BEST GLOBAL BRANDS 2011

Interbrand

Creating and managing brand value™

Defining "Brand"

World Changing Brands

Top Trends

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DEFINING "BRAND"

BY JEZ FRAMPTON

Brand:
n. A living business asset

We are living in uncertain times; the economy remains in flux, civilians are taking to the streets in protest and seeking political change, natural disasters abound. All in all, it seems as though the tough times aren't over yet.

For brands, the ups and downs of today's world make an already competitive marketplace all the more complex. Brands increasingly need to be quick and nimble—flexing to stay one step ahead of the change happening all around them. And it isn't just about speed, it's about consistency and accuracy in response to the social media connected and hyper-aware marketplace: every employee must be able to predict and respond in-line with the customer expectations and desires of the brand.

In order to succeed, we believe CEOs, CMOs, and Brand Managers must manage their brands as living business assets, constantly nurturing them in order to keep pace in a rapidly changing world. Your customers interpret your brand as a result of every interaction; from culture to product, from environment to communications. In short, everyone in your organization is a brand manager now!

The business leaders who manage the Top 100 Best Global Brands understand that what consumers want in Hong Kong may be very different from what they desire in Rajasthan. They also recognize that it is about more than simple market expansion! But, savvier, and more discerning customers are demanding greater degrees of engagement from brands, and as such, brand owners must become more sensitive to their needs and desires to ultimately evolve the brand experience across the whole organization. These trends demand significant change in management structures and decision making for large, traditional, organizations, of which there are many in our Top 100.

To ensure the brand is truly a business asset, and to increase barriers to competition, organizations need to truly live their brand values internally. Removing silo structures, so that multi-functional teams can work together seamlessly to drive creative thought and innovation, is a frequent subject of conversation in many large corporations. The time for discussion is swiftly coming to an end as we truly enter the age of the socially networked world.

The Top 100 Best Global Brands show us what is possible. These strong and highly innovative brands have responded to the needs of their people, their consumers, and the world beyond their corporate doors. In times like these, it's an admirable achievement worth celebrating and emulating.

Congratulations to the Top 100 from all of us at Interbrand.

Jez Frampton
Global Chief Executive
Interbrand

WORLD CHANGING BRANDS

APPLE, COCA-COLA, BMW, AND PANASONIC

Each year as we value the world's top 100 brands, a few emerge as clear standouts. Brands that have used creativity and innovation to enable us to do things we never thought possible, and cause us to feel a spark of excitement and joy. These brands have, very literally, changed the world.

APPLE'S NEW HEADQUARTERS: A LIVING, BREATHING OFFICE SPACE

"It is a little like a spaceship landed..."
– Steve Jobs

First you are taken by the striking image: a circular, alien-like mothership. An office building re-imagined—a headquarters to match the streamlined beauty of Apple's products.

Set in Cupertino, the new Norman Foster-designed Apple headquarters is slated for completion by 2015. It will house 12,000 employees in a space aiming for visual inspiration and environmental sustainability.

Indeed, with the help of a senior arborist from Stanford, Apple will be transforming 80 percent of the barren asphalt space into a landscape alive with native plant life and apricot orchards. Even more, Apple's campus energy center will act as the facility's primary power generator, using natural gas and other clean energy sources. The city of Cupertino will only provide backup power when needed.

The structure, while reminiscent of Apple's beloved retail spaces in its clean and iconic design, takes them to an entirely new level. The building has been designed with every detail in mind. It is scaled low–not more than four stories. As Steve Jobs noted in his presentation to the Cupertino City Council, "We want the whole place human scale," underscoring Apple's desire to infuse its high-tech products and facilities with accessibility and a human touch.

While the groundbreaking space is likely to lure top talent to work there, it should also draw avid architecture enthusiasts eager to take a tour. Much of this has to do with the collaboration at hand here. By working with the largest architecture practice in the world, Norman Foster, Apple will be joining good company—from Abu Dhabi's UAE Pavillion, to the Boston Museum of Fine Arts, to the world's first private spaceport. The collaboration ensures the new headquarters will not only be a landmark space, but also one more touchpoint to communicate the brand and redefine our ideas of what an office headquarters can and should be.

COCA-COLA'S PLANTBOTTLE™: REVOLUTIONARY AND EVOLUTIONARY

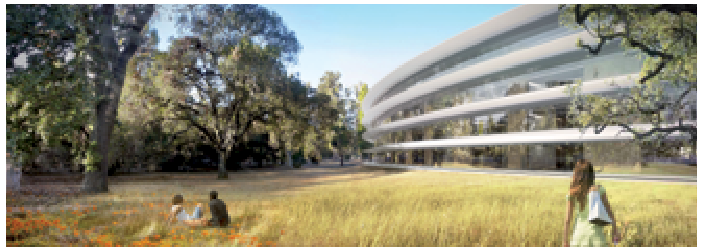
"Coke stepped back and saw that everyone was looking for the out-of-the-box solution. We joke about looking inside the bottle...Instead of saying, what is wrong with the current PET plastic packaging, we said, what is right?"
– Scott Vitters, Sustainable Packaging Director, Coca-Cola

Perhaps unsurprisingly for the number one most valuable brand, Coca-Cola demonstrated that it was a world-changer with not just one but two innovations this year: its PlantBottle™ and Coca-Cola Freestyle®.

The PlantBottle™ has been 10 years in the making—an effort to de-couple plastics from petrochemicals that was made a reality at a moment when the world was ready to embrace a more environmentally sustainable packaging solution. The bottle packaging, which is comprised 30 percent of plant materials, first rolled out in 2009. In 2011, it can be found in nine different countries, with 12 more in the works, and a 2020 goal to use PlantBottle™ in 100 percent of its markets.

Beyond saving Coca-Cola and the world the equivalent of almost 30,000 metric tons of carbon dioxide, perhaps the most revolutionary aspect of PlantBottle™ is that it is, as Scott Vitters notes "evolutionary." Unlike other new plastics, PlantBottle™ can be recycled the same way standard plastic bottles are recycled, thus eliminating the need for a new recycling infrastructure. As a result, Coca-Cola has been able to

Apple Headquarters rendering
(Credit: Foster & Partners, Apple Inc.)



Apple Headquarters rendering
(Credit: Foster & Partners, Apple Inc.)

roll out the bottles rapidly, as well as see them readily accepted in all markets. So far, its growth has been awe-inspiring.

In the few years that PlantBottle™ has been available, its purpose has also shifted gears, revealing the potential that exists in environmentally sustainable initiatives. While the program started out as an initiative on how to advance Coca-Cola's environmental performance, it has since evolved into one that is now also focused on how to continue to drive cost-competitiveness to the business at a time when commodities are becoming increasingly volatile. Additionally, Heinz's recent move to license the PlantBottle™ and use it for its iconic ketchup bottle—which promotes the visibility of PlantBottle™, while also helping Heinz meet its own separate environmental goals—even suggests that PlantBottle™ has an opportunity to become a profit-center for Coca-Cola in the future. Overall, PlantBottle™ has not just radically changed the way plastic can be produced, but it is beginning to radically change the way businesses view their sustainability initiatives.

COCA-COLA FREESTYLE®: REINVENTING THE SODA FOUNTAIN

"What's really exciting about Freestyle is that it is a completely new brand experience. A way for consumers to engage with our portfolio. The whole world is going to a digital and social age and Freestyle gives us a vehicle to make us relevant in that space."
– Gene Farrell, Coca-Cola Freestyle® Vice-President and Manager

Coca-Cola's Freestyle® soda fountain unit is another world-changing initiative from the brand. A complete reinvention of the old standby, this soda dispenser is sleek, fast, easy-to-use, more environmentally sustainable, and more data-rich for the retailers behind it. It has literally changed its product category.

Using a micro-dosing technology that is more frequently seen in the medical community to measure precise dosages of drugs, the machine custom creates up to 100 Coca-Cola beverages on the spot by blending concentrated ingredients with water and sweetener. Afterwards, it dispenses the sodas via a special technology called PUREPOUR.

In terms of design, the digital interface was designed to be as intuitive as possible. Additionally, Coca-Cola commissioned the designers behind Ferrari racecars to design the soda fountain. The result is a sleek and clean device that has received unanimous praise by the design community, generating enormous buzz.

Perhaps the most world changing of all, however, is the data-rich component to the Freestyle. Coca-Cola is using the machines to collect information regarding what products are purchased, how frequently, from which locations, and at what time. All data from the machines funnels immediately back to Coca-Cola's base in Atlanta for a more accurate understanding of what consumers want.

Coca-Cola Freestyle®
(Credit: Coca-Cola)

Freestyle is just the first phase of what Coca-Cola hopes will be a future of more customizable and social products. In the future, Coca-Cola hopes that customers will be able to use Freestyle's app to customize and mix their own recipes on their phones or to find which products are most popular among a customer's circle of friends.

BMW GUGGENHEIM LAB: CHANGING THE WORLD ONE CITY AT A TIME

"Here is a car company working to transform itself into a mobility company and they've shared some of those challenges with us. I'd say this a very brave endeavor of BMW's. They make most of their money selling cars and motorcycles, and yet, they have funded an initiative whose advisors include Enrique Peñalosa ex-mayor of Bogotá, also known as the 'War on Cars Mayor.'"
– Charles Montgomery, BMW Guggenheim Lab member

As great things often do, the BMW Guggenheim Lab, a mobile laboratory, started from a conversation. Two years ago, BMW approached the Guggenheim with a vague but ambitious project idea—a joint project that will be global and focused on cities. Knowing nothing more than that, curators David van der Leer and Maria Nicanor set aside time to write a dream proposal that they assumed would never come to life. Much to their surprise it did. The BMW Guggenheim Lab's "Confronting Comfort" is currently on display for all to see in New York's East Village through October 16, 2011. In 2012, the lab will move to Berlin, with a series of additional cities to follow, including Mumbai.

The idea behind the lab is to find out what happens when five people—ranging from urbanists and scientists to journalists—come together to create discussions and experiments around city spaces. Urban dwellers are also invited to join with the hope that it will lead to new ideas and better designs for future cities. Just some of the interactive projects so far, include author Charles Montgomery's "Emotional Map" experiment and a group interactive game called "Urbanology" created by Elma van Boxel and Kristian Koreman of the architecture firm ZUS.

Beyond just the people involved, a great deal of thought has been put into the physical space, which also reflects the nature of the project. All have been designed with accessibility in mind—part open-air forum, part community center. The two story-structure is made of black carbon fiber, the same material used to make tennis rackets, and can comfortably seat 300. Everything, from bleachers, tables, chairs, to carbon-fiber rain gutters were designed to fold up for easy travel.

Each lab location was selected to reflect the tensions of the specific city. For example, in New York, the lab sits between two tenement buildings in a neighborhood at the crux of gentrification. In Berlin, it will reside on the Pfefferberg site, an old, industrial brewery that is typical of the city's landscape. And just as each of the city spaces

The BMW Guggenheim Lab in New York
(Credit: Guggenheim)

As great things often do, the BMW Guggenheim Lab, a mobile laboratory, started from a conversation.

The BMW Guggenheim Lab in New York
(Credit: Guggenheim)

will adapt, the programs in each location will also be different, with a new lab team in each area working with local institutions. Whereas New York focuses on underlying physical systems that feed cities, the lab in Mumbai will focus on access issues.

Overall, BMW's move to partner with the Guggenheim on this creative thought experiment demonstrates the brand's boldness and willingness to embrace its inevitable future. By investing in this world-changing endeavor, it is likely to discover findings that will help it move forward—and positively impact the cities of the world in the process.

FUJISAWA SUSTAINABLE SMART TOWN: LEADING THE GREEN REVOLUTION

"Panasonic is aiming to become a brand that leads the green revolution." - Takumi Kajisha Managing Executive Officer, Panasonic

The Great East Japan Earthquake, which devastated the country this year, prompted the world to rethink their energy infrastructures. Nowhere has this had more weight than in Japan itself. Still reeling from the disaster, the need for safe and secure energy infrastructures are a priority for the country's dense population.

One brand that is spearheading efforts in this area, and looking to improve specifically in its native country, is Panasonic. In May 2011, Panasonic announced that it would be working with eight additional partners (Accenture, Mitsui & Co., Mitsui Fudosan Co., Nihon Sekkei, Orix Corporation, PanaHome Corporation, Sumitomo Trust & Banking Co., and Tokyo Gas Co.) to implement a world-changing concept called "Fujisawa Sustainable Smart Town."

Panasonic's role in the eco-city is pivotal. It is developing solar panels that are integrated with the landscape, basic specifications for homes with space for installing storage battery equipment to promote electric vehicles, smart home appliances, LED lighting, and a Panasonic collaboration control system called SEG to enable optimal energy management. Additionally, Panasonic will be developing economical eco-car and electric bicycle sharing programs for suburban style household use that will contribute to reducing the town's carbon footprint. And Fujisawa is just the beginning. Panasonic has a number of additional eco-cities and smart city projects in the works, including one currently under way in Singapore, proving that its goal to become the number one green innovation company in the electronics industry by 2018 may indeed become a reality.

"Fujisawa Sustainable Smart Town" rendering
(Credit: Panasonic)

WORLD CHANGING BRANDS

The four world changing brands here are all taking risks, channeling human truths, embracing big ideas, and in many cases, tapping resources outside of their own. Ultimately, they are proving that brands with bold and inspiring visions have an enormous opportunity to reshape reality. They are living, breathing brands—and they have changed the world.

Overall BMW's move to partner with the Guggenheim on this creative thought experiment demonstrates the brand's boldness and willingness to embrace its inevitable future.

DIFFERENCE IS VITAL

"Here's to the crazy ones. The rebels. The trouble-makers. The ones who see things differently. While some may see them as the crazy ones, we see genius. Because the people who are crazy enough to think they can change the world, are the ones who do."

– Apple's "Think Different" advertising campaign, 1997

The words of Apple's 1997 "Think Different" campaign seem, in many ways, prophetic as we head into 2012—and it is no coincidence that it also marked a pivotal moment in the brand's evolution to the fastest rising Best Global Brand we see today. Indeed, bold and visionary thinking has never been more vital than right now.

Today's average consumer experiences a torrent of information coming at them at every moment. Twitter, Facebook, WikiLeaks, Google+, YouTube–blink and you might miss something. In fact, the influx has become so overwhelming that aggregators that filter the information for us (popUrls, Videosift, The Hype Machine, just to name a few) have become businesses in their own right, growing and evolving to meet the needs of those who use them.

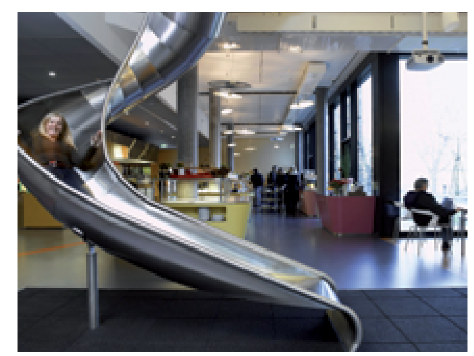
Ultimately, for Brand Managers, all the noise means one thing: standing out from competitors is becoming increasingly challenging, even as it is increasingly important. Yet, despite the obstacles, some brands are finding ways to do it–and they are not just creating a short-term impact, but even more importantly making a relevant and differentiated promise that they can sustain for the long term.

GOOGLE AND PIXAR: WORKPLACE INNOVATION

It may be counter-intuitive for some to think that an internal endeavor could elevate a brand's presence externally, but for Google and Pixar, this has proved to be exactly the case. Google's workplaces around the world—replete with a slide that shoots to the cafeteria serving gourmet food, local expressions in each location (murals in Buenos Aires and ski gondolas in Zurich), bicycles and scooters for travel between meetings, massage chairs, large inflatable balls, yurts and huddle rooms—have been a successful way for the organization to drive home its positioning as innovative, experimental, and fun. Similarly, Pixar's Willy Wonka-esque headquarters,featuring secret panels and work-sheds that resemble tiny houses, garners "oohs and ahhs" in the media. Pixar and Google's internal culture has been an unexpected way for them to stand out from competitors. Devotion to employees and attention to the workplace puts them in a position to hire the best talent for their fields, setting both companies up for the delivery of a superior product. An innovative and fun workplace also encourages employee loyalty, reducing costs typically associated with these aspects of business. Overall, both organizations' internal culture have made their brands the powerhouses that they are—and allow us to be forgiving when they blunder.

GAP: FROM POP-UP TO FOOD TRUCK

After its embarrassing logo rebrand misstep at the end of 2010, Gap has spent the past year rethinking its strategy and positioning, with a new CMO, Seth Farbman, at the helm. This year, it moved forward with a number of highly innovative experiments. First was its pop-up store on Fifth Avenue in New York that was curated by the popular blog "Cool Hunting." Taking cues from young, edgy brands like Opening Ceremony, the store infused the Gap brand with a hefty dose of cool by offering the latest in innovative design, artisan craftsmanship, and social and environmental consciousness. The small space was filled with products ranging from Grado headphones to the latest Jonathan Adler pieces. Even more recently it launched a campaign for its 1969 Denim Collection. In addition to featuring a bird's eye look at GAP's innovative workspace and employees, it has rolled out a roaming "Pico De Gap" gourmet taco truck with a menu orchestrated by *Top Chef* contestant Ryan Scott. The food truck is set to launch in major cities across the U.S. in the fall. The creativity is yielding a wealth of positive buzz.



Google's office in Zurich
(Credit: Google)

IBM: IT IS ALL ABOUT POSITIONING

While retail brands have the advantage of a direct consumer audience, it can be more challenging for a B2B brand to stand out from competitors and generate chatter. And yet, IBM integrates its "Smarter Planet" messaging into everything—and elicits awe for the incredible way it weaves the long-term positioning into the many spaces it works in, be it consulting, software, cloud computing, or anything else. While what IBM actually "does" may not be as clear to consumers as it is to its B2B core audience, there is still an innate understanding of the brand and what it stands for because of the spot-on nature of its messaging.

CHANGE THE WORLD

It is true that creating a unique and lasting positioning in today's brand landscape is no easy feat, but a number of brands are proving what's possible if you think outside the box. So start taking some risks–and start changing the world.

> "None of us can know everything; each of us knows something; we can put the pieces together if we pool our resources and combine our skills."
>
> - Henry Jenkins, author of *Convergence Culture*

Today's more interconnected society has given rise to a whole new unexpected network: that of corporate brands. From Ford's use of Google's Prediction API, to LG and Prada's exquisitely designed mobile phone, Coca-Cola and Heinz's PlantBottle™ partnerships, BMW and Guggenheim's joint Lab, and HSBC's collaboration with World Wildlife Fund, it is now commonplace to see brands teaming up together to harness their collective power. While brand collaborations are not without risk—pick the wrong partner and see your reputation suffer—in a tough economy, the opportunities appear to be outweighing any potential negatives.

NOKIA AND MICROSOFT

In recent years, the technology and telecommunications space have seen a blurring of lines, which explains why Nokia and Microsoft are finding strength in numbers by working together to create products that give consumers what they want and need. Through the partnership, both parties gain, not just in terms of joint marketing initiatives, but also in shared knowledge. For example, Nokia gains from its adoption of Windows Phone as its principle smartphone. Similarly, Microsoft gains through Nokia's contribution to the hardware design, language support, and leverage of the Windows Phone. Additionally, Microsoft Bing would power Nokia's search services across Nokia devices, while Nokia Maps would become a core part of Microsoft's mapping applications. The list of opportunities is endless, improving both brands' positions for the future.

COCA-COLA AND HEINZ

The partnership between Heinz and Coca-Cola also benefits each brand. For Coca-Cola, licensing its new recyclable plastic PlantBottle™, which is comprised of 30 percent plant materials, reduces carbon impact by 12-19 percent, and ensures that its sustainability innovations make some money back. Coca-Cola, which spent upwards of US $150 million on the project, could potentially turn its PlantBottle™ into a viable profit center, with talk of more brand collaborations in the future. Additionally, by helping Heinz attain its goal to reduce energy usage, greenhouse gas emissions, water consumption, and solid waste disposal by 2015, it gains positive recognition for its innovative bottle. And yet, Heinz also gains from the partnership by saving on R&D, while quickly moving closer to making its environmental sustainability goals a reality. Also, by partnering with the world's #1 brand, Heinz (#49) can gain from additional publicity around the effort.

Coca-Cola PlantBottle™ and Heinz PlantBottle™
(Credit: Coca-Cola)

The increasing importance of corporate citizenship and sustainability is making not-for-profits' need for additional resources more challenging than ever before. Many of these brands are now feeling competition from strongly branded commercial companies moving into their space. Take IBM, which now provides advisory services on climate change and BT, with its Carbon Assessment service. As a result, many not-for-profit brands are forming long-term relationships with top brands to stand out within the market and secure future income. And for leading brands, the partnership is a win as well, improving their reputation and fostering goodwill toward their efforts.

GUCCI AND UNICEF

The five-year partnership between Gucci and UNICEF is a good example of how a collaboration of this kind can benefit both brands. Since partnering with UNICEF in 2005, Gucci has committed over US $9 million to the organization and stands as the largest corporate donor to UNICEF's "Schools for Africa" initiative. Gucci's fundraising events and limited edition products for UNICEF have cast a positive, philanthropic light on a brand known more for its elite membership. Additionally, it also helped it secure high-profile celebrity spokespeople like Rihanna. For UNICEF, the partnership has brought high-profile attention to its causes as well as raised awareness among the greater public.

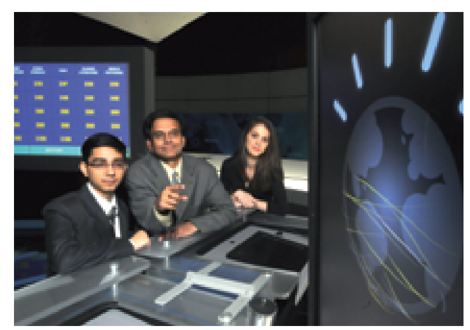
Just as we are creating connections on Facebook and Twitter daily, brands are also expanding their networks. Together they are creating unexpected and fruitful relationships that enable them to evolve and maintain relevance.

HUMANIZING TECHNOLOGY

A SYMBIOTIC RELATIONSHIP

When *Time* magazine splashed the provocative headline "2045: The Year Man Becomes Immortal" on its February 2011 cover, Ray Kurzweil and his theory of the Singularity officially hit the mainstream. Suddenly, young and old were contemplating a not-so-far-off future, where bodies and brains are merged with machines.

While the Singularity may be an extreme concept, the attention it has drawn and its trickle down to the mainstream says much about our current landscape and the impact technology has on our daily lives. It is now a given that the always-available internet has transformed the way we communicate and consume information. Google, Facebook, Apple, IBM, Twitter, Skype, Spotify: on any given day, these are the brands the average consumer interacts with the most. Our hands click their keyboard keys. Our information is fed through their systems. We use their infrastructures day in and day out. And as these brands continue to grow in value and stature, reshaping our lives, it is only inevitable that we are reshaping them in turn.



IBM Watson
(Credit: IBM)

THE HUMAN TOUCH

"Every designer's ambition is to make technology disappear, so you use it but you don't feel it's there." – Paola Antonelli, Senior Curator MoMA

A number of brands are creating technologies that fit so seamlessly with our lifestyles that they feel like extensions of ourselves. Cisco (#13) has even made this its guiding principle with its tagline "The Human Network." But perhaps an even more literal example is IBM's (#2) super-computer, Watson, which beat two top-ranking human competitors on the popular U.S. quiz show *Jeopardy* in February. Not only did the artificial intelligence machine answer every question correctly, but even more importantly, it understood each question that was asked.

Paola Antonelli may have been thinking of Apple (#8), in particular, when she talked about the boundary between humans and technology dissolving in an interview with Interbrand's Chris Campbell earlier this year. More than any other brand, Apple has succeeded in humanizing its technology through its sleek and tactile interfaces. In some cases, as with the iPad, its products are so intuitive that they are being used as learning tools for the autistic.

And technology is being used in radical new ways beyond interfaces in spaces like healthcare. At the most basic and emotional level, doctors are now using mobile phones to communicate with patients and diagnose them in real-time, which fosters better and more effective doctor/patient relationships. Beyond that, organizations like Kaiser Permanente are using technology to change the hospital experience. Meanwhile, medical device brands like Medtronic are developing products that make complex medical procedures far more approachable and manageable.

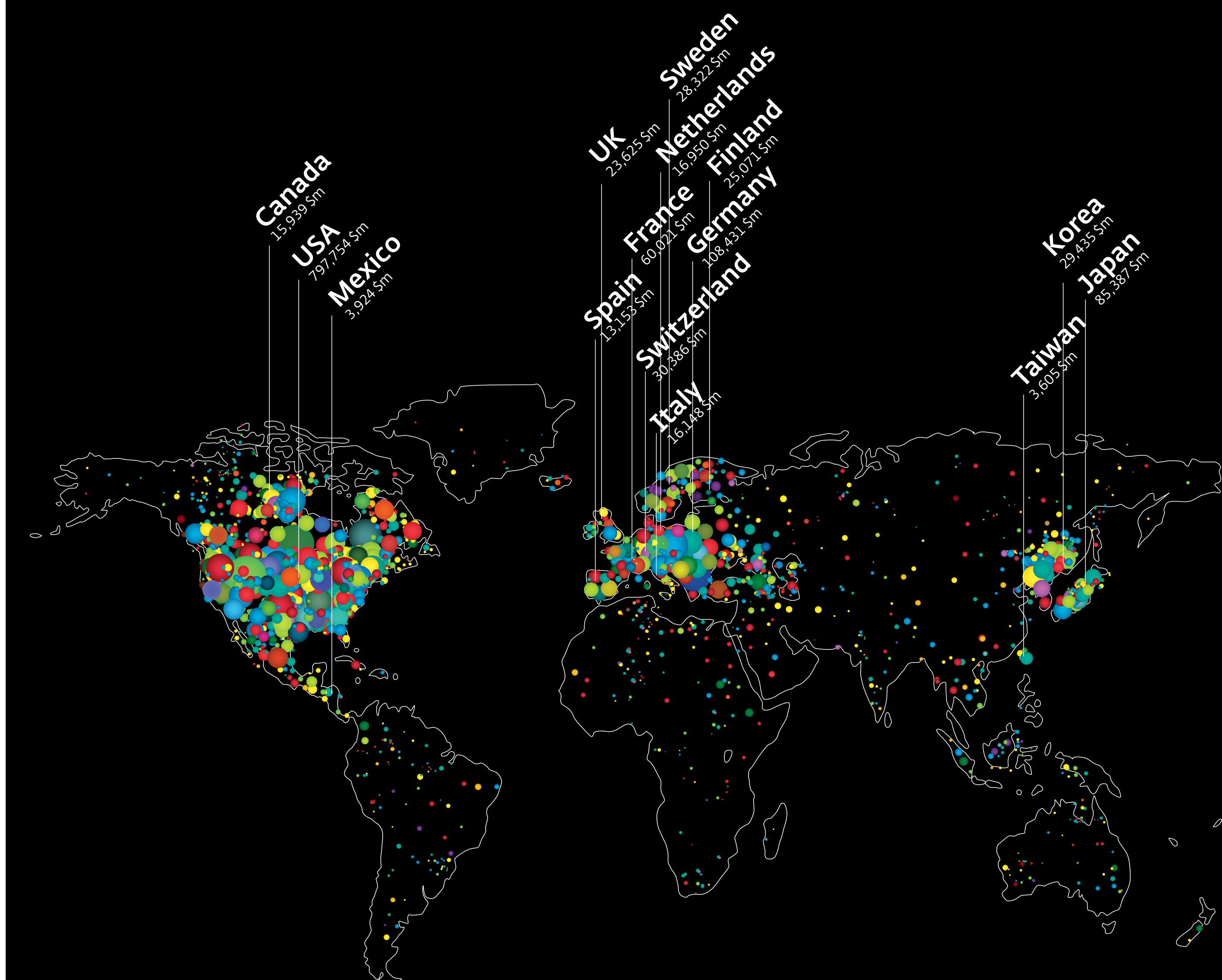
For example, Medtronic created a low-cost, pill-sized pacemaker that can be inserted into a stent and embedded in the heart. It's helping to meet the demand for cardiac electro physiologists in countries like India, where there are few despite a high population. Additionally, sensors in the pacemaker can transmit signals through a mobile phone to a cloud computing infrastructure for monitoring, allowing doctors anywhere to access the data, improve diagnosis, and reduce the need for procedures. Medtronic is also using the data for surveillance and improvements for future devices. This is just the beginning: A not-so-distant future exists in which devices will even be able to scan your body, pinpoint an ailment, and diagnose it on the spot.

> "We are entering a new era. I call it 'the Singularity.' It's a merger between human intelligence and machine intelligence that is going to create something bigger than itself."
>
> – Ray Kurzweil

While ultimately the choice is yours whether you embrace Kurzweil's Singularity or not, the reality is that our relationship with technology has reached a point of no return. The boundaries between technology and people have dissolved. It's a brave new world out there— and not exactly one we ever could have predicted.

2011 BRAND VALUE

BY REGION/COUNTRY



The above map demonstrates the combined value for all brands from a specific region/country. With 50 brands on the Top 100 list and a total brand value of US $ 797,754 million, North America dominates the ranking. Germany, with 10 brands on the list and a total brand value of US $108,431 comes in second. Each year, however, new regions/countries gain steam. 2010 saw Mexican brand Corona join the table, and this year HTC from Taiwan has made the ranking.

THE 100 MOST VALUABLE GLOBAL BRANDS 2011

In 2011, technology brands continued their trend toward growth. Nissan, John Deere, and HTC joined the list and top riser Apple joined the Top 10. Coca-Cola continues to lead the pack with IBM coming in second.

TOP 100 BEST GLOBAL BRANDS

01

COCA-COLA

+2%

71,861 $m

The Coca-Cola brand remains timeless yet relevant as it celebrates its 125th anniversary. The company lives its brand, and the overall equity of happiness comes through at every touchpoint. It continues to receive enormous exposure through top-tier sponsorships with popular events like the FIFA World Cup. Additionally, Coca-Cola ties itself closely with meaningful promotions relating to disaster relief, youth empowerment, and sustainability issues around the globe. This past year also saw the wide rollout of its PlantBottle™, a sustainable and recyclable bottle made partially of plant material, which included Heinz adopting the technology for use with ketchup bottles (with featured "talking labels" asking "Guess what my bottle is made of?"). As soft drinks are a relatively stable market, Coca-Cola's brand value moves accordingly. Per company reports, consumers worldwide choose to refresh themselves with Coca-Cola products "at a rate of over 1.7 billion servings each and every day." That's a lot of Coke.

02

IBM

+8%

69,905$m

IBM, which celebrates its 100-year anniversary this year, is stronger than ever, having evolved its offerings from hardware, to service, to knowledge, and now to innovation. IBM's success is due in large part to its commitment to intelligence—from the intelligence of employees brainstorming together in IBM Jams to the intelligence of information being used to improve power grids and transport systems. Additionally, the brand's advocacy of open-source software has resulted in a more productive services unit. For its latest "grand challenge," IBM brought its deep-analytics computer, Watson, on the *Jeopardy* game show where it dispatched past champions to garner massive earned media. Between its Watson triumph, its century celebration, and its ongoing drive to make the planet smarter, the IBM brand is operating at full speed.

03

MICROSOFT

-3%

59,087$m

Microsoft continues to dominate the PC operating system, server software, and office productivity software markets. This is a both a blessing and a curse as the future of computing moves to the mobile space. Competitors continue to lure customers with mobile applications that turn individual devices into ecosystems. Google's no-cost model will continue to put pressure on the tech giant's profit margins, and Google Apps could threaten the Microsoft Office business with its competing cloud integration and collaborative tools. A new partnership with Nokia is likely to shine a bright light on Microsoft's mobile software, which has had a tough history with both consumers and providers. This, along with the recent acclaim for the Xbox Kinect, the Windows Phone Mango OS, and tablet-ready Windows 8 designs, indicates that Microsoft has all the pieces in place to build a strong consumer business.

04

GOOGLE

+27%

55,317$m

With a 27 percent increase in brand value in the past year, Google's position as one of the world's pre-eminent brands is growing and nothing seems capable of stopping it. Google has focused largely on developing new offerings in the past year, including Chromebook, a cloud-connected computer without internal software and equipped with the tagline "Ready When You Are." Besides attracting more visitors than any other website, Google also continues to attract and retain employees, ranking number one on multiple surveys of the most attractive employer. Ensuring its people are engaged in the company's success, Larry Page, co-founder and current CEO, announced that 25 percent of employees' yearly bonuses depended on the performance of Google+, the brand's new social networking challenger. Google+ was received with mixed response and while it is difficult to find specific data, Google+ may find its greatest challenge to be overcoming the issue of so many social sites being available to consumers. Harnessing its power for good, Google continues to raise awareness for climate change, global public health, and poverty, with more than U.S. $100 million in grants awarded since 2004 through Google.org.

05

GE

0%

42,808$m

GE continues to be one of the world's most respected brands, and an example of the power of imagination. While the Fukushima disaster in Japan and financial issues in the U.S. generated some bad press in 2011, it remains strongly positioned around the world; operating in more than 100 countries and employing 300,000 people. Its ecomagination and healthymagination programs are two of the brand's flagship platforms, driving the company and providing an enviable credibility halo across multiple lines of business around the world. While others are investing around a singular idea (IBM's Smarter Planet, Accenture's High Performance), GE is pursuing a potentially more demanding strategy of building the master brand while simultaneously expanding capability in healthcare and the environment through its flagship platforms. The early results indicate that the strategy is paying off.

06

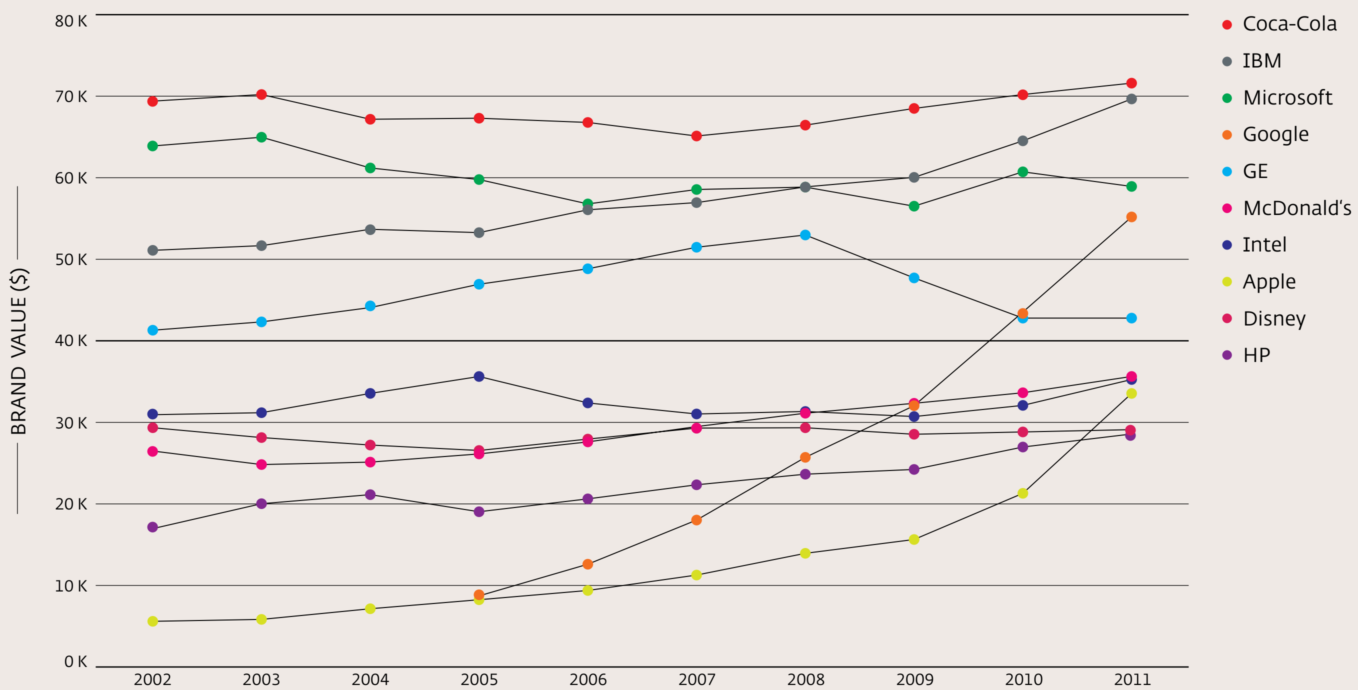
McDONALD'S

+6%

35,593$m

A master of consistency, quality, and in recent years, consumer responsiveness, the long-time fast food leader drives innovation in the category it dominates—from McCafé, its higher quality coffee (with sales challenging Starbucks) to a healthier Happy Meal, which it plans to roll out in September. In terms of environmental sustainability, the brand is embarking on an ambitious program that requires all of its suppliers over time to source their products entirely from sustainably managed land. Additionally, it is making moves to ensure that vegetable oil from McDonald's restaurants is converted into 100 percent biodiesel to fuel its logistics fleet. You may have noticed in our 2011 Best Global Green Brands report there is a gap between consumer perception and corporate performance relative to sustainability. Closing this gap will be critical for future growth. This year, the brand experienced a high-profile conflict over social media due to its Ronald McDonald mascot, whom a group of health advocates and activist physicians wanted to see fired. Holding his ground, CEO Jim Skinner announced the McDonald's brand ambassador would not be retiring.

TOP 10 BRANDS



07

INTEL

+10%

35,217$m

Intel is at the forefront of microprocessor innovation, committed to advancements in energy efficiency, the use of technology in education and healthcare, and global ventures in computers. The business cycle in the technology industry favors such a strong leading brand, and Intel seizes upon this position with an unwavering focus on innovation. As competition intensifies, Intel continues to promote the speed, quality, and reliability of its products as the basis for its price premium. However, as an ingredient brand, customers sometimes forget about it, with the brand becoming buried in the product itself. Even though it is less pronounced in messaging, Intel's sonic branding remains strong given its iconic status .

Additionally, prolonged delivery of its smartphone powered by its legendary processors (in part, a consequence of the dissolution of Intel's collaboration with Nokia) has not helped the brand. Through aggressive, well-executed advertising campaigns; corporate citizenship activities; and a strong social media presence, Intel continues to grow its awareness, especially by engaging consumers in conversations about the future.

08

APPLE

+58%

33,492$m

Setting the bar high in its category and beyond, Apple is the icon for great branding meeting great technology to deliver a unique overall experience, making its giant leap from #17 to #8 in the rankings less than surprising. Consumers continue to follow its product launches with anticipation and are quick to integrate its sleek products into their lifestyles. Continuing its wave of first-to-market products, Apple launched the iPad in 2010 creating the new tablet category in the process. Since its launch, young and old alike have embraced it as a tool, with organizations from education to health to sales coming on board as well. Apple has even implemented the iPad in its innovative retail spaces as a service tool for customers as they wait in line. The recent unveiling of iCloud, a service that seamlessly links users to their music, photos, contacts, and documents, will further extend the benefits of being connected "anywhere, anytime" to a fast-growing audience. Steve Jobs' recent resignation has the world curious about the impact on this innovative company as it is unclear how much of the brand's success was due directly to Jobs' own vision and control, and how much was due to his team—including new CEO, Tim Cook.

09

DISNEY

+1%

29,018$m

Disney continues to deliver its quality, family-fun experiences through parks, movies, and merchandise. In the year ahead, it has plans to expand on its successful Fantasyland in its Orlando Magic Kingdom park, delivering further on the experience the brand is built upon: fulfilling the dreams of its audience. This year, Disney's park in Hong Kong continued to perform well, and an agreement to build another in Shanghai should improve the brand's presence even more in the region. The *Cars* franchise continues to be a vital one for the company, and Disney has plans to open a "Cars Land" at its redesigned California Adventure park. The question the brand faces in the year ahead, however, is if it is creating enough new stories and characters to live up to its promise of magic and fun.

10

HEWLETT-PACKARD

+6%

28,479$m

Despite turbulence after replacing its CEO in late 2010, the HP brand retains its number 10 position. HP brings together a portfolio that spans printing, software, services and IT infrastructure to solve customer problems. Over the past year, the company has been shifting its business strategy, increasing focus on enterprise and taking transformative moves toward higher-value, higher-margin growth categories. As HP continues to transform itself and leverage acquisitions, it will experience challenges in maintaining a cohesive culture. The assimilation of EDS into HP's culture, for instance, has seen positive results but it remains a work-in-progress. Clarity internally for what the brand stands for and alignment in behaviors will need to be priorities in order to successfully complete the transformation HP aims to achieve in the marketplace and shift customers' perceptions. Seizing on the potential of social media, HP is a model for informing and conversing with its customers online through sites such as YouTube, Twitter, and Facebook. These sites have also offered a platform for employees to share experiences. While HP's recent announcement of plans to spin off its PC business (in addition to the recent drop of webOS) has peaked interest, it is important to note that even without this business unit, HP will remain one of the world's largest tech companies.

11

TOYOTA

+6%

27,764$m

Responding to recalls and highly publicized safety concerns in 2010, Toyota focused on quality and safety. Changing its leadership structure and creating a new internal reporting system are two measures that should help restore its reputation for outstanding quality control. The Toyota brand relies heavily on its family of Prius models and its Hybrid Synergy technology—it was ranked number one in Interbrand's Best Global Green Brands—and that corresponds nicely with the current consumer priorities of low-consumption and sustainability. Overall, Toyota is still viewed as the leader in green, and it looks as though the carmaker is restabilizing.

12

MERCEDES-BENZ

+9%

27,445$m

Mercedes-Benz firmly staked out its territory atop the premium automobile category with its new tagline, "The Best or Nothing," successfully tying its long heritage of excellence in engineering, performance, styling, and safety to its 125th birthday. Mercedes outranks all other automotive brands in terms of customer loyalty and satisfaction. With its new model rollout, Mercedes has responded to a market that is quickly evolving in favor of green technologies. Half of the product line is available with its BlueEfficiency package, and its Daimler "Car2Go" car-sharing mobility concept recently launched. Mercedes-Benz also continues to partner with Tesla on lithium-ion battery packs, and it received a 2010 German Sustainability Award for its Atego BlueTec Hybrid truck.

13

CISCO

+9%

25,309$m

Cisco's focus on its organization and operating model has improved productivity and positioned the brand to evolve with its business model. A more simplified organizational structure has allowed for faster innovation, reduced costs, and simpler decision-making. Despite internal changes, Cisco has demonstrated continued commitment to "The Human Network" campaign. While driving consumer recognition, its emphasis on people over technology will be an essential brand component for protecting share and margin going forward. Cisco also understands how to best utilize the social media space, reaching out and engaging consumers via videos and blogs, putting a tangible face on what it does. Additionally, its game, "Cisco myPlanNet," exemplifies an innovative and successful way to reach a new generation of IT professionals, garnering it a Social Media Marketing award for 2010.

14

NOKIA

-15%

25,071$m

Despite being one of the world's largest manufacturers of mobile phones and topping the rankings of environmental and social initiatives, Nokia is working to keep pace with mobile innovation and with the evolving consumer taste for smartphones. The recent partnership with Microsoft puts it in a good position, though it will take time to bring products to market. Nokia is positioning itself to "connect the next billion" by targeting developing markets. Its challenge will be to balance ubiquity and access with innovations and leadership. It plans to launch high-end retail stores in prestigious locations to counter consumer perceptions of Nokia as a manufacturer of entry-level phones. Nokia continues to be an active member of the United Nations Global Compact, the world's largest corporate citizenship initiative.

15

BMW

+10%

24,554$m

BMW inspires passion in both customers and employees. However, its 2012 BMW 1 Series is receiving a good amount of negative responses to its overall design. Like other carmakers, BMW has responded to the green shift in the market with concept cars designed for sustainable urban mobility, and its EfficientDynamics program marries performance with efficiency. However, given the market is saturated, it faces tough competition in the years ahead. Expect more emphasis on these core qualities as BMW sponsors the London Olympics and Team USA next year. The brand has also made an effort to engage with consumers through social media, and it is paying off with 5.5 million Facebook fans, a busy twitter feed, and a popular YouTube channel. Additionally, its BMW Guggenheim Lab, which addresses issues of urban life through programs and public discourse, has received a positive consumer response.

16

GILLETTE

+3%

23,997$m

The defining brand in male grooming, Gillette enjoys strong franchises around its products and multiple successful brand extensions. With the brand's dedication to innovative new products like shower-safe electric razors, it also provides base products in the men's grooming category with its expanded focus on skin care, deodorant, and body wash. In India, especially, the brand is doing well, and emerging markets are a crucial component of its growth strategy. Over the next two years, Gillette will be introducing products in more than 40 new countries. Recognizing the promise of social media, the brand keeps up a lively presence, especially on Facebook, where it has earned more than 400,000 Likes.

17

SAMSUNG

+20%

23,430$m

After establishing itself as the clear leader in flat panel televisions, Samsung continues to focus on mobile devices. Through a strong flagship brand strategy around Galaxy smartphones and tablet devices under the Android platform, Samsung hopes to counter competitors—though a preliminary injunction filed by Apple has, so far, resulted in Galaxy's ban in Germany. In other segments, such as digital appliances, digital imaging, IT solutions, B2B, and especially semiconductors, Samsung continues to deliver innovative and relevant solutions. It also invests heavily in its marketing capabilities to get the word out. Samsung has a high commitment to corporate citizenship and environmental initiatives, but this isn't broadly known by consumers, and that lack of awareness around its efforts may present a hurdle.

18

LOUIS VUITTON

+6%

23,172$m

Louis Vuitton reports 19 percent growth in revenue over the past year and still remains the strongest luxury brand in the world. For many, the brand depicts attainable luxury and is a highly desirable symbol of success. The brand has grown this year due to "local and tourist" consumers, a new production site in France, and an expanding watch collection. Louis Vuitton maintains growth in leather goods, but faces competition globally as more luxury brands see success in Asia. Louis Vuitton recently unveiled a new flagship store in London, which is seen as its most luxurious to date. This year, better positioning in the social media landscape, and the strategic use of Facebook as a means for conveying new and exclusive content boosted the brand.

19

HONDA

+5%

19,431$m

Honda's production capacity for cars and components took a severe hit with the March tsunami and earthquake in Japan, leaving showrooms empty, hampering sales for several months, and testing customer loyalty. As production came back on line and inventories started to replenish, Honda regained its market share by extending promotions for its core value-conscious buyers until cars became available. A big reason those customers are coming back is the brand's longstanding reputation for affordable efficiency and environmental responsibility. The natural gas powered Civic GX was named "Greenest Vehicle" by the American Council for an Energy Efficient Economy (the eighth consecutive win for a Civic GX), and Honda won its fifth consecutive "Greenest Automaker" title from the Union of Concerned Scientists. The brand continues to use its tagline, "The Power of Dreams," globally.

20

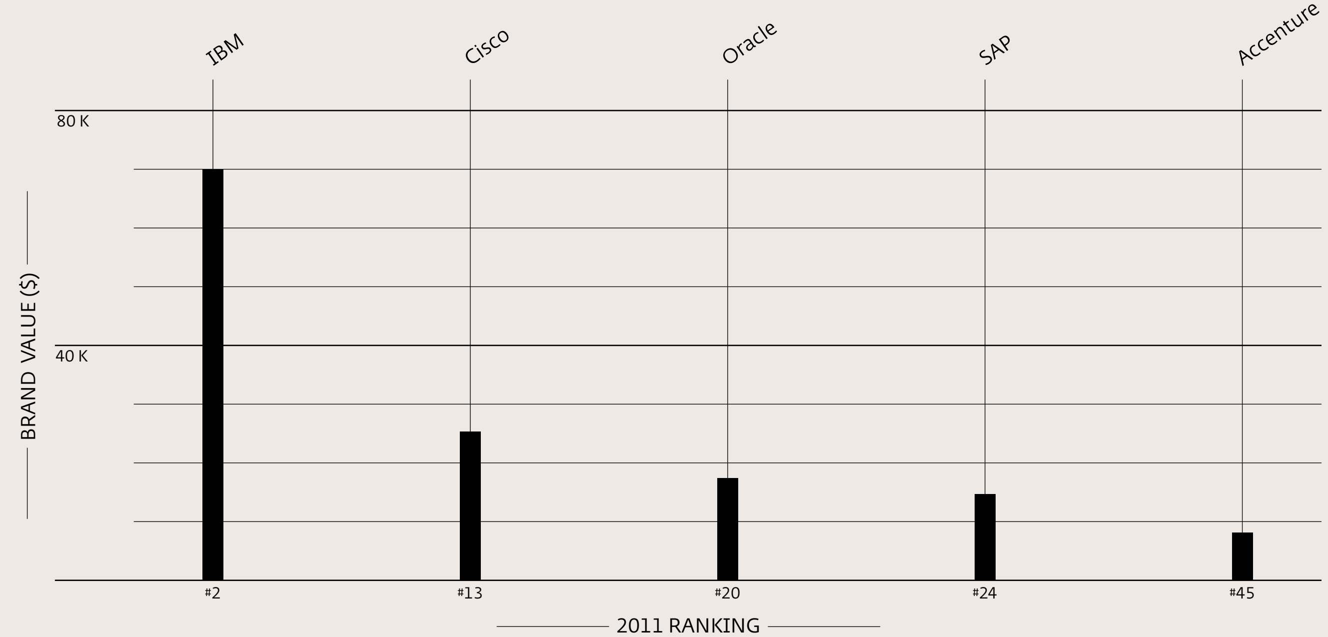
ORACLE

+16%

17,262$m

By now, everyone knows that the battles lines in technology have been drawn around software, and that the future war will be fought in the cloud. Luckily for Oracle, they seem to have known this earlier than most; they look very strong in the fight. After turning Sun Microsystems profitable in less than two years, the company reached a market capitalization in December that was nearly equal to that of rivals HP and SAP combined. Always a major M&A player, Oracle recently has demonstrated the ability to drive organic software growth. And the brand's historically strong internal culture—brand, marketing, engineering, R&D, product, IP—which is focused on doing what needs to be done to drive business, continues to leave it in the enviable position of being relatively well understood by customers. While others reshape, recast, and retrench in the ever-changing technology ecosystem, Oracle has the luxury of digging in deep.

BUSINESS SERVICES



21

H&M

+2%

16,459$m

Cotton prices have been squeezing results for fast-fashion chains, but destination brands like Swedish-based H&M are still in high demand. H&M maintains a global presence in 40 countries with over 2,300 stores, adding more than 200 in the past year alone. Its modern basics and tailored fits appeal to millions as they offer the latest trends at affordable pricing. Holding true to this business concept of "quality at the best price," H&M remains a destination brand through new collections and guest designers, such as Lanvin and Versace, though in recent years, heavy price-based activity, particularly in the U.S., has confused some customers who are seeing it as too similar to discounters. H&M also engages in corporate social responsibility through its H&M Conscious program and partnership with UNICEF. All of this activity is heavily promoted across the social media and blogging communities.

22

PEPSI

+4%

14,590$m

Pepsi has remained very true to its 2008 redesign and repositioning. The Pepsi Refresh Project, which is bringing hundreds of innovative ideas to life, is core to Pepsi's overall positioning and is widely recognized and understood by its target consumer. Some question whether this campaign actually drives soda sales. However, what's certainly clear is that it has been effective in increasing Pepsi's digital presence, which has had a positive impact on the brand overall. This year, expansion in international markets has led to significant growth. However, developed markets proved less positive in this hard-fought category.

23

AMERICAN EXPRESS

+5%

14,572$m

Heritage and consumer knowledge have helped American Express benefit from the brief economic rebound. It still remains a leading case study in financial services branding and portfolio management. It has weathered the credit storm well. Despite consumers' increasingly negative perceptions of the credit card business in general, American Express has seen little impact on its brand image. This year saw American Express enter the prepaid debit card space. Additionally, the brand focused on its small business market; for example, by offering businesses points for buying online ads. American Express continues to innovate in the social media space. Its partnerships with Foursquare and Facebook show that it is continually pushing what it can do as a product and working to engage with customers on a deeper level.

24

SAP

+14%

14,542$m

SAP remains a market-leader in business systems and software, and the company is highly profitable. Its long-running "Run Better" ad campaign remains a very powerful leadership statement as it remains focused on its innovation strategy by creating game-changing, customer-centered technologies for in-memory computing, mobile, and cloud computing. Its Business ByDesign service enables companies to run best-practice software solutions through the cloud and avoid IT installation. Additionally, the SAP High-Performance Analytic Appliance (SAP HANA), which allows customers to analyze what's happening in their businesses in real-time, continues to gain momentum. Through its 2010 acquisition of Sybase, SAP has become a leader in enterprise mobility, setting the stage for the growth of unwired enterprise as mobile devices continue to evolve. While recent performance has been strong, the appointment of SAP's new CMO has many watching to see where he will take the brand next.

25

NIKE

+6%

14,528$m

Nike is an icon of global brand-building. Despite stagnant sales at the group level, Nike rallies its devotees with inspiring campaigns like Write the Future, its 2010 World Cup tie-in, and The Chance, a search for undiscovered soccer talent in the U.K. Additionally, Nike continues to sponsor high-profile sports leaders such as Kobe Bryant, Lebron James, Roger Federer, and the Inter Milan Football Club. With millions of Facebook fans spread across its many sub-brands, Nike maintains a phenomenally successful social media presence. Nike has worked aggressively to improve its CSR image through sustained action, including establishing codes of conduct for every factory manufacturing Nike products and assigning an internal team to ensure that it is enforced. Despite these efforts, the brand has recently come under fire from environmental groups, along with other apparel manufacturers, for the use of toxic chemicals in its supply chain. Nike quickly responded with a pledge to eliminate the use of hazardous chemicals in its products by 2020 and continues to invest in other CSR initiatives.

26

AMAZON.COM

32%

12,758$m

One of the web's defining experiences, Amazon.com has established itself as a symbol of relevance and responsiveness in the online marketplace. This brand defines the benchmarks for experience, service, and fulfillment for consumers in the online space and has redefined our expectations in the wider service category. Its development of the Kindle, a product many thought would kill its original business model as an online bookseller, instead became a best-selling device and made Amazon the top-of-mind e-book vendor. Expanding its catalog of online content, Amazon has successfully moved into the mobile market with its Appstore for Android devices, as well as film and television distribution. In addition to this domestic growth, Amazon has also set its sights on overseas markets with new acquisitions and partnerships in Europe. Its connection to customers is primarily driven through its website, and its Kindle brand appears to have a more loyal social media following than the parent.

27

UPS

+6%

12,536$m

UPS has recovered from the global economic crisis and seen transport volumes and demand for its logistics service grow noticeably. This year, it launched its campaign "We Love Logistics" in 25 countries and throughout all communications channels. The campaign, which features a heart icon, emphasizes UPS's vital role to our businesses and lifestyles and clearly positions the brand as owning the category generic, a powerful play. Additionally, the heart icon has been consistently used at all touchpoints to communicate the brand. It is even being used in its environmental sustainability messaging.

28

J.P. MORGAN

+1%

12,437$m

Not being in the media can be good for some financial services brands. This is the case for J.P. Morgan, which stayed, for the most part, out of the negative news regarding financial services brands and continues to be a valued expert as the world rides out the rocky markets. The brand continues to remain relevant to customers with "The Way Forward," a platform for communicating its responsible practices, and its commitment to helping small businesses succeed. Jamie Dimon is one of the most respected CEOs in the sector, and J.P. Morgan is seen as the epitome of "too big to fail" and an integral part of the U.S. financial system.

29

BUDWEISER

0%

12,252$m

Customers continue to view Budweiser as the quintessential beer, particularly in its native U.S. And yet, competition has made it harder for the brand to differentiate. To revitalize the brand and reconnect with consumers, Budweiser launched a new logo, can, and packaging design in 2011, which builds on the brand's bow-tie look and dials up the color red. Additionally a QR ("Quick Response") code on the packaging allows for better communication with the customer. While the brand's growth in Brazil saw some slowdown in 2011, it continues to build its presence in Latin America and China, which both represent huge growth opportunities. In the U.S. market, Budweiser is focused on accelerating the growth of Bud Light. An exclusive sponsor of the NFL and a number of promotions that aim to further deepen Budweiser's relationship with sports fans should help it move closer to this goal.

30

NESCAFÉ

-5%

12,115$m

Nescafé has shifted the focus of its messaging from convenience to flavor, as seen in its expanded Dolce Gusto product line. Aided by advertising that focuses on its sustainability efforts and with plans to double its rate of expansion, Dolce Gusto has helped Nescafé stay relevant with younger consumers looking for a trendy coffee experience. Nescafé has engaged in a large-scale plan to follow through on commitments to the improve its coffee farming and production by 2015. However, the brand faces challenges due to a shift toward more sophisticated consumption habits.

31

IKEA

-5%

11,863$m

The Swedish furniture giant, long known for great design at affordable prices, has faced challenges as a result of the economy's impact on retail. Even so, the brand remains committed to its green initiatives. IKEA announced the expansion of solar power usage at its U.S. stores and will begin providing each of its products with a sustainability "scorecard." Clever marketing still represents the brand well, and IKEA was presented with the 2011 Advertiser of the Year award at the 58th Cannes Lions International Festival of Creativity, its 50th since 1991. Under the slogan "Say No to Naked Furniture," IKEA is launching MYKEA, a new online service that applies artist-designed prints and patterns to select furniture. Aspiring designers and artists can submit their own ideas, and if selected, will share in the profits.

32

HSBC

+2%

11,792$m

While HSBC has maintained stability throughout 2010, particularly in comparison to many of its peers, global layoffs suggest that every player is struggling with the new realities of the financial services sector. Indeed, the brand has already started to scale back in developed markets, selling off its card and retail services in the U.S. to Capital One. It is instead hoping that expansion in Asia, Latin America, and the Middle East will deliver a profit. Overall, HSBC, with its positioning, "The World's Local Bank," remains the definitive brand in its sector, as it is the only one that has a truly differentiated message. As it expands into new markets, HSBC must ensure that this positioning is relevant, recognizable, and consistent.

33

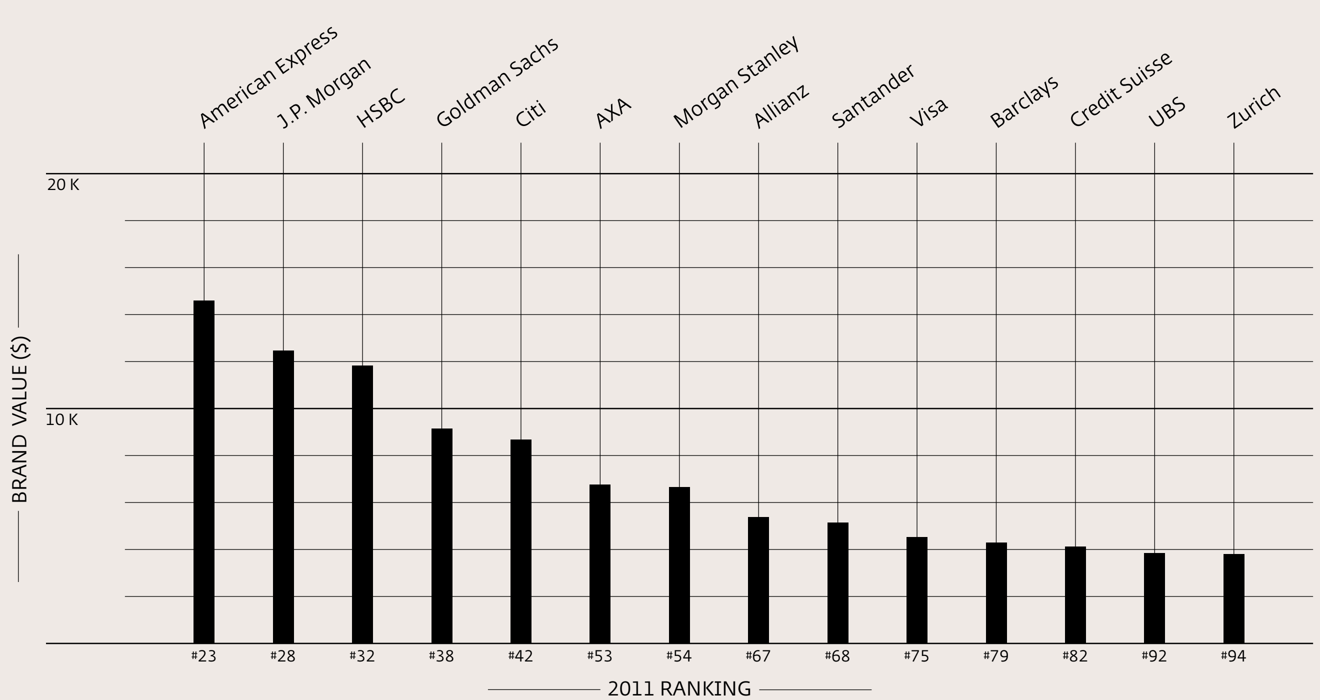
CANON

+2%

11,715$m

Canon continues its leadership position in the consumer digital camera market with a stable of innovative products and a loyal customer base. In a fiercely contested category, the brand is setting itself apart from the pack through its devotion to corporate citizenship. Called *Kyosei*, a Japanese concept for achieving harmony in all things, the Canon corporate philosophy states that the goal of the company is to "contribute to global prosperity and the well-being of mankind." This is evident in its environmental sustainability initiatives. Determined to minimize its impact across operations, Canon pushes its product-recycling programs and pursues the development and use of sustainable materials.

FINANCIAL SERVICES



34

KELLOGG'S

+3%

11,372$m

Kellogg's saw overall brand growth this year despite facing some product recalls and increased competition due to a softening economy. A long-trusted brand with a rich heritage of quality and taste, Kellogg's has managed to weather these challenges impressively. For the past few years, Kellogg's has also focused on improving its offering, but going forward, innovation promises to be the driving force in Kellogg's product lineup. It has the opportunity to raise the importance of and associations with the masterbrand to ensure its strong equity flows across its sub-brands. So far, Kellogg's social media strategy has been a success, boasting more than 30 million fans on its Facebook page and a YouTube channel that receives, on average, 40,000 views every day.

35

SONY

-13%

9,880$m

Sony has a rich heritage of leading when it comes to innovation and creativity. But even with a strong portfolio of sub-brands such as Bravia, Vaio, Cybershot, Playstation, and Xperia, the brand has seen some challenges. The much-publicized hacks of its Playstation network, the disruptions following the March disasters in Japan, continuing financial distress, and its perceived loss of leadership in key categories have put pressure on the brand. Still, Sony's "Make. Believe" message has the potential to reignite the brand and inspire people to re-discover this once unstoppable leader. On the horizon, Sony is looking to the Playstation Vita with its combined gaming, connectivity, and communication functionality, and is trying to unite its entertainment and electronics businesses. The brand is addressing environmental concerns head on with its Road to Zero initiative, which targets a negative footprint by 2050.

36

EBAY

+16%

9,805$m

The battle for online shoppers has grown fierce, and to fight competitors, eBay has made a number of deals in recent months, including a purchase of e-commerce services firm GSI Commerce. It has successfully repositioned itself from its origins as an online marketplace to being an online local "high street"—with everything from stores to retail platforms to small businesses. The brand has focused on meeting customer demand by making e-commerce faster and more convenient. Response to its mobile app, in particular, has been positive, and the brand has seen mobile sales increase. It has plans to continue growing this promising segment. Though ridiculed for its Skype acquisition, eBay looks to profit from its sale to Microsoft.

37

THOMSON REUTERS

+6%

9,515$m

Since launching its new brand in 2008, Thomson Reuters has done an excellent job aligning its business strategy with its brand strategy. Its numerous and diverse products and service offerings, which include healthcare, law, research, finance, and academia, continue to differentiate it from its competitors. However, while this vast diversity is undoubtedly the organization's biggest strength, it also proves to be its greatest challenge, as consistent and compelling branding for such a global and complex company can be difficult. Through the launch of the "Knowledge Effect" campaign, the company has further defined its brand and cast an umbrella over its products to better align its flagship brands with the parent brand. The launch of its flagship product, Thomson Reuters Eikon, to deliver on the financial services industry's need for increased efficiency, connectivity, and reliability of information has yet to pay off as the brand is struggling to gain traction. The Thomson Reuters brand will continue to be pushed to deliver to the demanding professionals it serves, but is well positioned, organized, and managed to do so successfully in the years to come.

38

GOLDMAN SACHS

-3%

9,091$m

Prior to the 2008 financial crisis, Goldman Sachs was one of the most envied and sought after brands in the financial services sector, not only among current and potential employees, but also from the perspective of clients and competitors. But general bad press has diminished the once iconic standing of the brand. Over the past year, the firm has been working to regain stakeholder confidence by showcasing initiatives around corporate citizenship, as well as running its first national advertising campaign targeting the general public. Goldman has started the dialogue and should deepen it to neutralize public opinion and to reclaim the firm's former standing. Many clients, competitors, and employees still consider Goldman Sachs the number one investment bank.

39

GUCCI

+5%

8,763$m

This year Gucci celebrates its 90th anniversary, highlighting its authenticity and longevity with its "1921" collection. And the brand is also celebrating a revenue increase of almost 18 percent in 2010. The Gucci brand remains highly relevant and strong through different initiatives, including the very successful Gucci Kids line, popular timepiece and ready-to-wear collections, as well as high-visibility partnerships, such as the AquaRiva by Gucci yacht. The brand sought to re-establish clarity around its Italian craftsmanship positioning through heritage products and initiatives such as the Artisan Corner, which brought some of the company's craftsmen to stores around the world. As of mid-2011, Gucci reports having 327 stores globally, 40 of which are in Mainland China. Even after 90 years, Gucci continues to innovate, boasting an array of active social media sites and the launch of highly successful new apps for the iPad and iPhone. The upcoming opening of the Gucci Museum in Florence will further affirm the iconic status of this brand, giving substance to the "Forever Now" positioning and corporate campaign. Additionally, Gucci is engaged in several corporate citizenship initiatives, including collaboration with UNICEF's Schools for Africa program.

40

L'ORÉAL

+9%

8,699$m

As a mass premium brand, L'Oréal believes that beauty is attainable for everyone—men and women alike—and effective, high-quality cosmetics should be available around the world. In fact, its dedication is so strong that its goal is to attain another billion customers over the next 10 years by offering culturally appropriate products wherever it operates. L'Oréal is a major innovator in the beauty category, as evidenced in the 612 patents the company filed last year. Consistency, quality, and a refined but approachable brand image has built trust and considerable consumer loyalty over its history. In an industry that isn't typically known for its sustainability, L'Oréal stands out among its peers as a socially responsible company. Most recently, the brand received praise for a plant it opened in Europe that supplies power to 4,000 households in the neighboring community.

41

PHILIPS

0%

8,658$m

The Philips consumer electronics division continues to experience pressure, but by licensing its challenged television business to a Chinese partner, Philips can refocus on shaping up the lighting and healthcare categories where it holds top-tier positions. Philips continues to see good results from strong customer franchises, helped in part by the arrival of new CEO, Frans Van Houten. Philips' well regarded "Sense and Simplicity" positioning is leveraged internally. Externally, Philips' is engaging with consumers through assertive social media activity. Philips boasts a number of green initiatives and prides itself on its ethics. Most notably, it is committed to generating 30 percent of its total revenue from the sale of green products by 2012.

42

CITI

-3%

8,620$m

Citi regained profitability and successfully invested in its digital presence to repair its damaged customer relationships through social media, digital banking, and apps. However, it is still struggling to regain trust since the financial crisis. The government bailout it received set back its reputation, and it is still uncertain how a complete restructuring and shrinking of the bank will ultimately shake out. Despite a strong new management team, the company still remains a work in progress. Although Citi has been more transparent about its exposure to financial crises in Greece, Italy, Portugal, Spain, and Ireland, investors are calling for more clarity. Citi continues to grow its client base in fast-developing markets and now has 40 consumer outlets in China.

43

DELL

-6%

8,347$m

The Dell brand was founded on a customer-centric service model, but has since expanded beyond the consumer category to become the first choice for IT departments, offering enterprise services and solutions in addition to its retail products. Once the top brand in its category, Dell maintains a strong focus on value, which is evident in its messaging and primary touchpoints. Consumers still rely on the brand for affordable and durable products, with a great customer service touch. Besides devoting considerable resources to its social media presence, the brand also engages customers through live online chats with service representatives. Meanwhile, Dell is devoted to being a good corporate citizen, striving to reduce its environmental impact and promoting positive youth development. Although the brand itself is not as strongly pronounced as some of its competitors, it is impossible to discuss the category without talking about Dell. This suggests a tremendous opportunity to return to a highly differentiated brand positioning and proposition. Additionally, the brand's recent acquisitions in the networking market and its plans to enhance its server and storage offering should position it well in the year ahead.

44

ZARA

+8%

8,065$m

Zara continues to bring excitement and constant refreshment to high street and your wardrobe. This year, it showed a characteristic rally of expansion, increasing sales through a clear, consistent, and differentiated value proposition. Currently, it has 1,600 stores in 77 countries. Zara is able to offer the latest trends with affordable prices thanks to a logistics system that allows the production of more than 15,000 new references each year and complete stock rotation every 15 days. Certainly, the great success of the brand has been its digitalization. It continues to expand and manage its online presence, with more than seven million Facebook fans. Since September 2010, it has also been selling its clothes online in places like Spain, France, the U.K., Portugal, and Italy. In 2011, the brand faced a double challenge: expanding online sales to key markets like the U.S. in the face of H&M's online arrival scheduled for 2012, and strengthening its presence in Asia, North America, and Southern Hemisphere countries like Australia and South Africa, where the brand will arrive this year.

45

ACCENTURE

+7%

8,005$m

As global economies sputter, companies need savvy and experienced consultants to help drive growth. Accenture continues to gain strength winning new projects and further deepening already existing relationships. After dropping Tiger Woods in December 2009, Accenture has stayed focused on its "High Performance. Delivered" message, opting for animals in advertisements instead of celebrities, and has seen little impact from its former spokesperson's scandal. Its own war for talent will only intensify going forward, and in the past year, the brand notably stepped up its use of social media, using it for recruitment and giving it more prominent real estate on its website.

46

SIEMENS

+8%

7,900$m

While Siemens has not always been as vocal as other brands, a new leadership team and a renewed focus on business-to-business products, solutions, and services have turned up the volume of its communications. One example is its multi-national campaign "Siemens Answers," which demonstrates the unique voice of the brand. Overall, its efforts have boosted its presence and lifted its sales for the third year running. The Siemens brand promise, "Answers That Last," is firmly rooted in its vision and values and driven by its thought leadership and highly visible brand ambassadors. This year, customer proximity continues to be a stronghold of the company, made possible by large infrastructure projects that require—and foster—long-term partnerships.

47

VOLKSWAGEN

+14%

7,857$m

Volkswagen's extensive "Think Blue" marketing campaign spotlights the brand's long running commitment to eco-friendly mobility (with a playful nod to its iconic "Think Small" slogan from the 1960s), positioning it smartly as a part of the larger societal movement towards sustainable lifestyles. Lifestyle was also on display in what may have been this year's biggest branded viral splash. Volkswagen's "The Force" spot premiered during the 2010 NFL Super Bowl and has garnered nearly 42 million YouTube views, so far. Overall, Volkswagen excelled this year in its use of social media across markets, as seen in Brazil where a Twitter Treasure Hunt campaign, launched as part of its sponsorship of the Planta Terra Festival, became a trending topic in São Paulo in less than two hours. Volkswagen will need to create similar cultural touchstones it is to reach its stated goals of tripling U.S. sales and becoming the world's leading automaker by 2018. In pursuit of its sales objectives in the year ahead, the carmaker will continue to target China and India as two key growth areas.

48

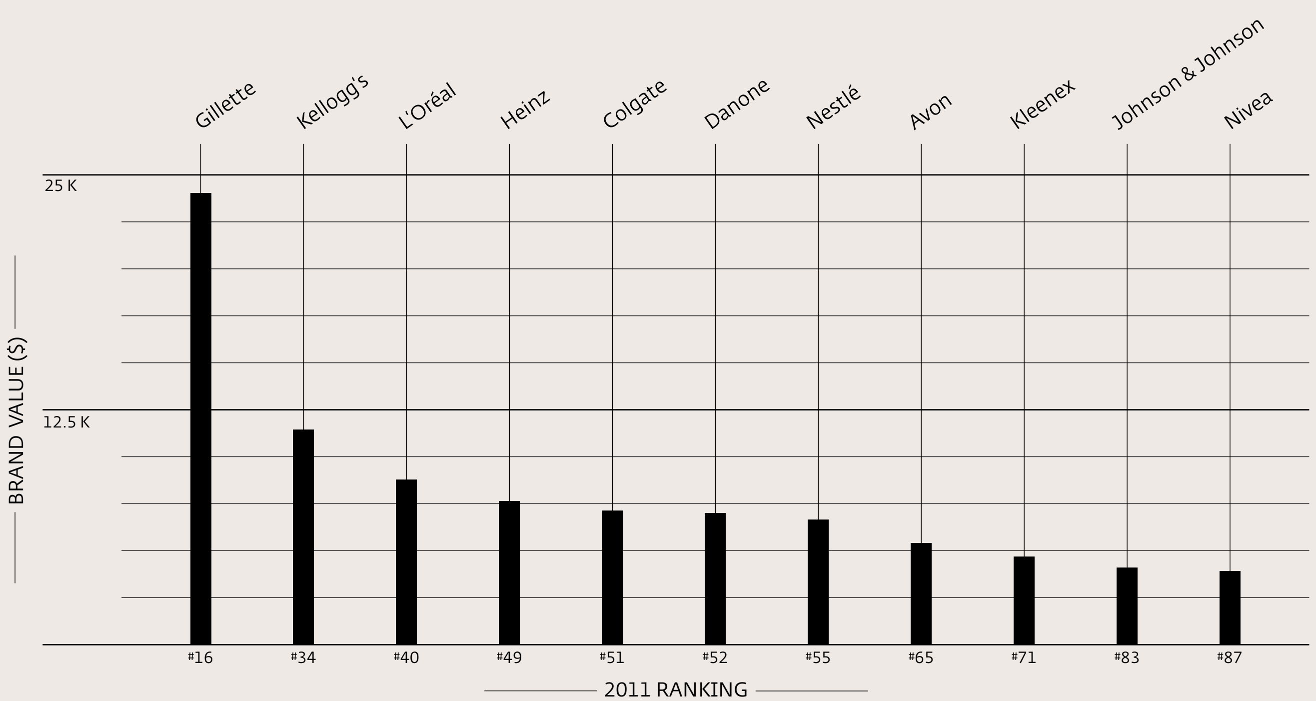
NINTENDO

-14%

7,731$m

Few brands anywhere can claim a cultural impact as significant as Nintendo's, and it continues to bring fun and sociability into gaming. 2010 proved to be a challenging year with profits dropping and its brand value falling 10 places in our ranking. The 3DS, a 3D game system that doesn't require awkward glasses, has real promise, despite slower than anticipated sales. While the company's markdown of the platform and the president and board of directors voluntary pay-cuts suggest the brand has yet to regain steam, it is clear there's internal faith in the product, which leads us to wonder "What's next?" as we anticipate future innovations. Additionally, consumers are not likely to forget soon the Wii console, which widened its market by appealing to non-traditional gamers and consumers of all ages. One of its most valuable assets is the Nintendo brand itself, which consumers see as fun and a reliable provider of smiles. Its clean, modern identity is consistent across markets, and few brands cause as much chatter in social media circles.

CONSUMER PACKAGED GOODS



49

HEINZ

+1%

7,609$m

Even though it slipped three places in our rankings, Heinz is an example of how to do things right. This $10 billion company is present in more than 50 countries, where its products enjoy the number one or two market share. As if selling 650 million bottles of its iconic ketchup every year weren't enough, Heinz boasts another 15 power brands and employs more than 32,500 people worldwide. With a globally recognized brand that is a model of consistency, Heinz looks for new and innovative approaches to its business, especially in packaging. Its use of Coca-Cola's PlantBottle™ technology on 20-ouce ketchup bottles looks, feels, and functions just like traditional PET plastic but is fully recyclable and composed of 30% plant material. The bottles featured "talking labels" that asked, "Guess what my bottle is made of?" Additionally, Heinz collaborates with suppliers around the world to implement water conservation initiatives, specifically drip irrigation in Europe, Australia, and North America. Although the brand is lagging in its social media efforts, its many corporate citizenship initiatives speak clearly of a company that believes in giving back.

50

FORD

+4%

7,483$m

The only member of Detroit's Big Three to avoid a federal bailout, Ford has done exceptionally well this year. The company has used the considerable domestic momentum it regained over the last several years to make a big push into growing markets like India and China. It has raised revenue per vehicle and pulled back from incentives. It's loading vehicles with relevant consumer technology like Microsoft "Sync." With its "One Ford" strategy it has established a consistent global standard for the universal customer concerns of good design, fuel efficiency, safety, and value. Customers in China responded with a 32 percent increase in car purchases in 2010, and the brand is rekindling its swagger in the home market, calling out competitors in current advertising. Look for the soon-to-be-launched Focus Electric to get a lot of public attention for its innovative design, bolstering Ford's brand image among eco-conscious consumers and opinion-makers.

51

COLGATE

+3%

7,127$m

Despite dropping two places, Colgate enjoyed a relatively stable year. This is partially due to its 43 percent market share, as well as to a consistently executed brand presence across touchpoints. While there is an opportunity to create greater clarity around its masterbrand positioning, this year saw impressive growth in Asia and Africa due to extending its global reach. Knowing the importance of constant innovation, Colgate continues to bring new products to market, including a whitening system only available in dental offices to lend the brand additional credibility over its competition. Despite the strong Colgate portfolio, visitors to the brand website will find oral health resources before product information. The brand also scores high CSR marks for its Building Smiles Together program, in partnership with WalMart, where children-in-need receive free dental screenings and oral care.

52

DANONE

+9%

6,936$m

Part of Danone's success has been its unwavering attention to improving health through food, as seen in its focus on probiotic benefits and the use of the masterbrand as a quality and health endorsement. But there are a number of other reasons that make this brand a success. First is its strong commitment to corporate responsibility. Second, the company has found a way to successfully manage the challenges of a decentralized organizational structure, which gives its regional business units a smaller, entrepreneurial feel and encourages them to pursue new products according to local tastes. Innovation and R&D continue to be priorities for the brand, and it makes an effort to support all nutritional claims with extensive testing.

53

AXA

0%

6,694$m

AXA is continuing to redefine its industry by focusing on customer insights. Vowing to stop making promises and instead respond with tangible proof, AXA is living up to that vow by being attentive, reliable, and available. An accompanying new identity and a strong senior level commitment to the brand and employees reinforces this as well. So far, it is seeing a positive impact from the new positioning, particularly in France, where it is based. Since gaining direct control of its operations in Asia, including India and Indonesia, the company's strategy is to continue to expand in these markets to drive growth, while scaling back in Canada and the U.K.

54

MORGAN STANLEY

-4%

6,634$m

Morgan Stanley continues to perform impressively. Its merge with Smith Barney has resulted in it becoming the world's largest and most respected financial services company. As with most large mergers, it is seems to be struggling to find the right positioning, and define what it stands for from an internal and external perspective, now that it is a much larger organization. While the brand is trying to position itself as more client friendly, complaints are that it is "extremely complicated to do business with." News that it received a bailout from the U.S. Federal Reserve (along with Citi and Bank of America) adds to the challenge. Streamlining processes for customers and the finding right messaging should position Morgan Stanley well.

55

NESTLÉ

+1%

6,613$m

The world's number one food manufacturer, Nestlé enjoys a stable position in our rankings. However, the company did suffer a PR crisis in 2010 due to a palm oil supplier accused of destroying Indonesian rainforests. In response, Nestlé's CEO, Peter Brabeck-Letmathe, promised to cancel any contracts with suppliers involved in deforestation, and in a well-received move toward greater transparency, invited a non-profit group to audit its supply chain. Although buoyed by the success of its innovative Nespresso coffee offering, the product portfolio remains fragmented, revealing an opportunity to better leverage the Nestlé masterbrand and align its products for ongoing success.

56

BLACKBERRY

-5%

6,424$m

The first half of BlackBerry's year was very strong, and it remains the corporate standard when it comes to wireless devices. Its devoted consumer audience continues to prefer its functional and reliable qualities, in comparison to key competitors. Although making efforts to catch up, Blackberry was criticized for missing the iPhone-esque experience and underestimating the consumer explosion in smartphones, including their high need for lifestyle apps. The fight for market share is growing fiercer and Google's recent acquisition of Motorola may increase the heat. BlackBerry's PlayBook has yet to gain much traction, and the company should leverage its loyalty from its corporate customers. BlackBerry's potential ban in India (a growing market), if it fails to comply with the country's security demands, may put it in a challenging position for the year ahead, particularly with bans already in place in the UAE and France. The Blackberry brand remains powerful. Leveraging its loyal customer base and focusing on the right innovation to draw in a larger consumer audience is key for the coming year.

57

XEROX

+5%

6,414$m

The historic leader in document management, Xerox has become much more. It has transformed itself, principally through acquisitions in the service category, into a complete business partner. Its current campaign around "Ready for Real Business" has been well received as it signals the brand's evolution as a leader in the post-paper world. Given this shift from its heritage, Xerox will need to continue sharpening its message, loudly and consistently, to completely shed consumers' perception of the brand as a "copier company." Its focus on being culturally current positions Xerox well for future relevancy. While the corporate business is clearly the company's main target audience, Xerox continues to reach out to consumers via social media and is attracting attention from innovation-minded technology blogs. Corporate citizenship is one of Xerox's six core values, and increasing efforts could well position Xerox against competitors.

58

MTV

-5%

6,383$m

Remaining in the Top 100 brands, MTV turned 30 this year, exceeding the age of its target demographic. Following the retirement of MTV Network International's Chairman and Chief Executive, Bill Roedy, MTV Network's beloved CEO Judith McGrath also stepped down. Indeed, it is a new era for the brand. MTV is feeling the weight of its middle age as it struggles with regaining relevance and differentiation. It evolved from being a music-oriented channel to one dedicated to reality TV and scripted programming. As its target audience is moving away from television, opting to receive information and entertainment via the Internet, the brand has been evaluating its positioning and exploring ways to innovate. In the year ahead, MTV will need to identify both in order to regain the momentum of its youth.

59

AUDI

+13%

6,171$m

Audi, the "desire" leader in its class, has become the design benchmark in the auto category. It continues to strengthen its brand through its consistent focus on communications positioning and developing standard-setting technology, such as its interface systems. Audi is expanding across markets in its quest to become the world's leading premium car brand by 2015 and has been steadily increasing production as it further establishes its presence in China, India, Brazil, and Russia. New models are being introduced every year. In Europe, 2010 saw the launch of the A1, Audi's entry into the supermini class, and a new pair of high-end, high-performance cars—the RS 5 and the TT RS—will hit the U.S. market in the coming year. All these new model options mean increased awareness for the brand—and hopefully increased sales—but Audi must be careful to not dilute its premium position by stretching its portfolio beyond its core promise of progressive innovation.

60

ADIDAS

+12%

6,154$m

It was a good year for adidas. Its performance returned to pre-crisis levels, and it increased its marketing spend to 13.3 percent of sales in 2010. As an official sponsor, supplier, and licensee of the 2010 FIFA World Cup, as well as sponsor of the winning Spanish team, the adidas brand was on bright display for the world. Its biggest marketing campaign ever, "adidas is all in," demonstrated the breadth and depth of the adidas brand. Whether it is for the athlete in search of the best possible equipment, or for the casual consumer looking for the next fashion trend, adidas is inspired to develop and create experiences that engage consumers in long-lasting relationships with their brands. Investment in social media and corporate citizenship also positively impacted the brand this year.

61

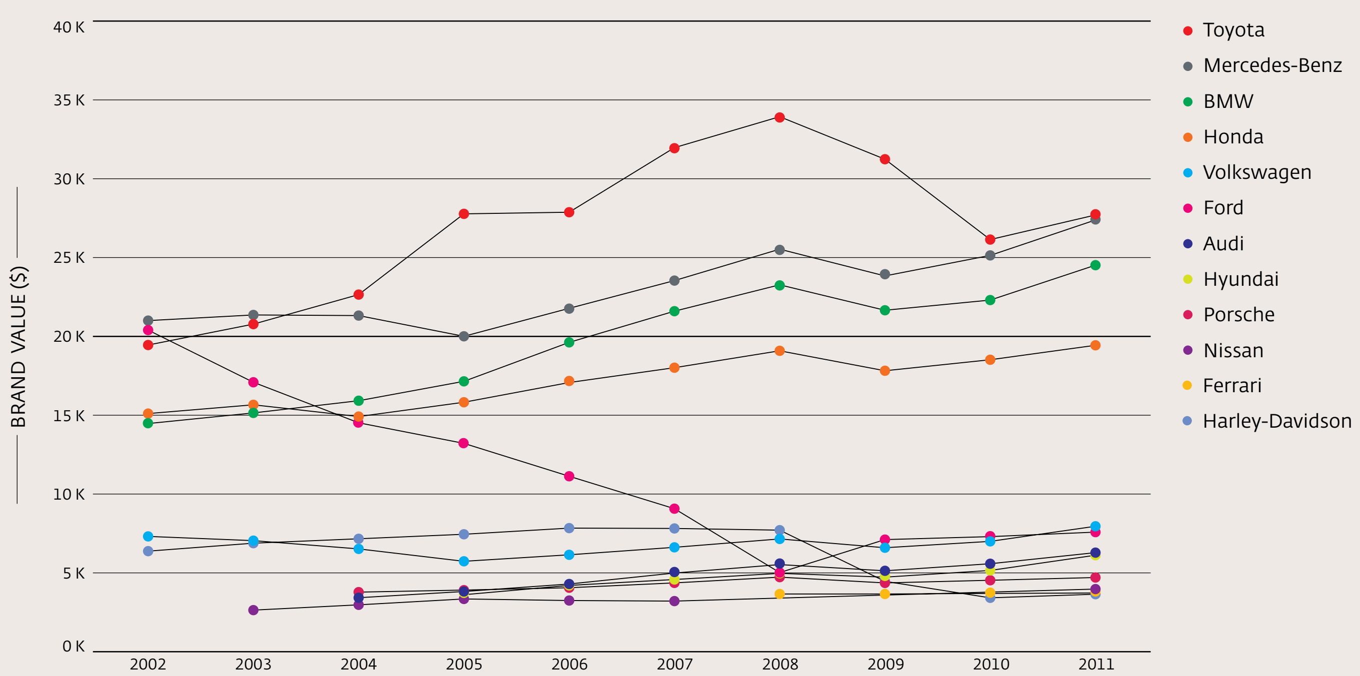
HYUNDAI

+19%

6,005$m

In a clear display of responsiveness, Hyundai has widened its product lineup and consumers have taken notice. It is investing in the development of innovative products and the company continues to grow—appealing to emerging markets as well as rapidly-changing mature markets. In seeking to clearly differentiate Hyundai from Kia, Chief Designer Thomas Bürkle has concentrated on developing a more consistent design. Rather than enhancing internal commitment with clearly visible changes, Hyundai stays true to its tried and tested ideology of trustworthiness and transparent management. Hyundai continues to lead in the environmental sustainability space in the automotive industry, particularly when it comes to fuel efficiency. Additionally, its value-for-money proposition continues to differentiate it from more costly competitors.

AUTOMOTIVE



62

KFC

+1%

5,902$m

KFC has proven to be an adaptable and forward-thinking global brand, resulting in a stable performance this year. It continues to expand in India and Russia and dominate in China, with a localized menu for the region. Although, parent company, Yum! Brands, recently reported across-the-board declines in the United States where KFC is facing consumer demand for more health-conscious fare. The fast food giant has responded by introducing its grilled chicken option to considerable acclaim. To promote this healthier image, its tagline has been replaced with the much shorter, much simpler, "So Good." With its new consumer-reusable food container—recipient of a Greener Packaging Award in 2010—the brand is also improving when it comes to green. In fact, environmental initiatives are becoming one of the brand's key messaging platforms as seen on its new microsite "Reuse, Renew, Rejoice." It has engaged consumers where it matters, through social media, and one initiative involves a scholarship awarded to the applicant with the best Twitter message.

63

SPRITE

-3%

5,604$m

Sprite is continuing to grow in diversity with products around the globe, the latest being Sprite Tea in China. And its lemon-lime drinks are the fastest growing category of beverages in India. It continues to push the category when it comes to ad campaigns. For example, a viral campaign launched in Germany features a skateboarder whose tricks viewers can control using their computer keyboard. This year, in keeping with competitors, Sprite also embraced the mini-can, catering to its more calorie-conscious consumers. Additionally, Sprite has broadened the once purely music-driven marketing campaign "The Spark" to include young filmmakers with its "Sprite Refreshing Films" campaign.

64

CATERPILLAR

+19%

5,598$m

Caterpillar's increase in value this year can be linked to multiple factors such as its impressive global expansion, its unwavering commitment to its employees, and its reliance on the strength of its brand. Further establishing itself in China with new manufacturing and logistics operations, Caterpillar's brand enables it to grab strong sales growth in the key infrastructure development market. As fervent believers in employee investment, Caterpillar conducts multiple programs to motivate, support, and guide its global workforce, striving to make its people proud to be part of the company. Caterpillar continues to look to its brand to keep employees engaged, as well as to direct its business efforts, as reflected in its refined brand positioning and Enterprise Strategy program. Consumers see the brand as striving to meet its demands readily and successfully through a commitment to service.

65

AVON

+6%

5,376$m

Avon saw a respectable six percent increase, despite dropping slightly in our rankings, largely due to its direct sales model and an ever-expanding workforce that is particularly well suited toward emerging markets. Efforts to address slow sales growth included a renewed focus on both its brand and its development of innovative products, as well as motivating and training its sales representatives. Additionally, the company is diversifying its product portfolio by offering jewelry, watches, and footwear, a move that has successfully differentiated the brand from its more successful beauty competitors. Further setting itself apart while enhancing its worldwide recognition, the brand launched Avon Voices in 2011, a global singing and songwriting competition. As "the company for women," Avon is an emphatic supporter of women's causes, having raised and awarded more than $800 million.

66

HERMÈS

+12%

5,356$m

Hermès maintains its high luxury status. The Hermès story remains fully authentic and enchanting with the 2010 campaign "la vie comme un conte," which focuses on Hermès' continued desirability. Overall, the brand is great at creating a virtuous cycle from limited capacity (craftsmanship), to waiting list, to exclusive luxury goods delivery—creating and legitimizing a price premium. This year, Hermès saw a 25 percent increase in revenues over the past year and double-digit growth across all of its product categories due to the increased demand of its leather-goods and other products. This level of growth is higher than most rivals in the luxury sector, and it continues to grow rapidly, hiring 309 new employees and opening or renovating 22 stores in 2010. Hermès also introduced a new fragrance and saw its highest demand for watches, scarves, and fashion accessories. While LVMH's increased stakes in Hermès in October 2010 brought concerns that its top qualities—authenticity; craftsmanship; and small, exclusive nature—may be compromised, Hermès' unwavering position and LVMH's hands-off approach have enabled the brand to fare well.

67

ALLIANZ

+9%

5,345$m

In a successful worldwide rollout, Allianz integrated its new brand personality, "Trusted Partner," across all of its markets and launched its newest communications campaign, "Global One," to give a human face to the brand, centering it around real people sharing real experiences and advice. Allianz continues to drive this message through its consistently excellent use of social media, while its global strategy supports a single, unified brand experience that also leverages cost synergies. As part of its corporate citizenship efforts, Allianz's commitment to road safety is brought to life through its long-standing Formula One partnership. In the year ahead, its rebranding of Mondial Assistance should help it further streamline its brand.

68

SANTANDER

+5%

5,088$m

Santander continues to prosper and, due to strong business ethics and family leadership, has fared better than some of its competitors. Continued expansion in Europe and the rebranding of its U.K. banks to the Santander name has boosted its profile with consumers. While some concerns over service quality have been raised in the fast expanding U.K. operation, its excellent use of its Formula One sponsorship has led to greater visibility in regions where the brand is less familiar. Santander's U.S. subsidiary, Sovereign Bank is a well-recognized brand with more than 700 branches, nearly 2,300 ATMs, and approximately 8,000 employees. It recently made news by launching "Boost Your Business," a program that helps small and medium sized businesses grow by providing access to $1 billion in capital at market-leading rates. With an overall promise of integrity driving its brand, Santander has made a great deal of progress when it comes to environmental sustainability, investing in reducing gas emissions and clean energy. Overall, this has led to an increase in consumer awareness of the Santander brand.

69

PANASONIC

+16%

5,047$m

Panasonic's focus on building "One Panasonic," as demonstrated by its integration of the Sanyo and Panasonic Electric Works subsidiaries, is one of the drivers in their improvement in our rankings. Still propelled by its "Ideas for Life" positioning, the brand is targeting fast-developing markets, while remaining dedicated to innovative thinking, especially in the green space. Indeed, it ranked 10th in Interbrand's Best Global Green Brands. Although it has yet to achieve global recognition as a green leader, Panasonic is aggressively pursuing its environmental initiatives with its comprehensive approach to energy management, flagship initiatives such as Fujisawa Sustainable Smart Town, and the clear numeric targets set in its Green Plan 2018.

70

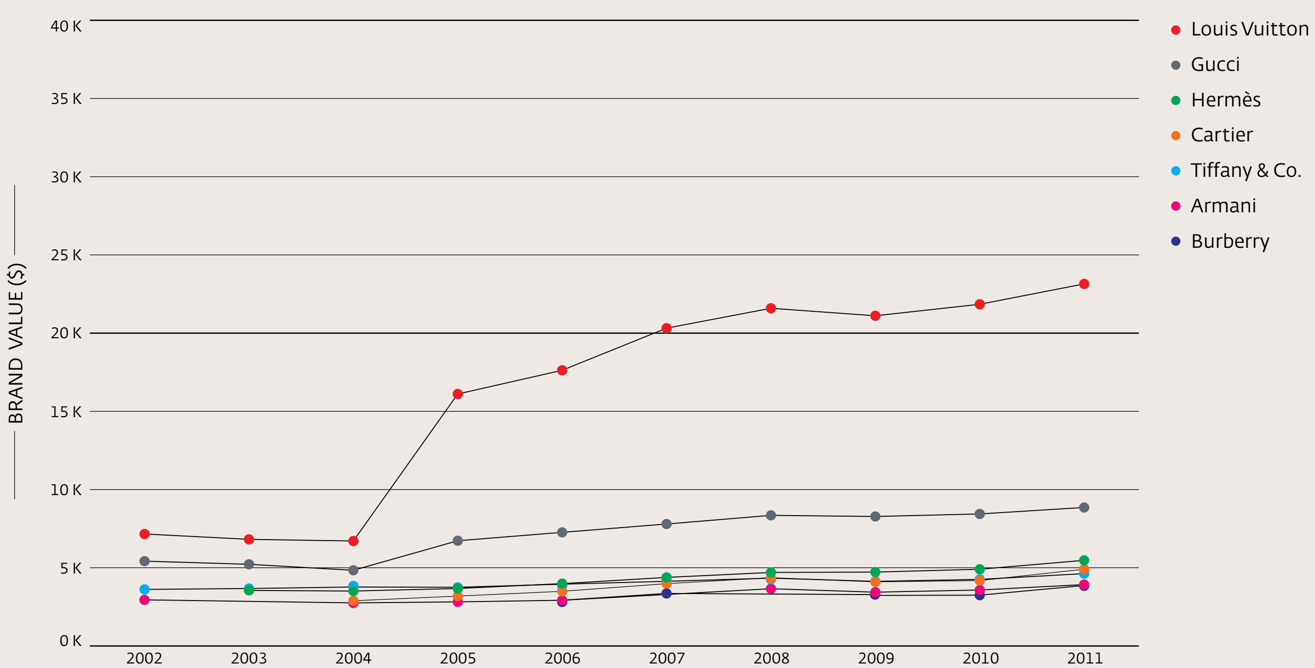
CARTIER

+18%

4,781$m

In 2011, the Cartier brand is stronger than ever. For consumers, Cartier continues to represent the fusion of movement and fantasy. In line with the rest of the luxury market, its brand value has increased due to a return of consumer confidence and expansion into Asian markets. It continues to display high growth and profits across the board, especially in China. In 2010, Cartier saw 20 new boutique openings and 40 renovations. These were all tied to its advocacy of contemporary art through the Cartier Foundation. This year, Cartier invested heavily in global expansion and its new Calibre watch line for men, and it is likely to see this pay off if markets grow stronger. In digital, Cartier maintains a visually elegant luxury experience but lacks dialogue with consumers through social media channels, unlike other luxury brands that have engaged with consumer communities online. This year, it made an effort to prioritize internal brand engagement through Maison Cartier's personnel training to deliver an exclusive customer service.

LUXURY



71

KLEENEX

+3%

4,672$m

Kleenex's innovations in facial tissue offerings continue to boost its position in the market. It remains a staple consumer product, though pressure from private label brands continues to be a struggle. Efforts like disposable hand towels helped Kleenex differentiate this year, though it resulted in some inevitable backlash due to concerns with the environment. Still, the brand's efforts to communicate its Forest Stewardship Council certification have improved its green perception. Overall, the brand continues to innovate well around its steadfast product. An innovative North American campaign, "Softness Worth Sharing," which allows consumers to send samples of Kleenex's new softer tissue to friends through online sign-ups, was particularly notable this year.

72

PORSCHE

+4%

4,580$m

Porsche continues to be the brand of choice for some of the world's most discriminating car lovers. Although there have been concerns that its popular Cayenne and Panamera models have diluted its positioning as a performance manufacturer, so far, sales figures have laid these worries to rest. Even its recent relationship with the well-perceived, though less premium, Volkswagen brand was unable to dent the consumer view of Porsche as an elite luxury brand. Indeed, this is more than evident in its resurgence in sales in 2011, in large part due to consumers in Russia and China, who are beginning to purchase luxury vehicles. The question for the year ahead is if the iconic 911 model will continue to evolve and remain the anchor for the brand, as competitors like Ferrari, Lamborghini, and Maserati are also relentlessly innovating and seeking to raise the benchmark for high-performance cars.

73

TIFFANY & CO.

+9%

4,498$m

Coming out of a good first quarter, Tiffany & Co. reported a 25 percent increase in net profits with plans to open up over 19 new stores globally. However, its expansion has been slow compared to some competitors. Tiffany's is focusing on a return to their more premium luxury position, as it suffered from authenticity and clarity issues after courting a more mass audience. One move the brand has made is to raise prices by passing rising costs of metals and diamonds to consumers. Overall, raising prices hasn't negatively impacted its demand and has positioned it better for the future. As the brand ventures further into social media, this new pricing structure protects it from further brand dilution.

74

SHELL

+12%

4,483$m

Shell's earnings continue to be driven by increased energy prices and its strong operating performance. Additionally, rapid economic development in fast-developing markets is driving growth. While 2012 plans to drill near the Arctic National Wildlife Refuge in Alaska have received criticism, Shell's support of regulation and links to the Nature Conservancy and Earthwatch, among others, continue to boost its image. It isn't easy for energy brands to maintain a balance between environmental sustainability and the realities of the business, but Shell appears to be managing it well.

75

VISA

+12%

4,478$m

Visa's brand idea is "Better Money for Better Living," which supports the company's vision of Visa as "The Universal Currency of Life." Visa is committed to innovation and continues to launch new products and services in the payments space, such money transfers via the Visa network, chip technology, and mobile payments and services. It has seen recent success in Middle Eastern countries where spending was up in the first half of 2010 and in the early part of 2011. Additionally, initiatives such as pushing checkout systems that let consumers pay with their mobile phones demonstrate the organization is constantly looking for ways to improve the customer experience.

76

YAHOO!

-11%

4,413$m

The longtime webmail provider, Yahoo! continues to face challenges in a difficult marketplace, especially from strong, ongoing competition. In late 2010 and early 2011, the company initiated a cost-cutting strategy that saw 700 jobs eliminated. Still, Yahoo! remains committed to its brand values of investing in innovation and exceeding customer expectations, both of which are evident in its recent interface re-design. Seeking to become the front door through which users access Facebook, Twitter, and other platforms, the new Yahoo! homepage demonstrates the brand's priority of becoming a social networking hub, which was the central component of former CEO Carol Bartz's recovery strategy. New leadership will need to come out of the gate with a robust recovery strategy. Additionally, Yahoo! acquired Dapper as part of its plan to extend its reach into Smart Ads.

77

MOËT & CHANDON

+9%

4,383$m

Moët & Chandon leveraged its message of glamour, celebrity, and quality at every touchpoint in 2011. This year's campaign with Scarlett Johansson (which was used for print, outdoor, and online advertising) was shot at Trianon, Jean-Rémy Moët's impressive residence built between 1805-1817 on the Moët & Chandon estate in Epernay, France. The choice of location wisely builds on Moët & Chandon's heritage, reinforcing its luxury status. Sponsorships that include the U.S. Open, film festivals, and other "scene and be seen" events maintained its highly visible profile.

78

JACK DANIEL'S

+7%

4,319$m

Consumers continue to view Jack Daniel's as a legacy liquor brand. This year, the Jack Daniel's family of spirits performed strongly. Brand extensions such as Jack Daniel's Tennessee Honey have been well received, and the company anticipates further rollout in 2012, with both traditional advertising and social media, including Twitter and targeted video content on Facebook. Jack Daniel's is growing globally, particularly in Western Europe and in fast-developing regions like Mexico and Turkey.

79

BARCLAYS

+1%

4,259$m

Internally, Barclays' corporate and investment banking division is increasingly influencing the DNA of the brand following the sale of the asset management business BGI to Blackrock. In the global marketplace, Barclays is seen as a strong investment banking challenger brand—supported by the purchase of Lehman's investment banking business. In Europe, it continues to also be a retail banking mainstay, building its presence through sponsorships and events. Given its divestiture and acquisition activities, Barclays' communication of its value proposition could assist in moving it to a leader-brand position in the marketplace.

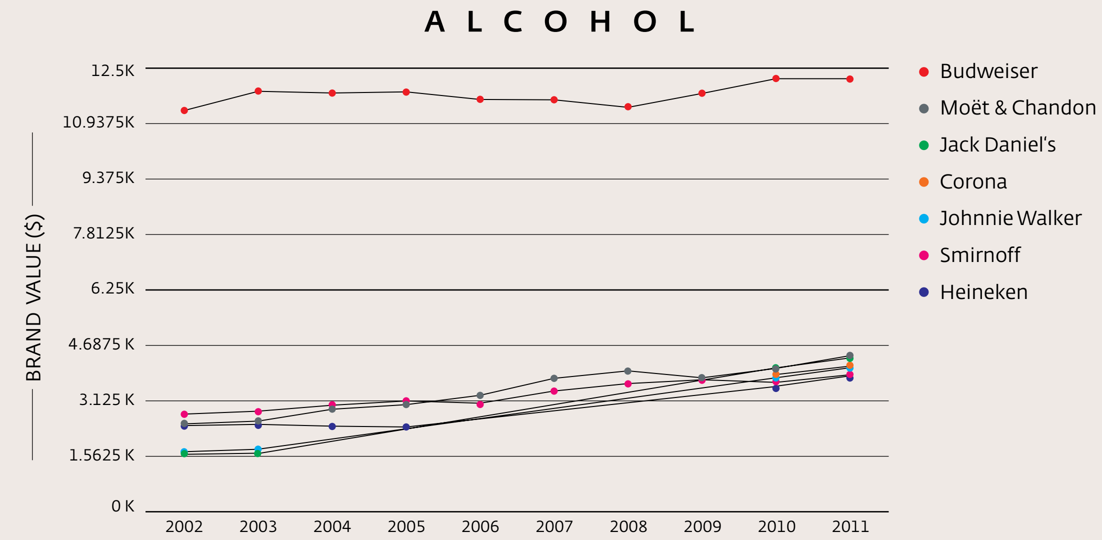
80

ADOBE

+15%

4,170$m

Adobe is transforming how digital experiences are created, managed, distributed, measured, and monetized in a multichannel world. Its new brand-building campaign has succeeded in positioning Adobe as a "partner brand" for businesses big and small. Overall, it is fueling growth and transitioning into a more diversified software company. Three growth opportunities the brand has focused on include content offering, customer experience management, and online marketing optimization—and it's paying off. In particular, the beta release of the new Adobe SocialAnalytics product was a great success. The offering, which is geared toward the exploding digital marketing sphere, gained fans and new customers that include Dell, Lenovo, Unicredit, and Vodafone.



81

PIZZA HUT

+3%

4,092$m

The world's largest pizza company has been making efforts to move away from the limitations of a single-product reputation with the additions of pasta and wings to its menu. Understanding that consumers want a fast and easy ordering experience, the brand launched an ambitious mobile device strategy by developing applications for the Apple iPhone and iPad as well as the Android platform. The consumer response was highly favorable—not only was there a massive sales surge, but customers created a deeper connection to the brand. Not limiting itself to mobile devices, Pizza Hut leverages its online presence as well, especially with its annual America's Biggest Bedtime Story. This year, more than 500,000 people participated, joining a webcast of Justin Bieber reading his favorite children's book, *The Cat in the Hat*.

82

CREDIT SUISSE

+2%

4,090$m

Having weathered the 2008 crisis relatively unharmed, Credit Suisse is recognized by its customers for the firm's stability, discipline, and excellence. Its long-term partnership with Roger Federer reinforces the brand's image around its Swiss roots. Additionally, increased collaboration and integration inside the business helps to substantiate the firm's commitment to client focus. The bank's strength in emerging markets, and in Eastern Europe, the Middle East and Asia demonstrate that its client-focused positioning is relevant across geographies.

83

JOHNSON & JOHNSON

-2%

4,072$m

Johnson & Johnson had a tough year, but its strong brand remains a living business asset for the company. Following the recall of Children's Tylenol in 2010 and other recalls in 2011, the FDA proceeded to paint a picture of a company lacking crucial follow-through. While consumers may have been skeptical, the heritage of trust they have for the brand is already helping to close this negative chapter in the company's 125-year history. J&J's impressive social responsibility efforts have also helped. The organization's long-standing commitment to community-based programs has shown consumers that, despite mistakes being made, J&J is still deeply committed to improving the health and well-being of people around the world.

84

GAP

+2%

4,040$m

After an embarrassing logo mishap, Gap is coming back strong, mainly through aggressive global expansion, a very active presence in social media, stronger engagement with consumers, and celebrity endorsement. As of 2011, Gap reports stores in 29 countries, including recent arrivals in Asia and planned expansion into Africa. Gap has made its future plans readily available through Gap Inc.'s Global Runway report, projecting international and online growth into 2014. Even with such lofty goals, Gap has been consistent with its brand touchpoints–ad campaigns, stores, and its website are all clean and simple as Gap has always been.

85

3M

+10%

3,945$m

The company that gave the world the Post-it note is a legendary innovator devoted to its people. In fact, employees are given 15 percent of their working time for free investigations into new products or initiatives. From households to high tech, competitors across categories envy 3M's strong product portfolio. Understanding the importance of its brand in today's global marketplace, 3M launched its "Brand Reinvigoration Initiative" to ensure a solid, consistent presence in the face of increasing competition and to reinforce its image among consumers. Widely recognized for its corporate responsibility and green efforts, the company has operated under the mantra of "pollution prevention pays" for more than 35 years. Although the master brand does not maintain a significant social media presence, it has seen great success through its internal social media tool, which has brought in hundreds of new ideas and resulted in nine new markets for the company to explore.

86

CORONA

+2%

3,924$m

Corona continues to craft a unique positioning around its "live in the moment" philosophy. The number one beer in Mexico and the number one imported beer in Australia and North America is linked to a laid-back lifestyle, vacation, and relaxation, through its somewhat iconic lime wedge and beach. This is captured at every touchpoint, whether it is social media or more traditional advertising. The brand has been able to evolve this message—even inviting fans to "find your beach" in recent campaigns. This year, Corona announced its biggest retail sweepstakes promotion yet—a chance for its customers to win one of 100 trips to Mexico.

87

NIVEA

+4%

3,883$m

Known for its heritage, affordability, trust, and loyal consumer base, Nivea is celebrating "100 years of skin care" with a massive high-profile multi-media marketing campaign that plays up its reliable, trusted image—and it's already having a notable impact on sales. In recent years, the brand has capitalized on a perceived opportunity in the men's grooming market by expanding in that category with attractive product propositions and targeted marketing. This year, a strategic move was made to refocus the brand on skin care only, walking away from decorative cosmetics, a category that was apparently not a good fit for the brand with consumers. With strong market positions throughout Europe and Latin America, Nivea continues to garner loyalty through effective products and a sharpened brand strategy across all relevant touchpoints. The company is expanding its presence in emerging markets like India, but faces challenges there from established personal care brands owned by major global players.

88

JOHNNIE WALKER

+8%

3,842$m

Johnnie Walker is growing internationally. The strategy to go beyond scotch and appeal to an emerging middle class is beginning to pay off in regions like Latin America and China. In the U.S., the brand's more premium offerings have fared well, and Johnnie Walker has been focusing on communication that elevates the status of the brand even more. China, in particular, is beginning to see more brand loyalty. An ambitious social media campaign, "Words of Journey," which tells the story of 12 Chinese pioneers, boosted its visibility in the region and presented a more relatable brand to that audience. Additionally, an improved go-to-market strategy in India has aided the brand where it holds an iconic status.

89

SMIRNOFF

+6%

3,841$m

Though the vodka market is a crowded space, Smirnoff performs well. Exciting campaigns like "I choose" and the reality show *Master of the Mix* continue to boost the brand's presence. While remaining the U.S. leader, Smirnoff is growing in fast-developing markets where an expanding middle class is responding well to the product. It continues to pursue highly visible celebrity endorsements. For example, it recently announced a partnership with Madonna in the next installment of the Smirnoff "Nightlife Exchange" and has struck up a partnership with Pharrell Williams for its "Start Pure" campaign.

90

NISSAN

NEW

3,819$m

Nissan returns to the list of Best Global Brands loaded with momentum. After becoming the number two Japanese car manufacturer measured by sales in 2010, Nissan is charging forward with a strategy that is both visionary and disciplined. The big bets are on emerging markets and electric vehicles. Its place as the number one Japanese brand in China, Russia, and Brazil, and the increasing consensus of the future market for electric vehicles seem to validate the vision. Its higher profit growth and ability to restock post-quake inventories faster than competitors suggests operational discipline. Early investments in EV infrastructure and a sharpened global marketing operation will help sustain first-mover advantage. Brand Nissan is building well for tomorrow.

91

HEINEKEN

+8%

3,809$m

Heineken's series of acquisitions in fast-developing markets continued this year, following 2010's purchase of Femsa Cerveza, which rebalanced the portfolio from a steadily declining European base. Notably, this year the brand has been eyeing Africa, acquiring additional brewery capacity in Nigeria, and entering the South Sudan market after buying two Ethiopian breweries. Additionally, it remains steady in Brazil where it has had a presence for many years. The brand continues to experiment with social media. Heineken is currently in conversation with Facebook regarding a multi-million advertising deal, reached an agreement with Google earlier this year on an ad campaign, and is focusing on distributing commercials on YouTube to target the important 20-something demographic. Additionally, its UEFA Champions League continues to build the brand's presence globally. Heineken is also increasing its green efforts with its 10-year sustainability agenda, "Brewing a Better Future."

92

UBS

0%

3,799$m

Post-2008, UBS was forced to reduce business globally, but continued to grow in China where it now plans to double its staff in three to four years. In addition to its geographic expansion through organic growth and acquisition, UBS has increased engagement and collaboration across divisions. The refresh of its visual identity and new "We Will Not Rest" advertising campaign illustrates its commitment to rebuilding the brand and the business. Management moves within UBS should help to stabilize customer and stakeholder perceptions of the brand, although recent job cuts in Europe are a reminder the market remains unstable.

93

ARMANI

+10%

3,794$m

Armani is driving its position as a timeless, high quality and stylish, Italian luxury brand through well-planned brand extensions. It also continues to grow its hotel and resort franchise, following its Dubai location with a new opening in Milan in November. Armani also continues to build its web presence. A highly interactive new website for its eyeglass-frame line launched in October, which connected seamlessly through all its various social media channels. Additionally, this year Giorgio Armani launched the much-praised "Eyes to Kill" make-up line, which includes versatile eye shadows that can be wet or dry, and mascara that uses an innovative breakthrough wax complex.

94

ZURICH

+8%

3,769$m

As with other players in its category, Zurich is eyeing overseas markets and growing its footprint in emerging economies like Brazil, Indonesia, and Malaysia. With customer centricity now the cornerstone of its group strategy, Zurich is, for the first time, employing a common framework by which the company measures customer satisfaction and loyalty. With its sights on the top quartile, Zurich is leveraging its brand as an essential tool in building and maintaining its relationship with its customers. As part of this new mindset, Zurich is focusing on digital, online, and social media to drive its brand presence and improve its communications. So far, its hard work appears to be paying off. The brand won two silvers for excellence at the 2011 Transform Awards—one in the best integration of brand and business strategy category and the other in the best global rebrand category. Additionally, the Chief Marketing Officer Institute named Arun Sinha its "CMO of the Year." Perhaps most telling of Zurich's success is that its shares increased the most in two years in the second quarter of 2011.

95

BURBERRY

+20%

3,732$m

One brand that has mastered the art of staying on top of the flow of real-time information, and is standing out from competitors as a result, is Burberry. From its early presence on Instagram to its Burberry Acoustic campaign, it has managed to stay ahead of trends and even set them. This has led to a strong financial performance, a 39 percent rise in profits, as well as a constant and positive presence in the media. This year, in particular, its impressive digital innovation made headlines with particular attention given to its retail theater—the incorporation of runway shows into its retail stores via internal and external screens and iPads that allow customers to access the full global collection regardless of what's available in the store. Burberry's brand performance improved overall due to its emphasis on core outerwear categories, digital marketing initiatives, the signing of Emma Watson as its new spokesperson, and global expansion with upwards of 25 new stores. This year, Burberry won the Digital Innovation Award at the British Fashion Awards 2010 and updated its store concept.

96

STARBUCKS

+10%

3,663$m

Celebrating its 40th year, the venerable coffee house chain remains a magnet for coffee lovers but competition continues to threaten its market share. Looking to its brand for help, Starbucks unveiled a re-tooled logo, which received mostly positive reviews from experts and consumers alike—and has been reinforcing its place as a neighborhood institution. As with so many other consumer brands, Starbucks is preparing for China to become its largest market with its expansion into packaged goods and the introduction of a number of tea-based products. Green in more than its identity, Starbucks is constantly being recognized for its sustainability efforts and its commitment to fair trade. By 2015, the company expects to have 100 percent of its coffee provided by certified ethical sources. As a social media powerhouse, the brand is effectively connecting online with enthusiastic consumer participation on its My Starbucks Idea and My Starbucks Signature websites.

97

JOHN DEERE

NEW

3,651$m

New to our Top 100 Best Global Brands, John Deere is strengthening its global presence with the establishment of new manufacturing facilities in India and China. The brand is also widening its focus by going beyond equipment to provide farmers and landowners with expert advice on how to get the most out of their land. This program ties directly to the brand's sincere commitment to sustainable practices, which has earned it international recognition, especially for its green building designs and energy conservation efforts. Customers recognize the brand's values of integrity, quality, and commitment, represented by its iconic green equity color and widely recognized logo as well. Sales in its re-designed stores are up as high as 68 percent, and merchandise sales are up 150 percent. Further defying stereotypes, John Deere maintains a robust online presence, especially on Twitter.

98

HTC

NEW

3,605$m

A rising star in the mobile devices segment, and a new entry to our Top 100 Best Global Brands, HTC surpassed Nokia to become the third largest smartphone maker in the world in market value, placing it only behind Apple and Samsung. Starting as an original equipment manufacturer (OEM) business, HTC has rapidly gained consumer traction at a global level earning it the title of the 2011 Device Manufacturer of the Year by the GSMA at the Mobile World Congress in February. HTC's tagline, Quietly Brilliant, is a core value for the brand, one that is demonstrated in its brand voice. Since the company has only just begun to talk to the market, its communications are well organized globally, relying on a minimal but highly memorable style. Although a fast-growing company, HTC's consumer awareness is low, which is expected given it only recently shifted from an OEM strategy, so its social media strategy is of key importance to the brand. Its custom-built social networking site on YouTube, Facebook, and Twitter and constant updates demonstrate its commitment to engage its customers and build loyalty. Additionally, its August partnerships with "Beats by Dr. Dre" should continue to raise the brand's profile, especially among a younger audience.

99

FERRARI

+1%

3,591$m

Ferrari continues to offer customers the ultimate brand experience with the opening of its theme park "Ferrari World" in Abu Dhabi. While Ferrari 458 Italia recalls due to fire risks were challenging for the brand, it appears stable enough to overcome any negative publicity generated—a good example of the power of brand as a business asset. Like its automotive competitors, Ferrari is embracing low emission cars. A 2011 California model featured a HELE system (high emotion low emission). Additionally, Ferrari continues to work on a hybrid car model (HY-KERS), which it offered a sneak preview of in 2010. The brand continues to expand in China where it had a successful year, and in 2011 it opened its first dealership in India.

100

HARLEY-DAVIDSON

+7%

3,512$m

The myth surrounding the Harley-Davidson brand is hard for any competitor to mimic. Though the business has been challenged by the weak economy, the brand continues to strengthen, increasing share across all segments while generally holding firm on its premium price points. Future growth will come from new markets and segments. The use of digital to leverage what has always been the brand's social advantage will help as well. In 2010, it entered the Indian market, which offers great potential. Additionally, Harley-Davidson has been targeting female buyers, promoting women's apparel and special events for women in an effort to cultivate a community dedicated only to female riders. Overall, the Harley-Davidson brand is as strong as ever. Growth will require some careful brand steering—expanding its reach while preserving the core.

POWER TO THE PEOPLE

It used to be that news and newsworthy items were captured, assessed, and distributed by traditional media companies. From newspapers to TV to magazines, that which was newsworthy was professionally managed, edited, and distributed. Few people at the end of the day were involved in this system that dominated the airwaves and directed the discussion. That is no longer the case.

Today the lines are blurred. The competition is intense and as companies try to one-up each other to find "the" story (legally, let's hope, of course as the closure of *News of the World* has demonstrated to us), they are beginning to realize that the story is originating with the people.

To see this, look no further than the events in Egypt, Tunisia, Bahrain, and Syria this spring, which showcased how people used the powers of social technology to not only share news but also direct their efforts. The August 2011 riots in London paint the same picture. In some of these cases, technology has proven such a powerful threat that governments have raised questions of temporarily shutting it down altogether. All this confirms that today's consumers no longer turn to the traditional players for the most up-to-date information, but look to their social peers—the network—for information and guidance. They accept the fact that information was not professionally screened and thus might evolve. What is true is blurring more and more. People are comfortable with the ambiguity that comes with an increase in speed and peer knowledge sharing.

So the questions, then, are what is the role of media brands in the future? And is there even one, if consumers are no longer turning to traditional players for the most up-to-date information?

While there is a role for media brands in the future, that role has clearly shifted. The current landscape demands that brands always stay ahead of the game, delivering rich, targeted, and in-depth experiences in order to differentiate from the real-time bits and pieces of information circulating via social media and consumers' information networks.

Some are achieving this better than others. MTV, for example, faces enormous pressure to stay relevant. Its strategy has been to offer unique experiences that engage its audiences across platforms. The challenge it faces is that while reality shows like *Jersey Shore*, are successful, they can be recreated by anyone, at any time. Anyone can star in his or her own reality show, produce it, and become famous. Not only that, but it challenges the authentic nature of MTV's offering. Indeed, nothing is more authentic than watching real people versus watching individuals who are "made to be real." The key here is to have one clear value proposition, so these entertainment companies don't find themselves continuing to cede ground to the "real reality."

However, it is not only entertainment and news where media brands are under fire to stay ahead of the game. Critical purchase decisions are now made with significant input from the "people out there." This is true also for B2B brands. The constant immersion in updates, tweets, and breaking news has by default made every brand a business to person (B2P) brand. It is still too often that brands think about interactions with business buyers as anonymous entities, rather than human beings who are influenced by what their social peers tweet, post, or blog.

The opportunity then becomes for brands to create total immersive experiences that are controlled and allow the brand to shine in a clear and compelling fashion. The Disney brand continues to set the benchmark for this. It drives its value across every touchpoint, creating timeless, real experiences that people want to share with others. This timelessness, however, is based also on a deep and profound understanding of what people want—and then delivering that by making their dreams a reality.

Anyone can build his or her own media empire today. We are all one click away from breaking the next big story, bringing down a brand, expressing our dreams to millions, and changing the world. Those brands that listen to the people and embrace the more powerful role of the consumer will continue to grab more of our mindshare. These brands will be successful in the long run. Running in the opposite direction is not going to work.

Power to the people—it's no longer an illusion but a reality.

- Cassidy Morgan, CEO,
Central and Eastern Europe

PERMANENT CHANGE, CONTINUOUS BRANDS

Nearly every CEO poll taken in the past 12 months arrives at the same conclusion: growth. After several hook-or-by-crook crisis years of eking out profits, incremental opportunities for efficiency and optimization no longer exist. It's time to grow, both at home and in the emerging world. Growth is the CEO agenda and they are taking it personally. (See Thomson Reuters CEO Tom Glocer's recent decision to shake up his Markets division and step in as its direct supervisor.) Global shareholders are ready to move on and have but one request—get growing.

Of course, it's not that easy. Rising raw material costs, default threats across Europe (and the U.S.), political instability in the Middle East and Northern Africa, and stubbornly depressed jobs/housing data in the U.S. are but some of factors that are undermining growth. And even in the markets where growth is actually occurring—places like China, India, Brazil, and parts of Africa and Southeast Asia—systematic challenges related to infrastructure, water security, and public safety are faced. Throw in expanded regulation, disruptive technology, and resource scarcity, and one can very well describe what will be the CEO's forward-going business reality: turbulence, a condition that people like Harvard Business School professor Nancy Koehn believe will extend into perpetuity.

PERMANENT CHANGE

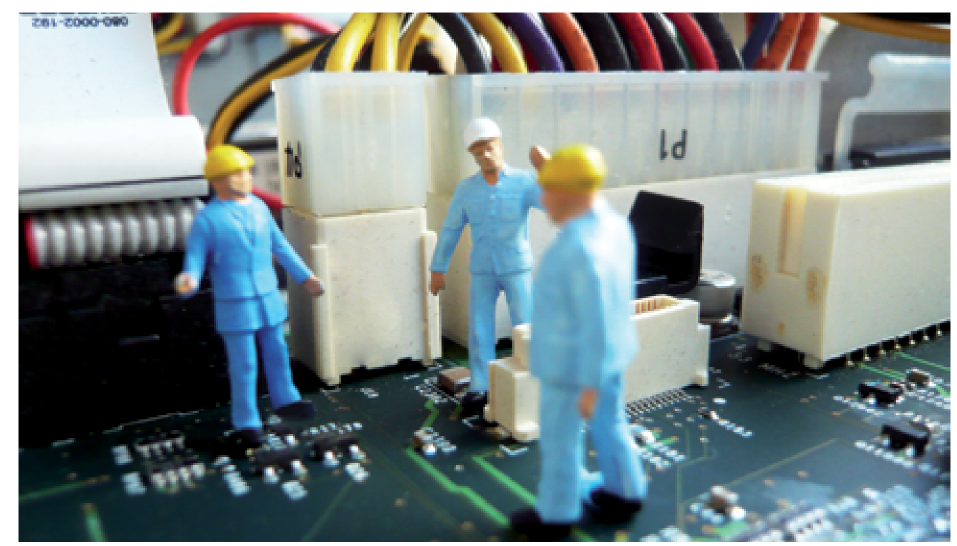
In order to win in continuous turbulence, the best global brands will embrace permanent change. Embracing permanent change begins by committing to a state of continual evolution. Or in the language of brand strength, being responsive in order to remain relevant. Back in the late 1990s, Accenture described its business mission as "helping clients change to be more successful." Turn this mission inward and it becomes a blueprint for services brands going forward: "helping ourselves change to make clients more successful."

Every business services player in the Top 100 is seeking to evolve to help clients become more successful. For example, following its Sun Microsystems purchase in 2010, Oracle purchased a raft of technology capabilities, from eCommerce software (Art Technology Group, Nov. 2010), to storage (Pillar Data Systems, June 2011), and rebootless Linux kernel updates (Ksplice, July 2011). Accenture, IBM, and Thomson Reuters all bought capability through acquisitions as well. Meanwhile, Cisco abandoned its consumer Flip camera (purchased in 2009 for nearly US $600 million) in order to focus on its core business. Then there's SAP. While digesting its big purchase in 2010, Sybase, it saw its CEO and CMO change business cards, exchanging three block letters (SAP) for two (HP) instead.

There are models for success in permanent change. Take McKinsey and Co. The consultancy has driven growth by continuously expanding capability for decades. For example, 30 years ago, McKinsey knew very little about risk; today, its risk practice is positioned as a global leader. The lesson: Embrace permanent change as the way of working.

CONTINUOUS BRANDS

There is a paradox here. While business service companies will need to permanently evolve capability, they must do so consistently. The target customers for these brands are global and connected. Subsequently, services brands must create a consistent experience from airport to airport and from pitch meeting to pitch meeting. Consistency is even more important internally. With global employee bases numbering in the hundreds of thousands, these companies must retain a consistent and binding purpose and promise, despite a constantly evolving solution set. To their credit, Accenture, Cisco, SAP, and Thomson Reuters have stayed true to their core brand experience and message through the crisis and 2011.



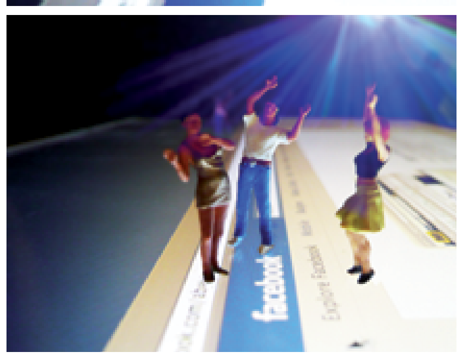
This is the double trick of branding for this sector in 2012. Markets will roil in perpetuity, yet strong brands will offer an abiding purpose and consistent experience—a paradox that IBM has managed to perfection. The ultimate example of continued relevance throughout the ages, this year IBM celebrated its 100th anniversary with impressive pomp: A century of solving difficult problems through smart technology. And while its grand challenge may change decade to decade, the core of IBM's strength remains: a continuous brand thriving amid permanent change.

-Josh Feldmeth, CEO, New York

DIGITAL

CLOUD MENTALITY

A movement away from ownership requires a radical rethinking of business models.



As we approach 2012, a curious thing is happening—conventional market economies appear to be trending toward post-possessive lifestyles. Automotive brands are jumping on the car-share bandwagon. Spotify and Pandora sell just the music experience, eliminating the need for ownership. Even the notion of offsetting energy usage or participating in a service like Groupon underscores a movement away from individual ownership toward the idea of a collective, shared experience.

As consumers and businesses alike increasingly leverage the cloud, we're seeing an impact on our lives in more ways than we ever might have imagined. Having access without having to store it, maintain it, or even deal with the dreaded boredom that comes with familiarity is not just changing our lifestyles or the way we conduct business on an individual level, but it is also vastly changing purchase decision-making. Call it cloud mentality.

CLOUD MENTALITY AND THE BUSINESS MODEL

A movement away from ownership requires a radical rethinking of business models. And yet, cloud mentality doesn't mean the end of brands. In fact, with a little innovation, a shift away from ownership to shared experience, opens up numerous opportunities for brands. Indeed, defining a brand around a concept rather than a product allows organizations to expand their offer, endlessly innovate around changing demands, and foster a loyal community.

Already automotive companies are moving in this direction, redefining themselves as transportation brands. This allows for opportunities to branch into anything that has to do with moving an object from Point A to Point B, including mass transport, car sharing, GPS and mapping, or non-wheeled vehicles like elevators, and escalators. At the same time, automotive brands are discovering how this shift in the business model can vastly reduce the waste of resources that go into production and reduce the number of acrylic or metal carcasses we discard when we're finished. In generating less product and more service, businesses can react or change course without the burden of a warehouse full of legacy product. Consumers, too, with the experience being lower than the cost of ownership, can be carefree in their decision-making, leading to experimentation and discovery.

Adaptation isn't just limited to the automotive sector. As consumer mentality shifts to embrace usage or experience over ownership, opportunities exist across the spectrum from retail to food & beverage for brands that are willing to take some risks and think beyond traditional purchase behavior.

- Robin Rusch, CEO, BrandWizard

TELECOMMUNICATIONS

BREAKING FROM THE PACK

In what category can brands deliver sub-par customer service and have ongoing product quality issues, yet still maintain strong revenue and customer growth? It seems that all across the global telecom industry, many businesses perform well, despite their brands.

So, imagine if a brand in this category broke from the pack—if a telecom company engendered true loyalty and if it stood for great experiences, driving not only demand, but also desire. Indeed, the question isn't whether or not to proceed in this direction, it is instead a question of what it will take for a telecom brand to build strong bonds with customers and unlock value.

NETWORK QUALITY

We know that the most important driver of satisfaction and recommendation in the telecom sector is around product quality—the network. The network is the lifeblood of the telecom offering. Telecoms are responsible for continuous investment, capacity increases, and seamless coverage. They set world records every day in the volume of data they traffic—and they need to just to keep up with demand. Soon, with 4G networks freely in place, data speeds will be so fast that the difference in network speeds will not be discernable to customers.

Yet, the surging demand for wireless connectivity and data flow that telecom networks stimulate often translate into frustrated customers due to network capacity limitations. Telecom brands are becoming more and more vital to fueling the mobile lifestyle of their customers, but at the same time, their contribution is largely invisible and underappreciated. Unfortunately, people don't notice or care, that is, until it doesn't work.

So, without question, organizations in the telecom sector must get their networks working in all of the places they have customers, and at speeds that are up to customer expectations set by advertising and competitive benchmarks.

THE CUSTOMER EXPERIENCE

If network quality is the great equalizer, then overall experience will be the true differentiator. Today, the bar is not very high. Telecoms across most global markets fare poorly on customer service rankings. They have low levels of stated loyalty, and online word of mouth is often damaging. This becomes even more obvious when you compare the overall sector performance to other service industries. There is rarely a telecom brand in any market that stands head and shoulders apart from its competitors on positive brand attributes. As such, there is an opportunity to gain ground by just serving customers well and giving them more reasons to stay loyal.

DELIVERING THE EXPERIENCE

Telecoms truly change the world with their offerings, creating new connections, behaviors, lifestyles, and business practices. However, to get credit for this, they need to make what they already do more tangible, relevant, and understood. They should orient the delivery of their offerings from one-and-done transactions to ongoing steps in a relationship: from what often feels to consumers like a thankless purchase, to a supportive journey into new areas of technological capability.

Telecoms truly change the world with their offerings, creating new connections, behaviors, lifestyles, and business practices.

History shows that once great new innovations start to be consumed, they will become integral to people's everyday lives. Whether it is the use of app-driven smartphones and tablets, or newly emerging demand drivers like cloud computing and mobile payments, consumption always exceeds anyone's wildest expectations. So, the stakes for telecoms to deliver will continue to increase—but the same can be said for the opportunity to be known for bringing people added-value offerings and services that become indispensable.

Sooner or later, a telecom brand will break from the pack. Its success will come from getting credit for bringing people things they can no longer live without, over and over and over again.

-Kevin Perlmutter, Senior Director of Strategy, New York

FINANCIAL SERVICES

ONGOING CRISIS SHAPES A SLOW PATH TO RECOVERY

The brief moment of optimism that suggested the economy was on an upswing toward recovery has passed. Share prices are back to the lows of the 2008 financial crisis and financial services brands in developed markets are continuing to struggle. The confidence of regulators, clients, and shareholders remains shaken and public perceptions of the stability of the market and key players have not improved. These shaky conditions and tainted perceptions have slowed the path to recovery, indicating that the worst is not yet over.

Following the 2008 financial crisis, many felt the pendulum would swing from excess regulation to a more balanced state. However, the Volcker rule, as well as Basel III, new taxes, and general regulatory competition have led most to believe the environment is only getting more challenging.

Given the new realities in the financial services sector, it is not clear whether banks can cover the cost of capital. As a result, shareholders are broadly turning away from the industry. And as overall compensation appears to be heading downwards, large banks are becoming less attractive to employees as well.

At the same time, asset management firms and their brands, whether traditional or alternative, have been growing despite the fact that they too face increasing regulations. The reputation of key players in the alternative investment space has stayed relatively intact mainly because regulators and the public do not perceive them as "too big to fail" or as beneficiaries of government subsidiaries.

Overall, with regulatory compliance limiting risk and reducing profits, large financial institutions are trying to reduce costs wherever possible—consolidation being one way to create efficiencies and lower the cost base. However, the fear of creating more "too big to fail" institutions complicates any potential opportunity for consolidation. So while consolidation isn't likely to occur among the larger banks, we may see some consolidation on the asset management side, where margins are also under pressure.

EMERGING MARKETS: EVERY MARKET IS DIFFERENT AND REQUIRES A CAREFUL BRAND STRATEGY

For financial services brands, emerging markets offer the most growth potential as countries that did not have to bail out their banking system do not face the same negative perceptions that financial firms currently face in other parts of the world.

And yet, expansion into these regions remains tricky from a branding perspective.

As financial services brands broaden their reach across the globe, they need to be conscious of ensuring that they stay true to core brand values and communicate a unified message. At the same time, what they are offering must be relevant to these new markets. Furthermore, because brands are perceived differently in different markets, it is no longer enough to simply be consistent. Financial services brands must maintain their consistency yet still be flexible enough to adapt to different points of view.

SOCIAL MEDIA: EMBRACING NEW FRONTIERS

Another new frontier for the sector is social media, although financial services brands are further behind in this area than other industries. American Express is a clear leader in this space, going so far as to partner with the location-based social networking platform, Foursquare. Overall, credit card companies and banks with a commercial arm such as Mastercard and J.P. Morgan Chase have been more prevalent in social media than investment banks, in part due to stringent regulations and the nature of the customer audience.

OUTLOOK

In order to rebuild the trust and brand value still eroded from the fallout of the subprime mortgage crisis and shaken by the fragile economy, an open and transparent dialogue with customers is essential. The key will be to leverage these dialogues, including those in the social media space, in a way that demonstrates a sincere response and understanding of customers' needs and desires, both domestically and around the world. And with regulations changing the way banks do business, brand will be an increasingly important differentiator. In short, maintaining a strong brand will only help to ensure a stronger future.

-Carola Jain, Senior Director of Strategy, New York

TECHNOLOGY

REDEFINING SOCIETY

Technology and culture have been intertwined for centuries. Consider, for instance, Leonardo da Vinci, who is revered as an innovator and inventor every bit as much as he is acclaimed as an artist. History is replete with examples of technological innovations that have shaped cultures, and in turn, technologies have been refined by the cultures in which they are used. Renaissance courts across Europe, for example, were the early-day incubators of technological projects that played important roles in shaping the culture in which they gained prominence. And it is no different in the 21st century: The technological choices we make today predict the nature of our society tomorrow.

Among the most significant is anytime-anywhere connected computing. Hundreds of millions of users connect to the Internet every day, which has had an undeniable influence on existing culture as well as on the emergence of new norms of behavior. Additionally, the always-available nature of the Internet has also opened new avenues for innovation that have contributed to the continuing growth of the technology sector.

Chief among them: We now rely on smartphones and tablets for a significant portion of our computing needs. At the same time, they have enabled significant changes in how we use technology. No longer a productivity tool for knowledge workers, technology is also a consumer tool for managing and enjoying our lives. Whether using Google to gain instant access to knowledge or Facebook to build a sense of community, technology has indelibly changed how we communicate and consume information.

And these changes do not stop when employees enter the corporate workplace. Perhaps the most surprising example of this has been the rapid adoption of the iPad as a tool for enterprise access and sharing corporate information. Tablets, along with smartphones running the iOS and Android operating systems, have created an ecosystem in which our personal and professional worlds are one and the same. The success of these devices is posing serious challenges to companies like Research In Motion, whose BlackBerry was for years the de facto device of choice among enterprise users.

In many ways, cloud computing is the foundation upon which anytime-anywhere computing is built. While consumers may not understand the technology underlying cloud computing, they have embraced the cloud more enthusiastically than most IT departments. For years consumers have relied on the cloud for their email services and for social networking; indeed, their online personas now reside on a remote server somewhere. Consumers now comfortably access an array of services that make their connected experience much more meaningful and convenient. Services such as Dropbox provide anytime-anywhere access to content such as documents, while live streaming from Spotify and Netflix enriches entertainment experiences.

The new computing landscape also provides opportunities for tech giants like Intel, HP, IBM, and Dell to build massive data centers around the globe to meet growing demands for—and revenues from—secure cloud computing services for corporate IT needs.

Taken together, anytime-anywhere access and cloud computing offer a valuable opportunity for relevant, authentic, and personal experiences that a brand can leverage to drive attachment and loyalty. Yet, experiences today typically remain driven by discrete, compartmentalized tasks. In this sector, a need remains for a balance between the emotional and the functional in order to be credible; consistency across the portfolio and across touchpoints helps create a broader value proposition.

Yet we also see instances in which technology is not designed from the voice of the customer and is developed for technology's sake. Marketing of 3D TV, for example, continues, but awareness has not been transformed into purchases due to a misalignment between consumers' expectations and the product experience. On the other hand, consumers have embraced live streaming of video and music, and connected TVs are quickly becoming standard. Sony, Samsung, and Philips are bringing to market beautiful designs and interfaces that start conversations among connected consumers.

This year, we've also seen M&As continue to drive growth in the technology sector, resulting in further verticalization. Intel, with the recent acquisition of McAfee, is addressing security in a value offering that now spans hardware, software, and associated services. Adobe acquired the online analytics firm Omniture and has extended its value proposition from content creation to web analytics and content optimization, enhancing its reach and value. Also of note is Microsoft's acquisition of Skype, which will enhance its existing portfolio of real-time communications products and services. But these types of acquisitions are often difficult for a brand: Challenges in assimilation of corporate cultures and product vision alignment must be overcome before synergies can be leveraged.

In a global society in which technology is assumed and ubiquitous, innovation is similarly pervasive. From best global brands to start-up brands, companies are delivering experiences that have global influence and the power to build brand equity. Technology will continue to redefine the cultural norm, and societies will continue to guide its path.

-Federica Judica, Executive Director, Insights, San Francisco

RETAIL

CREATIVE CUSTOMER ENGAGEMENT

The retail sector in Europe and the U.S. is slowly recovering from this decade's two greatest challenges: the global recession and the consumer-dominant digital world. While many brands continue to work to catch up, some brands have learned how to create desire in innovative new ways.

Nike, adidas, Gap, H&M, and Zara are all Top 100 brands that have been innovating to create a seamless retail experience, using digital connections to create a powerful desire to interact physically. Their campaigns include digital draws, in-store happenings, sponsored events, sustainability efforts, and pop-up stores. These same brands are also finding success by tapping into fast-developing markets, where retail continues to grow.

ENGAGING CONSUMERS CREATIVELY

In the sporting goods category, Nike and adidas have revitalized their performance by using all of the touchpoints at their disposal to improve consumers' perception of their brands. Last year, their involvement in the FIFA World Cup helped especially. Both brands offer personal training programs via smartphone, providing opportunities for customers to engage closely with the brands every day. In the process, they were also able to uncover consumers' hidden needs, and subsequently discover new ways to increase demand and profit.

Meanwhile, fast-fashion brand Zara, which distinguishes itself from other fast-fashion brands with the highest price points and runway replicas, maintains an extremely in-depth level of understanding when it comes to the tastes and trends of its shoppers—around the world and moment to moment. Its sophisticated store model requires that retail workers plug in the nonstop flow of real-time information directly from its sales floors, impacting the inventory that is sent to each of its locations. By managing information flow in this manner, it builds value through its responsiveness and relevance.

Other retailers, like Gap, are keeping up with competitors like H&M and UNIQLO by taking bold, new risks. Gap, for example, partnered with popular blog Cool Hunting to curate an edgy pop-up store on Fifth Avenue. Up next is a taco truck in major U.S. cities.

A WORLDLY ATTITUDE

In an effort to compensate for stagnant sales in the U.S. and Europe, retailers are increasingly looking to overseas operations. China, in particular, continues to be the market of choice, due to high demand for Western products and a huge population. Gap continues to focus on expansion in the region and adidas, which has had a presence in China for some time, aims to have 2,500 stores in the country by 2015.

In some cases, the demand for these brands is so high in China that retailers are even having trouble keeping up. Take IKEA, which has nine stores in Chinese coastal locations. It recently saw an unlicensed counterfeit store called 11 Furniture, which replicates its stores' look, e for retailers. Indeed, opportunity exists in all fast growing retail markets—the total of 150 that exist worldwide. However, each of these countries is at a different level of development and retailers with plans for international growth must carefully consider the optimal mix of countries, formats, and operating models to succeed. This year's most buzzworthy markets of Columbia, Indonesia, Vietnam, Egypt, Turkey, and South Africa (the so-called CIVETS), for example, all come with their own mix of opportunites and risk that retailers should be carefully weighing before moving forward.

-Bruce Dybvad, CEO, Interbrand DesignForum and Interbrand Cincinnati

LUXURY

DYNAMIC ICONS FOR LIQUID MODERNITY

No industry has undergone the degree of change that the luxury sector has known over the past thirty-six months. In the time following the global meltdown, luxury brands have shown what could only be described as a "pulse" effect. The immediate effect of the crisis on global luxury brands was a contraction—not only in terms of revenues, but also in a deeper sense. Most brands returned to their original values, rediscovered their reason to be, and ultimately justified their existence in the eyes of a world seemingly destroyed by its own excesses. Measures which, combined with the growth rates observed in emerging markets, helped these brands mitigate the impact of the crisis, restart again, and subsequently bring the overall sector back to double-digit growth in 2010. Overall, an outstanding performance that greatly overshadows the results of the majority of other sectors.

And yet, while much has been written about the luxury industry's resilience in absorbing the crisis' effect, less has been devoted to revealing the drivers of such a remarkable and immediate reaction. The past months, however, provide a crystal clear picture of the ways in which this sector has entered a new phase of growth.

It is a story of quick change. Global luxury brands have embraced, and are now at the forefront of a shift in their paradigm. They have transitioned from focusing on their own spirit and history to reaching deep into people's—not necessarily customers'—lives and zeitgeist. They have become fully immersed in the way people think, live, and behave. Gone are the days in which luxury brands were motionless idols, revered by the crowds. Today, those brands that are generating extraordinary value are dynamic, energetic icons able to achieve what Zygmunt Bauman has called "liquid modernity."

Such dynamism is, first and foremost, about presence. They are where customers are. Brands like Gucci and Louis Vuitton, for example, have explored the potential of social media to a considerable extent. Burberry has shown the possibilities of using the web to stage an extensively vibrant experience. These brands have acquired an active and pervasive presence that would have been unthinkable just four years ago.

Dynamism is also about expression. The top luxury brands explore new territories of interaction with customers, carefully combining their long-standing spirit and long-term strategy with completely new interpretations. For example, Gucci takes its master craftsmen around the world to display their talent as part of the Artisans Corner campaign and used them to open its museum in Florence. Meanwhile, Burberry's Acoustic program features a gallery of British talent embodying and inspiring the brand's creative process, which demonstrates an enormously rewarding balance between responsiveness and consistency.

The third form of dynamism pertains to the ethical sphere. Most of the best global luxury brands act like today's audiences expect them to act. Traditionally representing the antonym of doing a little bit for many, (or a lot for the few), luxury brands have engaged in sustainability programs as a way to shatter this understandable prejudice and interpret the post-crisis mood. Interestingly, in many cases, they have done so in a subtler and more consistent way than what has been the case for other sectors. They have addressed issues that are in line with the spirit of who they are and what they do. Gucci combined the launch of its kidswear line with the brand's renewed support for UNICEF's Schools for Africa program; the Cartier Foundation is committed to supporting the art of its time.

Finally, dynamism is reflected in the quest for the ultimate fulfillment of customers' aspirations. Individual customization, offered through initiatives such as Prada's Made to Measure program, appears to be a key element in the offering of these brands, consolidating their connection to highly discerning customers.

Extraordinary accomplishments are achieved when history is translated into dynamism rather than stasis, and the luxury brands in this report are the living evidence of this.

-Manfredi Ricca, Managing Director, Milan

FOOD AND BEVERAGE

SIMPLE PRODUCTS, COMPLEX CHALLENGES

Among the global QSR (quick service restaurant) brands in this year's report, the biggest challenges to continuing growth are the relevance and responsiveness dimensions of brand strength. As stalwart U.S. brands like McDonald's and KFC continue to expand globally, they become harder to manage as they encounter contrasting cultures and diverse consumer attitudes and behaviors within the category. Being both relevant and responsive, as a single brand idea across this varied landscape of mature and developing markets, can tax the basic notion of global branding. Whereas many fast-moving consumer goods brands have seen global success by driving choice through consistent delivery of tangible benefits, dining differs due to a more complex set of decisions with an infinite number of substitute choices, including just eating at home.

In their developed markets, convenience via ubiquity, consistency via process design, and demand creation via appetite appeal have propelled the QSR industry for more than a few generations now. In developing markets, success has been a result of the U.S.'s cultural allure more than an entrepreneurial response to an unmet social or cultural need. Global QSR brands should now move toward a new definition of convenience, and a value proposition that is more than just good food fast to stay relevant and responsive. Even in mature markets the consumer is re-evaluating the role "fast food" restaurants play in their repertoire of meal choices, leading to challenges involving protecting the brands from media assaults on health issues while pitching guilty pleasures and healthy choices simultaneously.

In North America, McDonald's and Starbucks are fighting to remain relevant and top-of-mind to the majority of the market as consumers constantly refine their consideration set based on the health versus indulgence continuum. McDonald's is investing heavily in remodeling U.S. locations to reinvent how consumers experience the brand beyond its food alone. McCafé and the big push into beverages overall is a clear signal that "more reasons to visit" is a key driver of growth. Starbucks, in turn, has added a more robust breakfast food offering to capture more morning-routine driven sales. The traditional customer lunch day stop-off is the most vulnerable to upstarts and competitor deals, so winning at breakfast, where convenient drive-throughs are essential, has been an area of broad focus.

New health risks based on caramel coloring ingredients are emerging, compounding existing health concerns on obesity that besiege the industry. Additionally, reports on the impact of artificially sweetened soft drinks are surfacing and circulating in social media. Regardless, demand is still strong and growing due to excellent brand management.

The beverage sector is unique in that there is no consumption ceiling. In other words, there is no psychological, physiological, or financial limit on consumption. Consequently demand creation is about being in the right place at the right time, and reminding consumers to consume. To reclaim relevancy, Coke is messaging drinking its product at home-meal occasions on packaging to increase consumption and ritualize the behavior at mealtime. The prevalence of soda as the reflexive drink of choice has steadily declined as the marketplace launches new brands and types of drinks for newly imagined need states of all kinds, fragmenting the market. For example, the popular Central and South American coconut water, which is gaining traction in Europe and the U.S., has become a recent success story.

In this mature global market, mobile devices represent a major opportunity to create connections with young consumers who avoid traditional media. Despite high visibility successes like Pepsi Refresh, digital campaigns remain in the realm of marketing, and it is unclear whether they ladder up to enduring brand opinion. Regardless of clear evidence of effect, investment in both talent and capital in the digital space is not an option for this rapidly evolving consumer touchpoint. The potential of smartphones to enable one-on-one brand involvement beyond the beverages themselves, and the power that Coke and Pepsi have to create buzz and shareable cultural experiences, is unique. This is the space where other brands should pay attention to see what experiments pay off and can be applied to other sectors.

The least guilt-ridden beverage to consume is, of course, water. But the beverage has since been corrupted by the "bottle" in bottled water's popularity. Packaging has become the leading vehicle for differentiation when it comes to sustainability and corporate citizenship. The new Coca-Cola-created Dasani PlantBottle™, with plant-derived polymers, has now become the primary container for that brand, while Nestlé's thinner plastic PET bottles seek to mitigate consumer anxieties over bottled water's convenience versus wasteful packaging.

For alcoholic beverages, the lack of unique selling points in all categories has resulted in ongoing efforts to differentiate on emotional dimensions such as packaging design and advertising. Premium tiers still use luxury cues while mid- and low-tier brands leverage tradition and social cues to drive increased consumption by prompting for more occasions. "Low carb" messages seem to be waning as consumers migrate back to taste as a primary choice driver. Switching based on taste claims and trading-up for "premium" experiences are tactics for growth in both beer and spirits globally.

Globally, legislation in both marketing and distribution has made capturing new users complicated. Traditional media still dominates branding efforts, while more attention is being given to in-store marketing and promotion that is shopper-insight driven. This has resulted in holding companies like InBev and Diageo looking at how they organize around this opportunity to influence choice at the shelf beyond price promotion alone.

-Bill Chidley, Senior Vice President, Interbrand DesignForum, North America

> "Low carb" messages seem to be waning as consumers migrate back to taste as a primary choice driver.

The rules have changed and consumers are voting with their wallets and online opinions like never before.

In a year of continued financial and marketplace upheaval it is surprising that so many consumer packaged goods (CPG) brands continue to miss opportunities to connect and build relationships with consumers. Some brands continue to struggle with manufacturing recalls, poor PR, and internal crises they can ill-afford; operating in an ever-more-transparent business reality shaped by consumer-powered social media, brands need to manage their quality, reputation, and messaging more carefully than ever.

Consumers want clarity, not fluff; they want clear differentiation, not category jargon; they want honest ingredients and responsible resourcing, not the same old story in a shiny new package. The rules have changed and consumers are voting with their wallets and online opinions like never before. Certain well-known CPG brands have failed to recognize and leverage this trend, as evidenced by their drop in the 2011 Best Global Brands rankings. Some, in fact, have fallen completely off the list.

For CPG brands, the main problem appears to be this: they are having trouble communicating the brand's value proposition across all touchpoints, starting with the package on-shelf. The focus on digital, in some ways, has been a red herring. All of the money and time invested in TV spots, event sponsorships, and online promotions are wasted if they do not lead the consumer to engage with the brand on the shelf, at the check-out, and in the home. In short, CPG brands need to get back to basics. Brand messaging should be led first by packaging and then reinforced by all other communications.

For example, take the hair color category, which is dominated by brand leader L'Oréal. The category is saturated with packaging that looks identical. L'Oréal, Garnier, Ogilvie, John Frieda, and Clairol all feature the brand top left, moody model front and center, scientific claim, and horizontal panel through the package to house the claims and jargon. The result is a shelf that looks like a wallpaper pattern. Any brand in this category that thinks outside the box has an opportunity to differentiate, connecting with consumers in an entirely new way, and even change the way the category is shopped.

Shampoo is another shopper experience where CPG brands need to work on being more innovative. The sheer proliferation of brands and subsets is staggering, and within the category there are a number of subsets that each require attention in their own right from naturals, premium salon, private label, 2 in 1, color enhancing, base, pump devices, itch, and dandruff. Graphic formats and language are all too similar. Additionally, the universal focus on natural ingredients and scientific benefits has just created mistrust and led to skeptical shoppers looking for relief from the confusion.

The visual language in feminine care has also become too obvious, with swathes of pale blue and a pastel color palette that every brand seems to follow. OB, Playtex, Tampax, and Always all follow the expected formula of soft vignettes and oval graphic devices. When faced with the category, it is very difficult to discriminate between one brand and the next, especially with the copycat private label brands adding to the overall confusion at shelf. The one brand in the category that has thankfully addressed this head on and in a dynamic fashion, at least in the U.S., is Kotex U. The dynamic black packaging really stands out at shelf and demonstrates a more forthright approach to the category.

Similarly, though Kleenex's fancifully shaped and patterned tissue boxes delight consumers and designers alike, with the rest of the category playing catch-up and visual confusion growing at shelf, the brand will need to clearly differentiate product benefits beyond pattern and texture. The year ahead should prove both a challenge and opportunity.

One category that is moving in a positive direction is male grooming. Admirably, the category is moving away from the lurid promises of instant sexual gratification and puerile schoolboy jokes. The male grooming consumer is looking for and willing to pay more for a far deeper and meaningful experience. The messages of getting clean and innovative technology are now seen as a category table stakes. Skin care, scent, experience, and feelings are all part of the consumer expectation.

Lynx and Axe have thankfully moved away from the stripper/night club silhouettes on pack and have opted for a more functional and aggressive motor oil/car cleaning style in an effort to communicate hygiene in an expected fashion. Right Guard holds firm to a similar philosophy but tends to lean towards the language of sports graphics rather than cleaning. Dove's entry to the category was a refreshing relief and promised a great deal, but sadly the addition of "for MEN" on the front of the package reverted to the tried and tested mandate. Either way education is happening, even if evolution is a slow process.

The head of the pack, building its promise on innovation, is Gillette, which is constantly updating and improving its offer. While slow adopters of technology tend to avoid the trade up year in year out, they will adopt every other year at best in an effort to keep up. Still, questions remain. Are five blades really that superior to four? Can the technology be trusted? The confusion begins at shelf and Gillette has a segmentation issue to solve in the year ahead. However, more than any other brand in its category, it has an opportunity to carve out areas that no others can compete with.

Another bright spot for men's grooming is the growing attention being given by manufacturers and retailers to the in-store experience. P&G is helping their retail partners develop a Men's grooming-aisle experience in the health and beauty department that brings the evolution of the category to life beyond the package. These male-focused, shopper-insight driven innovations are a necessary extension of category growth strategies that should be considered more often.

Overall, CPG brands need to remember why the sector is called "consumer packaged goods." The package is where a consumer fully engages with a brand proposition using all of his or her senses. On-pack honesty, brand connection, and clarity are essential. If the brand message is cloudy or obviously fraudulent, the consumer is likely to disengage and re-assess not only that brand, but also the entire category.

-Dyfed "Fred" Richards, Global Executive Creative Director for Consumer Packaged Goods, Executive Creative Director, North America

AUTOMOTIVE

A 125-YEAR LEGACY REACHES A TURNING POINT

For the auto industry, 2011 has been a year of feverish growth. Worldwide, 58.9 million cars were sold in 2010, and this year, the figure is expected to rise to 62.1 million. Projections suggest sales in excess of 65 million passenger cars in 2012 and over 75 million units in 2015. Two factors are driving this growth: On the one hand, the economic recovery in classic European markets and the U.S. is taking hold in the wake of the slump in 2009. The so-called cash-for-clunkers initiative in Western Europe continued to influence sales well into the first half of this year. The other, more important factor is the expanding market in China. The demand for cars in the People's Republic is considerable. Disposable incomes are steadily rising and market saturation relative to market potential is still thin. China's global market share in cars sold has already climbed to 20.1 percent and is poised to keep increasing. Then again, China is not the only growth engine in the automobile market: India is moving in the same direction.

125 YEARS OF INNOVATION

The year 2011 also marks a major auto industry anniversary. In 1886, Carl Benz filed a patent for his motor vehicle. This event is considered to be the dawn of the modern automobile. Shortly thereafter, Gottlieb Daimler and Wilhelm Maybach followed suit. Now, 125 years later, Daimler AG is one of the most successful automakers, and Mercedes has reclaimed the status of the world's most valuable automotive brand in the Best Global Brands Ranking 2011.

With its core Mercedes-Benz brand, the Daimler group is a benchmark innovator. For years, it has been pursuing research into fuel cells. Now hybrid vehicles are on the street, and an electric vehicle is in the pipeline. Together with specialty chemicals manufacturer Evonik, Daimler established a joint venture for the production of lithium-ion batteries that will power the Mercedes-Benz electric car set to debut in 2012.

Indeed, innovation permeates the entire automotive sector. For decades, the focus has been on innovation in product design, production methods, and technologies. But today, more and more automakers are also developing innovative mobility and rental-car share concepts. Daimler's "Car2Go" mobility project, which resembles the archetypal car-sharing concept, is being launched in Canada, the U.S., and Germany. What's new about the model, however, is that after it has served its purpose, the vehicle can be parked anywhere within a defined geographical area. Meanwhile, Peugeot has already kicked off its "Mu" concept, and Volkswagen has entered the car-sharing market with its "Quicar" approach. These concepts are being buoyed by the changing mobility needs of young urban consumers. There are two positives to the initiative: not only are the vehicles equipped with electric motors and therefore better for the environment, but beacuse users share the cars, the environmental impact is also lessened. For many of the world's traffic-plagued big cities, this is one way to sensibly evolve personal mobility.

Some 125 years after the invention of the automobile, electric vehicles are beginning to roll off the assembly line, headed up by the Nissan Leaf and soon followed by the Mitsubishi i-MiEV, Chevrolet's Volt, the Opel Ampera, and the E6 developed by Build Your Dreams (BYD). And the strategies involved with the rollout of these innovative power train concepts have been noteworthy. With the Prius, Toyota integrated its hybrid drive into a totally new model. This precedent inspired Audi and its e-tron sports car, and in mid-2011, BMW announced the "BMW i" as a sub-brand for the so-called Megacity Vehicle. Currently, branded sustainability concepts are being prioritized over sustainable brands. As such, it is not surprising that Toyota occupies the number-one slot among the Best Global Green Brands 2011, with VW and Honda ranking sixth and seventh, respectively. The positive rankings for automotive brands corroborate that innovations in sustainability have become a hallmark for success in the sector. Taking it a step further: those makers who fail to anchor sustainability and ecological stewardship in their brand values will be passed over by tomorrow's consumers.

Another change suggests a turning point in the automobile's 125-year heritage. Until recently, the U.S., Western Europe, and Japan were the big auto industry players, but now, the cars have a new center of gravity: China. Even if the Best Global Brands rankings do not yet list a Chinese brand, the country is literally turning the auto industry inside out. While joint ventures with foreign brands are still dominant in China, the acquisition of Volvo by Geely implies international ambitions. So does BYD's desire to collaborate with Daimler, and VW, and Shanghai Automotive (SAIC) has plans with the Roewe (formerly Rover) brand. Additionally, China's Chery brand already has a presence in Eastern Europe with low-budget compacts. China is evolving its own auto industry—quickly, efficiently, and successfully.

-Michel Gabriel, Managing Director, Zürich

Until recently, the U.S., Western Europe, and Japan were the big auto industry players, but now, the cars have a new center of gravity: China.

HEALTHCARE

THREE NOTABLE TRENDS IN HEALTHCARE

Over the past year, three notable trends have transpired within the healthcare sector. These trends include an evolving brand model and expanded offerings, the increasing role medical devices and technologies play, and the entrance of out-of-category companies into the healthcare space.

1. HEALTHY SHIFT IN BIG PHARMA?

An evolving brand model
Ever wonder why some of the world's largest healthcare companies—companies such as Merck and Pfizer—are not a part of Interbrand's annual Best Global Brands ranking?

The answer is relatively simple. Traditionally, big pharmaceutical companies have employed a holding company approach with product brands, in which the corporate brand is not promoted to the providers or the consumers. This approach was a form of risk mitigation—separating the healthcare manufacturer from the product brands and thus reducing the impact of adverse events and product recalls. We have all seen how well this theory actually works in the real world. With the proliferation of media, very little protection is ultimately offered.

The older brand model was also employed due to the fact that most companies had a small set of products, each of which targeted fundamentally different consumers. In the past 10 years, however, the healthcare industry landscape has changed drastically in that most of the key players now have a plethora of products that target similar therapeutic areas and similar consumers. This significant change has caused large-scale healthcare corporations to reexamine how they offer up their brands. Such organizations are now realizing that, in leveraging their corporate brands, they not only improve efficiencies, but also succeed in differentiating their product brands.

Some of the more forward-thinking healthcare companies include Merck, Novo Nordisk, Novartis, and AstraZeneca. These organizations are now unapologetically creating greater visibility to the link between the product and manufacturer brands. The result is greater differentiation, competitive advantage, and increased revenue.

Fewer players with expanding offerings
Since the healthcare sector continues to experience high levels of M&A activity, traditional pharmaceutical companies, in particular, have been forced to rethink business models and expand what they ultimately offer to the marketplace. At InterbrandHealth, we see organizations broadening into wellness and other areas of the health space. These organizations are no longer focusing on solely selling pharmaceutical compounds.

Merck's partnership with Weight Watchers and Novo Nordisk's partnership with Diabetes, Inc. are two examples of how large-scale pharmaceutical companies are starting to effectively redefine their value and impact on the healthcare marketplace.

Pharmaceutical organizations are also getting into end-consumer markets, emerging markets, branded generics, and even animal health. Such moves indicate that these organizations are not only seeking to broaden their offerings, but also revamping the fleeting small-molecule blockbuster model of the past.

With large-scale pharmaceutical companies now leveraging corporate brands and expanding beyond pharmaceutical compounds, we are beginning to see how these organizations will redefine their value and impact the greater healthcare marketplace.

2. THE INCREASING ROLE OF MEDICAL DIAGNOSTICS, DEVICES, AND TECHNOLOGIES: IS HARDWARE THE NEW "PILL" FOR IMPROVED OUTCOMES?

Gone are the days when doctors and patients relied solely on pharmaceutical treatments to treat conditions like cardiovascular disease, diabetes, and neurological disorders. With medical diagnostics, devices, and technologies, companies such as Johnson & Johnson, GE Healthcare, Medtronic, and Edwards Life Sciences are transforming diseases that were once considered irreparable and making them more manageable.

This burgeoning space of medical diagnostics, devices, and technologies is certainly not immune to product proliferation and M&A activity. Such players are, therefore, rethinking the role that brand plays in building relationships with key consumers—and realizing the economic and operational benefits of building strong portfolio and/or corporate brands.

These companies can truly drive product purchase, premium, and preference. Once they start to truly shift their promotional and brand models, we expect patients to become increasingly involved and engaged in the decisions around their overall treatment.

3. NEW ENTRANTS TO HEALTHCARE: IS HEALTHCARE THE NEW GREEN?

Another notable trend in recent months: Companies that once produced only consumer brands are foraying into the healthcare space at an accelerated rate.

There are, of course, natural revenue streams that can be seized by applying a company's core competencies to the healthcare sector. Many of these "new entrants," however, are quickly realizing that there is also a relatively high learning curve. Entering the highly complex and highly regulated healthcare marketplace requires them to approach building strong brand relationships with both providers and consumers in a new way.

Companies that are successfully entering the healthcare space—companies such as Bosch or Philips—realize the important intangible benefits that are gained in creating a healthcare offering within their existing portfolio. Healthcare offerings are emerging as an important new trend when it comes to corporate image and corporate citizenship. It is a shift being driven by a new social awareness and consciousness of health as well as an urgent need for business growth and diversification. We have no doubt that this trend will continue throughout 2011 and 2012, which raises the question: Is health the new green?

- Wes Wilkes, Executive Director of Global Strategy, InterbrandHealth

Another notable trend in recent months: Companies that once produced only consumer brands are foraying into the healthcare space at an accelerated rate.

ENERGY

A LANDSCAPE DIVERSIFIED BY POSSIBILITIES

As soon as the world regained its composure over the human-engineered disaster in the Gulf of Mexico, we were again hit by yet another crisis. But this year's Fukushima nuclear accident is far more than a footnote for the energy industry. This worst-case scenario alerted the world to the inherent danger of nuclear power, putting the future of nuclear energy into question.

It is true that the world witnessed a similar nuclear crisis just 25 years ago with the Chernobyl explosion only to see little organizational impact, but this latest disaster and the world's reaction to it suggests longer-term change. Doubt is growing and strong advocates are beginning to leave the ranks. Most notably, Germany will abandon nuclear power by 2022, Switzerland by 2034, and throughout the European community, a vast debate is being waged, peppered by consensus and rejection, especially in France. Overall, the future of energy looks to be in transition.

Indeed, the annual Renewables 2011 Global Status Report contains compelling evidence that the investment community and visionaries are still placing their bets on the growth and viability of alternative fuel as a sustainability strategy of defensible merit. Below are some compelling and encouraging facts that paint an energy landscape diversified by possibilities.

- In 2010, investment reached a record U.S. $211 billion in renewables—about one-third more than the U.S. $160 billion invested in 2009, and more than five times the amount invested in 2004.
- 95 countries now have some type of policy to support renewable power generation.
- Money invested in renewable energy companies and in utility-scale generation and biofuel projects increased to U.S. $143 billion, with developing countries surpassing developed economies for the first time.
- Renewable capacity now comprises about a quarter of total global power-generating capacity and supplies close to 20 percent of global electricity, with most of this provided by hydropower.
- U.S. renewables accounted for about 10.9 percent of domestic primary energy production (compared with nuclear's 11.3 percent), an increase of 5.6 percent over 2009.
- Renewables accounted for about 26 percent of China's total installed electric capacity.
- The E.U. exceeded all of its 2010 targets for wind, solar PV, concentrating solar thermal power, and heating/heat pumps.

The evidence is consistent across developed and developing economies. Progress is being made to create more choices and more balance between fossil and alternative energy sources. Overall, brands are feeling a new sense of responsibility to invest and innovate—and not just because of events like the BP oil spill and the Fukushima disaster, but also because they are beginning to see how renewable energy can also save businesses a great deal of money through efficiencies and newly emerging revenue streams. As we move forward, expect balanced energy portfolios to become the new norm.

-Tom Zara, Global Practice Leader, Corporate Citizenship

HOTELS & HOSPITALITY

GETTING EXECUTION RIGHT

While the hotel industry seems to be hitting its targets and showing year-over-year growth in 2011, uncertainty still permeates the industry, making hotel brands cautious, particularly in the U.S. and Europe. This moment of pause gives hoteliers a chance to re-evaluate their brands, and ensure that operations are perfectly in line with marketing: to be promise keepers as well as promise makers.

At the lower and middle end of the market, a continued flight to value is fueling growth. At the top end of the market, however, a features war is creating extremely high guest expectations and narrowing opportunities for distinction. The economic downturn has been particularly unkind to new mass-tique hotel brands, which have not been able to generate the market differentiation, presence, and guest volume to sustain long-term viability.

Meanwhile, the Internet continues to shape travel purchase behavior, with increasing use of digital tools to compare experiences, features, and price. Interestingly, online booking sites like Travelocity, Expedia, and Ctrip represent only a small fraction of actual sales, but play a disproportionate role in shaping price perceptions. Hotel brands are actively participating in travel review sites, with customer service representatives responding directly to customer complaints in highly visible travel forums. Social media will continue to influence travel choices, but few hotel brands have figured out how to leverage this important new medium to their advantage.

Given the current landscape, looking forward, here are three important trends for hotel brands:

1. FLIGHT TO VALUE

One clear outcome of the global recession has been an increased desire for value. Beyond just a money-saving tactic, consumers are trading down to reflect a new view of their world: frugality is beautiful. From choosing to drive rather than fly, saving the weekend getaway for truly celebration-worthy events, or simply cutting corners to meet tighter budgets, brands like Holiday Inn Express, Ibis, and Hampton Inn are thriving in a challenging market.

As a result, guests are looking for greater empowerment from their hotel. They want technology to work as seamlessly in their hotel as it does in their home or office. They want choices in their stay experience and want to connect with a world outside the hotel. Simply put, guests want more value from their stay.

2. POTENTIAL TURBULENCE AHEAD

At the luxury and near-luxury end of the market, hotel brands seems to be in a features- arms race that creates short-term buzz but long-term risk. While REVPAR (revenue per average room) has continued on a steady climb over the past decade, many are starting to question whether the industry is reaching the limits of price elasticity.

To justify the rates, hotel brands are investing heavily in formulaic interior design, celebrity chefs du jour, and lavish rewards programs. Many of these tactics are short-term differentiators, but research shows that travelers are starting to feel that everyone looks and sounds the same. The nightmare scenario: an apathetic market edging towards commoditization not unlike airlines.

The sea of sameness will put the high-end of the market to the test. Increasingly sophisticated travelers are putting hotel brands under the microscope, demanding exceptionally proactive service to go along with their exceptionally comfortable beds. Those who don't just promise but actually deliver consistency in their brand experience will have a far easier time finding, attracting, and retaining loyal guests.

One way luxury brands have attempted to differentiate are by offering promotions targeting not only their guests but also the community. The Setai offers a reasonable rate for spa service complete with valet parking and all day access to their multiple temperature-varied outdoor pools, poolside restaurant (with a monetary credit), gym, showers, and locker rooms. Community guests receive the same personal attention and service as staying guests. As a result, the luxury hotels are building credibility and an affinity with these new day guests as well as with staying guests. It remains to be seen if this translates into paid stays and loyal guests/affinity.

3. NOT-SO-SLOW BOAT TO CHINA

Top or bottom, the global economic recession has put one destination on the top of every hotel brand's travel wish list: China. As one of the few growth markets in the world today, more hotel brands are turning to the Middle Kingdom to add to their bottom line. It is estimated that Starwood is opening a new property in China every two weeks. Hilton Hotels & Resorts recently unveiled Hilton Haunying, which includes features and services that cater to the unique preferences of Chinese outbound travellers.

Certainly in the short-term, travel to and within China is booming as business travelers seek their pot of gold and holiday pensioners check off their bucket list. But in the long-term, China will become an increasingly important segment of the international hotel market. Overseas travel is frequently cited as a life-long dream for Chinese consumers who now have the means to do so. Hotels brands are building properties in China as fast as they can sign construction contracts in order to generate brand awareness and create preference for the years to come.

So while the hotel industry is aggressively innovating to meet the expectations of increasingly experienced travelers, getting execution right is still the dominant theme. As one Interbrand luxury hotel client told us, "There's no point in creating a celebrity chef restaurant if you can't get breakfast right." Food for thought.

-Jonathan Chajet, Executive Director Strategy, Asia Pacific

FAST-DEVELOPING MARKETS

OPPORTUNITIES FOR GROWTH AND THE RISE OF IMPORTANT NEW PLAYERS

Overall, leading brands around the world and sectors, ranging from retail to financial services, are relying on fast-developing countries for their ability to maintain growth and generate demand.

THE PRESSURE IS ON

Whether we are experiencing only a momentary economic downturn, a sharp slowdown, or the resurgence of a widespread global recession, is still unknown. However, what is clear is that fast-developing markets are now carrying the burden of helping the rest of the world's economies recover—or even just stay afloat.

For evidence, take the rapid rise of computing and telecommunications in emerging markets, which have helped companies like Apple, Intel, and Samsung improve their overall financial performance. Or the double-digit market share and profit growth of global consumer goods giants, like P&G, which has been improving its performance in fast-growing markets like Brazil.

Overall, leading brands around the world and sectors, ranging from retail to financial services, are relying on these countries for their ability to maintain growth and generate demand for raw materials, products, and services. And given that the combined output of all developing economies corresponds to 38 percent of the world's total GDP and could exceed 50 percent in the next seven years, the keen interest in these markets is not unfounded. Indeed, if we measure GDP using purchasing-power parity, the GDP sum of developing economies already accounts for 54 percent of the world's total GDP in 2011.

NEW COMPETITION

However, beyond just the growth potential that developing markets represent for international brands, the key learning this year is that fast-developing markets not only present opportunities for Best Global Brands, but also competition—both locally and globally. For example, take Taiwanese electronics brand HTC, which is a new entry to the 2011 Best Global Brands list. In the next few years, expect to see more fast-developing market brands on Interbrand's list.

CHINESE BRANDS TO WATCH

China, in particular, has seen a shift from quantity to quality, due to its growing middle class, estimated at 150 million avid consumers. As a result of this emphasis on quality, branding has grown more relevant. A tangible example of this growing middle class is the fact that China is now the world's second largest luxury market, after Japan, and is expected to generate sales of over U.S. $14 billion in 2012.

Indeed, as Chinese brands continue to grow more sophisticated in terms of branding, it will be important to keep an eye on Geely, Brilliance, and Jac Motors in the automotive sector, Li Ning and Anta in sporting goods, and Haier and Lenovo in electronics. These Chinese brands are doing an excellent job creating relevant brand promises locally that may soon translate around the globe.

BRAZILIAN BRANDS TO WATCH

Similarly, as the Brazilian market continues to grow significantly, brands like Petrobras, the world's second largest petrochemical company, and Itaú, one of the strongest and largest banks in the world and Brazil's most valuable brand, are putting pressure on major players. And let's not forget Natura, the number one Brazilian beauty brand. Not only do these brands have a strong local presence, but they also are eyeing growth in all markets.

INDIAN BRANDS TO WATCH

The big story coming out of India this year is its democratization of technology, which has resulted in intense activity in the telecommunications sector. As products and services reach rural India where 70 percent of the country's population resides, affordability is growing more relevant. It is because of this reason that Indian brands like Airtel and Idea are giving their international competitors a run for the money.

LEARNING FROM FAST-DEVELOPING MARKET BRANDS

As international brands continue to look to fast-developing markets for growth, they will need to also take into account the specific needs of specific markets. This is something that fast-developing market brands have done extremely well, as they work to introduce or make their brands relevant to previously unattended consumers, whether they are from emerging economic classes benefitting from the country's economic development or located in distant and poorer rural areas, with limited buying power and challenging logistics.

For example, in India, solutions like new and smaller packaging formats have improved accessibility in rural markets. Similarly, nation-wide education campaigns from Brazilian banks show consumers how to be responsible about taking new credit lines as they buy new household goods, their first car, or plan the first family trip abroad.

As international players continue to expand into these markets, they would be wise to take cues from local players. These markets should not only be viewed just for their growth opportunities, but rather as a permanently rich source of ideas and innovative solutions for the future.

-Alejandro Pinedo, Managing Director, São Paulo

Globally, the impact of the economic crisis is still playing on consumers' attitudes with a "value-orientated" mindset.

True to form, the airline sector continues to face a multitude of internal and external factors affecting its performance. High oil prices, natural disasters, and political unrest add to the usual mix in 2011, resulting in a 54 percent decrease in profit outlook from U.S. $8.6 billion to U.S. $4 billion, according to IATA. This equates to a dismal 0.7 percent operating profit margin globally.

However, the story is far from uniform with major divergences across the globe. Advanced economies remain sluggish, unemployment remains high, and the Eurozone bailouts are threatening stability. However, the emerging economies are thriving with solid growth, although there are some indications of over-heating in China and other parts of Asia with high levels of inflation.

Despite a sharp decline in revenue due to Japan's Tsunami, Asia-Pacific is the only region where traffic growth is expected to outpace capacity growth. Large orders from Asia's airlines at the Paris Air Show in late June 2011 demonstrate the optimism that economic expansion in the region will keep demand growing for years to come.

Globally, the impact of the economic crisis is still playing on consumers' attitudes with a "value-orientated" mindset. "Frugality" was the key buzzword for the recession, with consumers taking shorter holidays and travelling closer to home using low cost carriers (LCCs), budget car rental companies, budget or mid-priced hotels, and online deals. However, we are also seeing increasing numbers of consumers entering the middle-class in countries experiencing solid economic growth such as China, India, and Brazil. GDP expansion is not the only reason for growth, with many LCCs attracting new customers by bringing prices down to a point where millions more people can afford their first flights.

At the luxury end of the market, the recession changed travellers' attitudes in developed countries, with ostentatious displays of wealth shunned and value and authenticity becoming a higher priority. However, in emerging regions, luxury travel remains status-driven, with conspicuous consumption going hand-in-hand with demand. In line with rising disposable income, Asia, especially China, will be a key source of luxury growth.

Within this vastly divergent economic environment, there are a number of trends emerging that will play a key factor in how airlines manage their brands.

INCREASING CONSOLIDATION

While oil prices remain high, profits in the airline sector continue to be squeezed as the industry reacts to stiff competition through a series of mergers and acquisitions. 2011 saw increasing consolidation as airlines sought to increase their capacity to allow them to compete more effectively. Also, ancillary revenues continue to contribute to a larger share of many airlines' profits, especially between LCCs, as airlines try to squeeze as much money as possible out of passengers. However, increasing passenger dissatisfaction, particularly in developed markets, may well discontinue this trend.

GOING GREEN, FINALLY

After so many years of green talk and research, we finally witness a solid implementation of airlines' environmental goals through the historic use of lightweight materials and sustainable biofuels.

The Air Transport Association (IATA) has a goal of using 10 percent alternative fuels by 2017. Manufacturers are now building aircraft out of the same lightweight materials used for Formula One racecars. Engines are being redesigned to squeeze more thrust out of every gallon of fuel, and governments are developing air-traffic systems that will allow airlines to fly shorter routes. These and other advances have positioned airlines for their biggest ever gains in fuel efficiency. For airlines, more efficient jets will reduce their biggest expense. For passengers, it means fares should be more stable and consistent.

OPEN(ING) SKIES

As the benefits of liberalization become evident, more countries are opening up their skies. The U.S. remains the leader in deregulating international air travel while the UAE and Brazil are emerging as two of the most aggressive countries in opening their skies.

PREMIUM BECOMES MORE PREMIUM

While some airlines seats were revamped to accommodate tighter budgets during the recession, airlines are now investing in their premium seating to remain competitive for the most lucrative travellers. In addition, with strong competition from the LCCs, full-service airlines are paying increasing attention to the design of their cabin interiors as a means of attracting more passengers as well as reducing aircraft weight.

LONG-HAUL-LOW-COST, TAKES OFF

Liberalization, changing consumer behavior in developed markets, and the rapidly growing middle classes of Asia are ushering in a new era of long-haul-low-cost travel. However, given industry regulations and the challenges of longer flying times, it's unclear whether these new developments herald a new era of worldwide low-cost travel, with people flying all over the globe on their no-frills fares.

MOBILITY ON THE MOVE

With the increasing adoption of smartphones and connectivity, having a mobile website and related applications is now an imperative for airlines. IT budgets are increasingly spent on mobile solutions as airlines seek to take advantage of convergences between mobile technology and social networks to have deeper and more responsive interaction with customers.

Customers will have immediate access to a huge variety of applications for air travel, from the ability to purchase travel products to getting information about their destinations, checking flight status, flight schedules, and logging into their frequent flyer accounts. Additionally, more airlines are offering Internet access in-flight.

TECHNOLOGY MEETS INNOVATION

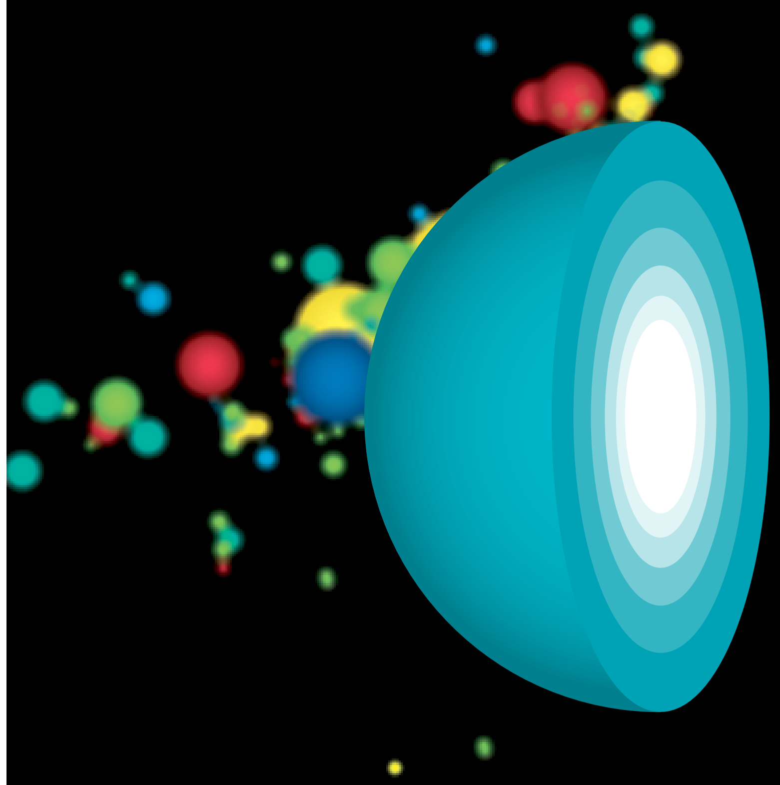
Existing and medium-term advances in technology and innovative adoption will continue to provide new ways to positively influence the customer experience. Ideas are many and include mobile applications, walkthrough airports, self-service baggage drop systems, biometrics, streamlined security, digital boarding passes, social networks and CRM, indoor location tracking, augmented reality applications, aircraft cabin sleep systems, and increasing use of sustainable biofuels.

The unpredictable challenges for airlines remain—but the opportunities to differentiate and provide unique customer experiences are many.

-Stuart Green, CEO, Asia Pacific

CRITERIA FOR INCLUSION

There are several criteria considered when valuing the brands for the Best Global Brand Rankings.



The brand is truly global and has successfully transcended geographic and cultural differences. It has expanded across the established economic centers of the world and is entering the major markets of the future. In measurable terms, this requires that:

- At least 30 percent of revenues must come from outside the home country, and no more than 50 percent of revenues should come from any one continent.
- It must have a presence on at least three major continents, and must have broad geographic coverage in growing and emerging markets.
- There must be substantial, publicly available data on the brand's financial performance.
- Economic profit must be positive showing a return above the operating and financing costs.
- The brand must have a public profile and awareness above and beyond its own marketplace.

These requirements that a brand be global, visible, and relatively transparent in financial results lead to the exclusion of some well-known brands that might otherwise be expected to appear in the rankings. The Mars and BBC brands, for example, are privately held and do not have financial data publicly available. Wal-Mart, although it does business in international markets, often does so under a variety of brands, and therefore does not meet our global requirements. Likewise, several industries have been excluded for similar reasons, such as telecommunications, which tend to be strongly oriented to national markets and face awareness challenges outside of home markets. Major pharmaceutical companies, while very valuable businesses, are also omitted. This is because consumers tend to build a relationship with the product brands rather than the corporate brand and there is not enough publicly disclosed financial data on pharmaceutical product brands to meet our criteria.

To find out more about Interbrand's methodology, look online at: **BestGlobalBrands.com**

METHODOLOGY

Interbrand's method looks at the ongoing investment and management of the brand as a business asset.

This means that our method takes into account all of the many ways in which a brand touches and benefits its organization—from attracting and retaining talent to delivering on customer expectations. The final value can then be used to guide brand management, so businesses can make better, more informed decisions. There are three key aspects that contribute to the assessment: the financial performance of the branded products or services, the role of brand in the purchase decision process, and the strength of the brand.

FINANCIAL PERFORMANCE

Financial performance measures an organization's raw financial return to its investors. For this reason, it is analyzed as economic profit, a concept akin to Economic Value Added (EVA). To determine economic profit, we remove taxes from net operating profit to get to net operating profit after tax (NOPAT). From NOPAT, a capital charge is subtracted to account for the capital used to generate the brand's revenues; this provides the economic profit for each analyzed year. For the purposes of the rankings, the capital charge rate is set by the industry weighted average cost of capital (WACC). The financial performance is analyzed for a five-year forecast and for a terminal value. The terminal value represents the brand's expected performance beyond the forecast period. The economic profit that is calculated is then multiplied against the role of brand to determine the branded earnings that contribute to the valuation total as noted earlier.

ROLE OF BRAND

Role of brand measures the portion of the decision to purchase that is attributable to brand—this is exclusive of other aspects of the offer like price or feature. Conceptually, role of brand reflects the portion of demand for a branded product or service that exceeds what the demand would be for the same product or service if it were unbranded. Role of brand determinations for this study derive, depending on the brand, from one of three methods: primary research, a review of historical roles of brand for companies in that industry, or expert-panel assessment. The percentage for the role of brand is multiplied by the economic profit of the branded products or services to determine the amount of branded earnings that contribute to the valuation total.

BRAND STRENGTH

Brand strength measures the ability of the brand to secure the delivery of expected future earnings. Brand strength is reported on a 0 to 100 scale, where 100 is perfect, based on an evaluation across 10 dimensions of brand activation. Performance in these dimensions is judged relative to other brands in the industry, and in the case of exceptional brands, relative to other world-class brands. The brand strength inversely determines, through a proprietary algorithm, a discount rate. That rate is used to discount branded earnings back to a present value based on the likelihood that the brand will be able to withstand challenges and deliver the expected earnings. (Read more about brand strength and Interbrand's 10 brand strength factors on pages 68-69.)

BRAND VALUE RESULTS:
The parts come together so that forecast financial performance projects economic profits that are multiplied by the role of brand to reveal branded earnings. These branded earnings, which are based on the brand strength, are discounted back to a present value and totaled to arrive at a brand value.

A LOOK AT EACH FACTOR

Our experience and knowledge show that brands in the ideal position to keep generating demand for the future are those performing strongly (i.e. "showing strength" versus the competition) across a set of 10 factors, shown below.

Four of these factors are more internally driven, and reflect the fact that great brands start from within. The remaining six factors are more visible externally, acknowledging the fact that great brands change the world. The higher the Brand Strength Score the stronger the brand's competitive position. The stronger the brand's competitive position, the higher the probability that the brand will continue generating demand in the future. Overall, this is quite intuitive—brands with a strong competitive position are capable of reducing risk for the business.

Internal factors

CLARITY

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

COMMITMENT

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

RESPONSIVENESS

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

PROTECTION

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

External factors

RELEVANCE

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

AUTHENTICITY

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

DIFFERENTIATION

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

CONSISTENCY

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

PRESENCE

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

UNDERSTANDING

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

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Interbrand began in 1974 when the world still thought of brand as just another word for logo. We have changed the dialogue, redefined the meaning of brand management, and continue to lead the debate on understanding brands as valuable business assets. We now have nearly 40 offices and are the world's largest brand consultancy. Our practice brings together a diverse range of insightful right- and left-brain thinkers making our business both rigorously analytical and highly creative. Our work creates and manages brand value for clients by making brand central to the strategic goals of the business.

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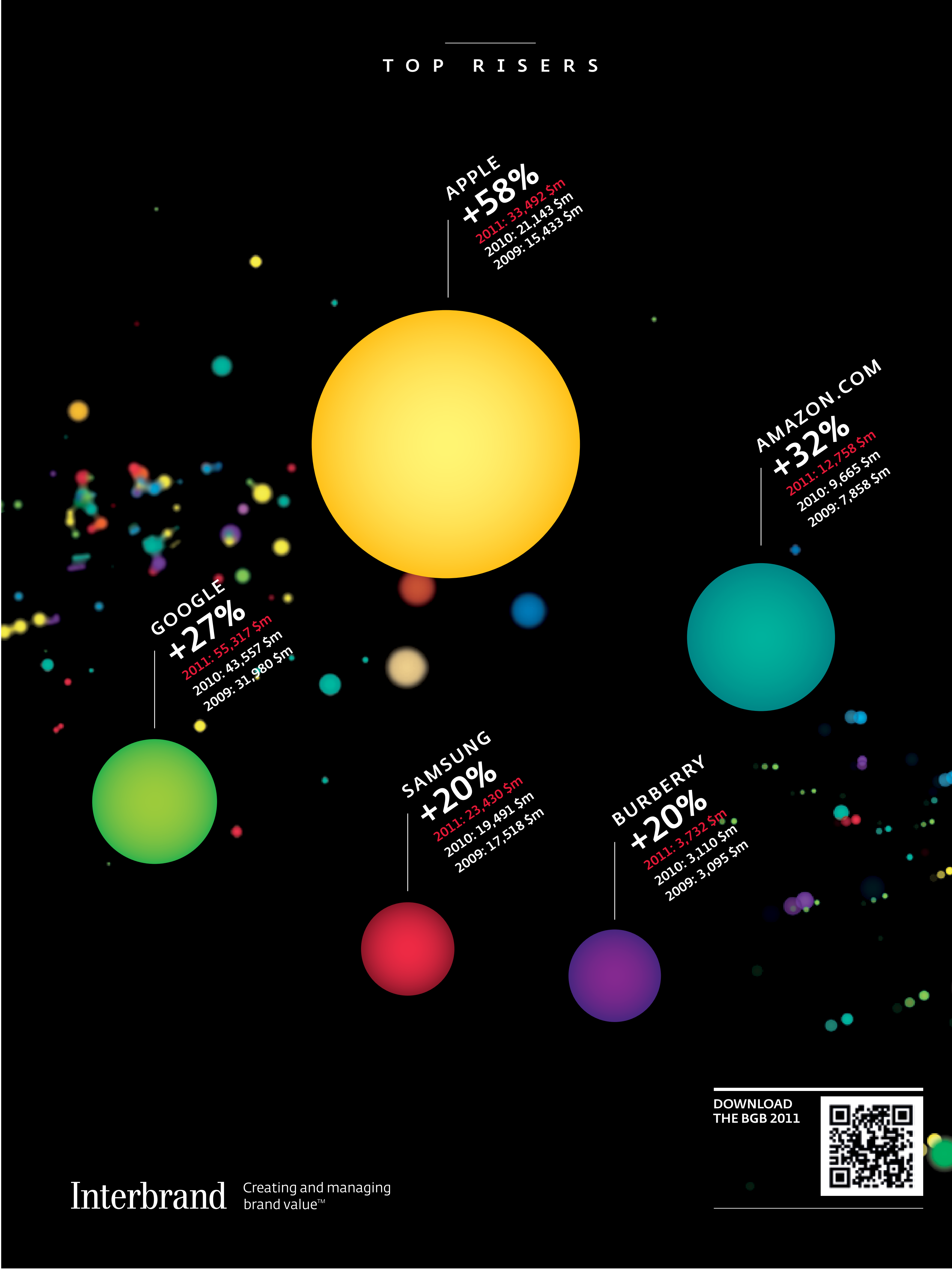
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2010: 21,143 $m
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+32%
2011: 12,758 $m
2010: 9,665 $m
2009: 7,858 $m
GOOGLE
+27%
2011: 55,317 $m
2010: 43,557 $m
2009: 31,980 $m
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