Banks	12,637	3	0%	-5
76	PetroChina	Oil & Gas	12,413	1	-7%	-11
77	中国平安 PING AN	Insurance	12,409	2	18%	7
78	LinkedIn	Technology	12,407	4	New	New
79	J.P.Morgan	Global Banks	12,356	2	28%	14
80	MTS	Telecoms	12,175	3	14%	2
81	中国人寿 China Life	Insurance	12,026	2	-21%	-24
82	Woolworths	Retail	11,953	3	8%	-2
83		Fast Food	11,910	3	20%	8
84	Ford	Cars	11,812	3	56%	New
85	Westpac	Regional Banks	11,743	3	17%	3
86	intel	Technology	11,667	2	-15%	-25
87	CHASE	Regional Banks	11,663	3	8%	-6
88	pepsi	Soft Drinks	11,476	3	-5%	-13
89	Scotiabank	Regional Banks	11,351	2	9%	-4
90	NISSAN	Cars	11,104	3	9%	-4
91	Santander	Global Banks	11,060	3	20%	5
92	Red Bull	Soft Drinks	10,873	4	3%	-9
93	MTN	Telecoms	10,221	3	-11%	-14
94	Bank of America	Regional Banks	10,149	2	New	New
95	NTT docomo	Telecoms	10,041	2	0%	-5
96	PRADA	Luxury	9,985	4	6%	-1
97	PayPal	Payments	9,833	4	New	New
98	ING	Global Banks	9,771	3	29%	New
99	UBS	Global Banks	9,683	2	30%	New
100	ALDI	Retail	9,584	2	8%	-1

Source: Valuations include 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.

The Brand Value of Pepsi includes Diets
The Brand Value of Red Bull includes sugar-free and Cola

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Overview

Value of BrandZ™ Top 100 up 98 percent since 2006

All components of brand equity strengthen, technology leads in total brands and value

The 12 percent brand value increase in the BrandZ™ Top 100 Most Valuable Global Brands 2014 represents a resurgence of growth following the financial downturn in 2008, and a 98 percent increase in value since the ranking was introduced in 2006.

The technology category, which rose 16 percent in the 2014 BrandZ™ Global 100, represents nearly a third of the total brand value and almost a fifth of the brands. The technology category has grown 141 percent in brand value since the ranking began.

Of the Top 10 brands that grew most in brand value since 2006, five are in the technology category. During those eight years, Apple increased in value by $131.9 billion or 826 percent, followed by Google with a 324 percent or $121.4 billion rise in brand value.

The Top 100 are resilient. Since the financial crisis, the BrandZ™ Global Top 100 brands have strengthened in each component of brand equity, which is the consumer's predisposition to select a brand.

The components are: meaningful (generating appeal or "love"), different (setting trends that benefit the consumer) and salient (coming to mind spontaneously). The BrandZ™ Top 100 Most Valuable Global Brands significantly outscore other brands in each component.

Difference and salience drive and sustain value

In the telecom provider category, where brands are struggling to differentiate and be viewed as more than a conduit of data, UK-based BT rose 61 percent in brand value and moved up 30 positions in the ranking.

The brand value rise was driven in part by acquiring rights to English Premier Football, adding over two million new subscribers, a successful Olympic sponsorship and increasing revenue. The added value helped justify premium pricing.

Being different was a key driver for Amazon, which continued to grow its consumer share of life, expanding into food and other businesses, while also disrupting business-to-business technology pricing with its Cloud computing services.

With a 41 percent brand value increase to $64.3 billion, Amazon entered the BrandZ™ Global Top 10 for the first time.

Brand salience helped sustain Coca-Cola. Because of consumer health concerns the sale of CSDs (Carbonated Soft Drinks) declined for the ninth consecutive year in the US. The Coca-Cola brand rose 3 percent, however.

Coca-Cola slipped one spot in the BrandZ™ Global Top 10, as did McDonald's, another salient brand in a category impacted by consumer health concerns. At the same time, Microsoft, a salient technology brand, gained three places in the ranking on a 29 percent increase in brand value.

Brands gain in trust and value metrics

Two other BrandZ™ metrics, TrustR and ValueD, also help explain brand value increases. TrustR measures how much consumers trust a brand (because it consistently has met its promises in the past) and the likelihood consumers would recommend a brand (because it consistently keeps its promises today).

The three logistics companies ranked in the BrandZ™ Global Top 100 score high in TrustR. Each increased significantly in brand value, led by DHL with a rise of 53 percent, followed by Fedex, 24 percent, and UPS, 12 percent.

ValueD measures the gap between a consumer's desire for a brand and the consumer's perception of the price. The measurement is important because, coming out of the recession, consumers are significantly more concerned about obtaining good value for money.

Responding to this change in consumers attitude, the BrandZ™ Global Top 100 have improved their desire and price scores. A high desire score gives a brand flexibility to be premium priced or good value.

How brands manage the desire/price balance depends on the product category and brand proposition. Some brands with high desirability, like Pampers, are able to command a premium. Consumers view IKEA as good value for money. IKEA improved 61 percent in brand value.

Technology brands dominate the BrandZ™ Global Top 100

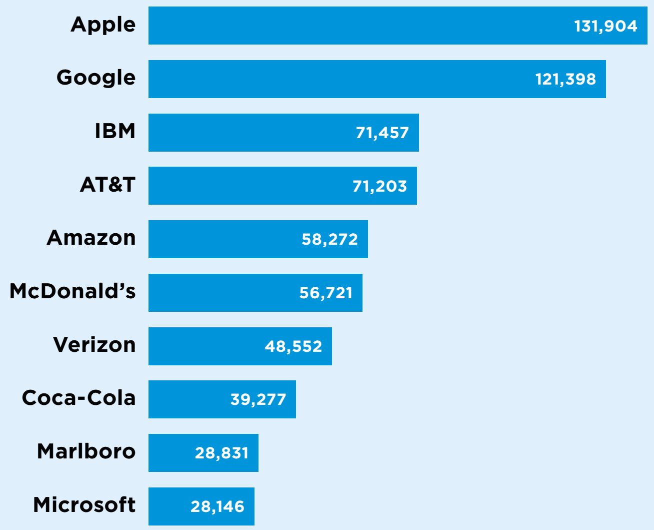
Category	Brand Value 2014 $M	Brand value % change 2014 vs 2013
Technology	841,482	16%
Telecoms	330,427	8%
Retail	280,975	16%
Regional banks	251,351	6%
Fast Food	171,621	10%
Soft drinks	142,103	4%
Cars	138,856	17%
Global banks	123,800	15%
Luxury	111,758	16%
Personal care	111,528	12%
Oil and gas	109,033	3%
Apparel	99,599	29%
Beer	72,306	14%
Insurance	66,207	11%

Source: Valuations include data from BrandZ™ and Bloomberg

Technology brands alone represent about almost a third of the total value of the BrandZ™ Global Top 100 and nearly a fifth of the brands. The average technology brand value, $45.9 billion, is 85 percent more than the average $24.9 billion value of the other brands.

Technology brands have led the growth in brand value since the introduction of the BrandZ™ Top 100 Most Valuable Global Brands in 2006. The technology brands ranked in the BrandZ™ Global Top 100 totaled $826.9 billion in value in 2014, an increase of 141 percent since 2006.

Technology brands have led the growth of the BrandZ™ Global Top 100



Source: Valuations include data from BrandZ™ and Bloomberg

BrandZ™ Global Top 100 brands score high in brand equity

These three BrandZ™ metrics – Meaningful, Different and Salient – are the components of brand equity, the consumer's predisposition to select a brand. The BrandZ™ Top 100 Most Valuable Global Brands score significantly higher than the average brand across all three metrics. And the Global Top 100 scores have strengthened since the financial crisis.

Source: Millward Brown Optimor
Average brand = 100

Top Risers

Brand strength, resurgent economies lift brand values

The resurgent economies of North America and Europe helped accelerate brand value growth, especially among strong,clearly differentiated brands.

The brands that appreciated most in value, the Top 20 Risers, represent 10 product categories, reflecting the diversity of strong brands and the broad impact of economic growth.

With four brands in the Top 20, technology led the categories, followed by apparel with three brands. These five other categories appear in the Top 20 Risers with two brands apiece: credit cards, fast food, insurance, retail and telecoms. Cars, entertainment and logistics are represented with one brand apiece.

Technology brands – Tencent and Facebook – occupy the first and second rank in the Top 20 Risers, reflecting the influence of the category. The presence of Tencent, the social network and Internet portal, and Baidu, the online search brand, indicates the growing value and presence of Chinese technology brands.

Two of the Top 20 Risers also appeared in the ranking a year ago and just kept climbing. Tencent almost doubled in value, with a brand value increase of 97 percent following a 52 percent increase. Disney, which increased in brand value 44 percent, also appeared a year ago, when value rose 40 percent. These other key trends emerged:

Sharper growth

The Top 20 Risers grew an average of 54 percent in brand value compared with 44 percent a year ago.

Growth vs. recovery

The brand value appreciation mostly represents new growth compared with a year ago, when some of the increase was due to rebound from the recession.

Brand strength

A combination of brand strength and financial performance drives brand value. For the Top 20 Risers, brand strength increased in most instances and financial performance consistently improved.

Technology brands appreciate in value

The presence of Tencent and Facebook indicates the global force of social networking and the speed with which the world has become connected over the past 10 years. Both Tencent and Facebook claim around one billion members, and many more when their messaging services are included.

Their rise in brand value reflects not only this growth and scale, but also how effectively the brands are monetizing this stature and also how they're moving into new areas. Facebook purchased WhatsApp, the messaging service similar to Tencent's WeChat. Tencent bought China's second largest ecommerce mall, JD.com.

The Chinese online search brand Baidu, which is similar to Google, also expanded into related businesses, with the purchase of Nuomi, a location-based group buying service. The acquisition drove a strong revenue increase. Yahoo! owns 24 percent of Alibaba, the Chinese ecommerce giant. Yahoo! stock surged in anticipation of Alibaba's IPO (Initial Public Offering).

Other brands experience technology lift

Brands across many product categories used technology to add consumer benefits and to differentiate.

Adidas introduced a new shoe cushioning innovation it calls Boost technology. Nike's leadership in wearable technology included refinements to its FuelBand, a bracelet that monitors exercise and fitness activity.

Ford experienced one of its most profitable years ever, driven in part by the resurging US economy. But consumers shopping for cars had a choice, and Ford's leadership in offering mid-market cars with entertainment and navigation technology provided a competitive, brand-defining advantage.

Global growth and the strengthening Japanese economy helped Uniqlo, the global apparel brand based in Japan. The brand also benefited from its promotion of fabrics designed with technology to maintain comfort regardless of the temperature, and from its clear focus on in-style essentials in fashionable colors at good prices.

Brand clarity remains key

The combination of a strong brand proposition aided by an economic tailwind propelled many of the Top 20 Risers. As a global home furnishings leader, present in 42 countries, IKEA enjoyed the economic revival in the US and Europe, where the majority of its 345 stores are located. The brand proposition of making home furnishing more widely available suited both the needs of single Millennials and young families in developed countries, and the aspirations of the expanding middle class in fast growing markets.

With the US in the midst of a national healthcare conversation, CVS asserted its brand credentials as a healthcare provider by phasing out its lucrative tobacco business in favor of the long-term benefit of brand clarity.

In the fast food category, as some brand leaders struggled with changing consumer expectations, Chipotle and Starbucks increased in brand value by satisfying consumer preference for a more refined décor and quality menu options.

Disney renewed its brand legacy, releasing its highest-grossing animated film ever, Frozen. American Express met key financial targets and, based on brand strength, introduced products that stretched the brand beyond its relatively affluent core customers to reach new potential markets. MasterCard expanded its relationships with several key large banks.

The combination of brand strength and global presence lifted the value of large Europe-based insurance brands Alliance and AXA. Recovery in Europe helped Spain's Movistar telecom and BT, which strengthened its well-established UK telecom brand by moving into entertainment and obtaining exclusive rights to popular sports content.

The Top 20 Risers

Rank	Brand	Category	Brand value 2014 $M	Brand value 2013 $M	Brand value % change 2014 vs 2013
1	**Tencent**	Technology	53,615	27,273	97%
2	**Facebook**	Technology	35,740	21,261	68%
3	**BT**	Telecoms	15,367	9,531	61%
4	**Ikea**	Retail	19,367	12,040	61%
5	**Uniqlo**	Apparel	7,303	4,627	58%
6	**Ford**	Cars	11,812	7,556	56%
7	**Movistar**	Telecoms	20,809	13,336	56%
8	**Nike**	Apparel	24,579	15,817	55%
9	**DHL**	Logistics	13,687	8,940	53%
10	**CVS**	Retail	8,485	5,620	51%
11	**Chipotle**	Fast Food	7,372	4,972	48%
12	**Allianz**	Insurance	5,323	3,596	48%
13	**Adidas**	Apparel	7,192	4,882	47%
14	**American Express**	Credit Cards	34,430	23,514	46%
15	**Baidu**	Technology	29,768	20,443	46%
16	**Disney**	Entertainment	34,538	23,913	44%
17	**Yahoo!**	Technology	14,174	9,826	44%
18	**Starbucks**	Fast Food	25,779	17,892	44%
19	**AXA**	Insurance	5,645	3,934	44%
20	**MasterCard**	Credit Cards	39,497	27,821	42%

Source: Valuations include data from BrandZ™ and Bloomberg

Newcomers

Technology and financial brands lead newcomers

The Newcomers

Rank	Brand	Category	Brand value 2014 $M
71	**Twitter**	Technology	13,837
77	**LinkedIn**	Technology	12,407
83	**Ford**	Cars	11,812
94	**Bank of America**	Regional Banks	10,149
97	**PayPal**	Payments	9,833
98	**ING Bank**	Global Banks	9,771
99	**UBS**	Global Banks	9,683

Source: Valuations include data from BrandZ™ and Bloomberg

The technology and financial categories dominate the list of newcomer brands added in 2014 to the BrandZ™ Top 100 Most Valuable Global Brands.

Twitter launched an IPO (Initial Public Offering) to fund its expansion as the platform for worldwide conversation in bursts of 140 characters exchanged in real time. With several acquisitions, LinkedIn, with about 280 million members, intensified its effort to be the digital meeting place for the global workforce.

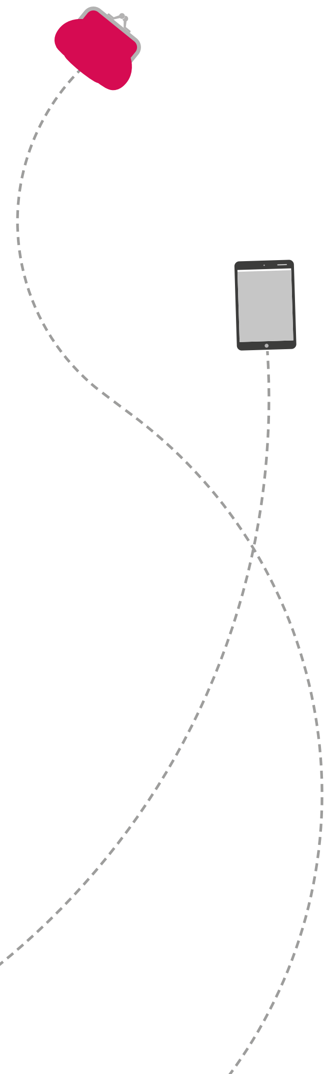
Having restructured the company and rejected a government bailout during the fiscal crisis, Ford was well positioned for the resurgence of the US economy. It experienced record profits in North America as well as in Asia-Pacific and Africa, during 2013. Sales in China increased almost 50 percent.

Bank of America reported its largest annual profit since 2007. The strong results followed a period of cost cutting and rebuilding after the financial crisis and problems with subprime mortgages. Revenue grew across the bank's businesses, with consumer lending and wealth management performing especially well.

A leader in digital payments, PayPal increased its payment volume 24 percent to $180 billion and revenue rose 19 percent to $6.6 billion. The brand worked to expand mobile transactions and build synergies with corporate parent eBay. PayPal is present in 193 markets and operates in 26 currencies. The brand had 143 million registered accounts at the end of 2013.

Following a period of financial turbulence, global banks ING and UBS implemented new strategies and enjoyed strong profit growth. ING renewed its commitment to corporate values. UBS underwent a change in leadership and shifted attention from investment banking to wealth management.

Having restructured the company and rejected a government bailout during the fiscal crisis, Ford was well positioned for the resurgence of the US economy.



Category Changes

Led by apparel growth, every category rises in brand value

The Category Changes

Rank	Category	Brand value % change 2014 vs 2013	Brand value % change 2013 vs 2012
1	**Apparel**	29%	21%
2	**Cars**	17%	5%
3	**Retail**	16%	17%
4	**Luxury**	16%	6%
5	**Technology**	16%	-1%
6	**Global Banks**	15%	23%
7	**Beer**	14%	36%
8	**Personal Care**	12%	11%
9	**Insurance**	11%	19%
10	**Fast Food**	10%	5%
11	**Telecom Providers**	8%	1%
12	**Regional Banks**	6%	15%
13	**Soft Drinks**	4%	5%
14	**Oil & Gas**	3%	-4%

Source: Valuations include data from BrandZ™ and Bloomberg

Each of the 14 categories examined in the BrandZ™ Top 100 Most Valuable Global Brands 2014 increased in overall brand value.

Ten categories experienced double-digit growth led by apparel with a rise of 29 percent. The strong performance across categories reflects general economic improvement and consumer spending enthusiasm even for big-ticket items like cars.

Spending attitudes and shopping habits have changed, however, shaped by the financial austerity of the past few years and the influence of technology, particularly mobility and social networking.

These attitudes touched many categories, causing stress and even disruption and transformation. Consumers expected wide product choice, low prices and instant gratification. In addition, they expressed concern about ethical sourcing and product impact on health and the environment.

These four categories experienced less than double-digit growth – telecoms, regional banks, soft drinks and oil and gas. But even this performance was relatively strong. Only soft drinks and oil and gas improved in brand value by less than 5 percent. Here's how these trends affected the various categories:

Consumer and Retail

Led by apparel, the consumer and retail categories topped the category ranking in overall brand value growth, with cars up 17 percent and retail and luxury each up 16 percent. Personal care advanced 12 percent.

Fast Food and Soft Drinks

Although these categories continued to experience steady growth, they felt the impact of consumer concerns and habits that impacted the rate of growth. The beer category rose 14 percent in brand value; fast food, 10 percent; soft drinks, 4 percent.

Financial Institutions

The global banks made money and the category brand value increased 15 percent overall. Less tainted by the risky practices that precipitated the financial crisis, the regional banks enjoyed strong results, but brand value rose only 6 percent because the growth of Chinese banks slowed. Insurers enjoyed a strong year and the category grew 11 percent.

Commodities

The brand value of oil and gas appreciated 3 percent, the most modest gain of any category, as companies slowed exploration in response to shareholder pressure for improved ROI (Return on Investment).

Technology

Technology companies continued to appreciate in value, especially the consumer-facing brands, while business-to-business brands adjusted to the era of Cloud computing and big data management. The category rose 16 percent in brand value.

Category Changes | Analysis

Consumer and Retail

The strong apparel brand gains show consumers were shopping again, replenishing wardrobes. But they purchased in an informed way, looking for value and waiting for sales. The most successful brands provided a value proposition that combined fashion, speed and price.

Retail also contended with smarter shoppers. The category is experiencing a transformation in response to shoppers who expect everything all the time: the range and price available online combined with the immediate experience and gratification provided by physical stores.

Feeling entitled and less constrained by recession-inspired frugality, consumers spent money on luxury, too. The luxury brands reclaimed some of the exclusivity and margin they sacrificed to drive volume during leaner times.

Car brands benefited from consumers who returned to the dealerships as the days of cash for clunker incentives faded in the rear view mirror and the resurgent US economy drove car sales. Car sales gained in Europe and China as well.

Slower economic growth in China, and the emergence of competitive Chinese brands, affected personal care brand value growth, as did problems in the Brazilian economy, home to one of the major personal care brands, Natura.

Food and Drink

Consolidation continued in the beer category. The rate of consumption slowed in developed markets and drinking preferences evolved, with consumers more interested in distinctive flavors and experiences rather than volume.

The brewers invested in fast growing markets to build volume and realize the potential, especially in China, which is a large and fragmented market with relatively low per person rate of consumption.

Changing consumer attitudes about health impacted both the fast food and soft drinks categories. The fast food brands that appreciated most in brand value had a clear brand proposition that addressed the issue of health and also offered an ambiance that was more comfortable than a traditional take out location.

In soft drinks, people consumed less CSDs (Carbonated Soft Drinks), an ongoing trend that especially impacts the leading cola brands. The brand leaders expanded their brand portfolios to include other beverage options, such as flavored waters or juices, but even these drinks weren't immune to health scrutiny. Drinks that offered a jolt of energy or some other functional benefit continued to do well.

Financial Institutions

Most of the global banks had repaid government loans issued during the financial crisis, and had implemented reforms that reshaped their businesses. However, the public and government regulators remained unsatisfied with some of the changes. Banks experienced criticism for past practices and high executive compensation. Although profits were up, trust was down.

Less tainted by the risky practices that precipitated the financial crisis, the regional banks enjoyed strong results and brand values appreciated, particularly among bank brands in North America and Australia. The category brand value softened because four of the regional leaders are Chinese banks, which felt the effects of the country's slowing economic growth rate.

Insurance brands experienced a positive year and brand values increased, particularly among the major global carriers. Property and casualty brands were in the midst of a transformation, trying to harness big data to understand individual needs and create ongoing, lifetime customer engagement.

Technology

Technology companies continued to appreciate in value, especially the consumer-facing brands. Google claimed the number one position as the world's most valuable brand in the BrandZ™ Global ranking, followed by Apple. Like Facebook, which experienced strong stock appreciation, these brands continued to acquire or develop competencies to build ecosystems and become indispensable.

At the same time, the Chinese Internet brands, Tencent and Baidu, increased sharply in value and Chinese technology brands became more of a presence in the West, as Alibaba, 24 percent owned by Yahoo!, prepared for an IPO.

The business-to-business technology brands benefited from corporate investment in the storage and analysis of big data. But the brands also adjusted to fundamental changes, including the shift to Cloud computing, pay-as-you-go business models, the rise of mobile and decline of the PC. Overall brand value rose 16 percent compared with a 1 percent drop a year ago.

Similarly, brand value of the telecom category rose 8 percent following a 1 percent rise a year ago. Developed market brands grew in brand value during a period marked by more industry consolidation and price disruption.

Commodities

Brand value of the oil and gas category appreciated 3 percent, the most modest gain of any category. Compounding the normal risks of exploring for oil and gas reserves in fragile environments, oil and gas brands felt investor pressure to return more profit to shareholders. To accommodate these needs the major brands sought new efficiencies and looked to sell assets.

Brand Contribution

Leaders come from many categories and places

Brand contribution is a metric that quantifies the strength of a brand exclusively, without financial or other elements. It's a critical component in the calculation of brand value.

Brands that score high in brand contribution have distinguished themselves in the consumer's mind. They've effectively differentiated from the competition and generated high customer loyalty. They're resilient during market fluctuations because of their engagement with the consumer.

To determine brand contribution we analyze relevant corporate financial data and strip away everything that doesn't pertain to the branded business. Then we go further, with a 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 over 10,000 brands. Our database includes information from over two million consumers.

This step quantifies the power of the brand in the mind of the consumer that creates predisposition to buy and, most importantly, validates a positive correlation with better sales performance. We call this factor brand contribution and express it as an index of 1 to 5, with 5 being the most positive score.

The 15 brands ranked in the accompanying chart scored highest in brand contribution among all of the brands examined in this report, including both brands in the BrandZ™ Global Top 100 and the category rankings.

Luxury is the most represented category, with six brands. But one of the clearest take-aways is that brands of any size, and regardless of product category or place of origin, can achieve high brand contribution.

The 15 ranked brands represent nine different product categories. And the brands range in size from the North American fast food operator Panera, with a brand value of $2.9 billion, to the Coca-Cola brand valued at $67.7 billion in the soft drinks ranking.

The luxury brands are European. Baidu is the Chinese search engine and online portal. From Latin America, Aguila is an Colombian beer and Falabella is a retailer based in Chile with department stores and other outlets throughout the region.

In addition, high brand contribution provides staying power. These nine brands that rank in this BrandZ™ Top 100 Most Valuable Global Brands 2014 also appeared as brand contribution leaders in 2013: Aguila, Gucci, Panera, Pampers, Chanel, Coca-Cola, Falabella, Baidu and Louis Vuitton.

Six of these nine – Pampers, Chanel, Coca-Cola, Falabella, Baidu and Louis Vuitton – also appeared in the 2012 brand contribution ranking. Hermès and Rolex, which appeared in 2012, returned in 2014.

Of the remaining four brands, Gillette has appeared in the brand contribution rankings of earlier BrandZ™ Global Top 100 reports. Audi, Burberry and Stella Artois have reinvigorated distinguished brand heritages.

Brands of any size, and regardless of product category or place of origin, can achieve high brand contribution.

The Top 15 in Brand Contribution

Rank	Brand	Brand Contribution	Category	Brand value 2014 $M	Brand value 2013 $M	Brand value % change 2014 vs 2013
1	**Aguila**	5	Beer	3,676	3,903	-6%
2	**Gucci**	5	Luxury	16,131	12,735	27%
3	**Panera**	5	Fast Food	2,871	3,025	-5%
4	**Hermès**	5	Luxury	21,844	19,129	14%
5	**Pampers**	5	Baby Care	22,598	20,594	10%
6	**Chanel**	5	Luxury	7,810	7,075	10%
7	**Coca-Cola**	5	Soft Drinks	67,712	64,698	5%
8	**Burberry**	5	Luxury	5,940	4,194	42%
9	**Audi**	5	Cars	7,058	5,545	27%
10	**Falabella**	4	Retail	5,187	5,611	-8%
11	**Rolex**	4	Luxury	9,083	7,941	14%
12	**Baidu**	4	Technology	29,768	20,443	46%
13	**Stella Artois**	4	Beer	8,237	6,319	30%
14	**Gillette**	4	Personal Care	19,025	17,823	7%
15	**Louis Vuitton**	4	Luxury	25,873	22,719	14%

Source: Valuations include data from BrandZ™, Kantar Retail, Bloomberg and Brand Analytics.
*Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.
**Includes Top 100 brands and brands included in the category rankings.

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Regions

Continental Europe Top 10 lead in brand value growth

Driven by the region's economic recovery, the value of the Top 10 most valuable brands based in Continental Europe increased 19 percent overall, more than any other region, following a rise of only 5 percent a year ago.

All of the Continental Europe Top 10 brands rose in value. Those brands included two of the fastest risers in the BrandZ™ Top 100 Most Valuable Global Brands 2014, Sweden's IKEA, which grew 61 percent in brand value, and Movistar, the Spanish telecom, up 56 percent.

In contrast, the overall value of the Top 10 brands based in North America rose only 5.9 percent and the UK Top 10 only 5.4 percent. That's because, despite resurging economies, some brands faltered and their brand value declines held back the level of overall brand value appreciation.

The reverse phenomenon occurred in Asia, where the outstanding growth of two Chinese technology brands offset the brand value declines of several banks impacted by the slowdown in China's rate of economic growth. Tencent, the social network and Internet portal, almost doubled in brand value, while the brand value of the portal and search engine Baidu increased 46 percent.

The overall value of brands in Latin America continued to decline following a decrease of 13 percent a year ago. Unlike in Asia, there were not many rising brands to offset the steep declines experienced by two Brazilian leaders, Petrobras, the oil and gas brand, and the personal care brand Natura. In summary:

North America

America continues to be home for the world's most valuable brands.

Continental Europe and the UK

Local economic resurgence and demand from fast growing markets drove brand value appreciation, particularly on the Continent.

Asia and Latam

Individual brands improved in value, primarily in Asia, offsetting other brand value declines. Latam lacked this balance.

North America

The Top 10 brands in the BrandZ™ Top 100 Most Valuable Global Brands 2014 are also the Top 10 most valuable North American brands. The match confirms that the US continues to be home for the world's most valuable brands. Last year only nine of the Top 10 brands were American. In 2014, Amazon rose to number 10 in the BrandZ™ Global 100, replacing China Mobile, which slipped a few slots.

It's even possible to locate the geographic center of high brand value more precisely as not simply the US, but the technology centers of West Coast. Google and Apple, the number one and two brands, are based in Northern California. The Seattle suburbs are home to Microsoft and Amazon, the fourth and tenth ranked brands. These four brands together account for $461.2 billion in brand value, about 16 percent of the BrandZ™ Global Top 100 total brand value.

Beyond technology, changes in brand value reveal a more nuanced view about US-based brands and how brand strength enabled some brands to withstand the vicissitudes of their categories. Coke rose only 3 percent in brand value, mostly because of health issues surrounding soft drinks. McDonald's declined 5 percent in part because menu complication slowed service. AT&T appreciated only 3 percent because of competitive pressures and price disruption.

The Top 10 brands from North America

Rank	Brand	Category	Brand value 2014 $M	Brand value 2013 $M	Brand value % change 2014 vs 2013
1	**Google**	Technology	158,843	113,669	40%
2	**Apple**	Technology	147,880	185,071	-20%
3	**IBM**	Technology	107,541	112,536	-4%
4	**Microsoft**	Technology	90,185	69,814	29%
5	**McDonald's**	Fast Food	85,706	90,256	-5%
6	**Coca-Cola**	Soft Drinks	80,683	78,415	3%
7	**Visa**	Credit Cards	79,197	56,060	41%
8	**AT&T**	Telecoms	77,883	75,507	3%
9	**Marlboro**	Tobacco	67,341	69,383	-3%
10	**Amazon**	Retail	64,255	45,727	41%

Source: Valuations include data from BrandZ™ and Bloomberg

MillwardBrown Optimor

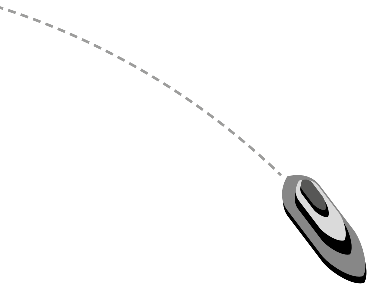
Continental Europe and the UK

Movistar, the mobile brand of Spain-based Telefónica, successfully launched an offering that bundled Internet with broadband and fixed-line service. Deutsche Telekom reported strong financial results with strength in Germany, its home base, and a revival in the US. The company aimed to become the pan European telecom leader.

The telecoms also were among the highest value brands in the UK. Well funded with cash from selling its stake in America's Verizon Wireless, Vodafone agreed to purchase Spain's Ono. The transaction, along with the earlier acquisition of a German cable operator strengthened Vodafone's position in high-speed broadband. BT purchased the rights to English Premier Football, adding over two million new subscribers and driving revenue.

IKEA, with around 300 home furnishings stores worldwide, benefited from the resurging developed economies and demand in fast growing markets. Increased consumer confidence drove sales for Louis Vuitton and Hermès and the brands worked to reinforce their exclusivity.

The streamlining that followed the financial crisis enhanced profits of global bank brands. The banks still contended with public distrust, however. Like the other oil and gas majors, Shell and BP focused more on finding efficiencies and cost savings.



The Top 10 brands from Continental Europe

Rank	Brand	Category	Brand value 2014 $M	Brand value 2013 $M	Brand value % change 2014 vs 2013
1	**SAP**	Technology	36,390	34,365	6%
2	**Deutsche Telekom**	Telecoms	28,756	23,893	20%
3	**Louis Vuitton**	Luxury	25,873	22,719	14%
4	**BMW**	Cars	25,730	24,015	7%
5	**L'Oréal**	Personal Care	23,356	17,971	30%
6	**Zara**	Apparel	23,140	20,167	15%
7	**Hermès**	Luxury	21,844	19,129	14%
8	**Mercedes-Benz**	Cars	21,535	17,952	20%
9	**Movistar**	Telecoms	20,809	13,336	56%
10	**Ikea**	Retail	19,367	12,040	61%

The Top 10 brands from the UK

Rank	Brand	Category	Brand value 2014 $M	Brand value 2013 $M	Brand value % change 2014 vs 2013
1	**Vodafone**	Telecoms	36,277	39,712	-9%
2	**HSBC**	Global Banks	27,051	23,970	13%
3	**Shell**	Oil & Gas	19,005	17,678	8%
4	**BT**	Telecoms	15,367	9,531	61%
5	**Tesco**	Retail	14,842	16,303	-9%
6	**BP**	Oil & Gas	12,871	11,520	12%
7	**Barclays**	Global Banks	9,536	7,989	19%
8	**Standard Chartered**	Global Banks	9,150	10,160	-10%
9	**Burberry**	Luxury	5,940	4,194	42%
10	**Next**	Apparel	5,716	4,121	39%

The Top 10 brands from Asia

Rank	Brand	Category	Brand value 2014 $M	Brand value 2013 $M	Brand value % change 2014 vs 2013
1	**Tencent**	Technology	53,615	27,273	97%
2	**China Mobile**	Telecoms	49,899	55,368	-10%
3	**ICBC**	Regional Banks	42,101	41,115	2%
4	**Baidu**	Technology	29,768	20,443	46%
5	**Toyota**	Cars	29,598	24,497	21%
6	**Samsung**	Technology	25,892	21,404	21%
7	**China Construction Bank**	Regional Banks	25,008	26,859	-7%
8	**Commonwealth Bank of Australia**	Regional Banks	21,001	17,745	18%
9	**ANZ**	Regional Banks	19,072	16,565	15%
10	**Agricultural Bank of China**	Regional Banks	18,235	19,975	-9%

The Top 6 brands from Latin America

Rank	Brand	Category	Brand value 2014 $M	Brand value 2013 $M	Brand value % change 2014 vs 2013
1	**Corona**	Beer	8,025	6,620	21%
2	**Skol**	Beer	7,055	6,520	8%
3	**Falabella**	Retail	5,187	5,611	-8%
4	**Aguila**	Beer	3,676	3,903	-6%
5	**Brahma**	Beer	3,585	3,803	-6%
6	**Natura**	Personal Care	2,236	3,707	-40%

Source for all tables: Valuations include data from BrandZ™, BrandAnalytics and Bloomberg.

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Asia and Latam

Tencent acquired strategic stakes in the search business Sogou and JD.com, China's second largest ecommerce mall. The brand also introduced mobile payment and financial services that competed directly with banks. Baidu expanded in gaming and location-based purchasing.

China's slower growth impacted the banking business, which experienced less loan origination for infrastructure investment and also a higher rate of loan payment problems. The Australian banks benefitted from their proximity to fast growing Asian markets and from the economic strength of their home market.

The strengthening of the Japanese economy and the rebound of the US car market helped Toyota. Korea's Samsung continued to demonstrate leadership in mobile devices and other consumer electronics.

In Latin America, brand values declined because of economic weakness. Mexico's Corona beer brand grew 21 percent in brand value with the purchase of its parent company Modelo by the global brewer AB InBev.

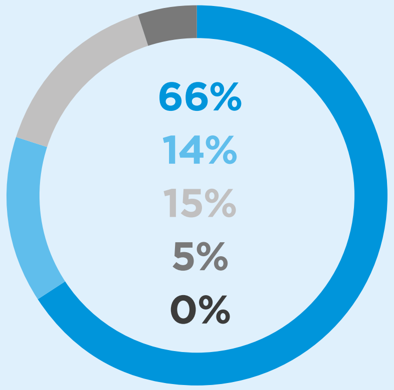
For more Latin America knowledge and insight

The brands listed in the Latin America chart are those that reach the brand value threshold of the BrandZ™ Global Top 100 or the category rankings. For a comprehensive report about the region's highest value brands, please see the BrandZ™ Top 50 Most Valuable Latin American Brands 2013 at BrandZ.com. Or go to brandanalytics.com.br

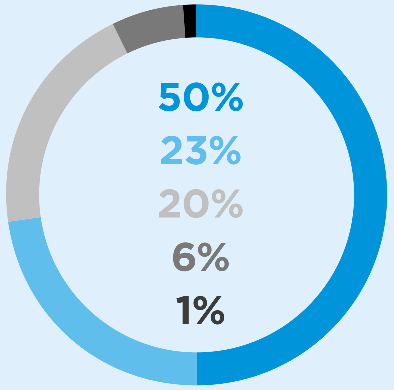
North America dominates in number of brands and brand value

Brands based in North America dominate in brand value and in the number of brands represented in the BrandZ™ Top 100 Most Valuable Global Brands 2014, followed by Continental Europe.

Top 100 by brand value



Top 100 by number of brands



Predominant brand categories by region

North America: technology Continental Europe: luxury and cars Asia: regional banks and telecoms UK: global banks and oil and gas Africa: telecoms Latam: beer

- North America
- Continental Europe (ex. UK)
- Asia
- UK
- Africa

Fewer fast growing market brands present in the Global Top 100

Brands from fast growing markets declined from 17 to 14 in the BrandZ™ Top 100 Most Valuable Global Brands 2014, with 11 Chinese brands included. No brands from Latin America are present in the Global Top 100 this year, although several appear in the category rankings.

Fast growing market brands in the Top 100

	2006	2007	2008	2009	2010	2011	2012	2013	2014
China	**2**	5	5	6	7	12	13	12	11
Russia			1	2	2	2	2	2	2
Brazil				1	2	3	1	–	–
India					1	1	2	2	–
Mexico					1	1	1	–	–
Africa							1	1	1
Total	**2**	5	6	9	13	9	20	17	14

Source: Valuations include data from BrandZ™ and Bloomberg

The Top 10 Chinese brands

	2014 global rank	Brand	Category	Brand value 2014 $M	Brand value 2013 $M	Brand value % change 2014 vs 2013
1	**14**	Tencent	Technology	53,615	27,273	97%
2	**15**	China Mobile	Telecoms	49,899	55,368	-10%
3	**17**	ICBC	Regional Banks	42,101	41,115	2%
4	**25**	Baidu	Technology	29,768	20,443	46%
5	**33**	China Construction Bank	Regional Banks	25,008	26,859	-7%
6	**54**	Agricultural Bank of China	Regional Banks	18,235	19,975	-9%
7	**67**	Sinopec	Oil & Gas	14,269	13,127	9%
8	**68**	Bank of China	Regional Banks	14,177	14,236	0%
9	**76**	Petrochina	Oil & Gas	12,413	13,380	-7%
10	**77**	Ping An	Regional Banks	12,409	10,558	18%

Source: Valuations include data from BrandZ™ and Bloomberg

Chinese Internet brands focus on growing mobile payments

During the Chinese New Year, one of China's leading Internet brands enabled people to purchase and exchange online the red packets of money that Chinese traditionally exchange face-to-face for holiday gift giving.

Tencent, an Internet portal and social network, a mix of Facebook, Twitter and a blogging site, offered the program on its mobile messaging service WeChat. Users deposited money into their WeChat accounts and supplied the contact details of gift recipients. In the process, Tencent enriched its online banking business with more money and customers.

In addition, Tencent and one of its rivals, Alibaba, the giant ecommerce site, similar to Amazon and eBay, competed with mobile apps for taxi ride payments. Offering incentives to riders and drivers, the brands attempted to build their mobile payment businesses. Determined to compete in mobile payments, Baidu, the other brand in the Chinese Internet triumvirate, a search engine similar to Google, acquired an app store, 91 Wireless, during 2013.

Tencent, Alibaba and Baidu, also have created online wealth management products that offer higher yields than banks and have quickly diverted billions of dollars from traditional savings accounts. Tencent was the fastest riser in the BrandZ™ Top 100 Most Valuable Global Brands 2014, almost doubling in value. Baidu increased in brand value 46 percent. Alibaba, which is 24 percent owned by Yahoo!, is preparing an IPO (Initial Public Offering). Yahoo! brand value increased 44 percent.

The initiatives of these brands illustrate the power of technology brands in China, and their ability to grow rapidly, innovate and leapfrog the West in emerging trends like mobile payments and online banking. Their success challenges China's banking category to respond with competitive products. And it tests the government's ability to balance its goal of opening markets with the need to support the banking industry and its SOEs (State Owned Enterprises).

It's not yet certain that online products can maintain their rapid growth rate amid fluctuations in China's economy and steps taken by regulators and traditional banks to limit online payments. The outcome potentially affects not only the technology brands, but also the availability of capital to millions of small entrepreneurs. The leaders of China's next wave of economic development, these entrepreneurs are less likely to bank with SOEs, whose businesses focus more on funding large infrastructure projects and other government needs.

Social Media Special Report: The BrandZ™ Verve Index

Linking positive social media with brand power
A new tool for productive social media investment

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With contributions from Anne Czernek, Senior Research Analyst, Armineh Nourbakhsh, Software Developer, Maarten Peschier, Senior Technology Scientist, Emerging Media Lab, Millard Brown Digital

PART ONE: OVERVIEW OF BRANDZ™ VERVE

As part of our ongoing efforts to enhance and improve the BrandZ™ rankings report, we have included a new data source – our proprietary Verve Score methodology, which measures social media data. Using this Verve score, Millward Brown Digital has evaluated the social vitality of the BrandZ™ Top 100 brands.

The core data is taken from the tens of millions of global Twitter conversations about these brands. In essence, the Verve score is a measure of the number of mentions for a brand combined with the favorability of those mentions. So, the higher the score, the more that brand has been elevated within a social context.

Verve represents the accumulation of positive brand experiences among the engaged audience on Twitter. It covers brand users, peers and influencers, those exposed to brand communications, and those responding to news or blog sites. Verve classifies Twitter data both topically and attitudinally and reflects outcomes over time in brand equity, sales, and TV impact.

Overall, Verve is best understood in the context of Brand Contribution. It is a signal of consumer interest and engagement, and is most closely aligned with brand strength and power, where it allows us to see the texture and detail of the consumer relationship to a brand, such as how celebrities can impact lifestyle brands, or where activism can shape perceptions of commodities.

Before going into more detail, it is important to highlight a few caveats:

— **Scores vary by category.** Certain brands may be very strong relative to their competitors, but that category may not be much talked-about. Brand strength and marketing can help dial this up (such as American Express and Visa), but ultimately many people are less interested in tweeting about their financial services than they are about, say, fast food or fast fashion.

People really do tweet about their lunches. People like to talk about what they're interested in or what's in front of them, whether that's food –"Casually ate a ten piece of KFC in ten minutes" – or fashion – "Shopping!! Literally cleaning out Zara..."

— **Verve reflects social audiences.** Verve is an accurate reflection of what is happening in social media, but activists may over-amplify certain topics, while people having positive but ordinary experiences with a brand may not feel compelled to speak up at all. This is why we place social data in the larger context of the BrandZ™ rankings.

Because we work from a common understanding of brand equity across both brand contribution and social media conversations, we can define a statistical relationship between the two. In a social context, anyone talking about a brand by definition has it at the forefront of their mind; therefore brands that are meaningful and different are most likely to be entwined in brand conversations on social media.

PART TWO: BRAND HEALTH IN SOCIAL MEDIA

Meaningful Experiences

When gathering brand equity data, Millward Brown can require someone to answer a series of questions related to meaning and difference. However, in social, we can only infer from what is stated – no follow-up questions allowed. Meaning is the easiest to ascertain from straightforward statements about the consumer's favorability toward the brand or whether it meets needs.

Brand meaning is brought to the forefront in social media conversations. Its expression is most elevated among brands whose baseline consumer commentary is experience-driven. Within the BrandZ™ Top 100, Starbucks, Red Bull, Nike and eBay are all such brands: accessible, crave-able and consistent, they can provide a satisfaction so sweet it must be shared spontaneously.

Brand Difference

When we look at the brands with the highest Verve scores among the BrandZ™ Top 100, we also see that third party commentary can have a significant impact. For example, technology, automotive and luxury all feature heavily because consumer experience is supplemented by coverage from third-party sources (news articles, blogs, etc.). Notably, these categories are also higher-consideration and more aspirational, characterized by more complex features, longer purchase cycles and lower purchase frequency.

Third-party coverage can often be a key influence for overall opinions, but these are frequently driven by the fact that the brand has demonstrated a point of difference.

"Door to door deliveries of the future? Amazon testing drones for deliveries"

The Impact of Marketing on Social Media Conversation

It is important to note that marketing causes variations over and above the base level of social conversations, rather than forming it. Almost universally among the 2014 BrandZ™ Top 100 brands, consumer experience or third-party communications, amplified by brand strength, provides the foundation for social vitality.

Three types of marketing tend to break through most strongly: (1) sponsorships of sports fields and event spaces, like Citi Field; (2) buzzworthy TV commercials, such as Budweiser's Clydesdale Super Bowl spot; and (3) catchy social campaigns connecting branding to experience, like KFC's fun #iatethebones campaign.

PART THREE: CATEGORY COMMENTARY

Technology

Within technology, social platforms are the clear leaders of brand performance in social. Unsurprisingly, their users frequently reference their activity and communities on the platforms – these brands are heavily experience-driven. That said, each platform has a distinctive pattern of its own: Twitter users tend to be addressing other Twitter users or commenting on trends they see on the platform; LinkedIn commentators are often sharing content they have seen on LinkedIn; and people talking about Facebook use Twitter as a backchannel to gossip about other people on Facebook. Our Verve data indicate that while consumers do follow coverage of these platforms at a corporate level, they are primarily interested in the content and communities housed in social media.

Technology brands are also divided by those that have strong consumer-facing brands and businesses versus those that do not: Google, Apple, and Samsung all generate a lot of attention, far overshadowing brands like Cisco or Siemens. The successful brands are characterized by a large proportion of third-party communications, primarily driven by new product launches and to a lesser extent, corporate observations (including investments and litigation). However, for some brands with a variety of popular consumer products, consumer experience plays a role as well: people register their use of Google's large portfolio of products around the globe (including maps, translation, voice services, and more). Brands such as Apple and Samsung also attract commentary on their desirable mainstream products, as well as their more experimental efforts like wearables.

Financial Services

Financial services are primarily driven by third-party communications – consumer-facing experiential commentary is minimal. However, silence does not necessarily mean indifference and comments can hinder as well as help.

Distinct from the rest of the category, credit card brands American Express and Visa both had success with consumer campaigns that reiterated the "rewarding" promise of the cards. In particular, American Express led the way here, with #AmexSync and #PassionProject. These campaigns succeeded because they had not only a clear consumer incentive but also demonstrated the brand's forward-looking approach to changing media and technology habits. These brands also have some of the highest brand contribution scores in their category, suggesting that their performance in social media and their overall brand strength may have a symbiotic relationship.

Retail & Apparel

These categories are highly experientially driven, as the spur for most conversation is an in-store experience or a coveted item. Because many people who talk about these brands have first-hand knowledge, this familiarity can augment the brands' profile with other items of interest: mentioning The Home Depot in a joke about Miley Cyrus gives it extra comic zing; or one might feel closer to Beyoncé through her H&M endorsements. However, first-hand familiarity can turn into a negative when the news is bad, for example when social media picked up the horse meat contamination story, seriously compromising otherwise buoyant brand images amongst consumers.

Oil & Gas

From a social media perspective, oil and gas companies are an example of where brands have to work extra hard to make social into a beneficial influence on their brands. Consumer interest in "pumping gas" tends to be relatively low, whilst criticism can be swift when there are environmental concerns. Nevertheless, because energy is a potentially emotive topic, it can be used to enhance brands in this sector where there is a positive story to be told.

The BrandZ™ Verve Index

BrandZ™ Verve Rank	Brand*	2014 BrandZ™ Top 100 Rank
1		71
2	Google	1
3	Starbucks	31
4	facebook	21
5	Disney	23
6	McDonald's	5
7	amazon.com	10
8	ebay	61
9		34
10		2
11	SAMSUNG	29
12	Coca-Cola	6
13	YAHOO!	69
14	Walmart	22
15	SUBWAY	43
16	Microsoft	4
17	Ford	84
18	KFC	83
19	LinkedIn	78
20	Red Bull	92
21	Mercedes-Benz	42
22	HONDA	70
23	BMW	32
24	LV	30
25	pepsi	88
26	hp	50
27	TOYOTA	26
28	verizon	11
29	IKEA	51
30	IBM	3
31	PayPal	97
32	ORACLE	45
33	intel	86
34	NISSAN	90
35	H&M	63
36	at&t	8
37	SAP	19
38	VISA	7
39	GUCCI	60
40	CISCO	72
41	TESCO	66
42	AMERICAN EXPRESS	24
43	Budweiser	35
44	PRADA	96
45	MTN	93
46	vodafone	20
47	Bank of America	94
48	CHASE	87
49	ZARA	37
50	GE	12
51	WELLS FARGO	13
52	J.P.Morgan	79
53	citi	57
54	HERMES PARIS	41
55	accenture	55
56	Pampers	39
57	HSBC	28
58	MasterCard	18
59	L'ORÉAL	36
60	Gillette	53
61	UBS	99
62	RBC	38
63	SIEMENS	59
64	The Home Depot	40
65	Colgate	56
66	Marlboro	9
67	NTT docomo	95
68	ALDI	100
69	ups	16
70	TD	48
71	Woolworths	82
72	Scotiabank	89
73	orange	62
74	DHL	73
75	Santander	91
76	ANZ	52
77	MTS	80
78	Westpac	85
79	ING	98
80	usbank	65
81	T	27
82	movistar	46
83		47
84	BT	64
85	CommonwealthBank	44
86	SBERBANK	75
87	ExxonMobil	49
88	FedEx	58
89	bp	74

Source: Emerging Media Lab, Millward Brown Digital

* English language only. With no Twitter in China, Chinese brands are not included in this ranking.

MillwardBrown Optimor

DELIVERING SEAMLESS CONSUMER EXPERIENCE IN AN AGE OF FRAGMENTATION

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The Rise of Fragmentation

Marketing has seen an explosion of channel fragmentation in the last few years. Desktop advertising, the main digital channel just a few years ago, has splintered into tablet, mobile, smart TV, app, video, social, data, programmatic, native and more.

And the trend continues to accelerate.

Social media is creating a fire-hose of real-time consumer sentiment data, mobile is adding geo-location data, beacons offer intra-store hyper-location data, activity-tracking wrist bands are quantifying every personal movement, connected cars are beaming telemetry data, and the Internet of things will soon add data from your toothbrush and coffee pot to your marketing data set.

It's too late to slow this shift down enough for us marketers to catch our breath. Pandora's Box has been opened. People love Candy Crush, ShopKick, Nike Fuelbands, Google Maps, Jambox, and Nest thermostats too much. The pace and consistency of digital media's growth is strong enough that it will surpass television as the number one media channel by 2018, but it's possible consumer consumption patterns have never been so far ahead of a marketer's ability to productively address them.

So how does marketing solve this challenge?

Finding a Common Currency

At AKQA, we believe that finding the solution to this fragmentation starts with finding a common currency across all the existing and new channels.

We believe that currency is data.

Data, when distilled into usable information about our consumer and their interactions with their devices and environments, is the thread we can pull through our marketing strategies and across our consumer's devices to create consistent and relevant experiences for them.

Some of the best evidence of this practice in action is built into successful newer businesses and products like Google Now, Amazon, Netflix, and Nest. All of these companies and/or products use data, working in the background and processed across channels with intelligent algorithms, to deliver simple, seamless consumer experiences. For example:

- Nest notes the time and temperature when the the thermostat is turned up or down, notes when you are home or away, and simply does the work to deliver a more comfortable home and a lower utility bill.

- Netflix notes the type and format of content you watch, how you rate it, who you share it with, when you start and stop it, and delivers from that data a set of personalized program recommendations to keep you best entertained.

Both of these companies are successful primarily because they can process different sets of discrete data intelligently to deliver a seamless consumer experience.

Delivering a Seamless Experience through Data

So how then do we apply the learnings from these data-fluent companies and products to the marketing needs of our client brands?

We have found the best way to consistently navigate the chaos of available data and multitude of channels successfully is to focus obsessively on delivering increased relevance and value for our consumers. By making our consumer's interest our North Star, we can much more easily separate signal from noise, ignore great swaths of low value data, and focus on enhancing and optimizing the application of high-value data into positive consumer experiences.

In this world, media channels and platforms don't make sense as the focus of your planning. Instead, the consumer's best interests and the data's suggested 'next best engagement opportunity' win the moment.

The Way Forward

It's understandable to be bewildered by the fragmentation and choice within marketing that has been caused by the explosion of consumer digital device usage today. It's likely to expand yet more tomorrow with the growth of Internet of things.

Legacy channel-centric marketing approaches won't survive the transition from five to 5,000,000 channels. In an era when they're bombarded with choice and empowered with control, consumers must be given increased relevancy and value. Marketers, in turn, must use the data at their disposal to determine the best means and places to spend their money and create consumer engagement.

Data, reduced to its most fundamental elements and organized effectively, will be the primary currency of future marketing strategy and will be deployed to create seamless brand experiences that function fluidly across all delivery channels.

THE PRODUCT PARADOX: WHY MAKING APPS USUALLY HURTS BRANDS AND HOW YOU CAN DO BETTER

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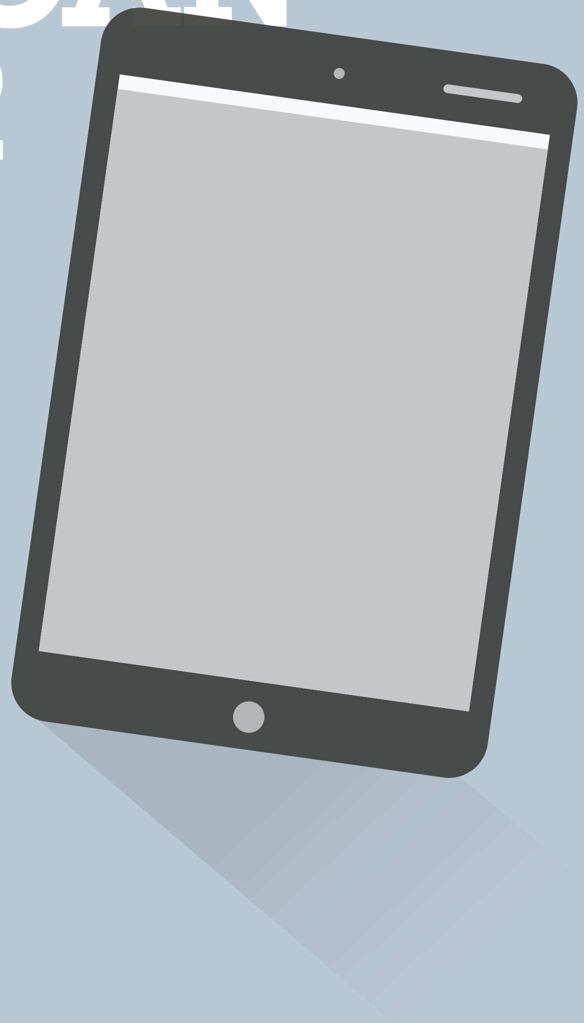


POSSIBLE

POSSIBLE is a creative agency that cares about results. We back up every idea with real-world insights to create work that makes a difference – and a measurable impact. On paper, POSSIBLE is 25 offices spanning five continents. In practice, we are 1,100+ people offering local expertise to some of the world's most dynamic brands. These include Microsoft, P & G, Starwood Hotels and Resorts Worldwide, The Bill & Melinda Gates Foundation, AT&T and Coca-Cola. POSSIBLE is part of WPP Digital; for more information, visit **www.POSSIBLE.com.**

Have you ever noticed that most branded apps are disappointing? Customers have. The chart below shows the iTunes Store ratings of several branded fast food apps, including one from Starbucks that gets a lot of praise from marketers. But all seem to be hurting their brands. The iTunes Store has an app rating scale of 1-5 with 1 being the lowest and 5 being the highest.

Brand	Rating all time	Rating since last update
McDonald's	2.5	2
Chipotle	3.5	2
Subway	3.5	2.5
Dunkin' Donuts	3	2.5
Starbucks	3.5	2

How can we tell? Their all-time ratings are higher than those for the most recent update. In other words, people are less happy with them now than they once were. This has happened even though, paradoxically enough, all of them have improved over time. Shouldn't a less buggy app beat a buggier one? The answer seems to be "no."

The reason for this phenomenon is fairly straightforward. Today, we're seeing brands trying to become more and more integrated into their customers' lives. They have many ways to do this, and most of them are compatible with traditional marketing approaches and budgets. But some things, like apps, are different and require a different approach. In essence, an app is a digital product, and that puts it in a specific mental space for customers.

Most of the apps above were launched like traditional campaigns: the brands undertook a big initial push and then made only a few small updates, mainly bug fixes. To understand the problem this creates, let's start with a telling comment on Subway's iTunes Store page. A user gave the app a high rating, but also asked, "Upgrade coming soon?" She asked this because commercial apps always evolve to become better and more relevant to their users' needs – and she has the same expectations of a branded app. If you launch and leave your app, you violate the customer's sense of what a digital product should be. Disappointment follows.

The influence of others

A second problem occurs due to the environment in which an app lives. It used to be that brands competed mainly within their categories. McDonald's tried to make better burgers and market them more effectively than Burger King. Dunkin' Donuts tried to outdo Krispy Kreme. By a similar logic, when one of the chains releases an app, you might think that the others should merely release a better one. Unfortunately, this is not the case. Nowadays, consumer expectations are shaped by everyone. Google, Apple, Netflix, and Amazon set the bar for what a digital experience should be – not Subway or Starbucks.

The company best at grasping this so far has been the thermostat maker Nest. Prior to its arrival, thermostat companies competed solely with one another. Nest built an appliance for an environment shaped by peoples' experiences with digital services. It was smart, connected, saved money, and made peoples' lives easier. Google recognized this with a $3.2 billion purchase of the company.

You might argue that if apps are so dangerous, brands should avoid them entirely. We don't think so. Apps are a great way to connect with your most passionate customers. No one downloads your app if they don't love your brand. And some fast food brands create terrific apps. For example, American-based Five Guys recently evolved its app with a feature that enables you to reorder a recent order. That fits in neatly with consumer expectations of a smarter, more connected experience. Hardee's/Carl's Jr. also revised their app with a points system and rewards you can redeem instantly. Both currently have 4-star ratings and many positive reviews from avid fans.

So what is the lesson for brands? You need to approach an app differently from a campaign. Begin by budgeting and staffing for the long haul. Establish a user-centered design approach and create a product development plan to improve the experience on an ongoing basis. Then actively listen to what people are saying and use that feedback to plan your next steps.

Put simply, an app is a product that lives in a world of smart, digital products. Treat one right, and you'll make your customers happy. Treat one wrong, and you'll hurt your brand.

03

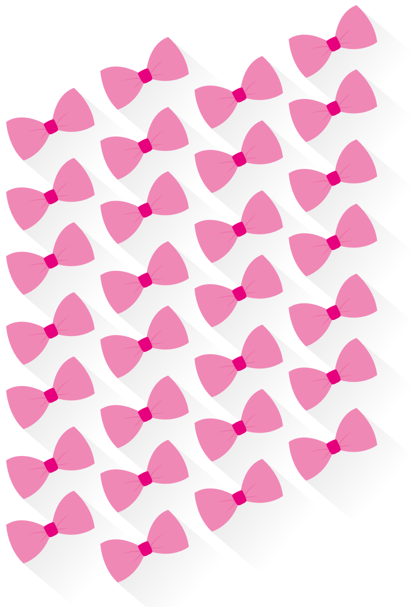
The Categories

A

Apparel

Consumers invest in fashion plus function as they create repertoires of brands

Apparel converges with technology



29%

Definition

The apparel category is comprised of mass-market men's and women's fashion and sportswear brands, but excludes brands viewed by consumers as luxury.

Apparel led all categories in growth of overall brand value, with an increase of 29 percent in the BrandZ™ Top 100 Most Valuable Global Brands 2014, following a 21 percent improvement a year ago.

Consumers eagerly purchased apparel, but they sought value, investing in brands that offered style with durability plus function. Mid-priced brands informed by high-end fashion prospered.

Less concerned about projecting an image with logos, consumers focused instead on how brands could make them feel more confident and discerning. Brands aimed to be part of the repertoires of affordable options consumers purchased for various occasions.

Post-recession smart consumers matched wits with brands over pricing. Rather than purchase at the beginning of the season, consumers waited to buy on sale. Merchants launched sales earlier and deepened discounts as time passed, adjusting prices rationally, to encourage purchasing while protecting margins.

The slower pace of economic expansion in fast growing markets impacted the apparel category, particularly in China. Slower growth, combined with increasing international competition, rising labor and raw material costs and excess inventory, formed a perfect storm that hurt business results and brand values.

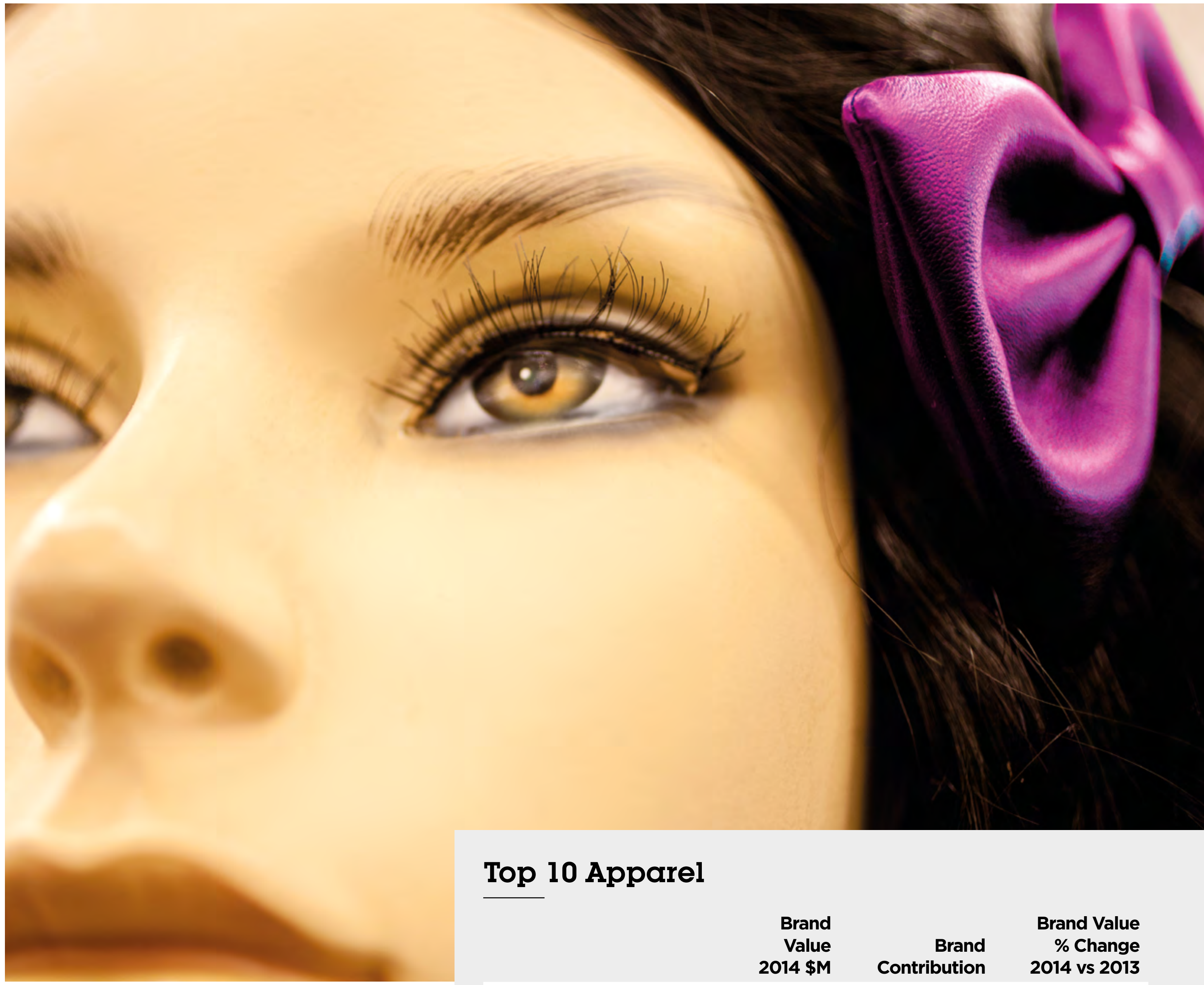
The fast growing markets led the way in the use of ecommerce and social media, however, while in developed markets, sites like Tumblr enabled consumers to share information and feel informed. Indicative of the growing influence of apps in the apparel category, an app called Tapestry provided a virtual bulletin board, similar to Pinterest, along with an option to purchase.

A UK-based app, called ShuffleHub, emphasized the emotional aspect of shopping, enabling online shoppers to browse across stores and brands to replicate the dreaming and exploring aspect of shopping. These other trends also impacted the category:

- **Loyalty** As ecommerce drove an exponential expansion of choice, brands needed to work harder at cultivating loyalty. But a good brand experience could make the difference.
- **Localization** Technology enabled brands to tailor their communications for diverse audiences and geographic locations.
- **Wearables** Technology and apparel continued to converge, and brands met consumer needs for clothes that suited their healthy and active lives. Google announced an operating system called Android Wear to drive innovation in wearables.

Apparel brands with technology rise in value

Nike's brand value increased 55 percent. With the tagline "Find your greatness," Nike used social media to inspire a culture of activity and achievement. The brand has succeeded in building communities of consumer and brand advocates around this larger purpose. Nike refined its FuelBand. The bracelet, which measures calories burned, pioneered the intersection of apparel, technology and community.



With a brand value rise of 47 percent, Adidas enjoyed the momentum gained from its sponsorship of the London 2012 Olympic Games and introduced products related to its sponsorship of the 2014 FIFA World Cup in Brazil. The brand introduced a new shoe cushioning innovation it calls Boost technology.

Uniqlo also integrated apparel and technology, with fabrics engineered to keep heat in (Heattech) or let air out (AIRism). On the promise of delivering apparel staples that are fashionable, functional and affordable, the Japanese brand has built a global presence, with around 1,300 stores in Asia, North America and Europe. Uniqlo rose 58 percent in brand value.

Top 10 Apparel

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Nike**	24,579	4	55%
2	**Zara**	23,140	3	15%
3	**H&M**	15,557	2	22%
4	**Uniqlo**	7,303	2	58%
5	**Adidas**	7,192	4	47%
6	**Ralph Lauren**	6,323	4	13%
7	**Next**	5,716	3	39%
8	**Hugo Boss**	4,526	4	28%
9	**Lululemon**	3,258	4	-13%
10	**Tommy Hilfiger**	2,004	3	New

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

Insight

Brands need to work harder to gain customer loyalty

People can be cynical and disappointed by brands. Today, with ecommerce and social media, brands need to work harder to gain shopper loyalty. But if brands can deliver consistently good experiences across channels, while offering elements of surprise and delight, people will remain interested and loyalty will be strong.

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Heritage and fast fashion

The UK-based brand Next reached its core customers, women in their 30s or 40s seeking accessible fashion, with product range, price, service and reliable and quick delivery. Next operates around 500 stores in the UK and Ireland and is present with over 170 franchises in 35 countries. It also maintains online and catalog businesses. The brand exemplifies how high-end fashion informs High Street. Brand value rose 39 percent.

Along with its basic H&M brand, H&M promoted its & Other Stories and COS (Collection of Style) brands, which provided a three-tiered offering. With the added brands H&M widens its appeal while retaining its base of younger consumers as their tastes and income levels evolve. In August 2013, H&M launched ecommerce in the US, where it operates approximately 300 stores, its second largest market after Germany. Zara, rose 15 percent in brand value based on the success of its fast-fashion formula, with around 1,900 stores in 87 countries.

Making brands accessible

With evolving attitudes about what constitutes masculinity, more men feel comfortable with fashion and color. This trend, and international growth, helped propel brands like Ralph Lauren, Hugo Boss and Tommy Hilfiger, which appears in the BrandZ™ category ranking for the first time. Young families fueled the strength in children's wear.

Top Shop and J. Crew, competitive brands that don't appear in the BrandZ™ ranking, demonstrated clever ways to make brands accessible. Top Shop streamed its London Fashion Week catwalk fashion show and, through a partnership with Google, made it interactive. J. Crew preceded its debut in the UK with a pop-up store in London.

The death of more than 1,100 workers in the collapse of the Rana Plaza apparel factory, in Bangladesh, underscored the challenge for brands attempting to meet a competitive price point while at the same time manage supply chains responsibly. For some brands, like Patagonia, social responsibility is at the core of their appeal. All brands felt pressured, however, to meet growing consumer concern and interest in product provenance.

The experience of Lululemon demonstrated the vulnerability of a brand that fails to meet its promise in the age of social media. Having rapidly developed a brand that stood for fashion and functionality in clothing for exercising, the brand stumbled when the stretch fabric of some of its products performed poorly and the company initially blamed customers for the fault. Z

Insight

Online fashion shows invite more consumers to experience the brand

At fashion shows it used to be the elite who were in the front row. Now brands are inviting a much wider audience to watch these events live and online. Many may not be able to afford the brand yet, but they can begin to emotionally invest in it. The brand is saying, you're invited to this show and please aspire to be part of this world. You'll see that it's as wonderful as we profess it to be. Consumers feel that they're in the know.

Lauren Smith
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Action Points for Brand Building

1. Keep the promise

The convergence of apparel and technology will expand the possibilities for product performance. For brands that means more opportunities to excite consumers – or disappoint them.

2. Signify quality

Whether the logo is visible or hidden inside on the label, brand assures customers that they're buying a quality product that makes them feel discerning.

3. Do digital politely

Observe appropriate etiquette in social and digital. Don't join a conversation uninvited, just to be present. You may generate resentment. Earn the right to participate. Don't intrude. Comment when it's appropriate and authentic.

Insights: BrandZ™ BigData

Adapting to a brave new world earns a premium

The most valuable apparel brands tend to exhibit leadership, moving from an omni-channel world to one that is even more seamless for the shopper. The brands therefore score highly on innovation aspects.

The pay-off is that consumers view these brands as more desirable. And the brands manage to balance this desire with more profitable pricing to maintain a perception of good value.

Top 10 Apparel

- Different 118
- Creative 108
- Leading the way 108

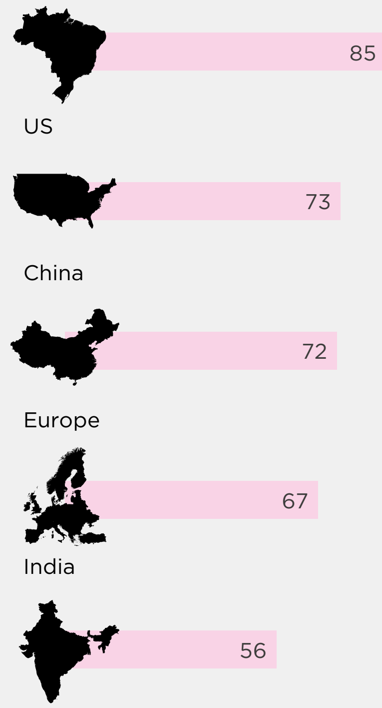
All brands average = 100
Source: BrandZ™ database

Spotlight

Consumers say ethical practices are important

Consumers in all regions of the world say that it's important that companies act ethically. This concern crosses many categories. The topic is timely in apparel where global brands organized industry groups to investigate complicated supply chains and improve safety following the Rana Plaza factory fire in Bangladesh.

Importance of corporate ethics

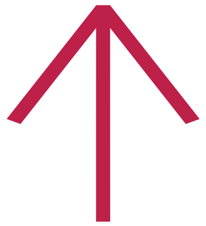


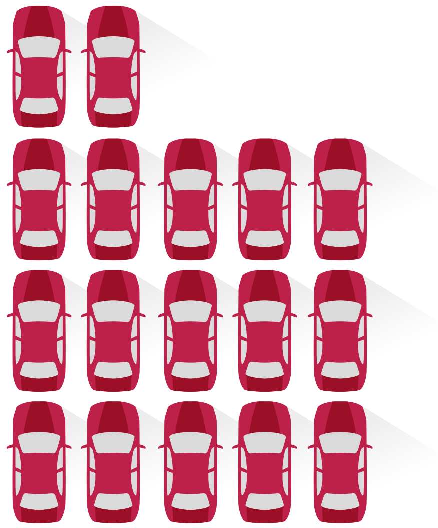
Source: TGI 2013 / Percent who agree: It's important that a company act ethically. Europe includes the UK, Spain, Germany and France.

Cars

Sales approach pre-crisis levels, but overcapacity hurts margins

US, Europe and China experience growth





17%

The brand value of the car category improved 17 percent after a 5 percent lift a year ago. Car sales accelerated 8 percent in the US to 15.6 million units, and are expected to reach pre-crisis sales levels this year. Western Europe continued to improve, although discounts weakened margins. Sales advanced sharply in China but declined in the other BRICs.

Overcapacity remained the chief concern, affecting profits in the US and Europe. Although some capacity was removed during the recession, it exceeds demand, leaving the industry with excess inventory and perpetual discounting by dealers, which erodes margins, cheapens brand equity and limits capital for future investment.

Consumer preference has moved toward utility-looking vehicles, smaller, crossover SUVs built on car frames. These types of cars are the sweet spot in most of the world with the exception of Brazil and India where car size is smaller. The trend results in part from smaller family size as boomers becoming empty nesters.

Unlike in some other categories where consumers gravitated to the value and premium options, abandoning the broad middle, the mid-market brands came back strongly in the car category.

Toyota sold almost 10 million cars, making it the largest carmaker in total units for the second consecutive year, followed closely by GM and Volkswagen. Exports, and a weakened yen, drove Toyota's growth.

Ford enjoyed one of its most profitable years ever, with record profits in North America and Asia, and strong results in the weaker economies of South America and Europe. Ford re-entered the BrandZ™ Top 100 Most Valuable Global Brands. Its brand value increased 56 percent.

Chevrolet sold almost five million vehicles last year, a record, with a sale of 1.9 million in the US, followed by 650,000 in China and around the same number in Brazil and under 200,000 in Mexico and in Russia. The Cruze small car was Chevrolet's top seller worldwide.

These midmarket models were loaded with the latest technology, as technology became almost a hygiene factor rather than an expression of luxury.

In luxury, both BMW and Mercedes experienced a strong year, with car models that resonated with buyers. The stock market reacted positively to sales results. Audi remained the best-selling luxury brand in China. Hyundai, which offers its premium brand Genesis in South Korea and the US, planned to introduce it in Europe. These other trends emerged:

- **Technology** Consumers expected cars loaded with technology, regardless of price point. Conditioned by rapid smartphone apps, they also expected car technology to improve with the speed of downloads.
- **Safety** Safety remained an overriding concern. A key reason people trade in cars after the third year of ownership is to upgrade to new safety features. Luxury brands are moving beyond crash survival to crash avoidance.
- **Trust** GM conducted two large recalls and apologized for its slow response to a critical safety problem, promising a transparent investigation. Toyota accepted a $1.2 billion fine from US regulators for misleading consumers during its 2009 stuck accelerator crisis.

Definition

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

Top 10 Cars

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Toyota**	29,598	3	21%
2	**BMW**	25,730	4	7%
3	**Mercedes-Benz**	21,535	4	20%
4	**Honda**	14,085	3	14%
5	**Ford**	11,812	3	56%
6	**Nissan**	11,104	3	9%
7	**Volkswagen**	8,403	3	-4%
8	**Audi**	7,058	5	27%
9	**Chevrolet**	4,917	3	New
10	**Hyundai**	4,615	2	15%

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

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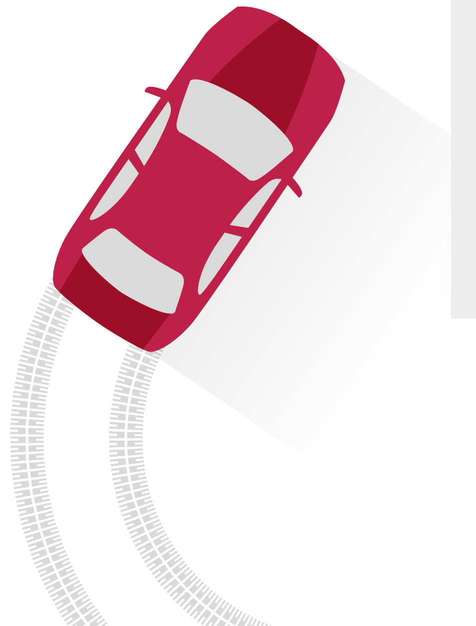

Insight

Contrary to popular perception, Millennials aspire to own cars

There are some Millennials that don't care about cars at all. They live in downtown San Francisco or New York where you can live without a car. But there also are Millennials who would love to have a car. And, like every other group, they want to get right to premium level and show the world they've succeeded. The problem is that a lot of them don't have any money. One of our Millennial interns said recently, "Everyone says Millennials are afraid to make a big purchase. We already have made a big purchase, our college education."

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ADDEDVALUE

Fuel efficiency and emissions shape preferences

Hybrids continued to do well, with sales up about 30 percent in the US. It's not that shoppers preferred the styling or performance of those cars, but they wanted to enjoy the key benefit – fuel efficiency. Toyota hybrid sales in Europe grew 43 percent, driving strong profit for the brand in that region.

The prospect of stricter regulations encouraged manufacturers to invest in electric alternatives. Price, limited range and the lack of recharging infrastructure remained significant barriers. Nissan Leaf and Chevy Volt experienced soft sales. Tesla generated excitement, but did not sell many units, although it has become a status symbol. BMW is introducing its i3.

Minivans sales in the US declined with the rise of SUV crossovers, particularly at the premium end of the market. Europeans preferred small utility vehicles that fit into small parking spaces and emit less carbon, an important issue in Europe.

The need to reduce carbon emissions is prompting European luxury brands like Mercedes and BMW to produce smaller models. Regulations to improve air quality in China, expected to be similar to the European standards, will impact the Chinese produced cars.

Fast growing markets

China car sales increased 13.9 percent to 22.9 million units in 2013, according to the China Association of Automobile Manufacturers. Sales declined in Brazil and India for the first time in about a decade. With slowing sales and a weakened rupee, international carmakers in India turned to export to deal with overcapacity.

The European luxury brands sold well in China, led by Volkswagen's Audi, which is the car of choice for official government transportation. Ford, which introduced several new models in China, experienced almost a 50 percent increase in sales to over 935,000 units. Ford plans to introduce its Lincoln brand in China to compete in the luxury sector.

Sales of Toyota and Honda rebounded in China after tensions subsided between Japan and China. Honda sales also were helped by the introduction of an updated Accord sedan. Nissan sold 1.3 million cars in China, a 17 percent increase. Z

Insight

Brands improve safety and driving enjoyment

Carmakers are increasingly focused on loading their products with the most advanced technology in the service of driver comfort and safety. Many of these advances are now available in mid-range models, either as original equipment or affordable accessories. Technology is therefore becoming more and more of an industry table stake. This tends to make the luxury brands less about advanced features and performance and more about the "badge" and some creature comforts. As a result, some luxury brands are now focusing on the total buying experience as a significant opportunity to differentiate their brand. Over 80% of car buyers begin their shopping on-line before ever stepping into a dealership, yet the basic dealer experience model hasn't fundamentally changed in over 50 years. This could well become the next battleground in the industry.

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Action Points for Brand Building

1. Be safe

Consumers may enjoy slipping into the driver's seat and feeling as if they're surrounded by cooler technology than they can access on their smartphone. But the stakes are much higher behind the wheel. Ultimately, people want to feel confident that their families are safe.

2. Be transparent

Even in today's world of incessant social media it's possible to keep a secret, at least for a while. But keeping a secret has consequences. As has been demonstrated repeatedly, the public may disapprove of the original misdeed but it's less likely to forgive the cover-up.

3. Demonstrate leadership

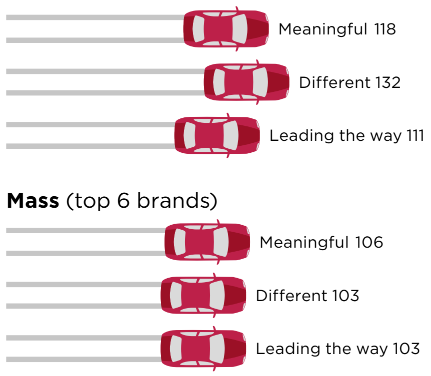
Younger consumers especially are making product choices driven by concerns about the environment. Car brands can react or they can lead with innovative technology.

Insights: BrandZ™ BigData

Making luxury accessible

Technological advances in manufacturing, related safety improvements, as well as better emission controls have increased the availability of luxury features across more mass-market brands. However, consumers view the luxury car brands as having greater meaningful difference and give the brands more credit for "leading the way."

Toyota and BMW, the most valuable car brands, are equally meaningful. BMW is more greatly differentiated and "leading the way," but Toyota is ahead on "environmental responsibility."



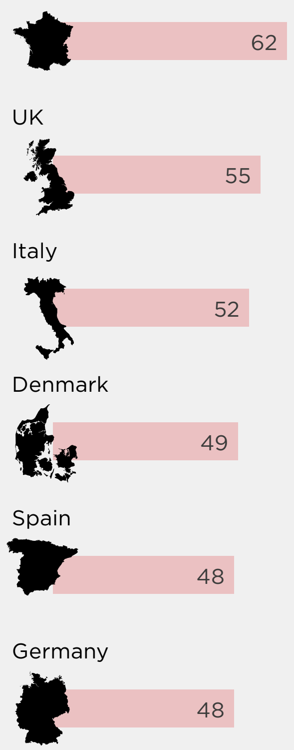
Source: BrandZ™ database
All brands average = 100

Spotlight

Europeans say life without a car would be difficult

Over half of Europeans in a six-nation study say that life would be difficult without a car. They are less likely than in the past to view a car as an important measure of success, however. About a third believe that the choice of personal technology says more about an individual than a car. Cars should have advanced technology, Europeans say, especially for eliminating the environmental impact of driving.

Life difficult without a car



the futures company

Percent who agree; My life would be difficult without a car.

Source: The Future of Sustainable Transport in Europe, a report by The Futures Company for Ford (2012).

L

Luxury

Shoppers feel freer to indulge, enjoy and express themselves

Tastes and attitudes change

16%

Definition

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

Luxury is back. Consumers purchased enthusiastically and without apology. The category brand value rose 16 percent, following a 6 percent rise a year ago.

The strong performance illustrates both how luxury consumers have put the financial crisis behind them and also how the crisis influenced changing attitudes and tastes.

During the recession, luxury became a stealth indulgence after years of conspicuous consumption. Informed by that experience, consumers today are more comfortable with luxury, treating it as a medium of self-expression.

Even in China, consumers became more discerning, appreciating luxury for design and craftsmanship rather than as ostentatious display to demonstrate status. At the same time, luxury brands felt the impact of China's slower economy and the government's discouragement of extravagant spending.

Adjusting to these market dynamics, some brands rebalanced in favor of exclusivity over the accessibility to mass audiences that drove revenue during lean financial times. Logo key rings are out, but fragrance remains an entry point to the category.

Driven in part by newly wealthy young people in fast growing markets, the luxury consumer is becoming younger, with different tastes and interest in niche brands. Major luxury brands marketed to this group both for the immediate payoff and to cultivate the next generation of customers.

In a trend also influenced by consumption in fast growing markets, men's luxury has expanded from a narrow focus on watches and cars to include accessories and clothing. And brands, including Gucci, Prada and Burberry, opened stores devoted exclusively to men. These other trends emerged:

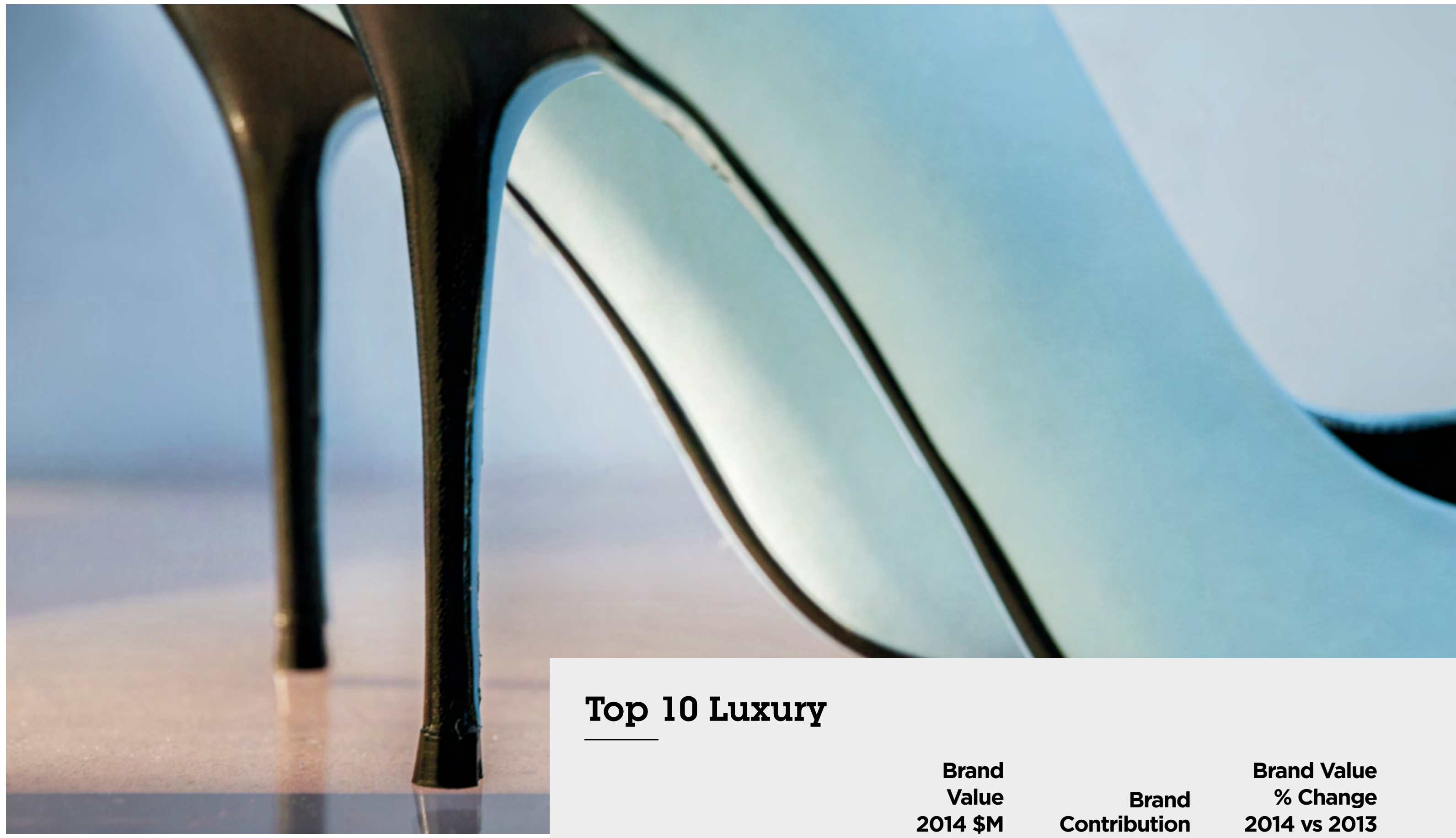
- **More consolidation** Industry consolidation continued as LVMH added Italian clothing designer Loro Piana to a portfolio that includes brands such as Givenchy and Fendi as well as Louis Vuitton and Moët & Chandon.
- **Vertical integration** Several brands purchased vendors in order to vertically integrate, control the production process, ensure quality and improve profitability.
- **Brand experience** New ways to express brand experience included brand-themed theatrical events staged in airport duty free shopping areas. Brand experience in luxury drives new business, trialing and brand equity.

Consumer confidence influences aesthetics

Interest in luxury jewelry increased, perhaps an indicator that post-recession, people are ready to purchase items that are purely decorative rather than utilitarian.

Consumer interest in jewelry is broader than traditional precious gems and includes colorful and unique stones that express individuality. The interest in self-expression also shaped attitudes about the prominence of designer logos. Louis Vuitton, known for integrating its iconic logo into the design of its bags and other merchandise, introduced products without the LV logo.

The shift away from prominent logos to more discrete, subtle and less accessible luxury captures a change in consumer attitude termed, "in the know" rather than "in the show." Louis Vuitton, Gucci and Fendi took steps to reinforce the exclusivity of their high-end brands by cutting back on less expensive merchandise. Burberry eliminated some opening price points on rainwear and leather goods.



Top 10 Luxury

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Louis Vuitton**	25,873	4	14%
2	**Hermès**	21,844	5	14%
3	**Gucci**	16,131	5	27%
4	**Prada**	9,985	4	6%
5	**Rolex**	9,083	4	14%
6	**Cartier**	8,941	4	40%
7	**Chanel**	7,810	5	10%
8	**Burberry**	5,940	5	42%
9	**Coach**	3,129	2	-4%
10	**Fendi**	3,023	4	-17%

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

Insight

Some brands rebalance exclusivity, accessibility

Some of the luxury brands are pulling back their low-end entry merchandise. While these brands may feel a short-term financial impact, they have a long-term view. They want the branded product to be consistent with the brand's purpose, what the brand is about. They believe that makeup and fragrance work better than key chains and other trinkets as an entry point to luxury.

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Insight

Attitudes toward ultra luxury embrace experience, values

While affordable luxury is still about status and display, attitudes to ultra luxury are changing. People who can afford ultra luxury are moving away from physical goods consumption, often to unique experiences and sometimes even to austerity. They're increasingly concerned with living responsibly and the impact of excess on their children. The model for this behavior seems to be created by the tech entrepreneurs, with their relatively modest displays of wealth and the values they espouse.

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Chanel appealed to younger consumers by offering cosmetics and makeup tutorials. In its messages, the brand attempted to project youth and frivolity within the context of its heritage.

To protect brand exclusivity, Chanel limited the products available for online purchasing. In contrast, Coach made the brand more accessible, opening more stores, both flagships and factory outlets. Slower US store traffic during the holidays impacted sales.

Social media intensified the ongoing tension between brand exclusivity and popular appeal. To maintain a productive balance, brands often used the web to express the essence of their brand in a virtual world. But they limited the products available through ecommerce.

At home on social media

To control the brand experience, brands typically created content for larger screens, like tablets, rather than apps for smartphones. Fendi and Louis Vuitton presented content about backstage at fashion shows, for example, providing a behind-the-scenes glimpse of the brand world.

Brands also engaged in sophisticated online games, which might involve a consumer posting a photograph with the brand, connecting younger people with the brand experience.

Cartier presented its brand in an elaborate movie fantasy of a leopard on a worldwide journey that evokes historical heritage and positions the brand as exotic and inimitable but contemporary. Hermès was playful and accessible online, where it's possible to purchase from the site. The brand's relaxed feeling online contrasted with the reserved elegance of its stores.

Burberry, which pioneered the presence of digital luxury and luxury online, featured a campaign called "Kisses with Google," in which a person could seal an email message with a kiss. The recipient received the message in an envelope with the imprint of the sender's lips.

Burberry also collaborated with Apple, taking the images for its catwalk with the latest iPhone. The brand, which attempts to present a seamless physical and virtual experience, also opened concessions, outlets and 14 stores, including flagships in London, Chicago, Hong Kong and Milan.

Rolex launched its multimedia "Icon and Rolex" campaign, featuring the faces and stories of famous people who wore Rolex watches, including Dwight Eisenhower, Winston Churchill, Martin Luther King, and Elvis Presley, with the strapline, "Rolex doesn't just tell time. It tells history."

Fast growing markets

The slowdown in the economic growth rates of the BRICs impacted luxury sales both in those countries and in North America and Europe where sales to tourists from fast growing markets represent a large portion of luxury revenue.

Still, the China Outbound Tourism Research Institute predicts that more than 100 million tourists from China will travel overseas this year. Among brand initiatives to reach these shoppers, Burberry hired 150 Mandarin speakers as sales associates in key tourist destinations.

Burberry also created special product offerings for important Chinese occasions and holidays. And the brand entered into a partnership with Tencent, the Chinese Internet giant, to present the brand in social media and on Tencent's other online platforms.

As luxury sales in China slowed, brands balanced the immediate desire to drive sales with the long-term need to protect brand equity. Gucci reduced its store openings while rolling out a refurbishment plan to align the image of its retail network. With less presence in China, however, Prada opened locations in the major inland cities of Chengdu and Chongqing, bringing its China store total to 33. Z

Insight

New social media strategies protect brand exclusivity

As luxury brands increasingly use social media they increase the risk of brand dilution. Many brands resolve this tension by using their online initiatives to invite people to experience and interact with the world of the brand, its fashion shows, for example. But they limit ecommerce. This approach introduces the brand to new audiences but drives customers to physical stores.

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ADDEDVALUE

Action Points for Brand Building

1. Be seamless

The brand experience needs to be strategic, cohesive and seamless. Any gap between a brand's identity in the physical and virtual worlds needs to be explained.

2. Protect the brand

A few years ago, in the effort to build sales during hard times, some brands aimed wide. Today it's more possible to narrow the audience and limit brand dilution.

3. Be daring

Don't be afraid of mobile or digital. Don't be afraid to be first. Digital is not only for young people. Digital doesn't mean ecommerce necessarily. It's an opportunity to create a brand world for a broad audience of both current and potential customers.

4. Seek customers everywhere

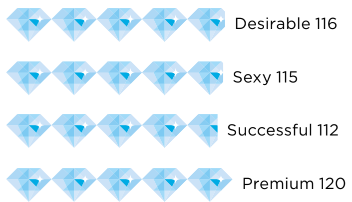
Fast growing markets are important. But brands need to get the geographical balance right. As more people return to luxury, there is enormous untapped potential in the US and Western Europe.

Insights: BrandZ™ BigData

Different and desirable, sexy and successful

The luxury category is no less competitive than everyday price-driven categories. Successful luxury brands offer something distinct and different, most often underpinned by a desirable and sexy personality that then drives their premium.

Top 10 Luxury brands



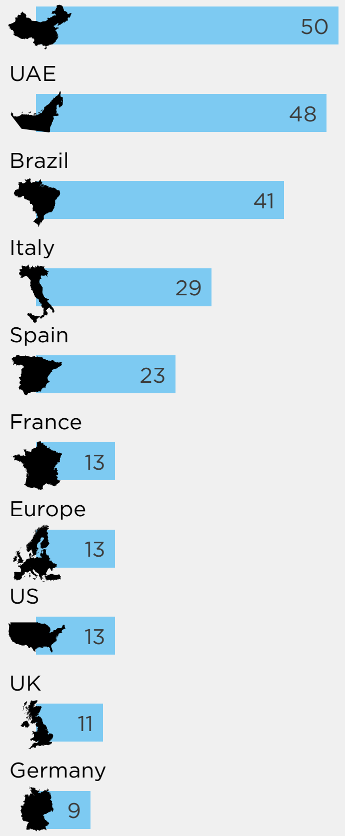
Source: BrandZ™ database
All brands average = 100

Spotlight

Link between label and personal image varies by region

The importance of a designer label as an expression of personal image varies by region. In fast growing markets with rising middle classes, consumers are more likely to view the label as a reflection of personal identity. The trend is sharpest in China. American and European consumers share similar attitudes. But within Europe views also vary.

Labels and personal image



TGi

Source: TGI 2013 / Base: All adults 18+
Percent who agree: A designer's label improves a person's image.

Europe includes the UK, Spain, Germany and France.

Personal Care

More choice in a crowded category meets needs and adds excitement

Shelves fill with men's grooming products

12%

Definition

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

The personal care category improved 12 percent in brand value on the strength of product innovation, brand marketing, particularly in social media, and continued activity in fast growing markets.

Brands added more SKUs (stock keeping units) and mass retailers increased the space devoted to personal care. Changes in attitudes about masculinity drove men's care, one of the fastest growing segments of the personal care category.

The category benefited from the popularity of products that combine the properties of cosmetics and pharmaceuticals to improve personal appearance without resorting to Botox or surgery.

Millennials influenced the category as well with a willingness to experiment that made products, such as hair removers, more available and acceptable. In addition, Millennials tend to use personal care products at a younger age.

Responding to consumer interest in personalization, brands segmented skin and hair products for particular demographic profiles and ages. Globally, brands created products to match cultural sensibilities.

With so much choice, developed market consumers were more promiscuous about brands, while consumers in fast growing markets relied on brands to signal product safety and efficacy. These other trends continued:

Diversity The celebration of individual differences in body size, skin color and hair texture continued to inform the category and ideas about beauty.

Asian influence Brands expanded their product range to serve Asian needs in Western markets and because the Asian preferences drive broader trends that cut across demographic groups.

Travel One of the fastest growing markets, what L'Oréal has called "a sixth continent," is travel retail at airports and other transportation hubs. L'Oréal recently established its Group Travel Retail Division.

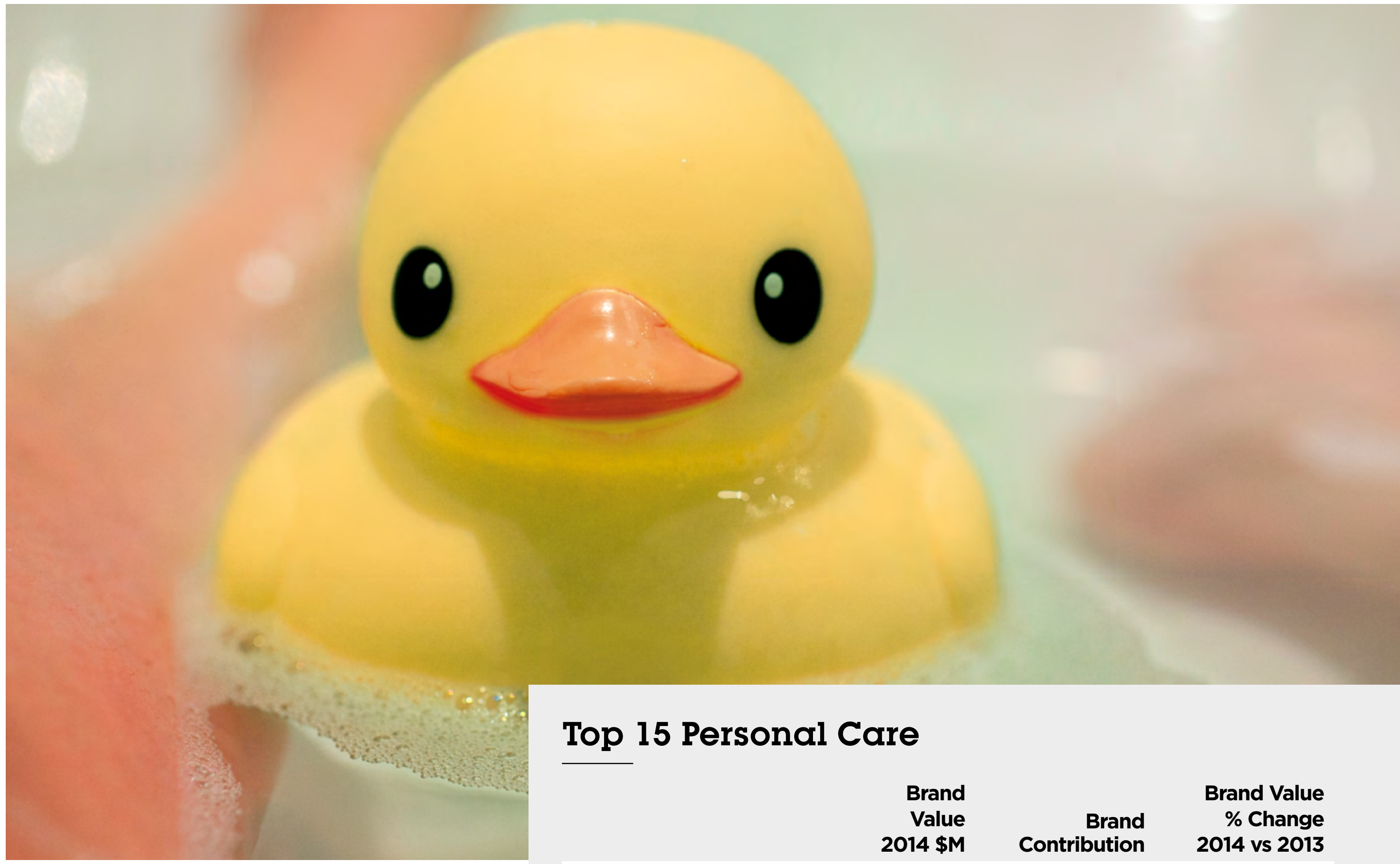
Growth of men's grooming

The additional shelf space devoted to men, filled with products distinctively packaged in black or another shade considered masculine, indicates how interest in male grooming has gone from metrosexual to mainstream.

The range reflects a change in attitudes about masculinity and the influence of Eastern cultures. In South Korea, for example, men's grooming can include applying makeup.

Neutrogena and Nivea were among the many brands successfully offering products for men. Sometimes products developed for men, in shaving, for example, migrated to nearby shelves with products shaped and packaged to appeal to women.

Men's interest in personal grooming included an inclination to grow facial hair. The fashion, a reaction in part to the price of replenishing razor blades for shaving, impacted category leader Gillette, which responded to the increase in beards and mustaches with a range of trimmers.



Innovation and multiple benefits

A lot of innovation focused on hybrid products with multiple benefits and time saving advantages. Examples include Nivea's in-shower moisturizer, which combined product efficacy with convenience.

Devices and products to remove facial and body hair added excitement to the personal care category. Olay introduced a line that didn't rely on waxes and other usual solutions.

Other product innovations included small hand-held appliances for cleansing, a sub-category L'Oréal terms instrumental cosmetics. The brand marketed a device called Clarisonic. Olay and Neutrogena and other brands have their versions. The devices, available more at luxury than mass, are priced from $150 to around $400.

The popularity of the cleansing devices reflects two other trends: the interest in anti-aging products and in money-saving, at-home solutions for treatments normally available at salons or spas.

Top 15 Personal Care

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**L'Oréal**	23,356	4	30%
2	**Gillette**	19,025	4	7%
3	**Colgate**	17,668	4	2%
4	**Nivea**	7,395	3	17%
5	**Lancôme**	6,811	4	37%
6	**Garnier**	6,318	3	16%
7	**Clinique**	5,429	4	36%
8	**Dove**	4,815	3	-2%
9	**Olay**	4,176	4	16%
10	**Estée Lauder**	3,973	4	12%
11	**Crest**	3,883	4	6%
12	**Oral-B**	2,683	3	14%
13	**Natura**	2,236	4	-40%
14	**Pond's**	1,972	2	11%
15	**Neutrogena**	1,788	3	New

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

Insight

Male grooming trend reflects changing gender assumptions

Male grooming has come a long way in the past few years, fueled by Millennial attitudes and the changing gender roles in the household. There is a more united approach to the household with responsibilities divided less along gender lines and more along shared interests and time management. The man isn't always the breadwinner in the family. At the same time, there's been resurgence of the idea that it's OK for a guy to be manly or for a woman to be feminine. So the household broadening of gender roles has been accompanied by permission to be distinctively male or female.

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Events and brand building

In a fragmented media landscape, brands like Cover Girl, Garnier and Gillette reached audiences using traditional media selectively, at the Grammys or the Oscars, events about fashion and beauty, when people were paying attention and possibly using a second screen to text and tweet.

In Seoul, South Korea, Clinique opened the Clinique Chubby Lounge, an interactive pop-up shop, with an appearance by well-known Korean actress Park Bo Young drawing attention for the brand's Chubby Stick Moisturizing Lip Color Balm.

Dove worked to make a product ingredient the brand message. It promoted Nutrium Moisture, a key ingredient of its moisturizer, and expanded the ingredient to its deodorant products. By focusing on one patented ingredient the brand simplified its claims across much of its range.

Social responsibility remained important. Gillette sponsored Movember, an event that takes place during November when men refrain from shaving during the entire month to call attention to a fund raising effort supporting men's health. L'Oréal gained attention for its efforts to reduce packaging waste.

Fast growing markets

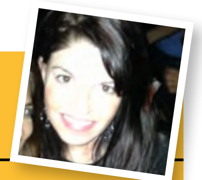
The West continued to be influenced by the importance of beauty and personal care in Asian markets, such as South Korea and China, where natural ingredients are important and an alphabet soup of skin care products covers most needs.

Estée Lauder expanded its skin care business in China as a prestige brand, entering lower tier cities and driving ecommerce and mobile activities. Estée Lauder launched Osiao, a skincare formulation designed for Asian customers.

L'Oréal withdrew its Garnier brand from China, probably because of pressure on profits as improved local brands offered products at lower prices. The move enables L'Oréal to focus investment on the L'Oréal brand itself and other brands it markets in China, such as Lancôme. Lancôme reinforces its presence in China with innovative digital marketing that includes a website, social networks and a makeup blog.

The economic slowdown in Brazil affected the brand value of Natura, a Brazilian brand leader in natural care products. Natura remains the only brand in the BrandZ™ personal care ranking based outside of Europe or North America. Z

Insight



Effective Innovation is strategic, aligned with brand purpose

Brands innovate to deliver on unmet consumer needs. The challenge is that they begin to innovate for the sake of innovating and to gain more shelf space. However, their approach to innovation is not always strategic in nature and fails to align with their brand and what it offers. Sometimes the stretch is too far, to where the brand does not really have permission to stretch. As a result, the brand portfolio becomes fragmented and this in turn dilutes the equity of the brand.

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BRAND UNION

Action Points for Brand Building

1. Know the brand

Understand what the brand stands for. Express that meaning in everything from products on the shelf, to in-store shopper marketing, social media and advertising.

2. Focus

Don't try to be everything to everyone. It's a temptation some personal care brands can't seem to resist, but it dilutes brand clarity.

3. Innovate

Harness technology to improve product efficacy and serve evolving consumer needs and visions of beauty.

4. Communicate

Social media is a good place to cultivate and sustain consumer trust, to educate and have a conversation about products and ingredients.

Insights: BrandZ™ BigData

Creating and delivering a great experience

The top personal care brands succeed by setting up and communicating a positive promise, delivering a great experience that meets or exceeds that promise, creating strong recommendation and leaving an impression of the brand being innovative (leading the way).

Top 10 personal care brands

Aware of Promise 34% (+9%)

Would Recommend 56% (+10%)

Leading the Way 50% (+12%)

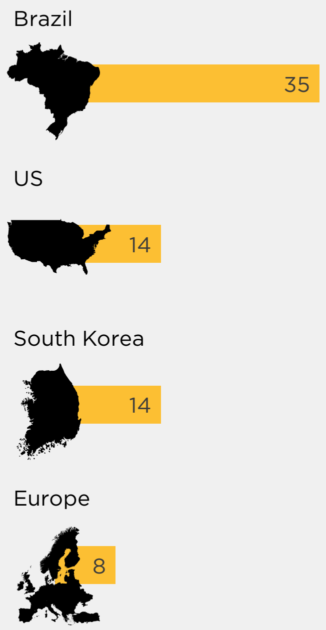
Source: BrandZ™ database
Top 10 (compared to Average)

Spotlight

Men's grooming grows, influenced by attitudes about masculinity

Once a category focused almost exclusively on women, personal care now includes an expanding range of men's products. Changing attitudes about masculinity drive the trend. The percentage of men purchasing personal care products varies by market and local male grooming traditions. In South Korea, make-up for men is a thriving business.

Men's personal care purchasing



TGi

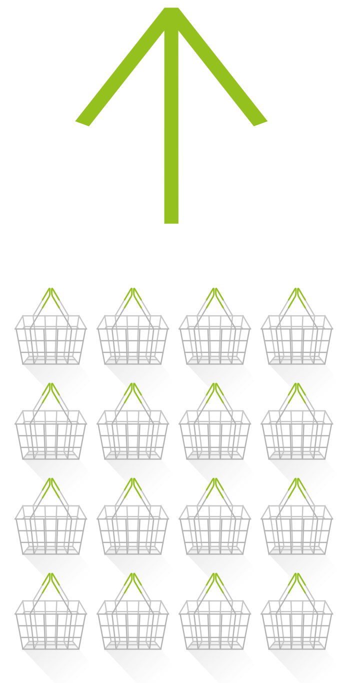
Source: TGI 2013 / Base: All adults 18+
Percent of male respondents who agree: I spend a lot of money on toiletries and cosmetics for personal use

Europe includes the UK, Spain, Germany and France

Retail

Consumer expectations for range and convenience drive retail reset

Brands invest for a seamless future



16%

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 in retail because it achieves approximately 90 percent of its sales from online retailing.

Retail is in the midst of major transformation.

After years of caution following the financial crisis, shoppers are back. But they've changed. They want everything – the range of online shopping and the immediate gratification of physical stores – and they expect it all the time.

And in developed markets, the legacy of big stores designed for a weekly grocery stock-up is mismatched with shopping behavior shaped by increased urbanization, more boomer empty nesters and delayed family formation by Millennials.

Even the retail lexicon of the recent past – multichannel, omni-channel, "showrooming" – is inadequate as retailers attempt to provide seamless, customer-centric experience and gain greater customer share of life.

Retailers adjusted to these new realities as quickly as possible, given that many are weighted down with big stores, siloed organizations, narrow skill sets and old IT systems, the ballast of the business as it was in the recent past.

The retail category improved 16 percent in brand value, following a 17 percent rise a year ago, as developed market economies strengthened and retailers met the new realities with actions, including:

- **New skills** Retailers gained new skills by hiring staff from other disciplines, an approach taken by Germany's Metro, and by learning from international partners.
- **New viewpoints** Carrefour set up programs to identify talented women employees, mentor them, and accelerate their advancement into management.
- **New attitudes** The US drug chain CVS planned to close its $2 billion-a-year tobacco business because of its inconsistency with the brand's essence as a healthcare destination.

Share of life

Successful brands did not pursue share of wallet (what can we sell you?) but rather share of life (how can we help you?). The outcome may be the same, more sales, but the mentality is different.

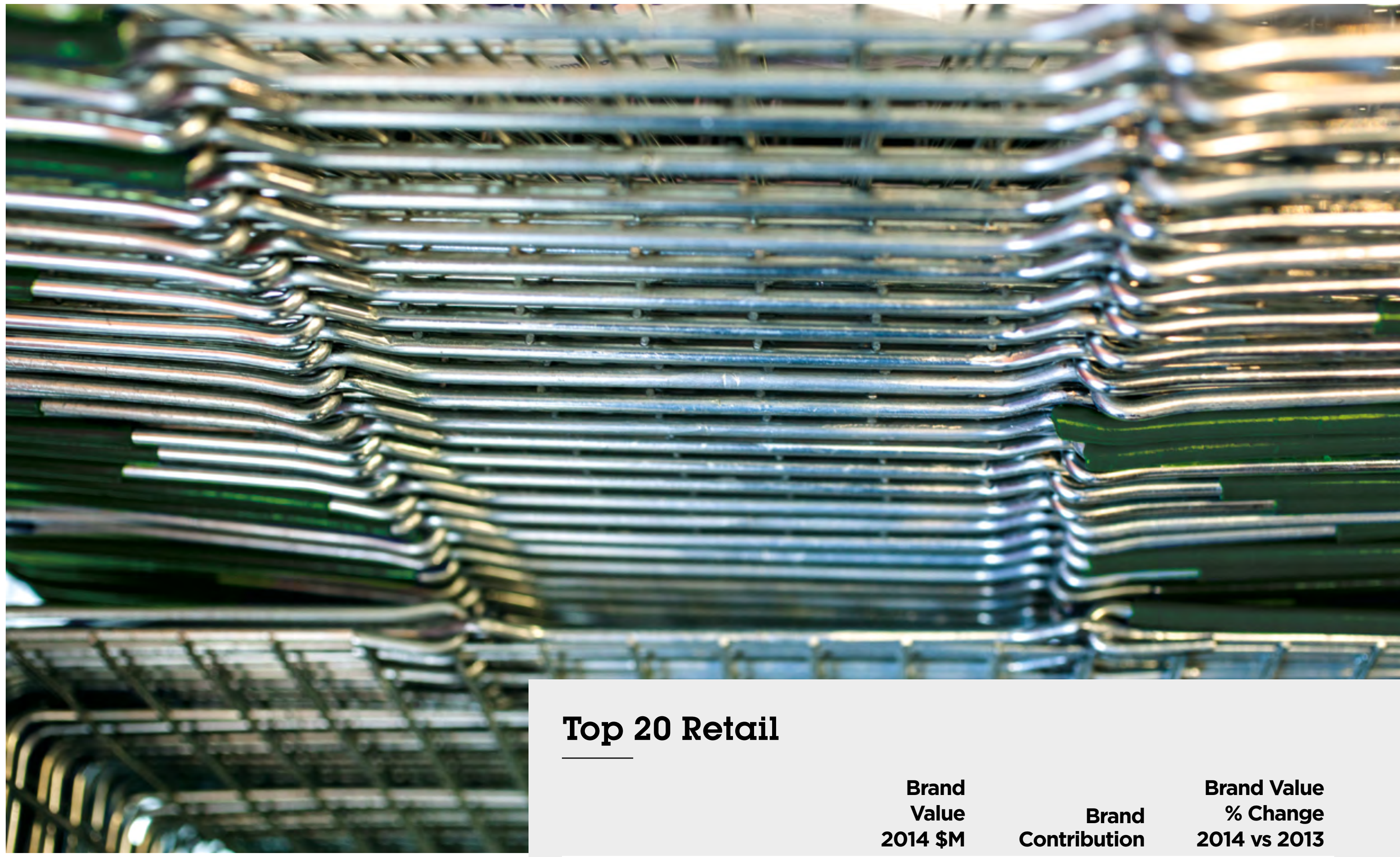
Share of life, insinuating the retail brand into all aspects of the customer's routine, is best illustrated by the brand that invented the approach – Amazon, the world's most valuable retail brand, which reported a 22 percent increase in sales to $74.4 billion, in 2013. Launched as an ecommerce site for the purchase of books in 1995, Amazon ended 2013 with over 237 million customers worldwide.

According to some estimates, Amazon now has over 20 million members of its Prime program, which connects the consumer to the brand with free shipping and a growing amount of online content, including movies, as Amazon becomes a media company as well as a retailer. Around 19 percent of all primary household shoppers in the US are Amazon Prime members, according to Kantar Retail.

Along with hardlines, Amazon also offers apparel, health and beauty, and grocery. To aim specifically at the warehouse clubs, Amazon launched its Pantry program, in which Prime customers can receive free shipping for a box load of household staples, items that would be unprofitable if ordered individually.

In the physical world

In its Fresh program, which competes with other online food providers, Amazon adds the advantage of being able to deliver non-food from the same distribution centers, which helps improve margins and also accelerates delivery time, burnishing the brand's reputation for convenience. Amazon made ecommerce local by sourcing from local suppliers.



With a relentlessly focused brand proposition, Costco gained share of life with its roughly 650 warehouse club stores in eight countries, from customers who trust the brand for providing convenience, range, quality and low prices. Annual turnover surpassed $100 billion for the first time.

The conversation around national healthcare in the US helped strengthen the brand presence of drug store leaders Walgreens and CVS. Walgreens continued to cultivate share of life, integrating over 8,100 stores and its website. The website includes products from Boots, its UK partner in building a global business in health and wellness and what the brand calls "daily living."

The Walgreens slogan, "at the corner of happy and health," articulates the brand's combination of convenience, attitude and purpose. CVS, in promising to eliminate tobacco sales from its stores by October 2014, affirmed its brand commitment to improving healthcare, reducing chronic disease and controlling healthcare costs. Both Walgreens and CVS enjoyed strong stock appreciation.

Top 20 Retail

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Amazon**	64,255	3	41%
2	**Walmart**	35,325	2	-2%
3	**The Home Depot**	22,165	2	20%
4	**Ikea**	19,367	3	61%
5	**eBay**	15,587	2	-12%
6	**Tesco**	14,842	4	-9%
7	**Woolworths**	11,953	3	8%
8	**Aldi**	9,584	2	8%
9	**Costco**	9,454	2	39%
10	**Target**	9,438	2	-21%
11	**Whole Foods**	9,200	4	37%
12	**Carrefour**	9,114	3	24%
13	**Lowe's**	8,764	2	16%
14	**CVS**	8,485	3	51%
15	**Walgreens**	8,344	3	41%
16	**M&S**	5,411	3	16%
17	**Falabella**	5,187	4	-8%
18	**Coles**	5,076	3	15%
19	**Lidl**	4,748	2	5%
20	**Asda**	4,675	2	1%

Source: Valuations include data from BrandZ™, Kantar Retail, Bloomberg and BrandAnalytics.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

Seamlessness and the new convenience

Retailers experimented with innovations to create seamlessness for consumers who, conditioned by the Internet, increasingly expect infinite choice, good prices and rapid delivery service, with no extra charge for convenience.

Auchan and other hypermarket brands expanded click and collect, an option for picking up in the physical store groceries ordered online, which solves a problem for people not home during delivery hours. The concept has evolved to standalone, drive-thru locations that customers conveniently pass on their commute home.

Insight

Successful brands help consumers improve many aspects of their lives

Selling products is not enough anymore. Retailers need to offer an overall value proposition that frames their relationship with customers around gaining "share of life" rather than "share of wallet." To its Prime customers Amazon is not just a merchant with free shipping, but also an entertainment content provider. Walmart is doing a lot around financial planning. The Home Depot and Lowe's, home improvement retailers, offer financial services. Retailers need to think about "share of life" in ways that are brand relevant.

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KANTAR **RETAIL**

In France alone, retailers opened 726 pick-up locations in 2013, many of them standalone locations with no store attached, according to Kantar Retail, which added that today, in France express "drive" pick up points outnumber hypermarkets. Kantar Retail calculates that over 3,000 "drive" points exist throughout Continental Europe.

Asda, Walmart's brand in the UK, tested same-day collection at several underground stops in London. Commuters placing orders in the morning could pick up their packages on their way home, in the parking area of their suburban train stations. Tesco introduced a similar program as well and also locations near certain libraries and other public facilities.

The "drive" concept is less advanced in the US. However, trading space for speed, Walmart partitioned some of its 3,300 US superstores into smaller stores with adjacent distribution centers. The arrangement enables Walmart to execute local rapid grocery deliver and to strengthen profit by including higher margin non-food items with grocery deliveries.

Brand clarity worked across categories

Whole Foods expanded its trend-setting approach to premium organic food in the US and continued to build the brand in the UK. The company added 32 new stores, ending 2013 with a total of 362. The stock price appreciated 20 percent.

Both Aldi and Lidl, the German-based, private label hard discounters reported strong results. Lidl continued adopting brands on an in-and-out basis for traffic driving promotions. With physical locations in 28 countries, it's the most pan-European retailer. The Aldi brand operates a total of almost 10,000 stores from two divisions. In addition to Europe, Aldi is present in Australia and the US where it also operates the Trader Joe's supermarkets, a Whole Foods competitor.

Insight

Retailers should think like consumers, outside the box

A store is a box. A screen is a box. Consumers don't think in terms of these boxes. Retailers need to get away from that channel thinking, too. For example, a retailer called Sneaker Boy has created on online model with a physical face. The store, in Melbourne, offers one of every sku in every size. It's a browsing experience, where customers can try on shoes for style and size, purchase on an iPad, and have their merchandise delivered to their home in a few days. The store maximizes retail space and inventory efficiency. And it can rapidly update the range to keep pace with seasonal and fashion changes.

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BRAND UNION

Both The Home Depot and Lowe's were well positioned to benefit from the strengthening of the US housing market. IKEA also gained business from the recovery of developed market economies as well as from the aspirations of the middle class in fast growing markets.

The strength of the local Australian market helped Woolworths and Coles. In contrast, Falabella, the pan Latin America department store brand, produced strong results but declined in brand value because of slower economic growth in Chile, its home country, and a weakened stock market. Z

Insight

Increased fulfillment speed changes customer expectations

You need to be a seamless retailer and work out how the various channels do different things. The old rules no longer apply. Instant gratification, being able to enjoy merchandise immediately after purchasing, was one of the benefits of a physical store. Bricks and mortar merchants played that card for years as a competitive advantage over online. Now, with variations of click and collect, online delivery has become exponentially faster. Soon there will be little difference in fulfillment time between ordering online and walking into a physical space.

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Action Points for Brand Building

1. Grow share of life

As growth becomes more challenging, retail brands need to be about more than rows of shelves selling products. Value propositions should embrace helping people improve and enjoy their lives. That can mean offering services like banking or entertainment and other content.

2. Personalize

Knowing the customer well becomes a competitive advantage in times like these when it's difficult to differentiate. Loyalty data and location based technology enables retailers to engage customers individually with communication, product offering and even price.

3. Be seamless

Retailers need to contend with all the complicated logistics of presenting products and fulfilling purchases across all channels, online and in physical stores. But to the customer all of that activity should be invisible so the brand seems seamless.

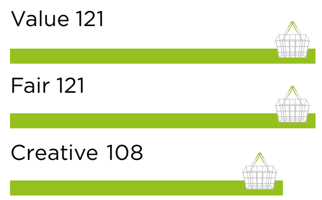
4. Redefine convenience

Consumers may want the extensive range offered online but delivered with the speed of a physical store transaction. Innovative click and collect and drive-thru locations help retailers satisfy these expectations.

Insights: BrandZ™ BigData

Creatively responding to consumer needs

In retail, one of the most price-sensitive categories, the leading brands score particularly well in terms of value, being "fair" to consumers. They're thought to be considerably more "creative."



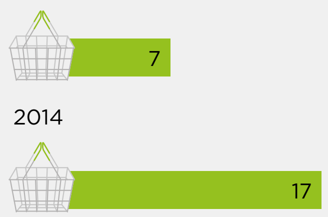
Source: BrandZ™ database
All brands average = 100

Spotlight

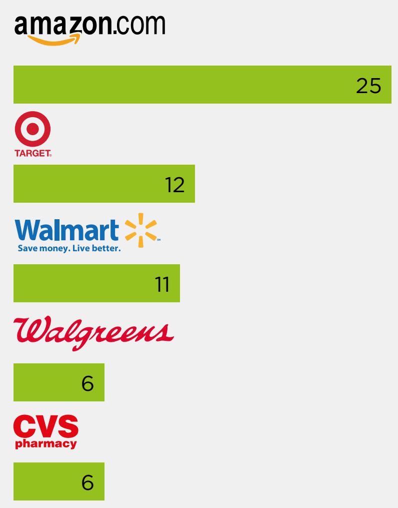
More shoppers now using retailer apps

About half of US shoppers have smartphones, 77 percent of Millennials. While social networking is the most popular use, almost a quarter of US shoppers use their smartphones to visit retailer websites. And 17 percent of shoppers use a retailer app. The top three retailer apps accessed are Amazon, Target and Walmart. Target leads in the number of shoppers who access the app while shopping in the store.

Use of retailer apps



Popular retailer apps



KANTAR **RETAIL**

Source: Kantar Retail ShopperScape® Millward Brown Digital. Percent of smartphone owners who accessed retailer apps in the last six months of 2013.

A SEAMLESS TRANSITION TOWARDS RETAIL THEATER

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BARROWS

Retail Marketing Specialists

Barrows has been operating in global retail for over 20 years in both developing and developed markets. In this time we have understood what it takes to win in this ever-evolving and dynamic retail media space.

Our range of services encompasses everything from insights, retail media planning, design, production, procurement, through to in-store execution. These are flexed and applied according to our clients' retail objectives.

Working across teams within our clients' organizations, we align the marketing objectives with customer and key account teams to develop the best possible in-store experience for shoppers.

www.barrowsonline.com

When we talk about the "future of retail" most are in basic agreement: the retail environment of the future will be more humanistic, sensorial and connected. But if we're all in agreement, why have we seen so little progress towards this vision within large format Consumer Packaged Goods (CPG) retail?

The answer lies with the issue of disruption and seamlessness. We think of marketing seamlessness as a result of the technological, social and economic disruption that has rocked most industries, but perhaps seamlessness, or indeed lack thereof, is the reason we're not seeing enough of the changes we thought disruption would bring.

What do we mean by the lack of seamlessness? While marketers and agencies talk of an omni-channel approach to retail, we at Barrows think that the key to creating the kinds of in-store retail experiences that so many have envisioned is to create seamlessness across brands and retailers' approach to sales.

Right now within large CPG brands, the sales teams, not the marketing departments, handle in-store marketing. As a result, sales take precedence over brand building. Alone this wouldn't be a negative but combined with another factor of retail reality it highlights why retail experiences aren't becoming more experiential. That factor is that large format CPG retail stores are under pressure to house a multitude of product ranges. This on-shelf stock pressure makes brands and retailers reluctant to relinquish space for a more curated or experiential shopper marketing solution – the risk is too high, the reward too low.

So how does seamlessness overcome this?

Firstly, we need to look at how retailers are defining stores of the future. The vast majority of capital investment in the store goes into services areas – areas on the perimeter rather than among the aisles. Services bring shoppers in and differentiate one retailer from another. Less investment is being funneled into the high-stock volume center store – exactly where the big name CPG brands play. Those same brands are the only ones attempting to make the shopper experience better within the aisles but they too face the pressure of showcasing a huge number of Stock Keeping Units (SKUs) – not conducive to creating more enjoyable shopper experiences.

Now here's the thing. Sales from online and sales from offline are controlled by different departments with different Key Performance Indicators (KPIs). Adding to the confusion is that brands are dipping into direct-to-consumer delivery models – so online retail is seen as 'competitor' to in-store sales. But there is a way in which business seamlessness could enrich both parts of the system. Online retail struggles with the delivery of 'fresh' goods. While they will certainly continue to offer this service and push delivery logistics to a place of almost instant delivery, fresh goods are typically the kind that shoppers want to physically engage with. Online is great for regular replenishing while in-store is great for occasion-based shopping – 'stock-up' vs. 'top-up'. The result of this balance is a two-fold advantage for physical stores – they can continue to focus on delivering an amazing fresh goods offer as well as a host of in-store services, but the online platforms can remove much of the pressure to stock every CPG product range and variant in-store. Suddenly, by having a seamless approach to online and offline sales the key obstacle to having better in-store shopper experiences within CPG categories is removed. The center-store on-shelf stock pressure eases and opportunities abound to reimagine how these categories work, prompting a new focus on curated merchandizing, inspiration and education – the long awaited retail theater model.

A side effect of this online 'stock-up'/offline 'top-up' model is that channels will have an even greater difference in shopper mission. Supermarkets will become destination centers where experience and enjoyment is key and dwell time increased, whereas convenience as a channel will face greater pressure to maximize space and stock, thereby requiring smarter merchandizing systems.

In summary, while many see seamlessness as a result, we see it as a necessity that opens the floodgates to the kinds of shopper-marketing experiences large format CPG retail needs to deliver if they are to transform themselves from being places shoppers have to visit into ones they want to.

Here are some key obstacles brands and retailers need to overcome in order for more experiential in-store marketing solutions to be implemented:

Retailers still mandate and reward in-store stock volume over brand experience. Brands and retailers need to combine sales platforms such as online so that they can maximize the advantages of each.

Within large CPG client brands, the brand building and sales teams are often misaligned in terms of KPIs. A more coherent set of in-store brand-building KPIs would allow in-store marketing to be as prioritized as stock volume.

The wealth of ranges and variants has become counter-productive in that on-shelf they become difficult to navigate and take up too much precious shelf space. SKU rationalization would greatly enhance the ability to focus on shopper-based brand experiences.

Many engaging shopper marketing tactics require a higher investment of merchandizing time and labor. This needs to be accepted and factored into the system rather than avoided.

An increased merchandizer presence requires a new level of training creating the twofold benefit of a more curated experience and an informed sales associate who can help build brand interactions with shoppers – a key advantage of physical stores.

SEVEN KEY PRINCIPLES FOR A MORE USEFUL BRAND VALUATION

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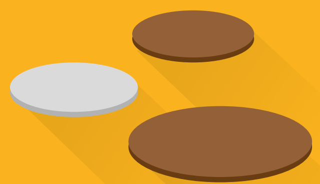

Ogilvy & Mather

Ogilvy & Mather is one of the largest marketing communications companies in the world. The company is comprised of industry leading units in the following disciplines: advertising; public relations and public affairs; branding and identity; shopper and retail marketing; health care communications; direct, digital, promotion and relationship marketing; consulting, research and analytics; branded content and entertainment; and specialist communications. For more information, visit **www.ogilvy.com.**

Innovation, once a reliable source of competitive advantage, is growing less and less secure as markets become more global and communication becomes instantaneous and universal. Now, brand has become the only remaining source of reliable, defendable differentiation, making it more important than ever before. And yet, brands are still not taken seriously. Their power is underestimated and misunderstood, and the failure to put the case for investment in them on the sound financial footing expected by CFOs, CEOs and boards is depriving marketing of credibility, holding brand back from taking its rightful place in the boardroom.

To change this, a more dynamic approach to brand valuation is required, one that stands traditional valuation on its head. This new brand valuation can link marketing decisions to money, transform the way marketing is viewed, and catapult it from a corporate communications role to leadership of growth and innovation.

Unfortunately, brand valuation's role in marketing today is largely the same as its role in accounting. Today's brand valuation gives only point-in-time values, and as a result the major use of brand valuation is benchmarking.

For brand valuation to progress beyond benchmarking, it must finally be considered in conjunction with marketing. Instead of being just a number, it must become a diagnostic tool. In order to achieve that, we at Ogilvy & Mather have strong opinions on the principles that should be used and the steps that should be followed when valuing a brand. Here are our seven key principles:

1. Start with how the brand creates value and drive the methodology from there

The whole point of brand valuation is that brands make money for their owners. To exploit the full potential of brand valuation, we must begin by understanding what brands are and how they make money. Without an understanding of the sources of value, brand valuation is limited to being an exercise to produce a point-in-time number. Brands impact the demand side of the business (revenues and margins) and the supply side (employees, suppliers, regulators, and investors). They create value across the business value chain, to an extent that few companies fully understand, or leverage. Understanding how a brand creates value is hugely important – it can unlock the secret of creating future value.

2.Conduct a robust brand driver analysis

Brand valuations generally have two kinds of inputs – financial data and brand analysis. As we have seen, the second input is where most brand valuation methodologies fall down. The secret to making brand valuation useful lies in making the brand analysis as robust as possible. There are statistical methods that can be used to isolate the financial contribution of the brand. We recommend using a quantitative brand driver analysis to determine the brand's contribution to value.

3. Make it diagnostic

We need to break free from the financial bias that has afflicted brand valuation. If it is to have practical application in marketing, brand valuation must be diagnostic. We are no longer interested in recording a value to achieve some accounting gain but rather in identifying what actions we can take to increase the value of the brand and business. A brand valuation must look inside the business to identify where brand value is created, determine how good a job the brand is doing at each touch point, and identify opportunities to do better.

4. Run scenarios to identify the best opportunities

Brand driver analysis can be used to identify opportunities for brand improvement. We can identify where the gaps in brand performance are compared to competitors.

5. Take a holistic approach

Brand valuation needs to take a more holistic approach. We can measure how a brand creates value across the whole customer experience, including both tangible touch points (products, customer service, and the retail experience) as well as intangible touch points (marketing communications). This requires more imaginative use of research data – one that unites the areas usually split between brand tracking and customer satisfaction studies.

6. Look at many measures

To become strategic, brand valuation must encompass many measures, not just one. It is easy to become fixated on "the number," but this is just the starting point, not the end point. More meaningful and actionable measures need to be added. These metrics should be easy to understand, easily replicated, and forward-looking leading indicators of brand value creation. They must include a linkage between brand and share price – the indispensable condition for getting brand into the boardroom.

7. Look over time – the new brand tracking

To be truly useful, brand valuation must shift from a point-in-time measurement to measurement over time. Conducting brand valuation once is a "nice-to-have." If it is diagnostic, it can provide important input to strategy development. But the real ROI on brand valuation comes when the company's progress in creating brand value is tracked, measured, managed and acted upon over time.

Brand valuation can become the foundation for brand and marketing decisions, which will have a transformative effect on marketing. Exploiting valuation's power to link brand to money can change the corporate perspective on brand and marketing. A sound financial underpinning for requests for money puts marketing on the same footing as other functions in the corporation and gives marketing far greater credibility. It also improves the quality of brand and marketing decisions, enhancing the effectiveness of strategies, driving greater business growth, and pushing share prices upwards.

BrandZ™ adheres to many of the brand valuation principles we hold most dear, making it, in our opinion, the best brand benchmarking practice. BrandZ™ examines these principles at a high level across many brands. In doing so, the practice shows each individual brand how crucial these seven ideas are. BrandZ™ makes an important contribution to raising the profile of marketing leaders, leaving no one in doubt that they are managers of one of the corporation's most valuable assets – the brand.

Beer

Drinkers drive volume in fast growing markets and expect variety in US and Europe

Major brewers build local and global brands

Definition

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

Expansion in fast growing markets drove beer volume increases, but changing social and drinking trends slowed consumption in North America and Western Europe. As people, especially Millennials, socialized more in mixed groups of men and women, they drank less and instead focused on experiencing new tastes and flavors.

To reach new, young beer drinkers in developed markets, the four major global brewers – AB InBev, SABMiller, Heineken and Carlsberg – introduced their own versions of flavored and craft style beers. While the craft beer phenomenon is less pronounced in Europe than in the US, the growing desire for choice also is expressed in the resurgence of ale in the UK.

The major brewers build their global businesses by balancing the need for economies of scale with respect for local beer tastes and traditions. The BrandZ™ ranking of the Top 10 beer brands reflects this evolution. Four listed brands – Budweiser, Heineken, Guinness and Stella Artois – are global beers. The other brands are regional leaders, with four – Corona, Skol, Aguila and Brahma – from Latin America.

Normally, the major brewers produce their global brands close to the market to gain the greatest economies. But rising consumer concern with authenticity has produced exceptions. SABMiller brews Peroni, an Italian brand, in Italy. All the Heineken distributed in the US is brewed in Amsterdam. To compensate for the extra production costs, the brewers market these beers as premium brands.

These other trends continued to unfold:

Pairing with food Brewers promoted beer as an enjoyable – and affordable – complement to a good meal, a premium beer being less expensive than a modest wine.

Cider Like flavored beer, cider is seen as an entry option for people who find the taste of beer too bitter. Of the major brands, only Stella Artois offers cider, both apple and pear.

Craft Beer Although the trend is influential, craft beer represents less than 8 percent of total beer volume and around 14 percent of revenue in the US.

Building global and local brands

Industry expansion and consolidation continued, as AB InBev completed its acquisition of Mexico's Grupo Modelo, adding Corona to its portfolio of over roughly 200 brands. Diageo, the UK-based spirits giant, relaunched its Guinness brand in Nigeria, which consumes more of the brand than Ireland.

Africa lacks beer industry infrastructure that can be easily acquired. But expecting strong growth in Africa, the major brewers have invested in distribution networks with the goal of convincing drinkers to trade up to higher quality beer.

In contrast, the existence of industry infrastructure facilitated expansion into Latin American, which now is split, along a rough "line of demarcation," between AB InBev, which holds significant share in Brazil, for example, while SABMiller enjoys great success in Columbia. By acquiring strong local beers, the majors gained economies of scale and built diversified brand portfolios that they crowned with their global brands, positioned at a premium price.

Brazil is a prime example of this strategy. AB InBev acquired and invested in local brands, Brahma and Skol, and introduced its own global brand, Budweiser, to the market. AB InBev then reversed the process, picking one of the local leaders, Brahma, to build that brand outside of Brazil.

The world's largest market

The majors also continued to compete for share in the fragmented Asian market.

China, the world's largest beer market by consumption, is roughly twice the size of the US market. Lacking a beer drinking tradition, consumption per person is relatively low, which suggests that opportunity is high.

Although still a market of regional players, consolidation is happening in China. Snow, China's largest brand, acquired Hong-Kong based Kingway Brewery at the end of 2013, for example. China Resources, a State Owned Enterprise (SOE), and SABMiller jointly own Snow.

Top 10 Beer

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Bud Light**	12,580	3	16%
2	**Budweiser**	11,834	4	25%
3	**Heineken**	8,670	4	5%
4	**Stella Artois**	8,237	4	30%
5	**Corona**	8,025	4	21%
6	**Skol**	7,055	4	8%
7	**Guinness**	5,014	4	12%
8	**Aguila**	3,676	5	-6%
9	**Miller Lite**	3,630	3	17%
10	**Brahma**	3,585	4	-6%

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

Most of the regional beers are owned by one of the major global players. Harbin, which is strong in Northeastern China, is a subsidiary of AB InBev, which also markets other brands, including Budweiser, in China. Yanjing remains the only Chinese brand without a foreign partner and with intentions to remain independent.

Insight

Local beers and global premium brands shape brewer portfolios

The major global players are managing brand portfolios that are much more diverse. Whereas before the major global brewers would acquire local brands and consolidate them into their systems, today there is a mix of the global brands and the local brands. That's a change in strategy as the global brewers use local brands in local markets. And the international premium brands are riding on the back of these local jewels.

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MillwardBrown Optimor

Advertising, marketing and innovation

AB InBev's Budweiser remained the King of Beer in title, and its brand value increased 25 percent, but Bud Light was the preferred beer in America, one of the only markets dominated by light beers, including the MillerCoors brand Miller Lite.

Marketing and innovation sometimes came down to the shape of the bottle. Heineken changed the shape of its familiar green bottle, adding a long neck to create a sleeker look and appeal to younger drinkers, the same group AB InBev intends to reach with the cobalt blue bottle of Bud Light Platinum.

Corona continued its "Find Your Beach" campaign, emphasizing individuality and featuring the Corona bottle topped with the ritual slice of lime. In an appeal to America's Millennial and Latino drinkers, Corona offered a draft version of the beer, an early indication of how AB InBev intends to grow the brand.

Stella Artois reached Millennials by focusing on the glass, or chalice, rather than the bottle. The chalice and the pouring ritual dramatize the beer's premium positioning. Stella created an app that enabled people to send friends a virtual chalice of Stella, redeemable for a real beer at selected locations.

And people who registered through Facebook for the Stella Artois holiday promotion had the option of receiving a surprise gift or passing the gift to a friend. Passing the gift earned a donation to a charity and, for those with the longest gift chains, entry into a sweepstakes to win a hand-blown crystal chalice. Stella Artois brand value improved 30 percent.

Russia's Baltika, owned by Carlsberg, found a stealth way to air traditional commercials despite the national ban on beer TV advertising. A sponsor of the Sochi Olympics, the brand promoted its non-alcoholic Balitika 0 brand. By inference, the spots also reminded viewers about the rest of the beer's range, which is also branded Balitika followed by a number that distinguishes each taste variation. Z

Insight

Brand stories build customer interest in both local and international beers

Knowing where a product has been produced gives consumers a sense of confidence around their choice. However, there is a tension between the two sides of this trend – localism and provenance. On the one hand, the desire to support and feel part of a community helps to drive the interest in beers brewed locally – such as craft beer or local national brands. On the other hand, the aspirational appeal to tasting something produced in another part of the world is boosting premium world beer portfolios. In both cases, authenticity around origins is vital as well as transparency.

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ADDEDVALUE

Action Points for Brand Building

1. Remain relevant

Tap into the cultural context around consumers and tell engaging stories that connect consumers and their aspirations.

2. Celebrate the product

A lot of beer communication is about the drinking experience rather than about the beer and its quality and taste. But today, consumers often are looking for a unique or distinctive taste.

3. Emphasize the local

Beer is a global industry built on the legacies of local brewers. Those legacies are a source of strength, as they signify authenticity, quality and trustworthiness.

Insights: BrandZ™ BigData

Globally owned, regionally distinct

The consolidation of beer brand ownership has not eradicated the regional preferences and attitudes within the beer category. Among The BrandZ™ Global Top 10 most valuable beer brands, four are from Latin America, while Europe and the US have three each. The Latin American brands are meaningful, different and the most salient (meeting consumers spontaneous needs and aspirations). European brands are driven by greater premium and differentiation, while those in the US are generally less distinct.

These distinctions also are evident in the contrasting brand personalities. Latin American beer brands are "sexy," "playful" and "fun." Those from Europe are more "desirable" and "brave," while the US brands have less distinctive personalities.

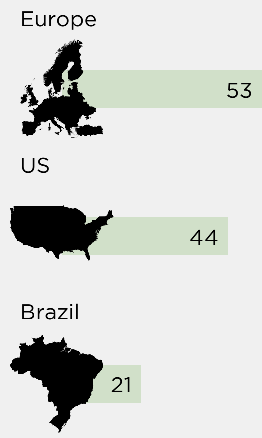
Source: BrandZ™ database
All brands average = 100

Spotlight

Changing tastes and habits shape beer consumption

Mature market consumers haven't lost a desire for beer, but they've changed their beer drinking habits. They're consuming less and instead looking for distinctive taste or experience. This trend is especially true of younger drinkers, the Millennials. Consumption remains higher in fast growing markets where the interest in a distinctive taste or experience is present but less important.

Like to try new drinks



Beer drinkers age 25 to 34 who are more likely to try a new drink

TGi

Source: TGI 2013 / Base: All beer drinkers
Percent who agree: I like to try new drinks.
Europe includes the UK, Spain, Germany and France.

Fast Food

Diners pick healthier options, but customer traffic remains flat overall

And sometimes a burger will do

10%

Definition

The fast food category includes Quick Service Restaurant (QSR) and casual dining brands, which vary in customer and menu focus, but mostly compete for the same day parts.

Although customer traffic at fast food restaurants remained flat year-on-year, sales strengthened for well differentiated brands and the brand value of the category improved 10 percent after a 5 percent increase a year ago.

Factors influencing how often consumers visited a fast food outlet and the brand they selected included price, occasion, concern about healthy eating and even the rise in online shopping, which affected the number of people lunching or snacking at shopping malls.

Of all the segments of QSR, or quick service restaurant business, fast casual traffic improved most, according to US research reported by industry journal *Nation's Restaurant News*. This segment, which includes brands like Chipotle Mexican Grill and Panera, met the consumer desire for healthier food and a comfortable ambiance.

Across the fast food category, brands continued to upgrade their locations and leverage the investment by driving customer traffic at other meal parts of the day, especially breakfast and mid-afternoon snacks, with new offerings and lots of coffee. The quick service segment, led by McDonald's, drew the largest share at breakfast.

The addition of menu items sometimes diluted the clarity of the brand message, however. The McDonald's share price lagged when service slowed as the company attempted to introduce many new menu items. McDonald's plans to simplify its offering and invest in kitchen equipment that enables more meal customization, a benefit it will market to customers. These developments impacted the category:

Menu innovation Wendy's focused on its core item, the burger, but presented it in a new way, on a pretzel bun that drove sales and received a lot of social media attention. Wendy's is new this year to the BrandZ™ fast food category ranking.

Benefits of franchising By shifting to mostly franchise operated restaurants, Burger King reduced costs and almost doubled its net income. Its stock price surged and brand value improved 9 percent.

Improved ambience McDonald's will have about half of its roughly 35,400 units remodeled by the end of 2014. KFC, mostly known for its fried chicken, opened a fast casual prototype in Louisville, Kentucky, headquarters of Yum Brands, the corporate parent also of Pizza Hut and Taco Bell.

Expanding the day and the menu

With traffic flat, brands focused on building business throughout the day, especially at breakfast, but also at potential snack times, reflecting how daily routines have become less regimented around three defined meals, leaving more time for grazing.

Consumers typically select their breakfast stop based on convenience and habit, although a well-priced offer can interrupt ritual. For lunch, people prefer variety and brands attempt to get into the consumer's repertoire. Brand leaders responded to these dynamics.

Having recently refined its logo to focus on the image of the siren and eliminate the reference to coffee, Starbucks broadened the brand offering around the core brand experience of affordable luxury. To fortify breakfast and build its snack and lunch business it added baked goods, sandwiches, salads and soups, leveraging its 2012 acquisition of La Boulange bakery.

The company also expanded distribution of its Evolution Fresh juices in its own stores and in supermarkets. Starbucks is introducing Yoghurt made by Danone, under the Evolution Fresh brand. And Starbucks also featured cold beverages that it calls "handcrafted sodas," with three flavors – ginger ale, lemon ale and spiced root beer – prepared by baristas. After testing alcohol and hot food in several cities, Starbucks plans to roll out this initiative throughout the US over the next few years.

McDonald's added pastries to its breakfast business, a mealtime that it dominates in the US with offerings like its "Egg McMuffin." Aiming to break a consumer habit and grab share from a competitor, Burger King featured a similar item, priced at a dollar, with the line, "It's not that original, but it's super affordable."

The priority of health

Although McDonald's and Burger King added salads to their menus, those items did not drive significant business. When customers go to the burger segment leaders, they've chosen a particular experience. The larger health message from burger restaurants is not only about menu items but also about the safety and standards of food sourcing and preparation.

Top 10 Fast Food

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**McDonald's**	85,706	4	-5%
2	**Starbucks**	25,779	3	44%
3	**Subway**	21,020	4	26%
4	**KFC**	11,910	3	20%
5	**Pizza Hut**	7,535	3	25%
6	**Chipotle**	7,372	4	48%
7	**Tim Hortons**	4,050	4	20%
8	**Panera**	2,871	5	-5%
9	**Wendy's**	2,714	3	New
10	**Burger King**	2,664	2	9%

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

Chains like Chipotle and Panera fit more squarely in the health trend as they offer food in a counter-service, fast food environment, but their value message is about more than price and includes both quality and the dining room environment.

Tim Hortons, which dominates the Canadian market with around 3,470 restaurants, takes a similar approach with an emphasis on hot meals, like lasagna, served in a bowl to evoke a home cooked feeling. Like any fast food chain, Chipotle, Panera and Tim Hortons deliver taste, but they emphasize the taste of ingredients rather than sauces.

Chipotle promoted its "food with integrity" strapline with a social media video series called "Farmed and Dangerous." In one episode, a friendly and entrepreneurial scarecrow tours a nightmarish cartoon depiction of industrial food production and then begins its own fresh food business.

Insight

Value equation combines price, quality, experience

Chains like Chipotle and Panera bridge the gap between fast food and sit down casual. If value is about price, quality and experience, they over deliver on quality and experience. The brands might be a little pricier but their value equation works. It works because a lot of people today are looking for tasty and healthier versions of what they normally eat.

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With its claim of fresher ingredients, Subway also benefits from the interest in health. To underscore freshness, Subway featured Kermit and Miss Piggy in a video where the Muppets meet Subway spokesman Jared Fogel and the Swedish Chef Muppet prepares a sandwich loaded with vegetables.

Social and digital innovation

In a marriage of digital and restaurant theater, Pizza Hut, a leader in digital online ordering, experimented with in-restaurant ordering technology. A tabletop functions like a giant interactive screen and customers order by touching virtual pizzas and toppings.

Wendy's reached over 85 million Facebook users with a series of videos in which a musical group adopted lyrics submitted by fans into "Pretzel Love Songs" to promote the chain's pretzel bacon cheeseburger. About three-quarters of participants accessed Facebook with a mobile device.

Wendy's subsequently announced that it would accept mobile payment at roughly 6,500 US locations. Burger King updated its mobile app to allow smartphone payments. Around 11 percent of weekly transactions at Starbucks US locations are made with a mobile device. The brand upgraded its iPhone app to enable customers to add a tip for the barista.

In other social and digital marketing efforts, Burger King rolled out bkdelivers.com for home delivery and McDonald's tweeted to build traffic during off hours, when people might feel like snacking.

Fast growing markets

Growth for fast food brands slowed in China because of the cooling economy and food-sourcing issues, including a bird flu scare that impacted KFC. With about 4,600 outlets in China, KFC is recovering from weakened sales over food safety concerns related to its supply of poultry. A campaign to reassure Chinese consumers began in late 2013.

Insight

Expectations rise for food that's healthy and also fast

The fast food category continues to be value driven. But we're seeing increased consumer expectations for the healthiness and quality of the food they get both at supermarkets and restaurants. There's a movement along the food chain that's starting to acknowledge pressure for better food formulation and improved treatment of animals. We also see that the people who prepare these more considered menu offerings seem to have a passion for the brand mission, which helps build the business.

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McDonalds's has around 2,000 restaurants in China. Starbucks is present in China with over 1,000 stores and is expanding in India with Tata as a joint venture partner. Burger King announced plans to enter India with the Everstone Group as a joint venture partner. The chain controls around 13,600 restaurants worldwide, mostly franchises, over half located in North America.

Brands are developing a presence in Southeast Asia, with McDonald's and Starbucks opening in Vietnam. And as if the usual challenges of global expansion weren't sufficient, KFC opened its largest drive-thru restaurant in Kiev, Ukraine. Z

Action Points for Brand Building

1. Be healthy

Given a choice, consumers today prefer to eat healthier. That doesn't mean they'll never indulge. And it doesn't mean they'll restrict their diets to only green and leafy stuff. It does mean that when people eat out they want tasty but healthier versions of their favorite meals.

2. Be consistent

Along with their global success, McDonald's and Starbucks share at least one other common characteristic. Their restaurants are an important place in the lives of customers. Customers regularly return because each brand consistently delivers on its promise.

3. Be fast

Whether you call it fast food or QSR (Quick Service Restaurant), the essence of the category is in the name. Speed pertains to all aspects of the experience from ordering to delivery and payment. In some categories customers may appreciate the convenience of mobile wallet transactions, in fast food they're likely to expect it.

Insights: BrandZ™ BigData

McDonald's defines value, brand power

McDonald's defines both value and brand power in the fast food category. The McDonald's brand value is greater than the total of the next nine most valuable fast food brands. This phenomenon reflects consumers' experience of McDonald's as the brand that spontaneously meets their needs far better than the main competitors (saliency). McDonald's also is the most famous brand, which shows up in awareness.

Salient (average brand = 100)

McDonald's 216

Next Top nine 106

Awareness (average brand = 78%)

McDonald's 98%

Next Top nine 88%

Source: BrandZ™ database

Spotlight

Snacking between meals highest in the US

Snacking between meals is much more prevalent in the US compared with China and Europe. This US snacking habit is one of the reasons that fast food brands are expanding menus to build business throughout the day and not just at traditional meal times. People worldwide, and especially in the US, say they consume treats they know are unhealthy.

Eating snacks between meals 2013

US 64

China 41

Europe 22

Eating unhealthy treats 2013

US 42

China 35

Europe 31

TGI

Source: TGI 2013 / Base: All adults 18+
Percent who agree: I eat snacks on the move rather than a proper meal; I treat myself to foods not good for me. Europe includes the UK, Spain, Germany and France.

Soft Drinks

Perfect storm of challenges siphons category strength

Brands respond with marketing and innovation

Consumers still reached for carbonated beverages, but not as often.

Demographics, health issues and changing tastes continued to pressure the sector, even in fast growing markets. The category rose in brand value, but only by 4 percent.

The population that traditionally drove cola sales, young people, is smaller in mature markets. Consuming fewer carbonated beverages, young people turned to alternatives like energy drinks and waters enhanced with vitamins.

Coconut water was especially popular in the US, falling under the general rubric of healthy, enhanced hydration. But even alternatives can raise issues. To counter the concern with sugar level, Tropicana, the orange juice brand owned by PepsiCo, added a line extension called Tropicana 50, which contains half the amount of sugar.

Consumption of CSDs (Carbonated Soft Drinks) declined for the ninth straight year in the US, with a 3 percent drop in 2013, according to *Beverage Digest*. The industry publication reported that CSD volume in the US retreated to its 1995 level.

Main brands, such as Coke, Pepsi, Mountain Dew and Dr. Pepper outperformed their diet versions because of consumer concern with artificial sweeteners, according to *Beverage Digest*. These other trends emerged:

- **Regulations** Because of health issues some national and local jurisdictions limited where brands could sell products (not near schools) and in what sizes (no giant drinks).
- **Choice** Although the category is the target of regulations and health concerns it keeps expanding and fragmenting.
- **Occasion remains key** Colas continue to market their brands for treats or indulgence, understanding that for the consumer ordering a slice of pizza and a beverage, immediate pleasure is the primary concern.

Innovation and experience

To achieve a level of personalization and unique experience, Coke partnered with Green Mountain Coffee, the company that makes single-serve coffee pods that include a selection from Starbucks. Coke intends to offer a range beverages prepared at home by the consumer.

The innovation is aimed especially at Millennials. It assures having the beverage when and where you want it. It also personalizes the product and delivers it with a unique experience in an at-home variation of Coke's Freestyle vending machine, which enables consumers to mix about 100 flavors.

The approach is also based on the success enjoyed by Nespresso, which has created an experience around coffee drinking at home. With all its flavor options, Nespresso has made coffee into more of a treat.

In a separate innovation aimed at reviving the soft drinks category and remaining relevant, Coke launched Coca-Cola Life in Latin America, with cans that look like Coke but are green to emphasize both sustainability and health. The drink uses a combination of real sugar and artificial sweetener.

Betting that there's still a growing market of young people who will drink carbonated beverages that are made without corn syrup and preservatives, and offered with some sense of personalization and authenticity, Starbucks is introducing a line of sodas prepared by baristas in its cafés.

4%

Definition

The soft drink category includes these non-alcoholic ready-to-drink beverages: carbonated soft drinks (CSDs), juice, bottled water, functional drinks (sport and energy), coffee and tea (hot and iced).

Top 15 Soft Drinks

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Coca-Cola**	67,712	5	5%
2	**Diet Coke**	12,972	3	-5%
3	**Red Bull**	10,873	4	3%
4	**Pepsi**	9,318	3	-5%
5	**Nescafé**	6,676	4	18%
6	**Tropicana**	5,178	4	8%
7	**Nespresso**	4,970	4	11%
8	**Fanta**	4,879	2	23%
9	**Sprite**	4,545	3	10%
10	**Gatorade**	4,115	3	10%
11	**Minute Maid**	2,483	3	8%
12	**Mountain Dew**	2,331	3	-7%
13	**Diet Pepsi**	2,158	3	-3%
14	**Dr. Pepper**	2,115	3	-5%
15	**Aquafina**	1,778	2	New

Source: Valuations include data from BrandZ™ and Bloomberg.
Note: Diet Coke includes Diet Coke, Coca-Cola Light and Coca-Cola Zero.
Brand contribution measures the influence of brand alone on earnings on a scale of 1 to 5, five highest.

MillwardBrown Optimor

Insight

Has the soda decline finally fizzed out?

Carbonated Soft Drink (CSD) consumption has declined over the past 25 years. The recent backlash from critics regarding high calorie and sugar content accelerated this trend. In addition, diet soda has faced criticism about artificial sweeteners. Historically, 85 percent of the US population consumed CSDs. Now, less than two-thirds drink in the average week. However, in the past two years the category has stabilized; still attracting more consumers than any category excluding tap water and owning the need for a "fun treat." With the innovative surge of lower calorie and natural variants, can the category attract consumers back to CSDs?

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Marketing the brands

Pepsi refocused on the Pepsi brand and invested heavily in marketing, particularly on traditional media, having focused earlier on social media. It aimed at reaching young cola drinkers with its "Live for Now" campaign and with the use of celebrity spokespersons, including Beyonce.

Pepsi also attempted to reach a young audience with the variety of flavors available from its Aquafina bottled water brand. Its Gatorade continued to dominate the sport beverages. After public concern over a Gatorade ingredient called BVO, brominated vegetable oil, the brand agreed to remove it.

In its focus on events and youth, Pepsi resembled the approach of Red Bull, the energy drink, with its sponsorship of music events along with extreme sports and other high-energy adventures. Sprite, a Coca-Cola lemon-lime drink, continued to benefit from being a clear beverage, which adds to the perception that it's a healthier carbonated option.

The Coke "Open Happiness" campaign connected with people in an emotional way that emphasized the appeal and universality of the brand rather than the properties of the product. In an ad shown during the Super Bowl, Americans of various backgrounds performed "American the Beautiful," each phrase sung in a different language, connected seamlessly into a musical quilt representing America's diversity. To build on the traditional connection between cola and food, Coke marketing attempted to associate the brand with the home mealtime occasion.

Fast growing markets

Marketing cola as a drink for mealtime traditionally has been a way to cultivate cola drinking in fast growing markets. However, the standard assumption that rising wealth will drive steady soft drink growth in those markets is less true today because more products compete for the spending of the rising middle class.

In expanding in fast growing markets, brands faced multiple challenges including the taste appeal and health concerns. Health and childhood obesity are factors in China. Chinese generally don't like the sensation of carbonation and prefer other drinks, like tea.

Tea is also popular in India. Indians are more disposed to drink carbonated beverages, and they have options to choose from, including Coke, Pepsi and Thums Up, a local brand acquired by Coke.

In another version of spreading happiness, Coke featured people in India and Pakistan in front of Coke vending machines designed so that the people from each nation could see each other, communicate and exchange the gift of a Coke. Z

Insight

Changing habits drive shift away from cola

In developed markets, consumption of carbonated drinks has been virtually flat for several years. Demographics in part drive this trend, but so do changing tastes and health concerns. Young people remain the primary consumers of carbonated drinks, but they are drinking less soda than past generations did. In Europe that population segment is shrinking while in the States, the Millennial group is growing slightly, but they have less money and more choices than previous generations. Driven by health concerns and changing lifestyles and tastes, young people are turning to other soft drink options like enhanced waters and energy drinks.

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Action Points for Brand Building

1. Innovate

Health concerns about CSDs (Carbonated Soft Drinks) aren't going to disappear. But the category is broader than CSDs and it's possible to grow in areas that satisfy both the consumer desire for a satisfying beverage and health concerns.

2. Create new experiences

Drinking involves more than quenching thirst and enjoying taste. The experience consumers have as they drink a beverage also influences their feelings about the brand.

3. Support the brand

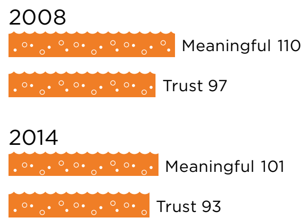
Integrated media campaigns can strengthen the consumer's emotional connection to the brand when the stories evoke positive memories and connections.

Insights: BrandZ™ BigData

Category goes flat as attitudes change

The health and obesity debate, government pressure and consumer awareness of ingredients are all contributing to a decline in "meaningfulness" (generates '"love," meets needs) of the carbonated soft drinks category. Although the leading brands, and Coca-Cola in particular, continue to be extremely successful and engage their consumers, we see a decline in "meaningfulness" and "trust" as consumer needs and attitudes change.

Soft Drinks Top 10 brands



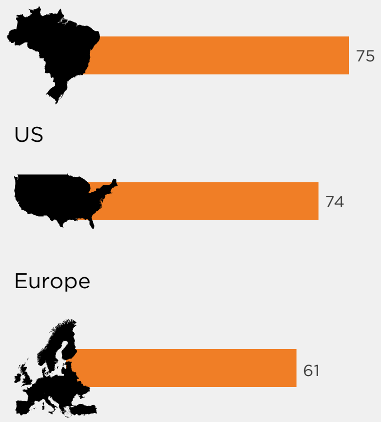
Source: BrandZ™ database
All brands average = 100

Spotlight

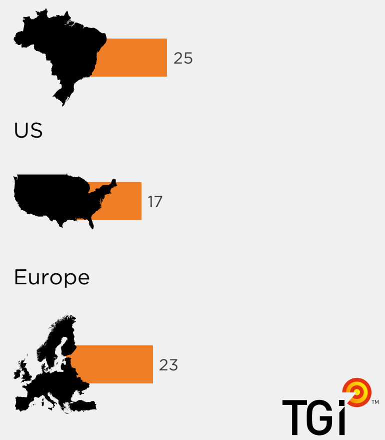
Cola crosses all age groups, as energy drinks draw young

Cola drinkers span all age groups, especially in the US. Energy drinks are popular with young people. In the Brazil, the US and Europe about a third of people age 25 to 34 said they had an energy beverage in the past year.

Cola drink consumption 2013



Energy drink consumption 2013



TGI

Source: TGI 2013 / Percent of consumers who drank beverages within the past year. Europe includes the UK, Spain, Germany and France.

MY BRANDS. MY SELF.

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As humans, we constantly seek to define and evaluate ourselves, using social interactions, experiences and personal inventory to project our own identity. Community and participation are powerful influencers: we crave connections with people whose beliefs and values we share. And with digital as the mighty enabler, our connections are widening alongside our collective experiences.

People's relationships with brands have changed. A recent survey [GlobalWebIndex] asked consumers how they would want a brand to act towards them: 50 percent of 25-34 year olds reported their favorite brand plays an integral part in their online life and experience, while 38 percent would buy a product or service simply to be part of the community around it.

Add to this the Convergence Economy [LS:N Global] where boundaries between brands, sectors, economy and emotion are dissolving. Look to retail spaces, products, hospitality and entertainment and there's one distinctive theme: it's difficult to tell one thing from the other.

Consequently, we need a fresh way to activate brands, to find new ways to engage with people and gain a greater share of life and "share of self."

Today's smart winners are imaginative, reaching outside of their historical boundaries to create new experiences and solutions. Nike, Samsung, Sony and others, are moving from purely product offers to services and lifestyle enhancement. For the time poor, Google's Future Home has launched life-enhancing apps from voice-activated cooking to tablet-operated smart TV.

Such brands are going wide and creating partnerships to take an increased share of life. Clothing retailer Banana Republic has collaborated with Condé Nast Bon Appetit and online reservation service Open Table to create a Desk to Dinner collection – an innovative solution for the working woman while making the brand relevant to a much larger market. Through a collaborative movement, Shop Elsewhere in Hong Kong enabled independent fashion retailers to recommend each other's products, allowing shoppers browsing in one designer's store to activate the QR code on an item, leading to a web site with recommendations for other designers' products pre-selected to match. Designers increased reach and attracted new clients while creating a unique in-store experience.

Critical to brand success in this digital age is the ability to create precise and relevant connections and experiences, with communications that engage people at the right time, in the right place and in the right way. Mastery of big data has replaced supposition to extract real time consumer insights, enhancing a sense of self. In Korea, retailer Emart created a mobile, Wi-Fi flying store. High footfall rivals were visited by the drones encouraging consumers to connect to the flying store via smartphones. Once connected, consumers were directed to the Emart online shopping portal to access discounts. The result: satisfied, value conscious shoppers and soaring sales for Emart.

The human brand

Technology and data are merely brand conduits and enablers. The reality is that brands are transitioning from acquaintance to become life influencers in real and valuable ways.

Smart brands are inviting people to share an experience, rather than product. Apple changed the retail landscape forever to become the supreme shopper experience where people could learn, seek help and socialize. In tandem with its aspirational product it became an iconic global brand with the best brand retention in the industry [source: WDS]. And this engagement goes beyond the physical, with 10 percent of Internet users having talked about Apple online (GlobalWebIndex). In Latin America, Huggies moved the hearts and minds of parents when, to celebrate Friendship Day, it delivered a special crib for two new born babies to a maternity ward. Bringing two boys together meant each had their first friend. And Huggies created a moment parents would never forget.

Apple and Google's brand-lifestyle ecosystems are an elegant attempt by both brands to refocus themselves around an arresting experience; demonstrating reliability, innovation, design and a defined personality across every customer touch point.

Participatory brands are here and now

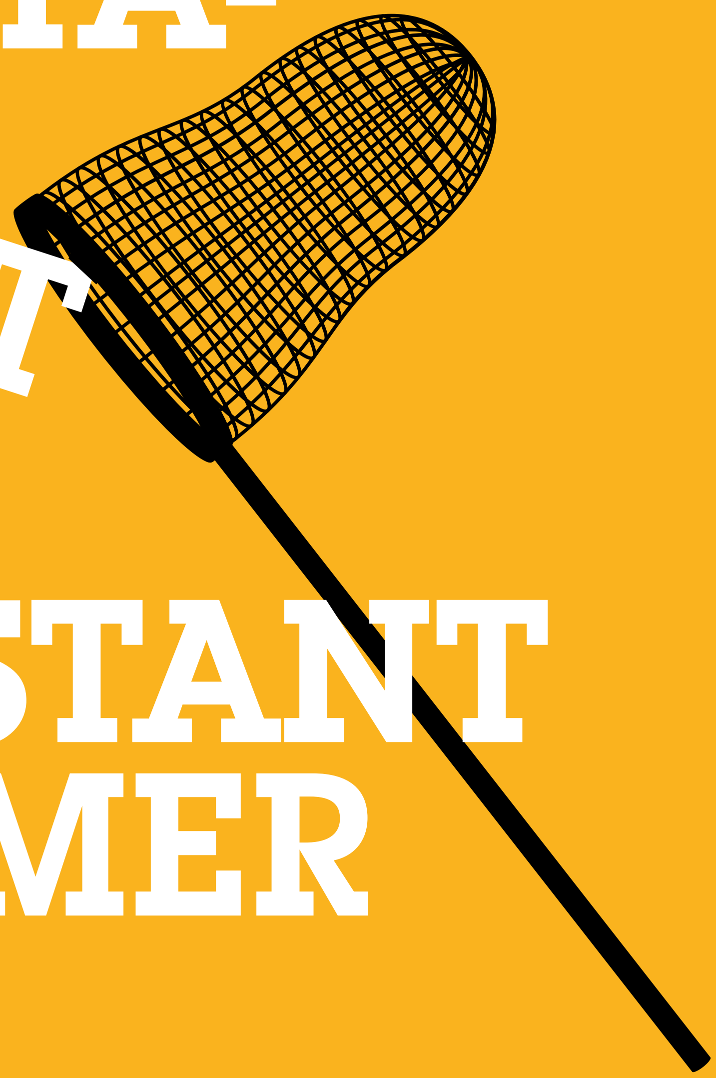
The past is another country for brands, as they journey towards a social role within a much broader community. People are now invited to view brands as they do their friends, colleagues and partners – offering products and services the opportunity to embrace change and help people to think smarter, lead healthier lives, and enjoy richer experiences. To succeed, a brand simply has to be clear about its own values, and the places, spaces and occasions where it has both role and purpose.

1. People are seekers, searching for solutions – functional or emotional – to support both them and their identity. Brands must understand these needs and their associated behaviors.

2. In doing this, brands can move away from industry definitions of category to identify opportunities by observing consumer and shopper behavior relating to consumption, usage occasions and solutions that enhance people's lives.

3. For example, in Asia, Cadburys incentivized shoppers to give chocolate at key gifting occasions with its "Say it with chocolate" campaign. Allowing shoppers to create personalized messages in store, this innovative approach created a crucial social connection with the brand, sharing joy and changing purchase behavior.

THE DATA-DRIVEN PURSUIT OF THE INCONSTANT CONSUMER



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Consumer attitudes can be shifted with a single tweet, and entire categories are being disrupted by the technologies we carry in our pockets. As the media industry has gone through massive upheavals in the past decade, our attitudes as consumers are more fickle than ever. Social media, in particular, can trigger flash points for brands, such as the horse meat scandal from 2013. Even for brands not directly involved in such controversies, they may also experience a slower and broader escalation of shifting consumer preference – consider the growing consumer and corporate interest in sustainable meat, including Chipotle and McDonald's.

To succeed commercially, brands must be dynamic and innovative. Some innovation is a routine part of business: Moore's law driving down the cost of technology and raising the bar for capacity, or evolving an existing product to deliver on changing consumer preferences (e.g. gluten-free cereal). But other innovations seemingly come out of left field, whether it's from a new entrant to the market (such as Airbnb's disruption of hospitality) or a radical re-imagining of an industry (like Amazon's takeover of digital media content). Ultimately, both types of innovation must be supported by consumer demand (however latent), whether that is an incremental desire for a slightly better product or a rapid adoption of a transformative technology.

Savvy brands will need to tap into research to better understand how that consumer demand is shifting as well as to anticipate the potential for their own brand and category to proactively connect with and shape the consumer mindset. Marketers are anxious to anticipate the consumer-driven shifts, and they specifically crave access to the robust cloud of data we each generate.

In the age of "Data of Now," there is a persistent sense that the next trend will leap off the page (or out of the database) just in time for a brand to pivot and capture a newly defined market. So as purveyors of consumer trends and insights, it is our own industry that is most ripe for disruption – if brands are looking to make data-driven decisions, they will be leaning more heavily on market research. Yet as researchers, we are caught in a paradox: consumer profiles, augmented by social, behavioral, and transaction data, can be richer than ever. But the same media ecosystem that helps foster this depth is also a quagmire.

There are not only technological barriers to building these profiles (such as tracking a single consumer's behavior across a computer, a tablet, and a mobile phone), but also serious ethical concerns around consumer privacy and consent. We anticipate that innovation could help ease some technological impediments, but that regulatory action as well as consumer concerns will constrain the full use of this data.

Finding meaning in mass data

Moving forward, it will be increasingly difficult to obtain comprehensive single-source data on a single individual. We may not know what Jane Doe saw on TV, how often she tweeted, or what she bought at which store. But by taking seemingly disparate datasets that reflect niche patterns of consumer behavior, and identifying their common patterns, we can generalize with more accuracy and meaning. Online behavioral data can give us a sense of search patterns and overall levels of product demand; social data can tell us what stands out about a brand over time; sales data can give us concrete outcomes; and survey data can help us calibrate each of these habits, attitudes, and actions in relation to one another. Some of the data may not even be direct consumer data, but broader market influences. Advancements in analytics allow us to be able to infer and simulate meaningful trends using a different set of data points than we've worked from previously. Enabling this diversity in the research ecosystem makes our instruments more sensitive to both consumer and market shifts originating from unexpected corners.

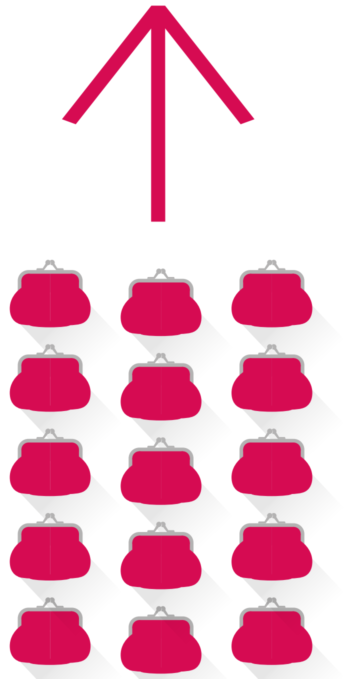
As disruption creates competition from unexpected sources, brands will need to do more than achieve parity with their category; it may no longer be enough to simply meet consumer expectations. Especially for companies whose branding is the primary source of differentiation, it becomes more important than ever to have a deep understanding of the consumer in order to connect the brand to the meaningful desires and values motivating our choices. Ultimately, the forward movement of industry disruption comes from a business – and not consumers – but integrating stronger consumer data into market projections can help companies better identify unexploited opportunities, and position their brands for growth among the consumers who support them.

B

Banks – Global

US and European resurgence drives growth as BRICs slow

More revelations erode trust



15%

Definition

The bank category, which includes both retail and investment institutions, is split into two tables, 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 country.

It felt like Ground Hog Day for banks.

Global banks benefited from improving economic conditions in North America and Europe. Overall brand value for the category rose 15 percent. But even as financial results improved and banks strengthened their organizations, problems surfaced that slowed renewal of trust.

Consumers expected that coming out of the financial crisis, and accepting government rescue, banks would change. And many did, restructuring their mix of consumer, commercial and investment banking, reforming internal culture and improving customer communication.

But even banks that conscientiously attempted to reform were hurt by revelations of past misdeeds and the public rebuke that followed when announcements of quarterly results came with new warnings attached. The public also expressed anger at banks over high levels of executive compensation.

When US regulators reviewed the stress test results that assess a bank's ability to withstand crisis, it failed the US operations of several European banks and Citi, even as the bank reported its highest annual net income since the financial crisis. These other trends also impacted the category:

- **Regulations** The growth of post-crisis regulations continued to shape the banking industry, with banks struggling to predict and organize for the implications.
- **Regionalization** After being stalled by the Euro crisis, the regulatory reform necessary for the formation of pan European banks may now resume.
- **Disruption** Banks faced disruptive technological changes, like mobile payments and the entry of non-banking entities into the category.

Reorganizing and rebuilding

Geography was an important consideration as banks considered how to restructure and strengthen their businesses. The Dutch-based ING separated its insurance and banking businesses and reduced its presence in the US and South America to focus on its operations in Europe and on certain opportunities in fast growing Asian markets.

ING's underlying net earnings improved 22.2 percent in 2013. Having repaid most of the bailout received from the Dutch government, and nearing completion of a restructuring strategy, the bank shifted to a posture it termed, "Think Forward."

HSBC also streamlined. After trimming 63 businesses over the past few years, the bank was well positioned in the fast growing markets and in Europe. HSBC improved profits, dividends and capitalization. Net profit increased 16 percent in 2013.

With the strengthening of Spain's economy, Santander planned to expand its loans to small and medium-size businesses. Based on the improved economy in Spain and other core markets, including Brazil, Mexico, the US and UK and Continental Europe, Santander reported a 90.5 percent profit increase in 2013.

As many banks narrowed their geographic reach and business focus, France's BNP Paribas took the opposite approach, deciding to remain in diverse lines of banking and accelerate expansion outside of Europe, particularly to North America and Asia Pacific. BNP Paribas appears in the BrandZ™ Global banking category ranking for the first time this year.

Investment Bank Goldman Sachs rebounded with its highest profit in three years, which drove an increase in stock price. Standard Chartered, heavily invested in fast growing markets, experienced its first profit decline in a decade. Most of its income is generated by business in Asia, Africa and the Middle East.

Top 10 Global Banks

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**HSBC**	27,051	3	13%
2	**Citi**	17,341	2	30%
3	**J.P. Morgan**	12,356	2	28%
4	**Santander**	11,060	3	20%
5	**ING Bank**	9,771	3	29%
6	**UBS**	9,683	2	30%
7	**Barclays**	9,536	2	19%
8	**BNP Paribas**	9,453	2	New
9	**Standard Chartered**	9,150	2	-10%
10	**Goldman Sachs**	8,400	3	14%

Source: Valuations include data from BrandZ™ and Bloomberg.
Note: Global Banks are defined as those who generate more than 40% of revenues outside their home.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

Restoring trust

Banks attempted to restore consumer trust in the wake of the financial crisis, the Libor scandal about interbank borrowing rates, various trading improprieties and public anger over compensation paid to key executives. ING introduced new corporate values in 2013, summarized as: we care, we are clear and we commit to act with integrity.

Following the turbulence of the financial crisis, a government bailout and a trading scandal, UBS changed leadership and implemented a major strategic shift to focus more on wealth management and less on investment banking. The bank reported a 44 percent increase in pretax profit in 2013. It announced that, starting in 2014, the bank would pay out half of its profits to shareholders.

For J.P. Morgan, 2013 was a year of resolving outstanding legal and regulatory issues in an effort to turn the page on problems lingering since the financial crisis. Overall revenue was flat and net income declined.

Barclays promulgated a statement of purpose, values and behaviors called "The Barclays Way." It created guidelines for conducting business and interacting with customers to make sure that decisions are based on the best wisdom available and not internal pressures.

Criticism of corporate bonuses hurt this effort, even as the bank argued that recruiting and retaining the best talent, to remain competitive, required high financial compensation.

Insight

Global banks serve changing corporate and individual needs

People moved to local banks because of the lack of trust they had for larger institutions. But global banks serve a broader purpose, supporting companies as they become global and helping individuals as they become more global in how they live their lives. Companies and individuals want banking relationships that make it easy to build a business or live a life internationally. That seamlessness is the global banks value proposition. Perhaps there will be a shift in the purpose of global banks, and the need for them will continue to be important to generating global growth.

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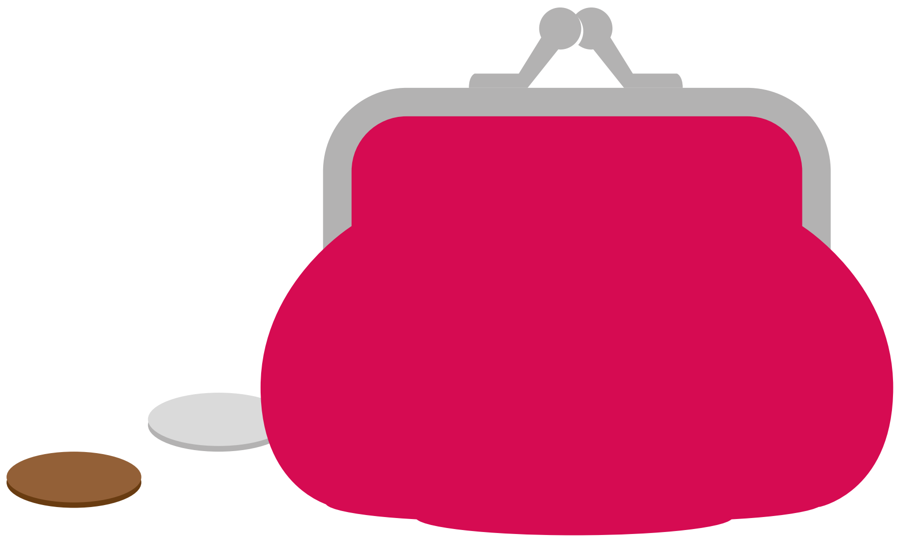

Banks – Regional

North American, Australian banks prosper as economies strengthen

Chinese banks struggle with slowdown

Top 10 Regional Banks

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Wells Fargo**	54,262	3	14%
2	**ICBC**	42,101	2	2%
3	**China Construction Bank**	25,008	2	-7%
4	**RBC**	22,620	4	13%
5	**Commonwealth Bank of Australia**	21,001	3	18%
6	**TD**	19,950	3	12%
7	**ANZ**	19,072	3	15%
8	**Agricultural Bank of China**	18,235	2	-9%
9	**US Bank**	14,926	3	9%
10	**Bank of China**	14,177	2	0%

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

The brand value of the regional bank category appreciated 6 percent overall in the BrandZ™ Top 100 Most Valuable Global Brands 2014, compared with a 15 percent increase a year ago. The ranked banks divide into two groups.

The six banks from the strong economies of North America and Australia appreciated in brand value, with US Bank appearing in the BrandZ™ regional banks category ranking for the first time. The four Chinese banks, affected by the country's slower growth rate, either declined or remained flat in brand value.

Having generally avoided the risky loans that caused the financial crisis and government intervention, both the US and the Canadian regional banks were well positioned to benefit from the resurgence of the US economy.

Chinese banks felt the impact of liberalized regulations, an increase in loan repayment problems, and a reduction in capital investment borrowing by State Owned Enterprises (SOEs) and regional governments. In addition, these other trends impacted the category:

- **Disruption** Especially in China, Internet companies offered online lending, investment products, and mobile payment options.
- **Slower BRICs growth** Despite India's economic slowdown, India's ICICI experienced profit growth, but Indian banks set aside larger provisions for bad loans.
- **Regional to global** Sberbank, which expanded from its roots in Russia to countries of the Former Soviet Union and then to Central and Eastern Europe, considered acquisitions outside of Europe.

US economy gains strength

Wells Fargo became the most profitable US bank in 2013, on the strength of loan growth and fee income. Net income improved 16 percent. The bank's stock rose 33 percent during 2013.

Wells Fargo increased in scale dramatically when it acquired Wachovia, in 2008, without inheriting the kinds of subprime mortgage liabilities that hurt many of its peers.

The integration and rebranding went relatively smoothly and Wells Fargo passed the stress tests that US regulators designed, following the global crisis, to assess whether institutions have adequate capital and other resources necessary for surviving a similar event.

US Bank achieved record earnings in 2013, with strong growth from commercial loans and other lending activity, including credit cards and home mortgages. The bank operates from around 3,080 offices in 25 states. It recently doubled its presence in Chicago.

Insight

Brands need to fix core issues before talking about values

Six years after the crisis, many major banks still have to announce multi-billion dollar provisions for the mistakes made in that period. The key question is when will banks become truly sustainable again? The customer-facing part is important, but banks need to deal with their capital base and other structural issues first. Until a bank is fundamentally sound, it can't solve its long-term problems. The transition to sustainable finance is difficult because it means slower growth, lower profits and is perceived as bad news for shareholders in the short term.

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Canada and Australia show strength

Canada's two largest banks, TD Bank and Royal Bank of Canada (RBC), experienced healthy business in 2013. TD Bank grew net income despite pressure on its insurance business. RBC produced strong results, with its net income up 12 percent.

The banks benefited from their significant operations outside of Canada. TD is one of the largest banks in the US, based on assets. It services more than eight million customers through its network of approximately 1,300 locations across the US. RBC operates in 46 countries. A weakened Canadian dollar made the banks' strong US results even better.

The Australian banks prospered because of the stability of Australia's economy and the proximity to the fast growing markets of Asia. ANZ, Australia's third-largest bank by market capitalization, has grown through acquisition, having purchased the operations of Royal Bank of Scotland in six Asian countries.

Commonwealth Bank of Australia enjoyed positive results based on rising home prices and a robust mortgage business. It has over one million home loan customers. The bank's range of businesses includes retail, corporate and institutional clients. The bank operates in Australia, New Zealand, Asia-Pacific and Europe.

Slower growth impacts China's banks

Slower growth in China and other BRIC markets impacted the Chinese banks, which also contended with market reforms that pressured profits made from loans and pushed banks to look for fee-based products.

Several Internet companies, including Tencent, Baidu, and Alibaba disrupted banking with applications that made it easy for consumers to keep some of their savings in online accounts for higher yields and make financial transactions with their mobile devices. China Mobile bought a stake in Shanghai Pudong Development Bank to facilitate its entry into financial services.

ICBC, China's largest lender, continued its traditional role of funding the projects of State Owned Enterprises (SOEs), focusing a lot of activity in Western and Northeastern China. It also cultivated business among new, small business clients.

Driven by slower growth at home, China Construction Bank, the nation's second largest state-owned bank, looked abroad for business, opening six overseas branches, in Taipei, New Zealand, Russia, Dubai, Osaka and Luxembourg. In China, it moved into retail, opening an online shopping platform.

Agricultural Bank of China accelerated its transition to a modern commercial bank by improving the coordination between its growing urban and international business and its base in China's rural communities. Already present in Asia, North America, and Australia, the bank received permission to open in Dubai.

The state-owned Bank of China is the country's most international bank, with operations in 37 overseas countries. Determined to build a global commercial banking business, Bank of China developed relationships with currency trading exchanges in Asia and London. Z

Action Points for Brand Building

1. Set the bar high

Formulate high standards and inspire the organization to meet or exceed them. Customers appreciate performance more than apologies.

2. Be ready when the bar falls

Anticipate that problems from the past will come back to impact the present. Hold your nerve. Be open. Make it right. The past will pass and fade from the public's memory. Until another issue serves as a reminder. So no excuse for complacency.

3. Know your place

It could be global, regional or local. There's a place for the global bank that meets the needs of international corporations and cosmopolitan customers. And there's a need for more narrowly focused operations. But it's difficult to be all things.

4. Be agile

Competition has increased from outside the category. A lot of other organizations are looking to eat your lunch. Prepare for the new ways people will interact with their banks. Use technology effectively to meet customer needs.

Insights: BrandZ™ BigData

Brands suffer from lack of trust and love

Global bank brands, even the Top 10, attracted negative sentiment before the recession, and this dilemma has increased dramatically.

2014 (2008)

Arrogant 117 (109)
Dishonest 114 (105)
Uncaring 111 (104)

Banks may be performing well financially, but trust has shown dramatic erosion.

Trustworthy 94 (101)

Regional banks are rated significantly better by their customers, however we still see an erosion of trust.

Trustworthy 104 (109)

The contrast between the Top 10 regional and Top 10 global brands is stark. Regional banks are more "meaningful" (meeting the needs of their customers with greater affinity) than global banks.

Meaningful

Regional 130
Global 92

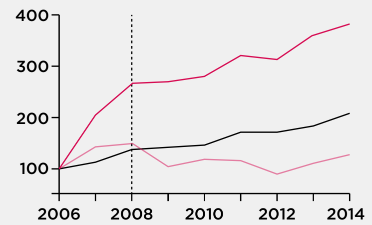
Source: BrandZ™ database
All brands average = 100

Spotlight

Global bank brand value growth lags Top 100 increase

Since the inception of the BrandZ™ Top 100 Most Valuable Global Brands in 2006, regional banks have experienced strong brand value appreciation. In contrast, brand value growth of the global banks has lagged the growth of the Global Top 100 overall. Following the financial crisis of 2008, as the Global Top 100 steadily improved in brand value and the regional banks experienced a sharp recovery, the brand values of global banks fluctuated. Both regional and global banks experienced an erosion of trust following the financial crisis, with trust in global banks declining sharply, below the average score for all brands.

Global bank brand value fluctuates



Trust and recommendation suffer

Source: BrandZ™ data.
The brand value growth chart is based on an index of 2006=100. The TrustR score is based on an index of average brand score=100. TrustR measures trust (how well a brand kept its promise in the past) and recommendation (how well the brand keeps its promise today).

Insurance

Insurers shift focus from selling products to building customer relationships

US brands lead the global trend

11%

For insurance brands, it was the year of personalized customer engagement.

Many of the major US property and casualty carriers, and some life insurers, started to organize their big data to provide a 360-consumer view. European companies worked to simplify and speed up their systems to respond in real time and facilitate customer centricity.

Traditionally, only two transactions have connected insurers with their customers – closing a sale and processing a claim. Neither event produced the kind of relationships that can pay off over time, building a base of loyal customers with continuous and changing needs for a range of products.

There's often been a mismatch between the competencies that would best serve customers – speed, ease of use and innovation – and the legacy baggage of insurers – disaggregated big data, secure and complicated systems, siloed organizations and businesses designed to push products rather than retain customers.

Although tension sometimes remains between the priorities of the risk managers and those responsible for cultivating customer relationships, closer coordination exists. Recent initiatives haven't eliminated organizational siloes, but they've funneled them through new functions responsible for the customer experience. State Farm created a company-wide taskforce to reorient around the customer. These other trends also unfolded:

- **Ad spending** Property and casualty insurers spent heavily on advertising to enter new markets and grow share.
- **Balancing channels** Brands looked at ways to expand their direct business while maintaining their agent networks.
- **Data protection** The industry experienced rising concern about protecting the personal information of its customers.

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.

Need to rebuild trust drives change

Several factors drove the customer centric initiatives. First, especially during the financial crisis, carriers struggled with customer retention and recognized the importance of developing a customer relationship beyond the point of sale. Insurers still struggle to rebuild trust eroded during the crisis.

The second factor is demographic. Insurers want to reach younger consumers and retain them over the course of a lifetime. Like earlier generations, Millennials consider insurance only when a life need arises. But with marriage, children and homeownership happening later, insurance opportunity points are postponed.

The challenge impacts both US companies, which have traditionally presented their brands with more emotion, and European-based insurers with consumer and enterprise businesses, whose more steady, institutional approach often worked well during the recession.

The German-based Allianz expanded its business and reported strong results, driven by property and casualty, with brand value rising 48 percent. AXA, headquartered in France, improved earning substantially, based on efficiencies gained in mature markets and expansion into fast growing markets. The brand has over 100 million customers in 56 countries, a presence that helps recruit additional customers, talent and partners, particularly in new markets. AXA's brand value increased 44 percent.

Reaching Millennial consumers

Even life insurers, which lag property and casualty companies in the use of social media, are looking at ways to reach Millennials. They're introducing easy-to-buy products with low benefit amounts. MetLife offers an entry-level life insurance product that's packaged in a box and priced for retail sale off a shelf or peg hook.

Allstate acquired Esurance, an online direct-to-consumer business, in 2013. Esurance purchased TV ad space immediately after the Super Bowl. A Millennial celebrity spokesperson explained that the post-game placement saved $1.5 million, or 30 percent, the brand's typical discount. He invited viewers to tweet for a chance to win this jackpot. Over five million people responded, connecting Esurance to a youthful audience less accessible to its parent brand.

Top 10 Insurance

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Ping An**	12,409	2	18%
2	**China Life**	12,026	2	-21%
3	**AIA**	8,344	2	22%
4	**State Farm**	8,314	2	6%
5	**AXA**	5,645	2	44%
6	**Allianz**	5,323	3	48%
7	**Geico**	4,128	2	27%
8	**CPIC**	3,747	2	1%
9	**MetLife**	3,290	2	New
10	**Travelers**	2,981	3	24%

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

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Insight

Customer engagement needs to be relevant and ongoing

You need to engage customers in the channels they're in and with messages that are relevant to them. And you need to follow customers through the entire lifecycle. Too many carriers suspend communication at the point of sale until renewal, except for things such as claims information and bill payment reminders. Relationships beyond the point of sale require an investment. But if successful, the rewards abound: additional sales, improved retention, advocacy and referrals. In addition, your customers will be able to tolerate higher rate renewal increases, thus decreasing renewal shopping. It's truly about knowing and serving each customer in a one-to-one manner, throughout his or her lifecycle.

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AXA announced a partnership with Facebook to develop social and mobile marketing initiatives. In the UK, where direct online sales dominate auto insurance, the largest auto insurance aggregators are relatively young brands that were created by major traditional brands aiming to reach new audiences and avoid channel conflict with their agent networks.

More disruption expected

More market disruption is on the horizon. Google introduced an insurance price comparison site in the UK. The brand offers a potentially powerful proposition because of the vast amount of data Google collects and analyzes, including photos of homes, which can be relevant for insurance assessments.

And Google is not the only technology company entering the category. The Chinese insurance company Ping An partnered with ecommerce giant Alibaba and with Tencent, the social network, to launch an online insurance company called Zhong An. In an effort to grow customer share of life, and sell direct, retailers including Costco and Walmart offer insurance products.

In another potentially disruptive move, more companies provided discounts to customers who agreed to participate in their telematics programs, where a device installed in a car records driving habits. By identifying safe and unsafe drivers, telematics potentially can revolutionize the car insurance pricing model by aligning premiums more closely with driving habits.

Insight

Brands seek to engage, increasingly with mobile

There's a once-a-year cycle of negativity. The consumer gets an annual letter that says give me more money because your rate has gone up. Brands are trying to find as many relevant ways as possible to engage with the customers and provide a useful dialogue with them, and also provide transparent, useful help or interesting content. Mobile is an opportunity to demonstrate usefulness. Mobile apps can tell you when a storm is about to hit so you need to put your convertible safely away, or connectivity systems built into the car can call for help in the case of an accident. Simplification of the process is another benefit of mobile from getting faster quotes to faster claim processes – that even include uploading a photo of the damage and getting instant approval to repair.

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Mobile, social media and sponsorships

Direct mail, the traditional insurer marketing tool, doesn't resonate with customers looking for more personalized communication. Many advertisers have produced clever multichannel advertising. The irreverence of Geico's gecko lizard spokesperson cuts against the expected solemnity of car insurance messaging.

Property and casualty brands have developed apps to quote insurance prices, pay bills and use GPS to locate accident locations and obtain roadside help. A Traveler's smartphone app helps users document car accident reports and begin filing a claim.

Allianz is a major sponsor of Formula One racing, which ties into its safe driving initiatives. The brand is attempting to reach its over 83 million customers in ways that are relevant to their lives. It has a weather app that warns people when bad weather could damage property. Zurich sponsors an app that locates the fitness courses that the brand sponsors and provides exercise advice.

Fast growing markets

The leading global players, like AXA, Allianz and Zurich, continued expanding in fast-growing markets. AXA acquired companies in China and Columbia. AIA enjoyed strong financial results based on the increasing life insurance needs in its 17 Asia-Pacific markets. It introduced new brand positioning as "The Real Life Company."

The global brands are expanding their presence in China, an enormous market where the insurance category is dominated by SOEs (State Owned Enterprises), such as China Life, CPIC (China Pacific Insurance Company) and Ping An, which is diversifying into a full service financial services company.

China's slower rate of economic growth impacted both premium and investment income. The major insurers increased their online presence and targeted the wealth management needs of the expanding middle class. Regulatory changes are opening the market to increased competition. Z

Action Points for Brand Building

1. Make the case

Establish the need for insurance, particularly among Millennials who may not think about insurance before a triggering life event, such as marriage, which is happening later.

2. Be nimble

In a category known for being traditional, balance the need to be solid and reliable with the imperative to keep up with the changing consumer and the agility of competitors.

3. Harness data

Use proprietary and outside data to predict who will need what kind of insurance product and when they'll need it. This approach helps identify profitable customers.

4. Market one-to-one

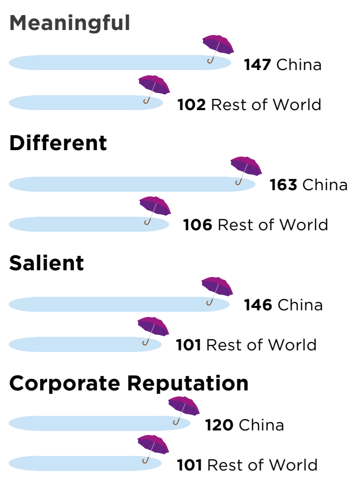
Apply one-to-one marketing across all stages of the customer lifecycle, from awareness through engagement, conversion, retention and even remarketing to those you can't convert.

Insights: BrandZ™ BigData

In a low engagement category China's brands seem different

Insurance as a category is famously recessive. Consumers in many cases decide on price (with the aid of aggregators) or leave it to a third party or simply renew without consideration. Brand therefore tends to play a smaller part in driving value. China's leading brands, however, are far more engaging.

Chinese insurance brands are meaningful (meet expectations), different (unique in a positive way) and salient (come to mind spontaneously).



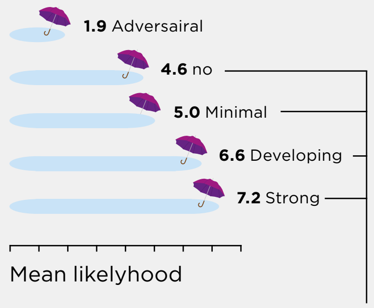
Source: BrandZ™ database
All brands average = 100

Spotlight

Better customer engagement helps improve sales

Insurers are attempting to improve customer relationships, as 46 percent of consumers say the relationship with their insurer is non-existent, adversarial or minimal. Positive customer engagement improves KPIs (Key Performance Indicators) including: initial purchase, tolerance of rate increases, customer retention and additional sales. Customers who have a strong relationship with their insurer are 56 percent more likely to buy additional products than are customers with no relationship.

Impact of customer relationship on additional sales



Likelihood to purchase additional products from your insurer. **56% difference**

Source: KBM Group national survey. Likelihood to purchase additional insurance products compared with attitude about relationship with insurer.

Oil and Gas

Focus shifts to efficiency and return on investment

Geopolitics adds complication

Definition

The oil and gas category includes both private International Oil Companies (IOCs) and state-owned National Oil Companies (NOCs).

The oil and gas category slowed exploration and focused on efficiency. Investor impatience and geopolitical tensions compounded the normal challenges of exploring in some of the earth's most difficult and fragile environments.

With share prices underperforming, oil and gas companies felt pressured to return more profit to shareholders and invest less in risky, long-term exploration for oil reserves. In response, the majors looked for productivity gains and ways to cut capital spending.

These actions may trigger a new cycle of divesting assets that entrepreneurs acquire to create oil and gas start-ups. Ironically, one of the companies best positioned for this cycle is BP, which sold assets following the Deepwater Horizon disaster in 2010. In an agreement with the US Environmental Protection Agency, the company can again bid for drilling rights in the Gulf of Mexico.

To explore in the arctic, which holds around 20 percent of the earth's recoverable oil and gas reserves, major independent oil companies (IOCs) partnered with Russian companies: ExxonMobil with Rosneft; Shell with Gazprom; Total with Lukoil. Russia's actions in Crimea complicated these relationships. European dependence on natural gas supplied by Gazprom also factored into the geopolitical calculus.

At the same time, Chinese national oil companies (NOCs) were acquisitive last year, with transactions in Canada and the North Sea and the purchase of the Peruvian holdings of Petrobras, Brazil's NOC. Chinese NOCs are especially active in Latin America and Western Africa.

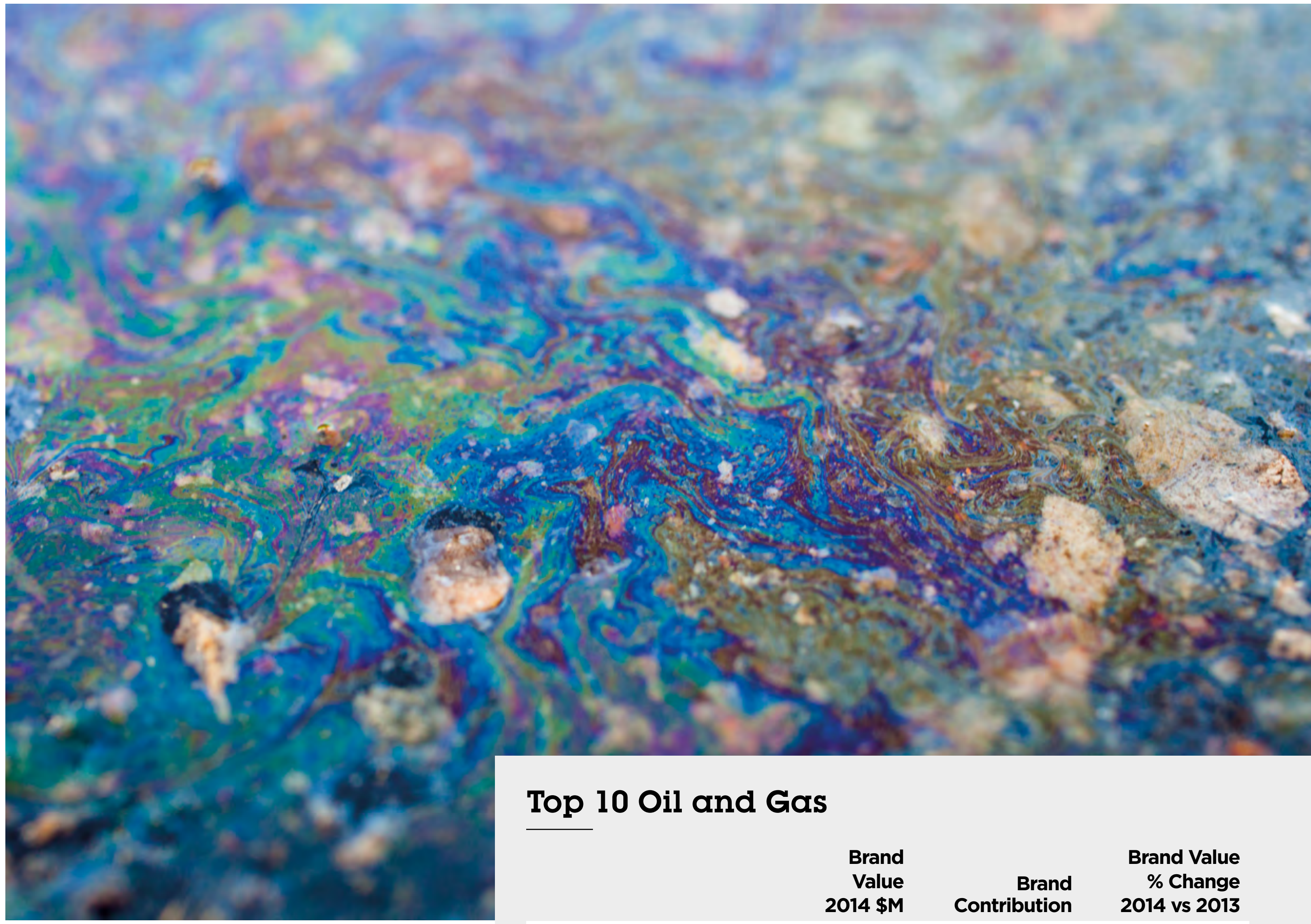
Debates about the benefits and dangers of hydraulic fracturing, or fracking, continued in Europe and the US, where the government deliberated about the Canadian-US Keystone pipeline, balancing environmental risks against the benefits of increasing energy security and reducing transportation congestion by flowing oil through the pipeline from the Canadian tar sands to the Gulf of Mexico.

These other trends and developments also impacted the category:

- **Climate change** Oil and gas companies modified their tone regarding climate change. The debate now is about how to remediate the problem, not whether or not climate change is real and results in part from burning fossil fuels.
- **Natural gas** From the industry point of view, one of the most positive stories is natural gas. While fracking, the hydraulic process of fracturing rock to extract gas from shale, remains controversial, environmental concerns have been balanced somewhat by the impact of natural gas on reviving the US economy.
- **The public voice** Although oil and gas companies shape their messages to reach the officials who control licenses to operate, social media amplifies the public's influence.

New opportunities in the Americas

In a remarkable, but relatively unheralded development, the US enjoyed energy self-sufficiency. This change potentially will influence global politics and change industry economics, as oil companies can in one market, North America, both source energy and deliver it to the world's largest economy.



The availability of natural gas is expected to draw companies that process it into the chemicals used in the manufacture of many products, a development that would widen the customer base for oil and gas companies in North America.

At the same time, oil and gas companies faced US regulatory restrictions in the form of limitations on liquefied natural gas (LNG) export. Export would bring new customers into the market and increase demand, lifting the price of gas, a good result for the oil and gas companies but possibly a drag on the resurging US economy, which benefits from the low price of gas.

New opportunities developed in Latin America with Mexico's reform of its oil and gas sector, enabling investment in the state oil and gas company, Petroleos Mexicanos (Pemex) from outside Mexico. The change opens the possibility of strengthening the Pemex brand to attract partners.

Top 10 Oil and Gas

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**ExxonMobil**	19,745	1	3%
2	**Shell**	19,005	1	8%
3	**Sinopec**	14,269	1	9%
4	**BP**	12,871	1	12%
5	**Petrochina**	12,413	1	-7%
6	**Chevron**	8,738	1	-3%
7	**Gazprom**	6,234	1	1%
8	**Rosneft**	5,549	1	New
9	**Total**	5,437	1	New
10	**Lukoil**	4,772	1	-5%

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

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Insight

Brands aim messages at a wider audience

It is still true that in this category the license to operate sits in the hands of very few individuals, mostly policy makers and government regulators. But it is fair to say that, because of the democratization of information and wider use of social channels, the public now has a far greater say in the fortunes of these organizations. That's not to say we're going to see a Coke-like campaign from the oil and gas majors, but if you look at their above-the-line activity, it's all aiming to create a better understanding of the important work they do by a wider audience.

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HILL+KNOWLTON STRATEGIES

Argentina reached a financial settlement with Repsol, paying the Spanish oil and gas company $5 billion in compensation for government's 2012 expropriation of Repsol's majority stake in the Argentine national oil and gas company YPF. Chevron entered an agreement with YPF to invest in shale gas production.

Brazil attempted to control inflation with measures that included regulating the price of gas at the pump. The price controls impacted the profits of Petrobras, the national oil company.

Protecting reputation

While the majors continued to aim their brand messages at the public officials and others who make or influence decisions about granting licenses for exploration, brand strength also was important for recruiting the best engineers and for attracting investment.

To help shape the public conversation, the oil and gas brands also invested in nuanced marketing campaigns that avoided the debate about environmental risk and emphasized the benefits people derive from energy production.

The messages are to a degree directed at the large audience of undecided people trying to balance the need for an adequate energy supply against the risk of environmental damage to delicate areas like the arctic.

ExxonMobil continued to build its brand around technical excellence, being the go-to company for the world's most difficult and risky exploration, the added value partner when national oil companies need outside assistance. But even ExxonMobil used a less technical, more consumer friendly voice.

Shell's 'Let's Go,' campaign dramatizes the human benefits of energy and invites people to come together to help build a better energy future. Chevron put a human face on the energy business in the campaign called "I Agree" where individuals testified about how energy improved their lives.

State owned companies

The state owned companies have not traditionally focused on brand building or cultivating trust. They are more impervious to pressure. That situation could change as the state owned oil companies expand globally.

Although Chinese oil and gas companies are relatively less familiar with brand building, the need for brand strength increases as the Chinese companies face heightened public concern about the environmental impact of their activities.

Insight

Retail and corporate brands don't necessarily connect in the consumer's mind

There continues to be a disconnection between the consumer-facing motor fuels brand at retail and the brand as a producer of energy that sustains quality of life. I've dealt with controversial issues for high profile clients and what we've seen is that regardless of the degree of controversy surrounding an oil company, there isn't any substantial or sustained impact at the pump. People aren't driving past the filling stations. They're not cutting up their credit cards or driving grassroots boycotts on social media.

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HILL+KNOWLTON STRATEGIES

Both the Chinese government and public have reacted strongly to dangerous levels of air pollution. China consumes around 10 million barrels of crude oil daily, second only to the US. Z

Action Points for Brand Building

1. Be vigilant

Demonstrate and deliver on the brand promise. The space between promise and performance is risk.

2. Be positive

Focus on the benefits you provide to society. Help people understand the value you bring to their lives. Get out in front with a positive story rather than spending so much time countering the negatives.

3. Be proactive

Invest in the communities where you operate. When something happens, first fix the business problem as quickly as possible. Then turn to reputation repair.

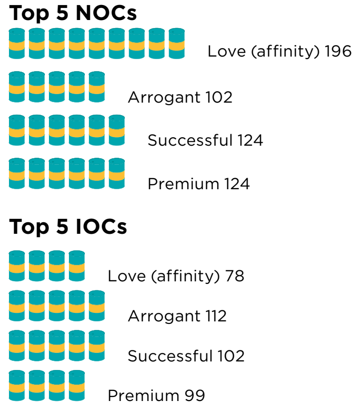
4. Cooperate

The issues are too big for any one company. There is good reason for brands to cooperate more on communication to the public.

Insights: BrandZ™ BigData

Public opinion divides over IOCs and NOCs

There is a huge divide in public opinion between the top International Oil Companies (IOCs), the independent operators, and National Oil Companies (NOCs), which are state owned. NOCs are seen to be more supportive and essential to their country of origin, while IOCs are generally vilified. However, IOCs score at average levels for trust and corporate reputation, which are important for obtaining the licences and securing the partnerships needed for exploration.



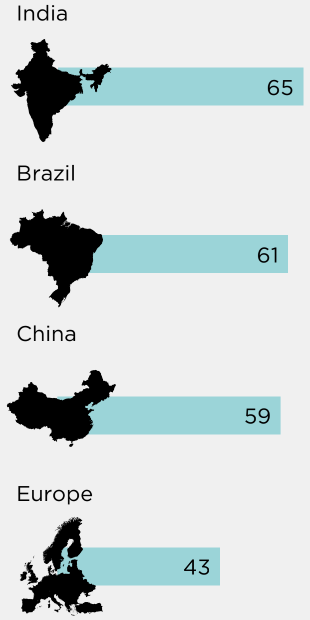
Source: BrandZ™ database
All brands average = 100

Spotlight

Fast growing markets more willing to compromise for the environment

Consumers generally are willing to compromise some lifestyle benefits to help improve the environment. The willingness is strongest in fast growing markets, probably because the problem is most acute there. Although still strong, the European inclination to compromise for the environment has eased a bit. Many EU regulations already are in place.

Sacrificing for the environment 2013



TGi

Source: TGI 2013 / Base: All adults 18+
Percent who agree: I am prepared to change my lifestyle to benefit the environment. Europe includes the UK, Spain, Germany and France.

COMMERCE 4.0 – DEVICES, DATA AND DECISION TIME

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2014 marks the 25th anniversary of the invention of the World Wide Web. The web has disrupted the way we carry out many aspects of our lives, from socializing, to watching TV, banking and shopping, and has led to the demise of some brands, the rise of others. The creative use of web technology has shaped commerce; online commerce sales are set to increase by 20 percent this year to reach $1.5 trillion globally. As we stand at the start of a fourth wave of online commerce, the challenge for today's brands is to ensure their customers have a seamless experience. Consider the journey so far:

- Commerce 1.0 saw the first generation of web shops that were based on the real world and extended the product range through virtual shelves. Brands took their traditional sales model and ported it to the web.
- Commerce 2.0 incorporated rich content – such as video and user generated content, social networking and web applications – into the selling process. Brands started to link physical assets like stores with their digital assets.
- Commerce 3.0 is all about the proliferation of non-PC devices and globalization. Brands are integrating digital fully into their physical stores.
- Commerce 4.0 will be driven by the 'Internet of things,' advanced use of data and analytics and a battle for control of the shopping basket between retailers and branded manufacturers.

Devices

Empowered, demanding and digitally savvy consumers expect to research and buy goods anywhere, anytime using any device or touch point and to have a seamless experience. Brands need to be confident they can meet their customers' expectations of convenience, recognition, service and immediacy.

Successful brands will be those that manage to tie all of this together seamlessly, connect with their customers at a physical place or in the virtual world and get the products quickly to wherever they want to receive them. And the range of devices is increasing fast. Brands will need to consider the impact of the 'Internet of things' (the network of physical objects with embedded technology, like in-car sensors and wearable technology). Gartner predicts that there will be 26 billion such devices in 2020 compared with 7.3 billion smartphones, tablets and PCs in use at that time.

We're at the early stages of this but it's easy to see what some of the commerce applications might be. Volvo, for example, is testing a smart car that can give delivery firms access to the trunk, via a single use digital key.

I have a Fitbit wristband that tracks the distance I walk each day, calories eaten and used, weight and sleep patterns. I'd be very happy if this could be seamlessly linked to my chosen supermarket to easily re-order food and to be reminded when I'm likely to run out of an item. Some days, I'd even like to be alerted if I try to order the double chocolate chip cookies when I'm shopping, instead of the fruit salad. Other days I might choose to switch off such alerts.

Data

One of the keys to enabling a seamless experience is effective exploitation of data. However, with 2.5 billion gigabytes created each day , the challenge for brands is using it to derive insight and most importantly, acting on that insight. With a burgeoning list of data sources (back-office systems, stores, call centers, value chain partners, email, mobile, rich media, user-generated content, social media) many businesses are overwhelmed by the scale of the challenge.

Effective use of data can give brands a competitive advantage. Analysis of data will, for example, show how customers are using which devices and at what stages in their shopping journey, and will highlight barriers to purchase. Building a single customer view and using that to develop customer segments and to tailor communications will help brands offer a seamless experience. And if done right, will shorten sales cycles, and increase consumer engagement, loyalty and revenue.

And just think what additional data will be available from my Fitbit wristband, other wearable technology and all the new devices with embedded sensors. As long as I receive useful and enjoyable communications and have the option to opt out at any time, then I'd be happy to link this to specific applications and receive personalized communications.

Decision Time

2014 is a turning point in the struggle between Amazon, retailers and FMCG/CPG manufacturers for control of the consumers' shopping basket as Amazon continues to expand its offering, particularly in grocery. Outside footwear and apparel, FMCG/CPG manufacturers have been trialing ecommerce but have yet to make big inroads into the direct to consumer market. Amazon's continued expansion of its grocery offering should be a massive wake-up call to any supermarket or FMCG/CPG manufacturer not selling online. It's decision time.

Manufacturers can embrace direct to consumer commerce without alienating retail partners, by for example, offering exclusives, subscription services, niche or customized products, different pack sizes etc. While there are many ways to get to market quickly, it's also important to think strategically so that new offerings link up to existing ones seamlessly, that data and intellectual property is retained within the company and that strong foundations are in place for future growth.

Technology has always been disruptive and transformative. Now we are 25 years on from the birth of the web, brands need to harness the power of technology to offer consumers the seamless experience we all crave.

To deliver a seamless commerce experience, brands need to think about:

End-to-end experience – it's easy just to focus on the customer experience at the different touch points, however this overlooks the end-to-end experience, which can be different. Brands should nominate a member of staff to 'own' a particular end-to-end journey, aiming to reduce customer struggle and improve the whole experience.

Data and analytics – it's increasingly important that brands bring data sources together to develop a single customer view. This can provide an in-depth understanding of shoppers; whether it be the reason for their last purchase, personal preferences or which devices they use for which stage of their shopping journey. And most importantly, it can be used to develop customer segments, tailor their experience, promotion or content and to improve future business processes.

Infrastructure – to deliver a consistent and personalized experience and track interaction in order to react in real-time, brands need to choose platforms and technology components that can be centrally configured and managed to support all channels and devices.

TRANSFORMATION THROUGH TECHNOLOGY

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Acceleration crafts digital marketing capability for global brands and industry leaders. We are digital natives who early on understood the radical impact that technology would have on the future of brands. A rare breed of individuals with comprehensive experience of building marketing capability, driving best practice and implementing marketing technology.

Operating at the intersection of technology and strategy, insights and consumer engagement to build the specific capabilities needed to grow market share and expand global reach. We have a reputation for accelerating value-delivery for brands on the road to digital transformation. Part of WPP Digital, and with 14 years' experience, we employ over 150 strategic marketing technologists globally. For more details visit **www.acceleration.biz**

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

Charles Darwin

Marketing has evolved at an unprecedented pace during the last five years. Brands are bigger than ever, competition is global, and consumer behavior is changing faster than most businesses can accommodate. In response, there has been an explosion in the development of software tools to manage virtually every aspect of marketing practice and in recent years these tools are being incorporated into ever-more-comprehensive platforms of business software by companies such as Adobe, Google, IBM, Oracle and Salesforce.

Marketing has changed, and at its core is a technological revolution.

Innovation and fragmentation

Over the past 15 years brands have adopted digital marketing technology in a fragmented, tactical way creating massive inefficiencies and preventing them from future optimization and innovation.

"Effective management of technology has become a competitive advantage for marketers."

Some marketing technologies such as ad serving and search campaign management were outsourced to agencies, while others such as email marketing, web analytics and social listening were often managed by specialist internal business units. Rarely did anyone pause to map out the entire range of consumer touch points and brand engagements in order to design a truly customer-centric technology strategy and operating model.

But today, leading marketing organisations are realizing that the ability to curate a consistent and relevant brand experience across all touch points relies heavily on the ability to manage all the tools, platforms, and data sets that deliver those experiences in an integrated whole. Customers expect to be recognized and presented with highly relevant offers and experiences across multiple different channels, but this requires the integration and coordinated use of a large number of disparate tools. And each time a new media platform becomes popular with consumers, or a new VC-backed software platform provides new features and functionality, the complexity is exacerbated.

In order to combat the fragmentation that can result from ad hoc adoption of new technologies, brands need a strong technology strategy and an operating model to support it.

Transformation in action

The process of creating a marketing technology strategy and then driving change throughout a complex global organization with multiple divisions, brands and suppliers can be time-consuming and expensive. It is therefore imperative to secure a strong executive mandate from the start, backed by a solid, measureable business case. It is also critical that marketing strategy leads technology and not the other way round.

Always start with the brand engagement strategy: What does our current customer experience look and feel like and how do we want to improve it? Are we artificially limiting the customer experience as a result of our own organizational structure or silos?

Next, define the operating model that will best support the delivery of your brand engagement strategy. Which functions are managed internally and which ones are outsourced? Do we need to operate across brands and markets? How do we integrate processes with stakeholders in IS, corporate affairs and insights?

Once the target operating model has been defined the data and technology strategy can be developed. In conjunction with your IS colleagues, build a data framework and technology architecture that supports your brand engagement strategy and operating model and make sure you have the right people in place to manage the new tools and data sets.

Lastly, ensure that a thorough and ongoing adoption program is put in place to drive home the transformation. Training and education is vital, but equally important is measurement and comparability through the use of common KPIs and business benefits.

The limits of technology

Through the smart and structured adoption of technology brands can achieve better customer visibility, more meaningful engagement, better attribution of success and an agile platform for ongoing marketing innovation.

But it is vital to remember that technology is simply an enabler. Without the required adjustments to business process, without properly trained staff in clearly defined roles, without a strong vision for how you want to improve your marketing practice, and, crucially, without the cultural willpower to change your organization, no transformation program can be a success.

Imperatives for Success

1. Secure a strong executive mandate – Transformation is fundamentally about culture and vision, not simply tools and processes, and that has to come from the top.
2. Build a strong partnership with IS – Technology strategy, procurement, architecture, program and service management are tasks IS teams are much better placed to deliver on.
3. Develop a strong business case – Business benefits should focus on quantifiable improvements in marketing effectiveness as well as cost efficiencies realized through technology standardization, scale and de-duplication.
4. Be customer-centric, not technology-centric – Technology can be a highly effective enabler for improved brand engagements and customer insights, but it mustn't lead the process.

16%

Technology – Consumer

Youthful but maturing brands compete to innovate and grow

Chinese technology leaders head West

With a 40 percent increase in brand value, technology giant Google claimed the title world's most valuable global brand, ranking number one in the BrandZ™ Top 100 Most Valuable Global Brands 2014.

Google's rise symbolizes the strength of the technology category that by itself totals $827 billion, almost 30 percent of the value of the BrandZ™ Global Top 100. The technology category rose 16 percent overall in brand value.

The dominance of technology in the BrandZ™ Top 100 Most Valuable Global Brands reflects the ubiquity of technology in people's lives and the strength and global nature of the category brand leaders, including:

- **BrandZ™ leaders** Four of the top five BrandZ™ most valuable global leaders are technology brands. Apple, IBM and Microsoft follow Google. Microsoft claimed the spot in 2006. Google ranked number one from 2007 to 2010. Apple was number one from 2011 to 2013.

- **Fastest risers** The fastest rising brands across all categories include: China's Internet portal Tencent, up 97 percent, Facebook, (68 percent), Baidu, the Chinese search engine (46 percent), and Yahoo!, which owns a stake in Alibaba, the Chinese ecommerce site (44 percent).

- **Newcomers** Two technology brands entered the BrandZ™ Top 100 Most Valuable Global Brands for the first time, Twitter, which launched a successful IPO in 2013, and LinkedIn, publicly traded since 2011.

The rapid rises in brand value – and the fluctuations, with Apple declining and Microsoft rebounding – point to the extraordinary rate of industry maturation and innovation happening simultaneously.

Some of the brands assert a higher purpose summarized as "Smarter Planet" (IBM) or "Do no evil" (Google), which advances the interests of humanity and improves life for individuals, while building loyalty and driving profit. The most successful technology brands are those that constantly push the brand life cycle curve to the right.

Searching for meaning

Both a brand and a verb that means "to search," Google has become part of people's lexicon and lives. Google launched Gmail 10 years ago. Today, over 425 million personal signatures end with @gmail.com. The brand has successfully monetized this stature with a value exchange that converts aggregated personal data into information that potentially helps marketers and consumers connect in more relevant ways.

Alongside its core business, Google has built a culture of innovation. Some initiatives are market driven and have immediate impact. Google Glass places Google at the vanguard of technology and wearable devices. Google created an Android Wear Operating System for use with watches and other wearables.

Other more long-term initiatives include research into artificial intelligence, slowing aging, improving car safety and redesigning cities with driverless cars. Projects like these elevate the brand, so that it's viewed as both a commercial and scientific enterprise, practical in its need to generate profit but also generous. And what Google doesn't innovate, it acquires, such as its purchase of Nest, a home automation company.

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.

Refreshing and building a young brand

Facebook, which didn't enter the BrandZ™ Global Top 100 until 2011, now ranks 21. The company's $19 billion acquisition of WhatsApp illustrates both the financial power of Facebook and the need to refresh a brand only 10 years after its establishment in 2004, at Harvard. Facebook claims about 1.2 billion members. As they age, the WhatsApp messaging service reaches a younger audience.

Not all Facebook's initiatives were about coping with maturation. Within a week after purchasing WhatsApp, Facebook staked its claim to the future of virtual technology with the acquisition of Oculus, a producer of virtual reality goggles.

Facebook also announced that it was experimenting with the drones, satellites and other technology to connect even the most remote parts of the earth. The rise in brand value reflects investor confidence in this vision and a rebound from weak share movement immediately after the 2012 IPO.

Top 20 Technology

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**Google**	158,843	3	40%
2	**Apple**	147,880	4	-20%
3	**IBM**	107,541	4	-4%
4	**Microsoft**	90,185	4	29%
5	**Tencent**	53,615	4	97%
6	**SAP**	36,390	2	6%
7	**Facebook**	35,740	4	68%
8	**Baidu**	29,768	4	46%
9	**Samsung**	25,892	3	21%
10	**Oracle**	20,913	2	4%
11	**HP**	19,469	2	19%
12	**Accenture**	18,105	3	10%
13	**Siemens**	16,800	2	36%
14	**Yahoo!**	14,174	3	44%
15	**Twitter**	13,837	4	New
16	**Cisco**	13,710	2	16%
17	**LinkedIn**	12,407	4	New
18	**Intel**	11,667	2	-15%
19	**Sony**	7,718	3	-1%
20	**Ericsson**	6,827	2	New

Source: Valuations include data from BrandZ™ and Bloomberg.
Note: Dell has been privatised and valuation is suspended this year.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

MillwardBrown Optimor

Having anticipated the future, Apple tries to catch it

The decline in Apple's brand value reflects softening of the share price because of investor concern about the future of the company after founder Steve Jobs, and the recent lack of breakthrough products that differentiate Apple.

That said, Apple's share price performance over time suggests that confidence remains strong in a technology brand that makes products, retails them around the world, provides content and is renowned for combining technology prowess, design and service. In BrandZ™ research, consumers rate the Apple brand extremely high on being different, innovative and meaningful. This may be the year that Apple introduces another major innovation – iPhone 6 or Apple TV. The company entered talks with Comcast, the largest cable company in the US.

To drive volume, Apple introduced a new line of more popularly priced phones and it signed an agreement with China Mobile, the world's largest telecom provider with over 750 million customers. Like a luxury brand, Apple faces the dilemma of balancing exclusivity to protect the brand and command a price premium, while expanding to mass to gain volume at the risk of brand dilution.

Samsung challenged Apple with its Galaxy smartphones. Operating on the Android platform, the phones have a larger screen than the iPhone and other features that Samsung successfully promotes. The company preempted Apple with the launch of wearable technology, the Samsung Galaxy Gear smartwatch that coordinates with Samsung phones and tablets.

Chinese brand leaders

Along with Google, Facebook and Apple, Amazon also created an ecosystem of products and services that have become fundamental to how people live their lives. (Please see Amazon in the retail category on page 72). And at the same time these Western brands developed, a separate group of brands served the enormous Chinese market of 1.3 billion people.

Some of the market dynamics mirrored those in the West as various Chinese brands initially occupied particular market niches: Baidu in search, similar to Google; and Tencent in social media like Facebook. As in the West, those initially discrete designations converged. Driven by consumer interaction and determination to secure a competitive edge, the brands developed ecosystems of products and services.

Baidu strengthened its mobile presence through acquisitions and other activities, including expanding in China's rapid growth gaming business. It purchased 91 Wireless, a mobile app store and it acquired Nuomi, a location-based group buying service. Baidu's revenue increased 43 percent in 2013.

Tencent, with just over 800 million monthly active users (MAUs) on its social network at the end of 2013, is somewhat smaller as a social network than Facebook, which reported 1.2 billion MAUs. With its messaging app, WeChat, included in the member count, Tencent had been larger overall until Facebook acquired WhatsApp.

Like Facebook, Tencent is adding members and looking ahead for the next opportunity. Tencent purchased a stake in JD.com, China's second largest ecommerce mall, which positions it to compete with Alibaba, the ecommerce giant. Its strategic partnership with the search engine Sogou puts Tencent head-to-head with Baidu.

Insight

The valuable brands attempt to solve big human problems

Some companies/brands create products to sell to people; others try to solve consumers' problems or big problems that people face. For example, Google announced that it wants to explore ways to slow aging, something cosmetics companies have been trying to do for years. Facebook is creating a global community through allowing people to connect. If you look at how Google and Facebook operate, they start with a digital platform and then build a business around consumers' needs and interactions.

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Tencent strengthened its mobile payment ability and developed online gaming, with its popular mobile messaging app, WeChat, which has about 355 active monthly users. Facebook's WhatsApp claims about 450 million users. Both Tencent and Alibaba introduced mobile payment and financial services options that compete with traditional banks.

Insight

Consumers treat tech brands like friends, up to a point

You take a technology that fulfills a basic human need, you build an ecosystem around it, and that becomes the environment where the brand is built, where the money is made. Our relationship with the brand grows into something like friendship and we have loyalty enough to see them through the occasional hard time. However, with a brand, if something fundamentally better comes along we don't feel guilty about moving on. That said, our loyalty, or at least our inertia, may increase with age.

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Twitter, LinkedIn and global competition

The Western and Chinese technology brands, which have for the most part developed separately, are about to face each other competitively. This development is best symbolized by the pending IPO of Alibaba, which is 24 percent owned by Yahoo!. In addition, LinkedIn, the professional social networking site, introduced a Chinese language version of its website.

LinkedIn currently has four million members in China. The Chinese language site is part of the brand's stated strategic mission to become a global network creating economic opportunity for a worldwide workforce of three billion people. The integration with leading Chinese portals, including Tencent and Sina, into its Chinese language platform enables users to access their contacts.

LinkedIn intends to map all workers, companies and available jobs and also establish a digital presence for the institutions that offer the education and skills necessary for career success. LinkedIn currently has almost 280 million members, about two-thirds located outside of the US.

Founded in 2006, Twitter launched a successful IPO in late 2013. The funds are intended to accelerate the growth of the site, which describes itself as the only online platform that's both public and real time, democratizing content creation and distribution.

It regularly receives attention as the venue for global conversations that take place around political events in text bursts of 140 characters. The brand is working to improve the organization of the conversations, making Twitter more useful by organizing conversations topically and not simply chronologically.Z

Insight

With high mobile penetration, Asia is the future of the market

Asia is now the center of gravity of the mobile market, and its future. Around 60 percent of the world's consumers live in Asia, and half of all new connections globally now come from Asia. The fact that a Chinese company now owns Motorola is an interesting sign of the way things are changing. I expect Asian companies, whether Chinese, Japanese, South Korean, or Indian, to prosper by understanding Asian consumers best and being more responsive to them.

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Technology – Business

Brands see through the Cloud and turn planning into action

Businesses adjust and reinvent

Business-to-business technology brands adjusted to new computing realities, especially the Cloud. And they advanced initiatives for corporate clients that invested again in IT and sought ways to organize and analyze big data.

If one development summarizes this movement it's the announcement by Microsoft that the company is changing leadership, with founder and technology visionary Bill Gates returning in an active advisory role.

The brand continues to thrive based on the Gates legacy of products, including Microsoft Office, the suite of computer software installed on the majority of devices for personal and enterprise use. The company enjoyed some success with the launch of Windows 8. And the Xbox business remains strong.

These legacy achievements drove revenue and profit, which pushed up brand value 29 percent, lifting Microsoft several places to number four, after IBM, in the BrandZ™ Top 100 Most Valuable Global Brands 2014.

But Microsoft hasn't developed other breakthrough products and the advent of the Cloud threatens the ubiquity of its Office suite. Microsoft is not alone in struggling to remain relevant in a world based on Cloud and mobile computing, where people switch constantly and seamlessly between their work and private lives.

The Cloud pay-as-you-go model disrupted the business of some of the most respected technology brands, which built businesses around long-term contracts and client relationships. With pay-as-you-go, costs are reduced from major capital expenditures to running costs. And unlike with an investment in mainframes, need always matches capacity. Other related trends and developments include:

Brand strength Brand is critical during a period of transformation. The strength of the IBM brand, its association with solving big global problems, provides flexibility even during periods of business transition and flat financial results.

Going private Facing the challenge of being a leading PC maker at a time of declining PC sales, Dell founder Michael Dell took the company private to make the necessary fixes without the scrutiny of Wall Street and the pressure of quarterly results, and to take control of the brand story.

Amazon One of the largest competitors for enterprise Cloud business is a retailer named Amazon.

Investing in Cloud

Every technology leader invested in Cloud in ways that are most relevant to its core brand proposition. Cisco, known for building and maintaining switches and routers that run the Internet, announced in early 2014 that it plans to invest $1 billion over two years to enter the Cloud computing service business, linking the mainframes that together form the Cloud. Cisco calls this work the Intercloud.

IBM continues to develop its Cloud capabilities. It's also building its big data and analytics teams, looking to expand into various industries, including marketing consultation. Siemens, an industrial technology company, continues to undergo restructuring and organizes its business into four sectors: energy, healthcare, industry and infrastructure and cities.

Strengthening the core

SAP and Oracle accelerated their shift to the Cloud, even as they strengthened existing business. SAP continued to record sales growth and experience success with Hana, its in-memory system for analyzing big data quickly in ways that make it accessible and relevant throughout an organization.

At the same time, the company shifted rapidly toward Cloud computing, which changes the business model from the software license business where payment is received up front.

Oracle's Cloud business improved significantly, but the brand still faces competition, much of it from pure online businesses. As Oracle adjusts its business for the changing technology, it's helping its enterprise customers do the same thing, by providing Cloud applications, like Oracle's Exalytic in-memory and software. Oracle says one of its key benefits is simplification.

Recovering from the PC focus

HP turned a modest profit and its stock price rebounded as a turnaround seemed to gain traction with a revised strategy that includes providing complex technology systems to corporate clients and selling PCs and printers to consumers. The company has streamlined and added efficiencies with Internet-based programs, such as Salesforce.

By combining its computing hardware expertise with the Cloud capabilities of Clouderia, Intel worked to evolve from a business associated with memory chips for PCs into a brand with a Cloud platform for enterprise solutions. With the growth of wearable technology, Intel investigated acquisitions for entering that business.

Action Points for Brand Building

1. Be flexible

Change happens quickly in technology. The most elegantly designed boardroom strategy will not work unless it allows the company to be nimble and make decisions quickly.

2. Exhibit thought leadership

With transformation happening in many industries, it's important to demonstrate knowledge and to provide the technological solutions your clients need to navigate though disruption.

3. Nurture innovation

Technology companies are distinguished by their people. Build a culture of innovation. Throughout the organization incentivize people to seek out new ideas and take risks.

4. Celebrate success and move on

Success should signal urgency to change. You can't stop, especially in technology. Success requires conviction, being all in. Make the business obsolete before the competition does.

Insights: BrandZ™ BigData

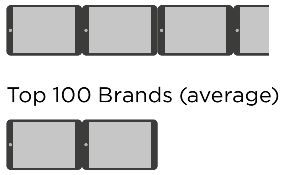
Meaningfully different brands drive financial success

Technology brands dominate the Top 100 by value. On average they're worth nearly double the other brands in the ranking. The Top 10 technology brands are particularly strong in meeting consumer and business needs. They're more differentiated and generate more affinity because of their brand power (ability to drive market share).

Brand Power

Top 10 Technology brands (average) 348

Top 100 Brands (average) 202



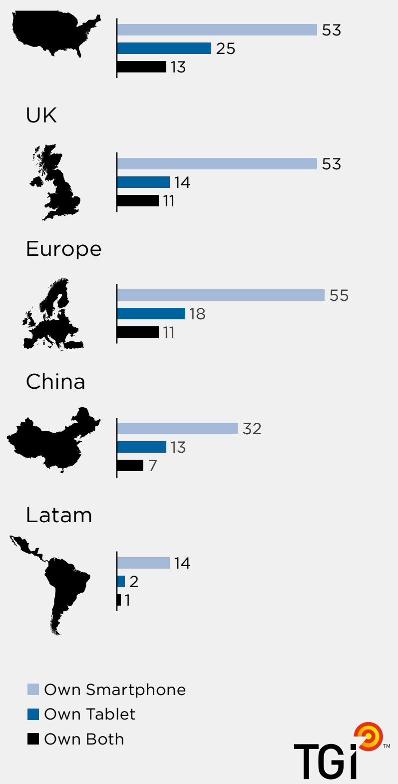
Source: BrandZ™ database
All brands average = 100

Spotlight

US consumers lead in smartphone, tablet ownership

With the rise of mobility and multiple screens, consumers increasingly shop or watch entertainment or an advertisement on one screen while engaging with a social network on another screen. This phenomenon is more prevalent in developed markets where over half of adults own a smartphone and many have tablets. In the US, over half of adults own a smartphone, one quarter own a tablet and 13 percent own both devices.

Mobile device ownership

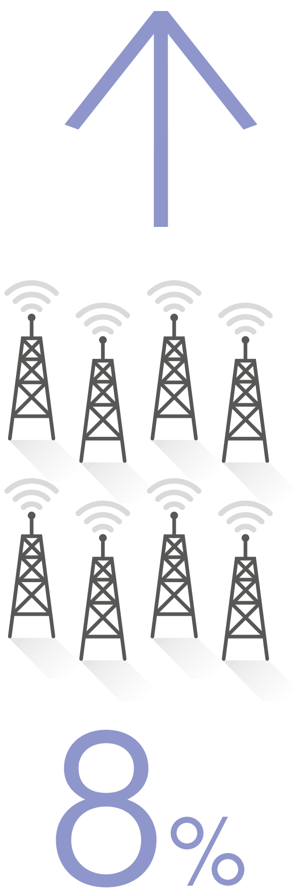


Source: TGI 2013 / Base: All adults 18+
Percent answering: Do you own a smartphone, tablet? Latam includes Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru and Venezuela.

Telecom Providers

Economic recovery drives market consolidation and disruption

Brands focus on differentiation



European and North American telecom providers faced consolidation and disruption as the markets recovered economically and major players sought to strengthen their networks, advance convergence and improve customer experience.

Flush with cash following the sale of its stake in America's Verizon Wireless, UK-based Vodafone agreed to purchase Spain's Ono. The transaction, along with the earlier acquisition of Kabel Deutschland, a German cable operator, strengthened Vodafone as a provider of high-speed broadband. These deals cooled speculation about a major trans-Atlantic hook up in which the American telecom AT&T would acquire Vodafone.

Meanwhile, challenger strategies disrupted the pricing model of the telecom category in the US, which is dominated by Verizon and AT&T. Not long after US regulators rejected the merger of T-Mobile and AT&T, T-Mobile introduced pay as-you-go pricing in a market where providers traditionally lock in customers to multi-year contracts sweetened with deep discounts on smartphones.

T-Mobile, the fourth largest US telecom, also offered early phone upgrades and free international roaming. The brand, which is majority-owned by Deutsche Telekom, added about two million customers in 2013, reversing a decline. Japan's Softbank, which acquired Sprint, the number three US telecom brand, announced its desire to purchase T-Mobile. Combining Sprint with T-Mobile would create a telecom with over 100 million customers, roughly the size of the market leaders AT&T and Verizon. Other potential category disruptors include:

Virtual operators Chinese regulators approved the applications of two electronics retailers, Suning and Gome, to offer telecom services. They have joined other non-telecom brands, such as Virgin, Tesco, and Falabella, the Latin American department store. These brands serve as Mobile Virtual Network Operators (MVNOs), renting capacity from telecoms and branding a service to gain a greater customer share of life.

Over-the-top Facebook's acquisition of WhatsApp may shift more voice and text to free, over-the-top Internet alternatives. Data, more than voice and text, produces revenue for the carriers. In addition, the increased availability of free Wi-Fi in public places may divert more data transmission.

On-demand streaming Recent developments threaten the pay-for-view model that drives revenue for telecoms. Comcast, America's largest cable network closed a deal with Netflix and entered talks with Apple. These arrangements potentially offer content less expensively, with subscriptions, and without the delivery problems that impact streaming quality during high-use periods.

Building capacity

Brands addressed the key and ongoing challenges of the category: providing enough bandwidth to smoothly handle rising data consumption; and becoming more than a commodity delivery system ignored by consumers – until something goes wrong.

Definition

The telecom provider category includes brands that primarily develop, maintain and market hardwire or wireless infrastructure networks for voice and data transmission.

Both challenges continued to become more difficult for telecoms worldwide. Data usage increased with improvements in mobile device processing power and the option of multi-tasking on a single screen.

Vodafone planned to spend some of its Verizon proceeds on capital investment to strengthen its European network. Telecoms sought advantage of scale, investing in 4G infrastructure and amortizing the costs over large customer bases.

The high costs of these investments resulted in more infrastructure cooperation among carriers. With pressure on revenues because of Europe's economic slowdown, telecoms requested an easing of rules to permit more consolidation and 4G rollout. Regulators have prevented further consolidation in the US.

Top 10 Telecom Providers

		Brand Value 2014 $M	Brand Contribution	Brand Value % Change 2014 vs 2013
1	**AT&T**	77,883	3	3%
2	**Verizon**	63,460	3	20%
3	**China Mobile**	49,899	3	-10%
4	**Vodafone**	36,277	3	-9%
5	**Deutsche Telekom**	28,756	2	20%
6	**Movistar**	20,809	2	56%
7	**Orange**	15,580	3	13%
8	**BT**	15,367	2	61%
9	**MTS**	12,175	3	14%
10	**MTN**	10,221	3	-11%

Source: Valuations include data from BrandZ™ and Bloomberg.
Brand contribution measures the influence of brand alone on earnings, on a scale of 1 to 5, 5 highest.

Differentiating brands

To strengthen differentiation, BT added content. The UK-based telecom purchased the rights to English Premier Football, adding over two million new subscribers and driving up revenue. The added value helped justify premium pricing.

Vodafone offered customers a pricing package with content that included either Sky Sports or Spotify. Vodafone's balance sheet strengthened with the $130 billion sale of its 45 percent stake in Verizon.

In a category noisy with competitive claims, the challenge to differentiate is compounded because consumers can be skeptical about what they hear. In the US, Verizon promoted its technical expertise in a series of full-page newspaper ads extolling its first place finish on a variety of technical metrics.

AT&T made similar points in an approachable style with a TV campaign titled "It's not complicated," in which a man in a suit sits at a low table with school children and listens to their humorous, but logical, explanations of why "big is better" or "now is better."

Fast growing markets

European brands, looking to diversify out of the commodity constraints in their home markets, looked for profitable volume growth in fast growing markets. By purchasing the stake of its local minority partner, Vodafone took control of its business in India. It continued to develop business in Africa through Vodacom, a subsidiary.

Meanwhile, South Africa's MTN continued to expand in the Middle East and in Africa. The Indian telecom Bharti Airtel is among the competitors also providing mobile services in Africa, an area with over a billion people underserved by fixed-line infrastructure and Internet.

Movistar benefited from the improvement in Spain's economy and the brands extensive presence in Latin America. A combination of financial performance and brand strength drove its 56 percent increase in brand value.

China Mobile remained the world's largest telecom by far, with over 750 million subscribers. After launching 4G, it rapidly expanded its network and introduced the iPhone. It also offered two low-price handsets under its own brand to increase its share of the 3G market, where it competes with China Unicom and China Telecom, which also are building 4G networks.

Competition heated up in Russia, with the merger of state-owned Rostelekom and Sweden's Tele2 to create a fourth telecom in a market dominated by MTS along with Megafon and VimpelCom. MTS continued to leverage its brand and network to develop a bank offering extensive financial services. Z

Insight

Contract-free pricing disrupts US market, pressuring brands

This year's challenge, at least in the US, is the availability of telecom service without a contract. It will resonate with consumers who, as a general rule, dislike being locked into anything. You hate it, but you do it. Once a brand breaks that paradigm and says, you can get good connection without signing your life away, the consumer will pay attention. The big players will feel enormous pressure. They've become comfortable with the category's stability. Contracts were seen as normal. But in the future, more consumers will ask, "If I can't see the difference, why pay the difference?"

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Action Points for Brand Building

1. Be clear

Communicate a clear proposition about the brand's technical competence, but deliver it in a memorable way that explains the benefits of the network to the consumer.

2. Tailor the message

Market the brand to a range of customers from technically savvy trendsetters to high-value customers who simply want something that works reliably.

3. Focus on households

A major question for telecoms is who's going to own the household. Gaining a family with 10 devices is more of an acquisition than a user switch.

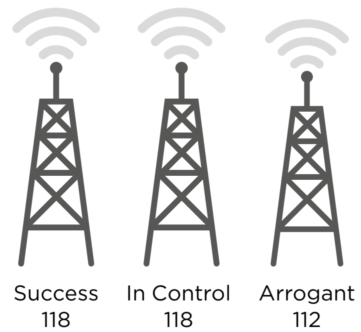
4. Think global

For the major telecom providers that are now local, regional or even international, the next move is to become global, one brand serving customers worldwide.

Insights: BrandZ™ BigData

Powerful brands risk Seeming too arrogant

The Top 10 telecoms are some of the world's most powerful brands. Consumers rate them high as being extremely successful and "in control." However, this status comes with a warning because consumers also see the brands as "arrogant" (only second in degree to the banks).

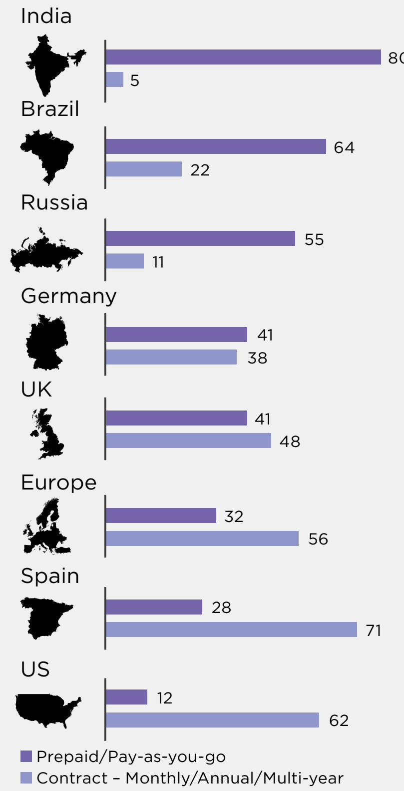


Source: BrandZ™ database
All brands average = 100

Spotlight

Fast growing market consumers select pay-as-you-go options

Consumers in developed markets usually pay for mobile phone service with contract arrangements that may include subsidies covering the price of the phone. With less predictable income, consumers in fast growing markets are more likely to buy an affordable phone and pay for telecom service as they use it. India has the highest percent of mobile pay-as-you go customers. The US has the lowest, but the market is experiencing a period of disruption with challenger brands offering pay-as-you-go options.



TGI

Source: TGI 2013 / Base: All adults 18+
Percentages don't total 100 because of other responses or no response. Europe includes the UK, Spain, Germany and France.

RISE AND FALL: EXPLORING THE BRAND LIFE CYCLE

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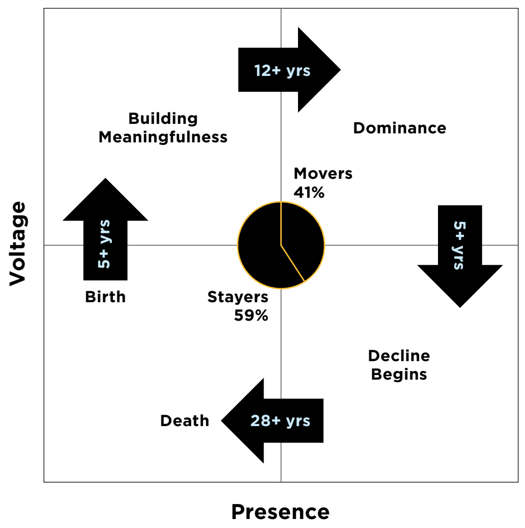
Google 'brand life cycle' and you'll get: some charts, a dusty academic article, many assertive blog posts and a set of lecture notes. From each emerges a common theme of rise, maturity and stagnation or decline. Innovations and changing consumer tastes bring into being new contenders with new stories to tell; the old adapt or else fade away.

But how much motion is there in the brand space? What does a successful brand look like, and how long does it take to grow one? Do brands die out, or is dominance self-perpetuating? How do these elements vary across markets?

It is with these questions in mind that we set about analyzing the BrandZ™ study database. Our core hypotheses are that:

- There exists a typical brand life cycle.
- It takes a long time to grow a brand and new brands tend to grow faster than established brands.
- Those that do grow are able to retain their superior position more easily than others.
- The causes of motion, namely technological and social disruptions, imply varying degrees of dynamism across markets (geographical and product).

Figure 1: The Brand Life Cycle: years to move between quadrants. The transitions are estimated based on the moving brands (41% of brands included in the analysis)



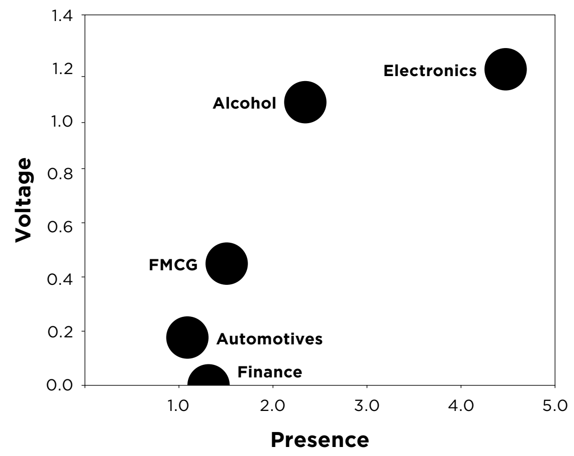
Mindshare's BrandZ™ brand transition analysis has identified the life cycle of a typical brand (Figure 1). We've estimated the average growth rates of growing brands and calculated journey times between quadrants.

Brands begin life in the bottom left quadrant, with low Presence and low Voltage*. It takes at least five years to travel up to the top left quadrant, during which time brands begin to develop a following. To grow to a strong dominant position in the top right quadrant, with high Presence and high Voltage takes a further 12+ years. For those with momentum, the full brand lifecycle is on average approximately 50+ years.

But this is just the movers. Of the brands we looked at, 59 percent don't move significantly over the 15-year period studied, either in terms of Voltage or Presence. They remain in either healthy or frail stasis, or else crawl along imperceptibly slowly.

The standard story of diminishing returns to advertising suggests that smaller brands with momentum should grow faster than their larger counterparts. Conversely larger brands may be able to leverage their scale to protect themselves from decline. If we split the journey into two phases of growth and shrinkage we can see that the growth phase takes around 17+ years, whereas the shrinkage phase around 33+ years. This apparent asymmetry between rise and fall lends support to this hypothesis.

Figure 2 illustrates how growth rates vary by the sector for Voltage and Presence. Across both metrics we see the highest growth rates are in Electronics & IT, which may reflect wider shifts in technological progress.**



The brand life cycle also varies by continent (Figure 3). Average growth rates in Asia are significantly*** higher than in Europe for example, which may be driven by wider economic and social changes. If this is the case we may expect to see brand growth rates in Africa increase over the coming decade. While South America has the highest average growth rate this figure has been in slow decline over the last decade.

This is a preliminary analysis of BrandZ™ data. We have identified a typical brand lifecycle in which brands rise and fall over a period of a half a century. Clearly there are many outliers and the dynamics of this cycle will vary considerably by market. Most brands remain stationary, at least over the period we're looking at. We've found an asymmetry between the growth and shrinkage phases, implying dominance is to some extent self-reinforcing, which fits with what we see elsewhere e.g. PIMS database. Smaller brands that are growing tend to move faster than their larger counterparts, implying convergence, however many will fall out along the way and become sedentary.

What is yet to be fully determined is what impact digital and social media marketing will have on the typical brand life cycle. It's reasonable to speculate that newer brands may reach the top left quadrant in less than five years, their trajectory being propelled by the disruptive forces of connected consumers and the transcendence of geographic boundaries. However, unlike brands that have strategically invested in the development and nurturing of their values and consumer relevance, those that rely on the fickleness of consumer favour may find they fall further, faster.

*Brand Voltage is a one-number summary of the growth potential of a brand. It takes into account how many people are very loyal to the brand (the brand's bonding score) and claimed purchasing data for the category to produce a single Brand Voltage number.

** The category covers IT Hardware and Software, Gaming, Mobile devices and Televisions.

*** We have rejected the hypothesis that there is no significant difference between the growth rates by different continent at probability level lower than 5%. It is worth mentioning that voltage is a slowly moving metric, therefore even 0.1% difference in growth may be significant.

04

Resources

BrandZ™ Brand Valuation Methodology

Consumer research and financial rigor make BrandZ™ the definitive valuation tool

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 on-going 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, on-going, in-depth quantitative consumer research, and build up a global picture of brands on a category-by-category and country-by-country basis.

Our research covers two million consumers and more than 10,000 different brands in over 30 countries. 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 desk research.

Before reviewing the details of this methodology, consider these three fundamental questions: why is brand important; why is brand valuation important; and 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 others 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

They 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, what 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 Worldpanel and 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 (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

We now have the value of the branded business as a proportion of the total value of the corporation. 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 rational factors that influence the value of the branded business, for example: price, convenience, availability and distribution.

Because a brand exists in the mind of the consumer, we have to assess the brand's uniqueness and its ability to stand out from the crowd, generate desire and cultivate loyalty. We call this unique role played by brand, 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 on-going, in-depth quantitative consumer research, online and face-to-face, building up a global picture of brands on a category-by-category and country-by-country basis. Our research now covers over two million consumers and more than 10,000 different brands in over 30 countries.

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.

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 consumer. 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 employees a complicated accounting method called Royalty Relief Valuation.

Why is the BrandZ™ methodology superior?

BrandZ™ goes much further. Once we have the important, but incomplete, financial picture of the brand, we communicate with consumers – constantly. Our on-going, in-depth quantitative research includes two million consumers and more than 10,000 brands in over 30 countries.

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 CEOs – depend on BrandZ™ for the most reliable and accurate brand value information available.

– Brand owners 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.

BrandZ™ is the definitive resource for brand equity knowledge and insight

Reports, apps and iPad magazines powered by BrandZ™

Get the BrandZ™ Top 100 Most Valuable Global Brands, the Latin America Top 50, the China Top 100 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). The iPad interactive magazine BrandZ™ Top 100, packed with exclusive content, is available from the Apple App store (search for BrandZ™ 100).

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, please visit www.brandz.com, or contact any WPP Group company.

BrandZ™ Top 50 Most Valuable Latin American Brands 2013

The report profiles the most valuable brands of Argentina, Brazil, Chile, Colombia and Mexico and explores the socio-economic context for brand growth in the region. For the iPad magazine search BrandZ™ Latin America on iTunes.

BrandZ™ Top 100 Most Valuable Chinese Brands 2014

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. Go to www.brandz.com/mobile.

Beyond Trust: Engaging Consumers in the Post-Recession World

An Index based on BrandZ™, TrustR measures the extent to which consumers trust and are willing to recommend individual brands. High TrustR correlates with bonding, sales and brand value. Complete information is available from WPP companies.

ValueD: Balancing Desire and Price for Brand Success

An index based on BrandZ™, ValueD measures the gap between the consumer's desire for a brand and perception of the brand's price. It helps brands optimize sales, profit and positioning. Complete information is available from WPP companies.

The Chinese Golden Weeks in Fast Growth Cities

With 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 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.

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 and its potential impact on brands.

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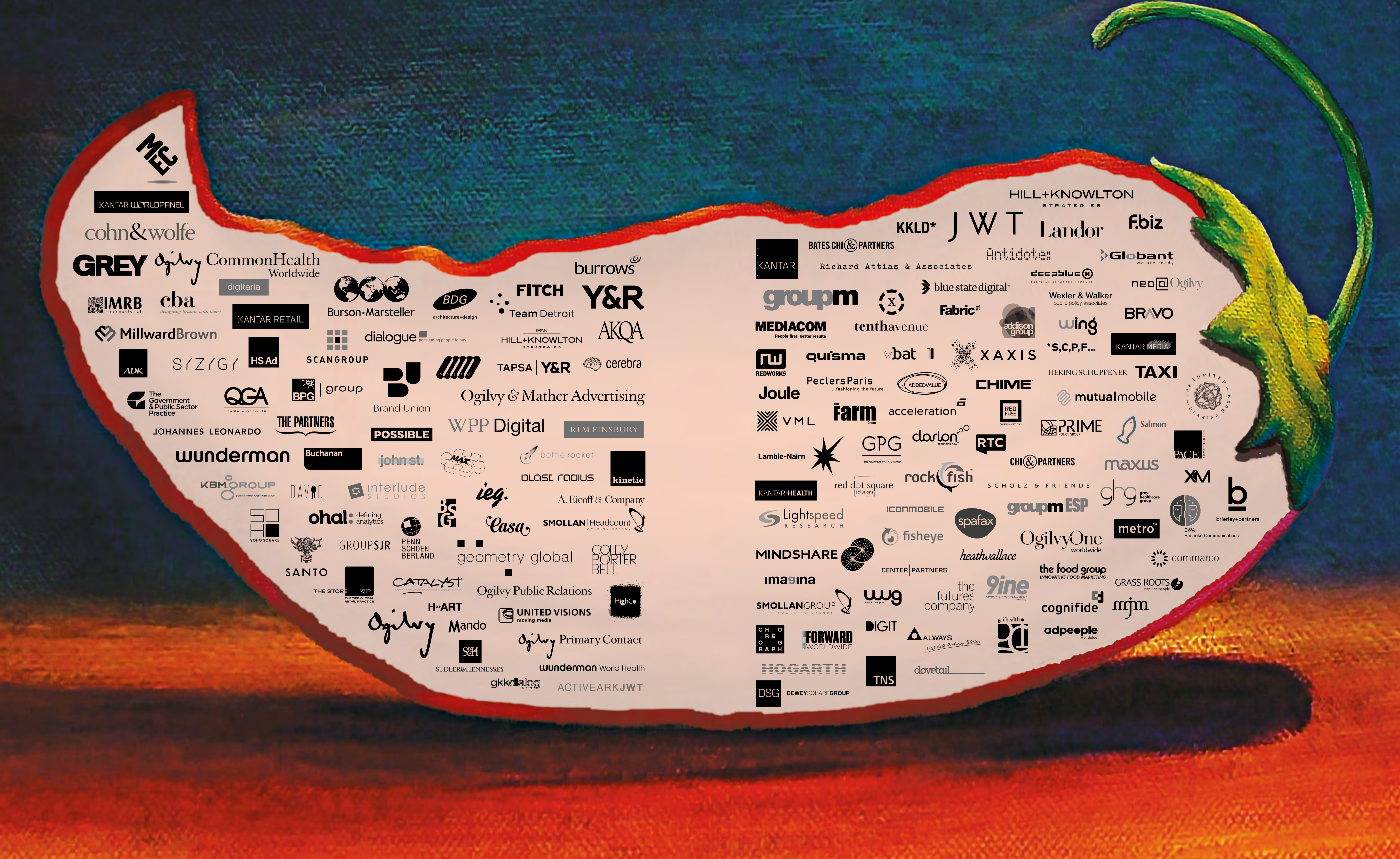
MEC
KANTAR WORLDPANEL
cohn&wolfe
GREY
Ogilvy CommonHealth Worldwide
digitaria
IMRB international
cba designing brands with heart
Burson-Marsteller
KANTAR RETAIL
BDG architecture+design
FITCH
Team Detroit
burrows
Y&R
MillwardBrown
dialogue persuading people to buy
HILL+KNOWLTON STRATEGIES
AKQA
ADK
SYZYGY
HS Ad
SCANGROUP
TAPSA | Y&R
cerebra
The Government & Public Sector Practice
QGA PUBLIC AFFAIRS
BPG | group
Brand Union
Ogilvy & Mather Advertising
JOHANNES LEONARDO
THE PARTNERS
POSSIBLE
WPP Digital
RLM FINSBURY
wunderman
Buchanan
johnst
bottle rocket
blast radius
kinetic
KBM GROUP
DAVID
interlude STUDIOS
ieg
A. Eicoff & Company
ohal defining analytics
BSG
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geometry global
COLEY PORTER BELL
SANTO
THE STORE
CATALYST
Ogilvy Public Relations
HighCo
H-ART
UNITED VISIONS moving media
Ogilvy
Mando
Ogilvy Primary Contact
SUDLER & HENNESSEY
wunderman World Health
gkk dialog
ACTIVEARKJWT
HILL+KNOWLTON STRATEGIES
KKLD*
JWT
Landor
F.biz
KANTAR
BATES CHI & PARTNERS
Richard Attias & Associates
Antidote
Globant we are ready
groupm
deepblue
blue state digital
neo@Ogilvy
Fabric
addison group
Wexler & Walker public policy associates
wing
BRAVO
MEDIACOM People first, better results
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REDWORKS
quisma
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XAXIS
*S,C,P,F...
KANTAR MEDIA
HERING SCHUPPENER
TAXI
Joule
PeclersParis ...fashioning the future
ADDEDVALUE
CHIME
mutual mobile
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GPG THE GLOVER PARK GROUP
clarion something new
RTC
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maxus
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XM
KANTAR HEALTH
red dot square solutions
rockfish
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EWA Bespoke Communications
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commarco
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the food group INNOVATIVE FOOD MARKETING
imagina
the futures company
9ine SPORTS & ENTERTAINMENT
GRASS ROOTS inspiring people
SMOLLANGROUP
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WPP Company Contributors

These companies contributed knowledge, expertise and perspective to the report.

Acceleration crafts digital marketing capability for global brands and industry leaders. We are digital natives who understood the radical impact that technology would have on the future of brands. A rare breed of individuals with comprehensive experience of building marketing capability, driving best practice and implementing marketing technology. Operating at the intersection of technology and strategy, insights and consumer engagement to build the specific capabilities needed to grow market share and expand global reach. Part of WPP Digital, and with 15 years' experience, we employ over 150 strategic marketing technologists globally.

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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.

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AKQA is an ideas and innovation company. We collaborate with our clients to create the future.

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Barrows has been operating in global retail for over 20 years in both developing and developed markets. In this time we have understood what it takes to win in this ever-evolving and dynamic retail media space. Our range of services encompass everything from insights, retail media planning, design, production, procurement, and ultimately through to in-store execution. These are flexed and applied according to our clients' retail objectives. Working across teams within our clients' organizations, we align the marketing objectives with customer and key account teams to ultimately develop the best possible in-store experience for shoppers.

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Blast Radius is a strategic digital agency that helps connect brands and consumers to tackle the complex issues of growing brands and revenue in a highly connected world. With offices in Chicago, Toronto, Vancouver, New York, Seattle, Portland, and Europe, its client roster includes Starbucks, Nike, Microsoft, Bacardi, Nokia, and NIVEA. Blast Radius is part of Wunderman, a member of WPP (NASDAQ: WPPGY) and part of Young & Rubicam Group.

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BrandAnalytics, a Division of Millward Brown Optimor in South America, provides expert analytical support for branding programs. It focuses on developing frameworks for established client/consumer oriented organizations, from Segmentation, Brand Strategy, Brand Implementation, Brand Valuation and ROI. BrandAnalytics provides evidenced-based branding recommendations that are linked to shareholder value generation.

www.brandanalytics.com.br

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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. Cohn & Wolfe was named PRWeek Agency of the Year and a Best Place to Work by PRWeek, Crain's NY, Advertising Age and PR News. The agency has more than 1,100 employees in over 50 offices across North America, EMEA and Asia.

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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.

www.digitlondon.com

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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, Brown-Forman, Dell, H&M, Philips, Sberbank, and Target.

www.fitch.com

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Geometry Global is the largest and most geographically complete activation agency of its kind, providing brand marketers with a unique solution: Precision Activation. This proprietary approach focuses on the exact blend of context and content that influence consumer behavior, transforming big creative ideas into effective and profitable business growth drivers. With a team of 4000 experts in 56 markets, the network develops award-winning marketing programs, informed by data and insights. Geometry Global delivers creativity across a range of disciplines including Shopper, Relationship, Promotional and Experiential, Trade and Digital Marketing.

www.geometry.com

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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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JWT is the world's best-known marketing communications brand that has been inventing pioneering ideas for the past 150 years. Headquartered in New York, JWT is a true global network with more than 200 offices in over 90 countries, employing nearly 10,000 marketing professionals. JWT consistently ranks among the top agency networks in the world and continues a dominant presence in the industry by staying on the leading edge – from producing the first-ever TV commercial in 1939 to developing award-winning branded content today.

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KANTAR RETAIL

Kantar Retail is the world's leading retail and shopper insights and consulting business and is part of Kantar, the data investment management division of WPP. The company works with leading branded manufacturers and retailers to transform the purchase behaviour of consumers and shoppers through the use of retail and shopper insights, purchase data analytics, consulting, organizational development and retail virtual reality services. Kantar Retail tracks and forecasts over 1000 retailers globally, has purchase data on over 200m shoppers and among its market leading reports are the annual PoweRanking survey (USA and China), and Industry Shopper Study Across Retailers. Kantar Retail works with over 400 clients and has 20 offices in 15 markets around the globe.

www.kantarretail.com

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KBM GROUP

KBM Group transforms customer experience by providing data-driven insights, personalization and relevance to create mutual value for brands and their customers. Expert in offline and online data, KBM Group owns behavioral, demographic, lifestyle and transactional data and has the largest data management capability of any agency holding company. KBM Group helps companies assess, collect, manage, connect and interpret data to create continuous, resonant consumer interactions throughout the customer journey. The company's data-driven Consumer Engagement Platform drives informed interactions across channels in real-time, allowing marketers to adapt and refine marketing in the moment to reach an audience of one.

www.kbmg.com

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CEO
gary.laben@kbmg.com

Landor

Landor Associates is one of the world's leading strategic brand consulting and design firms. Landor's holistic approach to branding balances rigorous, business-driven thinking and exceptional creativity. Its work spans the breadth of branding services, including research, positioning, strategy, architecture, naming and writing, corporate identity, consumer package design, environments, equity management, engagement, and digital branding. With 26 offices in 20 countries, Landor's current and past clients include: Barclays, BP, FedEx, Diageo, GE, Kraft Foods, Microsoft, Nestlé, Procter & Gamble, Russian Copper Company, Singapore Airlines, and Taj Hotels Resorts and Palaces. Landor is a member of the Young & Rubicam Group network within WPP, one of the world's largest marketing and communications firms.

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KANTAR WORLDPANEL

Kantar Worldpanel is the leading provider of consumer panels worldwide and has been specializing in the U.S. beverage market for over thirty years. We provide ongoing tracking of 40,000 individuals who report their actual beverage consumption behavior over the course of a week. Using this wealth of data and our category and market expertise, we can provide beverage market information from an end consumer perspective. The ability to understand the who, what, where, why and how for all brands, all categories and all consumers allows us to provide actionable and potentially game-changing insight relevant to your business.

www.kantarworldpanel.com

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Lambie-Nairn

Lambie-Nairn is an international branding agency with over 38 years' experience and nine offices across Europe, the Middle East and Latin America. With specialist knowledge in broadcast, sport, travel and entertainment, and technology, Lambie-Nairn employs a cross-functional team of strategists, creatives, client services and producers, enabling it to build flexible and nimble teams to meet their clients' needs. Our particular experience in brand guardianship allows us to develop brands that can evolve and develop in fresh, consistent and engaging ways.

www.lambie-nairn.com

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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 Optimor (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

www.millwardbrown.com.

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MillwardBrown Optimor

Millward Brown Optimor is the brand and business consultancy of Millward Brown, dedicated to igniting business growth through transformative brand and market strategies. Millward Brown Optimor provides strategic corporate and brand consulting, rooting its approach in consumer research, stakeholder understanding and financial analysis.

www.millwardbrown.com/mboptimor

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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.

www.mindshareworld.com

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Ogilvy & Mather

Ogilvy & Mather is one of the largest marketing communications companies in the world. It was named both the Cannes Lions Network of the Year and the EFFIEs World's Most Effective Agency Network for two consecutive years, 2012 and 2013. The company is comprised of industry leading units in the following disciplines: advertising; public relations and public affairs; branding and identity; shopper and retail marketing; health care communications; direct, digital, promotion and relationship marketing; consulting, research and analytics; branded content and entertainment; and specialist communications. O&M services Fortune Global 500 companies as well as local businesses through its network of more than 500 offices in 126 countries.

www.ogilvy.com

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PeclersParis
...fashioning the future

PeclersParis is a unique worldwide trend forecasting, brand strategy and innovation agency that is expert in fashion, beauty and cosmetics, home and consumer electronics products. Our unique expertise is to decrypt socio-cultural and aesthetic trends and translate them not only into innovative brand strategies but also into new products' concepts and design. Founded in 1970. A WPP company since 2003. Based in Paris, New York, Los Angeles, Shanghai, Munich and in 15 other countries.

www.peclersparis.com

Eric DuChamp
CEO
Chief Executive Officer

POSSIBLE

POSSIBLE is a creative agency that cares about results. We back up every idea with real-world insights to create work that makes a difference, and makes a measurable impact. On paper, POSSIBLE is 25 offices spanning five continents. In practice, we are 1,100+ people offering local expertise to some of the world's most dynamic brands. These include Microsoft, P & G, Starwood Hotels and Resorts Worldwide, The Bill & Melinda Gates Foundation, AT&T and Coca-Cola.

www.POSSIBLE.com

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rockfish

Rockfish is a full-service digital innovation partner that drives business for some of the world's largest brands. We build groundbreaking digital solutions through expert integration of strategy, creative and technology. Founded in 2006, Rockfish has offices in Dallas, Austin, Cincinnati, Atlanta, Northwest Arkansas, New York, Portland and Chicago. Rockfish is part of WPP, the world leader in communications services with 170,000 employees in 110 countries.

www.rockfishdigital.com

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Salmon

Salmon is a highly innovative eCommerce digital agency whose commitment to on-time, on-budget project delivery is increasingly embraced by the leading names in retail, wholesale and manufacturing. Major brands turn to Salmon for its ability to define, deliver and exploit enterprise scale eCommerce, multichannel operations and digital marketing solutions. Salmon quickly understands the business vision, creates realistic project plans and efficiently delivers solutions to plan; based around a management process that removes risk from successful project roll-outs. Customers include Akzo Nobel, Argos, Audi, DFS, Game, Halfords, Kiddicare, Premier Farnell and Selfridges. Salmon is headquartered in the UK and has offices in the US, China and Australia.

www.salmon.com

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Team Detroit

Team Detroit brings together five of WPP's largest marketing agencies in one location, Dearborn, Michigan, to provide its clients access to best practises and talent. Team Detroit is the 21st century equivalent to the full-service agency, acting as a portal to provide a single point of contact and accountability.

www.teamdetroit.com

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TGi™

The Kantar Media TGI studies sit at the forefront of the media and marketing industries, providing comprehensive insight into the online and offline behaviour of consumers: who they are, why they behave and make choices the way they do and how best to reach them. Used by communications and digital agencies, media and advertisers, TGI measures brand consumption, reasons behind behaviours and media usage, including passively-collected online browsing behaviour. Drawing vital information from 70 countries worldwide, TGI is the most trusted source of national and international planning insights. TGI fulfils a wide range of strategic and tactical purposes, including the identification of target audiences, digital and traditional communication planning and buying, consumer profiling and brand positioning. TGI is integrated with many other studies specific to particular markets, driving even deeper consumer insights.

www.globaltgi.com

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BRAND UNION

The Brand Union is a global brand agency with over 500 people in 23 offices in 16 countries. As the leaders' choice for brand-related insight, advice and activation, The Brand Union delivers knowledge, inspiration and expertise from across the globe to build brands that thrive in the real world, using a balance of brand strategy, creativity and execution.

www.thebrandunion.com

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the futures company

The Futures Company is a unique strategic insight and innovation consultancy, dedicated to a mission of unlocking new sources of growth for our clients. We bring a unique forward-looking, outward-looking and people-centric perspective to everything we do, helping businesses and brands drive more powerful connections with people and culture with our expertise in human and cultural insight, and unlocking opportunities that can drive a step-change in your business through more foresight-driven growth and innovation strategy. Our work combines our unique proprietary knowledge assets alongside a range of research methodologies and consultancy tools and techniques.

www.thefuturescompany.com

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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 behaviours 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.

www.tnsglobal.com

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VML

VML is a global marketing agency that delivers forward-thinking ideas and solutions for the world's most influential brands, including: MillerCoors brands Coors and Coors Light, Charter Communications, Colgate-Palmolive, COBRA PUMA GOLF, Dell, Gatorade, the Kellogg Company, Microsoft, NAPA AUTO PARTS, PepsiCo, Southwest Airlines, U.S. Soccer, Tennessee Tourism, Wendy's and Xerox. Founded in 1992 and headquartered in Kansas City, Mo., VML joined the world's largest communications services group WPP in 2001. VML has more than 1,900 employees with principal offices in 24 locations across six continents.

www.vml.com

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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 and fastest-growing digital agencies; as well as premier mobile marketing company iconmobile. Y&R Advertising has 186 offices in 90 countries around the world. Its clients include Campbell's Soup Company, Colgate-Palmolive, Danone, Dell, Virgin Atlantic, Xerox, Revlon, GAP, Land Rover, LG and Telefónica.

www.yr.com

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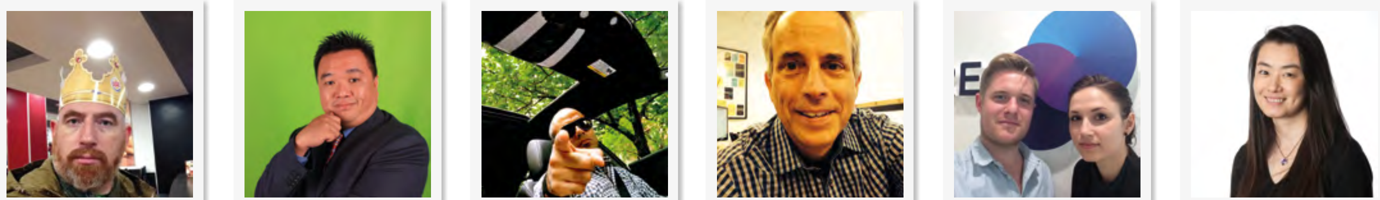
WPP

WPP is the world's largest communications services group with billings of US$72.3 billion and revenues of US$17.3 billion. Through its operating companies, the Group provides a comprehensive range of advertising and marketing services including advertising & media investment management; data investment management; public relations & public affairs; branding & identity; healthcare communications; direct, digital, promotion & relationship marketing and specialist communications. The company employs nearly 175,000 people (including associates) in over 3,000 offices across 110 countries. For more information, visit www.wpp.com. WPP was named Holding Company of the Year at the 2013 Cannes Lions International Festival of Creativity for the third year running. WPP was also named, for the second consecutive year, the World's Most Effective Holding Company in the 2013 Effie Effectiveness Index, which recognizes the effectiveness of marketing communications.

www.wpp.com

Brand experts who contributed to the report

These individuals, from WPP companies, provide additional thought leadership, research, analysis and insight to the report.



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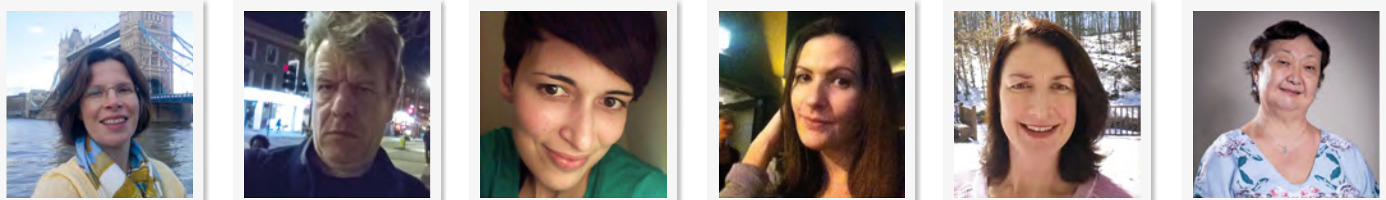

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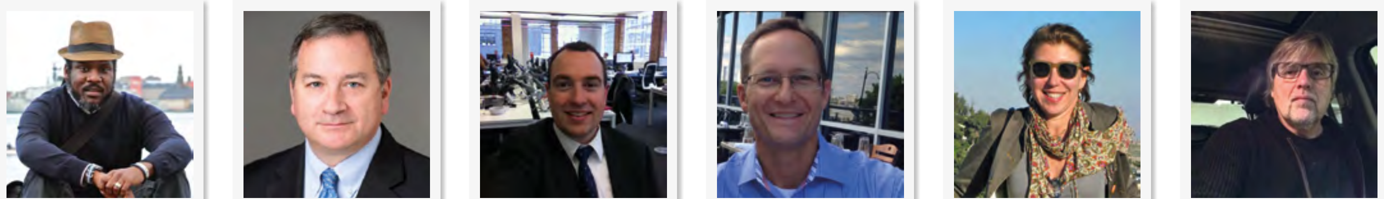

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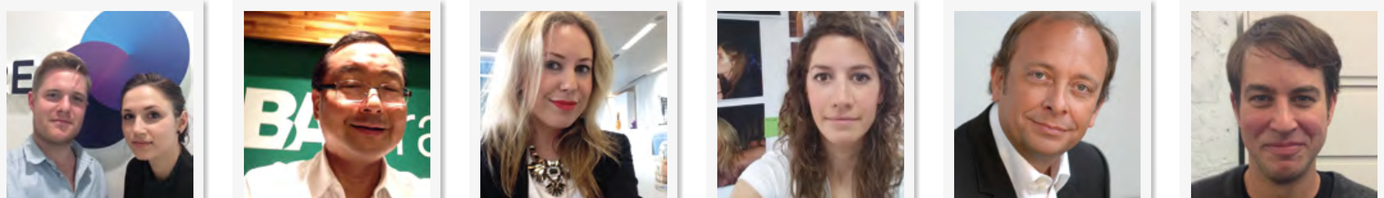

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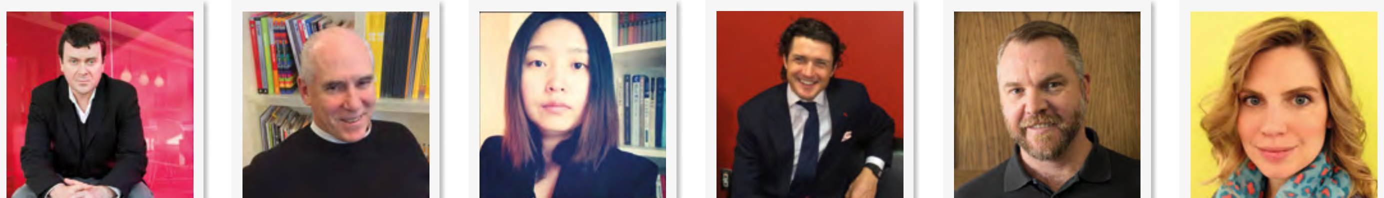

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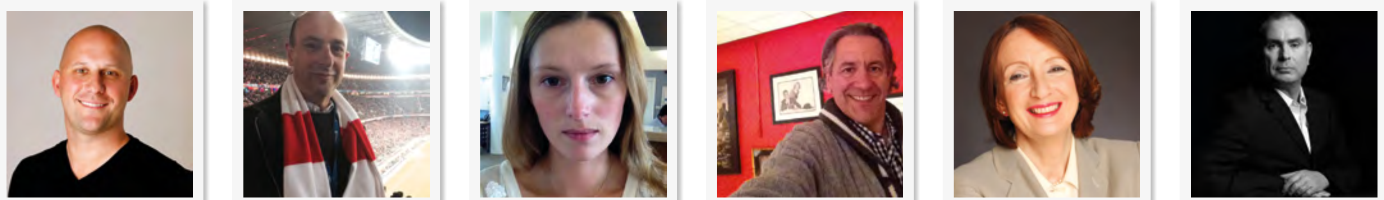

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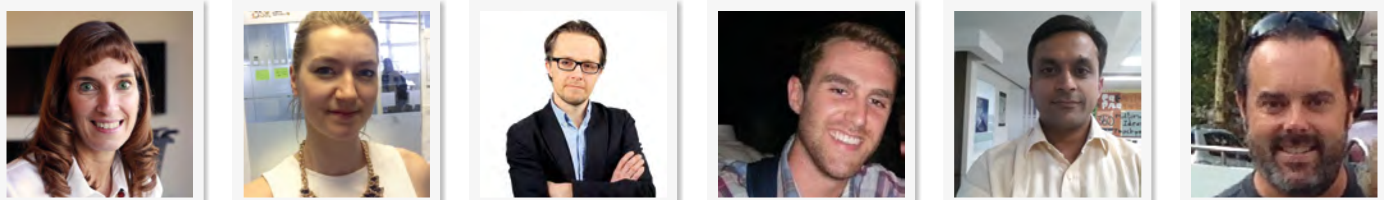

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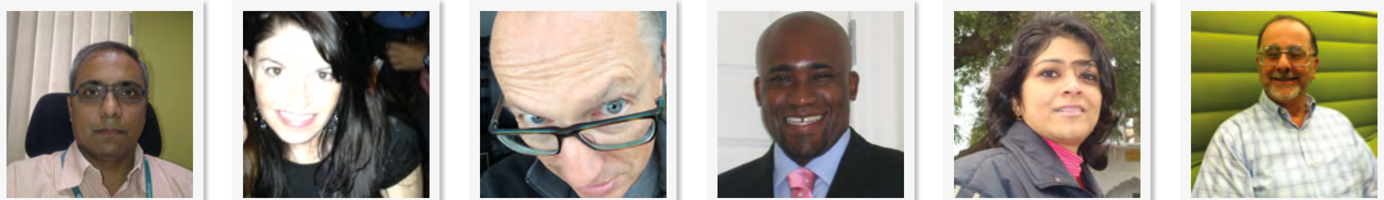

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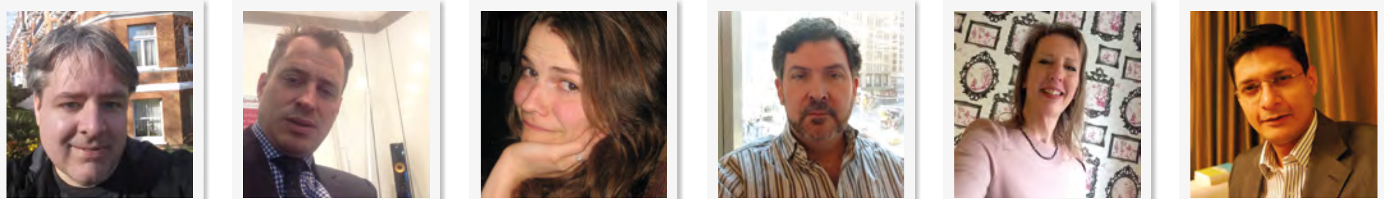

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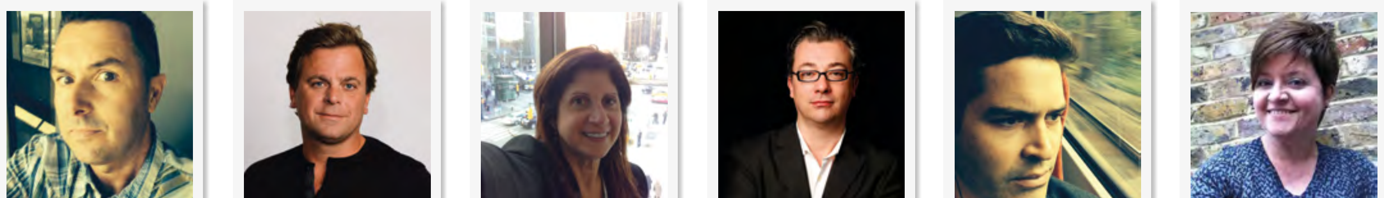

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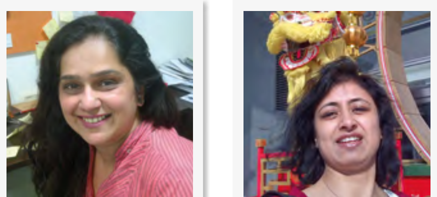

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BrandZ™ Global Top 100 Team

These individuals created the report, providing valuations, research, analysis and insight, editorial, photography, production, marketing and communications.

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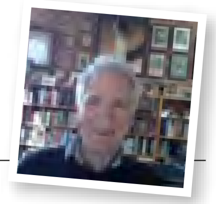
Elspeth Cheung is Head of BrandZ™ Valuation for Millward Brown Optimor. She is responsible for valuation, analysis, client management and external communication for the BrandZ™ rankings and other brand valuation engagements.

Nick Cooper

Nick Cooper is Managing Director of Millward Brown Optimor. He leads the overall practice in Europe and the development of brand strategy, portfolio optimization and brand planning.

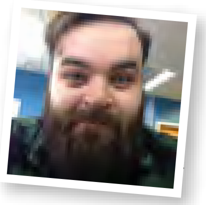
Amanda Harrison

Amanda Harrison serves as Project and Events Manager for The Store WPP and Project Manager for the BrandZ™ Top 100 Most Valuable Chinese Brands, The BrandZ™ Latin American studies as well as the Chinese New Year, Golden Weeks and Chinese Dream reports.



Ken Schept

Ken Schept is a professional writer specializing in articles and reports about brands, marketing and retailing. For the past several years he's helped develop the BrandZ™ library of reports. He spent much of his career as an editor with a leading US business media publisher.



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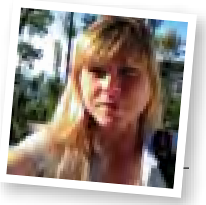


Cecilie Østergren

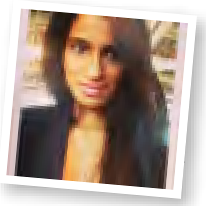
Cecilie Østergren is a professional photographer, based in Shanghai, who has worked closely with WPP agencies since 2009. Cecilie specializes in documentary, consumer insight and portraits. She's travelled extensively in China, Brazil and other locations to photograph images for the BrandZ™ reports.

Katie Pearce

Katie Pearce is Global Communications and Marketing Manager at Millward Brown, and works as Project Manager for the BrandZ™ Top 100 report as well as on the marketing and communications of BrandZ™ projects.

Baljit Thandi

Baljit Thandi is Director, Global Corporate Marketing at Millward Brown. She is responsible for overseeing the marketing and communications for the Top 100 ranking.



Natasha Perera

Natasha Perera is a Financial Analyst at Millward Brown Optimor. She is involved in brand valuation, applying the BrandZ™ valuation methodology to analyze brands, determine the brand value and to generate the information that appears in the BrandZ™ ranking studies.

Meenakshi Rawat

Meenakshi Rawat is a Consultant at Millward Brown Optimor. She is part of the BrandZ™ team which is responsible for BrandZ™ rankings. Her work involves conducting financial analysis, researching brands and performing valuations.

David Roth

David Roth is the CEO of the Store WPP for Europe, the Middle East, Africa and Asia, and leads the BrandZ™ worldwide project. Prior to joining WPP David was main board Director of the international retailer, B&Q.

Peter Walshe

Peter Walshe, Global Director of BrandZ™, was involved in the creation of this brand equity and insight tool 15 years ago, and has contributed to many valuation studies and developed BrandZ™ metrics, including CharacterZ, TrustR and ValueD.

The BrandZ™ brand valuation contact details

The brand valuations in the BrandZ™ Top 100 Most Valuable Global Brands are produced by Millward Brown Optimor using financial data from Kantar Worldpanel and Kantar Retail, along with 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, containing over two million consumer interviews about more than 10,000 different brands in over 30 countries.

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Bloomberg

The Bloomberg Professional service is the source of real-time and historical financial news and information for central banks, investment institutions, commercial banks, government offices and agencies, law firms, corporations and news organizations in over 150 countries. (For more information, please visit www.bloomberg.com)