BRANDZ™ Top 100

Most valuable global brands

Valuation and Methodology by

MillwardBrown Optimor

WPP

Welcome to the sixth annual BrandZ Top 100 Most Valuable Global Brands.

I invite you to check out the BrandZ Top 100 Most Valuable Global Brands 2011 ranking on page 12 and the analyses from experts across the WPP group of operating companies contained through this report.

The study is commissioned by WPP and undertaken by Millward Brown Optimor, the experts in the economics of branding and financial valuations. These are the only brand rankings that include consumer data as a component element in arriving at the brand value.

The rankings include some of the world's most recognized brands and brands that are virtually unknown except in fast-growing parts of the world in Asia or Latin America. Many of the brands are long established. A few are still in adolescence. One that appears for the first time is about to celebrate only its seventh birthday.

All these brands survived the most challenging global economy of the past 80 years. Most emerged strengthened and poised for growth. Success is difficult to unbundle. How much can we attribute to leadership, strategy or tactics – even luck? One thing we know for sure. Brand plays an important – and measurable – role.

Brand contributes significantly to earnings across all sectors, both consumer facing and business-to-business. The value of the BrandZ Top 100 Most Valuable Global Brands increased 64 percent since 2006. During the same period, the stock market value of the BrandZ portfolio grew by 35.9% compared with a fall of 1.1% for the S&P 500.

It's not that strong brands always are immune to the vicissitudes of the market and fate. They're not. But strong brands are more protected, prepared, resourceful and resilient. They're inoculated with product innovation, marketing acumen, customer closeness, trust and responsible citizenship.

Having a strong brand is especially important today as consumers emerge from the recession less trustful and much more thoughtful about what and how much they purchase. On average worldwide, only 7 percent of consumers buy on price alone, down from 20 percent ten years ago. In contrast, 81 percent regard brand as an important consideration, according to BrandZ data the largest database of brands in the world.

At WPP, we are passionate about helping our clients build great, valuable brands. Our agencies worldwide, large and small, share that desire. Feel free to contact me with any questions or for a conversation about how we can devote our expertise in research, insights, advertising, digital, promotion, marketing, media and retail to help meet your needs.

Meanwhile, please accept this report with our compliments. BrandZ is the definitive tool for measuring and understanding brand and brand value. We're proud to present this comprehensive look at the 2011 Top 100 Most Valuable Global Brands.

Sincerely,

David Roth
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Preface

The definitive brand valuation tool

The BrandZ Top 100 Most Valuable Global Brands is the most comprehensive annual ranking of brand value.

Developed by Millward Brown Optimor, the ranking analyzes the world's leading brands and the economic and competitive dynamics that influence value fluctuations.

BrandZ focuses on market-facing brands that generate revenue and profits through the sale of goods and services directly to consumers or business customers, establishing the value of the Coca-Cola brand, for example, rather than the Coca-Cola Company.

It's the only ranking grounded in both quantitative consumer research and in-depth financial analysis. Created 13 years ago, and perpetually updated, the WPP BrandZ database contains information from more than 2 million in-depth consumer interviews in 30 countries. This proprietary data is analyzed with publicly available financial information from Bloomberg, Kantar Worldpanel and other sources.

These valuations are critical to the CEOs, financial and marketing executives, security analysts, institutional investors and others who depend on well-researched, reliable information for the assessments and comparisons that lead to well-considered decisions. All valuations in this report appear in US dollars and are subject to fluctuations for those brands that are denominated in other currencies.

Content Highlights

New this year, the report includes thoughtful comments by experts from WPP operating companies and others interpreting societal shifts that are likely to influence brands and brand value in the future as they did in 2010:

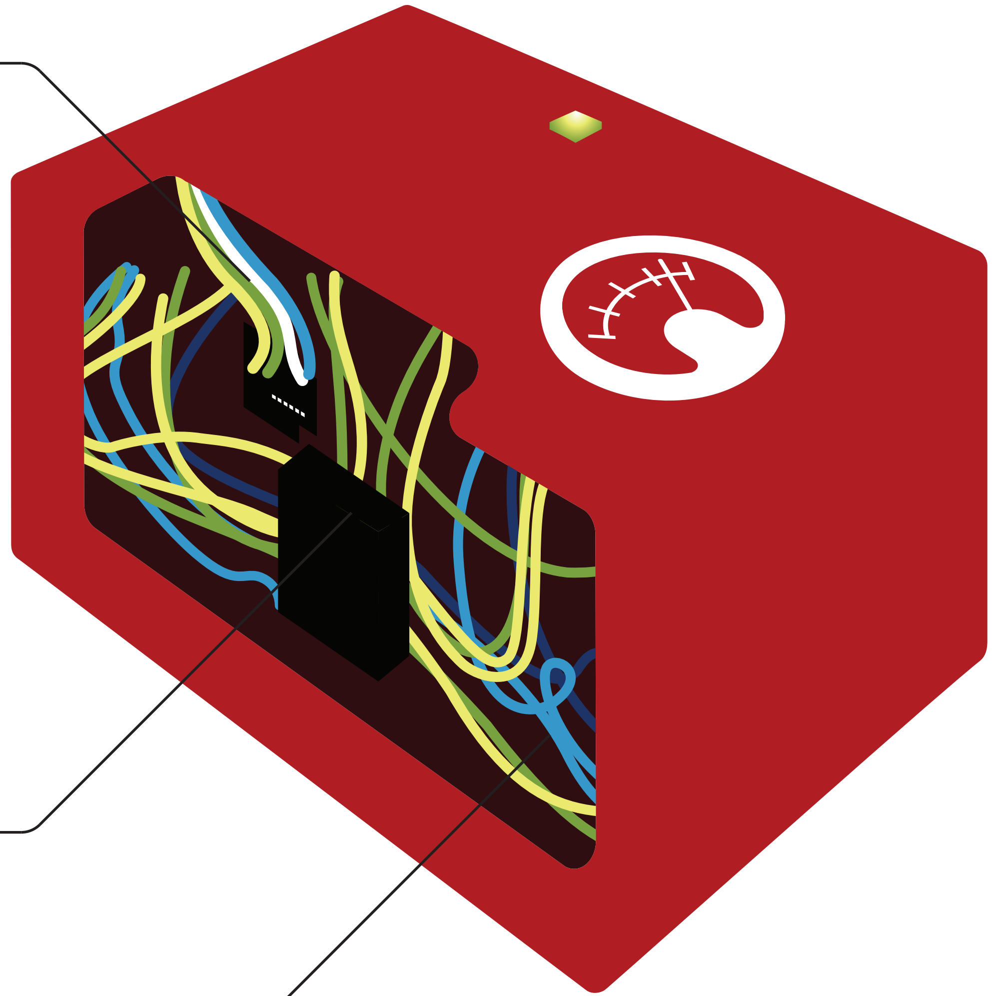
- The Digital Revolution: Finding the shopper along the random and confusing "Path to Purchase."
- A Generational Shift: Meeting the different expectations of the "Millennial" and "Boomer" generations.

The report also includes, for the first time, in-depth reports on brand development in three of the world's fastest-growing markets – Brazil, China and India.

An overview summarizing key brand and product sector developments and trends accompanies the Top 100 ranking. Charts and analysis explore year-on-year changes in brand value:

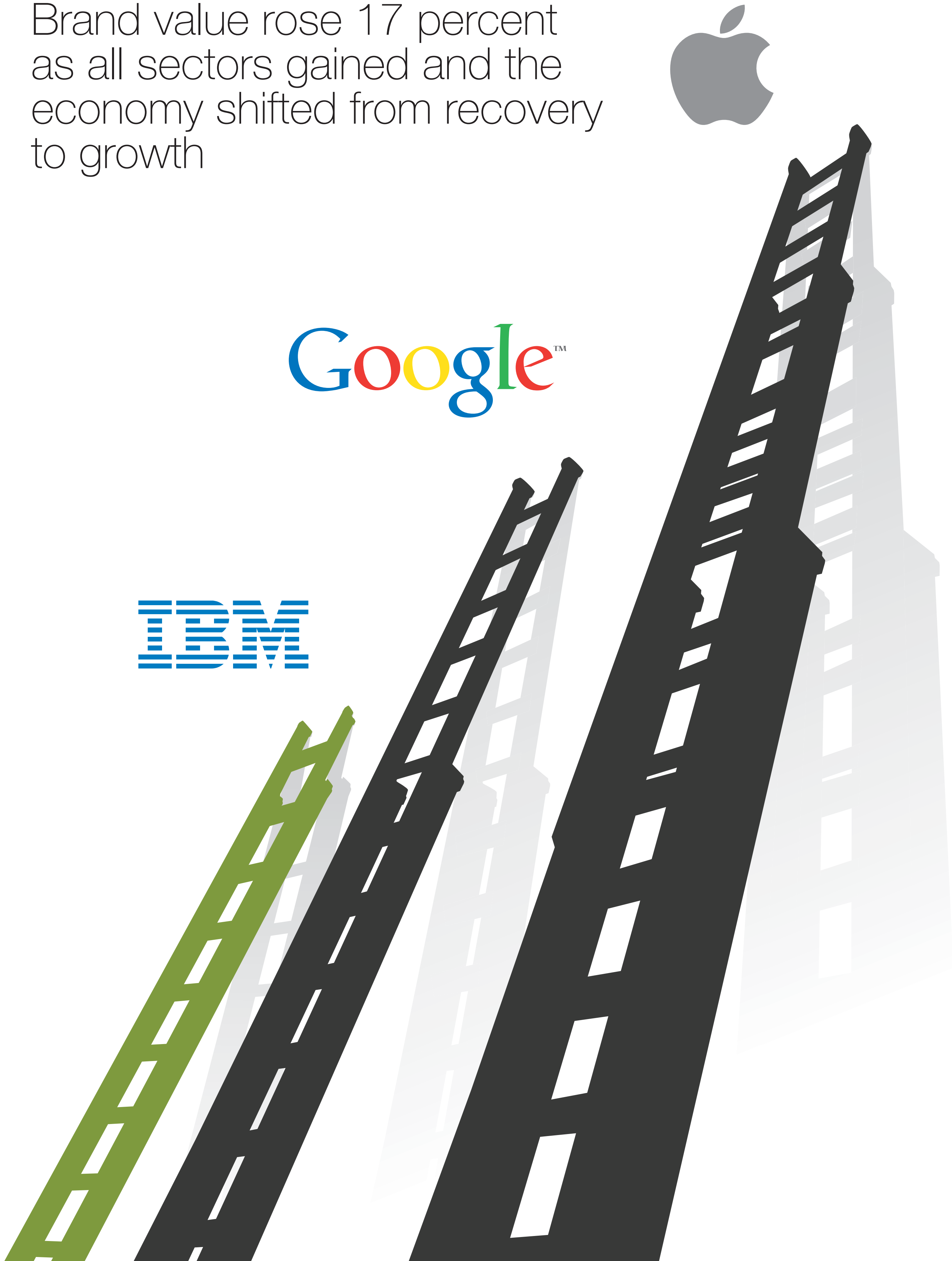
- Top 20 Risers: Brands that ascended fastest.
- Newcomers: Brands ranked for the first time.
- Year-on-Year Change: What sectors moved up or down.
- Brand Contribution: Customer-bonding leaders.
- Regions: Value concentration geographically.

Brands are ranked and their performances analyzed in 13 product sectors: apparel, beer, cars, fast food, financial institutions, insurance, luxury, oil and gas, personal care, retail, soft drinks, technology and telecom providers. The report concludes with a series of recommendations for building great brands and an in-depth explanation of the BrandZ valuation methodology.



Top 100 overview

Brand value rose 17 percent as all sectors gained and the economy shifted from recovery to growth



Apple became the world's most valuable brand last year.

The brand increased in value by 84 percent to $153.3 billion. Apple's rise came as the value of the BrandZ Top 100 Most Valuable Global Brands appreciated by 17 percent to $2.4 trillion, driven by year-on-year growth in all 13 product sectors studied.

Increases in fast food (22 percent), luxury (19 percent) and technology (18 percent) led sector brand value appreciation, although a dramatic spike in value pushed insurance to first place because results included three large, expanding Chinese companies. Four of the Top 5 ranking leaders were in technology. McDonald's was the fifth.

Most sectors also grew in value compared with 2008 pre-recession levels. The Top 100 brands increased 24 percent during that period, demonstrating the resilience of leading brands and suggesting the economy has shifted from recovery into real growth. In fact, the Top 100 brands have added $500 billion in value since 2008. Since the launch of the Top 100 Most Valuable Global Brands in 2006, the value of the Top 100 has increased 64 percent.

Along with Apple, year-on-year standout performers for the 2011 BrandZ brand valuation report include Facebook, Amazon and Baidu.

- With a 246 percent rise in brand value to $19.1 billion, Facebook made the BrandZ Top 100 for the first time at No. 35.
- Amazon edged passed Walmart to become the No. 1 retail brand, with a 37 percent rise in brand value to $37.6 billion.
- The Chinese search engine Baidu increased 141 percent in brand value to $22.6 billion, ranking it No. 29 in the Top 100, up from No. 75 a year ago.

Toyota rebounded to the No. 1 rank in cars. Its performance demonstrated the power of strong brands to recover from the most fundamental challenges to product efficacy and reputation.

Technology and telecom brands continued to grow as a portion of the BrandZ Top 100 Most Valuable Global Brands. These categories now comprise a third of the Top 100 brands compared with a quarter in 2006. Reflecting the influence of fast-growing markets, 12 Chinese brands, 3 Brazilian brands, 1 Indian brand and 1 Russian brand appear in the Top 100. Two Indian brands narrowly missed the Top 100 in brand value, but rank in the Top 20 most valuable brands in the technology sector.

Changes in what we value, how we shop

Frugality eased last year, but consumers didn't spend frivolously, suggesting that brands will continue to feel the impact of the recession-accelerated shift to considered – rather than conspicuous – consumption.

Overall, consumers sought quality at a good price. The desire for well-crafted and long-lasting merchandise at almost any price ignited sales in luxury, with brands like Louis Vuitton and Hermès appreciating significantly in value. Brands in the middle received less consumer attention.

Changes in shopping behavior touched most sectors as consumers emerged from the recession more skeptical and savvy and more empowered by digital technology to search for the best prices and most trusted reviews, even on mobile devices while standing in store aisles. These developments influenced the ways brands communicated with consumers, increasing investment in social media, as "engaging" replaced "targeting" in the marketing lexicon.

With Facebook sites, YouTube videos and mobile apps, brands attempted to cultivate the long-term loyalty of "Millennials," now in their teens and twenties. At the same time, brands worked to retain the parent generation of relatively wealthy "Boomer" customers, the oldest of whom turn 65 this year.

New media messages

Using both new and traditional media, brands communicated messages shaped by themes that informed this year's BrandZ Top 100 Most Valuable Global Brands, including:

– Assertion of individuality: The surge of personal expression empowered by the Internet was matched by a consumer preference for personal expression in apparel and other products, resulting in a trend to the bespoke (for those who could afford it) or mass customization (for everyone else).

– Concern for personal health and wellness: Consumers, across economic groups, paid more attention to the food they put in their bodies (improvements in fast-food menus) and the products they put on their bodies (changes in personal-care ingredients).

– Concern about the environment: Consumers weren't willing to pay any price for environmentally friendly products, but being "green" became a hygiene factor in some categories (the introduction of more hybrid and some electric cars).

– Concern about product provenance: Consumers wanted to feel good about their possessions. They wanted peace of mind, knowing that any pleasure they derived from owning a product did not come at the expense of the people who made it.

The changes in media and message influenced the very notion of brand. Digital media enabled brands to become more present and interactively involved in the lives of consumers. Prompted by a shift in consumer values, brands pursued their commercial interests in a larger context, if not with a higher purpose.

BrandZ Top 100 Most Valuable Global Brands 2011

#	Brand	Brand Value 2011 ($M)	% Brand Value Change 2011 vs. 2010
1		153,285	84%
2	Google	111,498	-2%
3	IBM	100,849	17%
4		81,016	23%
5	Microsoft	78,243	2%
6	Coca-Cola *	73,752	8%
7	at&t	69,916	N/A
8	Marlboro	67,522	18%
9	中国移动通信 CHINA MOBILE	57,326	9%
10	GE	50,318	12%
11	ICBC (Asia) 工银亚洲	44,440	1%
12	vodafone	43,647	-2%
13	verizon	42,828	N/A
14	amazon.com	37,628	37%
15	Walmart Save money. Live better.	37,277	-5%
16	WELLS FARGO	36,876	97%
17	ups	35,737	35%
18	hp	35,404	-11%
19	Deutsche Telekom T **	29,774	N/A
20	VISA	28,553	15%
21	movistar	27,249	N/A
22	ORACLE	26,948	9%
23	SAP	26,078	7%
24	中国建设银行 China Construction Bank	25,524	22%
25	BlackBerry	24,623	-20%
26	LV LOUIS VUITTON	24,312	23%
27	TOYOTA	24,198	11%
28	HSBC	22,587	-4%
29	Bai du 百度	22,555	141%
30	BMW	22,425	3%
31	TESCO	21,834	-15%
32	Gillette	19,782	-4%
33	中国人寿 CHINA LIFE	19,542	N/A
34	Pampers	19,350	11%
35	f	19,102	246%
36	orange	17,597	N/A
37	中国银行 BANK OF CHINA	17,530	-20%
38	Disney	17,290	15%
39	RBC	17,182	3%
40	AMERICAN EXPRESS	17,115	23%
41	ExxonMobil	16,973	10%
42	TD	16,931	19%
43	中国农业银行 AGRICULTURAL BANK OF CHINA	16,909	N/A
44	cisco	16,314	-2%
45	Budweiser ***	15,952	0%
46	L'ORÉAL	15,719	11%
47	citi	15,674	17%
48	NTT docomo	15,449	19%
49	accenture	15,427	5%
50		15,344	12%
51		15,168	0%
52	Tencent 腾讯	15,131	N/A
53	ICICI Bank	14,900	3%
54	SUBWAY	14,306	19%
55	Colgate	14,258	0%
56		14,182	-1%
57	NIKE	13,917	10%
58	intel	13,904	-2%
59	Carrefour	13,754	-8%
60	MasterCard	13,543	16%
61	BR PETROBRAS	13,421	39%
62	H&M	13,006	7%
63	pepsi ****	12,931	1%
64	bp	12,542	-27%
65	TARGET	12,471	3%
66	PORSCHE	12,413	3%
67	SAMSUNG	12,160	7%
68	CHASE	12,083	-3%
69	Standard Chartered	12,033	45%
70	SIEMENS	11,998	29%
71	HERMÈS PARIS	11,917	41%
72	STARBUCKS COFFEE	11,901	40%
73	FedEx	11,759	25%
74	O_2	11,694	N/A
75	TELECOM ITALIA	11,609	N/A
76	telcel	11,558	7%
77	Santander	11,363	-37%
78	PetroChina	11,291	-19%
79	Nintendo *****	11,147	-37%
80	MTS	10,883	12%
81	NOKIA Connecting People	10,735	-28%
82	ebay	10,731	15%
83	中国平安 PING AN	10,540	N/A
84	usbank	10,525	26%
85	SONY ******	10,443	19%
86	ZARA	10,335	15%
87	Scotiabank	10,076	N/A
88	NISSAN	10,072	17%
89	THE HOME DEPOT	9,877	10%
90	Itaú	9,600	29%
91	中国电信 CHINA TELECOM	9,587	N/A
92	Bank of America	9,358	-43%
93	Red Bull *******	9,263	4%
94	ALDI	9,251	6%
95	TIM	8,838	21%
96	BARCLAYS	8,760	4%
97	招商银行 CHINA MERCHANTS BANK	8,668	5%
98	Bradesco	8,600	15%
99	СБЕРБАНК	8,535	N/A
100	Goldman Sachs	8,439	-9%

*The Brand Value of Coca-Cola includes Lites, Diets and Zero
**Deutsche Telekom is in the process of re-branding its business to 'T', which incorporates T-Mobile, T-Home and T-Systems
***The Brand Value of Budweiser includes Bud Light
****The Brand Value of Pepsi includes Lites, Diets and Zero

*****The Brand Value of Nintendo includes Wii and Nintendo DS
******The Brand Value of Sony includes Playstation 2 and 3, as well as PSP
*******The Brand Value of Red Bull includes sugar-free and Cola
Source: Millward Brown Optimor (including data from BrandZ, Kantar Worldpanel and Bloomberg)

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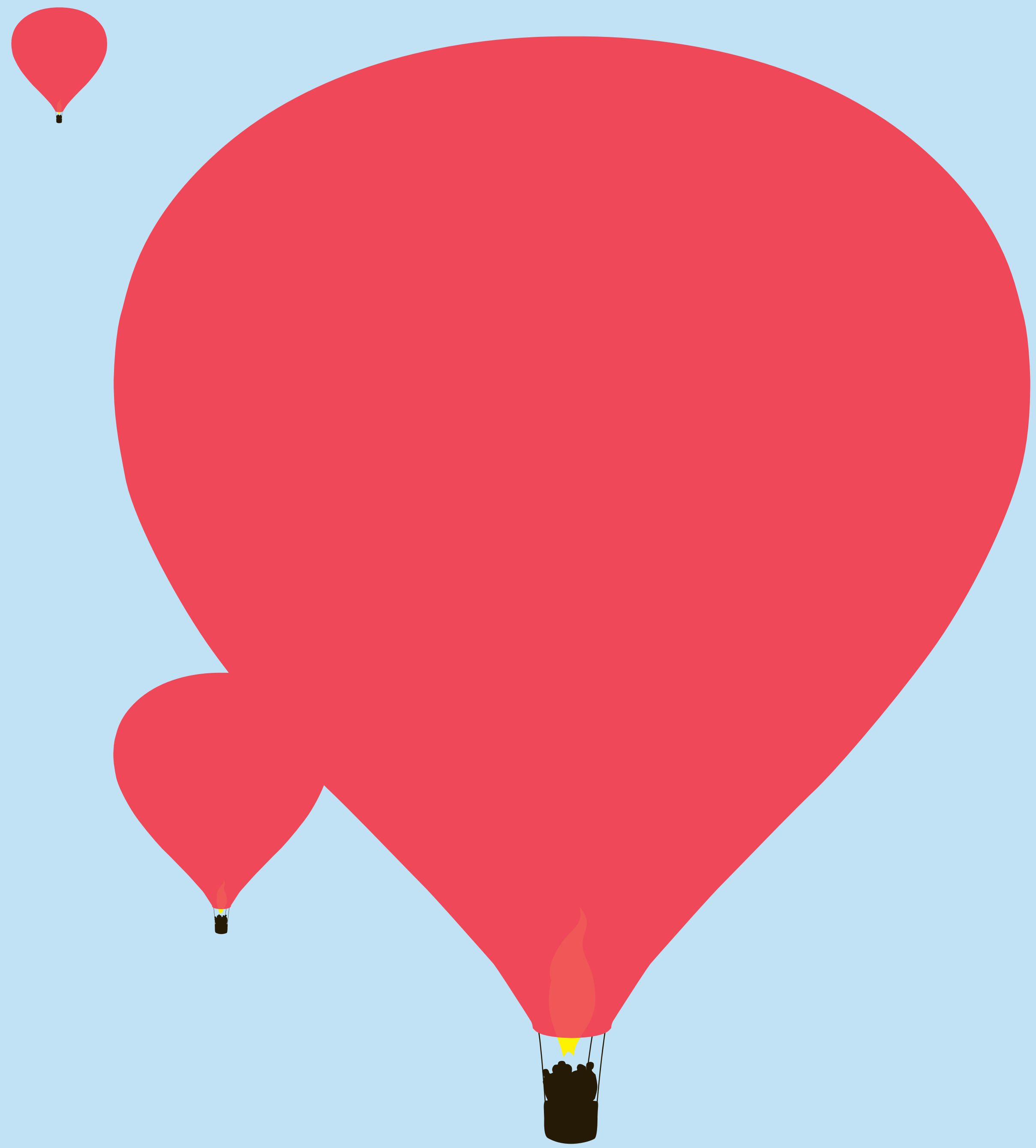
Top 20 Risers

Technology, vision drove growth



Facebook led the top risers last year.

With a 246 percent surge in brand value, Facebook entered the BrandZ Top 100 for the first time at No. 35.

Along with Facebook, the Top 20 Risers included online retailer Amazon and four other technology brands – Apple and Baidu along with Siemens and Cannon, which benefited from resurgence in business-to-business demand. Visionary, entrepreneurial leadership also contributed to growth in value, especially for Facebook, Apple, Amazon and Starbucks.

With almost 600 million members worldwide, Facebook last year was anointed “The Social Network” by the film of the same name about the firm’s founding in 2004 by Mark Zuckerberg. Ironically, the film’s release coincided with Facebook’s rapid evolution into a powerful commercial platform exploring ways to monetize its social reach by connecting shoppers, retailers and brand marketers. Valuation is based on a Goldman Sachs study.

Apple rose to the No. 1 position in the BrandZ Top 100 Most Valuable Global Brands. It earned an 84 percent increase in brand value with successful iterations of existing products like the iPhone, creation of the tablet category with iPad, and anticipation of a broadened strategy making the brand a trifecta of cloud computing, software, and innovative, well-designed devices. Perpetual concern over the health of CEO Steve Jobs intensified at the end of the year when he announced a temporary leave of absence.

The Chinese search engine Baidu captured rank No. 29 in the BrandZ Top 100, up from No. 75 in 2009 on a sharp 141 percent rise in brand value. As more of China’s 1.3 billion citizens searched the Internet, they turned to Baidu because the brand has deeply understood the nuances of China’s diverse cultures and languages.

Illustrating how dramatically shopping has changed, Amazon, the online company with no stores, surpassed Walmart as the most valuable retail brand. The company continued to add categories last year, even food, to drive traffic. Since founding the company in 1995, Jeff Bezos has worked to perfect its unparalleled selection, peer reviews and a delivery scheme that builds loyalty.

The Starbucks 40 percent rise in brand value demonstrated the success of the brand revitalization initiatives implemented two years ago by Howard Shultz when he returned as CEO. He closed underperforming locations and improved the coffeehouse experience while extending the brand into instant coffee and preparing it for aggressive international and multi-channel growth in grocery as well as fast food.

TOP BRANDS		Brand Value $M	Brand Value Growth
1	Facebook	19,102	246%
2	Baidu	22,555	141%
3	Wells Fargo	36,876	97%
4	Burberry	3,379	86%
5	Apple	153,285	84%
6	Skol	4,579	68%
7	Pizza Hut	5,305	58%
8	GEICO	2,785	53%
9	Standard Chartered Bank	12,033	45%
10	Hermès	11,917	41%
11	Starbucks	11,901	40%
12	Petrobras	13,421	39%
13	Amazon	37,628	37%
14	UPS	35,737	35%
15	Cartier	5,327	34%
16	Estée Lauder	2,592	31%
17	MetLife	2,270	31%
18	Siemens	11,998	29%
19	IKEA	7,293	28%
20	Canon	7,588	27%

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

The housing recovery drove IKEA’s 28 percent growth. Sector strength also helped brands in fast food, insurance and luxury. While the brand value of the luxury sector still lagged its pre-recession level, customers came back as evinced by Burberry’s 86 percent leap and the brand appreciation of Cartier, Estée Lauder and Hermès.

The fast-growing market dynamism that boosted China’s Baidu also pushed the brand values of Skol, Brazil’s largest beer brand, up 68 percent, and Petrobras, the country’s oil and gas giant, which advanced 39 percent. The 58 percent rise in the brand value of Pizza Hut was in part driven by its performance in China. Standard Chartered Bank of the UK, up 45 percent, also benefited from global business.

Newcomers

More Chinese brands debuted

The Newcomers ranking featured brands from fast-growing markets and Canada.

The ranking included six financial institutions and five telecom and technology brands. Almost half of the newcomers were Chinese brands. Russia's largest bank, Sberbank, and Itaú, one of Brazil's major banks also made the ranking for the first time. The increase in telecom providers in part reflects a change in the valuation method that now includes all a brand's businesses: landlines, cable, wireless mobile and Internet.

With almost 600 million members worldwide since its formation in 2004, Facebook was the most familiar newcomer name. Scotiabank, also known as Bank of Nova Scotia, a less well-known entry, benefited from Canada's strong housing market and increased consumer borrowing. In addition, the bank operated in 50 countries and was especially active in the fast-growing markets of Asia and Latin America.

TOP BRANDS		Brand Value $M
19	Deutsche Telekom	29,774
33	China Life Insurance	19,542
35	Facebook	19,102
43	Agricultural Bank of China	16,909
52	Tencent/QQ	15,131
75	Telecom Italia	11,609
83	Ping An	10,540
87	Scotiabank	10,076
90	Itaú	9,600
91	China Telecom	9,587
99	Sberbank	8,535

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

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Year-on-Year Change

All sectors grew in brand value

Each of the 13 product sectors measured in the BrandZ Top 100 ranking appreciated in overall brand value last year.

The performance dramatically differed from results a year earlier when just four sectors appreciated only moderately in brand value. It signaled a shift in the global economy from recovery to real growth.

It also demonstrated the resilience of brands. Brand value in many sectors not only appreciated year-on-year, but also exceeded pre-recession levels. Fast food, which climbed a substantial 22 percent last year alone, was up 42 percent when compared with 2008.

Technology ascended too, 18 percent year-on-year compared with 32 percent over the three-year period. The story was similar for beer, which grew 7 percent last year but 32 percent since the recession. Soft drinks grew 5 percent last year and 26 percent since 2008.

Categories hardest hit during the recession posted gains in brand value last year, but the values remain below pre-recession levels. Luxury returned robustly. Even with a 19 percent increase in brand value, however, the category remained 13 percent lower than its 2008 level.

The car category grew by 7 percent last year on the rebound of the resilient Toyota brand, strong performances by Ford, GM and other major car makers, and the appetite for badge status in China and other fast-growing markets. Brand value for the car category, however, remained 27 percent under its 2008 level.

While apparel, personal care, oil and gas, retail and financial institutions moved at slower rates, they all moved up. The dramatic year-on-year rise for the insurance sector resulted from the inclusion of three large, fast-growing Chinese brands: China Life, Ping An and China Pacific.

TOP BRANDS	Brand Value Growth (%) '11 vs. '10	Brand Value Growth (%) '11 vs. '08
Insurance*	137%	6%
Fast Food	22%	42%
Luxury	19%	-13%
Technology	18%	32%
Apparel	10%	-1%
Financial Institutions	9%	7%
Beer	7%	32%
Cars	7%	-27%
Soft Drinks	5%	26%
Personal Care	3%	5%
Retail	2%	7%
Oil & Gas	1%	N/A
Telecom Providers	N/A	N/A

*Value growth in the Insurance category results from the inclusion of China Life Insurance, Ping An and China Pacific Insurance. Source: Millward Brown Optimor (including data from BrandZ, Kantar Worldpanel and Bloomberg)

MillwardBrown Optimor

Brand Contribution

Leaders benefited from fast-growing markets

Most of the Top 15 brand contribution leaders were based in Europe and exported to Asia and Latin America. In the largest representation to date from fast-growing markets, three Brazilian brands and one brand from China also ranked.

The ranking included seven luxury brands, three beer brands and two luxury car brands. This mix of categories generally ranks high in brand contribution, which measures the emotional bond between brand and customer.

That bond also accounted for the appearance of a personal care brand and a baby care brand in the Top 15. Brazil's Natura, a producer of cosmetics and skincare products, is known for cultivating close customer relationships using organic products and direct sales. Pampers consistently ranks high in brand contribution and trust.

More high-tech than high-touch, the presence of China's largest search engine, Baidu, seemed less predictable. Deeply integrated into the lives of Chinese young people, consumers respect the brand for its effectiveness as a search engine because of its understanding of China's cultural and language diversity.

Brazil's best-selling beer, Skol, promoted music events. Brahma beer also emphasized a youthful and energetic view of life. The Guinness brand remained iconic despite the economic pressure in Ireland, its home market.

In general, Moët & Chandon, Louis Vuitton, Hermès, and the other luxury brands ranked high in brand contribution emphasized heritage and craftsmanship and limited distribution in the "mass luxury" market.

TOP BRANDS

		Brand Value $M	Brand Contribution*
1	Möet & Chandon	4,570	5
2	Baidu	22,555	5
3	Skol	4,579	5
4	Hennessy	4,997	5
5	Pampers	19,350	5
6	Louis Vuitton	24,312	5
7	Natura	4,614	5
8	Brahma	1,996	5
9	Hermès	11,917	5
10	Chanel	6,823	5
11	Rolex	5,269	5
12	Guinness	3,446	5
13	Porsche	12,413	5
14	BMW	22,425	5
15	Gucci	7,449	5

*The Brand Contribution Index runs from 1 (low) up to 5 (high). Source: Millward Brown Optimor (including data from BrandZ)

MillwardBrown Optimor

Regions

More brands based in Asia and Latin America

More than half of the 13 brands that appeared for the first time in the regional rankings were based in China or Brazil.

The new Chinese brands included a combination of state-owned organizations (China Mobile, China Life Insurance and Bank of China) and entrepreneurial enterprises (search engine Baidu and social network Tencent/QQ). Two beers (Skol and Brahma) and a personal care brand (Natura) were newcomers from Brazil.

Brands based in North America still accounted for a disproportionate amount of brand value, however. The brand value of the leaders based in North America totaled about $830 billion or roughly 55 percent of the roughly $1.5 trillion in value for all brand leaders ranked in the regional charts.

But leadership depends on what's being measured. Only one of the North American brands, Coca-Cola, received a top rating of 5 in brand contribution, which means that a substantial part of its value as a brand was based on the strength of the bond between the brand and customers. In contrast, all three of the newcomer Brazilian brands rated 5.

The difference in brand contribution levels can be explained in part – but not entirely – by the product categories that made up the North American and Latin American rankings. Brands in the technology and telecom provider sectors, which dominated the North American ranking, evoke less positive emotion than beer and personal care. A rating of 5 is unusual in any category, however, other than luxury.

Indeed, Louis Vuitton, BMW and Mercedes earned a brand contribution of 5 in the European ranking. These brands, of course, have connected with consumers around the world. China's Baidu, the only other brand distinguished by a brand contribution of 5, remained like the Brazilian brands, a local phenomenon – at least for now.

Across the five regions, technology and telecom providers dominated, with a total of 18 brands: seven based in North America, four in Asia, four in Continental Europe, two in the UK and one in Latin America. Reflecting mostly revised valuation methodology, four telecom provider brands were new to the regional rankings this year: AT&T, Verizon (North America), Deutsche Telekom and Movistar (Europe).

North America:

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Apple	153,285	4	9	84%
2	Google	111,498	4	4	-2%
3	IBM	100,849	3	5	17%
4	McDonald's	81,016	4	7	23%
5	Microsoft	78,243	4	8	2%
6	Coca-Cola	73,752	5	9	8%
7	at&t	69,916	3	4	N/A
8	Marlboro	67,522	4	4	18%
9	GE	50,318	1	2	12%
10	Verizon	42,828	3	4	N/A

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

MillwardBrown Optimor

Continental Europe:

TOP BRANDS		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Deutsche Telekom	29,774	2	4	N/A
2	Movistar	27,249	2	6	N/A
3	SAP	26,078	3	7	7%
4	Louis Vuitton	24,312	5	7	23%
5	BMW	22,425	5	8	3%
6	Orange	17,597	1	4	N/A
7	L'Oréal	15,719	4	6	11%
8	Mercedes	15,344	5	8	12%
9	Carrefour	13,754	3	7	-8%
10	H&M	13,006	2	8	7%

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

United Kingdom:

TOP BRANDS		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Vodafone	43,647	2	4	-2%
2	HSBC	22,587	2	2	-4%
3	Tesco	21,834	4	7	-15%
4	Shell	15,168	1	5	0%
5	BP	12,542	1	5	-27%
6	Standard Chartered Bank	12,033	2	2	45%
7	O2	11,694	2	5	N/A
8	Barclays	8,760	1	2	4%
9	Marks & Spencer	5,252	4	4	-8%
10	Asda	3,975	2	4	-19%

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

Asia:

TOP BRANDS		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	China Mobile	57,326	4	9	9%
2	ICBC	44,440	2	5	1%
3	China Construction Bank	25,524	2	4	22%
4	Toyota	24,198	4	7	11%
5	Baidu	22,555	5	10	141%
6	China Life Insurance	19,542	2	9	N/A
7	Bank of China	17,530	2	4	-20%
8	Agricultural Bank of China	16,909	1	6	N/A
9	NTT DoCoMo	15,449	2	8	19%
10	Tencent/QQ	15,131	4	9	N/A

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

Latam:

TOP BRANDS		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Petrobras	13,421	1	7	39%
2	Telcel	11,558	3	6	7%
3	Itaú	9,600	2	3	29%
4	Bradesco	8,600	2	3	15%
5	Corona	5,458	4	6	5%
6	Natura	4,612	5	9	N/A
7	Skol	4,579	5	6	68%
8	Brahma	1,996	5	6	N/A

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

TrustR and Value-D

Trust and value critical as economy shifts gears

Consumers emerged from the recession changed.

Two of the key changes relate to eroded levels of trust in institutions and a shifting calculus of value. It’s especially important for brands to understand these changes now, as the economy shifts from recovery into a period of real growth.

Two original metrics help provide insights – TrustR and Value-D. They are based on the same definitive BrandZ database that powers this report, a collection of more than 2 million consumer interviews in 30 countries developed over 13 years.

TrustR

TrustR is a composite measurement of the level of Trust and Recommendation a brand inspires. Trust is the consumer’s belief, cultivated over time, in the efficacy of the brand. Trust is strongest when linked with Recommendation, the consumer’s belief, grounded in recent experience, that the brand continues to fulfill its promise. The average TrustR score (Trust + Recommendation divided by two) is 100. A good score is 105 or more. A poor score is 95 or less.

Value-D

Value-D measures the gap between the consumer’s Desire for a brand and the consumer’s perception of the brand’s Price. Greater Desire overcomes the barrier of Price. By quantifying this gap, ValueD helps brands optimize their sales, profit and market positioning potential. Generally, good scores are 105 or above in Value and 95 or below in Price. While there’s no absolute best Value-D score, in general a high Value-D score is good because it indicates a strong level of consumer Desire for the brand.

Overall, the Top 100 Most Valuable Global Brands tend to perform well in both TrustR and Value-D. In other words, highly valued brands are trusted, recommended and strike the right balance between Desire and Price. These results from the Top 100 illustrate that finding:

- Top 100 average Trust score: 106
- Top 100 average Desire score: 111
- Top 100 average Value-D score: 106

Leaders in TrustR and Value-D emerge in every sector, of course. Here are just a few of the sector-by-sector highlights:

Apparel

Uniqlo, the Japanese creator of affordable fashion, has the highest global Value-D Score (128). It results from high Desire (109) and low Price (81). Zara is the most recommended brand (110).

Beer

Skol, Brazil’s leading beer, (120) and Heineken (114) earn the highest Desire scores of the Top 10 beers. Guinness is the most recommended (109).

Cars

Mercedes is the most trusted of the Top 10 Car brands (114) and BMW the most recommended (111). Rebounding from its recall issues, Toyota ranks as offering the best value (107), a combination of high Desire and low Price.

Fast Food

McDonald’s is the ultimate good value combination of high Desire (116) and low Price (91) with a Value-D score of (125). Although the fast food category as a whole scores low on Trust and Recommendation, there are exceptions. Tim Hortons scores high on Trust (112) and Starbucks scores high on Recommendation (108).

Financial

In general, the Top 20 bands are highly trusted, but not highly recommended, reflecting the tensions exacerbated by the financial crisis. Exceptions regarding Recommendation include TD (109) and these Chinese banks: China Merchants Bank (112), China Construction Bank (109), and ICBC (108). Russia’s Sberbank led across all categories in Value-D.

Insurance

Insurance companies generally are trusted, particularly the brand leaders, but there are regional differences. In Trust, Chinese (112) and US companies (104) rate higher than European (99). The balance is similar in Value: China (114), US (111) and European (100).

Luxury

Not surprisingly, luxury brands are among the most desirable and the most highly priced. The leading luxury brands are considered expensive in the Value-D analysis, but one, Chanel (103), also is seen to justify its premium. Hermès emerged as the most trusted of the Top 10 luxury brands with a score of (115).

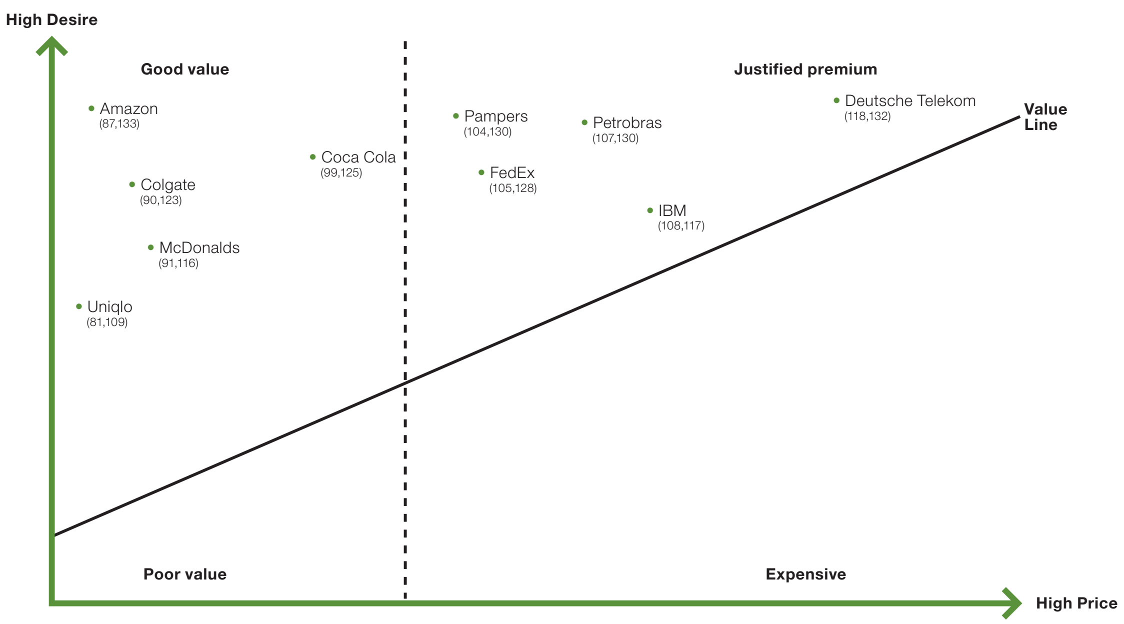
Oil and Gas

Petrobras, Brazil’s leader in this sector, is significantly more trusted (129), recommended (111) and seen as better value (123) than the other oil and gas brands.

Personal Care

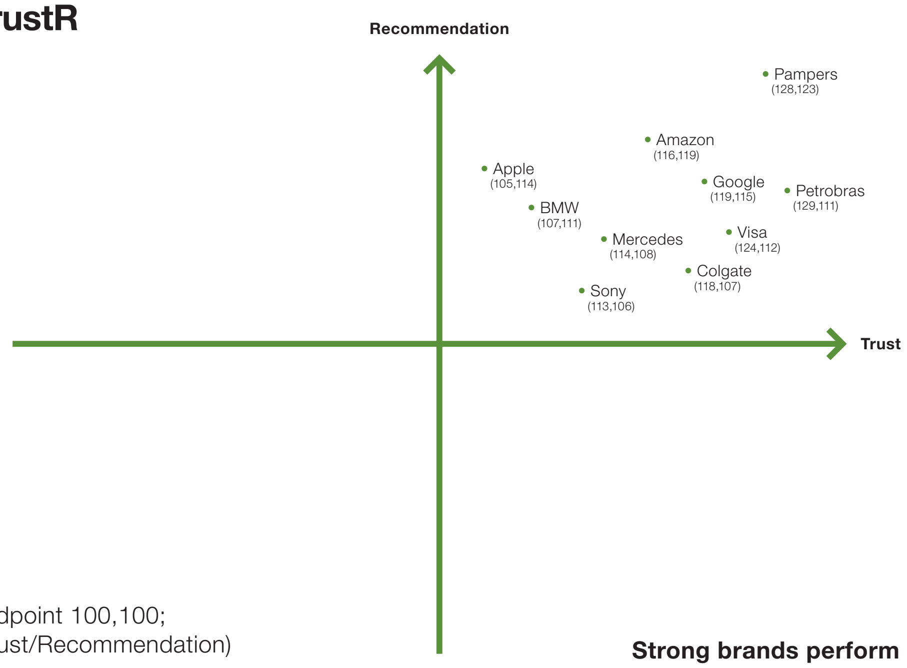
Among the Top 20 personal care brands, Colgate is the most trusted (118) and enjoys great value positioning. Its high Desire (123) and favorable Price score (90) yield a Value-D score of (133). Estée Lauder, the fastest-growing brand in the sector, and Natura, a new entrant from Brazil, are the most recommended. Estée Lauder received a Recommendation score of (125), Natura, (114).

Value-D



Midpoint 100,100; (Price/Desire)

TrustR



Midpoint 100,100; (Trust/Recommendation)

Strong brands perform well in TrustR and Value-D

These charts include a selected group of BrandZ leaders. The charts show how highly valued brands are trusted, recommended and strike the right balance between Desire and Price.

Retail

Amazon received one of the highest Value-D scores of the leading global brands across all categories. With a Value-D score of (146), Amazon has the relationship between Desire and Price just about right. It's also the most recommended retail brand (119). But the heritage of Marks & Spencer makes it the most trusted (112). Aldi led in Price (83).

Soft Drinks

Coca-Cola is the only positively trusted brand (103) in a category that generally scores low on Trust and Recommendation. One of the highest Desire scores (125) also makes the Coca-Cola among the best value brands worldwide with a Value-D score of (126).

Technology

Google may have lost its number one valuation spot, but it is still the most desirable technology brand (134). Along with Microsoft and Nokia, Google also is top in Trust (119) and Recommendation (115). Baidu led in Trust (127).

Telecommunication Providers

In fast-growing markets, consumers are much more likely to trust (110) and recommend (109) their local telecoms providers than are consumers in the mature economies where scores are lower for Trust (105) and Recommendation (99). However, in both fast-growing and mature economies the telecommunication providers sector ranks highest in Desire (114). Deutsche Telekom of Germany (132), Verizon in the US (122) and Mexico's Telcel (118) rank particularly high in Desire.

The BrandZ Top 100 Leaders in TrustR and Value-D

The results in the table below confirm two fundamental findings of the BrandZ Top 100 Most Valuable Global Brands report:

- Brand leaders successfully inspire trust and project value; and
- Brand leaders increasingly appear in fast-growing markets.

Pampers and Amazon are listed three times in this table. While consumers expect products in the childcare category to be highly trustworthy, Pampers consistently exceeds those expectations. Effective use of social media has helped the brand connect with new parents and score high both in Trust (performance over time) and recommendation (recent experience). In the process of driving a revolution in retailing and e-commerce, Amazon has established itself as a highly desired brand with a price image sufficient to rank second in Value-D.

The Number 1 brand in Value-D, Sberbank, is the largest bank in Russia. Founded in 1841, the bank renewed the brand to make its long heritage relevant to contemporary customers. Two other brands from fast-growing markets also appear in this table: Petrobras, Brazil's oil and gas giant and Baidu, the Chinese search engine.

Interestingly, the three Price leaders all are in retail, either bricks and mortar or online. Colgate's appearance underscores the brand's global stature. The presence of FedEx as a TrustR leader suggests that the brand continues to consistently deliver on its promise of reliability.

TrustR

TrustR		Trust		Recommendation	
Pampers	125	Petrobras	129	Estée Lauder	124
Petrobras	120	Pampers	128	Pampers	123
FedEx	118	Baidu	127	Amazon	119

Value-D

Value-D		Desire		Price	
Sberbank	155	Sberbank	140	Aldi	83
Amazon	146	Google	134	Target	84
Colgate	133	Amazon	133	eBay	86

Consumers bought apparel again, but not at every price point.

Low-priced brands with perceived quality enticed some consumers. Other consumers even edged back to premium brands, stirred from their recession hangovers by a desire for quality and value.

Lacking the appeal of low price or high fashion, brands in the middle suffered. And unemployment among young people – and many of their parents – moderated the critical purchasing power of teens and young adults.

The move back to higher-end apparel helped lift the Ralph Lauren brand value 18 percent. Ralph Lauren continued to offer its classic look in many sub-brands and a wide range of price points. The company renewed the aspirational nature of the brand with renovation of its flagship New York store located on Madison Avenue in a former mansion.

At the same time, fast fashion didn't slow. With stores in about 80 countries, Zara, up 15 percent in brand value, continued to thrive, particularly in Asia. H&M, which rose 7 percent, created excitement around the brand by collaborating with well-known designers and even co-created apparel with an H&M blogger.

The first Chinese apparel brand reached the BrandZ ranking Top 10. Shanghai-based Metersbonwe designs and retails apparel for young adults and benefited from its dominance in China where it operates over 4,000 stores. Uniqlo, a Japanese brand, also reached the Top 10 on the strength of its well-priced private-label fashion and simple but bold merchandising. Strong sales, particularly in the United States and China, and an 82 percent profit rise, pushed German fashion brand Hugo Boss into the ranking.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Nike	13,917	4	5	10%
2	H&M	13,006	2	8	7%
3	Zara	10,335	3	6	15%
4	Ralph Lauren	3,378	4	5	18%
5	Esprit	3,375	3	4	-29%
6	Adidas	3,088	3	6	-5%
7	Uniqlo	2,916	2	7	N/A
8	Next	2,567	2	5	0%
9	Hugo Boss	2,445	5	7	N/A
10	MetersBonwe	1,446	3	9	N/A

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

MillwardBrown Optimor

APPAREL UP 10%

Nike used digital to infuse the brand into everyday life. Its True City app, for example, provided Nike product details along with travel information that could be updated into a customized travel guide. The "Write the Future" campaign associated the Nike brand with the prowess of World Cup athletes and the event's driving excitement, competitiveness, spectacle and universal appeal.

The exposure helped Nike, up 10 percent in brand value, widen awareness in China and other fast-growing markets. Although Adidas received great visibility as the official sponsor of the World Cup, the brand achieved less of a lift.

Some brands struggled to find the right focus in a recovering economy that left many consumers still wary. Next stayed flat in brand value and Esprit declined, with profit down 21 percent during the last half of 2010.

APPAREL HIGHLIGHTS

Consumers replenished wardrobes but spent carefully, mostly on brands with a clear proposition of fashion and value.

Consumer concern about labor practices and environmental impact focused brand attention on ethical production.

The first Chinese apparel brand, Metersbonwe, entered the BrandZ ranking, as China's consumers drove sales of many international brands as well.

APPAREL IN 2011

Ben Lukawski, Partner Mindshare Worldwide, MindShare

Rise of co-creation

"One thing we've seen differently this year is the rise of the bloggers, above and beyond a standard fashion bible, especially with the youth audience. So much so that H&M have used a blogger and a journalist to actually design one of their collections."

SPOTLIGHT

A Japanese brand, Uniqlo operates more than 800 stores in Japan and about 140 internationally. It opened its first store in 1984, in Hiroshima, and expanded overseas with a London store in 2001. Uniqlo understood the public mood last year. Consumers viewed the brand's apparel as fashionable but practical, in a range of colors, and of good quality at the right price. The brand plans aggressive expansion in Brazil, India and China during the next few years.

In an industry traditionally driven by volume, several factors combined to increase the importance of brand.

Consumers in mature markets considered beer as an alternative to wine to accompany food. Growing mealtime consumption created interest in ale, which is less gassy than lager and therefore less filling. In fast-growing markets, Western brands continued to signal quality and status.

The recession-related rise in off-premise drinking, particularly in the UK, drove beer competition at retail, forcing brands to guard against becoming interchangeable traffic drivers always sold on promotion. Brewers developed portfolios of good, better and best brands and improved packaging to better compete on retail shelves.

The shift to home consumption produced some innovation. In a World Cup tie-in, Molson Coors in the UK introduced its Carling Home Draught. The product featured cold activation technology that enabled beer to be served extremely chilled. This trend, which started in North America, has taken hold in Europe.

Budweiser and Bud Light remained at the top of the BrandZ ranking, although they switched places, with Budweiser, the “King of Beers,” again crowned No. 1. Budweiser grew 12 percent in value. Because of distribution challenges and local taste preferences, only Budweiser and a few other beer brands, such as Stella Artois, enjoyed global recognition. Bud Light took over sponsorship of the NFL from Coors Light starting in 2011.

Reflecting the growing influence of fast-growing markets and the global marketing power of AB InBev, two leading Brazilian brands made the BrandZ Top 10. Skol had appeared before, but Brahma’s presence was a debut. The value of both brands increased dramatically.

In a trend prevalent in other product sectors, when people bought less, they spent on what they liked. Corona and Miller Light remained popular. Heineken, up 26 percent in brand value, benefited as premium imports in North America. Guinness appreciated 9 percent in brand value, despite the difficult economy in Ireland, its home market.

Brewers expanded their offering of specialty brands accented with fruit and other flavors in response to an increase in female beer drinkers. Some introduced brands with lower alcohol content. They marketed these offerings with care so as not to impact the successful light beer brands favored by young men, the core customers. In a related trend, the desire for craft beer continued, refining consumer tastes and raising awareness of brand.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Budweiser	8,805	4	4	12%
2	Bud Light	7,148	4	5	-12%
3	Heineken	6,577	5	7	26%
4	Corona	5,458	4	6	5%
5	Skol	4,579	5	6	68%
6	Stella Artois	4,534	4	4	-6%
7	Guinness	3,446	5	4	9%
8	Miller Lite	2,539	3	7	8%
9	Brahma	1,996	5	6	N/A
10	Beck's	1,936	4	5	N/A

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

MillwardBrown Optimor

BEER UP 7%

1. Anticipate change

Study the horizon for changes as they rise into view and be ready for changes that seem to materialize from thin air.

2. Understand change

Especially in a chaotic world, insight is the basis for forming a coherent strategy. When the dots fly apart, ask why. As they float randomly, try to reconnect them.

3. Stand for something original

Competitors are staring at the same dots and forming some of the same patterns. Make your response original and brand specific.

BEER HIGHLIGHTS

The Millennial generation's discovery of spirits and cocktails challenged beer marketers.

As consumption moved off-premise, price pressure made it difficult to build brands at retail.

In the United States, Stella Artois created a smartphone app for locating bars where Stella was sold.

BEER IN 2011

Nick Cooper, Managing Director
Millward Brown Optimor

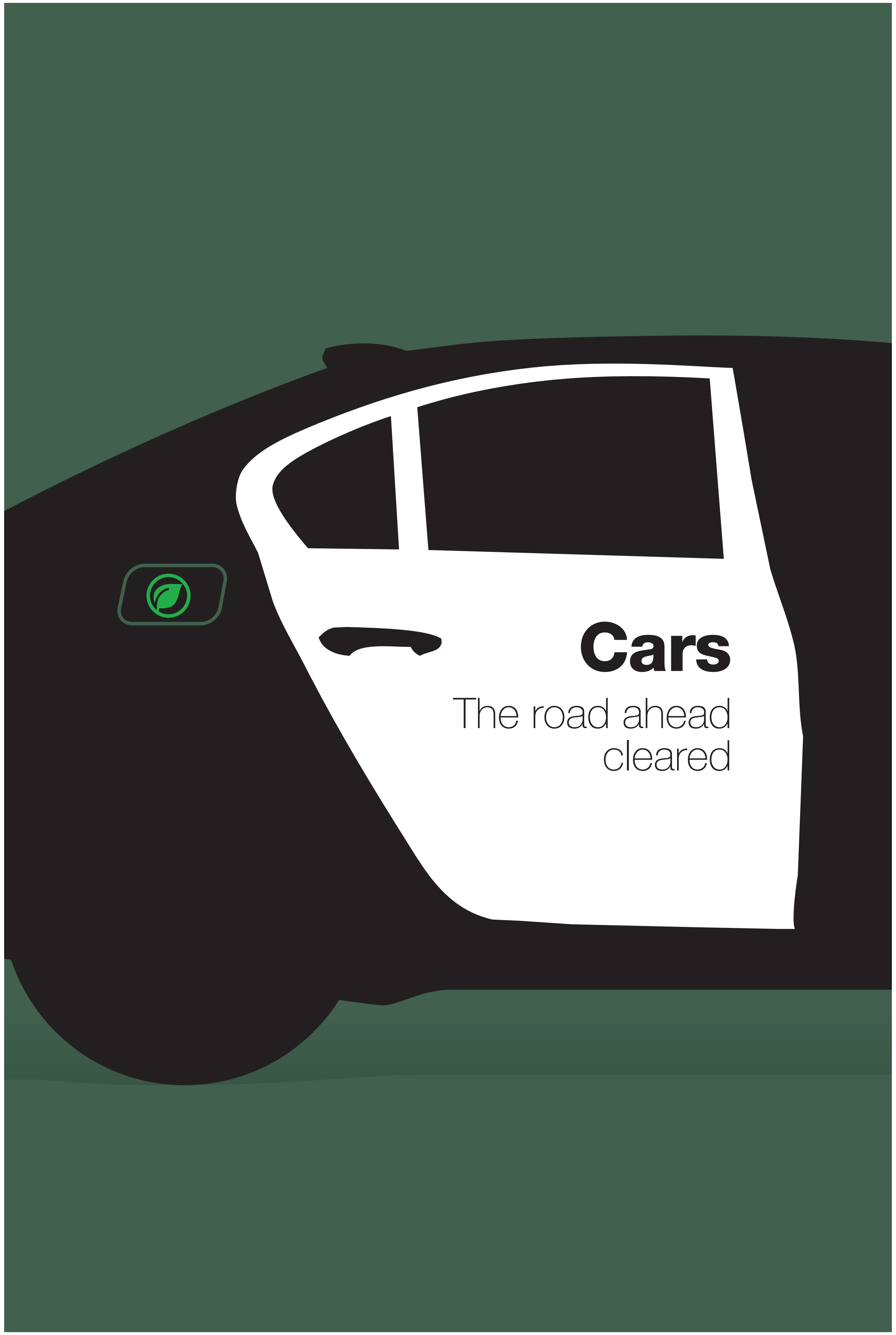
Changing tastes in developing markets

"We saw a real recognition of the role of the developing markets in the beer industry, and what is fascinating is that they are growing through a combination of imported Western premium brands, but also some very vibrant local brands as well, and the most fascinating thing of all is that you see a development of a beer drinking habit in developing markets that wasn't there before."

MillwardBrown Optimor

SPOTLIGHT

With a distinguished-looking middle-aged character called "the world's most interesting man," the Mexican beer Dos Equis, a Heineken brand, parodied how traditional notions of masculinity have been used to sell beer, demonstrating how clever media can lift a niche brand.



Cars

The road ahead cleared

Many car brands returned to robust health only a few years after disconnecting from the life support of government funding and auto purchasing schemes such as "cash for clunkers" or "scrappage."

Consolidation left fewer brands in North America and Europe. But the survivors emerged more customer-responsive and innovative, serious about meeting environmental and safety concerns of citizens and regulators and aware that consumer values, including perceptions of prestige, have changed.

The surviving Western brands probably are here to stay, and competition is expected from China and other fast-growing markets. Most Western car producers looked to China for long-term growth as the country's sales are expected to reach 30 million units by 2015, or about twice the size of the US car market. Volkswagen remained China's most popular car brand, but others have set up joint ventures in the country and at least one European heritage brand, Volvo, is now Chinese-owned.

Toyota rebounded 11 percent in brand value, demonstrating the resilience of strong brands. Lexus remained America's top-selling luxury car. To reassure the public following the recall of almost 8 million cars with a potential uncontrolled acceleration problem, Toyota introduced an extended warranty. A panel of NASA experts exonerated Toyota in early 2011, finding that driver mistakes were responsible for most of the reported incidents. Toyota increased sales by 8 percent to 8.4 million cars worldwide in 2010.

Ford reported its highest profit in 10 years, $6.6 billion, and GM showed signs of a strong comeback. Ford enjoyed residual goodwill in the United States for rejecting the government bailout and funding product improvements with its own capital. Named "Marketer of the Year" by Advertising Age, Ford added a more contemporary feel to the brand with an effective use of social media, including a launch of its Explorer SUV on Facebook rather than at an auto show. Ford's brand value grew 5 percent.

Two electric cars received attention. The Nissan Leaf was named "European Car of the Year." Motor Trend magazine named Chevy Volt "Car of the Year" and Green Car Journal named it "Green Car of the Year." Even as

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Toyota	24,198	4	7	11%
2	BMW	22,425	5	8	3%
3	Mercedes	15,344	5	8	12%
4	Honda	14,182	3	7	-1%
5	Porsche	12,413	5	6	3%
6	Nissan	10,072	2	8	17%
7	VW	7,408	3	8	6%
8	Ford	7,394	2	3	5%
9	Audi	3,808	4	8	5%
10	Lexus	3,648	4	5	N/A

Source: Millward Brown Optimor
(including data from BrandZ, Bloomberg and KPMG Industry Reports)

MillwardBrown Optimor

CARS UP 7%

smart consumption replaced conspicuous consumption in the calculus of value, the prestige brands, such as BMW, Mercedes and Porsche, sold well because their quality remained undisputed and enough shoppers could still afford them. Audi reached record sales of over 100,000 units in the United States. Demand in China also drove sales of the luxury brands.

Hyundai and Kia improved and promoted the style and reliability of their products, which they confidently backed up with long-term warranties. As their reputation improved, Korean brands became a post-recession consumer smart choice for buying quality and style without paying a premium for badge status. To some observers, the Korean car brands did a better job than Toyota and Honda of executing the well-respected Japanese car playbook.

4.

Stand for something consistent

Every new trend is tempting and may even drive sales, at least at first. But not every trend fits the brand and the customer's expectations of the brand.

5.

Stand for something more

CSR is nice but not enough. Make social action relevant to the brand and sincere. Consumers dismiss window dressing. Fix any supply chain problems that potentially harm people, and minimize impact on the environment.

6.

Innovate: Easy to say hard to do

But consumers expect leading brands to deliver the future.

CARS HIGHLIGHTS

The car industry made cars people wanted – and the cars sold.

Shoppers spent more time researching online and relying on third-party comments as car marketing adjusted to the digital age.

Fuel efficiency became a hygiene factor, and Toyota's Prius continued its market leadership.

CARS IN 2011

Chris Hunton, CEO Team Land Rover/ WPP Account Leader, Y&R

Textbook on brand resilience

"Toyota has been a very interesting brand case study. When you see the depths to which Toyota had sunk, the concern that was being exhibited in the US about safety problems. And when you compare that with the way the brand performed in terms of sales at the end of the year, Toyota is a textbook example of brand resilience. In the sense that, if you invest in the brand over a number of years, actually it does ensure that you're able to withstand most things that happen to you in the marketplace."

SPOTLIGHT

Ford gained positive attention both for what it didn't do (take government bailout money) and for what it did (rationalize its brand offering and improve vehicle quality). It also spent 2010 preparing for the launch of its global car, Ford Focus, in March 2011. Ford intends to simplify production to build 10 different global models on a single platform. The company also invested heavily in China and renewed Lincoln as its luxury option.

Snacks also contributed to sales growth as fast-food brands expanded into the off-hours of an industry built around lunch business.

The focus on breakfast and between-meal snacks was an effort, primarily in North America, to add new profitable products and lift the productivity of the restaurants by driving customer traffic throughout the day. It especially helped fuel McDonald's, SUBWAY and Starbucks.

The pizza segment benefited from its perceived value as a dinner solution. In mature markets, the brands aimed at building business around sporting events and other occasions. Pizza Hut and Dominos also enjoyed strong sales in China, which Pizza Hut entered more than 20 years ago.

The addition of new meal options, along with an emphasis on value, lifted the fast-food category overall. In the third quarter of 2010, the fast-food industry reported positive traffic for the first time since mid-2008, according to the industry's Crest research results.

Breakfast was one of many factors that contributed to the dramatic renewal of Starbucks, which increased 40 percent in brand value. The coffeehouse also implemented efficiency improvements, revised pricing and enhanced its in-store experience.

McDonald's increased advertising spending, introduced a $1 breakfast menu and added oatmeal at $1.99. Available all day, oatmeal drove traffic, projected value and reinforced the chain's efforts to offer healthier options on a menu still weighted with burgers and fries. Brand value surged 23 percent.

Burger King and SUBWAY also introduced breakfast options. Consistent with SUBWAY's positioning as a healthier fast-food option, the breakfast consisted of a customized meal made from egg whites with a choice of meats, cheeses, vegetables and breads. The chain used breakfast to leverage its lunch business by suggesting that early-morning customers pick up a sandwich for later in the day. SUBWAY also benefited from its international reach with almost 34,000 outlets worldwide, surpassing McDonald's, in second place, by about 1,000. The SUBWAY brand rose 19 percent in value.

Breakfast and snacks created new occasions for some fast-food brands to increase coffee sales. The added caffeine jolted profit potential but also widened the competitive set to include operations such as Dunkin' Donuts and Starbucks. Starbucks successfully added an entry price point of $1.50 for coffee while maintaining prices for other drinks, and experienced growth in traffic, sales and profit. Wendy's and Taco Bell were expected to enter the breakfast space.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	McDonald's	81,016	4	7	23%
2	SUBWAY	14,306	4	5	19%
3	Starbucks	11,901	5	5	40%
4	KFC	8,216	3	5	15%
5	Pizza Hut	5,305	3	3	58%
6	Tim Hortons	2,678	4	7	-17%
7	Wendy's	1,994	4	3	-20%
8	Burger King	1,931	3	4	9%
9	Taco Bell	1,873	3	2	2%
10	Domino's Pizza	620	2	6	N/A

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

FAST FOOD UP 22%

Wendy's and Burger King were among the fast-food brands that struggled with traffic levels because of the high unemployment among young men, the fast food sector's core customer. KFC also experienced traffic declines in developed markets, as consumers sought healthier options than fried chicken, the chain's signature offering. But KFC continued to enjoy success in China, where menus at its 3,200 outlets in 700 cities often include Chinese dishes, and where corporate parent Yum! also operates Pizza Hut and other brands.

7.

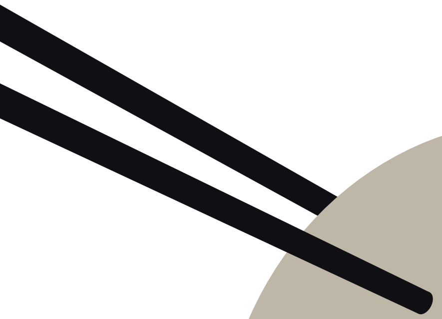
Differentiate

Create a brand personality that's clear and resonates with the consumer emotionally. That connection generally is harder to copy than functional advantages and it builds more valuable brands.

8.

Converse with customers

The customer is not always right. But in the world of social media customers always are heard and generally offer useful opinions.



9.

Talk clearly

So that the brand is heard above all the noise, invest in the content that people talk about and share.

FAST FOOD HIGHLIGHTS

Meal deals continued to drive the fast food business as consumers remained budget conscious.

The deals produced traffic gains but without growth in average ticket value for some chains.

The resilience of the fast food sector attracted new competition, as some mid-tier casual dining brands developed fast food sub-brands.

FAST FOOD IN 2011

Larry Swyer, Managing Partner, MediaCom

Good deals and healthy meals

"Along with the growth of breakfast, we saw other trends that will continue over the next few years. With the difficult economy, we see the fast food chains offering a lot of different deals to drive traffic into their restaurants. We also see health as a big issue. People are very interested to know what is going in their food. They worry about sodium. They worry about calorie count. Innovation is very important. Consumers are looking for things that are new and different."

MEDIACOM
People first, better results

SPOTLIGHT

At the start of the recession, Starbucks seemed to symbolize the high prices and self-indulgence that consumers rejected in favor of frugality. Today, after the intervention of founder and CEO Howard Shultz, Starbucks has trimmed the number of stores, added a more attractive opening price point in Pike Place Roast, and improved the coffee-centric environment of its outlets. It turns out that people in mature markets still want to break up the day with an expensive latte. And Shultz is betting that people in the rising middle classes of the BRICs will feel the same way.

The Digital Revolution:

Shoppers and brands share the power in the new commercial democracy

The numbers tell the story.

Apple is the world's most valuable brand, followed by Google. Facebook, just seven years old, appears in the BrandZ Top 100 Most Valuable Global Brands for the first time, at No. 35.

While the meteoric rise of these technology brands is compelling, equally important is their impact, as brands in every product sector respond to the fast-changing world of digitized and disintermediated information.

Last year, brands reached customers on brand and retailer Web sites, on Google and other search engines and on mobile apps that rewarded shoppers for interacting with brands. Some brands led the way. Others attempted to catch up.

Few ignored the tide. As recent events in the Middle East demonstrate, digitally connected people wield enormous power to express their desires and influence each other and events. The analogy to brands is imperfect, but respecting it is imperative.

As digital revolutionizes the relationship between brands and consumers, interactions that could be adversarial increasingly become collaborations aspiring to mutual benefit and reciprocal trust.

In these digitally enabled relationships, the role of marketer as brand builder, selling products to the public, is supplanted by the role of marketer as brand enabler, engaging the public's help to improve products and raise customer satisfaction.

In a digital creation story, the universe isn't completed on the sixth day. It's a work in progress, a partnership aimed at perpetual renewal and relevance. One element remains the same, however – the desire for an apple.

Collaboration and co-creation

At the start of last year, few people fretted that their lives felt bereft of a digital gadget smaller than their laptop but larger than their mobile phone. By the end of 2010, however, around 18 million of us owned iPads or other tablets.

Apple understood that its customers wanted access to data and images anywhere, anytime, in easy-to-view definition with an easy-to-use touch interface. In a span of a few months, the brand met these needs with the iPad and iPhone 4.

Apple trusted that its customers would discover uses for these products that would help organize, simplify or complicate, but mostly improve their lives. This co-creation approach resulted in roughly 350,000 Apple apps, and it added value to the product and the brand. Another perhaps 250,000 Android apps were created.

In a similar co-creation, brands improved products and marketing based on comments from customers in conversations on social networking sites. Co-creation also was the basis of collective shopping sites such as Groupon, which help merchants and brands increase sales and shoppers increase savings. Digital enables strangers to connect around something they share in common – the desire for a bargain.

Shift in how we view customers

When brands enjoyed sovereign control over the dissemination of information about themselves, marketers could choose a demographic – for example, 18-to-24-year-old women – and design an attention-grabbing, persuasive 30-second TV commercial.

That's changed. Some of our interests cut across the traditional demographic categories, often making our designation as a Millennial or Boomer less relevant than whether it's Monday morning or Saturday night and whether we're focused on planning for the week or for our next vacation.

Brand success requires recognizing this change and allowing customers to self identify, form groups, and access utilities and dynamic, well-built libraries of information. Last year, Pampers, No. 34 in brand value, launched an iPad app called "Welcome Baby." It illustrated the development of a fetus in the womb and helped expectant parents understand and track the stages of pregnancy.

This kind of information is the currency of the digital democracy. It changes brand-customer interaction from a series of isolated transactions into an ongoing relationship that becomes deeper and more interconnected. With each encounter, the customer gains more knowledge about the brand and brand-related topics and the brand learns more about the customer.

Sustaining these relationships depends on transparency and trust from both sides, brand and customer. Both sides lose when the relationship deteriorates because brands collect information using stealth tactics or customers respond with a subterfuge of false information.

Quality products need quality content

But being straightforward gets brands only part of the way. The quality of the brand-consumer interaction online is determined in part by the quality of the digital content. Brand manufacturers, retailers and their ad agencies traditionally have not been in the content-creation business.

Consumer product companies and their advertising agencies are sometimes more comfortable with the traditional research-driven, time-consuming process aimed at perfecting a campaign. Digital content, in contrast, is more iterative. Speed subordinates perfection. Ongoing presence and continuity supersedes the finite nature of a campaign.

Campaigns were designed for the path to purchase shaped as a funnel, for consumers who would move predictably and sequentially from awareness, engagement, discovery and investigation to selection. Campaigns alone are insufficient in the digital world of shopper marketing, where the path to purchase has exploded into random, non-linear points of influence when the shopper may be in front of a computer screen at home, making a shopping list or walking down the street about to enter a store.

Digital's impact on shopping soon will intensify further as 4G – with rapid transmission of rich data – becomes more widely available and mobile devices continue to offer greater sophistication for less money. The path to purchase will never look the same. Its appearance may be most radically shaped in fast-growing markets like Brazil, China or India, where mobile was the first telephone experience for many consumers. Brands face immense and unpredictable challenges in this highly connected, increasingly transparent and digitally transformed world.

DIGITAL IN 2011

Scott Sorokin, Global Digital Leader, Mindshare

Brands lose some control

"Brands, historically, have managed the assets they have made in places that they own, but the future will belong to brands that manage assets that they don't make, in places that they don't own, like Facebook, Twitter, social media."

MINDSHARE

10.
Listen closely

A customer who talks about a brand cares about it. And one good opinion quickly can yield insights to inform important brand improvements and lift sales.

11.
Be honest

To err is human.
To cover up is unforgivable.
Especially in a transparent, socially-networked world.

12.
Be open

Transparency is a buzzword, but that's because it covers everything from pricing to problems. It's essential and expected.

Financial institutions

Earning money, restoring trust

Banks were at an inflection point.

Most banks stabilized their businesses. Balance sheets looked better. The major remaining deficit was customer trust in the brand.

It proved difficult to restore, particularly in the US, where the foreclosure rate remained high and small business loans scarce, while the banks inadequately explained how they'd not just survived but also contributed to economic growth.

In addition, the ubiquity of digital commerce and social networking challenged financial institutions to change how they market and serve customers. Post-recession government regulations limited certain fees. Banks responded by continuing to serve high net worth customers while improving service to the "mass affluent" by adopting small-bank approaches to service.

The banks in fast-growing markets, such as India's ICICI and Itaú of Brazil, appreciated in value. ICBC, the world's largest bank in market capitalization and profit, operated over 16,200 branches throughout China. China's second largest bank, China Construction Bank focused on telecommunications and other rapidly expanding industries. The brand appreciated 22 percent. As the nation's most global bank, with international operations in 29 countries, Bank of China may have been more impacted by global financial issues.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	ICBC	44,440	2	5	1%
2	Wells Fargo	36,876	3	2	97%
3	Visa	28,553	4	9	15%
4	China Construction Bank	25,524	2	4	22%
5	HSBC	22,587	2	2	-4%
6	Bank of China	17,530	2	4	-20%
7	RBC	17,182	3	4	3%
8	American Express	17,115	3	2	23%
9	TD*	16,931	4	1	19%
10	Agricultural Bank of China	16,909	1	6	N/A
11	Citi	15,674	2	1	17%
12	ICICI Bank	14,900	3	3	3%
13	MasterCard	13,543	4	7	16%
14	Chase	12,083	3	3	-3%
15	Standard Chartered Bank	12,033	2	2	45%
16	Santander	11,363	2	5	-37%
17	US Bank	10,525	3	2	26%
18	Scotiabank	10,076	2	2	N/A
19	Itaú	9,600	2	3	29%
20	Bank of America	9,358	1	3	-43%

*Correction to TD's 2010 value. Brand value in 2010 is $14,202, not $10,274
Source: Millward Brown Optimor (including data from BrandZ and Bloomberg)

MillwardBrown Optimor

FINANCIAL INSTITUTIONS UP 9%

Standard Chartered Bank, a UK-based institution, earned the majority of its profits from emerging markets and was minimally exposed in North America and Europe. It grew 45 percent in brand value. HSBC enjoyed the efficiencies and risk balance provided by its extensive global network. Benefits from the acquisition of Wachovia continued to accrue for Wells Fargo. Brand value almost doubled. Chase had a head start coming out of the recession because the bank went into it less exposed to debt.

Meanwhile, Citi and other banks moved beyond viewing their customers according to traditional demographic categories. Instead of focusing on income, the banks organized offerings around attitudes and interests. Citi marketed to a group it calls "generations forward," young aspiring people defined by post-recession values that include taking responsibility for their personal welfare and the world's.

Bank of America continued to recover from the global financial crisis and its acquisition of Merrill Lynch. Despite its strength in fast-growing Latin America markets, the Spanish bank Santander was hurt by results from its European operations.

American Express posted strong profits as consumers and businesses returned to spending and more cardholders paid balances in full each month. Brand value rose 23 percent. The post-recession consumer shift away from credit to cash and debit cards forced credit card companies to rethink their business models. Visa's "life flows better," campaign suggested that the card helps the user move through life more easily. The brand increased 15 percent.

FINANCIAL INSTITUTIONS IN 2011

Mich Bergesen, Global Director, Financial Services, Landor

Offering real value

"There's an opportunity for banks now to put their money where their mouths are, in terms of focusing on responsible lending and offering real value on their products and services."

Landor

FINANCIAL INSTITUTIONS HIGHLIGHTS

Banks excelled at using digital for transactional needs, such as online banking, but lagged in brand-building social media applications.

Investment banks especially struggled with post-crisis issues of reputation and trust.

While customers often engaged with small local institutions for checking and other transactional services, they generally kept their savings in the large institutions viewed as too big to fail.

SPOTLIGHT

Russia's Sberbank appeared for the first time in the BrandZ Top 100 Most Valuable Global Brands on the strength of a successful initiative to transform it into a friendly bank of choice rather an institution recalled for its dominating presence during the Soviet period and a heritage dating to 1841. A program called "Leading the Change in Russia," updated the brand and emphasized its national reach with almost 20,000 branches. In 2010, Sperbank accounted for almost 40 percent of the banking sector's profits in Russia, compared with 29 percent in 2007. Fees and commissions drove net income to increase by a factor of 7.4 to roughly $16 billion (181.6 billion rubles) in 2010, from $800 million (24.4 billion rubles) in 2009.

Insurance

Back to basics

Insurers focused on fundamentals last year.

They divested tangential businesses and introduced innovations that increasingly shifted control of purchasing to the consumer.

The moves came as part of an effort to rebuild the trust eroded when consumers conflated insurance companies with banks and other large institutions whose practices contributed to the global financial meltdown.

Some insurers divested or rebranded their asset management businesses, dissociating themselves from troubled high-risk investments. Allianz divested Dresdner and rebranded AGF as Allianz. Insurers concentrated on underwriting policies.

Leading the insurance sector in brand value, China Life and Ping An, along with China Pacific, benefited from the size of the Chinese market and the rapid growth of the insurance industry. Publicly traded China Life holds over 90 million policies. Along with its corporate business, Ping An serves about 56 million retail customers.

Property and casualty insurance companies continued to grapple with increasing consumer control over the process of purchasing insurance. The ability of consumers to bypass brokers and research and purchase insurance online, began with auto and home and expanded into life.

In the United States, MetLife, which grew in brand value by 31 percent, launched a Web site called "Straight Story on Life Insurance." The site takes consumers through many contingencies and allows them to comparison shop. In the UK and Continental Europe, consumers continued to purchase through online aggregators. In contrast, US-based State Farm emphasized its sales force and its "Good Neighbor" positioning.

A clear demarcation seemed to emerge between full-service, agent-led brands, such as State Farm and Chubb, and brands, such as GEICO and Progressive, which invested in sophisticated virtual solutions to serve clients. GEICO, a subsidiary of Warren Buffett's Berkshire Hathaway, increased 53 percent in brand value. Its edgy campaign, featuring a gecko speaking with an East End London accent, helped the company add auto insurance customers. It now seeks to expand its business into homeowners insurance.

Sale of UK holdings impacted the brand value of the French insurer AXA.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	China Life Insurance	19,542	2	9	N/A
2	Ping An	10,540	3	7	N/A
3	State Farm	8,393	2	8	2%
4	Allianz	5,223	2	7	17%
5	China Pacific Insurance	3,660	2	3	N/A
6	AXA	3,505	1	4	-11%
7	GEICO	2,785	2	4	53%
8	MetLife	2,270	1	6	31%
9	Zurich	2,023	1	1	4%
10	Allstate	1,863	2	4	18%

*Value growth in the Insurance category results from the inclusion of China Life Insurance, Ping An and China Pacific Insurance.
Source: Millward Brown Optimor (including data from BrandZ and Bloomberg)

MillwardBrown Optimor

INSURANCE UP 137%*

13.

Build trust

Because mistrust may be the default consumer attitude coming out of the recession, trust can be difficult to build but powerful when it's established.

14.

Deliver a great experience

Introducing and polishing shiny objects is fine, as long as they work reliably and don't cause customer frustration.

15.

Deliver value

Post-recession consumers appreciate durability, quality and heritage, and they expect to purchase them at a fair price.

INSURANCE HIGHLIGHTS

Allianz launched a campaign stressing its global reach and empathy with diverse people facing real life problems.

AIG sold its asset management business to a Hong Kong firm, part of an overall industry trend to focus on basics and restore consumer trust.

The uncertainty around healthcare reform in the United States affected a segment of the insurance industry and complicated planning.

INSURANCE IN 2011

Nick Clark, Creative Consultant, The Partners

Insurers develop personalities

"Insurance is a low interest category and is suffering from increased commoditization. The challenge for brands is really to create some kind of compelling personality that can allow people to engage emotionally with the brand, above and beyond. The other thing is to actually act on what you're saying. It's not enough these days just to advertise, you have to actually do as well as say."

THE PARTNERS

SPOTLIGHT

The direct-to-consumer trend, which began in auto and home, moved dramatically into life insurance last year with MetLife's "Straight Story on Life Insurance." The award-winning online utility maps the consumer's journey and explores the appropriate life insurance options and financing plans. It enables consumers to comparison shop and puts them in control of a significant purchase that traditionally depended on an agent.

Luxury

If you've got it, enjoy it!

Luxury came back, without apology.

Although consumers in North America and Europe continued to reject conspicuous consumption, those who could afford the most exclusive shops no longer eschewed the shopping bags that proclaimed their good fortune.

The new ethos frowned on flaunting and encouraged awareness of how one's purchases, whether diamonds from African mines or apparel stitched in Asian factories, impacted the environment and people all along the supply chain.

Connected to the concern with a product's origins was a deepened appreciation for the craftsmanship that went into its creation. In a world of mass-produced consumer goods, bespoke attention to individuality became the ultimate luxury. And it provided a rational reason – if needed – for justifying an emotional, expensive purchase.

Many brands raised prices. Those that genuinely could claim a history of design leadership and customization capitalized on their brand heritage in advertising and in online and in-store presentations. Gucci turned areas of some of its stores into small workshops where customers could view leatherworkers crafting handbags.

To attract a new generation of shoppers, Louis Vuitton launched a program to encourage young artists with publicity and financial support, while continuing to evoke its heritage in travel to preserve relationships with the brand's traditional following. Louis Vuitton remained the highest-valued luxury brand and increased in value by 23 percent.

Louis Vuitton broadcast its London fashion show on YouTube, an indication of the industry effort to be more contemporary in both product and communication. Burberry sent personalized messages to the mobile phones of customers, inviting them to view the brand's London fashion show streamed live to a Burberry store. Any item from the catwalk could be purchased for delivery within weeks. Burberry continued to successfully rejuvenate the 155-year-old British heritage brand and enjoyed year-on-year double-digit increases in all markets.

Chanel entered e-commerce for the first time, although more for the sale of accessories than couture, because extending luxury credentials to the mass market risked diluting the exclusivity of the brand. Brands that protected their exclusivity – such as Chanel, Hermès, or Cartier – were better insulated from the recession than more accessible luxury brands. The Hermès brand value grew 41 percent.

Hermès launched a Chinese brand that may herald the inception of luxury brands developed in fast-growing markets. Meanwhile, China and other BRIC countries remained important markets because badge status gratified a growing middle class and a band of affluent individuals who had wealth for the first time and were ready to spend it.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Louis Vuitton	24,312	5	7	23%
2	Hermès	11,917	5	8	41%
3	Gucci	7,449	5	4	-2%
4	Chanel	6,823	5	9	23%
5	Cartier	5,327	5	6	34%
6	Rolex	5,269	5	5	11%
7	Hennessy	4,997	5	8	-7%
8	Moët & Chandon	4,570	5	8	7%
9	Fendi	3,422	5	5	7%
10	Burberry	3,379	4	7	N/A

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

MillwardBrown Optimor

LUXURY UP 19%

16.

Grow brand value

Brand value translates into sales, customer loyalty and – as shown by the performance of the BrandZ Top 100 – resilience even during the toughest economic times.

17.

Protect brand value

Every communication or interaction with a customer needs to fulfill the brand promise.

18.

Be consistent but flexible

Deliver the same coherent global message across cultures, but express it for local comprehension.

LUXURY HIGHLIGHTS

Ultra-luxury returned, prices increased and aspirational brands did well.

Because their customers were online, luxury brands discovered ways to be there as well.

Fashion magazines competed with bloggers for influence.

LUXURY IN 2011

Penny Logier, Managing Director, MediaCom

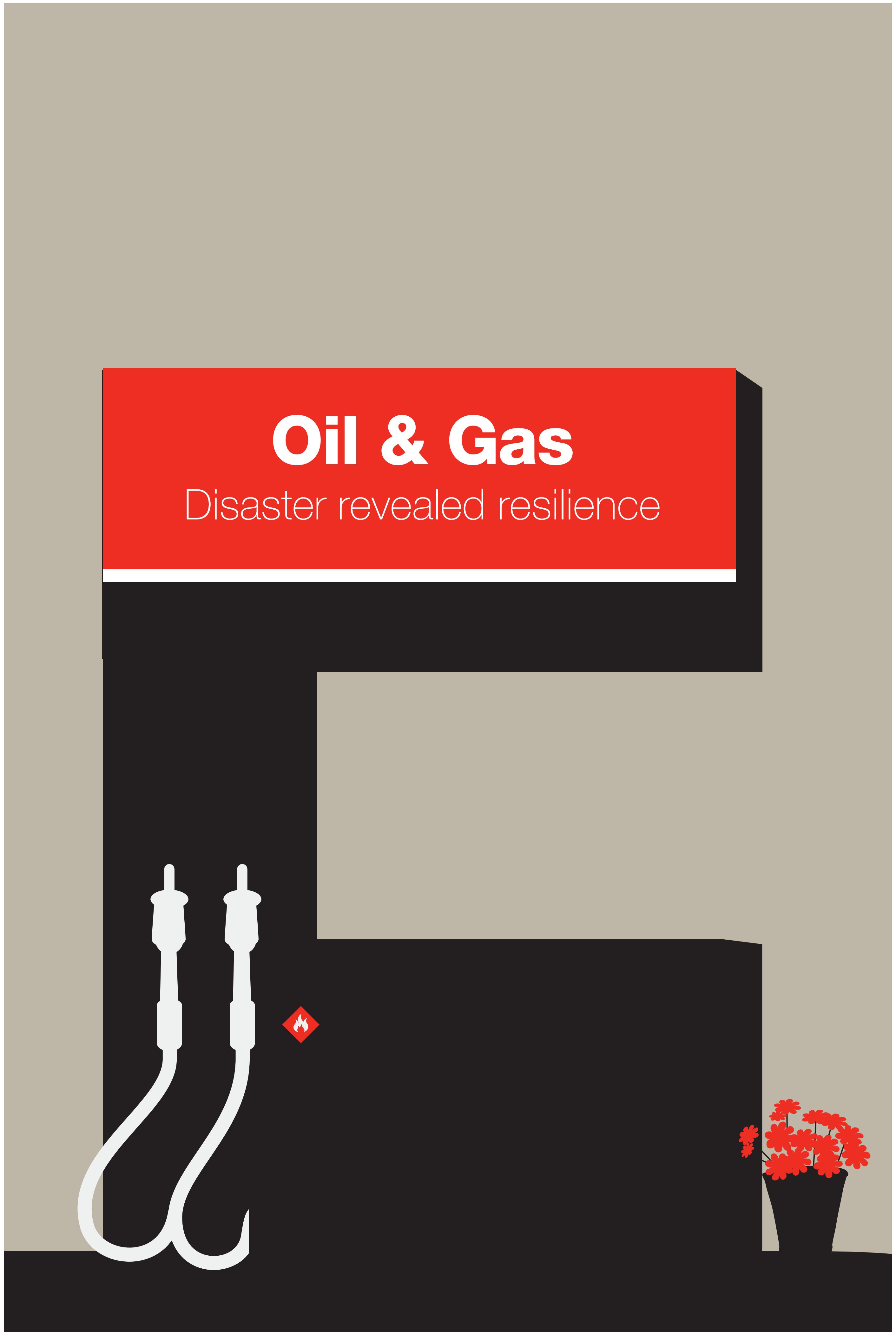
Extending the reach of luxury

“We found that the consumer is more and more able to buy into the assets of the couture brands by simply purchasing things like a lipstick, or a handbag or even sunglasses.”

MEDIACOM
People first, better results

SPOTLIGHT

LVMH purchased a stake in Hermès, one of the few ultra-luxury brands with long and respected heritage still held privately. The action raised speculation that LVMH eventually would bid for the entire company. Such a deal would further consolidate the luxury category and add efficiencies and prestige to the LVMH portfolio. The potential impact on the Hermès brand isn't as clear. The family owners of Hermès made clear their desire to retain control.



The big story, of course, was the BP disaster – the tragic Deepwater Horizon accident and its impact on the environment, the local economy and the lives of individuals.

The disaster highlighted the importance and the vulnerability of brands in a category where brand contribution to brand equity traditionally has been low.

Oil and gas companies explore the world's remaining oil reserves, often located in extreme environments miles below the ocean floor. Proven competence and brand stature is critical for convincing governments to grant exploration rights and for influencing regulators. The BP disaster undermined this agenda.

It also reminded oil companies to cultivate broader support by addressing the contradictory consumer messages: respect the environment, energize our lives without interruption, and keep fuel prices low. Each brand attempted to explain this energy paradox more openly, while making an argument for its particular approach to reconciling the seemingly irreconcilable.

Exxon's communications continued to focus on operational excellence. Shell launched a global corporate campaign with the strapline "Let's Go," emphasizing working collaboratively with partners and end users to find answers to the energy challenge.

Chevron's "We Agree" campaign suggested that company and consumer are on the same side of the multi-faceted energy issue. Ironically, BP may have been the most brand-conscious and differentiated brand because of its Helios logo and related emphasis on corporate responsibility.

Brand is especially critical for publically owned oil companies because they compete against state-owned organizations that operate in a different regulatory environment and control most of the world's oil business. Projects available to publically owned companies generally require deep water drilling or meeting other challenges that entail the most expense and risk.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	ExxonMobil	16,973	1	8	10%
2	Shell	15,168	1	5	0%
3	Petrobras	13,421	1	7	39%
4	BP	12,542	1	5	-27%
5	PetroChina	11,291	1	10	-19%
6	Chevron	8,120	1	8	12%
7	Gazprom	6,849	1	7	24%
8	ConocoPhilips	6,486	1	6	21%
9	Lukoil	5,792	1	10	N/A
10	Total	5,262	1	7	-25%

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

MillwardBrown Optimor

OIL & GAS UP 1%

Relative to the state-owned companies, the public oil and gas providers will feel much more pressure to meet the world's need for energy in ways that are safe and environmentally responsible. In a possible deal with Russian oil giant Rosneft, BP would explore for reserves in Russia's Arctic.

Some well-capitalized companies in fast-growing economies sought undervalued assets in developed markets. PetroChina, for example, acquired a stake in a Scottish refinery. Brazil's Petrobras raised $67 billion from a public offering to help fund exploration in some of the world's largest and most difficult deep-water reserves. Based on expectations, the brand value of Petrobras rose 39 percent.

Gazprom, Russia's largest company, was well positioned during this period of diminished oil reserves and heightened environmental concern. As its brand name implies, Gazprom is the world's largest natural gas company. Its brand value increased 24 percent.

SPOTLIGHT

By 2012, Shell for the first time will produce more gas than oil. Last year it established a biofuel partnership with Cosan, a Brazilian ethanol producer. Increasingly, companies are struggling to replace the oil reserves they deplete with newly discovered reserves. Leading brands continued shifting their attention to gas because oil reserves are limited and exploration is complex and expensive.

OIL & GAS HIGHLIGHTS

Brand may become more important even for state-owned companies as they move out of their home markets.

Incentives for producing renewable energy became less likely as governments struggled to cut spending and balance post-recession budgets.

Demand from fast-growing economies drove oil prices to almost $100 per barrel, near pre-recession pricing, although the industry had not yet returned to pre-recession activity. Unrest in the oil-producing Middle East pushed prices higher early in 2011.

OIL & GAS IN 2011

Geoff Beattie, Global Head, Corporate Affairs, Cohn Wolfe

Brands need to explore and explain

"Oil and gas companies have a vital role to play in securing the world's energy future and providing enough energy for the nine billion people that it's estimated will be on the planet by 2050. The first challenge is to find a lot more oil and gas. The second challenge is to deliver it in an environmentally responsible and safe way. The communication challenge for the oil and gas companies is to demonstrate to the rest of us exactly how they are going to do that. What reserves are going to be important to securing the world's energy future? And how we are going to get those out, when some of the challenges of exploration and production in the oil and gas business are formidable? So I think the oil and gas companies have to explain to the world how this can be done in a safe and environmentally responsible way."

cohn&wolfe

A Generational Shift

By G. Walker Smith,
Global Executive Chairman,
The Futures Company

Much of what we believe about Millennials is wrong. But the one thing that matters most we get right.

Millennials have been trumpeted by pundits and heralded by headlines as an optimistic, open, committed and socially conscious generation, itching to step up and rescue the world from the mistakes and excesses of generations past. Unfortunately, such pronouncements are little more than wish-fulfillment by older observers. A careful assessment of longitudinal cohort data by The Futures Company in its 2011 *Unmasking Millennials* report shows that Millennials are just like every other generation in their optimism and prosocial attitudes. As they age, these attitudes decline. By the time Millennials reach their late twenties and early thirties, their attitudes are better described as those of adults than as those of a distinct cohort. For many things, age is more important and a better predictor than generation. But not for everything, especially not technology.

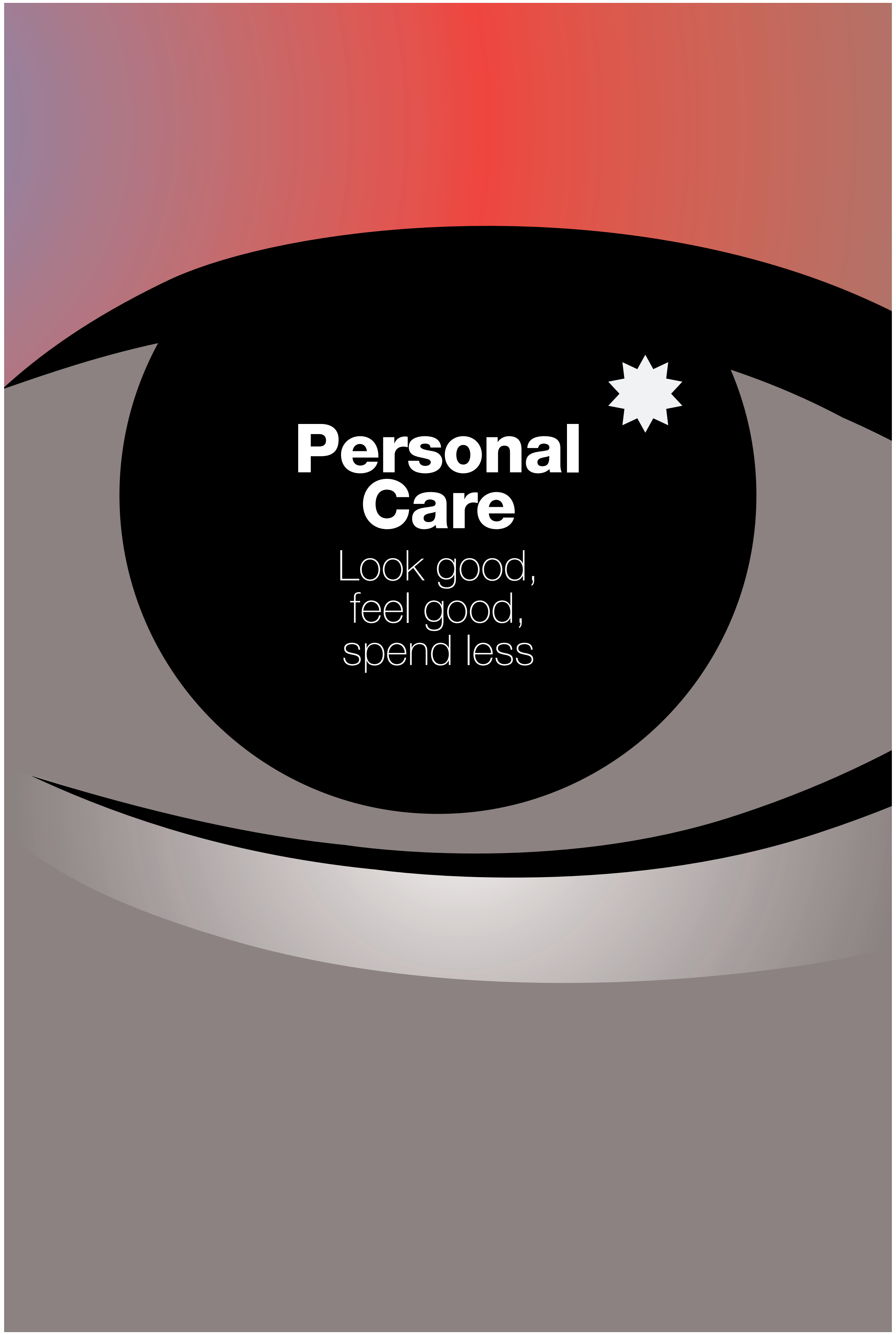
The generational divide that distinguishes Millennials is one of technology. The technology revolution of personalized computing that first blossomed in the 1970s has been an everyday reality for Millennials. The same is true for the Internet revolution that broke out in the mid-1990s. Millennials have come of age steeped in a deeply wired, technologically sophisticated world that moves at a continually accelerating pace. Only older generations remember something different and thus see today as something special. For Millennials, this is just the way things are.

It is the experience of technology not simply the density of technologies that makes Millennials different. By and large, older generations have approached technology from an information point-of-view. For them, technology is about processing data, for which productivity and efficiency are the key metrics. Not so Millennials. Certainly, information matters, but technology is more about connection. Technology is social. Information, in fact, is managed and modulated through connections.

For marketers, the technology divide across generations is profound. Older consumers want information and entertainment from media. Millennials see media as platforms for connection. Older generations have grown up directly interacting with marketing communications, processing ads and making decisions individually. Millennials encounter marketing as part of their on-going, never-ending, constantly-evolving conversations about brands, issues, celebrities, causes, sports, politics, music and more. Young consumers no longer encounter marketing in the ways embedded in traditional models of marketing, media, persuasion and attitude change.

The old objective of marketers was to be heard above the noise. In effect, it was about out-shouting the competition; hence, the relevant metric was share of voice. Today, and tomorrow, the objective must be one of getting talked about, for which the relevant metric will be share of conversation.

Millennials are an intensely social cohort for whom interconnection and engagement are fundamental. Though older generations will continue to hew to a more individualistic style, technology will force them to be more social. In this way, at least, the world as a whole is looking younger such that all generations will soon be able to claim that we are all Millennials.



These imperatives characterized mid-market consumers, well informed by online social networks and more savvy from recent economic necessity.

Luxury consumers also returned, driving the performance of brands like Lancôme and Estée Lauder, which gained across all of its global markets, with a boost from China, where year-end sales rose almost 30 percent.

Estée Lauder enjoyed a 31 percent rise in brand value. The brand value of Lancôme increased by 17 percent. The Estée Lauder brand Clinique, which remained consistent with its simple and elegant presentation of product, entered the BrandZ ranking for the first time.

Brands serving mid-market consumers continued "mass premiumization" of products, emphasizing affordability while promoting either glamour or wellness. L'Oréal, which increased 11 percent in brand value, introduced the brand to a younger audience. Olay added more products to the premium end of its line. Brand value grew 9 percent.

In a complementary trend, brands also introduced products customized to individual skin or hair type, as the notion of beauty continued to evolve from a single ideal to possibilities as diverse as humanity. Brazil's Natura, new to the BrandZ ranking, expressed this trend effectively with its sustainable ingredients and the healthy-looking people modeling its cosmetics and skin care products. Garnier described its vision as helping make everyone's natural beauty "shine through."

Many brands focused on enabling the beauty of Baby Boomers to shine through, since Boomers can afford their age defiance. To enhance male beauty, personal care brands expanded beyond the "metrosexual" to the mass audience of guys who also care about grooming but don't make it a lifestyle.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Gillette	19,782	4	4	-4%
2	L'Oréal	15,719	4	6	11%
3	Colgate	14,258	4	6	0%
4	Avon	5,849	4	6	-20%
5	Nivea	5,075	3	5	-10%
6	Garnier	4,669	4	5	-6%
7	Lancôme	4,617	4	5	17%
8	Natura	4,614	5	9	N/A
9	Dove	3,827	3	7	7%
10	Olay	2,825	4	3	9%
11	Crest	2,814	4	5	-8%
12	Oral-B	2,797	3	4	-20%
13	Estée Lauder	2,592	4	5	31%
14	Shiseido	2,422	4	7	-7%
15	Clinique	2,391	4	5	N/A

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

PERSONAL CARE UP 3%

Gillette, which remained synonymous with male grooming, may have been affected by the impact of the economy on young men. In an interesting demonstration of brand reinvention, some brands relied on irony and self-deprecating humor to introduce Millennials to products, such as the skin-care brand Old Spice, which Boomers and their parents had forgotten.

To counter the incursion of private label accelerated by the recession, brands with basic functionality, like Colgate or Crest toothpaste or Dove, emphasized the product's positive impact on emotional well-being and introduced more benefits. Dove, for example, promoted a body wash that improved skin as it cleansed. Unimpressed by old-school marketing claims alone, consumers wanted to know not just what a product promised – whiter, brighter, better – but how the promises worked and whether the ingredients were natural or had a proven scientific basis.

Facebook and other social networking sites led to more informed consumer choice and a growing do-it-yourself trend in which consumers purchased salon-quality brands for use at home. In this value equation, the savings in professional care made up for a higher product price. Avon, a venerable global leader, encountered difficulties expanding in BRIC markets.

PERSONAL CARE HIGHLIGHTS

Certain brands, like Dove, effectively extended the brand halo over many sub-categories.

The focus on individual wellness, an influence from fast-growing markets of Asia, continued to inspire product innovation.

Digital utilities enabled brands to customize products and services for a mass audience.

PERSONAL CARE IN 2011

Catherine Coulson, Unilever
Global Account Director, TNS

Consumers seek clear choices

"My advice to the personal care sector is to really avoid the temptation to just let your innovations proliferate. Consumers already face a huge challenge at the shelf. There are a lot of problems in terms of the number of choices that they have, and there's a lot of confusion at shelf. So I think, be disciplined in what you do, only put products out there that will make a difference and help consumers make those choices in that complicated environment."

tns retail and shopper

SPOTLIGHT

Spenders were winners during the recession. Colgate introduced more new products during the recession than before the downturn. Along with noting the health benefits of toothpaste, Colgate and Crest emphasized whitening. People visited the dentist less frequently during the recession, at least in the United States.

Retail

Shoppers took control

Amazon, which operates no stores, became the world's most valuable retail brand, ahead of Walmart, the world's largest retailer.

The ascent of Amazon, which rose 37 percent in brand value, signaled the disruptive digital impact on the path to purchase, as retailers struggled to establish multi-channel presence, anywhere, anytime.

The growing use of mobile devices compounded the challenge, with utilities able to identify nearby locations, provide in-stock information, tempt shoppers with special deals and provide access to competitive pricing at the "moment of truth."

Although shoppers returned to bricks and mortar as the economy improved, they were fortified with knowledge from searching on Google, posting on Facebook and organizing around group purchasing sites like Groupon.

The confluence of an enlightened shopper with a recovering economy impacted retail brands in different ways. Hard discounters like Aldi and Lidl did well, but not as well as might be expected because of competition. Carrefour lowered prices and opened new, more convenient smaller stores in Europe.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Amazon	37,628	3	10	37%
2	Walmart	37,277	2	5	-5%
3	Tesco	21,834	4	7	-15%
4	Carrefour	13,754	3	7	-8%
5	Target	12,471	3	3	3%
6	eBay	10,731	2	8	15%
7	Home Depot	9,877	2	3	10%
8	ALDI	9,251	2	4	6%
9	Auchan	7,796	3	7	-1%
10	IKEA	7,293	2	6	28%
11	Lowe's	6,522	2	3	-7%
12	Marks & Spencer	5,252	3	4	-8%
13	Best Buy	5,104	3	3	-12%
14	Costco	4,544	1	4	17%
15	Lidl	4,240	1	4	3%
16	Kohl's	4,003	3	4	-8%
17	Asda	3,975	2	4	-19%
18	Sam's Club	2,935	2	2	-10%
19	Sainsbury's	2,685	3	5	-2%
20	Safeway	2,012	2	3	-37%

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

MillwardBrown Optimor

RETAIL UP 2%

In the UK, Tesco parried the low-price advance of Aldi. While the brand remained among the global leaders in value, currency fluctuations somewhat impacted the actual valuation. Hypermarkets struggled as consumers sought price and convenience over enormous product range.

Walmart executed a course correction to reassert price leadership after alienating some of its US customer base by reaching for affluent consumers with edited merchandise displays and less cluttered, more efficiently run stores. Meanwhile, dollar stores won shoppers by tinkering with range and promoting low prices. Target countered the high-price perception of its trendy approach to discount retailing, expanding food selection to drive shopping trips and increase basket size.

The combined strength of discount operators and Amazon impacted specialty retailers like Best Buy, which struggled even though it remained America's only national home electronics retailer following the close of Circuit City more than a year ago. Warehouse club Costco added sales. Ikea and Home Depot benefited from an improving housing market. Ikea's brand value increased 28 percent, Home Depot's, 10 percent. Lowe's seemed less prepared for the return to spending. Shifting away from its online auction roots, eBay simplified its site and enjoyed a brand value rise of 15 percent.

Department stores experienced mixed results. Marks & Spencer offered compelling deals in food, but tough competition made fashion a more difficult sell. Sales and margins increased for mid-priced Kohl's, which prepared for a stock buyback. Results for Safeway, a supermarket brand, improved with the economy, but rising food costs hindered profits.

The largest global brands continued their expansion into China and other fast-growing markets. Carrefour consolidated many of its banners under the Carrefour brand. Walmart's international division posted strong results and the company spent much of the year in negotiations to purchase the South African retailer Massmart, a development that eventually could change retailing and help elevate living standards throughout Africa.

RETAIL HIGHLIGHTS

The price-driven end of the market thrived, including retailers like Poundland in the UK and Dollar Stores in the United States.

Luxury retailers prospered because their customers had money and felt free to spend it.

Channels continued to blur, especially as more retailers added food to drive traffic.

SPOTLIGHT

Amazon surpassed Walmart as the most valuable retail brand in part because of the revolutionary shift to online shopping that Amazon itself instigated. Founded in 1995, Amazon has become a leading shopping destination with unparalleled selection, peer reviews and a discounted delivery scheme that builds loyalty. Generally recognized as the gold standard e-commerce company, Amazon continued to add merchandise categories including food.

RETAIL IN 2011

Kim Hsieh, Director, Retail Strategy, G2 USA

Redefining value

"Retailers want to offer value beyond price. They are looking to work together with brands that can bring analytics and help uncover more shopper insights and find opportunities to grow business together."

Diet Coke surpassed Pepsi as the No. 2 soft drink brand in market share.

The shift reflected an ongoing move to diet in the face of health and obesity concerns. Improving product healthiness remained a Pepsi core strategy.

It happened in a year when the ongoing slide in soda sales slowed, perhaps because consumers needed a pleasurable break from the barrage of headlines about unemployment and the need for sacrifice.

Coca-Cola was more aggressive in appealing to those consumers with traditional advertising, but both Coke and Pepsi relied on innovative social media that asserted the strength of their brands and the emotional bond with customers. Coke's brand value rose by 10 percent. Pepsi remained flat, but Diet Pepsi improved 8 percent.

In an updated appeal to the "Pepsi Generation," the brand launched "Pepsi Refresh," a social media site intended to create world-improving partnerships between the brand and its customers. Individuals nominated their favorite causes or charities to compete for $20 million in Pepsi grant money. More than 60 million votes were cast.

Along with sponsoring new digital programs and events, Coca-Cola continued the "My Coke Rewards" program on Facebook and other social media sites. More than 17 million people have participated in the four-year-old "Rewards" program, entering numeric codes found on Coke products to qualify for prizes such as movie tickets and retail gift cards.

In a separate online effort to drive interest in its citrus-flavored Sprite brand, Coke developed an online site where visitors who enter the code from a Sprite bottle cap could send a message to basketball star Lebron James and also nominate a basketball court near them for a grant, as "Sprite and LeBron are also refreshing the country's basketball courts."

Pepsi created social network programs for its youth-focused Mountain Dew brand, which increased 7 percent in brand value. Energy drinks generally remained strong as a sub-category. Red Bull, which improved 4 percent

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Coca-Cola	59,866	5	9	10%
2	Diet Coke/Coca-Cola Lite/Coke Zero	13,887	4	7	3%
3	Pepsi	10,431	4	6	0%
4	Red Bull	9,263	4	5	4%
5	Fanta	4,368	2	7	-6%
6	Sprite	3,560	2	7	-8%
7	Gatorade	2,910	4	5	-1%
8	Diet Pepsi	2,500	3	6	8%
9	Mountain Dew	2,478	4	6	7%
10	Dr Pepper	2,212	4	3	-13%

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

SOFT DRINKS UP 5%

in brand value, sponsored Formula 1 racing. Interest in other functional beverages, like vitamin water, also grew, especially among younger consumers.

Pepsi unified its logo across all international markets to add efficiencies and leverage the brand's power. Gatorade also rebranded, changing the name on its packaging to G, in an effort to signal brand progression and to reach a new generation.

Food service and vending continued to be important and profitable channels. Coke accelerated the introduction of its "Freestyle" vending machines, which use innovative technology to offer 104 different varieties of Coca-Cola drinks. The somewhat less-profitable grocery channel drove tremendous volume aided in part by new packaging that enabled bold and efficient stacking at food outlets and other mass merchants.

Both Coke and Pespi experienced strong sales in BRIC markets. Pepsi prepared to acquire a majority stake in Russia's largest food and beverage business, Wimm-Bill-Dann.

SOFT DRINKS HIGHLIGHTS

Bottle size increased in certain markets, such as the UK.

Coke and Pepsi advanced corporate social responsibility initiatives as the soft-drinks category continued to face health and environmental issues.

Soft drink brands experimented with cross merchandising in supermarkets, presenting cola near the frozen pizza, for example, to emphasize a meal occasion.

SOFT DRINKS IN 2011

David Seabrook, Client Director, Client Leadership, Mindshare

Functional drinks growing

"The most interesting thing going on in the category at the moment is the growth of drinks that are there for specific needs or functions, so for example the launch of Gatorade products, the launch of the vitamin waters, the launch of more and more energy drinks."

MINDSHARE

SPOTLIGHT

To maintain its connection to an older generation and to reinforce its brand essence as an energy and fitness drink, Gatorade launched its Replay initiative, inviting the veterans of two high school football teams back for a rematch, 16 years later, that reunited old rivals for a period of intense training followed by the big game.

Apple grew 84 percent in brand value to become the world's most valuable brand.

And it surpassed Microsoft in market capitalization. With a 246 percent increase in brand value, Facebook entered the BrandZ Top 100 for the first time at No. 35. These developments reflected both the strength of the Apple and Facebook brands and the dramatic changes taking place in the always-dynamic technology sector.

Most significantly, the future of storing and accessing data, software and applications suddenly belonged to metaphorical "clouds," mega-computer warehouses in remote locations. Consumers shared public clouds while business established its own clouds, and government, at least in the UK, had its "G-cloud."

One of the largest clouds, Facebook, overtook Google as the most visited site in the US last year. Worldwide, more than 500 million members visited Facebook. Over 600 million people subscribed to China's Tencent/QQ. Google, meanwhile, continued development of its own cloud, Google Chrome OS.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Apple	153,285	4	9	84%
2	Google	111,498	4	4	-2%
3	IBM	100,849	3	5	17%
4	Microsoft	78,243	4	7	2%
5	HP	35,404	3	4	-11%
6	Oracle	26,948	1	7	9%
7	SAP	26,078	3	7	7%
8	BlackBerry	24,623	4	9	-20%
9	Baidu	22,555	5	10	141%
10	Facebook	19,102	3	5	246%
11	Cisco	16,314	2	5	-2%
12	Accenture	15,427	4	3	5%
13	Tencent/QQ	15,131	4	9	N/A
14	Intel	13,904	2	5	-2%
15	Samsung	12,160	3	9	7%
16	Siemens	11,998	1	4	29%
17	Nokia	10,735	3	6	-28%
18	Sony*	9,511	3	9	17%
19	Infosys	8,172	2	6	27%
20	Canon	7,588	1	6	27%

*Value for Sony in the Technology category does not include Games Consoles and 2010 value has been corrected to $8,147
Source: Millward Brown Optimor (including data from BrandZ and Bloomberg)

MillwardBrown Optimor

TECHNOLOGY UP 18%

Apple continued quietly developing a cloud and loudly discovered an empty space in the computing category that it filled with a new device – the iPad. In the last quarter of 2010, Apple sold more iPads than Mac computers. The iPad, which quickly met competition from other tablet makers like Samsung, helped Apple pass Dell and HP in total portable computer sales. An Apple cloud would further strengthen the brand as a trinity of platform, content and device.

At the same time, the smartphone category expanded with the introduction of iPhone 4 and many versions of Google's Android platform. Android became the best-selling smartphone platform over Apple and Symbian by Nokia. BlackBerry worked to sustain appeal among two high-messaging groups: business people and teens.

The B2B brands also continued moving to the cloud. While the opportunities are great, so are the challenges. Privacy and confidentiality remain vulnerable, as WikiLeaks demonstrated. And the ability to manage databases that respond to unpredictable change falls more in the province of Twitter and Facebook than brands like Oracle, SAP and Siemens, which are renowned for structured databases. As applications and files move to clouds it potentially becomes less critical to have Intel inside.

In a strengthening economy, leading brands such as IBM, with its focused "Smarter Planet" strategy, benefited from increased business and government spending on technology and consultation. The value of the IBM brand increased 17 percent. Brands from fast-growing markets also became more of a global presence, including Tencent/QQ, China's social network site, which appeared in the BrandZ Top 100 ranking for the first time, and the Chinese search engine Baidu. Its 141 percent increase in brand value made it the fastest riser after Facebook. The brand value of India's IT leader, Infosys, appreciated significantly.

TECHNOLOGY HIGHLIGHTS

Television and the Internet became increasingly linked, and brands, notably Samsung, introduced 3D TV.

Facebook and Twitter, cloud venues for the latest content, became the water coolers for conversation about last night's TV shows.

Technology brands deepened their bond with customers as activities like sharing photos and music insinuated the brands deeply into personal lives.

TECHNOLOGY IN 2011

Stephen Yap, Group Director, TNS

Facebook transcends social networking

"Perhaps the most important trend we've seen over the last few months is the rise of Facebook. Transcending its roots as just a social network, a place where people send messages to and from their contact list, to become very much an aggregator of all kinds of communication and entertainment activities that people do on their computers and mobile devices. Whether it's playing games, sharing photos, videos or chatting, Facebook is increasingly becoming the dominant platform for all kinds of technology activities for consumers across the world."

tns retail and shopper

SPOTLIGHT

The emergence of cloud computing portends heated competition over who will own the consumer – device or platform. When the battle was about winning the PC market, consumers were less concerned about the particular brand of PC or laptop as long it ran Microsoft Office. With the cloud, consumers may care less about the brand of their mobile device as long as it can access Facebook. Apple could be an exception because of the strong emotional and functional appeal of the brand.

Telecom Providers

Data went wireless

Wireless data transmission surpassed voice last year for the first time.

Telecoms struggled to keep up with this major shift, which was driven by the proliferation of smartphones and complicated by smarter consumers choosing their provider based on the desired operating system and device.

The companies became one-stop resources for most forms of electronic communication, including landlines, cable, wireless mobile and Internet, which they marketed in numerous combinations. This BrandZ report on brand value reflects this convergence and groups all the players under the heading of telecom providers.

Because the brand valuations now reflect the full extent of each enterprise, 11 of the brands appear in the BrandZ Top 100 Most Valuable Global Brands: AT&T (No. 7), China Mobile (No. 9), Vodafone (No. 12), Verizon (No. 13) Deutsche Telekom (No. 19) Spain's Movistar (No. 21), Orange (No. 36), NTT DoCoMo of Japan (No. 48), Telecom Italia (75), Telcel (76) and MTS (80).

In their attempts to differentiate, providers concentrated primarily on two areas, technology and content. The technology competition focused on expanding networks and introducing 4G, potentially a step-change advance in which wireless data transmission is faster than cable.

Along with functional advantages, the telecoms worked to connect emotionally with customers. They attempted to shift from being simply the "pipes" that delivered content to becoming content providers with entertainment packages aimed at maximizing their share of household media.

The increasing availability of mobile devices for sale at mass merchants raised pricing issues. Because assortments included a variety of devices from diverse telecom providers with complicated marketing programs, price comparison became frustrating for consumers hoping for price transparency.

European brand O2 attempted to make pricing more transparent, which increased by 10 percent in brand value, attempted to make pricing more transparent. Price transparency perhaps was more difficult for Vodafone because of its greater reach as the world's second-largest telecoms provider with 341 million subscribers.

TOP BRANDS

		Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	at&t	69,916	3	4	N/A
2	China Mobile	57,326	4	9	9%
3	Vodafone	43,647	2	4	-2%
4	Verizon	42,828	3	4	N/A
5	Deutsche Telekom	29,774	2	4	N/A
6	Movistar	27,249	2	6	N/A
7	Orange	17,597	1	4	N/A
8	NTT DoCoMo	15,449	2	8	19%
9	O2	11,694	2	5	N/A
10	Telecom Italia	11,609	4	5	N/A

*Because of the convergence of products and services offered, we redefined and renamed this category, formerly called Mobile Operators. Telecom Providers includes brands that market fixed line, cable, wireless, mobile, Internet and related products and services.

MillwardBrown Optimor

The brand revised its Tetris logo to make it more iconic and transnational. NTT DoCoMo rated highest in a J.D. Power customer service survey of Japan's telecoms. The brand appreciated 19 percent.

Verizon, the largest US carrier, with an international link to Vodafone, emphasized the reliability of its network and prepared for the launch of iPhone early in 2011, after the expiration of AT&T's exclusive relationship with Apple. Few defectors to Verizon were expected immediately because the AT&T and Verizon iPhone versions are incompatible.

To control costs, consumers increasingly opted for prepayment plans, which have been popular for a while in Latin America, where carriers such as Movistar and Mexico's Telcel are strong. China Mobile, the world's largest telecom provider, with 590 million subscribers, faced heated competition at home from China Unicom and China Telecom in the rollout of 3G.

MTS, the largest Eastern European telecom company, which has one of the highest brand momentum scores and shows a 12% appreciation in brand value, is leveraging its equity through expansion into mobile payments and its own branded devices, as well as international expansion into India.

TELECOM PROVIDERS HIGHLIGHTS

Consumers reacted to the cost of plans. In parts of Latin America, some wore belts with multiple phones from various carriers because buying handsets was cheaper than paying excessive toll charges.

The introduction of 4G offered telecoms an opportunity to differentiate by delivering quality video and other dense data.

4G also should unify the relatively young category, making it more global, less regional.

TELECOM PROVIDERS IN 2011

Anthony Cox, Senior Planner, Chi & Partner

Building on fundamentals

"Over the last 12 months, networks have emphasized coverage and the very fundamental things that consumers expect from their networks. And being dependable on that score is really important. However, I think the most successful brands have been those that have been doing something interesting, building on that with rewards, loyalty and extra things that make them more into entertainment brands."

CHI&Partners

SPOTLIGHT

Consumers get emotional about their phones. Most of the positive feeling is directed at the brand of the mobile device, however, not at the telecom. Users continue to reserve negative emotions for the carrier – frustration over dropped calls, confusion over billing and pricing and complaints about coverage. To get onto the positive side of the emotional ledger, carriers looked for ways to differentiate.
In the UK, for example, O_2 offered subscribers priority access to event tickets at O_2 Arena and other venues it sponsors.

Brand Brazil

Optimism fuels economic growth

Three Brazilian brands rank in the 2011 BrandZ Top 100 Most Valuable Global Brands.

They include the national oil company, Petrobras, ranked No. 61, and two banks, Itaú (No. 90) and Bradesco (No. 98). Petrobras is the highest-valued brand in Latin America at $13.4 billion. Itaú, valued at $9.6 billion, and Bradesco, $8.6 billion, are the third- and fourth-highest.

Three other Brazilian brands, while not large enough to be included in the BrandZ Global Top 100, still rank in the BrandZ list of the most valuable brands in Latin America. They are the personal care brand Natura, with a brand value of $4.6 billion, and two beer brands owned by AB InBev: Skol and Brahma.

The increasing representation of Brazilian brands in the BrandZ rankings of brand value reflects the robust expansion of Brazil's economy, with GDP growth of about 7 percent, and optimism that the new government elected last year will continue the country's commitment to controlling inflation and addressing the social problems and poverty that still afflict much of the population.

By some estimates, the expanding middle class now comprises more than half of Brazil's population of 201 million. Brazil's financial institutions understand that the country's economic advance depends on narrowing economic inequities. Recognizing the potential purchasing power of even Brazil's poorest citizens, many of the banks opened branches in the favelas.

In a related and urgent challenge, Brazil intends to accelerate the infrastructure improvement needed to host the World Cup in 2014 and the summer games of the 2016 Olympics. These projects potentially will create jobs and wealth. Meanwhile, brands contend with merger and acquisition activity across many sectors.

Savvy consumers influence brands

Brazil is among the world's largest social media markets. The number of mobile phones in use exceeds the size of the population. Rising incomes and the proliferation of low-priced unlimited data plans increased the penetration of smartphones. Using tactics learned during bad economic times, many Brazilians still use multiple SIM cards, interchanging them as necessary to obtain the best rates.

Similarly, collective buying, an informal coping strategy perfected to retain buying power in an inflation-plagued economy, surged during the past 12 months in categories such as hotels, restaurants and beauty services, as brands like Groupon and a Brazilian entry, Peixe Urbano, formalized the practice.

Rising incomes also influenced food shopping, with more people making larger, less-frequent purchases. In certain categories, such as soft drinks, brands recognized an opportunity to attract new customers away from budget offerings. Meanwhile, spending by the poorest citizens remained limited by low wages paid daily and lack of transportation.

Both local and international brands

The economic forces that helped the middle class expand also made the rich richer. Brazilians continued to prefer international luxury brands – Brazil is the second largest market for Louis Vuitton – but local luxury brands also prospered. Möet Hennessy Louis Vuitton (LVMH), the French luxury conglomerate, agreed to purchase a major stake in Sacks, Brazil's leading online retailer of cosmetics.

The preference for international brands over Brazilian brands remains a residual insecurity from Brazil's struggles as an emerging economy. In certain categories, however, imported brands hold minimal appeal compared with the well-established Brazilian leaders. It's not surprising that in the country of "samba, soccer and beer," Brazilian's prefer Skol, Brahma and other local beer brands.

Both Skol and Brahma scored high on brand contribution, the BrandZ measurement of bonding between brand and customers. Natura, the Brazilian cosmetics brand known for the purity of its ingredients, also rated high on brand contribution, suggesting that Brazilian consumers have affection for some of the nation's brand leaders.

Rising brand values

While Petrobras did not score high on brand contribution, it enjoyed a positive reputation based in part on a brand personality associated with the friendliness of the Brazilian people. The positive reputation of Petrobras in Brazil is also driven by the jobs it creates and its financial contribution to society.

The rising brand value of Petrobras, up 39 percent last year, is based also on future expectations of successful deepwater drilling and the record proceeds gained from the sale of Petrobras shares to help fund the exploration. As part of its plan to become a major oil exporter, Petrobras expects to introduce new technology to replace oil platforms with extensive underwater infrastructure.

The presence of two Brazilian banks in the BrandZ Top 100 Most Valuable Global Brands – Itaú for the first time, with a 29 percent rise in brand value, and Bradesco, up 15 percent – also signals opportunity in an economy where financial habits are rapidly changing. As individuals continue to rise into the middle class, some who traditionally paid for major purchases with monthly installments may now apply for bank credit to afford an improved quality of life.

Brand China

From cutting costs to adding value

Twelve Chinese brands appear in the 2011 BrandZ Top 100 Most Valuable Global Brands, an increase from seven brands last year and only two brands in 2006.

Together, the Chinese companies in the BrandZ 100 total $259 billion in brand value; this represents 11 percent of the total brand value of the Top 100. They include China Mobile, the country's largest brand, which ranks No. 9 in the BrandZ Top 100, and Baidu, a search engine that grew 141 percent in brand value last year and ranks No. 29.

The five Chinese brands that joined the BrandZ Top 100 this year are: China Life Insurance (No. 33), Agricultural Bank of China (No. 43), Tencent/QQ, a social network (No. 52), Ping An, an insurance company (No. 83) and China Telecom (No. 91). Along with China Mobile and Baidu, Chinese brands that continued in the BrandZ Top 100 include PetroChina (No. 78) and four banks.

The expanding presence of Chinese brands in the BrandZ Top 100 reflects the transformation of China from a center for low-cost production to a nation capable of product innovation and marketing originality. The success of the Beijing Olympics accelerated this change. It reinforced China's self-confidence and captured the world's attention and admiration with memorable infrastructure and spectacle.

Size matters. In a country with a population of 1.3 billion people, many of the most valuable brands are state-owned enterprises concentrated in the financial service, telecom, technology, and oil and gas sectors. But it's not about size alone. New Chinese brands are emerging in diverse sectors, from cars to luxury, while existing Chinese brands in food, beer, traditional medicines and other sectors gain recognition abroad.

Years of manufacturing consumer goods for Western markets endowed Chinese businesses with the knowledge, capital and insights necessary for creating their own products and brands. That endowment becomes more critical now. As Western factories move to lower-wage markets, the redefinition of "Brand China" becomes not just an evolutionary step, but also an economic imperative.

Fortunately, the redefinition of "Brand China" is well advanced, shifting from cutting costs to adding value.

Developing potential abroad

The potential of Chinese brands perhaps is best symbolized by the rapid growth of two technology leaders, Baidu and Tencent/QQ. Baidu, China's largest search engine, with a market share over 80 percent, was formed in 2000 and listed on the NASDAQ 100 index in 2007. The social network Tencent/QQ has over 600 million users in China, more than Facebook has worldwide.

Entrepreneurs are introducing this kind of brand power to audiences outside China, as captured in the most memorable image of the Beijing Olympics. Li Ning, an Olympic gymnast who won six medals in the 1984 Summer Games, drew attention to himself and his eponymous apparel brand as, suspended by cables, he circled the Beijing stadium and lit the Olympic torch.

With similar audacity, Li Ning opened flagship stores for his sportswear brand in a few key North American cities, including New York and Portland, Oregon, which is located just a few miles from Beaverton, the headquarters city of major competitor Nike. It's likely that other Chinese apparel brands with youth appeal, such as Metersbonwe, with 4,000 outlets in China, will gain an overseas following.

International ambition also drives Lenovo, which acquired IBM's personal computing division in 2005. The state-owned Chinese financial brands are increasing their global presence, too. ICBC (Industrial and Commercial Bank of China), China's largest bank, operates 23 subsidiaries in 20 countries along with more than 16,200 branches in China.

Haier, one of the first Chinese companies to build its brand overseas, is the world's No. 1 supplier of major household appliances. Haier focused its expansion on North America and Europe. BYD, which began as a supplier of batteries to mobile device manufacturers, developed the first mass-produced plug-in hybrid car just over two years ago, a development that drew the interest of Warren Buffet along with his investment of over $200 million. The company intends to export to the United States.

But Chinese manufacturers often find the most appreciative audiences for their value-for-money proposition in developing markets. Many brands have succeeded in India. Carmaker JAC Motors entered Brazil, and Haier is setting up production in Thailand. Brand leaders in traditional Chinese medicine, such as Bawang and Tong Ren Tang, are experiencing success in Southeast Asia, particularly in country markets with large populations of Chinese nationals. Tong Ren Tang, founded in 1669, operates 800 drug stores in China.

Marketing at home

Despite these successes, Chinese consumers at home continue to prefer Western brands. They presume that Western products have been developed to please more discerning consumers and they remain wary of Chinese products because of lingering quality and safety concerns.

Western brands are well established in the large cities, while local brands have a strong presence in smaller ones. Regional differences also remain important. KFC, with 3,500 outlets in China, modifies its menu for local tastes. By including rice and other Chinese foods, the chain appeals both to parents preferring a traditional dish and children seeking the chain's signature fried chicken.

As in many other country markets, the "green-ness" of products is growing as a purchase consideration in China, but it's not the driving determinant. While the government advances green policies, Chinese consumers are practical and make purchase decisions that deliver immediate personal advantage.

They generally view the financial services sector as green because of growth in online and mobile banking. ICBC emphasized this point in a campaign promoting its electronic banking services. The country's sixth-largest commercial bank, China Merchants Bank, ran an environmentally focused corporate-responsibility campaign during the Shanghai World Expo, an international fair held in 2010.

Consumer durable manufacturers and electronic retailers offered allowances to motivate consumers to trade in their old household appliances and purchase new, more efficient models. Consumers also expected environmental awareness from mobile phone suppliers.

Shift in media approach

Chinese brands traditionally advertise on television as the ability to afford the high cost of airtime confers credibility. Brands are beginning to allocate more of their media budgets to digital, where the message is less controlled and exposed to comment on social networks. The shift is driven in part by the extent to which the Chinese have adopted new technology and media, as indicated by the rise of Baidu, Tencent/QQ and the country's three telecommunications companies led by China Mobile, the world's largest mobile operator, with almost 600 million subscribers.

Several Western brands recently used digital to build awareness in China. Nike signaled people in close proximity to its Beijing store that they could qualify for a free pair of shoes if they were among the first to respond to the mobile phone message by visiting the store. The race to the store reinforced Nike's association with athletic competition and its "Just Do It" attitude toward life. To connect its brand with the idea of exploration, North Face created a gaming utility that awarded points when users traveled a virtual map of China and visited various locations.

In reaction to the rapid pace of change and the growth of consumerism, some Chinese sense that they've lost part of the past and the values it represented. To connect with these consumers emotionally, Bright, China's third-largest dairy brand, built a campaign around the theme of "Old Shanghai." It's one facet of the dynamic mixture of tradition and modernity that constitute "Brand China."

19.

Measure

In the digital world measuring is easy. But look beyond the number of clicks. Old-school ROI still is important.

20.

Act now

Consumer confidence remains shaky. Government treasuries are thin. But life goes on. Consumers will respond eagerly to brands that offer something real and relevant to their lives.

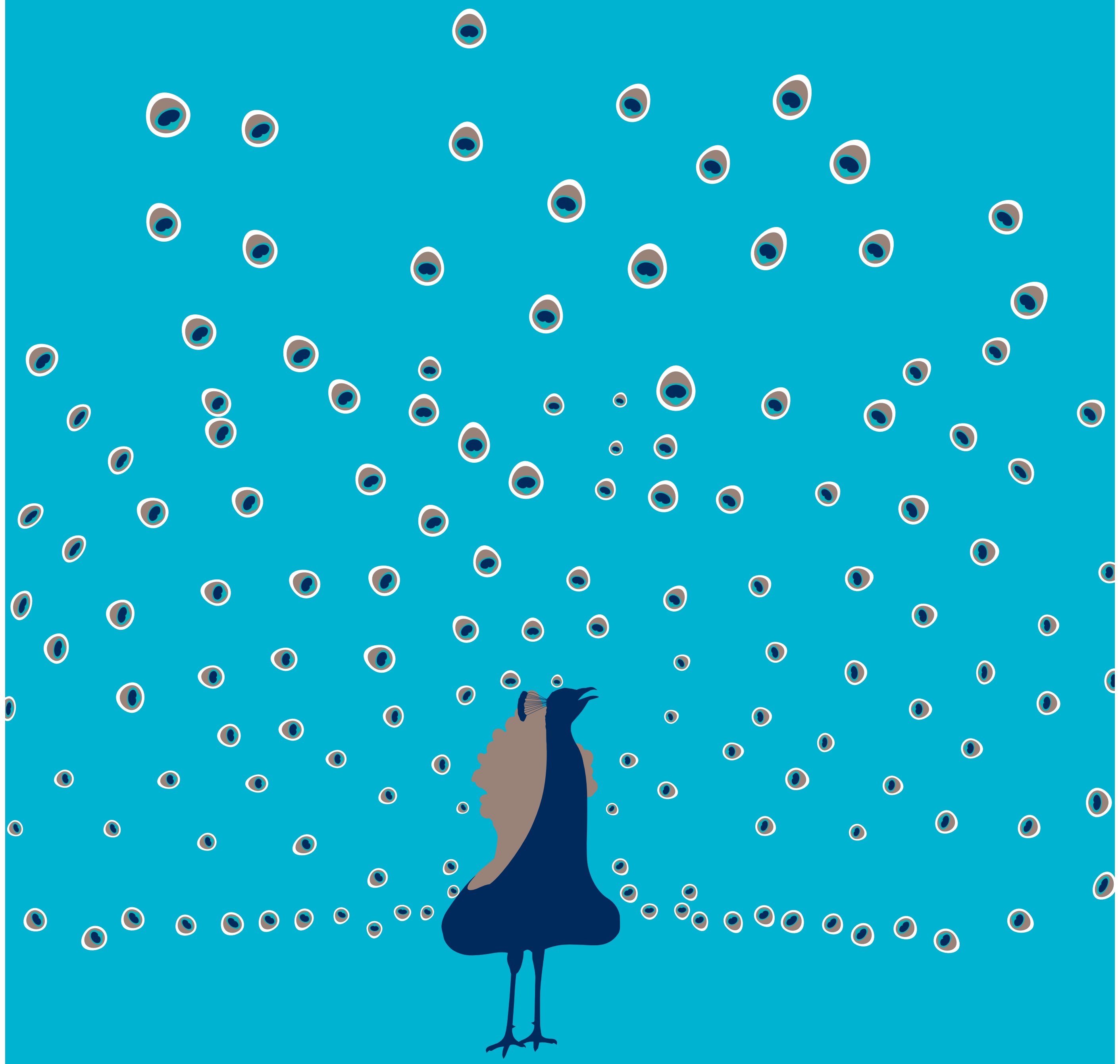
21.

Break the rules

Today's practices sometimes calcify into tomorrow's rules. Then blind obedience, always limiting, becomes self-defeating.

Brand India

Colorful, confident and creative



Economic growth is driving brand presence in India.

India's largest private bank, ICICI, appeared for a second consecutive year in the BrandZ Top 100 ranking, at No. 53, with a brand value of $14.9 billion.

With a rise of 27 percent in brand value to $8.2 billion, Infosys was one of the most valuable technology brands in the world and is expected to soon rank among the Top 100 Most Valuable Global Brands across all sectors. The IT services and consulting brand operates in 33 countries.

The appearance of Indian banking and technology brands in the BrandZ ranking reflects both the prominence of these sectors in fast-growing markets and an expansion in brand literacy particular to India.

Brands that many Indians until recently saw only in the suitcases of relatives returning from North America or Europe are now encountered every day in local shop windows. Indians appreciate the opportunity to own brands as living circumstances in India steadily improve. Perhaps drawn by the novelty of the brand explosion, Indian consumers even enjoy advertising.

In a multiplier effect, the more that Indian consumers are exposed to brands, the more they desire them. The expanding middle class of educated young people, often employed in technology, especially exercises its purchasing power. And economic progress, particularly leadership in information technology, has altered India's image of itself as well as the world's postcard view of India as simply colorful and exotic.

That view also has changed because of the international reach of ICICI, Infosys and large Indian conglomerates, such as Tata, which operates in more than 80 countries and gains annual revenue of almost $68 billion from businesses including steel, chemicals, hospitality and communications. The recent acquisition of Jaguar Land Rover made Tata a player in the luxury end of the international car business.

Energy, confidence, creativity and purpose characterize "Brand India" today and point to its potential. The growth of "Brand India" could be restrained by an Indian inclination to look to the past or to the West for inspiration. But more likely, Indian brands will surge ahead, powered by a combination of positive fundamentals – economic vitality, a diverse and enterprising population and a cohesive, stable, muddled, democracy.

Choice brings challenges

The increase in brand choice, with many international options, challenges Indian brands. While desired, Indian brands come weighted with both the advantages and disadvantages of being familiar. Sometimes, they're seen as too available and insufficiently aspirational.

The Indian conglomerate brand Godrej exemplifies this trend. Well respected across many product categories, the brand faces international competition from LG, Samsung and Whirlpool, just in its appliance business. In cars, Maruti (the Indian brand of Suzuki) faces increased competition from international contenders including Honda, Toyota and BMW.

Some of the Unilever and P&G brands, long established in India and seen as local, now are emphasizing their global credentials. Advertising for Dove, for example, features not only Indians, but also women from many backgrounds. Consumers view brands like L'Oréal or Garnier as international and delivering the quality that implies.

Large Indian conglomerates, such as Bharti, Godrej, Reliance and Tata, occupy an influential and secure place in the minds of consumers. Trusted, even revered, these conglomerate brands regularly introduce consumers to new product categories. Although a conglomerate may itself be new to a category, its brand guarantees competence and compensates for any lack of experience.

Major brands evoke trust

Indians rely on these conglomerate brands for relatively risk-free introductions to new products and experiences. For example, a new retail format unusual for India opened in Mumbai in 2005. The up-market gourmet store offered delicacies from around the world. Consumers immediately accepted the new format because it came with a reassuring brand. The store, called Godrej Nature's Basket now operates in 13 locations in Delhi, Pune and Mumbai.

The conglomerate brand becomes especially important in high-risk, high-investment ventures. Tata moved into real estate – from high-rises in Bangalore to housing developments in Delhi. In a similar way, India's ITC Ltd. began diversifying its portfolio during the past decade because of the health issues and regulatory challenges faced in its core business, cigarettes. ITC now markets food, hotels, personal care and cosmetics and other fashion-focused products and services.

In a country known for traditional mom-and-pop stores, the conglomerates are introducing modern retailing. Reliance, India's largest private-sector enterprise, operates in many retail channels, including food, apparel, footwear, home improvement and consumer electronics.

Tata also serves many retail channels and has a joint venture arrangement with Tesco, the global hypermarket chain based in the UK. Bharti last year opened retail and cash-and-carry outlets as part of its joint venture with Walmart.

Culture and values

These Indian megabrands, which successfully transcend many unrelated product categories, may owe their elasticity in part to India's cultural particularities. In making some of life's major decisions – whom to marry or whom to vote for – Indians are especially aware of the "power behind the throne."

In marriages, that notion means knowing the background of the in-law family. In voting, it means understanding the influencers in the political parties. This understanding in part drives the growth of brands like ICICI and Infosys.

ICICI (formerly Industrial Credit and Investment Corporation of India) projects trustworthiness and comfort in its banking business. In insurance, ICICI emphasizes the joy of life in a category often associated with the possibility of death. ICICI operates in 18 countries. It has increased visibility in India with over 2,000 branches and 5,200 ATMs. The brand projects warmth. Its use of the color red in branding evokes the red band that an Indian bride wears in her hair to signify lifelong bonding.

The Infosys culture is egalitarian in its approach to the workforce. Infosys is known for its generous employee stock-sharing program, and it is closely associated with government programs to improve the national welfare. Witpro, a competitor, has a similar story, with a major presence in education and social welfare. Both Infosys and Witpro are values-driven, knowledge-based companies. Both companies are entrepreneurially led.

Indian brands derive strength from these deep-rooted values as they build commercial success while at the same time attempting to transform a nation of 1.1 billion people.

POWERED BY BRANDZ™

WPP offers an ever-expanding library of in-depth but practical studies to help grow brand strength and value in today's rapidly changing global marketplace.

Available exclusively to WPP clients through their WPP agencies, the studies examine the performance of individual brands and categories by country and over time.

The studies are powered by BrandZ, the world's largest, most reliable and comprehensive brand analytics and equity database. Conducted by Millward Brown for exclusive use by WPP group companies, the study has been running for thirteen years and includes more than 1 million in-depth consumer interviews about over 7,000 brands in 30 countries. The commentary on this page focuses on two key studies that rely on the BrandZ database to examine salient trends impacting brand value today.

Beyond Trust: Engaging Consumers in the Post-Recession World

Trust is no longer enough. Strong brands inspire both Trust (belief in the brand's promise developed over time) with Recommendation (current confirmation of that promise). This combination of Trust plus Recommendation results in a WPP metric called TrustR. There's a high correlation between high TrustR and bonding, which drives sales.

Trust-R

ValueD: Balancing Desire and Price for Brand Success

Desire is primary. High Desire enables Price flexibility. A WPP metric, Value-D, measures the gap between the consumer's Desire for a brand and the consumer's perception of the brand's Price. By quantifying this gap, Value-D helps brands optimize their sales, profit and market positioning potential. Value-D can indicate if a brand is taking too much margin—or not enough.

Value-D

To learn more about BrandZ, TrustR, Value-D, or the other special studies powerd by BrandZ data being launched in 2011 on reputation and social media, please contact any WPP group company or Peter Walshe, Global BrandZ™ Director, +44 (0) 1926 826 213, peter.walshe@millwardbrown.com.

1. Anticipate change
Study the horizon for changes as they rise into view and be ready for changes that seem to materialize from thin air.

2. Understand change
Especially in a chaotic world, insight is the basis for forming a coherent strategy. When the dots fly apart, ask why. As they float randomly, try to reconnect them.

3. Stand for something original
Competitors are staring at the same dots and forming some of the same patterns. Make your response original and brand specific.

4. Stand for something consistent
Every new trend is tempting and may even drive sales, at least at first. But not every trend fits the brand and the customer's expectations of the brand.

5. Stand for something more
CSR is nice but not enough. Make social action relevant to the brand and sincere. Consumers dismiss window dressing. Fix any supply chain problems that potentially harm people, and minimize impact on the environment.

6. Innovate: Easy to say, hard to do
But consumers expect leading brands to deliver the future.

7. Differentiate
Create a brand personality that's clear and resonates with the consumer emotionally. That connection generally is harder to copy than functional advantages and it builds more valuable brands.

8. Converse with customers
The customer is not always right. But in the world of social media customers always are heard and generally offer useful opinions.

9. Talk clearly
So that the brand is heard above all the noise, invest in the content that people talk about and share.

10. Listen closely
A customer who talks about a brand cares about it. And one good opinion quickly can yield insights to inform important brand improvements and lift sales.

11. Be honest
To err is human. To cover up is unforgivable. Especially in a transparent, socially-networked world.

12. Be open
Transparency is a buzzword, but that's because it covers everything from pricing to problems. It's essential and expected.

13. Build trust
Because mistrust may be the default consumer attitude coming out of the recession, trust can be difficult to build but powerful when it's established.

14. Deliver a great experience
Introducing and polishing shiny objects is fine, as long as they work reliably and don't cause customer frustration.

15. Deliver value
Post-recession consumers appreciate durability, quality and heritage, and they expect to purchase them at a fair price.

16. Grow brand value
Brand value translates into sales, customer loyalty and – as shown by the performance of the BrandZ Top 100 – resilience even during the toughest economic times.

17. Protect brand value
Every communication or interaction with a customer needs to fulfill the brand promise.

18. Be consistent but flexible
Deliver the same coherent global message across cultures, but express it for local comprehension.

19. Measure
In the digital world measuring is easy. But look beyond the number of clicks. Old-school ROI still is important.

20. Act now
Consumer confidence remains shaky. Government treasuries are thin. But life goes on. Consumers will respond eagerly to brands that offer something real and relevant to their lives.

21. Break the rules
Today's practices sometimes calcify into tomorrow's rules. Then blind obedience, always limiting, becomes self-defeating.

Methodology

How brand value is calculated

Millward Brown Optimor applies an economic use approach to brand valuation, using a methodology similar to that employed by analysts and accountants. The brand value published is based on the intrinsic value of the brand – derived from its ability to generate demand. The dollar value of each brand in the ranking is the sum of all future earnings that brand is forecast to generate, discounted to a present-day value.

The Data Sources

Brand Equity

Insights into customer behavior and brand perceptions come from WPP's BrandZ, an annual quantitative brand equity study in which consumers and business customers familiar with a category evaluate brands. Since the inception of BrandZ 13 years ago, over two million consumers and business-to-business customers across more than 30 countries have shared their opinions about thousands of brands. It is the most comprehensive, global, and consistent study of brand equity.

Financial Performance

Financial data is sourced from Bloomberg, analyst and industry reports, as well as company filings with regulatory bodies. Additionally, we use Kantar Worldpanel for sales data for certain categories. A team of Millward Brown Optimor analysts then prepares financial models for each brand that link brand perceptions to company earnings and valuation, and ultimately shareholder and brand value.

The Valuation Process

The brand value is calculated in three steps:

1. Branded Earnings

What proportion of a company's earnings is generated "under the banner of the brand"?

First, we identify the portion of total company earnings generated by each business that carries the brand. For example, in the case of Coca-Cola, some earnings are not branded Coca-Cola, but come from Fanta, Sprite, or Minute Maid. From these branded earnings, we subtract capital charges. This ensures that we only capture value above and beyond what investors would require any investment in the brand to earn – the value the brand adds to the business. This provides a bottom-up view of the earnings of the branded business.

2. Brand Contribution

How much of these branded earnings are generated due to the brand's close bond with its customers?

Only a portion of these earnings can be considered as driven by brand equity. This is the "Brand Contribution," the measure that describes the degree to which brand plays a role in generating earnings. This is established through analysis of country-, market-, and brand-specific customer research from the BrandZ database.

This guarantees that the Brand Contribution is rooted in real-life customer perceptions and behavior, not spurious "expert opinion." The Brand Contribution allows us to capture differences in the importance of brands by category and by country, the role of brand versus other factors such as price and location, and changing customer priorities. In some categories, such as luxury goods, cars, or beer, brand is very important. Over the past five years, the importance of brand has risen. Brand Contribution is calculated as a percentage, but displayed as an index from 1 to 5 (5 is the highest).

3. Brand Multiple

What is the growth potential of the brand-driven earnings?

In the final step, the growth potential of these branded earnings is taken into account. Both financial projections and consumer data is used . This provides an earnings multiple aligned with the methods used by the analyst community. It also takes into account brand-specific growth opportunities and barriers.

With Thanks

The BrandZ Top 100 Most Valuable Global Brands is created using data from BrandZ, Bloomberg and Kantar Worldpanel.

Bloomberg

The Bloomberg Professional service is the source of real-time and historical financial news and information for central banks, investment institutions, commercial banks, government offices and agencies, law firms, corporations and news organizations in over150 countries.

www.bloomberg.com

BRANDZ™

The BrandZ study, commissioned by WPP and conducted annually by Millward Brown, measures the brand equity of thousands of global "consumer facing" and business-to-business brands, and has interviewed over 2 million consumers globally. Consumer perception of a brand is a key input in determining brand value because brands are a combination of business performance, product delivery, clarity of positioning, and leadership.

www.brandz.com

KANTAR WORLDPANEL

About Kantar Worldpanel

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels. Its High Definition Inspiration™ approach combines market monitoring, advanced analytics and tailored market research solutions to deliver both the big picture and the fine detail that inspire successful actions by its clients. Kantar Worldpanel's expertise about what people buy or use – and why – has become the market currency for brand owners, retailers, market analysts and government organizations globally.

www.kantarworldpanel.com

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