

Best Global Brands 2013

Interbrand

Creating and managing
brand value™

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**Leadership is evolving.
It must now be shared.**

**CEOs, CMOs, and consumers
all have the power to
drive brand value.**

**Brands are where business
strategy meets reality.**

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The New Rules of Brand Leadership

By Jez Frampton

In our globalized, hyperconnected age, one question persists in boardrooms, corner offices, business schools, and conferences all over the world: What is leadership and how has it changed in the 21st century?

Driven by rapid technological advancement, the digitization of nearly everything, and the ever more intricate interdependencies of the global market, the business landscape has transformed over the past two decades. Operating in a bewildering new environment in which little is certain, the pace is quicker and the dynamics more complex. Those who lead today's brands can no longer rely on once immutable truths or principles of leadership honored in times past.

It is a new world. And as purchasing increasingly shifts from a physical experience to a virtual one and transaction-based interactions between brands and consumers shift to relationship-based interactions, new skills and sensibilities are needed. Leadership roles are converging, traditional structures are crumbling, the consumer's voice carries more weight than ever, and less tangible strengths like emotional intelligence and psychological insight are just as key to leading a brand today as the ability to generate high ROI and increased shareholder value.

Today's leaders face extraordinary new challenges and must learn to think differently about their role and how to fulfill it. Those who do may have an opportunity to change the world in ways their predecessors never imagined.

As such, some brand leaders, understandably, feel overwhelmed or worry that they don't know everything they need to know to stay on top. All are grappling with today's volatile environment in different ways, but all are looking to understand the landscape and master whatever skills are needed to excel and, more importantly, to connect and co-create with consumers in today's more collaborative marketplace. To shed light on the leadership challenge before us—and the evolving nature of leadership itself—we have identified a few areas where brands must pay particular attention in order to lead effectively in these tumultuous and exciting times.

Imagine and advance a vision

Leadership only exists in the eye of the beholder—the follower. People purchase, pursue employment with, and recommend brands they believe in, so if you want brand fans, loyalists, and ambassadors, you must have a vision of the future that inspires—and you must communicate

it. What story will unlock your employees' potential or move consumers to identify with your brand and accept your offer enthusiastically?

Look at the marketplace and try to understand how it is changing. Peek beyond the visible horizon and imagine where the world might be, not just next quarter, but 5, 10, or 20 years from now. Also, consider surveying employees and consumers—their feedback might help you shape a vision that is timely, relevant, and speaks powerfully to a collective need.

In recent years, many companies have been so focused on survival that they neglected to consider what their brands mean—or could mean—to people. Locked in austerity mode, they've been hunkering down, reducing costs, increasing margins, and expecting low growth. But if brands really want to harness the power and potential of markets, big visions have to come back into the game.

You can't control the conversation—so join it

In the brave new world of social media, your brand is increasingly being shaped by consumer opinion and demand—and is decreasingly under your control. As many brands discovered (the hard way), something as seemingly insignificant as an ill-timed tweet can stir up a firestorm of negative publicity. While keeping communication to a minimum might seem the best way to avoid trouble online, sitting out of the conversation may be more risky.

If you're not doing what you say you're doing or a mishap occurs, consumers are eventually going to find out. But being exposed doesn't have to be a PR disaster—it can be an opportunity to open your doors, clear the air, and forge a deeper connection. Consumers can become valuable allies if brands address concerns—whether it's about labor practices, product ingredients, or a controversial ad—instead of dodging issues or attempting to spin them. By opening up a space for real dialogue and actually listening to consumers, you can learn more about what people really want, crowdsource ideas or gather insights that could help improve products and user experience.

Don't wait—innovate

While some brands stay focused on refining their products and moving technology forward that is relevant to their industry, other brands take things further. Google, for example, has engineers and developers at its extreme innovation lab, Google[x], working on futuristic technologies such as its self-driving car and Project Loon, an internet service via balloons in the stratosphere. There is plenty of room for wild ideas and fresh approaches—especially those that just might work. However, whether

it's a subtle refinement or a category breakthrough, the important thing to remember about innovation is that when it hits the mark, it's because a company has satisfied an unmet need.

Another thing to remember about innovation is that just because you've been successful at something historically doesn't mean you have to do it forever. To be truly innovative, you sometimes have to be willing to disrupt yourself. Amazon excels at this. The online behemoth disrupted book publishing, shook up all of retail and later the market it had come to dominate—books—by creating the Kindle.

Lead through design

Design-savvy brands appreciate the value of aesthetics and realize that consumers are just as drawn by a product's visual appeal and functional elegance as they are by its specs and capabilities. Apple re-educated people on the importance of design. As a result, consumers increasingly judge the quality of products on the basis of appearance—the design, packaging, and interface. In the auto industry, research has revealed that while consumers traditionally assessed a brand's level of innovation on the basis of technology like GPS systems, they now take cues about innovation from exterior styling as smart features have become standard across the industry.

Simply put, design matters, and today's brands are increasingly aware that consumers want products to be “pretty” and well-designed. It's not a huge leap to then assume that aesthetics and superior functionality will soon be demanded in all categories. Similarly, brands themselves will have to evolve their look and feel—from updated logos and richer websites to retail spaces that are not only stylish, but also stream-

line the shopping experience through technology. Dazzling consumers, differentiating your brand, strengthening your image, and nurturing a culture of innovation—design makes it all possible.

Invest in people

There's an old proverb that says: "If you are planning for one year, plant rice. If you are planning for 10 years, plant trees. If you are planning for 100 years, plant people." If you're going to stay ahead, you've got to have the best people—and you've got to know how to retain them. To attract talent, particularly Millennials, you've got to know what they're looking for and how they judge companies, and then cultivate that kind of culture.

With more "digital natives" joining your ranks, providing an internal infrastructure that feels like the world they love outside of work is one way to keep them happy and turn them into brand ambassadors. Internally, do away with outdated workflow technology and give employees the digital tools they are already using. From flexible hours and daycare services to special perks and continuing education, the most admired companies put thought into creating a place where people want to work and take the time to nurture talent that will keep their organization strong for years to come.

Get comfortable with Big Data

Trendsetters like Apple, our new #1 Best Global Brand this year, and sectors that specialize in delivering extraordinary service such as hospitality, are constantly raising the bar for customer satisfaction. What is the role of leadership when it comes to creating fantastic brand experiences? Today, it is absolutely essential to gather insights

and information that shed light on what customers want.

The catch is that nearly every major brand is collecting structural data, which attempts to paint a picture of consumers based on transactional behavior. This can tell companies where people spend their money, but it doesn't reveal a whole lot about what they think and feel, or why they really buy what they buy.

Going forward, the big challenge will be parsing through unstructured data. This will involve combing social media data for deeper insights about customer preferences—how wide their social groups are, what their interests are, what colors they prefer, and so forth. As collecting massive amounts of data becomes the norm, the brands that will lead in the years ahead will be those that can glean meaning from that data and devise actionable strategies to surprise and delight customers at every touchpoint.

Don't dominate, co-create

Collaborative leadership is a crucial, yet poorly understood, new form of leadership.

As organizations slowly diffuse across time zones and work becomes more virtual, the old corporate ladder is being replaced by a corporate lattice that allows information, development, and recognition to flow along horizontal, vertical, and diagonal paths. The lattice model makes it possible to structure work, build careers, and foster participation in more collaborative and customized ways.

The fact is, organizations are more complex than they used to be. Getting any product or service into the market involves more people and processes than ever before. With so many moving parts, collaboration across an organization is

the only way to avoid confusion and improve efficiency—which explains why companies that operate as a collection of silos tend to underperform.

Whether collaborating across silos in your own organization, partnering with other organizations or NGOs, or co-creating with consumers—it is crucial for brands to get collaboration right. As the way we work continues to change, this fundamentally social activity, founded on generosity and openness, will be the glue that binds disparate people and keeps things running smoothly.

Make CSR strategic—and make a real difference

Another area ripe for leadership is Corporate Citizenship. With commodity prices rising, resource scarcity becoming a reality, and climate change advancing, sustainability is no longer just a money-saving add-on, it's a key way to future-proof your business. Addressing social issues—from poverty to revitalizing public spaces—presents opportunities for your business to demonstrate core competencies and show the world how innovative and compassionate your organization really is. This not only boosts reputation, but also shines a spotlight on what your company does best. Doing good, in other words, is simply good business.

The truth is, if you're going to maintain the ability to attract investment and talent, lead your industry in innovation, and inspire consumers with your unique approach to building a better world, sustainability and corporate social responsibility will increasingly have to be at the heart of your business, not on the periphery. Rather than supporting a cause, especially one that is unrelated to your core business, consider becoming a cause. There are many problems in the world—how can you use the power of

your brand and your company's specialized skills to solve them? What role can consumers play?

We are all leaders

Long before the advent of the internet, in another tumultuous time in history, Martin Luther King Jr. spoke eloquently of the "inescapable networks of mutuality" and reminded us that we are all, regardless of our position, "tied together in a single garment of destiny." Consumers and brands, too, are now connected in unprecedented ways.

In a very real sense, brands and consumers aren't just "doing business"—we are knitting the fabric of global civilization. The progress of the world depends on the strength of each person's willingness to participate, listen, learn, and share. As each of us develops our leadership capabilities, the power of our actions, thoughts, and example is transmitted to others. In turn, they are better able to unlock their own potential to serve. In this way, consumers and brands, working in tandem, can have a far-reaching impact.























































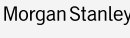














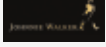






























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— Jez Frampton
Global Chief Executive Officer
Interbrand

**Best
Global
Brands
2013**

LEADER



01  Apple +28% 98,316 \$m	02  Google +34% 93,291 \$m	03  Coca-Cola +2% 79,213 \$m	04  IBM +4% 78,808 \$m	41  Accenture +8% 9,471 \$m	42  Ford +15% 9,181 \$m	43  Hyundai +20% 9,004 \$m	44  Goldman Sachs +12% 8,536 \$m	45  Siemens +13% 8,503 \$m	46  Sony -8% 8,408 \$m
05  Microsoft +3% 59,546 \$m	06  GE +7% 46,947 \$m	07  McDonald's +5% 41,992 \$m	08  Samsung +20% 39,610 \$m	47  Thomson Reuters -4% 8,103 \$m	48  Citi +5% 7,973 \$m	49  Danone +6% 7,968 \$m	50  Colgate +2% 7,833 \$m	51  Audi +8% 7,767 \$m	52  Facebook +43% 7,732 \$m
09  Intel -5% 37,257 \$m	10  Toyota +17% 35,346 \$m	11  Mercedes-Benz +6% 31,904 \$m	12  BMW +10% 31,839 \$m	53  Heinz -1% 7,648 \$m	54  Hermès +23% 7,616 \$m	55  adidas +12% 7,535 \$m	56  Nestlé +9% 7,527 \$m	57  Nokia -65% 7,444 \$m	58  Caterpillar +13% 7,125 \$m
13  Cisco +7% 29,053 \$m	14  Disney +3% 28,147 \$m	15  HP -1% 25,843 \$m	16  Gillette +1% 25,105 \$m	59  AXA +5% 7,096 \$m	60  Cartier +26% 6,897 \$m	61  Dell -10% 6,845 \$m	62  Xerox +1% 6,779 \$m	63  Allianz +8% 6,710 \$m	64  Porsche +26% 6,471 \$m
17  Louis Vuitton +6% 24,893 \$m	18  Oracle +9% 24,088 \$m	19  Amazon +27% 23,620 \$m	20  Honda +7% 18,490 \$m	65  Nissan +25% 6,203 \$m	66  KFC +3% 6,192 \$m	67  Nintendo -14% 6,086 \$m	68  Panasonic +1% 5,821 \$m	69  Sprite +2% 5,811 \$m	70  Discovery New 5,756 \$m
21  H&M +10% 18,168 \$m	22  Pepsi +8% 17,892 \$m	23  American Express +12% 17,646 \$m	24  Nike +13% 17,085 \$m	71  Morgan Stanley -21% 5,724 \$m	72  Prada +30% 5,570 \$m	73  Shell +16% 5,535 \$m	74  Visa +11% 5,465 \$m	75  Tiffany & Co. +5% 5,440 \$m	76  3M +16% 5,413 \$m
25  SAP +7% 16,676 \$m	26  IKEA +8% 13,818 \$m	27  UPS +5% 13,763 \$m	28  eBay +20% 13,162 \$m	77  Burberry +20% 5,189 \$m	78  MTV -12% 4,980 \$m	79  Adobe +8% 4,899 \$m	80  John Deere +15% 4,865 \$m	81  Johnson & Johnson +9% 4,777 \$m	82  Johnnie Walker +10% 4,745 \$m
29  Pampers +15% 13,035 \$m	30  Kellogg's +8% 12,987 \$m	31  Budweiser +6% 12,614 \$m	32  HSBC +7% 12,183 \$m	83  Kia +15% 4,708 \$m	84  Santander -2% 4,660 \$m	85  Duracell New 4,645 \$m	86  Jack Daniel's +7% 4,642 \$m	87  Avon -11% 4,610 \$m	88  RALPH LAUREN Ralph Lauren +14% 4,584 \$m
33  J.P. Morgan 0% 11,456 \$m	34  Volkswagen +20% 11,120 \$m	35  Canon -9% 10,989 \$m	36  Zara +14% 10,821 \$m	89  Chevrolet New 4,578 \$m	90  Kleenex +2% 4,428 \$m	91  Starbucks +8% 4,399 \$m	92  Heineken +10% 4,331 \$m	93  Corona +5% 4,276 \$m	94  Pizza Hut +2% 4,269 \$m
37  Nescafé -4% 10,651 \$m	38  GUCCI Gucci +7% 10,151 \$m	39  L'Oréal PARIS L'Oréal +12% 9,874 \$m	40  PHILIPS Philips +8% 9,813 \$m	95  SMIRNOFF Smirnoff +5% 4,262 \$m	96  Harley-Davidson +10% 4,230 \$m	97  MasterCard +8% 4,206 \$m	98  Ferrari +6% 4,013 \$m	99  MOËT & CHANDON CHAMPAGNE Moët & Chandon +3% 3,943 \$m	100  GAP Gap +5% 3,920 \$m

Apple
+28%
98,316 \$m



Every so often, a company changes our lives, not just with its products, but with its ethos. This is why, following Coca-Cola's 13-year run at the top of Best Global Brands, Interbrand has a new #1—Apple. Few brands have enabled so many people to do so much so easily, which is why Apple has legions of adoring fans. For revolutionizing the way we work, play, and communicate—and for mastering the ability to surprise and delight—Apple has set a high bar for aesthetics, simplicity, and ease of use that all other tech brands are now expected to match, and that Apple itself is expected to continually exceed.

From our perspective, Apple's internal brand strength has remained steady. CEO Tim Cook has assembled a solid team that is aligned around the Apple vision, which has allowed them to deliver against the promise time and time again. There's been a lot of change at the top in the last 12 months, but the alignment of both hardware and software design under Jonathan Ive is a major step toward maintaining focus. A shrewd move, perhaps, given the stiffer than ever competition over the last 12 months: Samsung is now the world's most profitable smartphone manufacturer, Google has expanded Android and its maps still seem to be the "preferred" route, and Windows Phone 8 certainly raised more than a few eyebrows.

Apple reached a financial pinnacle in 2012 when it became the most valuable company of all time. The peak value was not sustained, however, but the brand's financial performance in 2012 was even stronger than 2011 and, on a product and popularity basis, Apple continues to whet appetites for more.

Today, there are 72 million Macs in use, and in the last five years, Mac sales have grown an average of 15 percent annually,

compared to an average of three percent a year for the PC market as a whole. The iTunes App Store, which turned five this year, has crossed the 50 billion app download mark and the brand's trendsetting retail stores (research company RetailSails) are performing 17 times better than any other physical retail store—a fact which seems to justify the trademark Apple received for its distinctive design and layout earlier this year.

With the customer at the nexus of everything it does, Apple continues to respond to emerging needs, improve its products, and break new ground in design and performance. The next Mac OS X, Mavericks, promises to keep users' digital lives flowing seamlessly from device to device, and the new MacBook Air boasts "all day" battery life.

Living up to the brand's iconic "Think Different" campaign, Apple's designers and engineers reimagined the operating system that powers the iPhone, iPad, and iPod touch. Incorporating a more sophisticated tool to help protect users' data and discourage theft, iOS 7's innovative new features include an activation lock, which prevents a stolen phone from being re-activated, even if a device is wiped. Speculation is rife about a possible iWatch, with Cook recently hiring former Yves Saint Laurent CEO Paul Deneve to head up special projects, which may or may not include wearable computer chic, and Nike's FuelBand developer, Jay Blahnik. But the real breakthrough (as if responding to those who questioned the company's ability to keep innovating) could be an upcoming smaller, mightier incarnation of the Mac Pro. Leaving the traditional tower behind, the Mac Pro's new tower is radically different: a cylinder-shaped design, built around a thermal core, that is just one-eighth the volume of the previous machine while offering double the computing power.

Every so often, a company changes our lives, not just with its products, but with its ethos. This is why, following Coca-Cola's 13-year run at the top of Best Global Brands, Interbrand has a new #1—Apple.

The company has announced that the Mac Pro will be assembled in the US, which demonstrates that Apple has taken criticism over Foxconn worker conditions in China to heart. The brand's environmental commitments also appear to be growing: Apple is still the only company in the tech industry whose entire product line exceeds US Energy Star specifications and a new solar facility—the largest privately owned solar array in the US—is now fueling its North Carolina data center. The company plans to achieve 100 percent renewable energy for its data centers and facilities worldwide and already has a second solar facility scheduled to be operational by the end of the year. In a move that may further shore up its reputation, Apple hired former US EPA chief, Lisa Jackson, as its first VP of Environmental Initiatives.

However, its reputation has taken a few hits this past year, including being found guilty by a US court of conspiring with publishers to fix the price of e-books bought via iTunes; the ongoing Apple vs. Samsung patent trials; allegations around treatment of workers at a supplier (Foxconn) in China; and a US Senate hearing examining the company's "highly questionable" tax minimization strategies. On the plus

side, a portfolio of blockbuster products, promising upgrades, and new and improved services are sure to remind users—and investors—what they love about Apple.

The focus for the future is clear: Apple must succeed in slowing Samsung's momentum and capture the booming Chinese mobile market. Whether or not the brand can accomplish this remains to be seen, but one thing is certain: The world is waiting for the next iteration of Steve Jobs' classic "one more thing" announcement, and clear proof of his declaration that the brand's "brightest and most innovative days are ahead of it."

Whether that innovation turns out to be the iWatch or something completely unexpected, it's Apple's ability to "think different"—truly different—and to deeply consider our needs that will keep it on, or near, the top for years to come.

Google
+34%
93,291 \$m



If Google's stream of innovation is anything to go by, there's clearly something in the water in Mountain View, California. From making noise for its self-driving cars to taking advantage of Apple's Maps fumble to releasing the straight-out-of-*Star Trek* Google Glass, the company once described as a search engine has found its voice as a true leader of the technology age. Tech-savvy or not, anyone who has continuous, or even intermittent, access to the internet is aware of the brand, and likely a user of at least one of its numerous offerings. Whether through phone, tablet, computer, or car, the brand is ever-present. As powerful as it is ubiquitous, Google controls about one-third of all online advertising spending, according to eMarketer research. At the same time, evolutionary changes in core offerings like search, Android (mobile operating systems), and Gmail continue to keep Google ahead of the pack, ensuring that users who are "one click away" from the competition never stray. Google's relentless adaptation attests to the fact that the brand tries to anticipate and fulfill the needs of its consumers across a variety of areas. The company is constantly assessing its products, phasing out services and offerings that are no longer relevant or are simply unprofitable, and introducing new ones. This responsive behavior suggests that Google pays attention to what consumers like and don't like—a big reason why overall sentiment for the brand is positive. However, the year hasn't been perfect for the company, with anti-trust questions being raised in the US and Europe, and its involvement in the PRISM scandal flying in the face of its "don't be evil" corporate motto. That said, Google's search engine is still outperforming those of rivals Yahoo! and Microsoft, and experimental efforts like Project Loon, which aims to deliver 3G internet to remote areas via solar-powered balloons in the stratosphere, continue

to remind us that Google is more than a search engine. The company also remains one of the world's best places to work, with employees enjoying a range of perks, programs to help them do their jobs better, and encouragement to explore innovative ideas. Though some are disappointed to see an end to Google Reader and iGoogle, new acquisitions such as Channel Intelligence, an e-commerce optimization site, promise to bolster Google Shopping and bring the company closer to direct competition with Amazon. With ad spending as a percentage of revenue now almost on par with rival technology companies, Google continues to work hard on gaining market share in areas beyond search. Yet, these forays lead to significant fragmentation in terms of brand and marketing decisions, and consumers don't seem to understand how Google's vast array of products actually tie back to search or any unifying theme beyond innovation for innovation's sake. While some confusion still exists between the various brands that make up Google's portfolio (e.g., YouTube, Android, and Motorola Mobility) and the "always be in beta" mindset may be a bit lost on lay end-users, big bets on innovations that will change how the world lives with technology will continue to be what sets Google apart from its competitors.

Google, the company once described as a search engine, has found its voice as a true leader of the technology age.

Coca-Cola
+2%
79,213 \$m



Though the soft drink giant slips to #3 this year, Coca-Cola has enjoyed a long and illustrious reign as our #1 Best Global Brand for good reason. An enduring classic that has evolved over its 127 years, Coca-Cola remains the most recognizable—and one of the most valuable—brands in the world. Guided by its 2020 Vision goals around innovation, focus, and creativity, Coca-Cola achieves impressive global presence through stand-out ad campaigns, bold design, digital savvy, and a simple, universally relevant theme that weaves throughout the brand's communications: happiness. In a nod to its creative legacy, Coca-Cola was named Creative Marketer of the Year at the 2013 Cannes Lions International Festival of Creativity. During the past year, much

of its marketing focused on the global, music-driven "Move to the Beat" campaign for the London Olympic Games, but the creative output didn't stop there. Coca-Cola not only effectively spread its "Open Happiness" message in more than 200 markets around the world, it also created moments of happiness through the award-winning "Share a Coke" campaign that puts consumers' names on bottles and cans, and the madcap Coca-Cola Zero "Unlock the 007 in You" stunt that cross-promoted the James Bond *Skyfall* movie release in the UK. Coca-Cola's innovation pipeline also extends to its sustainability platform and packaging, promoting healthy living, and reinventing self-serve beverage dispensers with the Coca-Cola Freestyle dispenser.

IBM
+4%
78,808 \$m



Despite a contraction in revenue, IBM still delivered record earnings per share, margins, and cash flow through 2012 and into early 2013. The brand continues to set records in innovation, generating 6,478 patents in 2012, the most US patents for the 20th year in a row. Aggressively growing its presence in emerging markets, IBM opened 144 offices in those regions in 2012. It further evolved the Smarter Planet platform, including targeted offerings such as Smarter Transportation and Smarter Finance, all leading to Smarter Cities. Looking to get ahead of the IT industry paradigm shift, it's also packaging its computing capabilities and offerings to build a Smarter Computing platform that will be designed for Big Data, all while being open and col-

laborative to further foster innovation. This new approach is already paying dividends in the form of IBM's Watson super-computer. IBM, with New York's Memorial Sloan Kettering hospital, announced that Watson had completed its "education" on historical cancer cases and would now be used as a decision support tool for determining the optimal cancer treatment in patients. Additionally, Watson demonstrates the flexibility of Smarter Computing, using its Big Data analytics capabilities to provide real-time customer relationship management insights for IBM's clients. While IBM's revenue performance continues to be a point of concern, the brand is hard at work solidifying its brand position as a purveyor of business innovation in the 21st century.

05

Microsoft
+3%
59,546 \$m



Microsoft has made significant strides in streamlining and integrating its broad portfolio, announcing in July 2013 its “One Microsoft” corporate restructuring that embraces a holistic brand approach across product lines. While CEO Steve Ballmer had talked retirement in 2017 or so, he surprised market watchers, announcing in August 2013 that he plans to retire within the next year. Anticipation is high, yet questions remain as the brand shifts from a software to hardware business. As it continues to move forward with One Microsoft and its commitment to innovation with category-topping R&D spend, its efforts may help in recovery from lackluster reception of Windows 8 and its companion Surface tablet. The brand struggles as consumer demand evolves past traditional PCs, but

bold retail strategies like creating more than 600 Windows store experiences within Best Buy locations and price adjustments for Surface were deployed to help accelerate interest and adoption. Despite the brand’s challenges, demand is nonetheless increasing for Microsoft’s products and services with business audiences. Its Server and Tools division showed strong performance and Microsoft hopes to challenge Amazon in the enterprise cloud and managed infrastructure segments. It’s also making a bigger bet on mobile, with its USD \$7.2 billion acquisition of Nokia’s cellphone business. As Microsoft continues to push on multiple fronts, the brand’s responsiveness to the sometimes conflicting needs of the PC ecosystem and the shifting mobile landscape will be critical for shaping its future.

GE
+7%
46,947 \$m



As Big Data has become the main frontier for innovation and growth in the marketplace, GE has stepped up to lead the charge. This year CEO Jeff Immelt announced a commitment to the industrial internet: a bold vision of using GE intelligence and technology to converge machines with intelligent data. The brand has invested USD \$1.5 billion toward connecting its machines to its enterprise software and the internet. Building capabilities in predictive software products, Big Data and analytics, and advanced manufacturing, the GE brand is stretching into new territories. Its 2013 “Brilliant Machines” campaign demonstrates this move to merge “big iron” with

Big Data. Seemingly a winning strategy for the organization, the brand has been experiencing slow but steady growth this year. In 2012, GE’s industrial segment earnings grew 10 percent to USD \$15.5 billion. Additionally, GE continues to leverage its highly regarded sustainability-focused ecomagination campaign to drive the conversation around Corporate Citizenship, making it the number 25 brand on our Best Global Green Brands 2013 report. Overall, the organization’s revenue has increased to USD \$241.66 billion from USD \$196.24 billion in 2011, a sign that the GE business and the brand are evolving.

06

McDonald’s
+5%
41,992 \$m



In the wake of its first global sales decline in nine years, McDonald’s took drastic steps to reaffirm its strong reputation for consumer responsiveness and adaptability. President and CEO Don Thompson replaced US President Jan Fields in November 2012 with Jeff Stranton and named Kevin Newell McDonald’s first US Chief Brand Officer in February 2013, the first such role to steer its American brand strategy. Two months later, Steve Easterbrook was rehired as Global Brand Officer. Despite a year of change, the golden arches remains highly relevant to 69 million daily consumers through localized menu items, consistent global brand expression, and customer experience. Menu additions, including the Egg White Delight and Premium Chicken Wraps,

were introduced in response to obesity concerns and the explosive growth of healthy quick-service eateries. With the modern redesign of its locations, McDonald’s repositioned itself to stretch into the more upscale quick-service restaurant space while returning to its original pricing strategy with “Dollar Menu & More,” focusing on offering a wide variety of menu items at lower price points. Its efforts in sustainability were also praised, notably its eco-friendly London 2012 restaurant during the Olympic and Special Olympic Games. Growing to 34,000 restaurants globally, McDonald’s continues to focus on Asia, where it must find the product sweet spot for consumers across the region, a key to successful expansion and relevancy in the market.

Samsung
+20%
39,610 \$m



Samsung is a category leader in mobile, surpassing Apple in smartphone sales, grabbing 30.3 percent market share of smartphone shipments and making USD \$5.2 billion on handsets in the second quarter. Thanks to innovative products such as the Galaxy S4 and Galaxy Note II and a massive marketing spend of more than USD \$4 billion in 2012 (four times Apple’s budget), the brand continues to strengthen its position globally. With focus on being an aspirational brand to its target audience of young consumers, Samsung is wooing Millennials with high-profile partnerships with celebrities like Alexander Wang, LeBron James, Usher, and Jay Z. Samsung continues to focus on connectivity across its portfolio including home appliances,

digital cameras, and TVs in a bid to differentiate its brand in an age when consumers are demanding sharing and accessibility. The Galaxy S4, marketed as a “life companion,” includes features like navigating without touching the screen and built-in health monitoring. Its tech-savvy refrigerators track what’s in consumers’ fridges and suggest recipes, while its Smart TV suggests what to watch and operates with voice commands. Samsung is evolving its brand to stand for more than just innovation and strives to live up to its internal ambition of enhancing the lives of its consumers. It’s demonstrating how its products lead to a better life, making good on its vision to “inspire the world, create the future.”

07

08

WRITE YOUR OWN RULES

“I think you should rarely follow the rules. If you follow things in a formulaic manner, you will wind up being the same as everybody else. I think you need to write your own rules.”

— Tim Cook, CEO, Apple

Intel
-5%
37,257 \$m



While Intel is a clear leader in both the PC and server processor markets, the world's leading semiconductor company (posting USD \$53.3 billion in sales last year) has made significant headway in categories beyond its core businesses. Through strategic relationships with powerhouse brands like Microsoft, which made headlines for adapting Windows to run on less powerful and less expensive processors, Intel is integrated in devices such as Microsoft's Surface Pro tablet. An increasing number of Intel-powered smartphones is transforming lives in new markets such as Africa, where Yolo, a low-cost Android smartphone from Kenya's Safaricom, marks a first for the brand and the continent. Catching many off-guard, a leadership shake-up ensued

when CEO Paul Otellini stepped down in May. The new leadership team—company veterans Brian Krzanich as CEO and Renee James as president—has already reorganized key business groups and is now exploring non-traditional lines of business with the creation of a New Devices division to focus on emerging trends. This will expose Intel to new competitors, but with its deep heritage in innovation and as a driver of trust for consumers, Intel will be competing from a solid brand footing. As tablets and smartphones gain ascendancy, the big question for Intel in the years ahead is: Can having "Intel inside" be as strong a consumer driver in tomorrow's world as it was in the era of the PC?

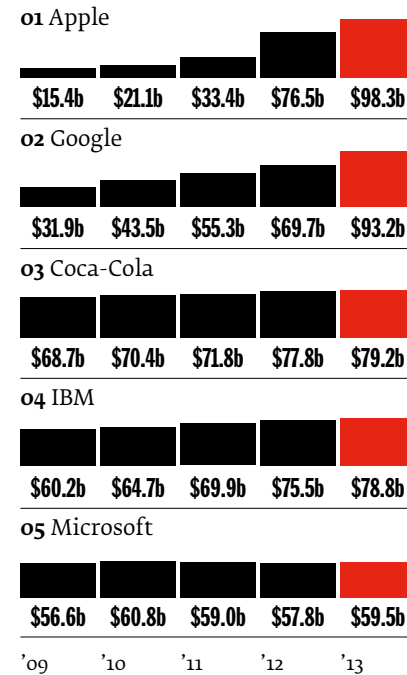
Toyota
+17%
35,346 \$m



Toyota not only distanced itself from the challenges of 2010 and 2011 this year, but also reclaimed its global sales leadership position. Although much of the rebound occurred in the US, there is a renewed sense of energy around the world. Design is playing a much bigger role, and its new tagline, "Let's Go Places," ties together the joy and adventure of physically going somewhere while infusing innovation with an optimistic outlook, crystallizing the brand's direction. Toyota's engagement with customers also continues to pay off, which is evident in a number of key category rankings and studies. The brand not only scored well with customers, but has led the entire automotive segment nearly every time. Adding to the list of achievements,

Prius sales pushed boldly past the three million mark. The Prius continues to create a powerful halo effect for the brand while the flagship mid-cycle Camry can still drive sales, albeit with increasingly more incentives and support. Add in a sleeker Avalon and a completely redesigned Corolla, and Toyota should soar into 2014. The brand, which topped Interbrand's Best Global Green Brands 2013, is a fuel economy leader and continues to demonstrate strength in driving customers to dealerships. For many brands, the challenges Toyota experienced could have been catastrophic, but the brand's speedy recovery is a testament to its resilience, leadership position, and the enduring appeal of its offer.

Top 10 Brands: A Five-year Snapshot



Mercedes-Benz
+6%
31,904 \$m



Mercedes-Benz

With an enduring reputation for excellence in engineering, performance, and styling, it's no surprise Mercedes is the number one luxury brand in the US and Germany and is gaining ground in China and Russia. Part of the secret of its success, exemplified by the new S-class, is its ability to strike a balance between its traditional position and forward-looking ideas around mobility. Mercedes has done just as well in the compact segment with the A-class line as it has in the premium segment. Continuing to respond to a market that is quickly shifting in favor of green technologies, BlueTEC and hybrid engines will play an important role in future generations of cars. In addition to its impressive strides in sustainability,

Mercedes is making a push to reconfigure its sales force to connect with a broader audience. Particularly focused on younger drivers, 2012's A-class launch campaign featured humorous TV spots, the "A-Rock" concert series with British rock band, Placebo, and print ads with a QR code leading directly to an online hub where visitors could check out vehicle highlights, concert clips, and even arrange a test drive. With its 2020 growth initiative focused on building the best customer experience, and with the introduction of new models under the theme "heartbeat of a new generation," Mercedes is deftly keeping up with contemporary sensibilities while still embodying timeless luxury.

BMW
+10%
31,839 \$m



2012 was the most successful year in the history of the BMW brand. The brand topped US luxury auto sales for the year, and increased car sales 40 percent in the Chinese market. Sustainability and urban mobility are a huge focus for the brand, which is evident in the upcoming launch of the BMW i3 model. Mobile apps are supporting its vision for urban mobility, including Chargepoint, which shares information on electric vehicle charging stations. Its flagship London showroom for its i series of electric and hybrid vehicles, located on the city's exclusive Park Lane, underlines how BMW is positioning its new range at the premium end of the market. BMW projects that the US and China will be its largest markets for electric vehicle

sales, followed by Europe. Much depends, however, on how quickly China's government can provide an infrastructure for EVs. BMW enjoyed a halo effect from sponsoring the London 2012 Summer Olympic Games, paving the way for its 2013 "Designed for Driving Pleasure" campaign. BMW's 360-degree Olympics platform included providing vehicles and bicycles, first-time sponsorship of Team USA, and an on-site brand pavilion—a significant commitment that helped lead to the brand's biggest year to date. As pure driving pleasure and car ownership become less of a demand driver, BMW must meet consumers' evolving needs while fending off traditional competitors and new entrants such as Tesla.

Cisco
+7%
29,053 \$m



Cisco continues to focus on growing its presence in the B2B space, building on shifts it experienced last year. Under the guidance of CMO Blair Christie, Cisco, a brand that only a few years ago was known for using its "Human Network" campaign to straddle both the corporate and consumer worlds, has managed to reposition into what seems to be a more comfortable role as the network enabler of businesses large and small. To help businesses monetize "the data in motion" in their networks, Cisco launched several mobile solutions earlier this year, including Cisco Quantum, enabling greater network programmability. Cisco describes data in motion as "real-time and near real-time data generated by mobile

and fixed connections between people, things, and processes." The result of more than USD \$1.5 billion in acquisitions, Cisco Quantum is part of a broad acquisition strategy for the brand, including areas such as security and virtualization. The company is successfully setting itself up to be a go-to for IT leaders looking to make the most out of the new era of interconnected devices, data, and systems. Cisco's recent shift to a brand platform focused on "The Internet of Everything" suggests that this move isn't just a short-term reaction to immediate requirements, but a bigger, longer-term bet that the world will continue to need a company to guide us through the increasingly complex connected world of tomorrow.

Disney
+3%
28,147 \$m



Disney continues its multichannel approach to building branded franchises that can stretch across the many facets of family entertainment. With both strong horizontal and vertical integration across all parts of the Disney-branded empire, the brand still has a unique ability to take a core idea, develop it through film and television, then extend the property into toys and merchandising, theme parks and resorts, DVD sales, and video games. Challenges remain, however, particularly around its continued reliance on blockbuster movie titles to drive value throughout the ecosystem. As *The Lone Ranger's* recent disappointing opening illustrates, Disney's studio arm can no longer count on box-office hits, even though solid performers such as *Brave*

continue to fuel a slew of merchandising opportunities from toys to rides. Disney garnered significant buzz among gamers for its long-anticipated Disney Infinity video game platform that debuted August 18, 2013 with its Toy Story in Space Play Set. Bridging the gap between action figures and gaming, bringing characters from Disney and Pixar into a single environment, it's a prime example of Disney's ability to find ways to dig deep into its catalog to engage a new generation. As long as Disney can continue to evolve how its core brand delivers against the ideas that have made it relevant for generations, the company will continue to be one of the world's most valuable entertainment and media powerhouses for the foreseeable future.

HP
-1%
25,843 \$m



HP, one of the world's largest technology organizations, is refocusing on cloud, mobility, Big Data, and a new style of IT. In June 2013, HP announced a partnership with Google to offer small- and medium-sized businesses "IT in a Box"—a one-stop-shop technology solution—as well as launching HAVEn, a Big Data analytics platform. In recent years, the brand has undergone significant changes in both visual identity and tagline—from "Invent" to "Let's Do Amazing," to the current "Make It Matter." Hopefully, HP can stick to this idea and make it last; these rapid changes create the appearance of uncertainty when the company most needs to demonstrate stability and resolve. On the consumer

product front, HP continues to blur the lines between desktop, laptop, and tablet with mobile all-in-ones (e.g., HP ENVY Rove), tablets with attachable keyboards (HP ENVY x2), and touchscreen desktops that recline. As the PC category continues its decline, HP will once again enter the smartphone market, perhaps before the end of 2013. HP has failed here in the past with the acquisition and subsequent shutdown of Palm, so industry pundits see the resurrection of a mobile division as a critical moment in HP's turnaround story. With the business focused, now is the time to ensure that the brand clearly brings HP to life across every experience.

Gillette
+1%
25,105 \$m

Gillette

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Gillette maintains its leadership position thanks to the brand's internal clarity, ensuring consumers have a distinct understanding of what the Procter & Gamble-owned brand has to offer. P&G commands a whopping 70 percent share of the global razors and blades market, with Gillette at the heart of that success. The brand continues to benefit from an increase in demand for men's grooming products in fast-developing markets, especially in India. One way Gillette drives this demand is through its longstanding strategy of tying its marketing efforts to sports partnerships. Strategic social marketing generated roughly 870,000 views of its Facebook page, where, for example, runners could enter their race bib number and be instantly tagged in photos during the Malta Marathon. Additionally,

Gillette sponsors sporting events such as the Gillette Future Champs tournament in Saudi Arabia, and is also featuring McLaren Racing in ads during the Formula One season. A sexy integrated marketing campaign, "What Women Want," created significant buzz, featuring Kate Upton, Genesis Rodriguez, and Hannah Simone. On the Corporate Citizenship front, Gillette's Boston headquarters is one of 45 P&G facilities worldwide to achieve zero waste to landfill status, while a UK factory is composting waste generated from the production of the brand's shaving foam. Its commitment to sustainability extends beyond renewable energy to greener package design that has reduced the weight of its packaging 20 percent and the amount of plastic used by 57 percent.

Louis Vuitton
+6%
24,893 \$m

LOUIS VUITTON

17
LVMH Moët Hennessy CEO Bernard Arnault recently told the *Financial Times*, "What interests me is that in 15 years' time, Louis Vuitton is still the leading luxury brand." Louis Vuitton has been reinforcing its position within the high-end segment of the luxury market and balancing its massive global presence with the objective of leveraging luxury and exclusivity. To prevent the risk of overexposure, the brand is concentrating on limiting its own visibility. The monogrammed product that has helped Louis Vuitton to attain its strong status with global consumers is becoming synonymous with accessible luxury. The 2013 LVMH "Les Journées Particulières" event allowed the Louis Vuitton brand to highlight its craftsmanship. The brand has also been focusing

on satisfying consumers' desire for customization and has succeeded in expanding its position in the fast-growing timepieces market and jewelry. It plans to launch its exclusive LV fragrance from Master Perfumer Jacques Cavallier-Belletrud next year, as well as new stores, with openings limited to key countries. Additionally, Louis Vuitton has opened two new iconic stores. One is dedicated exclusively to luxury jewels and is located in Place Vendôme and the second is its first "Cabinet d'Écriture" on the Place Saint-Germain-des-Prés in Paris, constructing deeper and more substantive engagement and storytelling around the art of writing. The brand recorded outstanding results because of its ability to move into a more high-end segment of the luxury market.

Oracle
+9%
24,088 \$m

ORACLE®

Oracle continues to be a leading provider of business hardware and software systems. In February 2013, Oracle's purchase of Acme Packet for USD \$2.1 billion not only enhanced its communications product offering, but also signified its expansion into the networking equipment market. In June 2013, Oracle announced that it had formed a partnership with Dell, and later that same month, a partnership with Microsoft was announced that would enable Java developers to use Oracle tools. Days later, Oracle formed alliances with both Salesforce.com and NetSuite, two of the fastest growing companies in cloud computing. More recently, Oracle empowered Java and aspiring developers worldwide, introducing a series of programs to "Make the Future Java." The programs allow

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developers to share their enthusiasm for Java, expand their technical skills, feel a sense of community, and be active participants in developing the next generation of Java innovation. Going forward, Oracle will need to focus on improving its image. A recent *New York Times* article noted, "Oracle is battling an image not of growing up, but of growing old." As brands with loyal users, such as Google, continue to play a leading role in the technology sector, Oracle must ramp up its brand messaging efforts and initiatives, establishing stronger emotional connections with consumers. Doing so will ensure Oracle remains relevant and will firmly position the company as an innovative leader in a constantly evolving industry.

Amazon
+27%
23,620 \$m

amazon

Continually improving the customer experience, Amazon aims to deliver the widest selection of products at the lowest prices with minimal hassle. The e-commerce innovator differentiates itself from rivals with initiatives such as Amazon Appstore, providing a comprehensive mobile experience. Preinstalled on Kindle and compatible with Android devices, the Appstore makes recommendations based on past purchases and offers "coins" to US customers as digital currency. The brand also expanded into new businesses such as TV set-top boxes, online advertising, original programming via Amazon Studios for its Emmy award-winning Prime Instant Video service, and 3-D smartphones. With customers buying an estimated 3.5 billion items last year, Amazon is targeting a wider audience, offering

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luxury goods, social game platforms, and digital music via Autorip. The strategic acquisition of Goodreads, a social book recommendation site, builds on Amazon's well-established online book retailing expertise, fostering a community of bibliophiles. The brand has thus successfully built an intimate relationship with its customers without being perceived as intrusive. However, the issue of tax avoidance in the UK demonstrates that Amazon's expansion plans must be checked with responsibility and prudence, or it faces risks to its brand reputation. Looking ahead, CEO Jeff Bezos (who raised eyebrows with his personal surprise purchase of *The Washington Post*) and his leadership team must be mindful of local needs to deliver a consistent Amazon brand experience to a global audience.



“I wear H&M because I like more gender-neutral clothing. H&M offers smaller sizes and different styles that fit my body type and make me feel comfortable — both physically and mentally.” — Kristen on H&M

Honda
+7%
18,490 \$m

HONDA

Honda's reach comprises motorcycles, power products, aviation, and robotics, but it shines in the automotive segment. At the start of 2013, Honda was one of only four brands that sold more than five million vehicles. Building on its core volume models—the Accord, Civic, C-RV, and Odyssey—Honda launched a hybrid Accord and priced it significantly higher than competitors' conventional models. Honda has a long history of innovation and its reputation for more robust fuel-efficiency technology helps support the premium while connecting with consumers that have stronger environmental awareness. But the brand also continues to rack up resale value awards and rankings, further fueling a high customer retention rate. In fact, in

nearly all of the most critical studies, the Honda brand is rated significantly higher than the average category retention rate. In Honda's case this translates into record sales numbers that are not driven by fleet sales nor incentives. The 2013 incentive-free Civic exemplifies the Honda brand at its best, but going forward Honda cannot just rely on the loyalty producing high-quality, reliable vehicles generates. The playing field continues to get more competitive and parity among auto makers will continue to strengthen. With four major car launches out of the way, Honda will need to build even closer relationships with its customers and continue to do what it takes to hold the resale values of the vehicles it produces.

H&M
+10%
18,168 \$m

H&M

In spite of economic challenges and weaker than expected financial performance in the first half of 2013, H&M continues to offer “fashion and quality at the best price.” High-profile partnerships, historically a successful strategy for the brand, have continued with guest designer collaborations and celebrity endorsements from style icons such as Beyoncé, David Beckham, and Kanye West. The brand's debut at Paris Fashion Week in February aimed to “surprise and inspire customers.” It's also building credibility in sports apparel, appealing to sports buffs with tie-ins in the last year such as the Swedish Olympic and Paralympic teams, tennis star Thomas Berdych, and a special collection of sustainable urban cycling wear with London's Brick Lane Bike. These strategic alliances not

only help in marketing, but also influence H&M's product development. As the world's largest user of organic cotton, H&M has furthered its sustainability efforts, joining forces with the World Wildlife Foundation (WWF) in a three-year commitment to improve stewardship of its global water supply. Shoring up its ethical sourcing commitment, H&M signed the Bangladesh Factory Safety Agreement in May of this year. The brand is expanding its e-commerce operations, launching its much-anticipated US web store in August 2013, as well as its physical footprint, planning 325 new stores. H&M must remain relevant and responsive. Appealing to its global audience, emotionally and in terms of form, fashion, and function, will keep H&M at the top of its game.

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Pepsi
+8%
17,892 \$m



Pepsi is progressing on its reset effort after several challenging years. Pepsi's first global campaign, "Live for Now," has helped define its purpose, bringing its core values to life. A stronger overall focus on the consumer experience is elevating Pepsi's connections with consumers. The brand hired its first Chief Design Officer, Mauro Porcini, to drive appeal and elicit consumer interest through innovation and design. Ongoing consumer engagement with key celebrity integrations, such as making Beyoncé the brand's Creative Director, have revived and amplified its role as a pop culture icon. Viral hits like the "Uncle Drew" videos and the "Wheel of Levy" microsite are winning fans, while Pepsi Pulse provides consumers with real-time, sharable content, allowing

for more intimate engagement with the brand. Though the cola category faces challenges, Pepsi has responded positively and proactively. In March 2013, the brand unveiled a new single-serve bottle for its Pepsi trademark portfolio, marking its first design update since 1996. The brand is addressing key consumer concerns, such as sugar content, via the lower calorie version of its flagship beverage, Pepsi Next. Building a reputation for its environmental efforts, Pepsi was awarded the 2012 Stockholm Industry Water Award for reducing its water consumption. Delivering a holistic expression of its brand and continuing to engage millions of people around the world through music and digital platforms, Pepsi is making a comeback.

American Express
+12%
17,646 \$m



American Express may have been founded in 1850, but this hasn't stopped the credit card company from finding fresh ways to build relevance and anticipate future needs for its consumer and business clients. Amex has continued to invest in meaningful social and digital experiences, including partnering with Twitter to enable cardholders to make purchases with a hashtag. As part of its digital and mobile commitment, the brand has made strategic investments in upgrading its technology platforms and re-aligning operations to improve productivity and service quality, while building capabilities for the future. These investments are already helping drive higher average spend and growth in its cardmember base. The iconic brand also continued addressing the needs of small business owners via its OPEN

platform. Its third annual Small Business Saturday last November saw a record turnout, while OPEN is now helping women entrepreneurs better compete for government contracts via the ChallengeHER partnership with the US Small Business Administration. Amex has downsized its Corporate Travel division while bringing in new customers with its first prepaid card, Bluebird, in partnership with Walmart. Despite these successes, Amex's reputation took a hit when it was fined in October for violating consumer protection laws. Despite this setback, Amex strives to live up to its mission to be "the world's most respected service brand," and has been recognized as J.D. Powers' top US credit card company since 2007.

Nike
+13%
17,085 \$m



Nike continues to cement its reputation as the world's leading innovator in sports-wear, footwear, and sporting goods. The brand returned to growth in the past year with revenue increasing across every category and region, up 16 percent to USD \$24.1 billion, the highest rate in 15 years. *Fast Company* recognized Nike's groundbreaking initiatives, calling it the most innovative company of 2013. The "Flyknit" racer, a shoe created from a single piece of thread rather than layers of fabric, is a revolutionary sustainable approach to manufacturing that shows Nike is still at the forefront in sporting apparel. Additionally, the game-changing Nike+ FuelBand, a wearable technology that records, connects, and inspires the wearer to "just do it," is one of the most

impressive consumer releases of the past two years. It's a clear signal that Nike has moved beyond conventional category boundaries toward creating a true lifestyle brand. Nike continued partnering with the world's elite athletes, including Rafael Nadal and LeBron James, but the brand also experienced the risk of celebrity endorsements, cutting ties with Lance Armstrong after his high-profile doping scandal. Looking to 2014, the FIFA World Cup presents a real opportunity to challenge adidas's football supremacy, given Nike's sponsorship of host nation Brazil. Nike's enduring dominance, "always on the offense," lies in the strength of, and commitment to, its brand, a mythology it continues to evolve, develop and communicate in every interaction with consumers.

SAP
+7%
16,676 \$m



As the role of Big Data and use of mobile grow exponentially, and at a time when 63 percent of global transaction revenue touches an SAP system, the brand is evolving and expanding its business. SAP experienced robust growth, with a 17 percent increase in revenue from 2011 to 2012, and continued strong growth in the first half of 2013. Its focus on two key areas, Big Data analytics and cloud-based solutions, has paid dividends. Through its SAP HANA platform, the brand is bringing its Big Data analytics expertise to bear, allowing for real-time analysis of both CRM and ERP data, all with cloud infrastructure to reduce the burden on its clients. Not only is SAP keenly focused on helping clients more effectively address efficiency, motivate

and engage employees, and gain real-time insights, but it's also committed to making its own business more environmentally sustainable. It's also strengthening its human capital and making its workforce more diverse. Renewable sources made up 60 percent of the energy SAP consumed last year and in the brand's 2012 Annual Report, it committed to increasing employee engagement to 82 percent. Earlier this year, SAP announced that by 2020, one percent of its 65,000 global workforce will be individuals on the Autism spectrum, leveraging and celebrating their analytical and computational skills and perspective. By continuing to focus on innovation, internal brand engagement, and stewardship, SAP's success will also continue.

IKEA
+8%
13,818 \$m



With an intense focus on customer experience and value, IKEA reported an outstanding 9.5 percent sales growth and introduced 2,000 new products to its stores in 2012. Working to maintain a relevant in-store experience, IKEA enhanced delivery, assembly, and installation options and opened 11 stores in nine countries, including its first South American store in the Dominican Republic, and released plans to open at least 200 stores within the next eight years. Now operating in 40 countries, notably gaining presence in Asia and the Middle East, the brand also became one of the few businesses to experience growth in Europe in 2012. The brand moved fast in the face of scandal when a supplier was found using prison labor and horsemeat that

forced meatballs off shelves in more than 25 countries. Identifying a weak point in its online presence, IKEA has announced plans to expand its e-commerce availability beyond the 10 countries where it is currently available. In addition to engaging customers digitally, IKEA is addressing internal brand engagement with plans for a new “people strategy” for its 139,000 employees, building on its values, clearly explaining the brand’s objectives and introducing key performance indicators. With Millennials making first-home purchases and housing markets rebounding in key territories like the US and UK, IKEA has a great opportunity to continue to increase loyalty and brand value, remembering its mission to provide a “better everyday life.”

UPS
+5%
13,763 \$m



Though it may not have gone as UPS expected, with the company’s withdrawal of its highly publicized nearly USD \$7 billion bid for Netherlands-based TNT Express in January, the past year brought the brand strong financial performance and expansion. The company acquired CEMELOG, a Hungarian pharmaceutical logistics company, and Kiala S.A., a Belgium-based alternative delivery location platform that will re-launch in the US and UK as Access Point. Both of these acquisitions will help UPS amplify its global presence, the first while expanding capabilities in its already strong healthcare vertical, the second while better serving consumers. UPS My Choice, a home delivery service that lets consumers choose when and where their packages are delivered, further demonstrates the brand’s

commitment to the consumer audience. UPS also differentiates with its focus on sustainability. It was awarded the highest score in the 2012 Carbon Disclosure Project’s Leadership Index, and is a consistent top performer on the Climate Count scorecard, ranking first in the consumer shipping category for the fourth consecutive year and tying for second overall from the 2012-2013 results. These efforts are reflected in the company’s recent leap in Interbrand’s Best Global Green Brands report from #43 in 2012 to #32 in 2013. As UPS continues to make strategic acquisitions to expand its footprint while elevating relationships with consumers, the brand is poised to continue to meet the evolving expectations of customers around the world.

eBay
+20%
13,162 \$m



As CEO John Donahoe puts it, “We are no longer just an e-commerce company.” Aggressively moving beyond its legacy as the web’s communal auction house, eBay is pursuing an ambitious vision. A new logo and visual identity shows a re-energized brand on the offensive, setting its sights beyond its traditional space. The brand is already a leader in e-commerce, an industry expected to grow to USD \$40 billion this year, and where it’s facing competition from the likes of Square, Google, Apple, and Visa. As its pop-up interactive storefronts in New York with Kate Spade Saturday recently demonstrated, the eBay Now mobile app allows customers to shop from local retailers for items that can be delivered within an hour. Following additional tests of the eBay

Now app with retail partners including Macy’s, Home Depot, and Walgreens, the brand is planning to launch the same-day delivery option across the US by the end of this year. In a bid to take on Amazon, the service will be available to buyers and sellers in the same area for ebay.com transactions valued at least USD \$25. Responding to the reputational threat of vendors misusing its platforms, eBay proactively supports legitimate sellers with its Seller Protection Policy and team. Its zeal for innovation is only one part of the story, however, as eBay must communicate the emotional aspect of the brand across all touchpoints to its 120 million active users if it really wants its big bets to pay off.

Pampers
+15%
13,035 \$m



Pampers is Procter & Gamble’s first USD \$10 billion mega-brand, serving more than 25 million babies in more than 100 countries. Having invented the disposable diaper/nappy category, it endures and dominates its market, focusing on offering parents support and connecting with consumers on an emotional level that goes deeper than its product line. With more than 1.7 million likes on its Facebook page, the brand offers advice from mothers and encourages followers to share stories about their babies and families, personalizing the experience with Pampers through social media engagement. In the summer of 2013 the brand launched a campaign inviting parents to share photos on Facebook of how their babies experience love, sleep,

and play. Pampers was the first brand to bring “mommy bloggers” to P&G headquarters to share tips with parents around the world. Support and advice is also featured on the brand’s website, which has an entire section of helpful insights on parenting topics including baby names, breastfeeding, and diaper rash. In 2012, Pampers teamed up with Jennifer Hudson, who recorded a rendition of *Lullaby and Goodnight* that was available for free download on its Facebook page. Not only does Pampers connect with parents of young children, it also offers a week-by-week pregnancy guide. Connecting across touchpoints, the iconic brand continues to earn loyalty with the world’s consumers.

Kellogg's
+8%
12,987 \$m

Kellogg's

Kellogg's remains committed to what it does best—focusing on strengthening its product offering in cereal, warm breakfasts, snacks, and protein beverages. In the latter half of 2012, Kellogg's invested significantly in brand-building efforts and it's paying off. Consumers continue to choose the brand without price-cutting despite difficult economic times, underscoring the brand's presence and relevance. However, while Kellogg's is certainly a leader, it is second to General Mills in cereal sales, which as a category has seen a decline this year. Demonstrating responsiveness to consumer demand for healthier food, the brand has introduced several products, such as a Special K hot cereal with quinoa. The brand prides itself on its "K-values" of integrity, accountability, passion, humility,

simplicity, and results. These tenets guide and shape the culture and business at Kellogg's. The brand launched its biggest campaign ever during the 2012 London Olympics with its first national TV spot in the US during NBC's coverage of the Games' Opening Ceremonies. The culmination of its "From Great Starts Come Great Things" campaign, the ads focused on the journey's start. In addition to aggressive growth through acquisitions, Kellogg's strategy for 2013 builds on its fundamental strengths, encouraging product innovation within the categories it dominates and leveraging of relationships to deepen offerings and capabilities in fast-developing markets. With signs of continued momentum, Kellogg's continues to be a force in food around the world.

Budweiser
+6%
12,614 \$m

Budweiser

Despite its all-American appeal, slumping US sales have forced Budweiser to look abroad for growth. In fact, parent company Anheuser-Busch InBev aims to turn Budweiser into the first truly global, large-scale beer. The brand has aggressively expanded overseas production and secured distribution in about 90 countries, with noteworthy launches in Brazil and Russia. It's now focused on China, the world's biggest beer market, and one with an astonishing 40 percent growth rate. Beer is a notoriously local product, with both consumer habits and distribution challenges favoring native brews. Though Budweiser spent USD \$1.4 billion expanding breweries in China in the last two years, it's yet to gain significant share. In the US, meanwhile, the

brand's sluggish growth could benefit from fresh ideas. Budweiser evoked its heritage with a Super Bowl spot featuring its iconic Clydesdales, but Oreo's quick-tweeted social response to the game's power failure overshadowed Budweiser's messaging story. It also launched the premium Black Crown line, aiming at beer connoisseurs in order to broaden Budweiser's customer base. While some say this strategy runs the risk of creating confusion regarding the brand's core promise, it is at least a bold move to leverage the brand's rich history. It remains to be seen if Budweiser's attempts at global domination will pay off, particularly in China, but its leadership team is clearly not resting on the brand's laurels, or its iconic gold crown.

HSBC
+7%
12,183 \$m

HSBC 

Overcoming any past disconnect between its unified communications messaging and the inconsistencies of its internal culture, multinational banking leader HSBC is shoring up its "world's local bank" platform, emphasizing its strong global roots and unrivaled network and expertise, specifically in emerging markets. Since coming out of the financial crisis comparatively unscathed, HSBC has focused on higher wealth-creating markets and a strategy of consolidation. The approach has proven successful as the brand posted robust profits throughout 2013. However, 2013 has not been a year without drama. HSBC experienced rounds of layoffs, as well as a much-publicized money laundering scandal in Mexico. While communicating its values of respect and responsiveness, it increasingly celebrates

the progressive changes sweeping the globe. Positioned as a straight-shooting, guiding pioneer, HSBC helps investors and small business owners alike explore and navigate opportunities. Through its focus on the future convergence of local and global needs, and its role as the connector across them, the brand comes across as human and inspirational. This year's "In the future" global campaign highlights HSBC's optimism about young entrepreneurs and its multinational business support across six continents. "In the future, age will be no barrier to ambition," it states, showing children as small business heroes. "There's a new world emerging. Be part of it." With its clear brand messaging, communicating its progressive edge and traditional values, HSBC is positioning itself for the future.

J.P. Morgan
0%
11,456 \$m

J.P.Morgan

Despite ongoing investigations, J.P. Morgan made a record USD \$21.3 billion in profit in 2012. The brand has worked to overcome the stigma of "too big to fail," trading losses that exceeded USD \$6 billion after "The London Whale" fiasco was revealed in May 2012, and US Senate hearings citing top executives as the reason for the losses. Chairman and CEO Jamie Dimon addressed "The London Whale" in a recent letter to shareholders, writing: "The London Whale was the stupidest and most embarrassing situation I have ever been a part of... I also want our shareholders to know that I take personal responsibility for what happened." While Dimon's efforts earned continued board support, many investors urged a split

of the chairman and CEO positions, citing a conflict of interest and a need for oversight. The UK's FCA and the US's SEC continue investigating and, at the time of this writing, sanctions are expected and the brand could be forced to secure internal controls. The US DOJ and FBI have also been investigating and reports indicate federal prosecutors are preparing to file criminal charges against two former employees. The former trader at the heart of the scandal, Bruno Iksil, nicknamed "The London Whale" because of the size of his holdings, is reportedly working with authorities and is not expected to face charges. The next year will be a critical time for the brand.

Volkswagen
+20%
11,120 \$m



37

The “people’s car” continues to establish clear value for the customer: affordability, reliability, and German engineering. Long before fuel economy was a big selling point, Volkswagen encouraged drivers to “Think Small.” As a result of its successful and long-running (yet ever-refreshed) communications campaign, the brand has carved a unique niche and won the loyalty of millions. Even with a wide model range, Volkswagen has always been able to express its values through its products. The brand consistently integrates its “Think Blue” sustainability platform into nearly every product line, most recently exemplified by the XL1, an uber-efficient plug-in diesel hybrid—a milestone for its green technology commitment. Going from strength to strength, Volkswagen’s most successful

product line, the Golf subcompact, won World Car of the Year 2013. Also a big winner at the 2013 Cannes Lions International Festival of Creativity, its 20 awards included two Gold Lions, one for a print campaign in Brazil and another for “The People’s Car Project” in China. Ramping up its efforts to engage enthusiasts on social media and mobile, Volkswagen proves that it’s once again “thinking small”—on the one-to-one, human level. Certainly, the continued evolution of the brand has contributed to its success in the lower- and mid-size segments. But with the extension of its product portfolio in upper segments, Volkswagen will have to prove its expertise in building cars that can compete with the most established luxury auto brands.

Canon
-9%
10,989 \$m

Canon

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Despite the yen’s volatility, the leadership of returning President Fujio Mitarai helped keep Canon steady through challenging times. This past year has seen a heady schedule of product launches, entry into new markets, and expansion of sales and manufacturing bases outside Japan. Since launching an entry-level digital SLR in 2003, Canon has become synonymous with the camera category. The high-end market continues growing, but the global market for compact digital cameras has collapsed as smartphones have become commonplace. Canon continues to innovate with products like the EOS M, employing a non-reflex operating system, as well as new additions to the PowerShot lineup and high-end, high-definition video cameras. The brand is also advancing into online photo manage-

ment with Project 1709, a cloud-based service that promises deep social and product integration. To expand the imaging systems business domain, Canon also recently entered the growing retail photo printing business with DreamLabo 5000. In its core office business, Canon sees significant potential from the integration of Océ, made a wholly owned subsidiary this year, helping it become a leader in the printing industry. High-profile marketing campaigns and sports sponsorships, such as becoming the official partner of the IAAF World Athletics Series, help keep the brand top of mind with consumers. Still, with its core markets changing fast as technology advances and consumer behaviors evolve, Canon will need to increase its pace of innovation even more.

Zara
+14%
10,821 \$m

ZARA

Zara continues to expand its empire with sales increasing 18 percent in 2012. New store openings in emerging markets and development of its digital strategy have driven growth. It opened 120 new stores—reaching 1,925 retail venues in 86 markets—and announced the launch of its e-commerce platform across high-potential markets such as China, Russia, and Canada. Zara now operates online in 21 countries. Though it is not known to be ad-driven, the Inditex-owned brand is evolving its visual communications image to express a more sophisticated and aspirational brand image based on four key pillars: beauty, clarity, functionality, and sustainability. Signature stores such as New York, London, and Madrid have revealed

the great effort that the brand is investing toward reinventing the brand in order to maintain its relevance and position in the market. Environmental and social welfare issues have represented a risk to the fashion industry and Zara has not been immune to these challenges. Sustainability will play a key role in building Zara’s credibility, reducing risks for the brand in the future and a strong strategy on this front is key. It obtained LEED Gold certification for its Melbourne store in June 2012 for a 37 percent reduction in water usage and the adoption of a lighting system that saves 10 percent on energy expenditure. Zara was also new to Interbrand’s Best Global Green Brands report this year.

Nescafé
-4%
10,651 \$m

NESCAFÉ

Nescafé continues to expand, investing in Nescafé Dolce Gusto and the recently launched Nescafé Milano, working to fortify its reputation as the world’s leading coffee brand. Both Dolce Gusto and Milano target the fast-growing single-cup coffee segment. The Nestlé-owned brand has invested heavily in European production facilities in Germany and the UK as it capitalizes on the growing popularity of Dolce Gusto. Achieving profitability in its last fiscal year, coupled with double-digit top-line growth, the strength of the brand has been clearly demonstrated. Despite its success in Europe, Dolce Gusto has struggled to gain traction in the US marketplace. It is too early to make any declaration on the Nescafé Milano brand and its impact on the

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market, however. Early adoption rates and consumer feedback are positive while Nestlé appears happy with the early results. The brand’s “Really Friends” social campaign in France created a successful narrative around authentic connections over coffee, arming a charming gentleman, Arnaud, with Nescafé coffee, two mugs, and a video. Arnaud introduces the series that captures meetings with some of his 1,200 Facebook friends, “Moi c’est Arnaud. Je suis allé vérifier si mes amis Facebook sont vraiment mes amis dans la vie!” (I’m Arnaud. I’m going to see if my Facebook friends are truly my friends in real life!) The videos garnered up to 500,000 views each, celebrating great moments with friends over coffee.

HAVE A MEANINGFUL IMPACT

“My job as a leader is to make sure everybody in the company has great opportunities and that they feel they are having a meaningful impact and are contributing to the good of society.”

— Larry Page, CEO & Co-Founder, Google

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Gucci
+7%
10,151 \$m

GUCCI

“Made to measure, managed for good” effectively sums up the last year for Gucci. Following Spring/Summer Men’s Fashion Week 2013, Gucci’s first menswear flagship, a 500-square-meter Made-to-Measure retail store, focusing on tailored suits and made-to-order shoes, opened in Milan’s historic Brera district. Traditionally, Gucci has focused on strategic alliances with celebrities as both brand ambassadors and in support of its Corporate Citizenship efforts. The brand worked with actor James Franco, who first served as a spokesman for Gucci cologne in 2008. In 2011, Nathaniel Goldberg filmed the “All the World’s a Stage” campaign at Rome’s Cinecittà film studio, featuring Franco as spokesperson for Gucci’s custom suits. Launching late summer 2013, Franco is featured in legends Mert Alas and Marcus

Piggot’s photography promoting Gucci eye-wear. This past June, Gucci underwrote the Chime for Change concert event, featuring Beyoncé, Jay Z, Mary J. Blige, Timbaland, and more performing in London. The successful event brought the message to an audience of more than one billion people and inspired Beyoncé, Salma Hayek, and Frida Giannini to launch the Chime for Change Foundation, promoting education, health, and justice for women across the world. Gucci is also successfully growing its “no-logo” offering as a means to reclaim rarity as a sale driver. The brand is working to weave one strong, consistent global story with local relevance everywhere from quickly maturing emerging markets to increasingly sophisticated competitive battlegrounds.

L’Oréal
+12%
9,874 \$m

L’ORÉAL
PARIS

For more than 100 years, L’Oréal has maintained a tenacious focus on pushing the boundaries of beauty innovation. Carrying out its mission of beauty for all, it leverages diversity, staying relevant to a variety of markets. For the first time ever, L’Oréal’s New Markets division is the company’s number one sales zone, now representing about 40 percent of total cosmetics sales. The brand opened offices in the Middle East and Africa and plans to open the L’Oréal Professional African Salon Institute in South Africa later this year, following the opening of facilities in India, China, and Brazil. The focus on innovation was evident in 2012 through a USD \$1.05 billion R&D investment and 611 registered patents with

a focus on customizing products in tune with local markets. Viego ranked the brand among the world’s most responsible, a clear sign of L’Oréal’s commitment to global sustainability. The UNESCO/L’Oréal prize “For Women in Science” is also a relevant illustration of its commitment to Corporate Citizenship. L’Oréal has stayed true to its mission throughout the years of offering all women and men across the globe the best of cosmetics innovation in terms of quality, efficacy, and safety. The outlook for L’Oréal seems strong with growth continuing in the New Markets division. The future will tell how the brand will continue to leverage all these innovations, building on its heritage and global presence expansion.

Philips
+8%
9,813 \$m

PHILIPS

Philips is an example of a brand committed to aligning its business priorities with its brand strategy. The brand’s Accelerate! program continued to drive operational excellence, increased speed to market, and decreased innovation turnaround time while making the brand more responsive to customer needs. Leadership is focusing on the brand itself as a unique strength of its business system, aligning strategy with a mission to deliver meaningful innovation to customers. Last year’s move to transfer its television business into TP Vision, a joint venture with Hong Kong’s TPV Technology, freed Philips to, as CEO Frans van Houten noted, “focus on expanding market leadership positions across our Healthcare, Consumer Lifestyle, and Lighting sectors.”

Philips also sold its Lifestyle Entertainment division to Japan’s Funai Electric Co. earlier this year, which had purchased Philips’ North American TV and DVD operations in 2008. Philips is thus building on its strong brand equity to generate important licensing revenues. As the brand divests its home entertainment business, shifts its Consumer Lifestyle segment toward health, and increases its focus on B2B initiatives, the question for the future remains how Philips will ensure a consistent brand experience and customer understanding across more than 30 diverse product categories and more than 100 countries, which is no trivial task. It remains to be seen how Philips will balance conflicting pulls to diversify and to specialize in its highly competitive industry.

Accenture
+8%
9,471 \$m

accenture

This year has been one of little change for the Accenture brand. It continues to see success from the global advertising campaign it launched in 2011 after the quick cancellation of its long-running campaign featuring Tiger Woods. This new campaign features success stories and proof points of Accenture’s ability to continuously and seamlessly deliver on its tagline, “High performance. Delivered.” across industries and geographies. The brand continues to explore new ways to deliver high performance to its clients in ways that are meaningful to them, and the integration of digital agency Fjord into Accenture Interactive in early 2013 marks another step toward digital expertise. Accenture further expanded that digital expertise through a

recent strategic investment and expansion of its relationship with Apigee, providers of an enterprise-grade API management platform, forming a global alliance to deliver solutions that help clients more easily build mobile applications and connect enterprise systems. The brand has also demonstrated commitment in its Corporate Citizenship efforts, doubling its 2012 “Skills to Succeed” goal of equipping 250,000 people globally with the skills to get a job or build a business to 500,000 in 2013. Ever delivering against its tagline, the mission of “Skills to Succeed” is to give people around the world the opportunity to deliver high performance in their own right, showing why Accenture remains one of the world’s leading management consulting organizations.

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Ford
+15%
9,181 \$m



Even in difficult market conditions, Ford was the number two brand in Europe for the fifth straight year and its loyal fan base in the US remains strong, with one in six new car buyers reporting they will consider the brand when purchasing. Ford continues to sustain significant power, despite some customer frustrations with the MyTouch user experience. With so many technical changes happening at once, quality scores are suffering in the short term. But Ford's global "Go Further" tagline is a strong indication of the brand's desire to engage a new generation of consumers and its commitment to democratizing technology in order to accelerate the brand's responsiveness to marketplace needs. The voice activation

and smartphone-like touchscreens in the infotainment systems, for example, now incorporate knobs for functions like volume control. Ford is also focused on global expansion. In China, where only 58 out of every 1,000 people own cars, Ford believes its market share can grow to six percent by 2015. It is investing nearly USD \$5 billion in local assembly, engine, and transmission plants in China, hoping to catch up to GM and Volkswagen. With the next-generation Mustang hitting the road in 2014 (its 50th anniversary), a strong product lineup, and a respected, recognized brand, Ford is in a solid position to grow its loyal base of customers and gain share in an aggressively competitive global marketplace.

Hyundai
+20%
9,004 \$m



With a growing track record of building vehicles with style, design, and performance in mind, the Hyundai brand continues to strengthen its image and collect loyal fans. With a curvy design language that has driven success over the past few years, the Hyundai brand has amassed a healthy lineup of vehicles. Not only has Hyundai been working hard at retaining customers, it has also fared well with acquisitions; with the Azera, for example, about two-thirds of buyers are new to the brand. Its European strategy is also paying off, with the brand doubling its share in five years. While market conditions may have helped Hyundai gain market share from more established volume players, its leadership team under-

stands that to reach its target of five percent European growth, the Hyundai brand will have to work much harder. To help connect with a global consumer, Hyundai is investing nearly USD \$400 million in the World Rally Championships in addition to the brand's strong visibility in UEFA and FIFA football sponsorships. The industry is also taking notice of models such as the aspirational luxury Genesis concept car, unveiled at the 2013 Detroit Motor Show, and the sporty 2012 Veloster, which retains 82 percent of its MSRP retail value. Ongoing investment and continuous refinements to its lineups have put Hyundai in a solid position to continue to achieve significant market share in the next few years.

Goldman Sachs
+12%
8,536 \$m



Goldman Sachs continues to rise to the top of league tables in a variety of areas and to show Year Over Year (YOY) growth in revenue and stock price. While Goldman Sachs remains highly relevant in the financial community, trust remains an issue in the post-crisis world. Continuing to wrestle with negative public sentiment, the brand has been criticized for leveraging tax policy loopholes in The Volker Rule, which was designed to prevent proprietary trading at large federally insured banks, and has come under fire with some financial law experts for relying too much on banks' own self-reporting and self-regulation. In 2011, the brand became synonymous with Occupy Wall Street and is still a specific target for public frustration. While Goldman Sachs'

business appears strong, the brand continues on its downward trend with a decrease in brand strength with some analysts contending the brand has made business decisions in conflict with its brand values of integrity, fair dealing, transparency, professional excellence, confidentiality, clarity, and respect. The brand will need to manage its reputation carefully to avoid further damage. Public perception poses a particular risk as policy makers become more in tune with constituents' perceptions. Poor public perception has also impacted the once golden image the Goldman Sachs brand carries as an employer, potentially creating problems in recruiting future top talent, particularly Millennials, something the brand currently uses as a differentiating point.

Siemens
+13%
8,503 \$m

SIEMENS

Siemens is one of the world's most recognized integrated technology companies, but the global economy and internal challenges forced Siemens to lower its revenue outlook for 2013. To meet its goal of saving six billion euros in the next two years, Europe's largest engineering company has been selling off underperforming parts of the company and refocusing on more profitable areas. Unwinding the Nokia Siemens Networks joint venture and moving out of the solar business, it's strengthening the wind and hydroelectric power segments of its renewable energy business and looking for opportunities with the German Energiewende. In the wake of its second profit warning for 2013, the company replaced its CEO with CFO Joe Kaeser in July 2013. The brand consistently performs well

in Interbrand's Best Global Green Brands report and was named the world's most sustainable industrial company in the Dow Jones Sustainability Index 2012. Siemens increased its "green revenue," or products and services in the fields of energy efficiency, renewable energies, and environmental technologies, to USD \$44 billion. The brand's newly launched Infrastructure & Cities division was selected to provide solutions for the Confederations Cup in 2013 and the World Cup in 2014. With its "One Siemens" initiative designed to pave a "path to sustainable value creation," and its "Answers campaign," the brand strengthened its position as a pioneer addressing the world's key energy and consumption issues with forward-looking solutions.

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“Sony is top-of-the-line. I have many Sony products. I even have a Sony 400-disc changer. As a collector of DVDs, I find this product to be amazing. It keeps my movies safe and saves me lots of storage space.”

— Chris on Sony

Sony
-8%
8,408 \$m

SONY

Sony Chairman Howard Stringer retired in June, following the handoff in late 2012 of the CEO position to Kazuo Hirai. Now firmly under Hirai's leadership, Sony continues working to unify and revitalize its businesses. “One Sony” symbolizes its dedication to cohesive management and rapid decision-making, reaping rewards as Sony announced its first annual net profit in five years. Decisive actions—such as the sale of the company's US headquarters in New York, widescale restructuring, the upcoming launch of PlayStation 4, and the acquisition of CaiKai, a US cloud gaming company to boost game streaming services—and a push to deliver products living up to the “make.believe” tagline, all demonstrate

awareness of the need to adapt. Sony has already launched its third-generation wearable device, SmartWatch 2, and a great deal is riding on the success of its Xperia products. The brand has advanced into medical technology with its joint venture Sony Olympus Medical Solutions in a bid to capture share in the surgical endoscope market with products offering 4K and 3-D picture quality. The challenge remains that Sony still relies on its financial services business and, to a lesser extent, its entertainment (television, movie and music) divisions. The test for ongoing success for Sony will be returning the consumer electronics business to profit and generating sustained demand across all its business units.

Thomson Reuters
-4%
8,103 \$m

 **THOMSON REUTERS™**

Changes in leadership and inconsistent performance marked a challenging period for Thomson Reuters, driving efforts to reconsolidate its position in the market and return to its roots. CEO Jim Smith is leading this charge, refocusing on core offerings and achieving efficiencies of global reorganizations. Above all, the brand reaffirmed its commitment to putting customers first and is uncovering new ways to address evolving needs. These initiatives include strategic expansion into markets such as India and Brazil, product development, and acquisitions that enable it to serve clients more holistically. Senior management is focusing on improving and enhancing the customer experience, particularly that of Thomson Reuters Eikon, the previously struggling financial flagship product that is

now gaining traction against market leader Bloomberg. Thomson Reuters is beginning to redefine and share its story externally, launching successful campaigns in its Legal and Financial & Risk businesses that elevate the brand's role in both the market and its customers' work. Yet, Thomson Reuters has not fully found its larger voice. Leveraging the gains the brand has made internally, a key next step will be to globally deliver a compelling and connected story across its business of diverse products and services, emphasizing the brand's unique strengths, forward momentum, and future vision. With unified and effective brand messaging, Thomson Reuters will be positioned to improve customer understanding and solidify its role as a global leader.

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Citi
+5%
7,973 \$m



Citi continues to make strides in regaining consumer and investor trust after the financial crisis, which the brand states is its number one priority in the year ahead. To grow and respond to shifting customer needs, Citi is focusing on three dominant trends: globalization, urbanization, and digitization. Broadening the conversation about urban relevance, the brand has established its “Citi for Cities” initiative to position itself as the conduit between government, citizens, and business at the market and city level. A prime example is its “e-payment gateway” in Mumbai to improve the tax collection and receipt process. The brand is also rethinking how digital solutions can improve business, consumer, and employee experiences through more than just cosmetic mobile

and web enhancements. Evaluating how its entire system can deliver a smart banking experience, the brand is creating seamless integration across front- and back-office platforms. Citi also continues to pursue high-profile brand-building activities, such as committing to sponsor the 2014 and 2016 Olympic games, while exploring unique and relevant local partnerships. Citibike, a wildly popular bike-sharing program in New York City, is creating positive and relevant press for the brand. As population and share of GDP produced in cities steadily increase, Citi can leverage its extensive global network, long-standing presence in fast-developing markets, and strategic initiatives to grow its prominence in more than 150 cities to authentically deliver on evolving future financial needs.

Danone
+6%
7,968 \$m



Danone leads its category, positioning itself as a brand synonymous with healthy lifestyles. Concentrating its portfolio and growth squarely in the yogurt segment, the brand listens to the needs and wants of consumers in different markets, tailoring its product innovations to appeal to local trends around the world and earning a best-selling product in each. Competitors have followed Danone’s example, positioning various products to appeal to health-conscious consumers. Store brands have also grown in the yogurt space in the last year and consumer interest in healthy and environmentally sustainable options has opened the door to new forms of competition, with some producers of dairy alternatives doubling revenue in the last year. Struggling to differentiate, Danone

saw a 10 percent decrease in sales in Europe. Working to create strategic opportunities, Danone is teaming up with Starbucks to exclusively distribute Evolution Fresh, Inspired by Dannon, in Starbucks’ retail locations and in grocery stores, offering branded ready-to-eat parfait Greek yogurt. The rollout is set to take place in the US throughout 2014 and 2015 and then expand globally. Both Starbucks and Danone also announced plans to leverage this opportunity to create other products in markets around the world. With Starbucks’ significant customer base and the popularity of its Evolution Fresh line, this multi-year agreement has the potential to create significant new market opportunities for Danone in the future.

Colgate
+2%
7,833 \$m



Colgate did a great deal right in the past year, localizing its offerings to individual markets’ needs, increasing advertising, rolling out clearly articulated in-store displays, and continuing its breakneck pace of product innovation. Despite its active endeavors, the brand continued to tread water in an intensely competitive environment. In oral care, product proliferation makes brand differentiation and communicating relevance to consumers difficult. It has a solid foundation of brand strength from which to encourage brand loyalty, but must create new dynamics of consumer behavior to truly spur growth. Each year, the brand reaffirms its dedication to all things dental with innovation streams that expand its clinical products, such as PreviDent’s addition of a paste that improves re-mineral-

ization of cavity-prone teeth. It continues its “Bright Smiles, Bright Futures” program to provide oral care hygiene in fast-developing nations and innovated with its Slim Soft line of toothbrushes, answering market feedback. Colgate strengthened its relationship with dental care professionals, ranking as the top recommended brand in Brazil. The brand must solve communication challenges, exploring new ways to connect more effectively with consumers through social media engagement, to better deliver on its promise to improve consumers’ lives. A recent PR disaster occurred in the UK when Colgate encountered unexpected turnout at an electric toothbrush swap promotion for the new USD \$256 ProClinical A1500 product—an incident that shows there’s a strong need to better meet consumers’ expectations.

Audi
+8%
7,767 \$m



Audi

Sporty, progressive, sophisticated—the Audi brand fuses advanced technology and design innovation with the aim of bonding with customers. Following another record-setting sales year, the automaker’s 2013 theme reinforces that emotional bonding with the tagline, “My Audi—Pure Passion.” Already the number one luxury brand in consumer consideration in the US (based on GfK research), it’s even bigger in key markets like China, where it’s expanding its dealership network and fueling desire for the brand. Indeed, China is now Audi’s single largest country market, where it recently delivered its two millionth vehicle and saw a 30 percent sales increase in 2012 (representing 28 percent of its total global sales). The influential premium brand has

been investing with the goal of setting the industry standard for tech innovation via advances such as its LED technology, Audi e-Sound system, and lightweight construction. While its all-electric R8 e-tron concept car, which set a Nürburgring record last year, won’t be publicly available, the Volkswagen-owned brand is responding to the demand for smaller and more efficient cars with the introduction of its A1 car line in 2012, and its A6 and A8 hybrid models. Its design leadership in the luxury auto sector also plays well to modern consumer perceptions of innovation, while the Audi Urban Future Initiative continues to serve as a forum to engage customers and spark cutting-edge ideas about mobility, sustainability, and megacities.

50

49

51

Facebook
+43%
7,732 \$m



Facebook is the biggest riser in this year's Best Global Brands report. In spite of the optimism following its 2012 IPO, the brand experienced a tumultuous year with falling stock prices and critics scrutinizing its business model. However, after a 53 percent revenue bump in Q2 2013 far exceeded expectations, its stock price rallied more than 30 percent. While fear of decreased engagement and questions over its ad model concerned analysts, they are now shifting their view in light of its recent success in mobile, with users increasing 51 percent in Q2 2013 and mobile ad revenue rising. CEO Mark Zuckerberg used the Q2 earnings call to discuss an ambitious long-term plan. With more than one billion users, following steady growth of 45-50 million new users

every quarter since Q3 2011, it plans to connect an additional five billion users worldwide. Facebook also named its first CMO, hiring Gary Briggs from Google. The acquisition of Instagram, the incorporation of hashtags, and the launch of Graph Search demonstrate its commitment to dominating social media. High expectations present their own challenges, though, with poor adoption of its Home app and the disappointing launch of its first smartphone, HTC First. A backlash in December 2012 against Instagram's terms of service shows the fine line the brand walks with respect to privacy. Ultimately, the success of Facebook depends on balancing users' expectations of privacy and utility with the ad-driven lure of exploiting user data.

Heinz
-1%
7,648 \$m



Despite rapidly changing consumer behavior and an ever-evolving retail landscape, Heinz continues to be the number one ketchup brand globally and second in sauces, generating sales of nearly USD \$4.5 billion. Heinz is expanding in large, emerging markets, acquiring leading brands such as Quero in Brazil and Foodstar in China. As it expands, the brand is working to adapt to local consumer consumption habits and preferences like smaller, more portable options. An example of the brand's commitment to consumer needs is its dual-function "Dip and Squeeze" Ketchup package. Heinz leads the American Consumer Satisfaction Index for Food Manufacturing, scoring well above the industry average. The brand sold more than one billion units to foodservice outlets throughout the year, creating buzz

throughout the industry. It continues to innovate in environmentally sustainable packaging with plant-based bottles and lighter, easier to open cans, benefiting both the consumer and environment. It also replaced shrink-wrap with paper sleeves for infant food jars in China. In June 2013, Warren Buffett's Berkshire Hathaway, along with 3G Capital, completed the acquisition of brand owner H.J. Heinz Co. for USD \$28 billion. Known for cost-cutting at all levels, it will likely face a challenging internal landscape over the next few years. Heinz continues to strike a smart balance between being an iconic American brand focusing on its crown jewels and a passionate, growing, forward-thinking, always innovating global company.

Hermès
+23%
7,616 \$m



Famous for signature products such as its iconic scarves and the Birkin and Kelly bags, Maison Hermès is an enduring luxury brand famous for its craftsmanship, elegance, and storytelling. Hermès achieved outstanding financial results, with a record profit increase of 26.4 percent in 2012 and 12.8 percent (at constant exchange rates) in the first quarter. The brand's concerted commitment to its craftsmanship was further asserted this year in the acquisition of one of its suppliers, Tannerie d'Annonay, a French company specializing in "box leather." Two leather goods ateliers are scheduled to open by 2016 and will be home to teams of around 600 craftspeople. Hermès, confident in its connection to the brand, looked to

expand its reach through the unusual decision to debut on *Harper's Bazaar's* e-commerce site and sell its products on a website other than its own. Responding to an evolving customer profile, this year Hermès updated some of its product lines, embracing heritage and modernity in a collaboration with Japanese designer Rei Kawakubo. In the last year, LVMH aggressively acquired 22.6 percent ownership of Hermès. This followed on the heels of the Hermès family's move to return leadership to a member of the family, Axel Dumas, set to succeed Patrick Thomas, who will be retiring at the end 2013. Staying true to its core and its unique savoir-faire will serve Hermès going forward.

adidas
+12%
7,535 \$m



The adidas brand is successfully building on its "All In" global campaign, which launched ahead of the London 2012 Summer Olympic Games with an integrated marketing push. Continuing to "Take the Stage" with endorsements from athletes and pop icons, the sports giant is effectively communicating its brand values: diversity, athleticism, performance, and healthy lifestyles. Those efforts have helped adidas strengthen its position as a leader in its sector. The brand has experienced sustainable growth with the launch of NEO, a line of colorful sneakers targeting tweens and teens with ads featuring celebrities (pop stars Justin Bieber and Selena Gomez) and Boost!, its new high-tech shoe that aims to revolutionize marathon running. Although Q1 2013 results reported a slight

decrease in revenue, gross margin increased 2.4 percentage points to a record level of 50.1 percent. The upcoming FIFA World Cup in Brazil is a major focus, with high hopes for a range of innovative football products to achieve record category sales. Well-targeted pricing and meeting consumer needs have made the brand successful both from a business performance and brand-building perspective. It appears adidas is closing the gap in innovation with its competitors and is benefiting in terms of consumer perceptions of the brand. Internally, the brand is recognized as a key element for sustainable growth. Externally, consumers are embracing adidas' product development, investment in new technologies, and digital presence.

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Nestlé
+9%
7,527 \$m



Nestlé faced a tough environment in 2013 with the economic downturn in Europe and softening of emerging markets, but its investment in brand-building activities allowed it to weather the storm. In fact, Nestlé reported an increase in brand spend this year, supporting its positioning around “good food, good life.” The brand placed significant focus around sustainability and improving global wellness this year, advancing the science behind food and nutrition and working to help families meet nutritional needs through tools and education. These commitments not only reinforced its brand positioning, but also strengthened the company’s relationship with consumers through this established trust and reputation. Nestlé has leveraged the strength of its product brands, leaning

on innovation to maintain its position in the market. In June 2013, Nestlé Waters North America launched a premium bottled water, resource, with a bottle made from 50 percent recycled plastic. The brand also continues to build its Nestlé Health Science division. Getting people to think about nutrient-based products as a tool in the management of health and disease will undoubtedly be a hurdle, but the gravitas that the Nestlé brand carries—along with its quality, heritage, and R&D expertise—is providing target audiences with a reason to believe in the division’s work. With additional investments in R&D demonstrating its commitment to innovation, the brand is poised to continue its growth in new markets and product areas.

Nokia
-65%
7,444 \$m



Nokia CEO Stephen Elop hoped for a turnaround this past year, counting on the Lumia to renew the brand and the Asha line to drive sales of lower-end products—a big bet that didn’t pay off, and led to Microsoft’s USD \$7.2 billion acquisition of Nokia’s cellphone business. While Nokia’s hardware designs earned positive reviews, its software tended to fall short of expectations, which was problematic at a time when competitors are stepping up their game in this area. Though Nokia’s exclusive tie-up with the Windows Phone operating system differentiated it from most other manufacturers that went with Android, the “third ecosystem” integrated less than a quarter of the apps offered by rivals Apple

and Google, including popular ones like Instagram. Indeed, a steep drop in handset sales, down 32 percent in Q2 2013 compared to the same quarter in 2012, suggests that the operating system lacks relevance for consumers. Since many smartphone buyers tend to follow the pack, the fact that just three percent of buyers are purchasing Windows Phones poses a big challenge for Nokia and Microsoft. As the industry’s leader in sustainability, the Finnish giant could have benefitted from making “green” a key purchase driver. Now that Nokia is getting out of the phone business, perhaps *sisu* (a driving indomitable spirit that is key to Finnish culture) will help transform its new owner.

Caterpillar
+13%
7,125 \$m



Caterpillar, manufacturer of construction and mining equipment, diesel and natural gas engines, and diesel-electric locomotives, dominates its industry globally, as clearly evidenced in its 2012 financial performance data. The brand achieved record sales, revenues, and profits despite the uncertainty and dramatic shifts in the global marketplace. Caterpillar remains focused on long-term growth opportunities, encouraging its engineers and technologists to develop products and services that not only meet customers’ needs today, but also anticipate and address needs of the future. That initiative allowed Caterpillar to invest USD \$2.5 billion into research and development in 2012, a new high for the company. Caterpillar also understands the role it plays in helping to create, build, and expand

communities internationally. The brand invested USD \$60 million in its communities through The Caterpillar Foundation. It has also developed a strong voice on issues that affect the brand and customers: trade, energy, infrastructure, and taxes. To ensure that strong voice is as influential as possible, Caterpillar repositioned its global engagement strategy and created a new division, Global Government & Corporate Affairs, to ensure it’s even better positioned to make a positive difference around the world. Despite the early challenges of 2013, Caterpillar remains focused on the long-term and believes focusing on its brand (even making a cameo appearance in *Skyfall*, last year’s hit James Bond film) can help ensure it effectively communicates its story and builds sustainable success.

AXA
+5%
7,096 \$m



AXA, a world leader in insurance and asset management, continues to be strong globally. A recent survey revealed that 75 percent of the brand’s employees are engaged, demonstrating a strong focus on internal brand engagement. This has had an external impact on the brand’s perception and business success, with sales up four percent across all business units. Divestitures, acquisitions, and expansions in emerging markets have all contributed to a solid financial performance. A greater commitment to core competencies that are more closely connected to the brand also boosted performance. AXA has increased its digital acumen and presence, developing a new digital protection product line and executing an interactive and customized annual report. Additional initiatives are

underway to provide customers with greater access to digital tools that support an improved customer experience and relevance. Corporate Citizenship is another area of strength for the brand. Always a priority for AXA, this year the brand particularly focused its efforts on employee social responsibility. AXA exemplifies a brand that is acting with responsibility across diverse areas of Corporate Citizenship. Looking beyond “green,” AXA understands the connection and responsibility to employees, customers, government, suppliers, and its communities. AXA will continue to thrive on the global stage if it sustains its momentum, continues to focus on evolving its relationship with customers and employees, and maintains strategic focus on core competencies that directly support the brand.

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Striking the right balance between heritage and modernity is key to Cartier's success. It understands how to not only get the balance right in product, but also in the experience it creates around the brand.

Cartier
+26%
6,897 \$m

Cartier

Continuing to push the boundaries of the industry, balancing a magnificent history with an eye to the future, Cartier endures as the luxury house that is “known by many, owned by few, and dreamt about by all.” Exceeding analysts’ expectations, it successfully faced market changes and slow-downs with USD \$2.65 billion in annual profits, remaining relevant to customers. Striking the right balance between heritage and modernity is key to Cartier’s success. It understands how to not only get the balance right in product, but also in the experience it creates around the brand. Building on the launch of *L’Odyssée de Cartier*, a 2012 film featuring the work of film director Bruno Aveillan and composer Pierre Adenot, the brand has incorporated the

video into immersive experiences paired with displays of iconic pieces and new creations. This unique experience took over Selfridge’s Wonder Room in London in August 2013. The launch of its Paris Nouvelle Vague, which leverages the strong Parisian history and elegance of Cartier, but presents the collection through the idea of seven moods of Parisian women, also incorporated both physical and digital elements. Launch events include seven videos representing each of these moods. Embracing digital with a new e-catalog, the brand reaches customers and tells its rich story in a contemporary way. The brand’s strong allure, coupled with its modern viewpoint, establishes a strong platform for the future.

Dell
-10%
6,845 \$m



Once known for its speed to market and customization capabilities in the consumer PC space, Dell is transforming into a different brand, one focused on bringing powerful and efficient end-to-end scalable solutions to enterprise customers rather than consumers. While it is focusing on “practical innovation” and efficient and affordable products and technology to become a leader in the B2B space, it has historically had a stronger foothold in the (declining) consumer PC space and faces stiff competition from HP in networking, storage, and micro-servers. Attempting to be all things to all customers has contributed to public perception issues. Even with solid acquisitions in the solutions space and

a campaign that talks about the brand’s “Power to Do More,” the focus and brand story isn’t yet translating successfully to the external world. Dell is at a pivotal time in its journey. With the USD \$25 billion buyout offer from founder Michael Dell and private equity company Silver Lake in flux at the time of this writing, many questions remain about the future of the brand. Possible privatization of the company could afford the brand a unique opportunity to take risks, to invest in building the brand, and help customers see a new Dell—one that is powerful, capable, and differentiated. This much is clear: After several years of disappointments and sliding sales and market share, the time for change is now.

Xerox
+1%
6,779 \$m



Three years since the acquisition of ACS, Xerox represents a prime example of a brand in transition. The business strategy of growing services and maintaining a leadership position in technology is fueling a shift in the fundamentals of its business; for the first time in the brand’s history, revenue from services now makes up a bigger piece of the pie than the document technology business. It is fitting, then, that in a year of landmark paradigm shifts for Xerox, the company is celebrating the 75th anniversary of patent attorney Chester Carlson’s 1938 invention, xerography, which was a technology created to simplify the painstaking process of manually copying patents. The spirit of Carlson’s groundbreaking achievement is evident in the way

CEO Ursula Burns has incisively connected the two sides of the Xerox brand through the idea of “simplifying the way work gets done.” Xerox is poised to deliver against this brand mission, helping customers from small businesses to global enterprises. Advantageous positions in growing segments like healthcare afford the brand a valuable messaging opportunity to tell a compelling story around how it is, in fact, simplifying the overly complex. Armed with an ever-evolving visual identity, CMO Christa Carone is spearheading an increased focus on marketing and social media engagement for the brand. Xerox is leveraging a great opportunity to apply its existing equity and consumer trust to its future growth.

Allianz
+8%
6,710 \$m



Allianz, the leading international property and casualty insurer and one of the top integrated financial service providers worldwide, had a financially solid 2012. Allianz increased its revenue and boosted its operating profit despite the intensified Eurozone crisis that deteriorated the general economic situation in key markets in Western and Southern Europe. Maintaining a globally consistent brand is a priority, as this past year the company rebranded several acquisitions to fall under the Allianz name. As part of its strategy, “Building the strongest financial community,” it puts people and digital technology at the center of its interests and aims to “enable people to move on and up.” Leadership understands the brand is a key element in maintaining these customer partnerships and sustaining

potential business growth in the future. The active management of its brand and the emphasis on creating a digitally-enhanced experience helped Allianz further advance the ever-important digitization of its products and platforms with the establishment of its Allianz Digital Lab, which “invites early-stage companies, students, and innovators to respond to an open call for proposals in four categories: Big Data, Mobile, Social Media, and Sponsorships.” The brand’s efforts to develop new and innovative approaches to collaborate with clients and prospects assists it in fostering a consistent brand experience across its different markets and product offerings, helping to build trust among different stakeholder groups and build value.

Porsche
+26%
6,471 \$m



For a small car company, Porsche has a big presence and, in the minds of many, it endures as an automotive icon. Though enthusiasts revere Porsche for the purity of its design and the caliber of its racing machines, the brand has pushed to stay relevant to a broader audience by introducing vehicles like the Cayenne, Panamera, and the new Macan, which fills a gap in the SUV segment. Purists were skeptical about this diversification, but the strategy seems to have been a success: In 2012, the brand enjoyed record revenue and delivered more cars than ever before. Though some critics feared Porsche’s identity would be diluted after becoming subsumed into the larger VW Group, the brand retains its distinctiveness within

the parent company’s portfolio. Still celebrating its heritage, this year Porsche commemorated the 911’s 50th birthday with a special exhibition at the Porsche Museum. Given its track record for great design and efficient drive systems for maximum performance and minimum fuel consumption, it’s likely Porsche will continue to enhance the authenticity of its brand by taking advantage of the synergies of an integrated automotive group. With the debut of the new 911 at the 2013 Frankfurt auto show, the upcoming launch of the 918 supercar hybrid, the rebirth of Porsche prototype racing, and an ever-widening product line, Porsche is still top in automotive performance, true to its core, and always evolving.

Nissan
+25%
6,203 \$m



A strong brand is a necessity when setting bold goals such as doubling US sales and achieving a record 10 percent share of the US market. Nissan reported a 14 percent rise in profits in Q2 2013 and is building sales momentum with its redesigned Altima, while reinforcing the brand’s DNA of innovation. With the highly anticipated new generation of the Nissan Qashqai in Europe, and a series of upcoming new model releases around the world, the brand resonates with a broad range of global consumers. Staying true to its brand, Nissan is boosting its performance focus with a broader focus on the NISMO motor-sport program. In addition to sponsoring racing circuit events, the brand plans to roll out NISMO-badged cars around the world,

starting with the Nissan Juke model. By taking a global, multi-channel approach, Executive Vice President Andy Palmer is elevating marketing to a “science” to deliver the consistent, distinct position around innovation that differentiates Nissan. A fine example of that innovation, the Nissan LEAF, has been a hit with early adopters and demand continues to grow with the next wave of consumers. Making strides as a sustainable brand, Nissan was a top riser in Interbrand’s Best Global Green Brands 2013 report, jumping 16 spots to #5. A stronger yen and stronger consumer engagement will help Nissan achieve aggressive business targets, build loyalty, and energize new audiences.

KFC
+3%
6,192 \$m



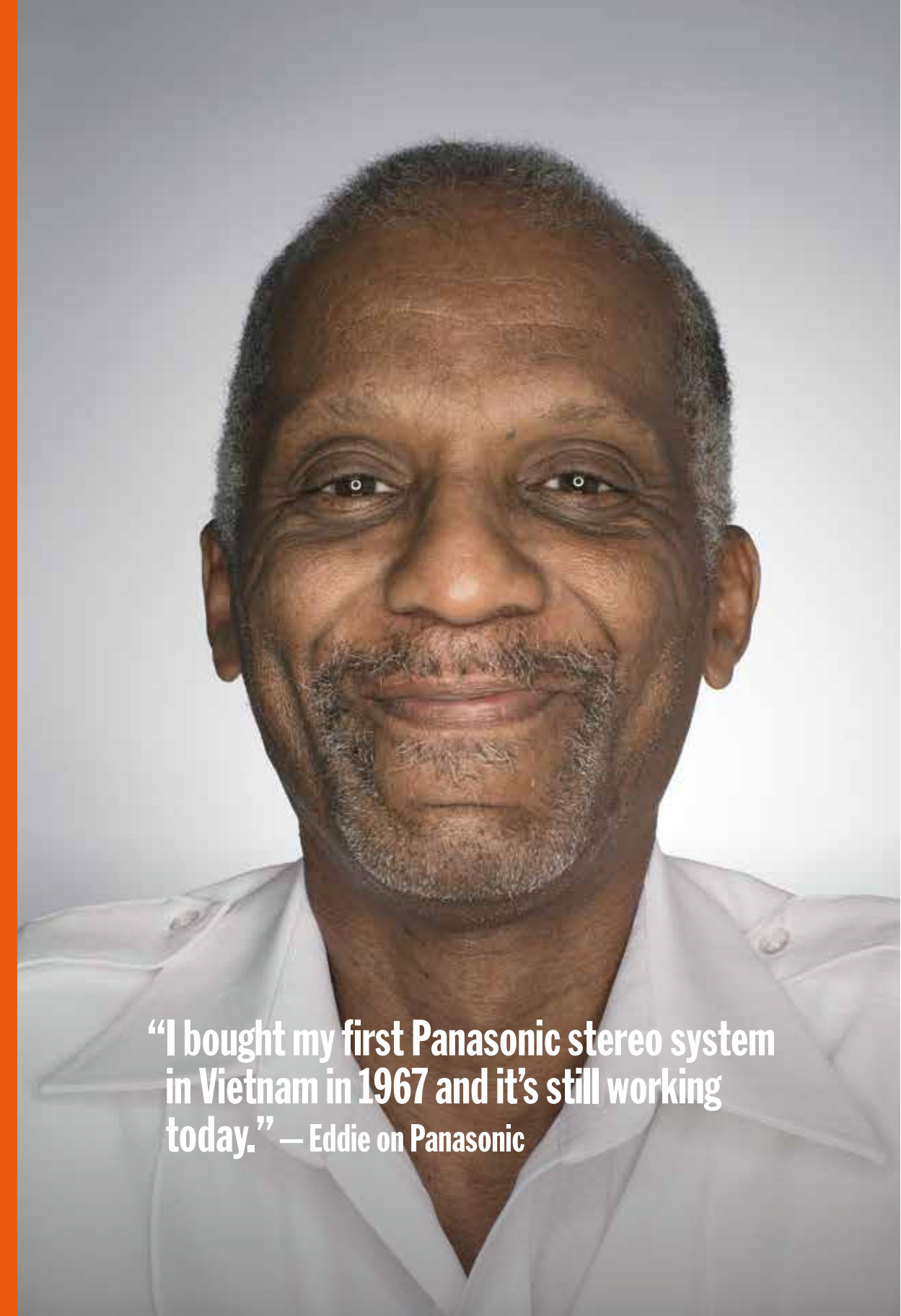
It was a tough year for KFC, despite being the second-largest restaurant chain on the planet. The brand came off a strong 2012 thanks to the performance of its franchises in China, which account for around 40 percent of its revenue. The gloss has come off the brand for many Chinese consumers, however, following a major food scandal involving the processing of chicken that damaged consumer confidence in its food quality. Unfortunately, this was reinforced with a China Central Television (CCTV) investigation that exposed unsafe levels of bacteria in KFC’s ice cubes. Avian flu outbreaks and slowing growth in the Chinese economy have also been setbacks, although they have not dampened the

brand’s enthusiasm for growing its international footprint. In addition to expanding in China, the Yum! Brands-owned chain is making a concerted push into Africa. Part of the success of KFC has been its ability to translate the brand concept using locally relevant menu adaptations, complementing original recipes with variations like Spicy Szechuan. It’s also experienced recent success in the US with its boneless chicken and special kids meals. Yet, despite this, KFC has to work hard to avoid being left behind in developed markets where an increased focus on quality and a shift toward healthier gourmet food is driving the success of smaller rivals, which are taking an increasing share of the quick-serve market.

CONSTRUCTIVELY DISCONTENT

“More innovation. More system investment. More coolers. And by remaining constructively discontent, knowing that we can always do better. Ensuring — starting with me — that there is never any room to be arrogant or to rest on your recent successes.”

— Muhtar Kent, Chairman & CEO, Coca-Cola, on how the company will lead in the coming years



“I bought my first Panasonic stereo system in Vietnam in 1967 and it’s still working today.” — Eddie on Panasonic

Nintendo
-14%
6,086 \$m



Nintendo is determined to stay true to its roots, focusing on “gaming population expansion” while strategizing forward-thinking approaches to get ahead of its industry’s current struggles. All-in-one devices, such as smartphones and tablets, have stolen much of the game sector’s thunder; new business models like free-to-play have emerged; and competitors have announced high-powered next generation systems. Its new generation Wii U received mixed reviews, and without a strong cast of compelling games it did not perform as well as anticipated. The Nintendo 3DS may be the leading platform in Japan, but the success has not yet been replicated overseas. Its short-term outlook rests on the titles it offers and the brand hopes that a slew of new

releases will drive sales outside Japan. While adopting some of the changing paradigms of the market, like advanced communication features and downloaded software delivery, it has been reluctant to make any dramatic changes to its previously successful business model (although Nintendo has announced an experimental entry into the free-to-play market). CEO Satoru Iwata has also mentioned the possibility of integrating e-payment systems such as Suica (East Japan Railway’s e-money card) to allow payments for products and services, add-on content for games, or pay-per-view options in VOD (Video on Demand) services. Only time will tell if this is enough as the traditional console industry faces an era of transition.

Panasonic
+1%
5,821 \$m

Panasonic

Against the backdrop of financial uncertainty, yen volatility, and disappointing results, Panasonic embarked on a bold turnaround plan this year. The focus is on products and services that enrich lives around the world, creating real value for customers, and driving improved profitability for the company. New President Kazuhiro Tsuga’s keynote speech at CES 2013, his first major public presentation since taking office, unveiled a strategic shift to higher-margin business customers. This underlines a drive to transform perceptions and raise brand awareness, particularly outside Japan. Panasonic offers batteries for Tesla vehicles, industry-leading HIT solar panels, home energy management systems, ultra-energy efficient ECO NAVI appliances, in-flight entertainment systems, and is

developing a solar lantern that doubles as a charger; but perceptions still tend to focus on high-profile consumer products like the LUMIX range of cameras and 4K OLED TV panels. The company ranked fourth overall in Interbrand’s Best Global Green Brands 2013, making it the leading technology and electronics brand in the report. Reinforcing its Corporate Citizenship commitment, the company participated in the 2012 Rio +20 conference, sponsored Fortune Brainstorm Green, and continues a strategic alliance with UNESCO. With an inspiring vision and a portfolio ranging well beyond home entertainment, Panasonic has a great deal of potential to unlock. Its key issue remains achieving synergy across business units and delivering an offering that captures the imagination of its global target audience.

Sprite
+2%
5,811 \$m



Global concern with health and the alarming rise in obesity have stimulated anxiety over the consumption of soda. Soft drink companies have been widely criticized for focusing messaging toward young people, accused of capitalizing on youths' affinity for these types of beverages. As a result, soda sales have declined in first-world markets, prompting Sprite to retool its brand strategy and messaging. Sprite UK launched a "Rediscover Sprite" campaign to introduce a new formulation with Stevia sugar substitute and one-third less calories. While this reformulation is currently only available in the UK, it shows the brand's responsiveness to customers. In the US, its 27-year partnership with the NBA created close associations between

Sprite and basketball, but the brand is also attempting to broaden its target. Sprite has worked, for example, to engage skateboarding and music fans, as well. Sprite also launched a US-wide contest to produce an original short film for a USD \$30,000 contract to work on a Coca-Cola project. Its new global campaign, "Obey You," encourages teens to follow their personal truths, forging connections to the brand perception of fun and youthfulness, but also follows the controversial strategy of targeting a younger demographic. Despite its messaging issues, Sprite delivered a solid four percent growth for the year and remained the number one soda brand in China, but will need to further expand its strategy to address health and marketing concerns.

Discovery
New
5,756 \$m



The Discovery brand makes its debut in Best Global Brands after a record-breaking 2012 and a strong first quarter. The Discovery Channel began 2013 with its best January ever and a 20 percent increase in US viewership. Discovery also aims to grow its current international base of 551 million subscribers. With high levels of viewer engagement, thanks to hit series and franchises such as Shark Week, it's experiencing double-digit growth across nearly every region. Investigation Discovery, also a standout, delivered 45 consecutive months of primetime TV gains in its key demographic. With new programming in development and 35 successful series returning in 2013, Investigation Discovery increased 20 percent across all its key demographics. Discovery Fit & Health also

recorded gains in 2012 among households in general and female viewers in particular. Discovery ensures the consistent experience of its brand across touchpoints including Discovery Commerce, which offers a range of brand-right merchandise, Discovery Stores for direct-to-consumer sales, and Discovery Digital. Discovery's public affairs initiatives included "Discover Your Skills" to help the unemployed obtain marketable job skills, "Discover Your Impact Day" to promote volunteerism, and Discovery Education, which aims to inspire students and support educators with streaming video and digital textbooks. With a commitment to producing even more original and engaging content for TV, online, and mobile, Discovery will effectively steward its brand globally, positioning it for success in the future.

Morgan Stanley
-21%
5,724 \$m

Morgan Stanley's identity and role in the post-recession world is still unfolding despite the firm's strong Q2 2013 earnings and plans to repurchase USD \$500 million worth of its own stock. Since the economic crisis, the brand's decision to transform its business model by downsizing its trading and wealth management businesses has led to poor performance and raised questions among investors. After some missteps, Morgan Stanley is beginning to better manage expectations of external stakeholders and deliver on its key strategic priorities. In June 2013, the firm received US regulatory approval to buy its remaining stake in the Morgan Stanley Smith Barney joint venture. With full ownership of its wealth management business, Morgan Stanley hopes to assuage shareholders'

concerns and deliver higher profit margins. Discussions between Morgan Stanley and Japan's Mitsubishi UFJ Financial Group, the country's largest bank by market value, indicate the brand's commitment to strengthen its Global Wealth Management business and increase its presence in Asia. Moreover, the firm's decision to hire former White House and Treasury official Michele Davis as its Global Head of Corporate Affairs indicates how Morgan Stanley plans to navigate new regulations, manage external communications, and ultimately strengthen brand perception. Whether the firm can truly accomplish all that while consistently achieving higher shareholder returns is yet to be determined, but Morgan Stanley is steadily making progress to establish itself as the global leader it once was.

Prada
+30%
5,570 \$m

PRADA

"Moving beyond" seems to be the recurring theme for Prada, a brand celebrating the centennial of its first store this year. While the brand's heritage would allow for a safe bet on its past, Prada chooses to constantly redefine its present with a confident, unorthodox attitude. To celebrate its anniversary in Milan's Galleria Vittorio Emanuele II, Prada is planning a dramatic expansion with a flexible layout to house retail, events, and the brand's headquarters. Working with OMA/Rem Koolhaas, Prada is also involved in the transformation of historic industrial buildings and the construction of a tower in Largo Isarco in Milan that will serve as a new art center complex for Fondazione Prada. The brand's relationship with the arts is the natural result

of its values. From *Prada Journal*, a literary contest metaphorically inspired by eyewear as a lens filtering reality, to the widely endorsed Small Utopia: Ars Multiplicata exhibition in Venice, featuring the likes of Warhol, Oldenburg, and Duchamp, to the Dress Gatsby collaboration with Catherine Martin for Baz Luhrmann's film adaptation of the classic Fitzgerald novel, Prada can credibly claim to have shifted its strategy from traditional campaigns to full-fledged projects. The brand is working to effectively integrate digital and physical touchpoints, better engaging with its consumers. With fresh designs and more than 460 stores stirring desire across markets and cultures, Prada continues to grow its presence globally.

Shell
+16%
5,535 \$m



Shell was one of 50 innovation leaders worldwide identified in the prestigious *MIT Technology Review* and the brand's "Let's Go" initiative looks to broaden its mix of energy sources. It has invested USD \$1.3 billion in R&D and formed Sirius Well Manufacturing Services as a joint venture with CNPC, advancing techniques to standardize well design and automate drilling, becoming more logistically efficient while reducing its environmental footprint. The brand slipped six places on Interbrand's Best Global Green Brands 2013 report, and continues to face sustainability challenges. Shell is dealing with fallout from a 2012 maritime incident off the coast of Alaska that severely damaged its drilling rig, protests over drilling in the Arctic, and controversy for

bringing hydraulic fracturing, or fracking, to China's Sichuan region, an earthquake hotbed. Its plans to invest USD \$1 billion in China's shale industry, and its focus on an area that saw a devastating earthquake in 2008, is coming under fire with environmental groups that contend fracking causes earthquakes. As part of its efforts to address sustainability, Shell teams with environmental NGOs, including the International Union for Conservation of Nature, advising the brand on the impact of extraction on World Heritage sites, and The Nature Conservancy to use artificially engineered oyster reefs to reduce erosion. A transparent approach will help balance its reputation and improve customer confidence in the brand.

Visa
+11%
5,465 \$m



It has been an active year for Visa, as it has expanded its core products and services business, invested in new payment technologies, and named a new CEO, only its second in the brand's history. CEO Charles Scharf, appointed in November 2012, has led the charge to help Visa become a more flexible brand. The brand's "digital wallet" service, a payment platform for online and mobile transactions, V.me, seems to be finally gaining traction. Targeting growth opportunities in e-commerce, Visa aims to put V.me in the hands of more than 50 million consumers. With its "Currency of Progress" mission that aims to extend the benefits of electronic payments globally, Visa is working with governments and organizations to supply e-payments

"For everyone, everywhere." The brand had a strong presence at the London 2012 Olympic Games, working with almost 1,000 financial institution clients and retail merchants. While its overall Olympic campaign was deemed a success, Visa did not achieve its "contactless revolution" goals, with less than one percent of contactless credit cards in circulation resulting in payments using wave pay technology. The brand also received some negative press over Games attendees having to use Visa cards to purchase tickets and make purchases at Olympic venues. Visa continues to struggle to strongly differentiate from its competitors, but its brand is gaining momentum with innovative digital technology and increased presence globally.

Tiffany & Co.
+5%
5,440 \$m

Tiffany & Co. celebrated its 175th year in 2012 with new collections, global expansion, and early 2013 performance exceeding expectations. Creating the Jazz Age collection for Baz Luhrmann's *The Great Gatsby* 3-D motion picture, it revived classic designs with a modern twist. Tiffany also renewed its 20-year collaboration with Italian designer Elsa Peretti and introduced the Ziegfeld collection, the Harmony engagement ring, and a reinterpretation of its iconic Atlas collection. The brand also expanded in growth markets, opening 28 stores in Brazil, the Czech Republic, and China. Preparations are now underway for the 2014 opening of its largest European boutique, a multi-story, 10,000 square-foot flagship store on Paris' Champs-Élysées. Tiffany & Co. shares are performing well,

with *Forbes* declaring in a recent headline: "Tiffany Looks Like a Jewel for the Bulls." This year the brand filed a trademark infringement lawsuit against Costco regarding diamond rings resembling the Tiffany setting. Tiffany continues to lead the conversation with the mining industry, NGOs, and local communities on responsible operating standards. The brand was listed in the FTSE4Good Index for its environmental sustainability, human rights, and supply chain labor standards. Tiffany faces a tough balancing act as the brand continues to expand its global footprint, product offerings, and consumer base. While a strong silver offering broadens the brand's consumer base, representing higher margins, it could also dilute its luxury image and cause consumer confusion.

3M
+16%
5,413 \$m



3M continues to be a pioneer across a wide range of industries and a leader in diversified manufacturing and services. Its leadership team has worked hard in the past year to shore up the core values of trust, leadership, quality, and innovation together with an ongoing commitment to Corporate Citizenship, for which it earned United Way's highest US honor. Delivering a clear understanding of the 3M corporate brand has been a challenge, although its brand strength and brand value both grew in the past year via improved performance in commitment, protection, presence, and consistency. In addition to savvy social media marketing, 3M has better aligned its brand with its sustainability efforts and evolved its visual identity to drive consistency

and cohesion with the recent appointment of a new Chief Design Officer. There is also a continued pursuit of marketing excellence, bringing together functions from across the business. Making strides with customers, it's delivering locally compelling experiences around the world, while employee engagement remains high with time off for staff to pursue eureka moments (a practice that, famously, led to its Post-it brand) and mentoring. Moving forward, 3M needs to continue to clarify its brand while evolving the customer experience. This will help drive credibility for the brand long-term and create a pull-through effect, especially in fast-developing markets, which constituted 34 percent of its sales in 2012 and should continue to grow.

While the economic slowdown in China has impacted brands across the board, digital leadership has helped Burberry stay strong.

Burberry
+20%
5,189 \$m

BURBERRY

Expanding Burberry's signature retail presence, with a cascade of flagship openings in London, Chicago, Hong Kong, and Milan and another 25 stores set to open in 2014, the brand is strengthening its positioning as a global luxury leader. Retail space increased 13 percent on average over the year, with retail revenue achieving 12 percent growth. Continuing investment and innovation in digital, from RFID-enabled personalized content via the A/W13 runway show to the interactive retail theater of Burberry World Live, incorporating Burberry Acoustic, the brand excels in its immersive and seamless melding of online with offline. The *Financial Times* heralded Burberry as "the most connected brand in luxury." While the economic slowdown in China

has impacted brands across the board, digital leadership has helped Burberry stay strong, with Chinese website traffic up 70 percent and increased digital integration in its stores. Ongoing elevation of product offerings has seen asserted investment in the Prorsum and London labels and control exerted over fragrance and beauty, moving from a licensed model to a directly operated business, with beauty highlighted firmly as a key growth platform. We continue to see Burberry embrace the new with the brand's first-ever watch, The Britain, while celebrating its heritage by returning the menswear show to London for the first time in a decade. It is this marriage of tradition and innovation that will continue to serve the brand well.

MTV
-12%
4,980 \$m



MTV's gradual evolution from non-stop music video channel to youth content brand isn't a new story, but it reflects a shift to its audience's interests all while remaining true to its innovative, experimental, and culturally relevant roots. A strategy that kicked off with the success of Gen X hit *The Real World*, its original programming has continued to evolve through reality shows like *Punk'd*, *Jersey Shore*, and *The Valleys*. As the Viacom-owned brand focuses on the second wave of Millennials, teens 13-17, MTV is broadening its focus to include grittier material for a generation growing up on stories like *The Hunger Games*, and experimenting with shows like *Catfish* and *Washington Heights*. It's also continuing to innovate on mobile with its new "MTV

Everywhere" app giving US viewers video content whenever and wherever they want, with greater interactivity and social features than previous apps. Beyond TV, it's experimenting with "MTV Other," a new digital content lab promoting emerging talent and serving as a showcase for ad-supported shortform programming for the iPhone, iPad, and online. Another noteworthy strategic maneuver for the brand in 2013 was MTV's announcement of a "Music Independence Day" on America's July 4th holiday, linking a 12-hour on-air music programming marathon to a download-and-merchandise platform. If not a return to its roots, this served as a reminder that MTV retains a strong interest in music as a key pillar to relating to youth culture.

Adobe
+8%
4,899 \$m



Adobe announced at its 2013 MAX Conference in May that it will no longer release new versions of its boxed Creative Suite desktop software and will only sell its products and services as a cloud-based online subscription. This bold move garnered a multitude of headlines and forum discussions. For consumers, this means faster product updates and releases; and for Adobe, the ability to combat piracy, a longstanding issue. Now it will require a software check with Adobe to ensure the subscription has been paid, ultimately making it more difficult to pirate its products. Adobe's shift is reflective of its commitment and focus to delivering end-to-end solutions for creating, publishing, marketing, and optimizing content. It's been acquiring companies like TypeKit, PhoneGap,

and most notably, the Behance portfolio website to expand its capabilities. Understanding the constant evolution of digital experiences and today's consumers who are increasingly mobile, Adobe is evolving and changing the process for content creators and marketers alike, creating what Adobe calls the "creative graph" and winning kudos for its humorous campaign debunking marketing myths. It's an end-to-end work environment with all the tools customers need to create and optimize digital content, allowing sharing and collaborating with others. While time will tell how customers will adapt—and Adobe will need to continue innovating and showcasing its end value to users, the future looks bright with early adoption of Creative Cloud already exceeding expectations.

John Deere
+15%
4,865 \$m



John Deere's ability to balance global expansion, launch new products, and strengthen its business portfolio demonstrates how a 176-year-old brand can stay true to its heritage and simultaneously adapt to rapidly evolving demographic and market trends. Cognizant of an increasing global population and a declining rural workforce, John Deere is working toward generating half of its total revenues from outside North America by 2018. With its Agricultural and Turf division, the brand has already made significant inroads in Brazil and China, opening new offices and extending its dealer network. To address increasing customer demand, John Deere plans to build seven factories in global markets critical to its future growth over the next two years. Last year, John Deere launched several new

products to meet customers' demand not only for enhanced performance and uncompromising durability, but also reduced emissions and increased comfort. From the design of its Final Tier 4 diesel engine to the launch of its Gator off-roading vehicle, John Deere continues to demonstrate its commitment to building leading products for those "linked to the land." The brand's commitment to environmental sustainability initiatives, strategic focus, and organizational realignment and strengthening of its forestry and construction business exemplifies how a Moline, Illinois-based company, most commonly associated with tractors and farm equipment, can continue to deliver on growth targets while broadening public perception of what it means to "Run Like a Deere."

Johnson & Johnson
+9%
4,777 \$m



In the last year, Johnson & Johnson has undertaken several initiatives reflecting its mission of "Caring for the world, one person at a time." Responding to Hurricane Sandy in the US, it donated 20,000 first aid kits and USD \$5 million. Understanding the importance of communicating the link between work and brand values, the brand created Stories of Caring, digital testimonials that bring to life the impact of its work on the health of the individual. The brand focused on the launch of its innovation centers around the world this year. These centers represent a new approach to R&D, promoting early innovation and reinforcing its position as a transformative force in the healthcare industry. The biggest challenge facing the brand continues to be manag-

ing fallout from manufacturing issues uncovered a few years ago in the consumer division. Rather than sell the division, the organization recommitted to its iconic product lines, including Band-Aid and Tylenol, which helped establish the essence of the Johnson & Johnson brand, allowing consumers to connect with it. Leveraging its strong brand idea, it embarked on the "For All You Love" campaign, featuring some of these product brands. This is the first time in ten years that the company is launching a brand campaign, estimated to cost USD \$20-\$30 million this year. The campaign, centered on people, relationships, and caring, is an important step in rebuilding trust.

Johnnie Walker
+10%
4,745 \$m



Johnnie Walker had another exceptional year, expanding globally while maintaining a strong level of consistency and commitment to its core values. The annual Top Performing Spirits Brands report rated Johnnie Walker as the clear leader on the international stage. The brand posted 15 percent net sales growth for 2012, and its premium products alone grew 28 percent, experiencing significant growth in North America, thanks to the launch of new Blue Label packaging and a successful digital rich media advertising campaign enabling custom bottle engraving orders. While protecting its leadership position in the higher price range, Johnnie Walker has also seen great success with the development of its House Beijing and Shanghai properties in China, brand experiences dubbed "the

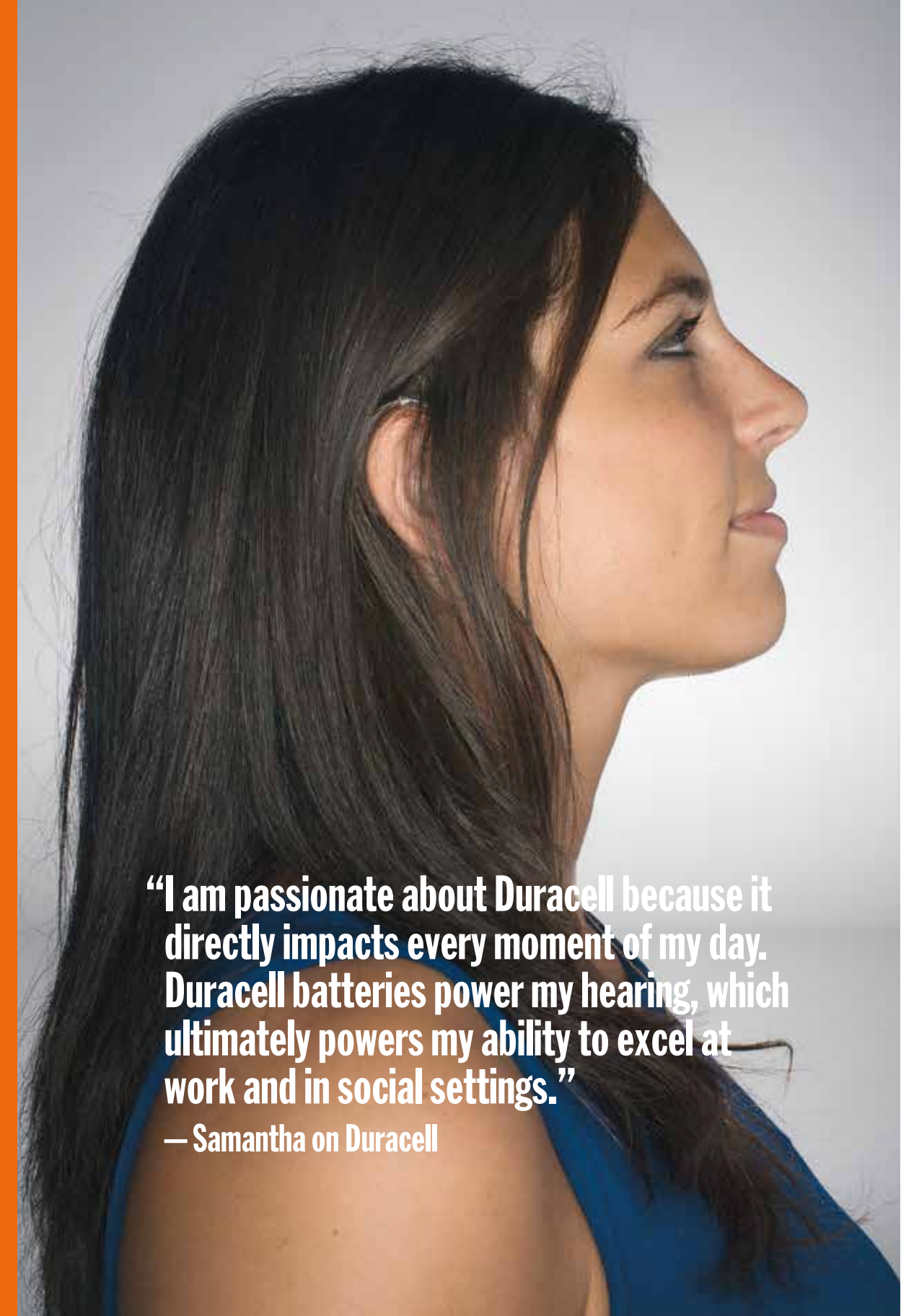
world's largest embassy for luxury Scotch whisky" outside of Scotland. It did, however, stir up controversy in China for featuring a CGI Bruce Lee in a campaign that debuted in July, almost 40 years to the day of the martial artist's (and teetotaler's) death. Ongoing marketing investment in its global "Walk with Giants" and "Step Inside the Circuit" campaigns and Grand Prix sponsorships have helped drive growth and visibility. In addition, restoration of its almost century-old Annandale Distillery in southern Scotland is underway, demonstrating commitment to its heritage. Despite ongoing global expansion, Johnnie Walker continues to develop award-winning advertising and design, while maintaining visual consistency and its premium, quality positioning in the market.

Kia
+15%
4,708 \$m



Kia is a rising star among global automotive brands. Successfully repositioning away from its former value-driven identity, the brand is targeting more discerning customers with a fresh, vibrant identity that promises "the power to surprise." This dynamic image and the affordability of Kia models make the brand particularly attractive for younger and first-time buyers, especially Millennials. Strengthening that relationship in Canada, the brand is introducing a car-sharing service that will allow students to experience Kia's new line-up firsthand (on and off campus) and promote responsible driving. Sales performance remained strong over the last year, with the brand finding success in both mature and fast-developing markets. Kia had particularly

impressive results in financially challenged markets such as Europe, but must work to raise awareness in lucrative markets like Brazil. In the wake of rising oil prices, Kia's sales success is partly due to a growing demand for the brand's core competencies in compact design and fuel economy. Credibility in this area was challenged in the US market, however, when the fuel efficiency of some models was overstated in late 2012. Though Kia is still building its identity, it has managed to distinguish itself from its sister brand, Hyundai, which may be the most vital matter for the relatively young brand. Profitable, eco-friendly, and moving from value-orientation to design leadership—all are signals pointing to a very strong future for Kia.



“I am passionate about Duracell because it directly impacts every moment of my day. Duracell batteries power my hearing, which ultimately powers my ability to excel at work and in social settings.”

— Samantha on Duracell

Santander
-2%
4,660 \$m



The past year has been difficult for Banco Santander, as it faced serious complaints from UK customers over poor customer service and increased interest rates on mortgages, forcing the brand to contact more than 270,000 clients at the request of the Financial Conduct Authority. Volatility in two of its main markets, Brazil and Spain, has also impacted the group. In response, Santander took a step forward, reorganizing globally and naming Javier Marin its new CEO. The brand is betting once again on markets such as Colombia, reinforcing its position in Mexico, and launching products like the Santander 123 Credit Card in different regions. The brand is also investing in the integration of Banesto, Banif, and Sovereign Bank, rebranding

them to Santander in the coming year. While maintaining internal employee alignment, it's also renewing its commitment to customers through its “Santander, a bank for your ideas” program. The brand is expanding its digital efforts as well, for example with iZettle, a mobile app that facilitates credit card payments aimed at European small businesses and shops. Santander continues key sponsorships such as Copa Grand Prix and Ferrari F1 team, and working in key countries with important brand ambassadors such as Neymar, Rory McIlroy, and Jenson Button. Santander has unique internal clarity, but must continue to work on rebuilding relationships with customers going forward.

Duracell
New
4,645 \$m

DURACELL®

Duracell, the “Trusted Everywhere” battery brand, has been meeting global battery needs for decades, dating back to the first alkaline batteries. The Procter & Gamble-owned brand owns 25 percent of the global battery market share and is regarded as one of P&G's “Leadership Brands.” The brand faces a big challenge maintaining that leadership position, however. Smartphones, tablets, MP3 players, and other consumer electronics tend to run on their own rechargeable batteries, causing the battery market to decline in recent years. To stem declines, the iconic Copper Top battery maker expanded its product mix with products like the Duracell Powermat, a convenient tool to recharge any gadget. The company recently launched Quantum, a premium sub-brand that it's calling its

most powerful battery to date. Innovation in complementary categories has enabled Duracell to maintain its marketplace presence and remain relevant, including OEM global sales and consulting services. Trust in the brand remains high thanks to key marketing partnerships, including serving as the official battery of the NFL. On social media, Duracell's community growth exceeds that of its competitors with 4.1 million Facebook likes. Duracell strengthened its emotional connection with consumers through ad campaigns featuring firefighters and other first responders. A related Duracell Power Relief Corporate Citizenship effort has dispatched trucks and trailers to distribute more than 250,000 free batteries to hurricane, blizzard, and other disaster sites.

84

85

Jack Daniel's
+7%
4,642 \$m



Jack Daniel's set records in 60 countries and grew 32 percent in Latin America in 2012. An increasing brand value clearly demonstrates the brand is resonating with consumers globally. Its tried-and-true process keeps the brand consistent in product quality, differentiation, and distinctiveness, exemplified in the success of its Tennessee Honey Whiskey. With its broad appeal, this new offering has brought more diverse demographics, such as women and Millennials, to the brand, earned it one million likes on Facebook, and won two awards from the Australian Liquor Society in its first year. Jack Daniel's also launched two limited editions: Sinatra Select honoring Frank Sinatra, one of the first celebrity endorsers of the brand, and Unaged Tennessee

Rye, the first time since before Prohibition that the distillery used a new grain recipe. Product innovation is expected to continue in the coming year. Like its products, the brand's new campaigns, "The Order of Gentleman," the first campaign for Gentleman Jack, and "Legend," celebrating the brand's place in rock and roll history, reinforce the brand's authenticity and iconic status. It will be interesting to see if these campaigns spark deeper dialogue in social media about how the brand's values and characteristics link to and enhance one's image. Thanks to consistently upholding its values throughout the entire brand experience, Jack Daniel's continues to maintain its position as a worldwide leader in its industry.

Avon
-11%
4,610 \$m

AVON

In response to disappointing financial results in 2012, Avon is in the midst of an aggressive turnaround plan to scale back and restructure its business. CEO Sheri McCoy, at the helm for a year and a half, is confident she can pull it off. As others expand in fast-developing markets (and analysts see promise in direct selling there), Avon's makeover will include exiting the Vietnamese, South Korean, and Irish markets, cutting 1,500 jobs, and curbing spending. It also announced the sale of its Silpada jewelry home party business, which it purchased three years ago, selling it back to the founders at a steep discount. As a result, Avon aims to reach single-digit percentage revenue growth by 2016. As long as McCoy and her leadership team stay true

to the brand's core values and heritage, Avon has the potential to regain its hold on the global beauty and direct selling market. Even while in cost-cutting mode, it's strategically investing in technology, providing digital tools to its six million representatives worldwide, as well as creating mobile apps and more opportunities for customers and representatives to connect through social media. Although Avon has been suffering financially, consumers still appreciate its values, philanthropic work, and commitment to empowering women. With some investors predicting Avon will disappear completely, and others predicting a comeback, the next few years will be a crucial test for the 126-year-old brand.

Ralph Lauren
+14%
4,584 \$m

Ralph Lauren is one of the most famous premium lifestyle brands in the world, largely based on its ability to create a unified brand universe and craft a compelling narrative. The brand continues to improve its position, with 2012 performance recorded at USD \$6.9 billion and a 27 percent increase in profit. A push to maintain relevance has meant boosting its social and digital strategy, including overhauling its regional e-commerce operations, producing the RL web magazine as a storytelling platform, and enabling online customization. It even invited customers to vote on designs from its vaults via a Bring It Back program that saw the return of its infamous Polo Bear Sweater. The brand is growing globally thanks to its strong

RALPH LAUREN

heritage, along with ever-improving mobile and e-commerce functionality and strategic product expansion, including a wider range of accessories and extending the Polo brand to women. Key markets include Brazil and Asia, where it's reopening once-franchised stores as flagship brand experiences, such as its new men's boutique in Hong Kong. Prioritizing branded stores over wholesale relationships, it's boosting its bottom line while reinforcing its brand family. To that end, Ralph Lauren is opening more flagship retail stores, such as the planned 35,000-square foot store on New York's Fifth Avenue that, in 2014, will bring its first restaurant to the Big Apple, a concept that is already successful in Paris and Chicago.

Chevrolet
New
4,578 \$m



Once defined as "The Heartbeat of America," Chevrolet accounts for roughly 70 percent of all vehicles GM sells. The brand can be found in more than 140 countries around the world, with 60 percent of Chevrolet-branded vehicles now sold outside of the US. Following a couple of years of intense competition in the US, it's aggressively rolling out new products and seeing an uptick in transaction prices at dealerships to help build momentum. While the US trend is moving in the right direction, the brand is also focused on boosting sales in China, India, and Thailand. As it continues to expand its global operations, it's aligning its engineering, design, and retail operations behind a single vision and communications

platform: "Find New Roads." Embracing Chevrolet's spirit of ingenuity, the concept will help the brand connect with consumers on a more emotional basis. Adding two years of free maintenance to new car purchases and its top 10 showing in the 2013 J.D. Power Initial Quality Study should also help drive consumers to showrooms. Chevrolet must continue to meaningfully appeal to customers, including new generations of drivers around the world, and charge up sales of its Volt. If it can create sustainable growth, penetrate fast developing markets, and see die-hard customers (like Silverado owners) come back for more, Chevrolet will have enough steam to build the next chapter of its storied history.

Kleenex
+2%
4,428 \$m



The Kleenex brand continues to face a struggle both domestically and internationally. As tough economic conditions persist, consumers have grown increasingly price sensitive and Kleenex continues to lose market share to generic products. Despite challenges, Kleenex has held its brand steady and continues to outspend its competitors on advertising. The brand continued to emphasize the disease prevention strategy it introduced in 2012, although the brand misstepped when it attempted to broaden Kleenex from facial tissue, introducing Luxury Foam Hand Sanitizer. It's hard to say whether consumers would have embraced it because the product was quickly recalled over bacterial contamination. Kleenex has continued to consistently

promote the brand as the softest facial tissue in the market, and has also tried to drive consumers' emotional associations with a "Gesture of Care" promotion that had celebrities delivering Kleenex products to unsuspecting consumers in need. Despite its struggles to beat back the gains store brands have made, Kleenex is still a global leader in the facial tissue category it created almost 100 years ago. Kleenex is sold in more than 175 countries and continues to hold the top leadership spot in more than 80 of them. Severe allergy, cold, and flu seasons are bad news for sufferers, but boosted sales for the brand, leading it to lift its forecast for the whole year. Kleenex continues to be there for customers, one sneeze at a time.

Starbucks
+8%
4,399 \$m



For a brand that's synonymous with coffee, Starbucks is venturing well beyond its coffee shop model. Key investments this past year include a USD \$100 million acquisition of San Francisco-based artisanal baking chain La Boulange, an attempt to improve its food offering and take on rivals encroaching on its coffee business. The brand also paid USD \$620 million for the US-based Teavana chain in November 2012, expanding its tea line-up beyond its Tazo brand. Starbucks also successfully launched its K-Cup (Keurig's popular system) single-serve tea and coffee for the at-home market in a bid to take on Nestlé's Nespresso brand. Whether these strategies will have an impact outside the US remains to be seen, especially given the

brand's ambition to grow its store footprint in the Asia Pacific region. Having added 516 new stores in Asia Pacific in the past year and revenue up 22 percent, the strategy appears to be paying off. The most checked-in brand in the world according to Facebook, Starbucks fans are particularly engaged in Indonesia and the Philippines. In the hot seat over corporate taxes in the UK, it remains to be seen whether this will have a long-term impact on the brand. All eyes will be on recently appointed CMO Sharon Rothstein to see how Starbucks responds to these challenges and opportunities, particularly as the brand seeks to further roll out its customer experience worldwide.

Heineken
+10%
4,331 \$m



Leading up to its 140th birthday this year, Heineken created many opportunities to say "cheers." Rolling out its new Star green bottle in key markets as part of the celebrations has helped create a distinct visual identity for the brand. Innovative marketing and aggressive global expansion has helped Heineken to once again outperform the overall beer market and international premium segments with a solid 5.3 percent organic growth in 2012 and double-digit growth in fast-developing markets. The brand's innovative approach to marketing won it a record number of awards from the Cannes Lions Festival of Creativity 2013, including its first ever Grand Prix in Creative Effectiveness for its "Open Your World" campaign. Its "The Express" campaign

promoted the brand's product integration partnership with the most successful James Bond movie yet, *Skyfall*, in which Bond's character was seen, for the first time ever, holding a Heineken on screen. Increasing its global visibility and solidifying its position as a premium global beer, the iconic Dutch beer brand completed its acquisition of Singapore-based Asia Pacific Breweries for USD \$4.6 billion earlier this year. This acquisition will help Heineken build an even stronger platform for expansion across Asia, a key market for growth, and to extend last year's USD \$6.4 billion deal to buy the remaining shares of APB's Tiger beer brand. Strong growth and messaging strategies are clearly paying off for Heineken.

Corona
+5%
4,276 \$m



Thanks to consistent messaging, Corona is building universal global appeal. It's the top-selling imported premium beer in the US and in more than 15 countries across continents including Asia, Africa, and Oceania. Anheuser-Busch InBev's acquisition of the remaining stake in Mexico's Grupo Modelo for approximately USD \$20.1 billion concluded this year. While Corona's new parent company recently released disappointing financials, the agreement increases the brand's global presence, making it part of a combined company that has the beer industry's fourth-largest profit pool. With its Taylor Steele-directed video, "On Mexico Time—From Where You'd Rather Be," a shift in the brand's global positioning can be seen as it works to conquer

international markets. The ad communicates a "take the beach with you" lifestyle and captures Corona's spirit of enjoying the moment, relaxing, and connecting. Connecting its brand image and brand values, Corona has focused its strengthened Corporate Citizenship efforts on its "Save the Beach" initiative. Corona, working with celebrities such as Bar Refaeli and Custo Dalmau (of Custo Barcelona), continues to revitalize beaches across Europe. It has also focused on sports sponsorships such as #coronalondon, a beach volleyball tournament featuring Olympic athletes at a temporary court in Covent Garden one year after the sport's first games at London 2012. Teams at the 2013 event competed for a trip to Mexico.

ARCS OF CHANGE

“Most of us have workforces that are very bright, very intelligent and want to be engaged in a broad way. This idea of a strategic belief is that you can agree amongst the firm on some really big arcs of change.”

— Ginni Rometty, CEO, IBM

Pizza Hut continues to use social marketing in smart and strategic ways that empower its customers.

Pizza Hut
+2%
4,269 \$m



In June 2013, Pizza Hut celebrated its 55th anniversary, offering large one-topping pizzas for USD \$5.55. The promotion, driven through TV, digital media, and social media, demonstrates Pizza Hut's ongoing commitment to rolling out fully-integrated campaigns. Widely considered to be adventurous with product innovation, the Yum! Brands-owned chain recently launched new pizza variations in the Middle East, Norway, Canada, Japan, and the UK, keeping local tastes and preferences top-of-mind. Pizza Hut continues to use social marketing in smart and strategic ways that empower its customers. In February 2013, Pizza Hut launched its successful "Hut. Hut. Hut!" social campaign in the US, collecting user-generated videos for its Super Bowl ad.

Pizza Hut has also used Instagram to promote special offers and encourage customers to develop new pizza creations. Perhaps its most exciting innovation in this area is its Xbox app, which allows customers to order pizza while playing games. Pizza Hut operates more than 10,000 restaurants in more than 90 countries and is growing steadily in the US. It has strengthened its global presence, with more than 900 restaurants in China and almost 300 in India. The biggest challenge for Pizza Hut is the rise of artisanal, organic pizza chains. To remain a category leader, Pizza Hut must leverage its product innovation skills to not only remain relevant to health-conscious customers, but also to appeal to the more refined palates of aging diners.

Smirnoff
+5%
4,262 \$m



Smirnoff, which dates back to the 1800s, is working to find the proper balance between a heritage story and keeping pace with seemingly endless upstarts in the vodka category. The world's largest vodka brand (controlling 6.5 percent of the global vodka market, ahead of Absolut at #2 with 2.6 percent) announced a shake-up of its own this year. The brand hired 72andSunny as its new global creative agency of record in August. It remains to be seen where a new creative and marketing direction will take a brand that has seen steady results continue into 2013 behind promotional vehicles like VH1's *Smirnoff Master of the Mix* reality show and its art- and social media-fueled "Midnight Circus" global tour. Parent company

Diageo's promotion of Innovation Director Syl Saller to CMO indicates that innovation remains a priority for the Smirnoff brand, which has been launching new variations globally (such as Honey and Coconut in Australia, or Kissed Caramel and Iced Cake in the US) to meet consumer demand for flavored vodkas. By promoting vodka as an experience and not just an ingredient, the brand will continue to expand its appeal across users and regions, even touching the emerging global middle class with Smirnoff 1818. With fresh creative thinking in the works, the Smirnoff brand must continue to grow and deliver to stay ahead of the increasingly competitive vodka market.

Harley-Davidson
+10%
4,230 \$m



Harley-Davidson continues to expand its relevance to new audiences, yet stay firmly rooted in its heritage. This year, Harley-Davidson celebrates its 110th anniversary with epic events around the world highlighting the brand's time-tested commitment to creating unparalleled experiences. With its traditional US customer base on the decline, Harley-Davidson has put greater emphasis on growing its appeal across demographics and in new global markets. There are signs that this is paying off. In 2012, nearly four in ten sales of new Harley-Davidson motorcycles in the US were to customers who are new to the brand. Nearly six in ten sales worldwide were to customers outside its usual demographic. While new Harley-Davidson motorcycle

sales increased overall outside the US, growth in Europe continues to be a struggle with motorcycle revenue falling in Europe six percent last year and an additional 13 percent in the first quarter of 2013. Asia, Latin America, and other regions will be critical to the brand's success down the road as it expects international retail sales of new Harley-Davidson motorcycles to exceed 40 percent of total unit sales by 2014. Balancing Harley-Davidson's heritage story while expanding its presence globally is both a great opportunity and a challenge for the brand. Keeping the rider's experience at the heart of everything it does will continue to strengthen Harley-Davidson as it charts new territories.

MasterCard
+8%
4,206 \$m



True to its vision of delivering “A world beyond cash,” MasterCard introduced MasterPass earlier this year as the next evolution of PayPass. A digital wallet simplifying checkouts, the service will also offer loyalty rewards and real-time account alerts that boost the customer experience. MasterPass will allow merchants and retailers the flexibility to deliver a seamless, omnichannel shopping experience of the future, including rolling out its own branded digital wallets. MasterCard also continues to win new partnerships, striking deals with Bank of America, Citibank, Capital One, and HSBC across a number of industries in this past quarter. The brand has demonstrated its commitment to a cashless future, launching nine programs of finan-

cial inclusion across emerging markets, providing financial access and education to 350 million people. The world’s second-largest payment network, MasterCard has gained share in the US debit card market since last year, but lost to Visa in the credit card business. In July, MasterCard reported a strong Q2 2013 thanks to growth in credit and debit card spending despite slow economic growth globally. While the brand has had a good year, consumers have yet to really notice its innovative products and community efforts. As MasterCard continues to build momentum and with new CMO Raja Rajamannar in place, it must share its story and advance its messaging to stand out from its competition.

Ferrari
+6%
4,013 \$m



When a European automaker in choppy market conditions increases sales five percent, revenue eight percent, and operating profit 12 percent, management usually congratulates employees and immediately increases sales projections. Not Ferrari. The legendary sports car maker wants to pull back from record global sales of 7,318 units to just under 7,000. Ferrari recognizes that to protect the brand’s exclusivity and business model it cannot rely solely on perception. Its 2013 Geneva Motor Show reveal of LaFerrari at the same event of its rival F1 competitor’s car created a lot of drama even though the hyper hybrid sold out before the show even started. With a one million-plus euro price tag, 700 requests were made but only 499

fulfilled. Internal clarity plays a critical role in unlocking the value of the Ferrari brand, an institutional discipline that helped LaFerrari become the first vehicle designed in-house and extended the halo to its parent company’s portfolio of brands. In fact, the Ferrari-managed Maserati is helping both brands take on competitors. The brand achieves consistency across its touchpoints, including its Formula 1 team, 50 retail stores worldwide—even a Ferrari amusement park in Abu Dhabi. If its leadership team can continue to globally execute in a disciplined manner, Ferrari would be a textbook case of how a brand, and what stands behind it, can grow the business and deliver higher revenues and margins.

Moët & Chandon
+3%
3,943 \$m



Moët & Chandon has devoted itself to consolidating its position as the world leader in champagne, focusing on continued expansion in emerging markets, strong performance in Japan and Australia, as well as a reaffirmed value-creation strategy in the United States. This strategy is aimed at increasing prices and moving the product mix further upmarket, enhancing the reputation and desirability of the Moët & Chandon brand. There has also been an aggressive investment in marketing in order to push the brand forward. First, the brand replaced actress Scarlett Johansson as its global ambassador with tennis superstar Roger Federer. He epitomizes the “glamour of achievement, dedicated generosity, and tremendous style values” that have been key to the

270-year-old brand throughout its long history. Additionally, the brand has made a significant investment in digital media this past year in launching three new mobile applications for different occasions: Valentine’s Day’s Declare Your Love by Moët & Chandon Rosé Impérial; New Year’s Day’s Moët & Chandon Brut Impérial; and Moët Ice Impérial for a daytime getaway. The investment seems to be paying off with 22 percent of consumers talking about champagne online, specifically discussing Moët & Chandon. Recently, the brand continued to push for relevance through its sponsorship of *The Great Gatsby*. These innovations in marketing, coupled with global sponsorships, will help reestablish Moët & Chandon as the world leader in champagne.

Gap
+5%
3,920 \$m



Gap Inc.’s flagship brand is on track to be in 54 countries by year-end as the company builds a global runway. The Gap brand is the cornerstone of the company’s China strategy, wooing the nation’s youthful “golden generation” with 80 Gap stores this year, seven outlet stores, and e-commerce. Eyeing nimbler rivals H&M, Zara, and Uniqlo, Gap is addressing inventory management through tighter relationships with supply chain partners. It’s also moving to rapid-response manufacturing to navigate fashion, color, and design trends, which will improve speed to market, minimize risks with assortment, and make it easier to restock merchandise and increase orders of popular items. Looking to differentiate with consistently great products, compel-

ling marketing (its “Back to Blue” campaign is its biggest to date), and a seamless customer experience, Gap is working toward an integrated omnichannel experience and true personalization. For instance, its San Francisco and Chicago locations are testing a “reserve in store” feature for shoppers, while Gap’s Styld.by co-creation platform for fashion, music, and lifestyle bloggers is going global. In the not too distant future, shoppers will scan jeans with a smartphone for in-store suggestions to complete an outfit. Gap has seen financial growth this year, but in a critical time for retailers, the brand must work to overcome its challenges, which in the wake of the factory collapse in Bangladesh, includes keeping vigilant watch over its supply chain.



“When I’m traveling, Starbucks gives me a sense of grounding and reassurance. I know what I’m going to get there. It’s a familiar experience. Starbucks makes me feel more at home in a strange place.”

— Claire on Starbucks

Creative Leadership in the Post-digital World

By Andy Payne

“Cool factor.” “Must-have.” “Innovative.” “Wow.” These kinds of consumer comments about brands are no accident. They are the product, among other things, of brilliant creative thinking and execution. The leading brands have always had it, driving behavior change by remaking their offering, eclipsing their competition, and reinventing categories.

That’s the very definition of leadership in the market—and the crucial role that creativity and design play in this world-changing process cannot be overstated. The true creative leader sees an expanded definition of possibility in every piece of research, knows that data is only as big as the impact it has in people’s lives, and finds new needs where others do not.

The imperative for leaders to take this approach in order to grow the value of their brand has never been more profound than it is today. The social, mobile, and digital reality has remade all the rules in short order. In just a few years, everything brands knew to be successful in the marketplace has changed.

These are indeed wild new times, and there’s no going back. Fortunately, we’ve found that, far from being the province of a savant or a mystic, the type of leadership that grows brand value today can be attained through the exercise of six basic principles.

1. Anticipate

If there is one overarching principle leaders need to learn, it is anticipation. Today's barely visible blip of demand on the trends radar is tomorrow's frenzied desire. When BMW relaunched the MINI in 2000 there was no such category as compact luxury. So the automaker created it—by reading the stars of the market in a creative way and pushing ahead. Leaders aren't afraid to define markets, not by following trends but by innovating what we need next, and then delivering it.

2. Experience

In order to deliver on the big ideas needed to anticipate the next, leaders must be ever ready to create meaningful experiences that seamlessly cross platforms and touchpoints, navigating the swaths of technology woven into the fabric of people's daily lives. Digital has become fully integrated into our movements from one place to another, in our interactions from work to social to downtime. There is no line, nor starting point and ending, between our digital selves and the rest of our lives. That's what we mean when we refer to a post-digital world. Thomson Reuters led by moving from listing and searching through repositories of information—an old dotcom way of being digital—to Intelligent Information, a fully integrated and intuitive offering that becomes part of the user's life. Not coincidentally, the company also employs a state-of-the-art brand governance model with nearly real-time tracking of the effectiveness of its brand.

3. Share

The experiences brands create in this post-digital environment cannot be one-way broadcasts or empty spectacles; people increasingly empowered by the democratizing effects of social and mobile need to feel a sense of ownership of the brands they make part of their lives. Crowdsourcing, participatory activities, pop-up retail, and events all speak to brands needing to share in order to lead. Lego's open-source design has connected with existing communities of interest and brought fans closer to the brand, while Nike's customizable, interactive shoe design sites have made co-creation part of the way audiences experience Nike. For savvy brands, the experiences that truly lead the way are ones where the company finds ways to share control.

4. Good

Smart, dedicated Corporate Citizenship is the secret to shining brighter in the post-digital age. We have studied the reaction to various approaches to Corporate Citizenship and found conclusively that audiences respond very positively to companies crafting citizenship campaigns as part of their core identity, not an add-on; hence, IBM making smarter buildings, more efficient grids, and cleaner energy becomes simultaneously a badge of their engagement in the world and a brand identity to bolster their place in the market. Likewise, when Western Union stood up for immigration rights, and even sent their CEO to the UN to testify, it made an impact, since so much of their business is in wire transfer remittance payments across national borders. They identified an issue where they had credibility and heart, and proceeded to do good—for their perception in the market and their bottom line.

5. Truth

The co-requisite of the shared control model is the transparency that comes with it—and so our fifth principle is truth. Tell it. Live it. Because if you don't, everyone will know. It's a global commons and your every move is live, 24/7. Let the litany of brands that were less than honest in recent years be a cautionary tale: Silence and spin are not your friends now, and they are unlikely to be again. From BP all the way down to any once-trendy restaurant that got bad reviews on Yelp, brands that are not truthful are failing to lead.

6. Living

This leads us to the ultimate principle of creative leadership for brands, one which in many ways is the sum total of the other five: Living. Interbrand has always advocated that brands are living assets, contributing tangibly, measurably, to the market health of an organization. Now post-digital, interconnected circumstances have made this maxim truer than ever. Old corporate identity is simply not enough—monolithic design that relied on rote consistency to drive home a commanding market presence has outlived its usefulness. Brands now need to move nimbly through our lives and through rapidly changing technological and cultural developments. Most, if not all, of the top 100 Best Global Brands understand the ROI that accrues to brands that live and breathe, evolving across time and audience experiences, while staying true to their essence.

Best Global Brands: The Cannes Lions 2013 Grand Prix Winners



Apple (#1), iPad mini magazine demo

The campaign for the iPad mini stayed true to Apple's identity with a simple, yet effective approach. Life-size mockups of the tablet were placed on the back of magazines such as *TIME* and *The New Yorker*, showing the front cover of the same issue to mimic the experience of reading it on the mini.

Intel (#9) & Toshiba, "The Beauty Inside"

This series of short films—featuring the main character's laptop and the role it plays in his life—was the "surprise hit" of this year's festival, according to *Ad Age*, adding that the co-branded content stood out because it "was 'born out of a beautiful brand trust that it's the inside that counts,' just like Intel, powering the Toshiba computer."



IBM (#4), "Smart Ideas for Smarter Cities"

This innovative outdoor campaign put IBM's advertisements to work—literally. The billboards doubled as street furniture such as ramps, benches and overhead shelters. Debuting in Paris and London, each location utilized bold colors and text encouraging users to interact online.



Heineken (#92), "The Date"

For the second ad in the brand's "Open Your World" global campaign, a debonair gent takes an attractive young woman on an epic date, showing off his magic and culinary skills. A related interactive element, which invited consumers to enter for a chance to win their own legendary date, also proved to be a huge success.



“Google is my go-to for just about anything. It’s no longer just a search engine. It’s like a quirky friend who knows everything you could possibly want to know.”

— Teal on Google

China’s New Brand Leaders

By Leslie Butterfield

The speed of change in China today is truly incredible: Incomes are rising, prices are stable and, as a result, optimism and conspicuous consumption still abound. But as things that were once the stuff of dreams are now within the reach of many Chinese people, the consumer culture is becoming more discerning and a new generation is increasingly seeking quality and authenticity over pure display and status.

At the same time, Chinese brands are becoming more self-confident. Many are looking to not only expand and grow regionally, but also compete directly with the Western brands that currently dominate the global landscape. To play at the global level, however, Chinese brands will need to foster more of a brand-building culture. Brands should keep several thoughts in mind as they develop strategies to lead and succeed globally.

Leaders lead, they don't follow

China is moving from imitation to innovation. Rather than simply looking at what other brands are producing and figuring out how to make the same for less, more Chinese brands are putting effort into producing a better version of those brands. Chinese brands with global aspirations can take important cues from others, but to truly succeed, they must find their own way forward through innovation and sound brand strategy.

Leaders listen

China is getting better at listening to consumers, and digital research is growing. Companies like K-Matrix are doing what Sysomos (a social media listening firm) has done for North America. As conversations online increasingly influence consumer perceptions, using tools that track and measure what people are saying about your organization in the social media landscape is essential. Tomorrow's leading brands will be those that listen closely and actively manage impressions across all channels of communication.

Leaders are responsive

Once brand leaders and marketing teams really understand how their brand is perceived, they can influence the way the market views their organization. Responding to social feedback, both positive and negative, is a great way to set the record straight or steer the conversation. Western brands have a head start in this regard, but Chinese brands are beginning to catch up. For all brands, understanding the opportunities that result from website or product improvements and getting a handle on how consumers are reacting to online storytelling or overall brand messaging

is critical to making changes that will keep a brand relevant and differentiated.

Great brands start from within

While the discipline of internal brand engagement is still in its infancy in China, Chinese companies that put effort into getting employees on brand and on message are creating a stronger internal corporate culture and building closer relationships with customers. Home electronics giant, Haier, is one such example. Despite slow growth in the home appliance industry, Haier's 2012 performance surpassed the whole market. Its secret? Haier actively promotes a spirit of innovation and entrepreneurship among employees. The brand shifted its mindset from selling products to selling services and encouraged employees to face the market directly. In doing so, it fulfilled its consumers' needs for customization and personal attention. Leaders like Haier realize employees are among the most significant assets of a corporate brand, as they are the ones who interact with customers and really bring the service-profit chain to life.

Great brands combine scale and intimacy

"Bigger is better" is still a common mindset in China, but volume and scale can only get a brand so far. As customers become more discerning and expectations increase, Chinese brands need to focus more on creating intimacy—recognizing and responding to emotional needs. Ping An, now one of the best-known financial services brands in China, owes much of its success to this factor. Recognizing that consumers are struggling with complex financial products, the Ping An brand promises to make managing finances easier. The company's ability to clarify its brand

Chinese brands with global aspirations can take important cues from others, but to truly succeed, they must find their own way forward through innovation and sound brand strategy.

promise and speak to real human needs is the reason Ping An continues to thrive, even when the rest of the insurance industry is struggling.

Digital must be front and center

Since e-commerce, mobile, and social media are growing rapidly in China, any brand strategy that doesn't embrace digital is not a smart strategy. Digital is redefining and reshaping absolutely everything: consumer choices and behaviors, customer experience, and how brands react to and relate to customers. As online activities become integrated into every aspect of Chinese life, from photo sharing and mobile payments to flight and hotel reservations, the brands that best respond to evolving user needs and behaviors will be the ones that succeed.

Sustainability is a must

While China is making efforts to adopt renewable sources and improve energy efficiency, the country, according to the International Energy Agency (IEA), is still the biggest emitter of CO₂ emissions

in the world. Many reports have drawn attention to the country's deteriorating environment and the problems this causes, from air pollution in major cities to natural disasters perhaps exacerbated by climate change. As such, responsible green business practices will increasingly be a pre-condition for China's domestic stability, its moral mandate as an emerging super-power, and a path to a more sustainable economy.

Despite significant challenges, the rise of a new generation of aspiring business and management professionals bodes well for China. This country will soon have the best business-trained workforce in the world. Defined by a spirit of inventiveness and an appreciation for authenticity, these progressive and digitally-savvy young executives will surely accelerate the modernization of China's corporate culture. From embracing brand-building and imbuing brands with a human touch to advancing sustainable business, Chinese companies that harness the power of their brands will survive the tests of adversity and increasingly make their mark on the world as the 21st century unfolds.



“I use Microsoft products at school. We’re learning programming and I was even awarded an ‘excellence in computing’ medal. This past year, I built a really cool PowerPoint presentation on mustangs because I love horses.” — Teagan on Microsoft

Corporate Citizenship 2.0: Leading the Way to a Skill-sharing Economy

By Tom Zara

From climate change and water scarcity to labor abuses and economic disparity, even those with only a rudimentary grasp of the issues at play recognize that the challenges we face today are serious and complex. Feeling pressure to accelerate the pace of change from consumers, employees, and other stakeholders, leading brands are realizing that reprioritization is necessary. Whether it’s about future-proofing your business or meeting consumer expectations, Corporate Citizenship isn’t just about “being good” anymore—21st century brands have to step up to solve hard problems.

The new approach involves restoring dynamic balance to the system—and a new business paradigm that puts Corporate Citizenship, not on the periphery, but at the center of business. The ethos of this new paradigm is one of “enlightened self-interest” and shared values. It is a paradigm in which labor and resources are utilized ethically and responsibly, growth is achieved in smarter, more efficient ways, and both resources and communities are replenished, rather than continually depleted.

The pressures of competition, the need to mitigate supply chain risks, and the desire to streamline operations initially fueled Corporate Citizenship's first wave. But sobering future probabilities, the demands and shifting preferences of consumers, the expectations of investors, and the scrutiny of regulators have mobilized numerous brands to put greater effort into addressing their social and environmental impacts. However, the next wave of Corporate Citizenship will require brands to go further, taking a more conscious role in the shaping and transformation of society.

Where there's a will and skills—there's a way

In the past, Corporate Citizenship was typically a quiet commitment. If you didn't know about it, then it didn't exist—and, therefore it couldn't be scrutinized. However, now that consumers and prospective employees are using CSR as an indicator of an organization's moral fiber and commitment to purpose, companies are realizing Corporate Citizenship is not just about a glossy report, but something that can be seen and experienced.

What brands must achieve today is an impact everyone can feel. Writing a check to support the arts is wonderful, but how many actually feel that impact? On the other hand, nearly 800 million people in the world do not have access to safe drinking water. Now that is an area where a brand can make an enormous impact. The problem is, when we think about a challenge that big, there is a tendency to get overwhelmed, to think that the issue is so daunting it's beyond resolution. But then, there are others who are saying, "I wish I knew how to solve that problem," and that's when companies should step in and take action—the will is there and so are the skills.

Brands are a tremendous resource. Corporations have incredible skills they've used to evolve their own businesses. Whether the skills are technological, creative, logistical, or financial, the way you democratize prosperity is by sharing those skills. To solve the world's greatest problems, you've got to do more than just fund NGOs. You've got to provide new financial models, operational models, and new HR payment systems so that the organizations on the ground can more effectively deliver outcome and impact. The organizations that embrace this idea are the ones that will have a much more compelling Corporate Citizenship story to tell because they're not only working to solve a problem, they're also leveraging the thing that made them successful—for the benefit of others.

Traditionally, when we think of a company's success, we think in terms of performance metrics, but success and prosperity can be bigger than that. It can extend beyond the walls of your own institution and touch others. Corporations need to understand that they possess a gift, a powerful potential created by their entire workforce that can be redeployed in a way that makes a difference and effectively changes things for the better.

Right now, there is an army of people out there—people working to sequester carbon, feed the hungry, save imperiled species—but many of them don't have MBAs or access to MIT technology. Caring, compassionate people find their way to rural parts of Africa and Asia, ready to save lives, but they're often not connected to the business skills and creative talent that would make them even more successful at what they do. Corporations today have an opportunity to deploy their unique talents, skills, and resources in a way that builds and fortifies the resources that are already being put in place to create positive change.

Brands are the agents of change

At Interbrand we talk about the power of brands and the potential of brands to change the world. To fully appreciate this potential, we have to examine the context within which a brand sits: society. Each business in the marketplace can be thought of as one cell of production in a larger social organism; together, global industries constitute a megamachine of production. Like a pump of gigantic dimensions, the collective activity of brands sets flows of energy and money into motion that course through the veins of the economic system. When the economic machine accelerates or runs out of control, it consumes more energy, more material, more knowledge—and more waste products are deposited in

the surrounding environment. The task of the New Corporate Citizen is to stabilize this flow of energy and manage the impact on people and the planet wherever possible.

While the new purpose of business is to keep the flow of money, goods, and services flowing in a responsible manner, the purpose of brands involves the same but also has other dimensions. Brands act on the psyche. Brands influence. Brands educate. Brands change behavior. Brands inspire. Brands focus energy. A business, elevated by the power and purpose of its brand, can bring together various economic factors, resources, and skill sets, organize them, and use them to not only maximize profit, but to bring the world back into balance.

Corporations need to understand that they possess a gift, a powerful potential created by their entire workforce that can be redeployed in a way that makes a difference and effectively changes things for the better.

STRENGTHEN AND SUBSTANTIATE

“New technologies come and go. This is simply the nature of our business. The Samsung brand is the only asset that will live on beyond our products. To ensure the brand succeeds in the long term, we need to strengthen and substantiate it.”

— Sue Shim, Global CMO, Samsung



“The smart use of Big Data has been hugely successful for Facebook. Facebook has been able to convert random clicks into meaningful and profitable strategies for its advertisers.” — Bish on Facebook

From Information to Intelligence: Unlocking the Promise of Big Data

By Emma Hrustic

Today’s CMOs have access to unprecedented quantities and types of data. But in order to effectively lead, they must solve how to move from data to intelligence; from reacting to a set of numbers to a strategic approach that a) understands what the numbers add up to, and b) enables them to take the right actions based on the insights gleaned.

Across sectors and industries, from smaller startups to established multinationals, marketers need a framework that converts information to usable insight, which is why we’ve developed Brand Intelligence. Where marketers are generally using information tactically—and reactively—Brand Intelligence is designed to deliver systematic aggregation, analysis, and activation of myriad data on brands to build a strategic roadmap and identify tactical actions to pave the way.

Brand Strength: Herding the numbers

Making numbers mean more is a little like herding stray animals. It all starts with Brand Strength, our brand valuation methodology. Rooted in the knowledge from decades of experience that great brands start from within, Brand Strength measures four critical internal factors: Clarity, Commitment, Protection, and Responsiveness.

The emphasis on the internal well-being of a brand immediately differentiates the way we understand and interpret data, and causes us to ask different questions of different stakeholders—the answers to which will help us understand how to best activate a brand externally.

Next, the Brand Strength model tracks six key external factors: Authenticity, Relevance, Differentiation, Consistency, Presence, and Understanding. In tandem with the internal factors, these metrics begin to yield a more complete picture of a brand in action, revealing areas for improvement as well as strengths; the data starts to signify something larger, and the types of questions we need to ask and numbers we need to examine become clearer as a result.

We integrate existing brand data and add in primary research. Every new piece of information informs what types of questions we ask next and what sort of research will be relevant. Because we are solving business challenges and thinking strategically, the numbers begin to tell us a story—of challenges and opportunities to drive choice, build loyalty, command a premium, and ultimately grow the kind of halo that forms around the world's greatest brands.

Brand Navigator: Mapping success

In order to figure out the best way to move forward, CMOs need a broader, clearer picture of where their brand sits now. That's why we start by assessing the lay of the land: We leverage existing data—from brand tracking to employee engagement and customer satisfaction information—and measure findings against our Brand Strength factors to get a full picture of a brand's internal and external strengths and weaknesses.

Once a brand's current positioning is mapped, it becomes possible to identify both near-term and long-term priorities and develop a data-driven action plan that puts that brand on a path to long-term success.

Where we're heading: CMO rising, brand rising

As we get further down the road of Big Data, tactical and incremental marketing is being revealed as the dead-end detour it is. To stay on a path to Brand Strength, it's not just about the numbers; it's about the meaning we derive from those numbers, and how they'll help us solve the business challenges that small-bore tactics will never successfully address.

Big Data has put a new onus on CMOs and their teams to lead—to build actionable insights on the shifting sand of metrics. CMOs are staying in their roles twice as long as they were a decade ago—almost four years on average now vs. 23 months as measured in 2004. Their increased primacy represents an acknowledgment of something we've long held true: that systematic, strategic attention to brand is in fact the single most determinative factor in the success of an organization over time.

CMOs, therefore, are uniquely positioned to provide the overarching leadership needed to make meaning out of the numbers, and to marshal organizational resources across business units, teams, and silos. By finding wisdom in the data, creating a culture of success internally, and then turning that power on the market, it is the CMOs and their brand teams who can advance the methods of Brand Intelligence and navigate their organizations to the top.

— See page 120 for more on Interbrand's Brand Strength methodology.



“Iberia provides a strong sense of belonging for the Spanish public. As a Spaniard, flying with Iberia always makes me feel right at home.” — Angela on Iberia

Airline Brands: Putting Passengers in the Captain’s Seat

By Stuart Green

Turbulence is a constant for the aviation industry. Airlines remain beset with huge capital requirements, high operating costs, restrictive government policies, differing tax regimes, few manufacturers, a reliance on ground operating systems, strict aviation regulations, strong labor unions, pressure from environmental groups, intense competition, and of course, the weather! It’s difficult to think of a more challenging business sector in which to build and maintain success. The good news is more and more people just love, or need, to fly. Within 20 years, it’s expected that approximately five billion people will be middle class, due to growth in fast-developing markets. This new audience is key for airline brands that want to thrive in the coming years. To capture them, airlines need to make these offerings a priority:

Pre-boarding engagement

Fueled by changing consumer behavior, we continue to see more partnerships, co-branding, social media, and digital engagement, as well as more innovative efforts in enhancing the travel experience. KLM, well known for its embrace of digital and social media, has launched a series of mobile apps, such as Passport, which lets users record their journeys and share their experiences via Facebook. Another mobile app lets passengers give real-time feedback on their experiences at the airport. Its recent foray into mobile gaming, Aviation Empire, even puts customers (virtually) in charge of the airline.

A holistic view

Influencing choice on a sustained basis requires a genuine integration between the online and offline experience. Successful airlines must create and maintain a holistic vision for the brand that drives all experiences. For example, Virgin Atlantic’s #FITFOO campaign (Flying in the Face of the Ordinary) is not just a digital campaign, but also an expression of the brand, where fun is a key element. Using social media, Virgin looked for those having a dreary, grey day, and set out to make special deliveries to brighten their lives.

A more customized journey

Consumers are increasingly diverse, wise, and demanding, from gourmet menus to in-flight showers. There is a greater connection between the way people live on the ground, and the experiences they desire when they travel. There will always be a place for the premium and budget ends of the spectrum. That said, the future will be more about customization throughout the journey. Put simply, successful airline brands will relate to the lifestyles of their customers, and be a better reflection of their interests. This means more strategic partnerships and co-branding as airline owners build customer journey ecosystems, of which the airline brand is but one important entity.

— **Stuart Green** is Chief Executive Officer, Interbrand Asia Pacific

AIRLINES





“Each fall, I love seeing Gap’s advertisements for winter clothes. Gap always manages to capture the feeling of the season — fluffy white snow, cozy sweaters, and big smiles.”

— Victoria on Gap

Apparel Brands: Looking Beyond Trends to Real Life

By Bertrand Chovet

The great Coco Chanel said, “Fashion is not something that exists in dresses only. Fashion is in the sky, in the street. Fashion has to do with ideas, the way we live, what is happening.” And as we said in our Best Retail Brands 2013 report, the act of shopping itself “represents the search for a better life, the promise of a brighter tomorrow.”

The strength of an apparel brand shouldn’t be about keeping up with trends or even setting them. It’s about being responsive to changing needs (and crises, such as the Bangladesh disaster) and taking practical cues from the zeitgeist, and then incorporating those insights into every part of the brand’s journey to the point of sale, from materials and manufacturing to the retail channel and merchandising. That’s why today’s visionary apparel brand leaders are thinking about:

Creating a culture of brand champions

Apparel brands are digital rock stars, but it’s a many-to-many conversation. Nike, Vans, Converse, adidas, and Hollister have a huge presence on Instagram. On Facebook, Converse has almost 40 million fans, while Nike has 15 million and counting. But it’s not enough to rack up masses of fans; brands must engage with them, learn from them, and activate them. From digital divas (hyper-connected young women with social moxie to spare) to hardcore sneakerheads, leading brands must engage influencers with exclusive offers and other rewards for helping drive sales.

Exploring brave new processes and materials

Fast fashion will inevitably hit a bump in the road as commodity costs increase, populations grow, and resource scarcity becomes a reality. However, the textile industry is finding that resource-intensive (and often polluting) processes and materials can be replaced with cleaner, more efficient ones. Nike and adidas are revolutionizing water-based processes like dyeing by eliminating the use of water entirely—a huge and commendable breakthrough.

Reinventing the shopping experience

Online, great service and easy returns make all the difference. The in-store purchase decision, however, is as influenced by the environment as the garment itself. Pop-up shops and unexpected collaborations can keep things fresh, but think mobile integration or digital touchscreens, too. Enhancing and connecting the in-store shopping experience to more engaging and efficient e-commerce are a pre-requisite to making great clothes. Consider how Hointer, a small US denim boutique, puts mobile center stage and utilizes robotic technology to bring the purchase to the customer. Shoppers are craving more opportunities to touch, try, interact, and share. The world is changing swiftly and apparel brands must change with it, or risk ending up on the clearance rack.

— Bertrand Chovet is Managing Director, Interbrand Paris



“If any one brand is going to capture the trifecta of automotive manufacturing — design, performance, and economy — it’s Ford. These elements are carried throughout Ford’s product line.”

— Alex on Ford

Shifting Gears: How Consumers are Steering Auto Brands’ Future

By Michel Gabriel and Andrew Martschenko

Automakers are grappling with the mobility needs of tomorrow, changing their strategies according to customer needs worldwide. Consumers want value for money at all price points, with traditional notions of ownership evolving. High-growth markets still value the vehicle as a status symbol with many of these car buyers participating for the very first time. In more mature markets, the growth in actual miles driven per person is declining and alternatives such as car-sharing options and the adoption of more flexible models are prevalent.

These trends are industrywide. Urban youths across markets are seeking car-sharing options. Customization, innovation, and sustainability are key, along with in-car connectivity and smart features. The auto sector is evolving, weighing tech must-haves versus nice-to-haves. Many global automakers are now embedding technologies that would have launched with their premium brands first but have opted to directly offer in their high-volume vehicles. Other considerations shaping auto brands’ outlook:

Shifting populations

The recent influx of people into big cities has compelled brand owners to take urban mobility concepts seriously. Demographic trends such as the “down-aging” of older but more active and plugged-in consumers are forcing brands to ask themselves: How can brands actively connect with the younger end of the spectrum while remaining desirable for the youthful older generation?

The evolution of luxury

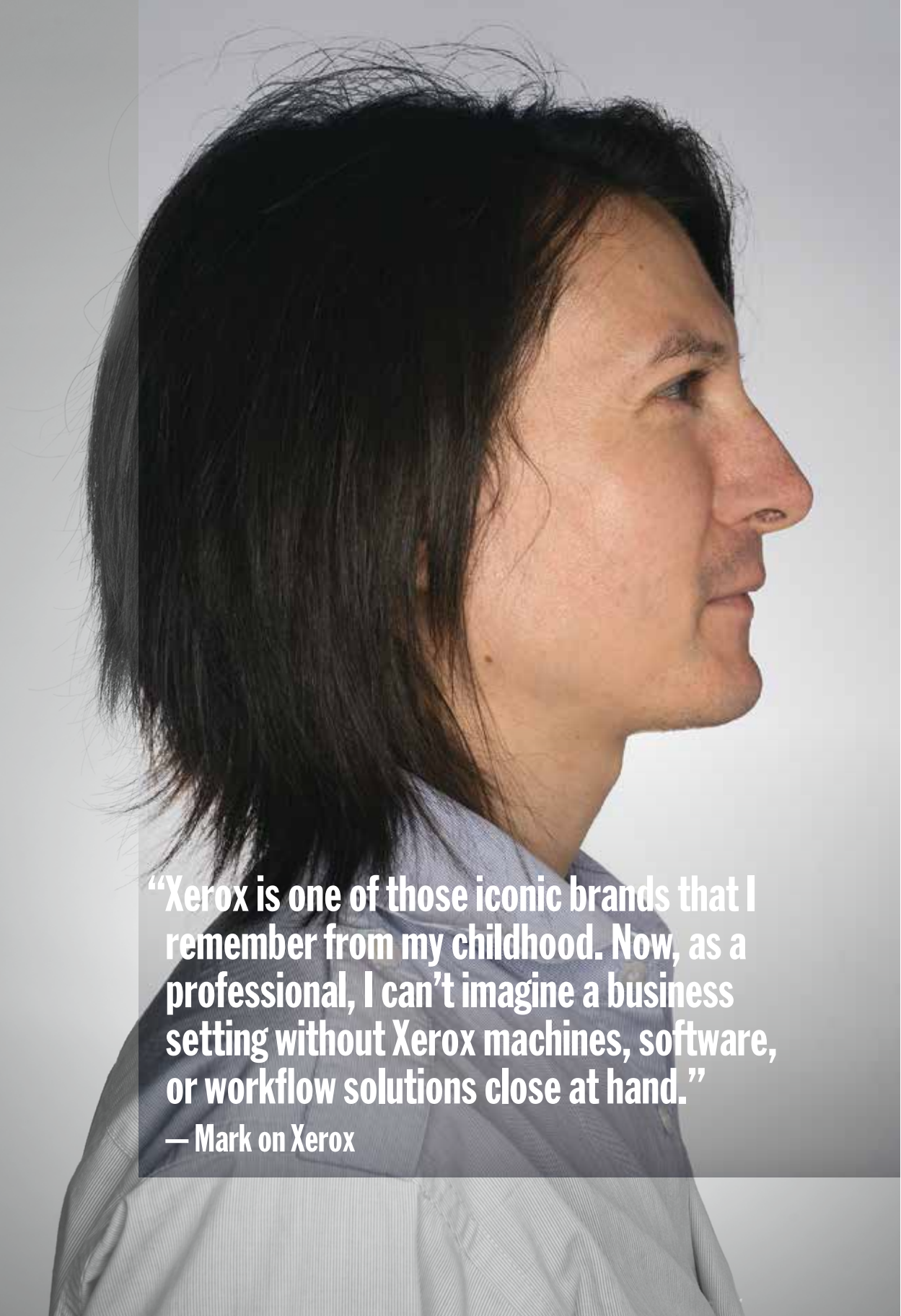
Consumption is changing, too, as quality of life begins to outweigh (in some markets) status and luxury. On the one hand, there’s a desire for the exceptional and the exclusive; on the other, a disdain for excess and waste. As time spent enjoying the sensual pleasures of the driving experience becomes a luxury in and of itself, car brands must address the diverging needs of consumers, especially those truly seeking the luxury automotive experience—not to mention luxury car buyers in fast-moving markets. Everything must be re-evaluated—the choice/purchase process, the range of services offered, supply chain and sustainability metrics, partnerships, managing the brand experience, and digital and social marketing.

A new kind of brand leader

The successful auto brand leader must inspire employees, sales partners, manufacturers, partners, stakeholders—and, of course, customers. The automobile industry is undergoing a transformation, and the CEO and the CMO must point to the horizon in 2023. That’s where the opportunities lie, and it’s also where the greatest rewards will be reaped. That is where each brand must go to ensure it stays relevant in its sector.

— **Michel Gabriel** is Managing Director, Interbrand Zürich
Andrew Martschenko is Senior Director, Strategy, Interbrand New York





“Xerox is one of those iconic brands that I remember from my childhood. Now, as a professional, I can’t imagine a business setting without Xerox machines, software, or workflow solutions close at hand.”

— Mark on Xerox

Making Business Services Brands Unbreakable

By Josh Feldmeth

Yes, global marketplaces are turbulent; businesses need consultants to help navigate them, brand is a major driver for businesses—and business services brands are really hard to build, lead, and manage. It’s not an impossible task; it just requires some fresh thinking.

Cultivating good habits

You could say that the process for building strong business services brands is akin to quitting smoking, or other bad habits. As Charles Duhigg writes in his book, *The Power of Habit*, “Change might not be fast and it isn’t always easy. But with time and effort, almost any habit can be reshaped.” This thinking can also transform business services brands. With intangible products and minimal direct brand-building (e.g. advertising), they’re fundamentally an extension of their people. Companies like McKinsey construct cultures using a cue-behavior-reward infrastructure to nurture successful employees and build unbreakable brands.

Higher purpose

Even the most highly motivated business service organizations struggle to align their people’s motivations, as high-powered partners and top-shelf talent are often reluctant to sublimate their points of view to a common objective. That’s where purpose comes in. If employees are to be engaged in the cue-behavior-reward loop, they need to be pulled by a belief system that appeals to their better selves. Where lofty mission statements falter, a well-articulated purpose has the power to forge shared

beliefs and, in the words of Margaret Mead, stir “a small group of thoughtful, committed citizens (to) change the world.” The good news is that purpose is essentially free. One simply needs to identify it, and claim it.

Strategic content

Following a shift in behavioral mindset, the number two driver for business services brands is intellectual property and content. Conferences, white papers, proprietary studies—even when they’re well-written, they often fail to look and sound like they come from the same organization. In these cases, and it’s a symptom that plagues nearly every business services brand, whatever clarity of purpose and endemic cultural values exist are lost through a farrago of smart but disconnected content.

A cohesive content strategy solves this problem. It orchestrates the many voices of the organization around a strategic platform of thought leadership, and harmonizes them through a common voice. The stronger the content strategy, the lower the volume of content required to achieve higher returns to brand strength. The upshot: Less content is more. Less effort is required. And the organization’s people give more of their best thinking and efforts.

— Josh Feldmeth is Chief Executive Officer, Interbrand New York, San Francisco & Toronto





“I love the sweet smell of Johnson’s Baby Shampoo. I think I’ve been using it all of my life. The best part is that I don’t have to close my eyes in the shower.”

— Chieko on Johnson & Johnson

Consumer Brands: Seeking Value That Outlasts Products

By Elan Cole

Everyone needs soap to keep things clean, bandages to cover cuts, and sweets to enjoy every now and then. Consumer brands bank on their unique versions of these products to generate and grow value. But as soon as one brand patents a technology, competitors (and the retailer that sells it) race to copy it, one-up it, or make it in strawberry flavor. The advantage that technology brings to a brand is only as valuable as the window of time that the brand controls the manufacturing and access to it. For consumer brands, that window is narrow. Given that 3-D printers are churning out guns and body parts, how long before consumers will be able to download steaks, cola, and toilet paper—and what’s a brand to do?

Think planned relevance (not obsolescence)

Imagine you could go back to 1971 when Blue Ribbon Sports changed its name to Nike, and you knew the impact that little company was going to have over the coming decades. How would you make sure your competing brand remained at top relevance? If it were up to me, I’d make sure that we stood for something clearly defined and inspiring, a core idea driving products and features—not tethered to (or limited by) them. We would understand how that idea fit into people’s lives and then deliver through products, brand expression, and total experience. We would have a brand that people could believe in and line up for, despite changing landscapes, cheaper copies, or parity choices. In short, exactly what Nike did.

Stand for this, not that

The challenge is that standing for something means you have to reject the opposite. This notion of exclusion is really scary for consumer brands. But the alternative is not standing for anything. U by Kotex did a great job in standing for giving girls the straight facts about their changing bodies. It took a stand against decades of category norms and took command of an eternal pipeline of new brand loyalists: teens forming new life rituals. The brand is delivering timely products and experiences that live by a clear, timeless standard that connects.

You’ve got to believe

Technology, R&D, operational excellence, process efficiency, and consumer-driven product insights are pillars for a successful brand, but they are not the ownable magic that generates queues and YouTube posts. That lies in the brand belief and behaviors. What gives Nike the right and means to successfully deliver connected biometric bracelets? What gives the brand the ability to maintain leadership in a segment that should be owned by device manufacturers? It stands for something timeless and resonant, and it lives by that stance by acting on emergent values. Nike’s brand leaders define technology and products through the lens of their brand, and they don’t let themselves be defined by it.

— **Elan Cole** is Global Executive Creative Director, Consumer Brands, Interbrand





“I use Amazon because it offers second-hand pricing options and great deals on shipping. I am also excited about its move into the publishing world.”

— Danielle on Amazon

How Digital-savvy Brands Bring Customers into the C-Suite

By Dominik von Jan

Now that people can connect with brands through multiple channels anytime, anywhere—and leave their opinion with the click of a button—brands have had to become more proactive, responsive, and co-creative with customers. Most companies recognize how powerfully digital is influencing consumer choice—even the way businesses are structured, organized, and managed. We’re seeing forward-looking companies making digital a seamless part of both business and brand strategy to bring customers into the C-suite—and executives into the real world. The keys:

Understand people

Use digital tools to find out what consumers want and how to deliver it in a smart, convenient way. One caveat: Many companies collect data but miss out when it comes to applying the insights effectively. Oftentimes siloed legacy systems prevent the application of collected insights across different brand touchpoints. As consumers grow increasingly demanding, it is more critical for brands to provide seamless cross- or omnichannel shopping and service experiences. Those who don’t prioritize this now stand to lose market share.

Personalize and harmonize

Provide relevant, intuitive insights and value with the help of Big Data. Personalized experiences will continue to drive brand relevancy in the future. People are increasingly comfortable with brands tracking their browsing histories, social media likes, and brand preferences, as long as this knowledge is used to make

things more convenient and tailored to their interests. From Amazon’s “you might also like” feature to Uber’s one-tap payments, consumers are used to a whole new level of convenience and personalization. Today, targeted communications get results.

While targeted communications are key, brands that can surprise and delight customers will best establish loyalty. Smarter, automated suggestion algorithms, micro-level trend analysis, and the creative intuition of a savvy marketing team help future-proof digital strategy.

Develop a compelling brand personality, especially in digital

Infuse all communications, not just the big TV ads, with a human tone of voice and character to bring your brand to life. Loyalty is created when people connect on an emotional level, when they come to appreciate the character of a brand, in addition to the utility and usability it provides through its products. That is what makes the MINI car brand so strong and its customers so happy. And it is what makes ordering business cards from online print service MOO.com a surprisingly pleasant process. These products don’t just fulfill a need, but let us connect with a personality behind the product.

— **Dominik von Jan** is Senior Director of Strategy-Digital, Interbrand New York

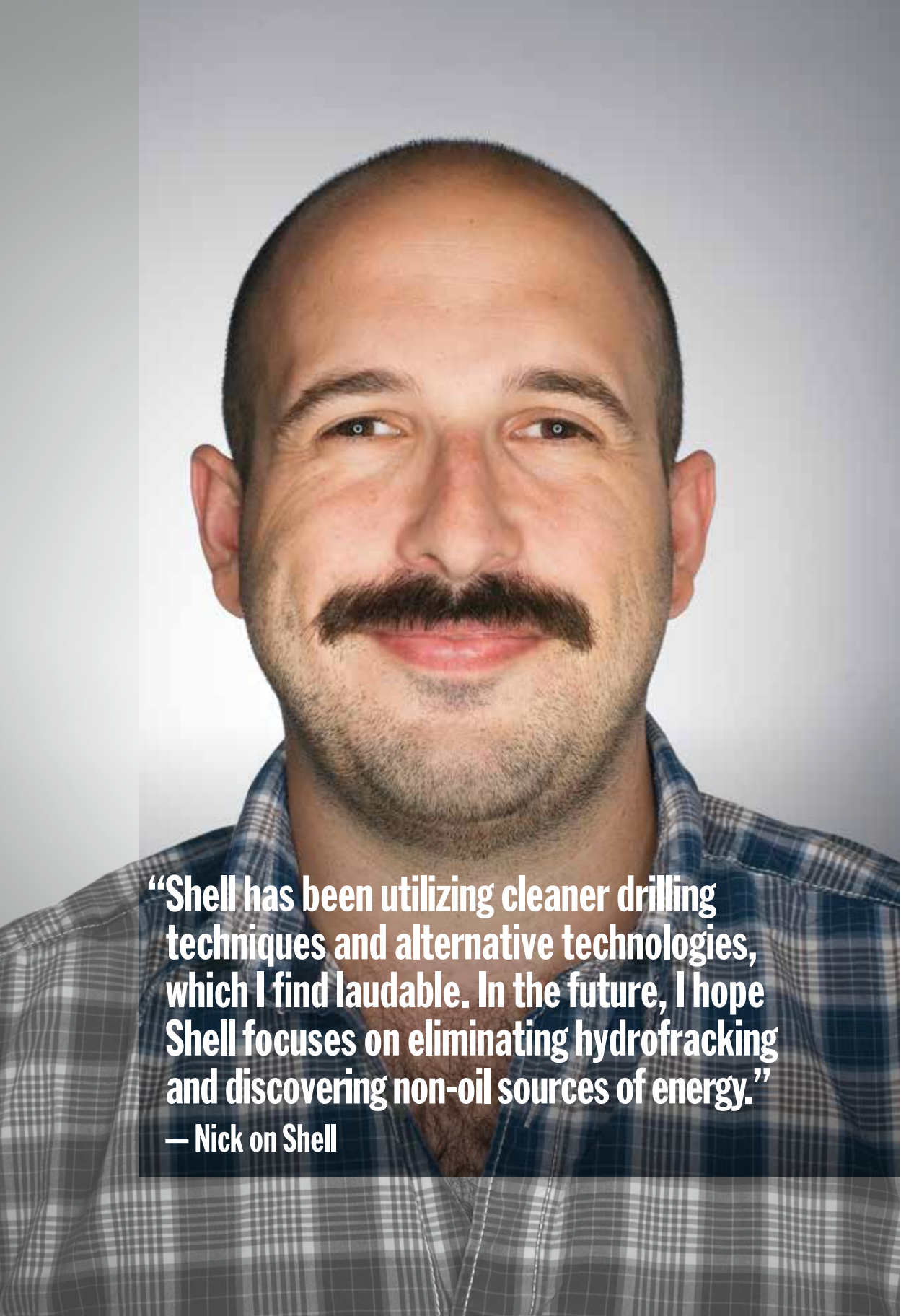
DIGITAL



DRIVE CHANGE

“BMW is providing answers to the economic and environmental challenges of a changing world. With our clear focus on premium, sustainable mobility, we, as a company, drive change and are providing innovative solutions.”

— Steven Althaus, Director of Brand Management & Marketing Services, BMW



“Shell has been utilizing cleaner drilling techniques and alternative technologies, which I find laudable. In the future, I hope Shell focuses on eliminating hydrofracking and discovering non-oil sources of energy.”

— Nick on Shell

Energy Brands: Finding the Courage to Lead, the Humility to Partner

By Tom Zara

In the years ahead, energy brands must meet the rising demands of a growing world population, democratize access, and ensure an affordable, abundant supply for all—without putting undue pressures on the environment. Can the energy sector become a meaningful and participatory force in the lives of individuals and communities, creating a stronger corporate image, but also a real social benefit? Here are some ways the biggest players on the energy stage can lead the way forward:

Tell a heroic story— and act accordingly

Energy brands are heavily scrutinized by investors, activists, the media, and consumers alike. However, instead of succumbing to criticism and controversy as an inevitable consequence of doing business, brand leaders must be proactive. Employees are your brand's first responders and, if authentically engaged, will wave the flag of commitment and conviction. Similarly, consumers can become allies if energy brands address concerns like natural resource depletion and pollution instead of ducking or attempting to “spin” them. Involving consumers in a collective campaign to embrace energy efficiency as a positive social norm, not simply as a cost-containment strategy, will help earn their trust.

Collaborate to find ingenious solutions

Energy denied to one deprives us all—everyone suffers the consequences of scarcity, whether that means higher prices at the pump or increased threats to the security of nations. Energy brands

must innovate to ensure greater access and to extend the benefits of social, political, and economic stability, which could very well foster a new era of global economic growth and shared prosperity.

As research into renewables advances, energy brands can collaborate with academia and governments to share knowledge and remain relevant and competitive. In doing so, energy companies can maximize their return on their investment in R&D. Further, when commerce and public institutions join forces, the ability to revolutionize methods of extraction, conversion, and distribution at this critical juncture will only accelerate. Customers must be part of these conversations, too, with the brand's Corporate Citizenship platform creating a forum for discussion and external engagement.

Expand your sphere of influence

Energy brands can evolve into a beacon of hope and a source of inspiration to customers and partners in the quest for energy sustainability. In the face of daunting conditions, change is contingent on the coordination of like-minded individuals invested in capitalizing on the opportunities of the future. For energy brands, a greater capacity to invite customers, partners, and competitors to combat common challenges will increase the probability of achieving outcomes that benefit all.

— **Tom Zara** is Executive Director of Strategy, Interbrand New York, and Global Practice Leader for Corporate Citizenship



“The Citibike program works well for our family. We even purchased a bike share pass for our babysitter.” — Mystri on Citi

Financial Services: Moving Towards a New “New Normal”

By Carola Jain

As memories of 2008 recede, the financial services landscape is settling into a “new normal.” Maintaining margins in today’s financial marketplace requires more creativity than ever due to increased regulations and heightened public scrutiny. Only a handful of truly global players have had the scale and operational proficiency to navigate the choppy waters of the crisis and remain profitable, with brands like J.P. Morgan Chase and Goldman Sachs continuing to retain top talent and clients. Regional players, on the other hand, are scaling back to their core strengths and reprioritizing key markets that show a clear need for their specialized expertise.

Back to basics in the reset economy

As market players are refocusing their offerings to ensure that their financial performance meet investors’ expectations, each firm has to review how to best position its brand in the reset marketplace. While many firms have reached out to investors declaring “rebuilding trust” as a primary goal moving forward, studies confirm that the industry as a whole may be well on its way. As of May 2013, the Chicago Booth/Kellogg School Financial Trust Index found Americans’ trust in the sector rose 13 percent since a year earlier. In order to continue strengthening relationships with key constituencies, financial services leaders must focus on clearly identifying their competitive advantages while ensuring transparency and consistency in their operations and interactions with stakeholders.

Scale back to grow smart

Efforts to drive profitability and create a clear positioning will require financial services brands to rethink previous aspirations of becoming financial supermarkets. As banks continue to retrench from unsuccessful foreign expansions and shed unprofitable units, they must do so with a clear understanding and articulation of their unique capabilities and differentiating value. On the Main Street banking side, this is perhaps even more pressing, as future competition may increasingly come from non-traditional financial services providers and retailers such as Sam’s Club or peer-to-peer lenders such as UpStart.

Embrace digital, learn from non-traditional brands

More agile social and digital startups necessitate new ways to stay relevant with target audiences. Whereas homogeneity currently defines the industry, financial services brand leaders must draw inspiration from outside of their category. Brands such as Nike and Amazon offer rich examples for brands looking to innovate around customers’ changing digital needs. Recent in-category successes such as Chase Quick Pay and Barclays Family Springboard illustrate how brands must tailor their efforts to meet customers’ mobile and geographic needs. Brands aiming solely for one-size-fits-all innovation will miss out on the storytelling and loyalty that more customized relevance can yield.

— **Carola Jain** is Senior Director, Strategy, Interbrand New York



“Coca-Cola always makes me think of my childhood — endless summers and backyard parties.” — Jason on Coca-Cola

Logic, Emotion, and Appetite: Food & Beverage Brands’ Ingredients for Success

By Bill Chidley

Scientists and behavioral economists believe we are unaware of what drives most of our decisions. Combine that notion with the unprecedented abundance of food in the developed world, and negative consequences surface. Lifestyle choices, particularly diet, are blamed for obesity, diabetes, heart disease, and cancer. Food and beverage brands are under increasing scrutiny regarding how demand for their products is created and where their products are distributed. Some food for thought:

The politics of food matters

The mechanisms of hunger and the sensorial triggers that stimulate our appetites reside far from our conscious control. Behaviors we cannot control, some argue, need to be regulated by governments to protect us. The politicization of appetite is a major challenge facing food and beverage brands this decade. It does not require much imagination to envision a future where calorie-rich, nutritionally poor foods and beverages are considered toxic (even addictive) and subjected to the same fate as tobacco; social stigma, a period of lively debate about personal rights, and ultimately, legislated regulation. The timing of this scenario may accelerate as the Millennials get older and more aware of their mortality. Having grown up in the age of social media, they will likely sprint through the debate and we will see regulation come more quickly than was the case with tobacco and alcohol.

The power to be the change

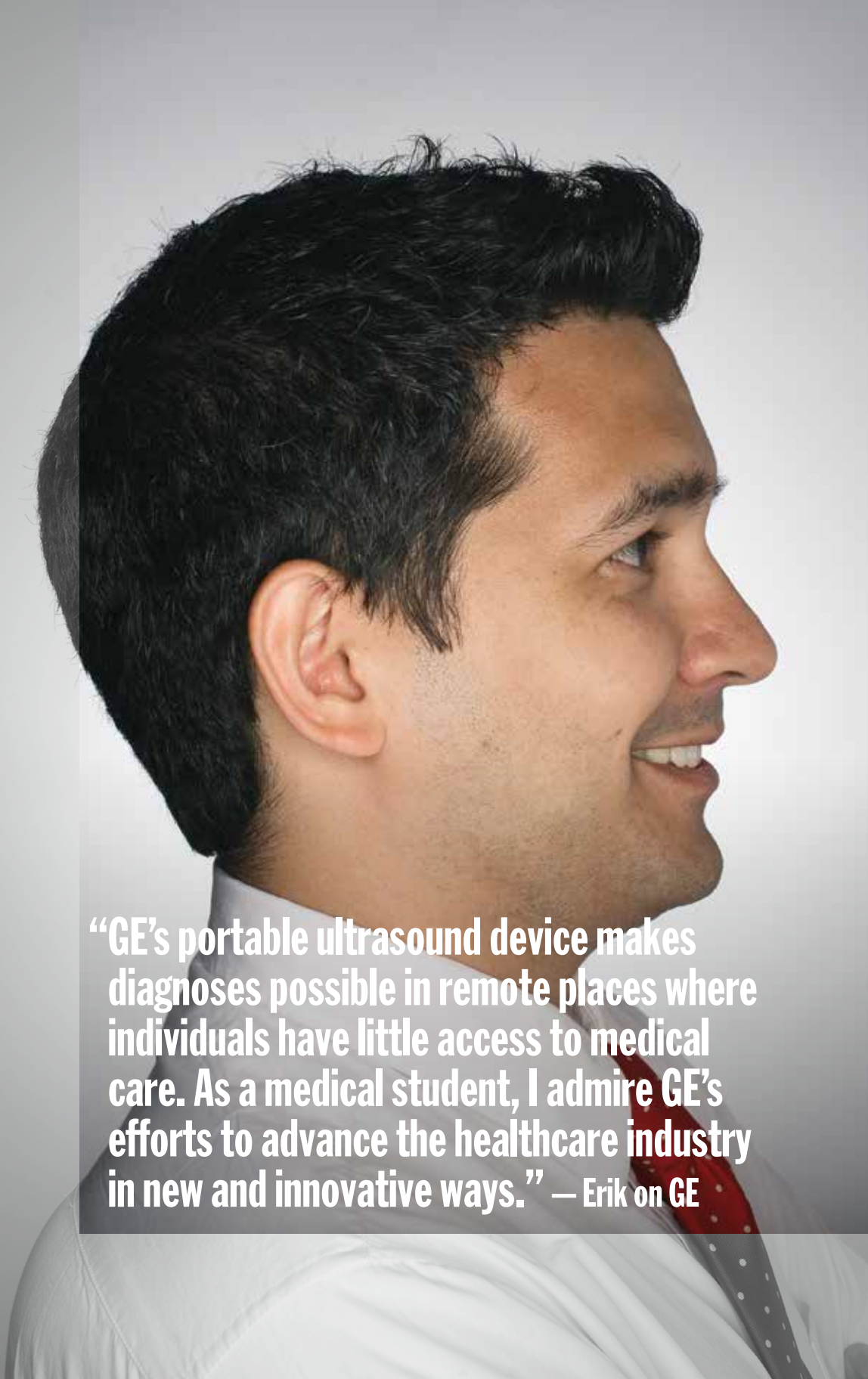
The potential areas of control are most likely to start with distribution and accessibility (including size and packaging) of the most politically conspicuous products. Recently, New York City failed to limit portion sizes of dispensed carbonated beverages. Although the soft drink companies responded with an aggressive PR campaign, it was the court that ultimately struck down the law.

More limits and rules are inevitable, impacting campaigns, packaging, media platforms, and retail display. Big brands must respond by attracting consumers via social involvement and not just appetite appeal; being instruments of positive social changes that deliver meaningful results against obesity and diabetes.

Emotionalize smart choices

The abundance of choice and access we see today is not universal or sustainable. Food and water are resources that will be stressed as giant developing markets mature. Increasing costs of ingredients and distribution will drive up consumer cost and likely reframe how consumers choose in addition to healthfulness alone. Brands that move the emotional positioning of core products to healthier alternatives in their portfolio will be pleasing a more discerning future consumer and securing their leadership position.

— **Bill Chidley** is Senior Vice President & Executive Consultant, Interbrand Design Forum



“GE’s portable ultrasound device makes diagnoses possible in remote places where individuals have little access to medical care. As a medical student, I admire GE’s efforts to advance the healthcare industry in new and innovative ways.” — Erik on GE

Healthcare Brands: A Prescription for Leadership and Innovation

By Jane Parker & Wes Wilkes

Healthcare is in the midst of unprecedented change. As consumers become increasingly involved in making their own healthcare decisions and regulatory uncertainty continues, a redefined ecosystem has evolved. Healthcare companies can no longer rely on the efficacy and safety of their products. They must connect with customers in a more meaningful way. This can be accomplished by investing in one of their most under-leveraged assets—their brands.

Healthcare leaders who fail to leverage their brands can expect to lose investor support and grapple with even tighter margins. Those healthcare companies taking a brand-first approach, however, will leap ahead of the pack. Here are three steps to follow:

Treat your brand as a business asset

A brand is more than just a logo. It defines the perception that consumers, payers, providers, investors, and employees have of a company, product, or service. It is instrumental in driving differentiation, preference, and loyalty.

Focus on consumer benefits

Oftentimes, healthcare brands fail to show consumers “this is our role in your world.” Today’s strongest healthcare brands tell stories about their impact on consumers. How does your brand improve the lives of your customers? What role does your brand play in their world? How does your brand connect more authentically with consumers?

When healthcare brands connect with consumers on an emotional level, they establish an instant competitive advantage. Cigna’s “GO YOU” positioning, for example, inspires and celebrates individuality. Rather than focusing on its functional offering, Cigna builds an emotional connection with consumers by supporting good physical and mental health—and positively impacts its bottom line in the process.

Make the brand an experience

Since consumers flock to the web and social media for healthcare advice, a brand’s presence must span multiple audiences and platforms. By thinking of brands as experiences and considering the ecosystems in which they are experienced, brand leaders can help shape where, when, and how they are used. Healthcare brand leaders should ask themselves: Should our product brands behave more like service brands? How does our brand affect the way our sales force engages users? How does it affect our choice of strategic partners?

The healthcare leaders who will be most successful in the coming decade will be those who examine their brands’ journeys carefully. This new era in healthcare will require industry leaders to ensure their brands are positively impacting consumers on an emotional level—all while driving economic revenue.

— **Jane Parker** is Chief Executive Officer, InterbrandHealth
Wes Wilkes is Executive Director of Global Strategy, InterbrandHealth

HEALTHCARE





“I love that Starwood Hotels offers a wide range of price points. If I were a Starwood executive, I would grow the Starwood Preferred Guest program. I would develop additional partnerships so guests could enjoy even more dining and entertainment perks.” — Anne on Starwood Hotels

Hospitality Brands: Checking in with Consumers

By Nicholas Lakas

In the last decade, the role of brand in the hospitality sector has changed as a result of the proliferation of new hotel brands and the repositioning of existing brands. Some argue that the role of brand has declined through this period, because without meaningful differentiation, the experience has become commoditized. The counter-argument: with more choice and fewer points of differentiation, the buying decision becomes more emotionally driven, and more easily influenced by brand.

Excellent service is always in style

In an effort to differentiate and attract guests, luxury and budget brands alike have focused their efforts on the physical appearance of the hotel, specifically design and amenities, but at what cost to a critical differentiator—service? Whether by word of mouth or online reviews, service is the first and foremost impression customers recall and plays the greatest influence on a traveler’s likelihood to return and to recommend.

Don’t copy, lead

The world’s top hotel brands understand that leadership in design and amenities is fleeting. Brands, across the broad hotel landscape, have chosen to take a “me too” strategy with a new brand- or design-driven refresh. In doing so, they sit back and allow the segment-leading brand to truly lead, innovate, and work out the early challenges—then they replicate the leading brand’s approach. Service-led brands’ commitment to staying grounded in the fundamentals of the

service industry helps ensure they create and maintain their brands’ long-term value and differentiation.

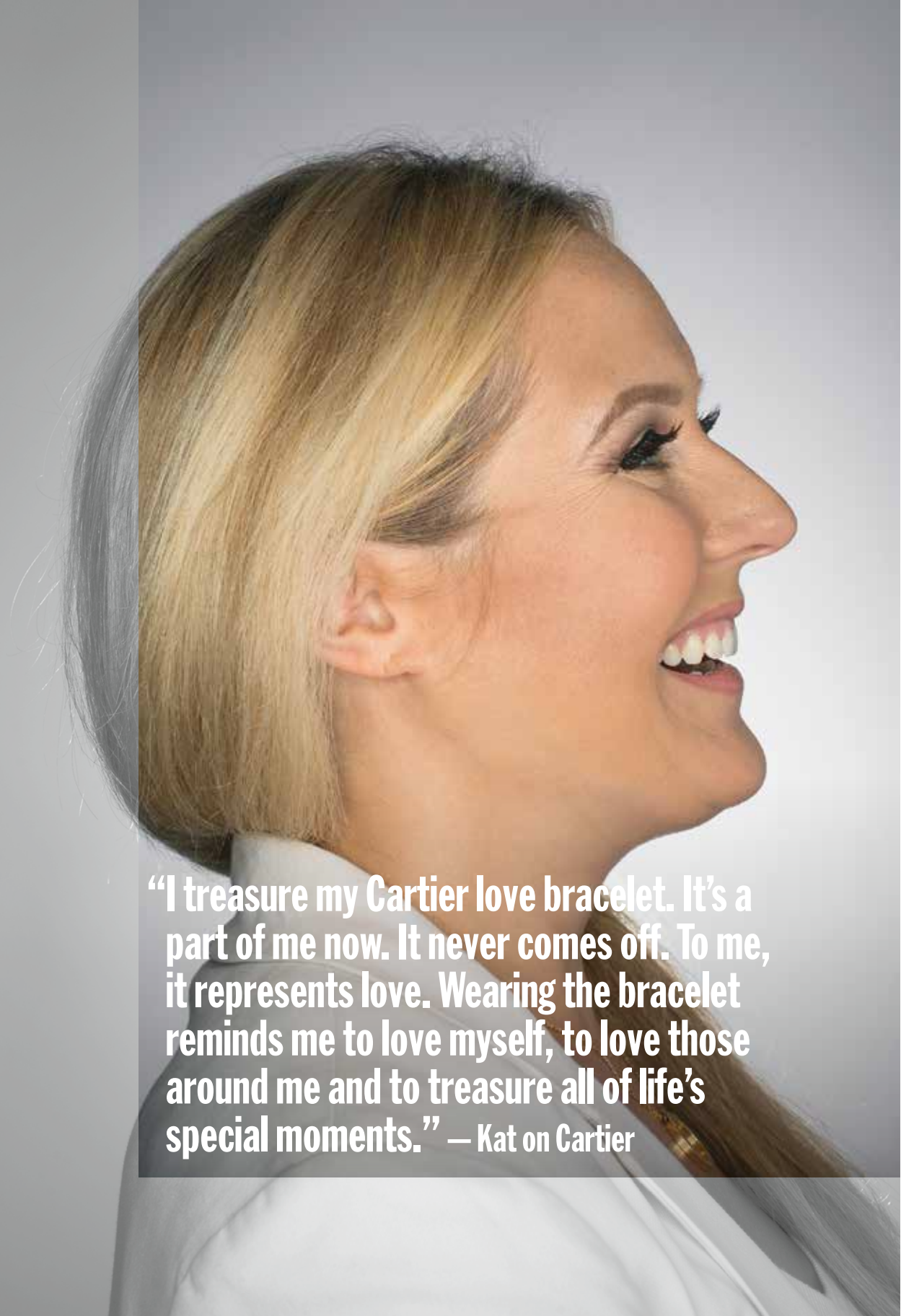
Checking in with employees

Hoteliers and brand managers face two diverging strategic paths into the future. One is constant renovation. The brand’s decision-makers are banking on their ability to always be the new shiny penny. The connection they create with customers is only as lasting as the current technology. Annual capital expenditures soar, while differentiation sinks.

The alternate path puts people first and fosters a culture of service that embodies the brand’s essence. It is service first. On this path, brand owners are committed to developing a team with a deep understanding of what their brand is all about, why it matters to guests—and, most importantly—how they create and deliver on-brand experiences through ordinary interaction and extraordinary events alike. The hotel brand forges a meaningful, emotional bond that engenders loyalty with guests, wherever they travel, often wherever their friends, colleagues, or followers travel. Both paths are challenging and not for the faint-of-heart. But only one provides significant long-term value to the business and its guests. Which path will you follow?

— **Nicholas Lakas** is Director of Strategy, Interbrand Toronto





“I treasure my Cartier love bracelet. It’s a part of me now. It never comes off. To me, it represents love. Wearing the bracelet reminds me to love myself, to love those around me and to treasure all of life’s special moments.” — Kat on Cartier

Luxury Brands: From Masters to Concierges

By Manfredi Ricca

Luxury brands once sought discerning customers in the so-called mature markets while being sought after themselves as objects of desire for status-seeking consumers. It was a game of hide-and-seek, with a need to be as subtle as possible for the sophisticated elites, and as visible as necessary for the icon-thirsty masses at the borders of these brands’ empires.

How times have changed. Recent lukewarm results by some major luxury brands indicate that, even in fast-developing markets, the relationship between exposure and desire is no longer a skyrocketing straight line, but a declining curve. The gradual transition from showing to knowing (or from status to substance), once waved off by some as being a purely European concern, is now beginning to impact more brands’ bottom lines.

Strategic contraction

While there will always be demand for logo-laden fare, the global sweet spot for luxury brands will be subtlety in approach and rarity in manifestation. And this won’t be just a question of taste in product design, but will also affect volume growth and retail network expansion. Finding a place in people’s hearts will increasingly become a question of absence rather than presence, and the number of directly operated stores may have to be reconsidered.

Status update

The desire for less-conspicuous forms of luxury may seem like a passing fad. But increasingly, the global social and

political debate will center on wealth distribution, not creation, making the use and marketing of brands as status symbols out of step with the spirit of the times. Consumption will therefore no longer be a viable paradigm for these brands. Focusing on uncompromising product excellence, not merely quality, will become more critical than ever.

The curatorial concierge

Many luxury brands think of “experience” as the ceremony leading to a purchase, transforming individuals into customers. The new pattern will reverse this, with purchase being the starting point of an experience transforming a customer into a unique individual. Leading luxury brands will need to be more than a skilled master. A global luxury brand will have to serve as a ubiquitous concierge, providing exclusive products, services, and counsel that are consistent with the distinctive lens of its own characteristic heritage and focus.

How this role can be engineered into a viable business model should not spur a revival of the defunct brand extension model of the nineties. Rather, luxury brands must build an ecosystem of talent around themselves, tapping into the insights, craft, and technology of completely different industries and like-minded partners.

— **Manfredi Ricca** is Managing Director, Interbrand Milan

LUXURY



A portrait of a man with short dark hair and a light beard, wearing a light blue shirt. He is looking directly at the camera with a slight smile.

“MTV inspired me to become a songwriter. I can remember getting lost in the visuals and sounds of the music videos. You can imagine how exciting it was for me to recently have a music video I directed end up on MTV’s sister channel LOGO and on MTV.com.” — Jay on MTV

Media Brands and Consumers: A New Dynamic Emerges

By Cassidy Morgan

Until recently, media sector observers saw “free” and “user-generated” as incompatible with “profitable” and “reliable,” and predicted the demise of media companies that were focused on generating paid-for content. Today we see major media brands around the world asking consumers to pay for content—and consumers willingly accepting this change as they seek content across devices. Just as consumers forced media companies to adjust their business models and become more flexible, so have media brands compelled consumers to adopt new behaviors.

Think mobile first

Billions of new consumers will go online in the coming years using mobile devices in search of content, creating a dynamic where universal access, immediacy, and constant freshness of content will be paramount to success. Consumers will spend more time interacting with their mobile devices than anything else—including other people. Everything will need to be optimized for on-the-go-anytime experiences. “Where I want, when I want, and how I want” will become more prevalent behavioral norms. Media brands must understand this and embrace this. Those that continue to optimize for the big screen will realize too late that the small screen dominates.

Create a seamless experience

With consumers’ attention spans getting shorter, brands that are able to grab consumers quickly will have a fighting chance at success. But to create a lasting and meaningful connection it will also have to be simple. It will become criti-

cally important that consumers experience seamlessness across devices. An integrated, channel-agnostic customer experience sounds simple but will require significant investments and, most importantly, a committed senior management team. Only with guidance from the top will media brands be able to transform themselves from content brands into true experience brands. Future consumers will accept no less.

On the go, localized insights

Media brands’ growth is coming from fast-developing markets, where customers will no longer accept repurposed or recycled content as their purchasing power and connectivity grow. They will place a premium on unique and locally relevant content that gives credence to the role they play on the world stage. This requires a true commitment to invest in local resources and build a brand that has the locally relevant substance and insights that consumers so crave.

The local dynamic will also influence how business-to-business media brands behave. Local, trusted insights will become more valuable as the amount of available data increases. The target audience of professionals, always on the go, will expect the same high-quality experience. Delivering this in an authentic and fresh fashion will require media brands to adopt consumer-oriented practices.

— **Cassidy Morgan** is Chief Executive Officer, Interbrand Central & Eastern Europe



A portrait of Lee Carpenter, a man with short dark hair and a light blue shirt, smiling slightly. The image is a close-up, focusing on his face and upper torso.

“To me, IKEA means an adventurous day of shopping, a cheap breakfast, and looking forward to putting everything together once I get home.” — Nate on IKEA

Retail Brands: What’s in Store, and Why Shoppers Should Care

By Lee Carpenter

Retail brands are in a more competitive environment than ever before, with e-commerce giants able to outmaneuver them and undercut pricing, and more agile digital and mobile startups also taking aim. With Amazon and eBay both seeing their brand value grow 20 percent or more in this year’s Best Global Brands report, it’s clear that retail is no longer all about the physical store. E-commerce retailers offer seemingly endless variety and in-stock positioning, easy 24-7 access, and free and fast shopping, all with lower overhead and fewer employees.

Given the incredible pressure on the retail sector, we are rapidly moving toward a future where brick-and-mortar retailers could become irrelevant. Yet, the physical store can be a great asset—if looked at through a new lens. Retailers that reinvent themselves by creating demand, versus accommodating demand, will see the physical store as a formidable weapon against e-commerce rivals. Digital may have been the destabilizing force, but two significant facts remain that will re-center the retail world around physical stores: People are analog and digital is portable.

It’s all just shopping

The line between shopping online and in-store is no longer a line at all; it has blended into just shopping. Stores are not obsolete, but the business model that fueled the current retail landscape faces that danger. Retail has presumed demand and been merely the means of supply. This is accommodating demand and is the realm of merchants, not brands. In contrast, brands generate demand by creating value beyond price and convenience.

Rethink the physical store

E-commerce brands use data to create a one-on-one relationship with shoppers that can scale through technology. This model must translate to physical stores, and blend together into an omnichannel experience with the brand as the consistent thread. Linking shoppers’ adoption of mobile devices with the physical store to create a unified, branded experience will be critical to fueling innovation for the next five years.

Ask why shoppers should care

The retail revolution isn’t just digital; it’s a commitment to treating shoppers as individuals (yes, segmentation is dead). Digital can be tailored to shoppers’ individual needs and preferences. It’s the key platform to partner with shoppers—but it isn’t a panacea. What retailers do with a digitally enabled customer relationship, and why shoppers should care, is the real work and opportunity. Retailers who embrace brand realize that the experience isn’t a place; it is an idea that can re-energize the relationship and drive traffic in its own right, not just fulfill the shopping list.

— **Lee Carpenter** is Chief Executive Officer, Interbrand North America

RETAIL



PERFECT BALANCE

“Today, more than ever, Gucci’s brand value is reflected in the perfect balance between its Florentine and Italian heritage and its reputation as a fashion leader.”

— Robert L. Triefus, CMO, Gucci

Sports Brands: How to Compete on a Global Playing Field

By Jonathan Bernstein

Driven by a burgeoning middle class and new technologies, sport properties face immense challenges yet ample opportunities to increase the value of their brands. Competition is certainly fierce. All of the major professional leagues—from the NFL, NBA, and MLB in North America to the top European football leagues—are vying for the hearts and wallets of billions of new fans across the world, including Latin America, Africa, and Asia.

It's a global playing field

Fueled by the financial ambitions of the leagues/clubs themselves and the adoption of smart technologies that give millions of fans access to their favorite teams, the sports industry has truly embraced globalization. During the 2013 summer season, top Premier League clubs Arsenal, Chelsea, Liverpool, and Manchester United organized overseas tours in an effort to expand their reach. There is now a push to introduce American football into India with the introduction of the Elite Football League. The F1 season now has six Asian circuits in Japan, China, Korea, Singapore, Malaysia, and India, while the NBA is set to launch its most comprehensive overseas schedule to date.

Leveraging digital to differentiate

Social media continues to allow brands to deliver richer fan experiences before, during, and after a game. Teams in the NBA, NFL, and NHL have started to focus on “game day experiences” by building social media command hubs that elevate

pre-selected fans—a smart move, as they know what other fans want, they know the chants and rituals, and they know what the expectations are. MLB has built fan engagement using crowdsourcing techniques through its “Pulse” line graph where it tracks the volume of tweets by fans during a match. Peaks in the graph naturally represent the most exciting parts of the game and allow fans to quickly check in and re-watch the highlights provided by MLB. Clearly, those brands that are best able to leverage this technology will be in the best position to create incremental value.

What would Alex Ferguson do?

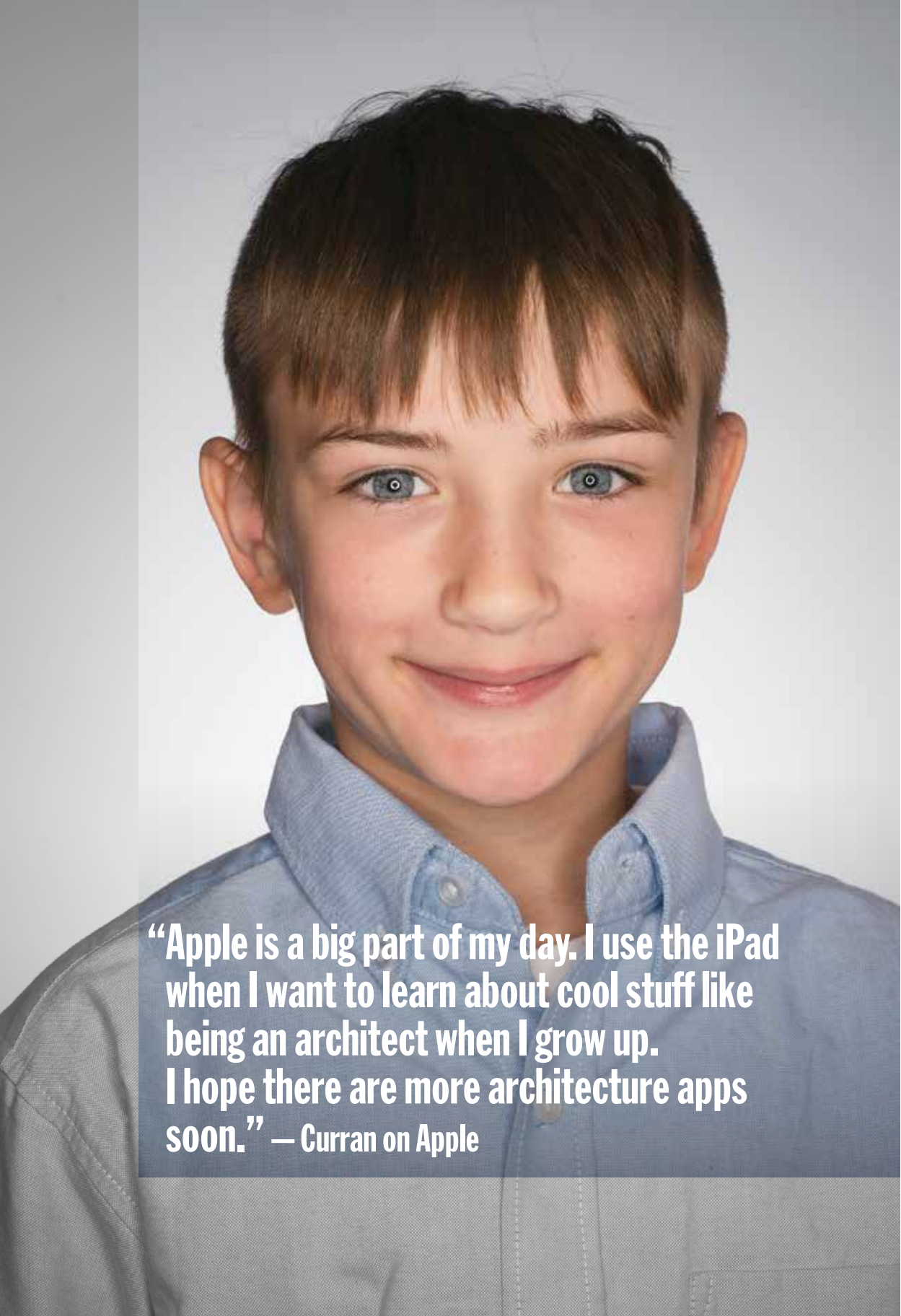
This year saw the retirement of Manchester United's longest-serving manager—Sir Alex Ferguson. Since taking charge in 1986, Ferguson transformed Man U into one of the world's most valuable sports franchises. By institutionalizing its values, codifying a distinct working culture, and introducing elite training methods and squad rotation, he laid the foundation for enduring success by building the brand from the inside out. Ferguson's willingness to embrace change makes him not just one of the most successful coaches in history, but also an incredibly savvy (and inspirational) brand builder.

— Jonathan Bernstein is
Executive Director of Strategy,
Interbrand Singapore



“I use Nike products when I play basketball because I find they give me comfort and that extra edge I need to win.”

— Mark on Nike



“Apple is a big part of my day. I use the iPad when I want to learn about cool stuff like being an architect when I grow up. I hope there are more architecture apps soon.” — Curran on Apple

Tech Brands’ Mantra: Find Big Problems. Solve. Repeat.

By Nirm Shanbhag

The technology brand spectrum is vast, encompassing consumer electronics, computers, software, and services. At one end of the spectrum are companies that build amazing things, but can’t seem to build a strong connection with consumers. At the other end, visionary brands that make us imagine the unimaginable, but lack substance and staying power. It’s a world of bathroom mirrors that tell us the latest headlines, bracelets that upload our vital statistics to physicians, and cars that drive us to our destinations. Tech brand leaders, however, are masters of compelling visions leading to impressive products, with the benefits to the customer clearly apparent and articulated. What’s more, they also:

Strive for consistent wins

What puts some companies on our collective radar, causing envy among peers and convincing customers to camp out overnight to get the next iteration of their phone, is their ability to do this day in and day out. These aren’t one-hit wonders that solve a problem and then rest on their laurels. In the spirit of Steve Jobs’ classic “And one more thing” product reveals, these consistent innovators are always seeking to identify tomorrow’s problems and solutions today.

Find big problems. Solve them. Repeat.

That’s essentially what the tech sector is about: finding real problems, solving them, and then repeating the process. It’s why Apple, Samsung, Google, and Facebook (among others) are Best Global Brands. It’s why Microsoft’s efforts to

reimagine Windows for a new world and its shift towards integrating hardware, software, and services intrigue us. And it’s why companies like Pebble, Nest, and Tesla hold so much potential for the future. Each one has used its brand as a point of view for solving a steady stream of challenges. What’s more, we expect such brands to do this, and we become frustrated when they don’t.

Make your brand a reflection of where you’re going

Brands can clear the path forward, giving companies permission to innovate, but ultimately it’s up to the entire company to deliver on the promise. The responsibility for this doesn’t rest within the marketing team, however, but should be championed as the great aligner, the articulation of the vision that sets the context for everything the company does—from product and service development to specific goals. From creating workplace environments that encourage on-brand interactions to communications that enhance the relationship between the company and its customers, a more holistic type of thinking will be the hallmark of tech brand leaders in the years ahead.

— **Nirm Shanbhag** is Managing Director, Interbrand San Francisco





“I watched the AT&T store on Chicago’s Magnificent Mile come to life. What an exciting new space for exploring, learning, interacting, and having fun. It is unlike any AT&T experience that I have ever known.”

— Lauren on AT&T

The Big Picture for Telecom Brands? It’s Bigger than Telecom

By Kevin Perlmutter

The telecom sector no longer exists squarely in its traditional space, as the business model continues to evolve. In less than five years the industry has flipped its focus from minutes to data. And now, with the growth of data moving well beyond the smartphone, the big challenge for telecom brands is how to grow and stay relevant over the long term. For telecom leaders to thrive, they must devote attention to three key areas:

Understand customers more than ever before

People can’t leave home without their mobile devices. They are increasingly demanding constant connection, smooth movement, and interconnectedness as they go about their day. It’s an essential tool. For teens, who are chatting, texting, sharing, and snapping pics like never before—and with no knowledge of how it used to be—it’s a lifeline. More than 212 million people globally have used some form of mobile payment, 21 percent of Americans now use digital self-trackers to monitor their health, and the global home automation and security category is predicted to expand to become a USD \$35.6 billion industry in the next three years, more than double where it was in 2011. Entrepreneurs are flocking to mobile payments services like Square, which grew 400 percent in 2012 to USD \$5 billion. If telecom brands don’t get ahead of mobile customers’ changing behaviors, they’ll be left behind.

Diversify expertise in other industries

Today’s landscape is rapidly shaping up to be about co-innovation and joint ventures as telecoms collaborate to serve customers in new ways. People expect seamless integration of their technology, and telecoms’ path to the future is in infusing network capabilities by partnering with (and yes, disrupting) other industries, including health, security, education, and banking. In the automotive sector, networked features are transforming car buyers’ expectations, as in-car integration is about to become pervasive. To be truly credible, telecom leaders must demonstrate expertise from the assembly line to the showroom floor.

Foster cultural transformation

Becoming more innovative, open, interoperable, and easier to work with than ever before demands a cultural change. As the preferred platform for how people conduct business and go about their day-to-day lives, telecom leaders must collaborate internally before they can do so externally. Corporate silos, splintered focus, lack of consumer understanding, or lack of cross-industry expertise will hold back some telecom brands. Employees across the board must be part of the renewed energy within each company if it is to not only embrace, but also help broaden the definition of what business telecoms are in today—and will be in tomorrow.

— Kevin Perlmutter is
Senior Director, Strategy,
Interbrand New York

TELECOM



Best Global Brands: Our Methodology

Interbrand's valuation methodology enables you to articulate the contribution of your brand to business results. It brings together market, brand, competitor, and financial data into a single framework within which a brand's performance can be assessed, a roadmap for improvement identified, and the financial impact of investing in your brand quantified.

One component of the methodology is our Brand Strength framework. This is a diagnostic tool that delivers actionable insights, letting you know what to do next, rather than providing a rear-view mirror of past performance. Additionally, by addressing the strength of your brand inside your organization as well as externally, we provide a more holistic assessment of your brand performance.

Finally, we combine these powerful tools with diverse skills and experience. By bringing Interbrand's unique combination of strategic, creative, analytical, and financial skills to our valuations, together with our experience of working with world-leading brands, we generate rich and varied insight from the valuation process, truly delivering on our mission to create and manage brand value.

Criteria for inclusion

Since Best Global Brands launched in 2000, this annual look at the world's most valuable brands has been one of Interbrand's most important commitments to the promotion of brands as key value creators for business and society. In 2010, our brand valuation methodology was the first to be certified as compliant with the requirements of the ISO 10668 international standard for monetary requirements for brand valuation.

There are several criteria for inclusion in Interbrand's annual Best Global Brands report. The brand must be truly global and needs to have successfully transcended geographic and cultural boundaries. It must have expanded across the established economic centers of the world, and be establishing a presence in the major markets of the future. In measurable terms, this requires that:

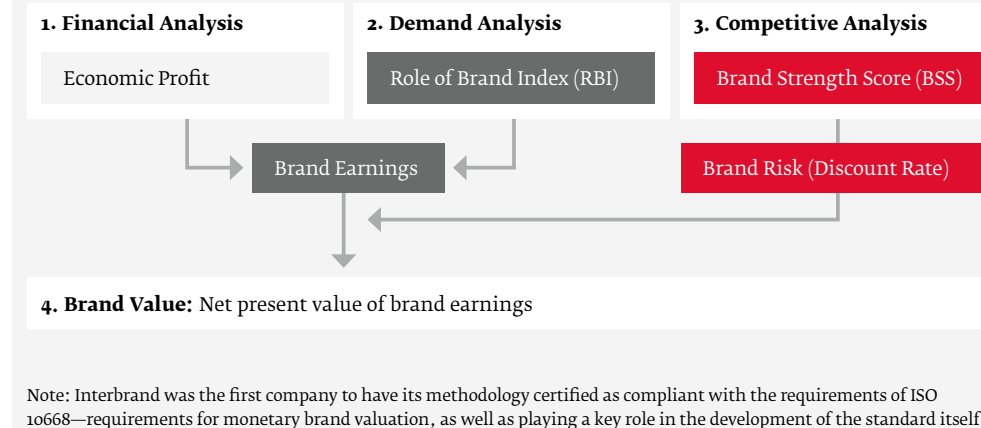
- At least 30 percent of revenues must come from outside the brand's home region
- It must have a presence in at least three major continents, as well as broad geographic coverage in emerging markets
- There must be sufficient publicly available data on the brand's financial performance
- Economic profit must be expected to be positive over the longer term, delivering a return above the brand's operating and financing costs

- The brand must have a public profile and awareness above and beyond its own marketplace

These requirements—that a brand be global, visible, and relatively transparent in financial results—lead to the exclusion of some well-known brands that might otherwise be expected to appear in the ranking. The Mars and BBC brands, for example, are privately held and do not have publicly available financial data. Walmart, although it does business in international markets, often does so under a variety of brands and, therefore, does not meet Interbrand's global requirements.

For similar reasons, brands in several sectors have been excluded. Telecommunications, for example, tends to be strongly oriented to national markets and faces awareness challenges outside of home markets. The airline industry is highly capital intensive and, typically, operates on narrow margins. This means that airline brands struggle to achieve positive economic profits over the long term. Major pharmaceutical companies, while valuable businesses, are also omitted. This is because consumers tend to build a relationship with the product brands rather than with the corporate brand owner, and there is insufficient publicly disclosed financial data on pharmaceutical product brands to meet Interbrand's criteria.

Brand Valuation: Our Approach



We believe that a strong brand, regardless of the market in which it operates, drives improved business performance. It does this through its ability to influence customer choice and engender loyalty; to attract, retain, and motivate talent; and to lower the cost of financing. Our approach explicitly takes these factors into consideration.

There are three key components in all of our valuations: analyses of the competitive strength of the brand, the role the brand plays in the purchase decision, and the financial performance of the branded products or services.

1. Financial analysis

This measures the overall financial return to an organization's investors, or its "economic profit." Economic profit is the after-tax operating profit of the brand, minus a charge for the capital used to generate the brand's revenues and margins. A brand can only exist and, therefore, create value, if it has a platform on which to do so. Depending on the brand, this platform may include, for example, manufacturing facilities, distribution channels, and working capital. Interbrand, therefore, allows for a fair return on this capital before determining that the brand itself is creating value for its owner. We build a set of financial forecasts over five years for the business, starting with revenues and ending with economic profit, which then forms the foundation of the brand valuation model. A terminal value is also created, based on the brand's expected financial performance beyond the explicit forecast period. The capital charge rate is determined by reference to the industry weighted average cost of capital.

2. Role of Brand

Role of Brand analysis is about understanding purchase behavior—the brand's influence on the generation of demand through choice. It measures the portion of the decision to purchase that is attributable to the brand, relative to other factors (for example, purchase drivers like price, convenience, or product features). The Role of Brand Index (RBI) quantifies this as a percentage. Customers rely more on brands to guide their choice when competing products or services cannot be easily compared or contrasted, and trust is deferred to the brand (e.g., computer chips), or where their needs are emotional, such as making a statement about their personality (e.g., luxury brands). RBI tends to fall within a category-driven range, but there remain significant opportunities for brands to increase their influence on choice within those boundaries, or even extend the category range where the brand can change consumer behavior. RBI determinations for this study derive, depending on the brand, from

one of three methods: primary research, a review of historical roles of brand for companies in that industry, or expert panel assessment. RBI is multiplied by the economic profit of the branded products or services to determine the earnings attributable to the brand (brand earnings) that contribute to the valuation total.

3. Brand Strength

Brand Strength measures the ability of the brand to create loyalty and, therefore, to keep generating demand and profit into the future. In doing this, it considers internal (management and employee) and external (customer) factors. Brand Strength is scored on a 0-100 scale, based on an evaluation across 10 key factors that Interbrand believes make a strong brand. Performance on these factors is judged relative to other brands in the industry and relative to other world-class brands. The strength of the brand is inversely related to the level of risk associated with the brand's financial forecasts. A proprietary formula is used to connect the Brand Strength Score to a brand-specific discount rate. In turn, that rate is used to discount brand earnings back to a present value, reflecting the likelihood that the brand will be able to withstand challenges and generate sustainable returns into the future.

Brand valuation applications

	Brand Management	Strategy/Business Case Development	Financial
Applications	<ul style="list-style-type: none">• Brand performance management• Brand portfolio management• Resource allocation• Brand tracking/dashboards• Return on Investment analysis• Sponsorship evaluations• Senior management KPIs	<ul style="list-style-type: none">• Brand positioning• Brand architectures• Brand extension• Business case for brand investment• Co-branding/joint venture analysis	<ul style="list-style-type: none">• Investor relations• Mergers & acquisitions• Licensing/royalty rate setting• Tax planning/transfer pricing• Balance sheet valuations
Typical Frequency	Recurring	One-off	One-off
Primary Objective	Ongoing brand management leading to insights and recommendations to grow brand value	Business case connecting brand change/investment to projected financial results	A robust value with supporting analysis

A versatile strategic tool:
Applications for brand valuation

It is quite possible that you believe that your brand could be (or is) a significant source of competitive advantage for your business, but you are unsure of how a brand valuation exercise could help you.

The business applications for brand valuation can be broadly categorized into three areas:

- Brand Management
- Strategy/Business Case Development
- Financial

1. Brand management applications

Ultimately, everything we do as brand managers should be considered through a value creation lens. Considerable investments are made in brands and, ultimately, it is important to determine if these actions are creating value for your customers and, in turn, your shareholders.

Interbrand's brand valuation methodology seeks to determine, in both customer and financial terms, the contribution of the brand to business results.

A strategic tool for ongoing brand management, brand valuation brings together market, brand, competitor, and financial data into a single, value-based framework within which the performance of the brand can be assessed, areas for improvement identified, and the financial impact of investing in the brand quantified.

Role of Brand analysis lets us know where investment in (and focus on) brand improvements will have the biggest impact. It can be thought of as a measure of "brand leverage."

Brand Strength is the key diagnostic tool with which we can measure brand performance and better understand the reasons behind a brand's strengths and weaknesses, both internally and externally. It supports strategic brand management by prioritizing areas of highest impact for managers.

Typical deliverables from a Brand Strength analysis are:

- A heat map indicating areas of strong and weak performance for the brand (this can be across geographies, products, or customer groups).
- Drill-down analysis into specific segments of the portfolio to identify reasons for over- and under-performance.
- Recommendations for improvement on Brand Strength factors, together with a cost/benefit analysis to inform prioritization.

The core benefits of Brand Strength analysis are that it:

- Enables constructive dialogue about the brand between different parts of the business by creating a common language for discussion of brand performance.
- Provides global and local managers with an actionable tool to make informed marketing decisions—empowering management with insights to implement brand strategy.

—Allows responsibility for performance on the ten Brand Strength factors to be allocated to functions across the business, building engagement and a sense of responsibility for the brand across the organization.

Finally, when the Role of Brand and Brand Strength analyses are connected to the financial model, they provide a framework for resource allocation and prioritization based on the opportunities to enhance brand performance that are expected to have the greatest impact on brand and business value.

2. Strategy/Business case applications

From time to time, businesses need to evaluate significant changes in brand strategy, whether it be repositioning, brand architecture, brand extension, or even a complete rebrand. These kinds of changes typically involve significant financial outlay upfront, along with a high degree of uncertainty over when, or whether, a positive return will be made on that investment.

Some CEOs are willing to make these critical brand strategy decisions based on qualitative strategic analysis and intuition. The majority, however, are looking for a business case that goes further. They want to understand the likely overall financial impact on the business over time, covering a range of alternative scenarios. In addition to a detailed breakdown of the expected costs to deliver, a rounded business case will also quantify the expected impact on the top line through the modeling of key revenue drivers (these will vary based on the business, but could include customer acquisition, churn, price premiums, share of wallet, frequency of purchase/visit, average basket size, and so on), and on profit margins from any operational changes required to deliver the new strategy. Finally, sophisticated techniques such as Monte Carlo simulation may be employed, running thousands of possible permutations in order to estimate the most likely outcome.

Brand valuation provides a common language for brand performance around which a company can be galvanized and organized. Responsibility for Brand Strength factors can be allocated to functions, building engagement and a sense of responsibility for the brand across the organization.

By bringing together market, brand, competitor, and financial data, the brand valuation model is the ideal framework within which such business case modeling can be conducted.

3. Financial applications

Increasingly, CEOs are placing greater emphasis on their companies' brands in investor communications. Many more annual reports these days dedicate space to discussing an organization's commitment to its brand, from the CEO down. Numerous companies take their brands seriously enough to report on their value over time to investors.

Brands also continue to be a key driver of acquisition premiums in mergers & acquisitions. Often, it is the latent potential of the brand that is driving this premium through its ability to enter new markets and extend into adjacent categories. A broad skill set, combining market research, brand, and business strategy, together with business case modeling, is required to quantify the latent financial potential of the target brand.

Interbrand's brand valuation methodology can also be used to complement other more traditional techniques for setting royalty rates for brands. By identifying the value created by a brand for its business, combined with an evaluation of the relative bargaining power of the parties involved, we are able to advise on the proportion of brand value that should be paid out as a royalty rate in return for the right to exploit the brand.

As global competition becomes tougher and many competitive advantages, such as technology, become more short-lived, the brand's contribution to shareholder value will only increase. Brands are one of the few business assets that can provide long-term competitive advantage.

Companies as diverse as Samsung, Philips, Hyundai, and AXA, among many others, have used brand valuation to help them refocus their businesses on their brands, motivate management, create an economic rationale for branding decisions and investments, and make the business case for change.

Although many brand metrics are available, few can link the brand to long-term financial value creation and this, along with its many other applications, makes brand valuation a versatile strategic tool for your business.

— **Mike Rocha**
Global Director, Brand Valuation,
Interbrand

Brand Strength

Our experience and knowledge show that brands in the ideal position to keep generating demand for the future are those performing strongly (i.e., "showing strength" versus the competition across a set of 10 factors that are outlined below). Four of these factors are more internally driven, and reflect the fact that great brands start from within. The remaining six factors are more visible externally, acknowledging the fact that great brands change their world. The higher the Brand Strength Score, the stronger the brand's advantage.

Internal factors

Clarity

Clarity internally about what the brand stands for and its values, positioning, and proposition. Clarity, too, about target audiences, customer insights, and drivers. Because so much hinges on this, it is vital that these are articulated and shared across the organization.

Commitment

Internal commitment to brand, and a belief internally in the importance of brand. The extent to which the brand receives support in terms of time, influence, and investment.

Protection

How secure the brand is across a number of dimensions: legal protection, proprietary ingredients or design, scale, or geographical spread.

Responsiveness

The ability to respond to market changes, challenges, and opportunities. The brand should have a sense of leadership internally, and a desire and ability to constantly evolve and renew itself.

External factors

Authenticity

The brand is soundly based on an internal truth and capability. It has a defined heritage and a well-grounded value set. It can deliver against the (high) expectations that customers have of it.

Relevance

The fit with customer/consumer needs, desires, and decision criteria across all relevant demographics and geographies.

Differentiation

The degree to which customers/consumers perceive the brand to have a differentiated positioning distinctive from the competition.

Consistency

The degree to which a brand is experienced without fail across all touchpoints or formats.

Presence

The degree to which a brand feels omnipresent and is talked about positively by consumers, customers, and opinion formers in both traditional and social media.

Understanding

The brand is not only recognized by customers, but there is also an in-depth knowledge and understanding of its distinctive qualities and characteristics. (Where relevant, this will extend to consumer understanding of the company that owns the brand.)



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Founded in 1974, Interbrand is the world's leading brand consultancy. With nearly 40 offices in 27 countries, Interbrand's combination of rigorous strategy, analytics, and world-class design enables it to assist clients in creating and managing brand value effectively—across all touchpoints, in all market dynamics.

Interbrand is widely recognized for its annual Best Global Brands report, the definitive guide to the world's most valuable brands, as well as its Best Global Green Brands report, which identifies the gap between customer perception and a brand's performance relative to sustainability. It is also known for having created brandchannel.com, the award-winning resource for brand marketing.

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