BRANDZ™

Top 100
Most valuable global brands 2010

MillwardBrown
Optimor

Welcome to the fifth annual BrandZ Top 100 Most Valuable Global Brands ranking

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2010 marks the fifth year in which Millward Brown Optimor has published the ranking of the BrandZ Top 100 Most Valuable Global Brands. Together with 12 years of global brand equity data, these five years of brand valuation analyses provide strong evidence of the importance of branding for business leaders.

BrandZ data shows that brand really matters. Brand is one of the most valuable assets for any company, accounting for about a third of shareholder value on average. A company's brand contributes significantly to earnings. This is true not only for consumer packaged goods, but for all sectors, from technology and cars to telecoms and banking. Brand matters for consumer and B2B businesses – for GE and Goldman Sachs as well as for Coca-Cola and Procter & Gamble. This is not surprising, if you consider that brand is about reputation. A brand generates trust – for a company, for its products, and for its services. The brands in the BrandZ Top 100 list are also the world's most trusted brands.

The role of brand is growing. In today's uncertain economic environment, people need something they can trust, and increasingly they are turning to brands. Consideration of brand in the purchase decision has risen by 20 percentage points since 2005. The importance of brands stretches across geographies – brands are as valuable in China and Russia as they are in Germany or in the United States. Thirteen emerging market brands now make it into the Top 100, up from only one five years ago.

The last two years have shown that brands don't matter only in good times. Brands help to keep the business up when times are tough. The share prices of the BrandZ Top 100 have outperformed the S&P 500 by over 30 percent. Companies with strong brands, such as Starbucks and Samsung, have the ability to recover faster from difficulties.

There is more to brand valuation, though, than just a number. The real objective is to understand the levers through which brand value is created in order to identify opportunities to grow the value of the brand and business. This is the focus of our work at Optimor, Millward Brown's strategic consultancy. Our goal is to help companies maximize the financial returns from their brand strategy and marketing investments. We provide actionable recommendations with demonstrated financial results on key issues facing marketing leaders.

Please accept this report with our compliments. We are confident that the information it contains will broaden your understanding of what makes a valuable brand and suggest possibilities that can benefit your own brands. Feel free to contact me with any questions, or simply to have a conversation about how we might help make your brands work harder to achieve your business objectives.

Sincerely,

Joanna Seddon
CEO Millward Brown Optimor
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INTRODUCTION

This is the fifth annual publication of the BrandZ Top 100 Most Valuable Global Brands.

To commemorate this anniversary we've worked with experts from across the WPP operating companies to gather insights and create the largest and most comprehensive BrandZ report yet. It includes new features, incremental improvements and a look back at the performance of leading global brands during the extraordinary economic rollercoaster of the past five years.

Key Highlights

The new features and highlights include:

Overview of the Top 100
Insights into how the post-recession consumer is shifting priorities in ways that influence brand value, and a look at how brands can respond.

Five-Year Review
A review of the past five years and an analysis of how brands performed against the S&P 500.

Emerging Markets
An evaluation of leading brands from the BRIC countries and other emerging markets whose presence in the BrandZ Top 100 grows each year.

Social Media
An exploration of the social media phenomenon and the implications for brands when consumer attention moves from traditional media to the Internet and "brand ambassadors" became the new spokespeople.

Year-on-Year
Brand leadership is ranked in several ways including: Newcomers, Top Risers, Top by Brand Contribution, and Top by Brand Momentum, plus the changes in product category valuation.

The BrandZ Top 100 on your mobile

The BrandZ Top 100 Most Valuable Global Brands 2010, and more, is available as a free app for iPhones, BlackBerrys, Nokia and the new iPads.

Along with providing immediate access to all of the BrandZ Top 100 data, the apps allow you to:

- Keep up-to-date with real-time news about the BrandZ Top 100 brands – and their competitors.
- Share the BrandZ Top 100 rankings and analysis with clients and colleagues.
- Demonstrate how the BrandZ Top brands have outperformed the S&P 500 during the economic ups and downs of the past five years.
- Review the TrustR scores of the BrandZ Top 100 brands, which confirm the close correlation between trust and recommendation and high brand value.

For a free download of any of the BrandZ 2010 smart phone apps, go to www.BrandZ.com/mobile. Mobile apps created by Iconmobile.

Key Takeouts
Ideas for translating what we have learnt this year from the most valuable global brands into actions that can grow brand value.

The Ultimate Brand Evaluation Tool

Knowing a brand's value enables the CEO, investors, and other stakeholders to make better, more informed decisions. When an intangible asset like brand has a monetary value that can be tracked, the return on a new brand strategy or an investment in marketing initiatives can be more accurately understood.

The central role of brand value in business decision making indicates the importance of using the most sensitive and sophisticated brand-evaluation tools. The BrandZ Top 100 is the only ranking based on a brand valuation methodology that is grounded in both quantitative customer research and in-depth financial analysis.

The ranking is exceptionally robust due to the fact that, in addition to publicly available financial data, it draws from WPP's unique BrandZ database. The world's largest repository of brand equity data, BrandZ provides a detailed, quantified understanding of customer decision making, by brand, by category and by country.

The BrandZ Top 100 values market-facing brands, i.e. brands that directly generate revenues and profits through the sale of goods and services to customers. Corporate brands such as Procter & Gamble, Unilever, and Nestlé are not included in the ranking, though they have significant value especially with the investment community.

Key Advantages

The key advantages of the BrandZ Top 100 Most Valuable Global Brands:

- It is the only ranking to be based on data about the brands; it draws from BrandZ, the world's largest brand database, while other rankings only estimate brand equity.
- It is built up from country-level analysis, brand by brand and market by market. Other valuations do a simple global valuation.
- It is customer focused; it measures the strength of brands, not corporations.
- It is comprehensive, with more brands and countries researched than any other ranking.
- It is predictive; prospects for short-term growth are calculated that have been proven to predict changes in value and in market share.

The ranking values brands from 17 different categories: apparel, beer, bottled water, cars, coffee, fast food, financial services, gaming, insurance, luxury goods, mobile operators, oil & gas companies, personal care, retail, soft drinks, spirits and technology. Through coverage of developed and emerging markets, it provides detailed insight into the sources and drivers of brand value, both today and in the future. A new category added this year, oil & gas companies, has replaced motor fuel. (For a full explanation of methodology, please see page 136).

The BrandZ ranking combines the knowledge and expertise of Millward Brown Optimor and the unparalleled global economic and communication resources of WPP. In short, the BrandZ Top 100 Most Valuable Global Brands is the most reliable, comprehensive, and useful brand valuation ranking available.

FIVE-YEAR REVIEW

The BrandZ Top 100 Most Valuable Global Brands surpassed the $2 trillion threshold this year.

The Top 100 total $2.04 trillion in brand value, which means that in the past five years, since the ranking was first published in 2006, the brand value of the Top 100 has grown by a massive 40 percent from $1.45 trillion.

Measured against the S&P 500 during the same five-year period, the BrandZ Top 100 Portfolio has grown by 18.5 percent in value compared with a decline of 11.5 percent for the S&P 500.

The positive performance of the BrandZ strong brands portfolio provides corroborating evidence that strong brands are resilient. They not only maintain their value but can appreciate significantly in value even during the most trying economic circumstances.

Technology brands experienced the sharpest growth in value during the past five years. If that result is predictable, the dimension of the increases is not. The BlackBerry brand, which was not listed in the Top 100 five years ago, now ranks at number 14, propelled by a compounded annual growth rate (CAGR) of 107 percent that pushed brand value to $30.7 billion.

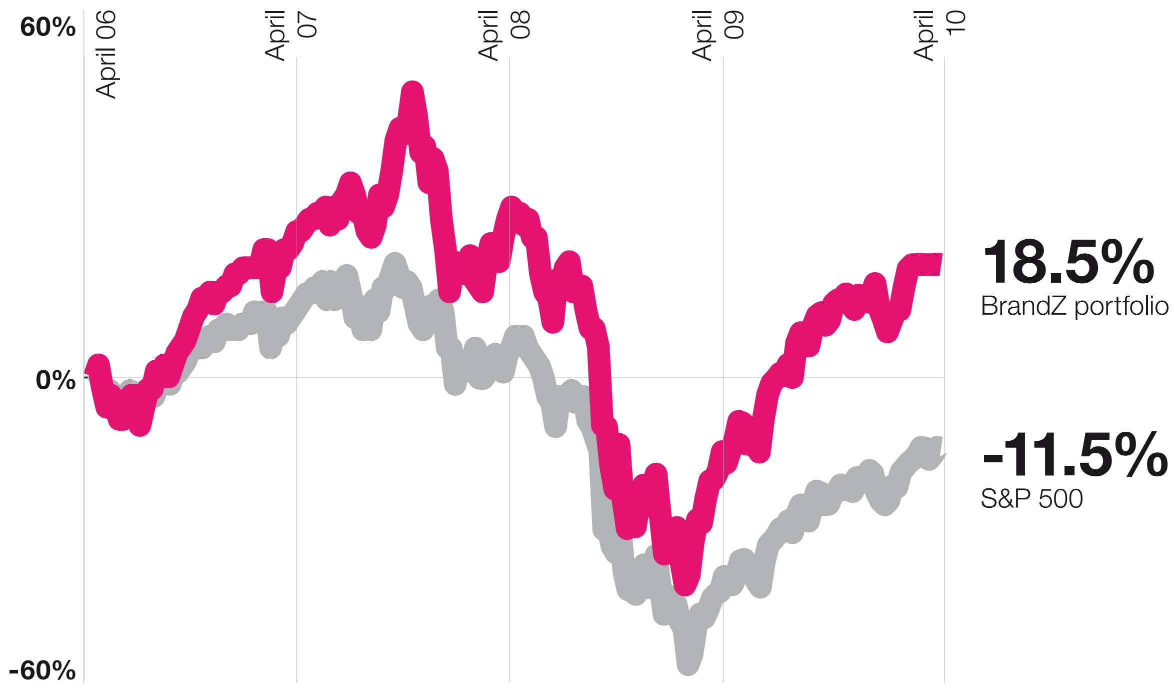
In five years, Amazon moved up 63 places in the BrandZ ranking from Number 78 to Number 15, reflecting a 46 percent CAGR that drove brand value to $27.5 billion. Apple, now ranked number 3, with a brand value of $83.2 billion, moved up 26 places from number 29, based on a 51 percent CAGR.

Other newcomers to the Top 10, along with Apple, are McDonald's at number 6 compared with number 11 five years ago, and Vodafone up six places to number 10. Two instances of brands that dropped from the Top 10, Citi and Toyota, reflect extraordinary pressures on their category or their brand. Walmart dropped somewhat from the Top 10 to number 13.

Otherwise, the Top 10 remained stable with seven of the same brands present in both the 2006 and the 2010 rankings, although all of the positions have changed. Google is now number 1 brand by far with a value of $114.3 billion, on the strength of a 32 percent compounded annual growth rate since 2006, when Google ranked number 7, with a brand value of $37.4 billion. Similarly, the IBM brand experienced 24 percent compounded annual growth rate during the past five years and now, with a value of $86.3 billion, ranks second in the BrandZ Top 100, having advanced from position number 8.

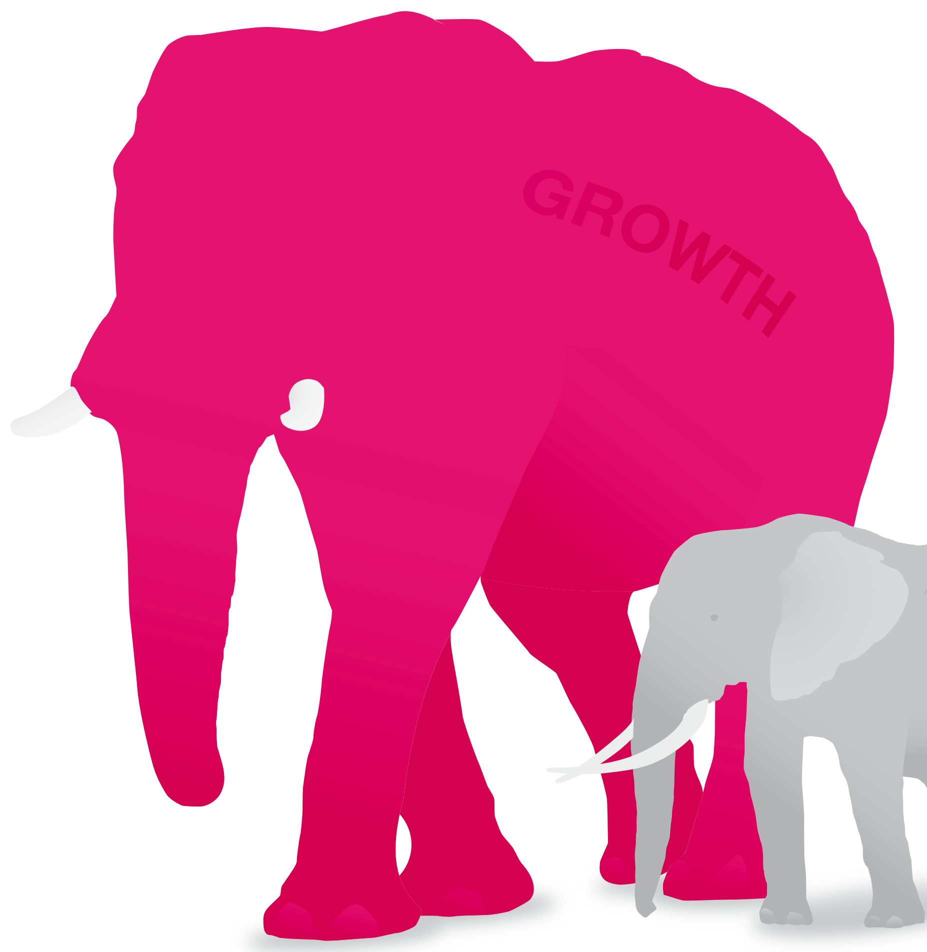
While the other brands that remain in the Top 10 of 2010 also grew in brand value during the past five years, their rate of growth was less. Consequently, the Top five from 2006 — Microsoft, GE, Coca-Cola, China Mobile, and Marlboro — each slipped slightly.

FIVE YEAR REVIEW



Key Takeout
Take a position

The biggest share price gains will be made by brands which aren't afraid to stand for something. They will go beyond the functional, to represent an ideal, which appeals across products, categories and cultures. In an increasingly "flat" world, this is the only way that brands will differentiate themselves from competitors and succeed globally.



TOP 100 OVERVIEW

Brands last year caught a glimpse of the post-recession world.

Many brand leaders understood and adjusted to new consumer priorities and flourished despite the challenging economy.

In fact, the overall value of the BrandZ Top 100 appreciated by 4 percent. While that increase was in part due to the inclusion of oil & gas brands, any growth was impressive in a period of continued global uncertainty.

Most categories were even year-on-year or only slightly down. The Technology category showed resilience, growing by 6 percent on the strength of both business and consumer spending. Google, IBM, Apple and Microsoft claimed the first four places in the Top 100. At the same time, the positive performances of Beer (+10 percent) and Fast Food (+1 percent) suggested that people also pursued their affordable pleasures.

Only the Financial Institutions and Cars categories experienced substantial change in brand value. For Financial Institutions, brand value rebounded 12 percent after an 11 percent drop in 2008. Cars experienced a 15 percent loss in brand value, following a 22 percent decline in 2008, as consumers deferred major purchases.

In each of the 17 categories surveyed for the BrandZ Top 100 report, brands struggled with cautious spending in developed markets while enjoying a more enthusiastic reception in emerging markets. Last year was not an interlude. Spending caution signalled a sustained shift in consumer attitude.

Consumers were still interested in acquiring more possessions but chastened by the prospect of global economic and environmental disaster, they were more concerned to protect what they already had and, along with this, the planet.

In addition, these changes occurred as consumers became well-informed brand advocates and critics, fortified with knowledge about price, product, and supply gained from searching the Internet and sharing information on Facebook and other social networking sites. This democracy of commerce superseded the sovereignty of companies. Brand leadership required sharing *some* power in order to retain *any* power.

TOP 100 Most Valuable Global Brands 2010

#	Brand	Brand Value 2010 ($M)	% Brand Value Change 2010 vs. 2009
1	Google	114,260	14%
2	IBM	86,383	30%
3		83,153	32%
4	Microsoft	76,344	0%
5	Coca-Cola *	67,983	1%
6		66,005	-1%
7	Marlboro	57,047	15%
8	中国移动通信 CHINA MOBILE	52,616	-14%
9	GE	45,054	-25%
10	vodafone	44,404	-17%
11	ICBC (Asia) 工 銀 亞 洲	43,927	15%
12	hp	39,717	48%
13	Walmart Save money. Live better.	39,421	-4%
14	BlackBerry	30,708	12%
15	amazon.com	27,459	29%
16	ups	26,492	-5%
17	TESCO	25,741	12%
18	VISA	24,883	52%
19	ORACLE	24,817	16%
20	verizon	24,675	39%
21	SAP	24,291	3%
22	at&t	23,714	18%
23	HSBC	23,408	23%
24	中国银行 BANK OF CHINA	21,960	4%
25		21,816	-9%
26	TOYOTA	21,769	-27%
27	中国建设银行 China Construction Bank	20,929	-8%
28	Gillette	20,663	-10%
29	LV LOUIS VUITTON	19,781	2%
30	WELLS FARGO	18,746	16%
31	Santander	18,012	12%
32	Nintendo **	17,834	-2%
33	Pampers	17,434	-8%
34	bp	17,283	N/A
35	CISCO	16,719	-7%
36	RBC	16,608	12%
37	Bank of America	16,393	6%
38	Budweiser ***	15,991	20%
39	ExxonMobil	15,476	N/A
40		15,112	N/A
41	Disney	15,000	-35%
42	Carrefour	14,980	0%
43	NOKIA Connecting People	14,866	-58%
44	accenture	14,734	-2%
45	ICICI Bank	14,454	N/A
46		14,303	-2%
47	Colgate	14,224	15%
48	intel	14,210	-38%
49	L'ORÉAL	14,129	-6%
50	orange	14,018	6%
51	PetroChina	13,935	N/A
52	AMERICAN EXPRESS	13,912	-7%
53		13,736	-11%
54	citi	13,403	-8%
55	T-Mobile	13,010	20%
56	BBVA	12,977	3%
57	NTT docomo	12,969	-18%
58	pepsi ****	12,752	-15%
59	NIKE	12,597	5%
60	movistar	12,434	14%
61	CHASE	12,426	17%
62	TARGET	12,148	-1%
63	H&M	12,131	1%
64	SUBWAY	12,032	9%
65	PORSCHE	12,021	-31%
66	DELL	11,938	-23%
67	MasterCard	11,659	57%
68	SAMSUNG	11,351	80%
69	telcel	10,850	NA
70	O_2	10,593	23%
71	TD	10,274	-7%
72	MTS	9,723	6%
73	BR PETROBRAS	9,675	N/A
74	FedEx	9,418	-1%
75	Baidu 百度	9,356	62%
76	ebay	9,328	-28%
77	SIEMENS	9,293	-31%
78	Goldman Sachs	9,283	25%
79	WRIGLEY'S	9,201	-15%
80	ZARA	8,986	4%
81	The Home Depot	8,971	-3%
82	Red Bull *****	8,917	9%
83	ALDI	8,747	1%
84	NISSAN	8,607	-16%
85	Starbucks Coffee ******	8,490	17%
86	HERMÈS PARIS	8,457	8%
87	BARCLAYS	8,383	20%
88	usbank	8,377	N/A
89	Standard Chartered	8,327	1%
90	招商银行 China Merchants Bank	8,236	2%
91	State Farm Insurance	8,214	19%
92	Билайн	8,160	-8%
93	J.P.Morgan	8,159	4%
94	SONY *******	8,147	30%
95	Morgan Stanley	8,003	18%
96	Auchan	7,848	NA
97	GUCCI	7,588	2%
98	Bradesco	7,450	13%
99	AVON	7,293	-16%
100	TIM	7,280	14%

*The Brand Value of Coca-Cola includes Lites, Diets and Zero
** The Brand Value of Nintendo includes Wii and Nintendo DS
*** The Brand Value of Budweiser includes Bud Light
**** The Brand Value of Pepsi includes Lites, Diets and Zero
***** The Brand Value of Red Bull includes sugar-free and Cola
****** The Brand Value of Starbucks includes stores as well as coffee sold at the supermarket
******* Brand Value includes Playstation 2 and 3, as well as PSP
Source: Millward Brown Optimor (including data from BrandZ, Datamonitor and Bloomberg)

MillwardBrown Optimor

A shift in values

Brand leadership also depended on honest ongoing communication and collaboration between consumers and brands to understand and process the key changes and trends shaping the post-recession world, which included:

Sustainability
This issue touched every product category. Oil & gas brands explored for reserves while seeking long-term solutions for protecting the environment and maintaining public and political support. Carmakers promoted hybrid and electric options. Retailers pressured suppliers to reduce packaging to minimize waste and increase efficiency.

Social Responsibility
Social responsibility became a critical factor, a "bolted-on," if not "baked-in" aspect of brand. Brand leaders aligned with popular causes to satisfy the post-recession consumer's need for both a purpose beyond spending and permission to spend.

Health
Brand leaders in fast food and bottled water (what we put *in* our bodies) and personal care (what we put *on* our bodies) responded to the increased consumer concern with health. Fast food brands upgraded their menus. Bottled water brands stressed the importance of hydration, and personal care brands removed potentially harmful ingredients from products. In other categories, like coffee, brands also looked for health benefits.

Trust
Banking and car brands felt an especial erosion of consumer trust. No category was immune, however. Leading brands sustained a strong bond with customers because they were both trusted and recommended, according to "Beyond Trust: Engaging Consumers in the Post-Recession World," a new BrandZ report produced last year. (See box right.)

Personalization
Being able to personalize the brand experience is of increasing importance to consumers and is becoming a point of difference for some of the most successful brands. The trend is most apparent in technology. Google enables people to create a homepage based on individual preferences. The myriad apps available for Apple's iPhone add unique qualities to a mass product. With Ford's Sync system, developed in collaboration with Microsoft, drivers use voice activation to access their music and other information while on the road.

Reinforcing trust is vital

That's the conclusion of a new report called "Beyond Trust: Engaging the Consumer in the Post-Recession world."

Based on BrandZ data, and produced by Millward Brown and The Futures Company, the report found that consumers, changed by their experience during the financial crisis, take a more sober and responsible view about their material wellbeing. While people still aspire to better lives, they're re-evaluating what's really important.

Trust becomes even more essential for a brand when consumers are more selective, even sceptical, in their purchasing. Trust is the consumer's belief, cultivated over time, in the efficacy and reliability of the brand. There's a vital second component—recommendation. Recommendation is the consumer's belief, grounded in recent experience, that the brand continues to perform consistently and fulfil its promise.

Brands' success today requires Trust *plus* Recommendation. This conclusion emerged from BrandZ research across thousands of brands. It resulted in a new metric, the TrustR score, for helping brands realize their full power. In 24 countries studied, the brands with the highest TrustR score enjoyed these advantages:

- A customer bond 10 times greater than the average.
- Likelihood of being purchased nearly seven times greater than the average.
- Likelihood of short-term, market-share growth.

Most important, the BrandZ data revealed a high correlation between TrustR and brand value. Trust and Recommendation together drive incremental brand value.

The importance of brand

With the shift in consumer attitude, brand leadership became more important last year — and more risky.

Feeling betrayed by large financial institutions and even by governments, customers were sceptical. As life became even more stressful and complicated, they welcomed the signposts of quality and reliability that brands provide. Familiar and trusted brands that delivered on their promises provided an element of certainty in a turbulent time. Many brands maintained and grew their value, even when selling at premium prices.

Each of the 17 product categories included in the BrandZ report contains examples of brand leaders that flourished despite the difficult economy. Not surprisingly, some of the sharpest brand value appreciation occurred in technology, as it became increasingly personal and central to people's lives. Apple's brand value rose 32 percent, IBM's by 30 percent and Amazon (classified in the retail category, but clearly technology-related), 29 percent.

Despite the difficult economy, strong luxury brands also grew in value. Hermès enjoyed an 8 percent gain and Louis Vuitton was up 2 percent. Although the value of the coffee category declined overall, the renewal of the Starbucks brand resulted in a 17 percent rise in value. In Personal Care, the value of Colgate appreciated by 15 percent.

Key Takeout
Move from philanthropy to responsibility

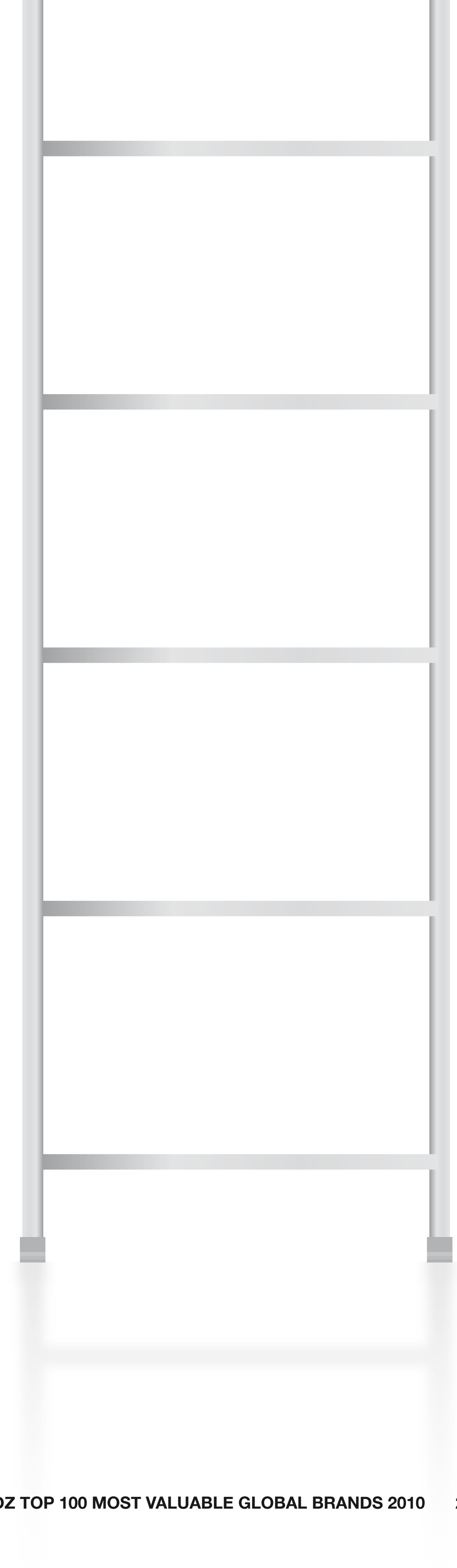
In this post-recession world, philanthropy is no longer enough. We're in a period of heightened responsibility. As consumers resume buying, they will be more demanding about the provenance of their purchases and the behavior of the brands that stand behind them. Consumers will want to know whether they're buying responsible products that were made without harming either the earth or its people. Leading brands must be ready to answer.

Brands grew in value even in some of the categories hardest-hit by the recession. In the Financial Institutions category, the brand value of MasterCard and Visa grew by 57 percent and 52 percent, respectively. Brand value for Ford increased by 19 percent and for VW by 20 percent in a category that suffered from a dramatic drop in consumer spending.

Toyota remained one of the highest valued car brands despite its recall problems. And its historic brand strength should help the company's recovery. The Toyota drama underscored the importance of transparency in the post-recession world where consumer disappointment can quickly resound far beyond the dinner table.

Consumers expected more from brands last year. Beyond quality and reliability they preferred brands that made them feel good about themselves. Badge value became not only about how much did I spend, but how responsible was the product that I purchased. Leading brands in every category responded to this new imperative.

Yes, it is possible that our consumer brains are wired with short memories and we'll soon return to excessive borrowing and spending. It's possible, but brands that forget the current consumer awakening to personal and community responsibility do so at their own risk. The movement toward responsible products may be incremental, but it will be inexorable. And brand leaders will want to be first.



SOCIAL MEDIA

Not in Kansas Anymore. The whirlwind impact of digital and social media.

What would Don Draper do?

Clients today don't want their agency's presentations to open predictably with a TV campaign. TV remains central to the mix, but clients also are looking for something that even the "Mad Men" of only a few years ago couldn't contemplate—social media. Integrated, multi-media campaigns must include impact on Facebook, Twitter, YouTube, blogs and with smartphone apps or any other digital media that individuals use to connect.

Delivering on this expectation requires some wizardry, however, because of the revolutionary and dislocating impact that social media has had on the protocols and manners of traditional communication. Speed limits, access barriers and language inhibitions have been lifted. Passion and genuine expression are in; caution and circumlocution are out. The result is the purest anarchy or democracy or both.

Brands stand naked.

That's great if they have nothing to hide or can work comfortably with the privacy drapes open wide. Social media affords unprecedented intimacy between brand and customer. But like any intimate relationship, a deep, lasting bond requires dialog, honesty and respect.

Some brands are uncomfortable in this new world where customers can post thoughtful valentines or crude graffiti. Yet cultivating a relationship based on the slow revelations of courtship seems quaint and unrealistic as customers promiscuously speed date from Web site to Web site.

Not surprisingly, brands in certain categories, like apparel, aggressively adopted social media because it fits with their youth orientation. But as new BrandZ data indicate, social media are not just the domain of young, fashionable brands. In fact, the more people have a strong attitudinal bond with a brand the more likely they are to engage with it online.

The definitive indicator of social media's arrival, however, is its adoption by tradition-bound categories such as banking, where customer relationships, like uneventful marriages, often survive on inertia.

Communicating with consumers

The rapid development of social media is changing the way brands communicate with consumers. Even for traditional media such as TV, which still remains the most influential way to reach consumers, it is no longer enough to simply broadcast a message. Social media has made it possible for consumers to talk back to brands much more easily.

Many of the successful brands in this year's BrandZ ranking attempted to be accessible, engage customers and inspire advocates whose independent voices potentially speak more credibly about the brand than the brand could speak about itself. But there are issues. Relying on independent advocates to develop a brand is equivalent to relying on the kindness of strangers. It can be heart warming, but it's good to have a backup plan.

Working across channels provides that backup, as illustrated by the car category. To promote its European, youth-oriented Fiesta brand in the U.S., Ford last year imported 100 Fiestas and gave them to bloggers who were asked to comment online about their experience with the cars. Positive buzz surged rapidly through social networks. Because the content was interesting, mainstream media soon picked up and amplified the story. And the project reportedly generated 50,000 requests for information.

"This set the perfect stage for an advertising launch because people now are willing to listen," said Andy Prakken, executive vice president, WPP Team Detroit, adding that the social networking campaign drove nameplate awareness to levels that normally would cost $100 million in advertising. "They are anticipating the product so when the cars arrive here there's already a pent-up expectation." The role of the marketer, said Prakken, "is to be a catalyst and to help with content and distribution but to let it go."

How much to let go is the question. Too much control almost guarantees a safe but tepid outcome, while too much freedom risks results that are memorable but disastrous. Brands are experimenting with this tension.

Creating communities

The presence of an active customer community in an emotional category like cars makes sense and is not surprising. However, one of the largest communities on Facebook was created in a traditionally low engagement category — coffee.

Starbucks lists more than 6 million fans on its Facebook site. The Starbucks iPhone app further demonstrates the brand's leadership in digital marketing. The app allows users to check their Starbucks card balances and receive free refills and wifi. In a few U.S. test markets, the app also enables Starbucks customers to pay for purchases with their mobile phones.

The Games Consoles category is especially experienced at organizing communities of customers. In fact, some recent game titles are designed specifically for social networking sites. In these social networking games, players shape and perfect a virtual world. In FarmVille, for example, they cultivate fields and tend animals. Players accelerate their progress by inviting members of their own social networks to join the game. They also advance faster by accepting special offers of products and services from the games' marketing partners.

Monitoring all of these transactions helps the game producers understand how to better direct their marketing investments, which can be substantial whether or not they correlate with sales. "By studying every move in a social game, the companies make smarter choices about what drives purchase," said Nick Braccia, Interactive Creative Director at G2 in San Francisco.

Engaging new customers

To engage the interest of a new generation, Pepsi combined social media with social responsibility in the Pepsi Refresh Project, which it organized last year and launched in January 2010. Visitors are asked to submit ideas for improving their communities or the world. Winning ideas, determined by online voting, receive financial awards from Pepsi. Coca-Cola organized Expedition206, in which the global soft drink leader selected three diverse and multi-lingual young people to serve as "Happiness Ambassadors" as they visit the 206 countries where Coke is sold, in 365 days, and report on social media sites about their daily adventures.

In a similar attempt to draw the attention of young shoppers, even teens, Target, the U.S. discount department store, launched a social media campaign to announce its partnership with Converse, an American brand known for casual and sports apparel, especially its vintage sneakers. Videos of a young New York singer/songwriter set the attitude for the Converse One Star brand, which asserts, "Everyone is a star."

Key Takeout
Don't ignore social media

Don't go overboard either. Crazy and hilarious videos on YouTube may be OK for passing time. But will they sell products? Disruption for disruption's sake won't bring results. Social media will be incredibly effective, but only if it is authentic and in tune with the brand.

Touching all categories, all ages, all countries

BrandZ leaders last year used social media to reach out beyond young people to consumers of all ages. With a one-minute simulation of babies roller-skating in New York's Central Park while drinking Evian, the bottle water brand suggested that it had found the fountain of youth, captured with the line "Evian. Live Young." With over 45 million viewers, the clip entered the Guinness World Records as the most-watched online ad ever.

To reinforce its brand position as, "The World's Local Bank," HSBC created Expat Explorer, an online community where individuals living and working abroad can find resources and expert advice along with an opportunity to share their own experiences. Original research about the relative desirability of international work locations drew tremendous attention from the general media last year, generating almost 1 million "tweets" in just the first week after its release.

Even brands with strong business-to-business components are active in social media. HP, for example, created an application on Facebook as a resource for its small business customers to learn about the benefits of social media. IBM and other highly respected B2B brands have potential networks of advocates among their employees and alumni.

The key appeal of social networking for these brands is the prospect of making a strong impact for relatively low investment during a period of significant budget constraint. The main inhibitor is the dramatic culture shift required to engage in social networking and the related lack of staff expertise and talent.

In all categories, companies are at least watching and listening to gain intelligence. And at some point, even the social media voyeurs will assert their presence because customers will expect it and brand leadership will require it.

What Don Draper would do doesn't matter. His world is history.

THE KEY APPEAL...
STRONG IMPACT
FOR RELATIVELY
LOW INVESTMENT

REGIONS: THE BRIC INFLUENCE

An Indian brand made the BrandZ Top 100 this year for the first time.

The appearance of ICICI, India's largest bank by market capitalization, means that for the first time since its inception in 2006, the BrandZ Top 100 includes brands from all four of the BRIC countries. The ranking also contains the first brand from the Next 11(N-11) countries, Mexico. The BRICs and N-11 are the economies with such huge growth potential, they are forecast to be the global powers of the future.

This development signals the growing influence of emerging markets, which last year drove growth for many global brands struggling with the economic slowdown in North America and Europe. It also suggests that global brands in emerging markets will encounter stronger local competition.

In 2010 there are a total of 13 brands from emerging markets. Back in 2006 when the first BrandZ Top 100 ranking was produced, only one of the Top 100 brands was based in the BRIC countries. This was China Mobile, a brand that at the time was virtually unknown outside of its country of origin and has since gone on to expand beyond China. In 2010, seven of the Top 100 brands are from China.

Two of these Chinese brands enter the Top 100 this year for the first time. With a phenomenal 62 percent appreciation in brand value, Baidu was second in brand value growth in the BrandZ Top 100. While China's leading search engine benefited from the size of the country's online population, estimated at 400 million, BrandZ research also revealed that Chinese consumers feel a close bond with the Baidu brand. This is because of how well it deals with the unique complexities of the Chinese language, where characters can often have more than one meaning. The first-time appearance of PetroChina, Number 51 in the Top 100, reflects the more complete valuation of oil & gas companies in this year's BrandZ report.

The Chinese brands are joined by two telecommunications brands from Russia, Beeline and MTS, the Brazilian oil & gas company Petrobras and the bank Bradesco.

With a brand value of $14.5 billion, the Indian bank ICICI entered the BrandZ Top 100 this year at Number 45. Established in 1955, ICICI (The Industrial Credit and Investment Corporation of India) pioneered ATMs in India to provide wide access to banking and to help flatten the society's hierarchical structure. The bank now operates almost 5,000 ATMs in India and is present in 18 countries. Outside of the Top 100, in the technology category is a second Indian brand, also new this year. Infosys, India's most valuable technology brand, with a brand value of $6.4 billion, is a strong contender to enter the Top 100 ranking soon.

For the first time this year a Latin American regional ranking is published, due to the number of new brands from the region entering both the Top 100 and category rankings this year. The most valuable brand in the region is the Mexican brand, Telcel at number 69. Telcel, Mexico's largest mobile carrier, is owned by Mexican entrepreneur Carlos Slim Helú, recently named the richest man in the world by Forbes magazine. Its rallying cry, *"Todo Mexico es teritorio Telcel"* (all Mexico is Telcel territory) has helped it achieve over 60 percent market share.

The brands from emerging markets that appear in the Top 100 mainly come from the infrastructural industries such as finance, oil and telecommunications. This is because developing nations tend to primarily focus on the development of infrastructure and commodities which fuel the economy.

Balancing the expanded presence of emerging market brands in the BrandZ Top 100 is a small reduction of brands from developed markets. In the current BrandZ report, half of the Top 100 brands are based in North America, a decline of two from 2006 when 52 brands were based in that region. Similarly, 30 of the BrandZ Top 100 brands are based in Western Europe compared with 36 five years ago. The brands based in Japan or Korea declined from 10 to seven during the same period.

North America

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum
1	Google	114,260	5	9
2	IBM	86,383	4	4
3	Apple	83,153	5	8
4	Microsoft	76,344	5	7
5	Coca-Cola*	67,983	5	6
6	McDonald's	66,005	5	6
7	Marlboro	57,047	4	7
8	GE	45,054	1	2
9	HP	39,717	3	6
10	Walmart	39,421	2	8

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg)
* Includes Diets, Lites and Zero.

MillwardBrown Optimor

Continental Europe

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum
1	SAP	24,291	3	5
2	BMW	21,816	5	6
3	Louis Vuitton	19,781	5	8
4	Santander	18,012	3	9
5	Carrefour	14,980	5	7
6	Nokia	14,866	4	5
7	L'Oréal	14,129	5	6
8	Orange	14,018	2	6
9	Mercedes	13,736	5	3
10	T-Mobile	13,010	3	8

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

MillwardBrown Optimor

These charts rank the BrandZ Top 100 brands within the region in which they are based.

UK

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum
1	Vodafone	44,404	3	4
2	Tesco	25,741	5	4
3	HSBC	23,408	4	3
4	BP	17,283	1	3
5	Shell	15,112	1	3
6	O_2	10,593	2	7
7	Barclays	8,383	1	7
8	Standard Chartered	8,327	1	6
9	Marks & Spencer	5,699	5	3
10	Smirnoff	4,886	4	6

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

Asia

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum
1	China Mobile	52,616	5	9
2	ICBC	43,927	4	7
3	Bank of China	21,960	3	6
4	Toyota	21,769	5	4
5	China Construction Bank	20,929	3	7
6	Nintendo	17,834	3	8
7	ICICI	14,454	1	9
8	Honda	14,303	3	4
9	PetroChina	13,935	1	5
10	NTT DoCoMo	12,969	3	7

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

LATAM

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum
1	Telcel	10,850	4	9
2	Petrobras	9,675	1	8
3	Bradesco	7,450	2	9
4	Itaú	6,671	2	9
5	Banco do Brasil	5,531	2	9
6	Corona	5,196	5	8
7	Claro	4,176	1	9

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

Key Takeout
Adapt your brand to the BRICs

While brands from developed markets will find acquisitive consumers in BRIC countries, especially China, they also will encounter strong local brands growing quickly in competence and international stature. It's important to learn, or relearn, that the most successful global brands not only exploit efficiencies of size and share knowledge, but also adapt their products, services and way of doing business to respect the diversity of the cultures they serve.

BRAND CONTRIBUTION

Brand Contribution is the proportion of financial value that is driven purely by brand equity.

This metric reveals how effectively and closely the brand has connected with its customers. Therefore, what it really measures is love.

As in prior years, the Brand Contribution ranking is dominated by luxury brands. In fact, seven of the fifteen brands are in the luxury category, where consumers expect to pay a premium for the quality and prestige represented by names like Moët & Chandon, Louis Vuitton, or Hermès.

In other categories, such as mobile operators, chewing gum or beer, for example, the unique emotional bond of Brand Contribution transcends product and performance.

Baidu, the leading Chinese search engine, scores high because its users feel comfortable with the brand's high competence in China's languages. Wrigley's chewing gum is highly regarded for providing an affordable treat, a small luxury. Through extensive event sponsorship, Skol has become the preferred beer among young people in Brazil.

Personal or baby care brands like Tide, Pampers, and Gillette earn high brand contribution scores because consumers trust them in categories that involve intimacy and well-being. The power of Brand Contribution is perhaps best indicated by Douwe Egberts. With ads that connect coffee to life's emotional moments, the Dutch brand has been able to create a high brand contribution level in a low engagement category.

Top 15 by brand contribution

#	Brand	Brand Value $M	Brand Contribution*
1	Moët & Chandon	4,279	5
2	Baidu	9,356	5
3	Wrigley's	9,201	5
4	Skol	2,722	5
5	Tide	7,068	5
6	Douwe Egberts	619	5
7	Hennessy	5,368	5
8	Pampers	17,434	5
9	Louis Vuitton	19,781	5
10	Gillette	20,663	5
11	Chanel	5,547	5
12	Hermès	8,457	5
13	Porsche	12,021	5
14	Guinness	3,165	5
15	BMW	21,816	5

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

BRAND MOMENTUM

A strong tail wind helped.

The brands measuring high on Brand Momentum, a metric which is a strong indicator of short-term growth, are either technology leaders or financial institutions that emerged from the recession on a gust of increased demand.

There is just one exception — the beer brand Skol, which is highly promoted and perennially popular in Brazil. Skol was an InBev brand prior to the 2008 merger of InBev and Anheuser-Busch. Its brand value is influenced by expectations surrounding that merger and growth prospects in the vibrant Brazilian economy.

Technology

The economic strength of BRIC countries accounts for the momentum of rapidly growing Chinese search engine Baidu and China Mobile, the world's largest wireless operator by number of subscribers. The momentum of Verizon Wireless reflects the U.S. mobile operator's anticipated rollout of a 4G technology in 2010. Verizon Wireless controls the most extensive 3G network in the United States and has more subscribers than its competitors.

In just 15 years Google and Amazon have revolutionized how people worldwide search for information and products. With brand values of $114.3 billion and $27.5 billion respectively, Google and Amazon rank, number 1 and number 15 in the BrandZ Top 100. Amazon increased 29 percent in brand value last year, moving up 11 places in the ranking. The momentum of the Google and Amazon brands indicates that we are just at the dawn of the personalized information revolution they helped to create.

Google's brand momentum follows its remarkable ascent as a search engine, with reportedly more than 1 billion searches daily, and the popularity of its related products, which include YouTube, Gmail, and the Android mobile phone platform. In 2009, the open platform experienced its first full year in operation. Google earned $6.5 billion from $23.7 billion in revenue in 2009, primarily from online ad sales.

Amazon's brand moment is the result of the company's sharp rise from its origins as an online purveyor of books to a global retailer second in brand value only to Walmart. The company strengthened its soft goods offering last year with the acquisition of Zappos, an online shoe and apparel retailer. Amazon also reinforced its claim to the book and electronic reader businesses with the introduction of its second generation Kindle e-reader. In 2009, Amazon earned $902 million on sales of $24.5 billion.

Finance

The positive outlook for the Spanish bank Santander, reflects its major presence in Latin America and its relative insulation from the global financial crisis because of the markets it serves and its banking practices. In addition, the bank had announced plans to consolidate and rename as Santander three of its U.K. holdings, Abbey National , Bradford & Bingley, and Alliance & Leicester.

Canadian regulations restricted RBC (Royal Bank of Canada) from making some of the risky investments that hurt other financial institutions, and the brand is benefiting from that conservative approach. In contrast, Bank of America was exposed during the crisis, and its brand value declined by more than 50 percent before rebounding by 6 percent this year. The momentum for Bank of America suggests optimism that the brand will continue to recover value.

Top 10 by brand momentum

#	Brand	Brand Value $M	Brand Momentum*
1	Baidu	9,356	10
2	Skol	2,722	10
3	Google	114,260	9
4	China Mobile	52,616	9
5	Amazon	27,459	9
6	Visa	24,883	9
7	Verizon Wireless	24,675	9
8	Santander	18,012	9
9	RBC	16,608	9
10	Bank of America	16,393	9

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg) * The Brand Momentum Index runs from 1 (low) to 10 (high)

Key Takeout
Build trust

The financial crisis shook trust in major institutions, leaving brands vulnerable to the generalized sense of betrayal. Trust is the customer's belief, cultivated over time, in the efficacy and reliability of the brand. BrandZ shows that trust works in tandem with recommendation, the customer's belief, grounded in recent experience, that the brand continues to perform consistently and fulfil its promise. The Trust and Recommendation scores for brands have been combined into a new metric called TrustR. The payoff: There's a positive correlation between a high TrustR score and brand value.

TOP 20 RISERS

Three categories dominated the top 100.

Ten of this year's Top 20 Risers are technology-related brands, including Amazon, a retailer. Four brands are financial and three are beers.

These results reflect the strong performance of the individual brands and the strength of the respective categories, which ranked as the top three in year-on-year growth. Apparel, bottled water, retail, and soft drinks are represented with one brand each.

Technology

The brand value of Samsung increased by an extraordinary 80 percent based on the company's reputation for innovation and demand for its products, especially new LED flat screen TVs and mobile handsets. Strong financial results, highlighted by a 91 percent rise in operating profit to $9.6 billion, also enhanced brand value.

The 62 percent increase in the brand value of Baidu, the leading Chinese search engine, reflects its dominance in its home market. More than 70 percent of Chinese Internet users reportedly prefer Baidu over Google. As a result of the rapid growth of online activity in China, which now includes an estimated 400 million Internet users, profits for Baidu increased by 42 percent to $217.6 million on sales of $651.6 million. Baidu is well adapted to deal with searching in Chinese characters and avoided the conflicts over censorship that embroiled Google, which earned $6.5 billion in 2009 on worldwide sales of $23.7 billion.

Verizon, a mobile operator with the largest 3G network in the United States, increased revenue from data transmission by 30 percent and introduced Android-based phones in a strategic partnership with Google. Growth in data transmission revenue also fuelled brand value growth for another brand, O_2, the pan-European mobile operator. O_2, a UK-based subsidiary of Spain's Telefónica, increased its customer base, adding over 1 million subscribers in the UK and 1.5 million in Germany. T-Mobile also enjoyed data transmission revenue growth. Expectations were raised when the company announced its plan to merge with Orange and create the largest mobile network in the UK. Perhaps reinforced by a popular social media campaign, Brand Contribution also enhanced T-Mobile's brand value.

Apple's 32 percent increase in brand value is due to its iconic products, which help people manage and enjoy their lives. The company ended the calendar year 2009 with iPhone sales of 8.7 million for the quarter, a 100 percent year-on-year increase with over 100,000 apps available. Apple also benefited from the anticipated launch of the iPad.

Amazon became a preferred shopping option in most non-food categories, as general merchandise sales grew 54 percent, with strong results especially around the holidays because of aggressive pricing, improved service, and the overall growth of electronic retailing. The introduction of the next generation of the Kindle electronic book reader as well as the acquisition of online shoe and apparel retailer Zappos were additional factors in Amazon's brand value appreciation.

The brand value of HP increased by almost 50 percent last year, following the rebranding of EDS (Electronic Data Systems) and brand re-launch in 2009. The iconic IBM brand grew another 30 percent in value, in part because it communicated trust at a time of economic turmoil. IBM's strong financial results included a record $18.1 billion in pre-tax income. Sony re-entered the Top 100 this year with a 30 percent increase in value.

Financial Institutions

Despite the global economic crisis, both MasterCard and Visa appreciated in brand value by more than 50 percent, benefiting as consumers shifted to debit cards in an effort to reduce debt, and started to use cards for smaller transactions. The brands were not exposed to the toxic financial products that hurt many of their bank partners during the recession. Goldman Sachs rebounded from the economic crisis, and a bailout from the U.S. government, with a record profit of $13.4 billion for 2009. HSBC burnished its brand by posting strong results without accepting government bailout support. Continuing its successful brand positioning as "The world's local bank," HSBC also benefited from its stature as the largest international bank in Asia.

Key Takeout
Brand leadership comes from the top

The most valuable brands are built and sustained not by marketing departments but by brand-minded CEOs. These leaders drive brand thinking through the whole organization. Each of the world's Top 10 most valuable brands was built by a visionary leader who understood brand. Each is run today, either by the same leader, or a successor who embodies the same brand principles.

Beer

The brand Skol continued its high visibility among young people in Brazil. Brand value also benefited from growth expectations following the 2008 merger of InBev, which owned Skol, and Anheuser-Busch. The Corona brand value growth reflects a recovery after a weak dollar affected exports. The Budweiser brand gained value because of its success with niche product introductions and the power of its distribution system.

Apparel, Bottled Water, Retail, Soft Drinks

As bottled water brands struggled with environmental and competitive issues, Evian enjoyed badge equity, especially in emergent markets, which accounted for 52 percent of sales. The significant 54 percent rise in brand value for Next, the British apparel retailer, reflects recovery from a difficult 2008 and faster introduction of fashion trends. The Brand Contribution of Gatorade was significantly increased this year, which propelled it into the top risers table.

Top 20 risers

#	Brand	Brand Value $M	Brand Value Change
1	Samsung	11,351	80%
2	Baidu	9,356	62%
3	MasterCard	11,659	57%
4	Next	2,569	54%
5	Visa	24,883	52%
6	HP	39,717	48%
7	Verizon Wireless	24,675	39%
8	Apple	83,153	32%
9	IBM	86,383	30%
10	Sony	8,147	30%
11	Amazon	27,459	29%
12	Goldman Sachs	9,283	25%
13	HSBC	23,408	23%
14	O_2	10,593	23%
15	Skol	2,722	22%
16	Gatorade	2,935	22%
17	Corona	5,196	21%
18	Evian	907	21%
19	Budweiser	15,991	20%
20	T-Mobile	13,010	20%

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg) * The Brand Momentum Index runs from 1 (low) to 10 (high)

NEWCOMERS TO THE TOP 100

Three factors account for the appearance of a number of new brands in the BrandZ Top 100 this year.

Some of the newcomers are companies that benefited from their success in emerging markets. Others are financial institutions that emerged in strong positions after last year's global crisis. Finally, a number of leading oil & gas companies appear for the first time because of the inclusion of a larger part of their businesses in the valuation.

The newcomers that are successful in emerging markets include Mumbai-based ICICI. The first Indian brand to feature in the BrandZ Top 100, ICICI is the bank that introduced retail banking to India and stands to profit from the country's continuing growth. Telcel, the largest mobile operator in Mexico, is the first Mexican brand to make the Top 100. It has benefited from the growth of the Mexican telecom market and has a 60 percent market share in Mexico, iPhone exclusivity, and exceptional brand loyalty.

Earlier editions of the BrandZ Top 100 considered only the brand value of the consumer-facing portion — essentially the brand consumers see at gas (petrol) stations. BrandZ 2010 bases the brand value of an oil & gas company on its total operation.

Despite BP's relatively small market capitalization, the company scored highest in brand valuation among the oil & gas companies due to its reputation for environmental responsibility and innovation and its strongly branded "Helios" retail network. Future growth in brand value should be helped by a significant capital investment that paid off for BP last year when a major reserve was discovered deep in the Gulf of Mexico.

Although ExxonMobil profits declined by 57 percent because of the global slowdown, the scale of the company and its reputation for innovation, corporate citizenship, and communication with shareholders earned ExxonMobil the second highest brand valuation among the oil & gas companies. PetroChina, the fifth highest newcomer, overcame ExxonMobil to become the world's largest company by market capitalization, reflecting the economic power of the BRIC countries. Similarly, the market capitalization of Brazil's Petrobras more than doubled in 2009. By accessing deep-sea reserves, Petrobras helped Brazil attain energy independence and earned deep emotional regard for its brand.

Trust in the brand, and the stability and large market capitalization of the bank, earned US Bank 88th place in the Top 100.

Newcomers to the top 100

#	Brand	Brand Value $M
34	BP	17,283
39	ExxonMobil	15,476
40	Shell	15,112
45	ICICI	14,454
51	PetroChina	13,935
68	Samsung	11,351
69	Telcel	10,850
73	Petrobras	9,675
75	Baidu	9,356
88	US Bank	8,377
94	Sony	8,147

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

MillwardBrown Optimor

Key Takeout
Offer value and price will follow

Even as people worried about keeping their jobs and paying their mortgages last year, most did not consider price alone when making a purchase. The BrandZ data suggests that, even during the recession, brands that created a strong appeal still commanded a price premium. In fact, only 7 percent of consumers bought on price alone, according to BrandZ data. The most valuable brands balance quality and value, whether at a high or low price.

YEAR-ON-YEAR CHANGE

The BrandZ Top 100 grew 4 percent in brand value last year.

The positive result in a recessionary year confirms that strong brands maintain value even in the most challenging economic climates.

While the introduction of oil & gas company valuations contributed to the overall growth, the value of the BrandZ Top 100 appreciated even without the oil & gas companies contribution.

The brand value of most of the product categories measured in the BrandZ ranking was flat or slightly down in 2009 — not a bad result coming out of a recession that is being compared in severity, if not duration, to the Great Depression. Only financial institutions and cars registered major shifts in value.

The brand value of financial institutions grew by 12 percent in 2009, following a decline of 11 percent in 2008 during the height of the crisis and uncertainty. Considered over the two-year period, brand value was flat. Similarly, the 7 percent decline for insurance companies in 2009 looks almost like growth when matched with the 48 percent drop in 2008.

The car category declined 15 percent in brand value last year, an improvement compared with the 22 percent drop a year earlier and an indication that corporate stability and consumer demand are returning.

Year-on-year change

Category	Brand Growth (%)
Financial Institutions	12%
Beer	10%
Technology	6%
Fast Food	1%
Retail	-1%
Soft Drinks	-1%
Mobile Networks	-1%
Bottled Water	-2%
Gaming Consoles	-3%
Spirits	-3%
Luxury	-3%
Apparel	-4%
Personal Care	-4%
Coffee	-6%
Insurance	-7%
Cars	-15%

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

MillwardBrown Optimor

APPAREL

"Heritage helped brands as anxious shoppers sought reassurance."

Youth drove the apparel category for a long time, but not last year.

Unemployed or anxious about losing their jobs, neither young people nor their parents were in any mood to spend money.

This reality hurt brands pitched to the youth market, such as Esprit, which declined 28 percent in brand value. Even H&M, with a range of affordable fashion including designer labels, felt the recession's impact, although less severely because of its value proposition and global reach (2,000 stores in 37 countries). Last year H&M opened its first stores in Russia and prepared to enter South Korea.

The apparel brands that performed well last year seemed to cross age demographics and offer a unique point of view or a clear value proposition. Rebounding from a steep decline last year, the chain Next, which has 500 stores in the UK and Ireland as well as overseas franchises, rose 54 percent in brand value. This was in part recovery from the previous year, but was also because the chain reduced the amount of time it took to identify trends and deliver products to the sales floor.

Nike increased in brand value by 5 percent despite the difficult trading environment. The company returned to its roots with a Web site that emphasized the core brand values of health and wellness. More than other athletic apparel brands, Nike benefited from the reluctance of consumers to cut spending on a category closely associated with their personal identity. Nike also enjoyed strong sales in China.

Heritage helped brands as anxious shoppers sought reassurance. Levis was well positioned to match consumers' recessionary preference for jeans at a sensible price. Gap extolled its brand credibility as a merchant established in the 1960s with a core offering of jeans. In contrast, Gap's Old Navy brand, with more of a contrived brand essence, proved less compelling to consumers.

The Spain-based Zara, a dynamic purveyor of fast fashion like H&M, was hurt by the weakness of the Spanish economy last year but still appreciated in brand value by 4 percent. Ralph Lauren slipped slightly in brand value as consumers focused on filling needs rather than wants.

The next 12 to 18 months

- After sacrificing for several years, consumers may exhibit a renewed sense of entitlement.
- They will continue to be more concerned with getting the desired product at a good price than with logos.
- They will value products and services that seem personalized, whether available in-store or online.
- They will feel free to build wardrobes that mix mass and luxury goods.
- Fast fashion will continue to do well.

APPAREL DOWN 4%

Top apparels brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Nike	12,597	5	7	5%
2	H&M	12,131	2	7	1%
3	Zara	8,986	3	4	4%
4	Esprit	4,745	4	6	-28%
5	Adidas	3,263	4	7	-34%
6	Ralph Lauren	2,857	5	6	-6%
7	Next	2,569	2	3	54%
8	Puma	1,747	3	6	-8%
9	Gap	1,321	1	3	2%
10	Levi's	920	2	9	3%

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

MillwardBrown Optimor

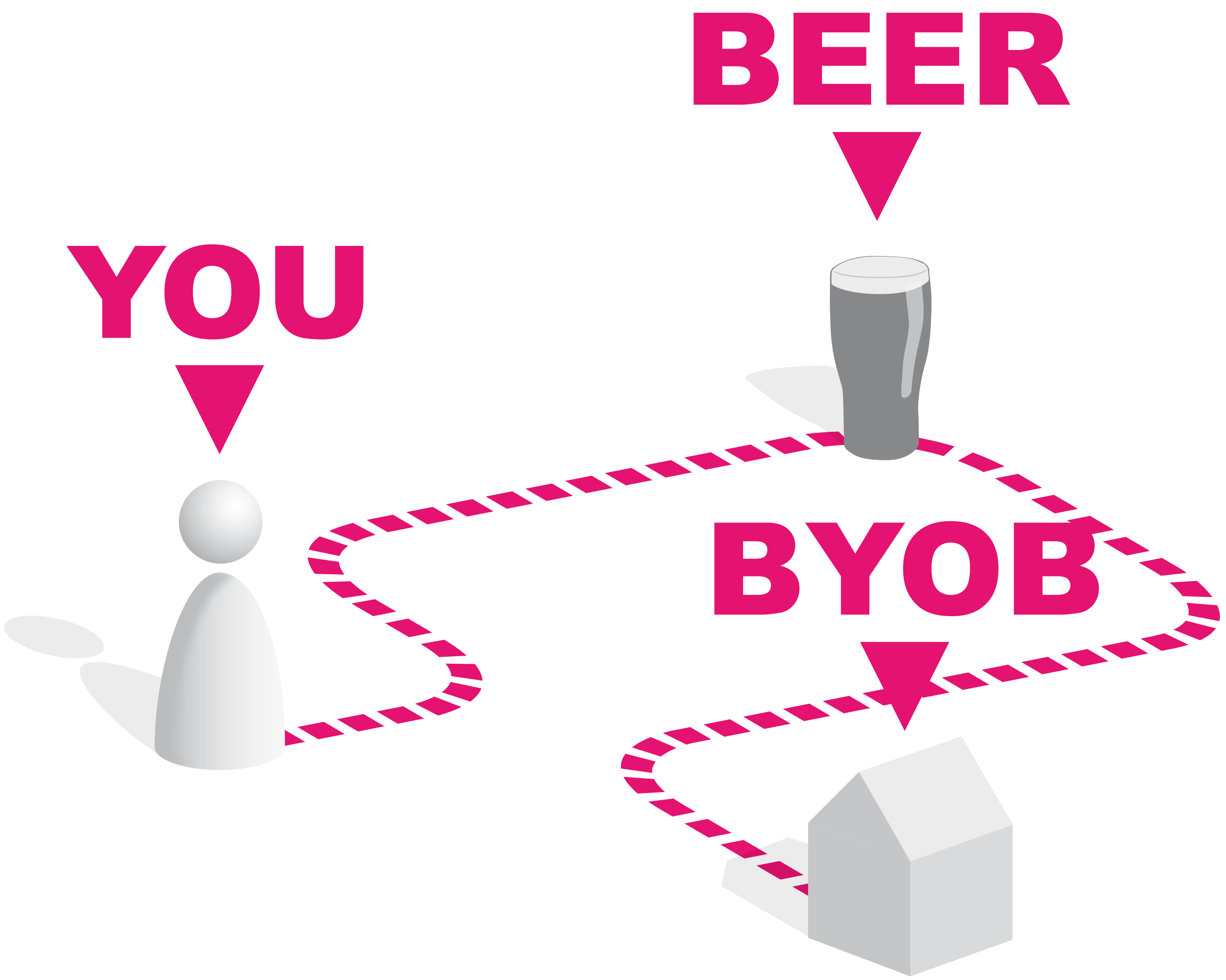
Apparel in 2010

Ben Lukawski
Mindshare

"Essentially, the biggest challenge that we've got is for youth apparel brands. Conventional thinking is that fashion brands need the youth; that's where trends start from. But we are going to have a generation that will be coming out of university or out of school with huge debts, and very little chance, at least in the short term for employment."

BEER

"BYOB – bringing your own bottle to a restaurant that does not serve alchohol – also grew as a money saving strategy."



Beer drinkers sought something new and fun – At the right price.

Apparently many found what they were looking for. The brand value of the beer category grew by 10 percent in 2009. This was the second-greatest increase among the categories tracked for the BrandZ report this year.

Both Bud Light and Budweiser grew in brand value, even as U.S. beer drinkers continued to discover micro and independent craft brews and regional brands. Niche brands also grew in the UK, where consumers see beer as an affordable commodity. Extensive social media and the liberal use of humour and irreverence helped Bud Light maintain its brand leadership. Similarly, Budweiser aired online advertising campaigns that strengthened its connection with consumers and ultimately increased its market share in North America.

Leading global beer producers such as Anheuser-Busch InBev leveraged their scale to imitate the challenger brands, dominate shelf space, and provide lower-priced alternatives. They also introduced line extensions in an attempt to satisfy consumer desire for more taste. Anheuser-Busch InBev's Bud Lite Lime, which was introduced to compete with Corona, was among the most successful of those entries. Meanwhile the brand value of Corona appreciated, in part because of its strength in the U.S., which is now Corona's largest market.

Stella Artois, a Belgium import, grew in brand value despite its premium positioning. Its success in difficult economic times follows from clever marketing of an upscale image and exploiting the extensive distribution network of Anheuser-Busch InBev. The Heineken brand value grew modestly as the company looked to increase its presence in emerging markets. With the slogan "One Dam Good Bier," Amstel Light introduced a campaign to associate the brand with the excitement of Amsterdam, where the brewer was established in 1870.

Recession fears caused many consumers to trade down. Some changed not only what they drank but also where they drank. More beer was consumed at home. In the UK, the shift from pubs to "off premise" drinking reflected both a drop in retail prices for beer and the growth of home entertainment as a cultural phenomenon that extended across Europe. The shift also presented a marketing challenge, as brands are generally built "on trade."

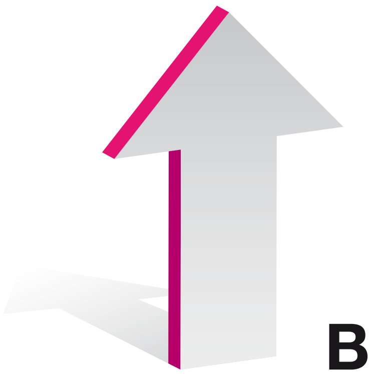
At-home drinking has increased somewhat in the United States too. But BYOB – bringing your own bottle to a restaurant that does not serve alcohol – also grew as a money-saving strategy. Guinness recognized this phenomenon early on and responded with an iPhone app that reads the user's global positioning coordinates and locates the nearest BYOB restaurants and beer merchants.

Social networking helped to build brand awareness and measure the ability to drive trial. It also stretched marketing budgets as brands trimmed or eliminated sponsorships as they transferred spending to proven volume drivers, such as cable TV in the United States.

Some brands benefited from the BRIC economies. Skol, an AB InBev brand in Brazil, grew 22 percent in brand value. And interestingly, the largest brand in the world in terms of units sold is relatively unknown – for now. That's the Chinese beer Snow.

The next 12 to 18 months

- The global leaders will drive further rationalization and efficiency in distribution and in allocation of retail shelf space.
- Some of the small niche brands may develop mass appeal.
- Concern about declining consumption will continue, particularly in the UK.
- Major brewers will pay more attention to the beer drinking preferences of women.
- The category will evolve with more focus on pairing beer with food.



BEER UP 10%

Top beer brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Bud Light	8,153	2	9	22%
2	Budweiser	7,838	3	8	18%
3	Heineken	5,204	4	9	3%
4	Corona	5,196	4	8	21%
5	Stella Artois	4,808	4	8	7%
6	Guinness	3,165	5	6	-10%
7	Skol	2,722	5	10	22%
8	Miller Lite	2,344	1	5	-7%
9	Kronenbourg 1664	1,761	2	6	6%
10	Amstel	1,756	2	7	-11%

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

Beer in 2010

"I think that the recession has accelerated the move from more drinking in pubs and clubs to drinking at home."

Caroline Walker
Millward Brown

BOTTLED WATER

“And it doesn’t help that tap water is ‘in’. Many also request tap rather than bottled water in restaurants because it is free and fashionable.”

Bottled Water was a natural place to save money.

Recessionary pressure compounded the ambivalence that consumers in developed markets felt about the category. They considered the contents — water — good and important for personal health. But they worried about the environmental impact of packaging and transporting something that is freely and locally available.

And it doesn’t help that tap water is “in”. In countries where quality tap water is generally available, more consumers attach filters to their faucets and drink tap water at home. Many also request tap rather than bottled water in restaurants because it's free and fashionable. For walking around, some carry tap water in aluminium thermoses that signify their environmentalist credentials. This trend cuts into the highly profitable on-the-go consumption segment of the bottled water business.

To reassure consumers, the major bottled water brands promote the health benefits of adequate daily hydration while modifying packaging and searching for additional commercially viable packaging innovations to address environmental concerns.

The pressures on the category intensified competition. To win market share from each other, the brands attempted to differentiate by promoting product benefits such as mineral content, provenance, and purity. As these qualities became the cost of category entry, brands sought the badge equity that comes from engaging the loyalty of a particular audience.

Evian was especially successful at this and grew brand value by 21 percent. Evian shifted from a rational explanation of its benefits to an emotional appeal that associated the brand with youthful vitality. Its one-minute video simulation of roller-skating babies entered the Guinness World Records last year as the most watched online ad ever, with over 45 million viewings.

The Bottled Water category divides into two types of products: purified waters, which are processed to remove contaminates and bottled locally, and mineral waters, which are bottled at their natural source. Purified waters are particularly strong in markets where water safety is an issue.

Each product type has challenges.

Mineral water brands, such as Evian and Volvic, both of which originate in the Alps, impact the environment during shipping. Purified water brands that bottle near the point of distribution, such as Aquafina and Dasani, produce a smaller carbon footprint but cannot claim authenticity. Perhaps the greatest challenge, shared by all the brands, is the lack of taste differentiation.

Certain brands enjoy national dominance, including Levissima, which comes from the Italian Alps and is strong in Italy, and Bonafont, the brand leader in Mexico that recently began exporting. Other brands have regional presence. Poland Springs, which is bottled in Maine, is particularly strong in the northeastern United States.

Potential category growth outside developed markets is substantial for this category, especially in countries where clean drinkable water is not universally available. Current brand leaders may benefit from this demand, which also presents an opportunity for entrepreneurs to solve distribution challenges and create local brands.

The next 12 to 18 months

- In developing markets, water scarcity will drive consumer demand for bottled water.
- In mature markets, environmental consciousness will continue to motivate consumers to switch to tap water.
- Competition between brands will intensify.
- Leading brands will attempt to create designer images and badge value.
- The search for biodegradable or other environmentally friendly packaging solutions will accelerate.

BOTTLED WATER DOWN 2%

Top bottled water brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Evian	907	1	6	21%
2	Aquafina	785	3	6	-3%
3	Perrier	653	4	6	-5%
4	Dasani	602	3	5	-1%
5	Volvic	564	3	7	6%
6	Poland Spring	487	1	7	-3%
7	Pure Life†	361	5	8	-21%
8	Vittel	335	2	6	-3%
9	Levissima	303	5	6	-6%
10	Contrex	241	2	6	-16%

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg) † Restated last year's figure due to additional research

Bottled Water in 2010

Tony Harris
Y&R

"Water is becoming an even more important issue in terms of people's consumption. There is greater understanding that people should be drinking more water, so hydration is something that is very much a driver of the bottled water market."

CARS

"While several brands did well, the central story of the recession was more about which brands declined the least in sales and value."

The long-term love affair between consumers and cars was severely tested.

While several brands did well, the central story of the recession was about which brands declined the least in sales and value. The car category overall suffered a 15 percent drop in brand value.

Tightened credit slowed consumer car purchasing and the leasing market dried up. Diminished corporate spending reduced fleet purchasing. Government intervention rescued car companies in Europe and in the United States. The U.S. government bailed out GM and Chrysler with loans totalling about $25 billion. At the same time, governments stimulated sales with programs such as "Cash for Clunkers" in the United States and other similar programs in Europe.

The recession hit as car buyers were already rethinking their priorities, demanding greater fuel efficiency to save both money and the planet. The Ford brand benefited from being the only one of the "big three" car makers that did not take government money. Ford also reaped the reward of its investments in new technologies. Prior to the recession, Ford had obtained $23 billion in financing. Having cash on hand, the company was able to pursue leadership in emission control and high-tech innovations such as the voice-activated electronics control system "Sync" that Ford developed with Microsoft. As a result, the company made $2.7 billion in profit last year.

For Toyota, the pressure of the recession was compounded by performance problems. Among the most valuable and trusted brands in the world, Toyota suffered at least temporary damage to its reputation when it responded slowly to reports of stuck accelerator pedals that ultimately prompted a massive recall. The company is now trying hard to overcome the damage done to the brand through a major communications campaign that includes a large social media component. This year's ranking only reflects the damage done to the brand as the recalls began at the end of 2009; the brand is likely to have suffered further in recent months. The strength of the Toyota brand and the fact that it is highly trusted puts the company in a strong position to recover. This potential improvement will be reflected in future BrandZ rankings.

Although not yet among the Top 10 in this category, fast-growing Hyundai and Kia invested significantly in advertising and were considered especially well positioned. The Korean brands offered sharp styling at a competitive price, providing the kind of value proposition that appealed to recession-weary shoppers. In addition, the companies removed any performance risk with long -term warranties.

Similarly, VW and Audi were viewed as trustworthy brands with style, global distribution, German engineering, and lower prices than prestige makes such as BMW and Mercedes.

The interest in less expensive brands may signal a post-recession shift in consumer attitudes where prestige at almost any price becomes less desirable than more tangible benefits, such as improved performance, for a reasonable price. Demand for status brands will not disappear, but its center of gravity may shift to fast-growing country markets, particularly China.

China emerged last year as the world's largest car market. Chinese consumers bought Chinese makes as well as western brands such as VW, Buick, and Cadillac. With Geely's acquisition of Volvo, China will for the first time produce a quality global car brand. Meanwhile, all of the leading western car brands are looking to China and other BRIC countries for growth.

Ford structured its organization to become a global corporation with hubs in Detroit, London, and Shanghai. Ford's intent, which is shared by other car companies, is to produce best-in-class global designs and supply chains, with cars built near the markets where they're sold. The Focus is the first Ford car designed as a global brand.

The western car brands also are hoping that coming out of the recession, pent-up demand will drive domestic sales. In the United States the number of cars sold dropped from almost 17.5 million in 2005 to 10.6 million cars last year. Sales are expected to rebound at least somewhat in 2010.

Which brands consumers will select and where they will buy cars is another story. Brand loyalty is eroding because value-seeking shoppers are driven by the features and technology offered, even in Europe where consumers traditionally favored national car brands. And as younger consumers research cars online, collecting information from Web sites and social networks, the importance of dealerships will decline, changing the way cars are sold.

The environment, a long-term concern, will become a hygiene factor, particularly in North America and Europe, as governments strengthen carbon emission standards. The high cost of necessary technologies may require car brands to collaborate in finding solutions.

The next 12 to 18 months

- Carmakers will reduce supply to match lower demand as consumers keep cars for longer to save money and because the products are more durable.
- Growth should be strong in China, India, and parts of South America, while sales in Russia are likely to lag because recovery will take time.
- Korean brands will increase pressure on mid-market leaders.
- Environmental responsibility will become less of a differentiating feature and more of a hygiene factor, as safety is now.
- The role of dealerships will evolve; they will become centers of interactive brand experience that will complement the online information.
- Brands will leverage social media to engage consumers and put them at the center of the innovation and product development process.

CARS DOWN 15%

Top car brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	BMW	21,816	5	6	-9%
2	Toyota	21,769	5	4	-27%
3	Honda	14,303	3	4	-2%
4	Mercedes	13,736	5	3	-11%
5	Porsche	12,021	5	4	-31%
6	Nissan	8,607	2	2	-16%
7	Ford	7,039	3	3	19%
8	VW	6,994	4	5	20%
9	Audi	3,624	5	5	2%
10	Renault	3,260	2	3	-4%

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

MillwardBrown Optimor

Cars in 2010

Nora Ziegenhahn
JWT

"Coming out of the recession, what's really important is that the term value will have to change from meaning 'cheap' into actually meaning adding some extra value to the offers that manufacturers bring on to the market."

COFFEE

“The success of Starbucks and its competitors sparked an interest in enjoying the coffee house experience at home.”

The recession hurt the growth of premium coffee brands and led to a consumer drift to own label.

It also highlighted the need for brands to create excitement in a relatively low-engagement category. Historically brand choice has been driven by habit, although some shoppers make their purchase decisions based on pricing at the shelf. The brand value of the coffee category declined 6 percent in 2009, compared with an 18 percent increase a year earlier.

Starbucks, with about 16,000 stores in 44 countries leverages its brand recognition and sells its coffee as a premium brand in supermarkets. Having transformed the coffee category by emphasizing flavor and experience, Starbucks last year introduced value packs in the supermarkets, which allowed them to stay competitive during the recession.

The success of Starbucks and its competitors sparked an interest in enjoying the coffee house experience at home. Nespresso, Nestlé’s fastest-growing business, has dominated an at-home product sector: the single-cup coffee-brewing machine. Creating initial buzz with 50 “Nespresso Boutiques” and sophisticated ads featuring George Clooney, Nespresso has created a brand that signifies both luxury and affordable quality. The purchaser of a Nespresso brewing machine enters this world and commits to Nespresso brand coffee, which comes in a range of flavors in pods designed to fit only the Nespresso machines.

While Maxwell House continued to enjoy high brand awareness globally, Folgers built brand interest more effectively in the United States as consumers traded down from premium. After acquiring Folgers from P&G late in 2008, the J.M. Smucker company revived the old jingle, “the best part of waking up is Folgers in your cup.” The Smucker company also manufactures and distributes the Dunkin’ Donuts packaged coffee.

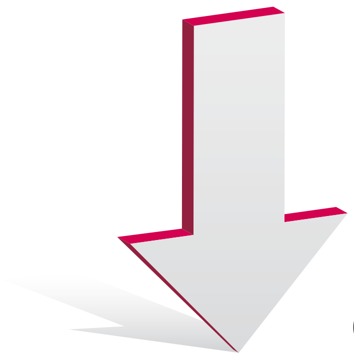
Dunkin’ Donuts drew consumer attention with its slogan “America runs on Dunkin”. The company, which operates about 8,000 fast food restaurants worldwide, sells its packaged coffee in supermarkets, positioned below premium but above the mainstream brands like Folgers. Similarly Tim Hortons, a leading fast food chain based in Canada, is the number two coffee brand sold in Canadian supermarkets, after Maxwell House.

Nestlé is exploring the health and wellness possibilities of coffee, particularly in Asia, where one of its brands is Nescafé Protect. Made from a combination of roasted and green beans, Nescafé Protect is marketed as being higher in antioxidants than green tea. Coffee brands view the potential health benefits and the energizing aspect of coffee as important for engaging new and younger drinkers, many of whom prefer energy drinks as a caffeine source.

The preferences of young people could also drive the growing niche of organic and fair trade coffee. Increasingly, young people are concerned that the products they purchase do not harm the environment or their health. Brands could differentiate themselves by catering to these preferences, particularly when the benefits are strategic and "baked-in".

The next 12 to 18 months

- Coffee prices may rise as more brands market premium brews and increase the demand for quality beans.
- Store brands will roll out premium offerings to satisfy changing consumer tastes.
- Fast food coffee brands will continue to take coffee seriously and investigate moving into grocery store distribution.
- Sustainability and partnerships with coffee-growing communities will become important aspects of the brand story.
- Nutrition, health, and wellness benefits will be touted by some brands as reasons to drink coffee.
- Home coffee brewing machines may expand their functionality to brew iced coffee and other drinks, but pod disposal will present a sustainability issue.



COFFEE DOWN 6%

Top coffee brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Nescafé	5,309	2	5	-6%
2	Nespresso	2,799	4	7	14%
3	Maxwell House	1,181	1	4	-10%
4	Folgers	1,166	3	9	-12%
5	Starbucks	988	5	5	17%
6	Jacobs	770	1	5	-23%
7	Douwe Egberts	619	5	6	-15%
8	Carte Noire	509	3	4	-16%

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

Coffee in 2010

Charlotte Gifford
Landor

"One of the biggest opportunities for coffee brands is to increase awareness about the health benefits of coffee. In fact, coffee is as healthy as tea, but consumers don't realize that. There's an opportunity for brands to promote the health benefit."

FAST FOOD

"The leading hamburger chains – McDonald's, Burger King and Wendy's – improved the ingredients of their core offering"

People continued to eat out last year. But they were picky.

As consumers sought value, the fast food category benefitted. Traffic was up slightly at some food chains and flat at others. Brand value for the category grew by just 1 percent. But last year, "flat" was the new "up."

Business at fast food restaurants in the United States and Western Europe reflected this interest in value, while in parts of Eastern and Southern Europe some consumers retreated to traditional comfort food and to old-style family restaurants or even work canteens.

Steady traffic at fast food outlets came at the expense of full-service, mid-tier casual dining establishments. Consumers were attracted to the fast food restaurants because of their lower prices and improvements that included upgrades in décor and food.

The leading hamburger chains – McDonald's, Burger King, and Wendy's – improved the ingredients of their core offering. In response to concerns about health and obesity, they introduced healthier options, like yogurt, apples, and carrot sticks. In the sandwich sector, Subway took similar steps.

Subway's $5 Footlong sandwich offering, a compelling value proposition during the recession, boosted Subway's sales. The success of that promotion, along with the brand's commitment to freshness, enabled Subway to surpass Wendy's and Burger King in market share last year. With 32,000 restaurants in 92 countries, Subway is about to overtake McDonald's in number of locations. Subway's brand value increased 9 percent.

Customers migrating to fast food from casual dining were simultaneously "trading down" in terms of restaurants while "buying up" by choosing premium menu items in the less expensive outlets. In contrast, fast food core customers typically ordered the basics or the highly promoted value meals. This segmentation was new to the category. Sustaining it post-recession remains a key challenge.

McDonald's benefited from the McCafé initiative to improve its coffee. The chain bet that better coffee would help it expand the breakfast trade and compete against Starbucks and other coffee houses. McCafé provides a menu of coffee drinks and in some locations has a separate section of the restaurant. Burger King plans to begin offering Seattle's Best Coffee, a Starbucks brand, in its U.S. restaurants this summer.

Meanwhile, Starbucks continued refreshing its brand while it adjusted to the spending impact of the recession, as like-for-like outlet sales declined 6 percent last year. Starbucks lowered prices on basic coffee drinks while raising prices on more complicated beverages and added healthier options to the menu. The company closed 566 U.S. stores in 2009. These closures, one of many cost-reduction initiatives, were part of a plan to close 800 U.S. and 100 international underperforming units. Still, overseas expansion continued, as Starbucks entered Portugal, Bulgaria, and Poland in 2009. Starbucks remains the leading coffee house specialist worldwide with more than 16,000 locations in over 50 countries.

Although the recession eased somewhat by the end of last year, high unemployment persisted, particularly in the United States. Margins suffered when loudly promoted discounts did not draw expected traffic. McDonalds may have felt less pressure than other chains because of its greater scale and stronger unit economics compared with the competition.

With a relatively smaller international business, Burger King had less protection from the fluctuations of the U.S. economy. The decline in brand value for Wendy's in part reflected first-year results of its merger with Arby's. As the economy recovers, fast food chains should benefit from strategies and efficiencies implemented during the recession.

Many fast food leaders looked for growth beyond the saturated markets of North America and Europe to emerging economies, particularly in Asia. Burger King selected Beijing as the location to celebrate the opening of outlet number 12,000 late last year. The chain operates 25 units in China, which it entered in 2008. U.S.-based Yum! Brands opened 700 restaurants outside of the United States last year. The company, which owns KFC and Pizza Hut, operates 37,000 fast food locations worldwide in 110 countries and is about to launch the international expansion of Taco Bell.

Tim Hortons entered into a co-branding initiative with Cold Stone Creamery, an ice cream restaurant, as part of its attempt to expand in the United States, where the Canadian chain currently operates more than 560 of its roughly 3,575 restaurants.

The next 12 to 18 months

- Consumers will continue to expect to find the value offers that brands introduced during the recession.
- Supply chains will become more transparent as consumers question the provenance and quality of ingredients.
- Brands will increase premium menu items to attract and keep new customers.
- Nutritional information and calorie counts will appear on more menus.
- U.S. brands will introduce new flavors that accent American comfort foods with ethnic spices.
- Portion size will diminish in the United States as a response to concerns about obesity, particularly among children.

FAST FOOD UP 1%

Top fast food brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	McDonald's	66,005	5	6	-1%
2	Subway	12,032	5	5	9%
3	Starbucks	7,502	5	5	17%
4	KFC	7,147	3	5	6%
5	Pizza Hut	3,363	1	4	8%
6	Tim Hortons	3,236	3	9	-16%
7	Wendy's	2,491	4	6	-18%
8	Taco Bell	1,835	2	3	7%
9	Burger King	1,767	1	6	-27%
10	Arby's	682	2	6	3%

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

Fast food in 2010

"Whenever you get into a recession, consumers tend to trade down from casual dining to fast food. And the fast food guys promote value, which was the key last year. The same number of people went out to eat, but the way they spent their money changed."

Rick Cusato
Grey

FINANCIAL INSTITUTIONS

"Major retail brands, such as Costco, M&S, Tesco and Walmart either offered financial services or were attempting to obtain banking licenses."

Brand value rebounded. But consumer trust lagged.

Because many banks performed well during 2009, financial results helped boost brand value to the point that, on paper, it seemed as if the global financial meltdown and massive government bailouts never happened. With a 12 percent rise in brand value, financial institutions led all other categories in year-on-year growth.

ICBC (Industrial and Commercial Bank of China), which grew by 15 percent in brand value, remained number one in the category, reflecting the dynamism of the BRIC markets. Similarly, ICICI, India's largest bank appeared in the ranking for the first time. The brand value of many global banks grew or remained relatively stable because they enjoyed strong business in emerging markets, avoided a government bailout, or limited their exposure to toxic assets.

Spain's Santander, which operates extensively in Latin America, grew by 12 percent in brand value based on its strength in that region and relative isolation from the economic crisis. Expanding its global reach, Santander also completed its acquisition of Sovereign Bank, which operates in the northeastern United States, and prepared to rebrand Abbey National, Alliance & Leicester, and Bradford & Bingley in the UK.

HSBC and Barclays grew in brand value by 23 percent and 20 percent, respectively. Both banks eschewed government loans. HSBC has built a global brand over the past seven years, around the idea of embracing diversity and celebrating different points of view. Calling itself "the world's local bank," HSBC has expanded to 86 countries adapting its global knowledge and efficiencies to the particular needs and values of the markets it serves.

With a 16 percent rise in brand value last year, Wells Fargo completed its acquisition of Wachovia and continued to be the most valuable U.S. bank brand as it promotes a heritage that recalls the period of overland stagecoaches. Wells Fargo was among the banks that rejected a government bailout. Restricted by Canadian regulations from assuming excessive risk, RBC, also avoided the impact of the financial crisis. Its brand value grew by 12 percent.

Consumers did not recover as quickly as their banks. Faced with a reality that included job loss and dramatic drops in home value and net worth, they blamed the financial sector as a whole — retail as well as investment banks. Consumers reacted bitterly when Goldman Sachs reported a record profit one year after accepting government funds. Anger at banks was compounded because consumers felt helpless. They often remained with their banks, not out of brand loyalty, but to avoid the pain of switching checking and savings accounts, mortgages, and other financial services.

Inertia and convenience may not be enough to sustain loyalty in the future. There has been a major loss of trust in banks, especially in the United States and the UK, and major retail brands such as Tesco, Virgin, and Walmart are either already successfully offering financial services or attempting to obtain banking licenses. Retailers pose a serious threat to banks because they have large customer bases, extensive networks of convenient locations, and substantial reservoirs of consumer trust. In addition, risk is minimized because deposits are government insured. Retailers are most likely to focus on transactional services and credit cards.

These competitive pressures, along with the high cost of customer acquisition, may motivate banks to improve service to existing customers. Ironically, banks excel at developing and nurturing long-term relationships with corporate and private banking customers, but until now banks have applied little of that know-how and experience to their retail operations.

The major credit card brands, Visa and MasterCard, emerged from the financial crisis unscathed with an increase in brand value of 52 percent and 57 percent, respectively. The brands benefited from recent IPOs and the global shift from cash to credit and debit cards, even for small transactions. Debit card use increased as consumers, chastened by the recession, adopted a pay-as-you-go attitude toward managing debt. The growth of online purchasing also contributed to the brand strength of Visa and MasterCard. In addition, both brands were shielded from the financial crisis because, unlike American Express, they are not banks.

Along with India's ICICI, one other financial organization made the ranking for the first time this year: US Bank, a major institution trading mostly in the midwestern United States.

Financial Institutions in 2010

"One of the things that I think would be important in terms of brand and brand value, would be identifying to whom the brand is important, and therefore, pitching the brand appropriately. For example, a high street bank in the UK or in any other market, which relies very much on consumers and foot fall in their retail operation, must play a different role — and signify something different — for those customers than it does for Goldman Sachs, an investment bank, where the audience is much more niche."

Ben Curson
Hill & Knowlton

The next 12 to 18 months

- The brand value of winners in the banking debacle will grow as they consolidate and rebrand recent acquisitions.
- Banks will turn to social networking and one-to-one communication with consumers in an effort to restore trust.
- Banks will compete for the most affluent consumers, offering them high-touch service while turning away from less credit-worthy customers.
- Consumers will have multiple financial relationships to spread risk and tap specialist expertise, suggesting the end of the financial supermarket.
- Technology will drive many changes, including mobile banking and more interactive touch screens in branches.
- Consumers will expect their banks to be forces for good in their communities.

FINANCIAL INSTITUTIONS UP 12%

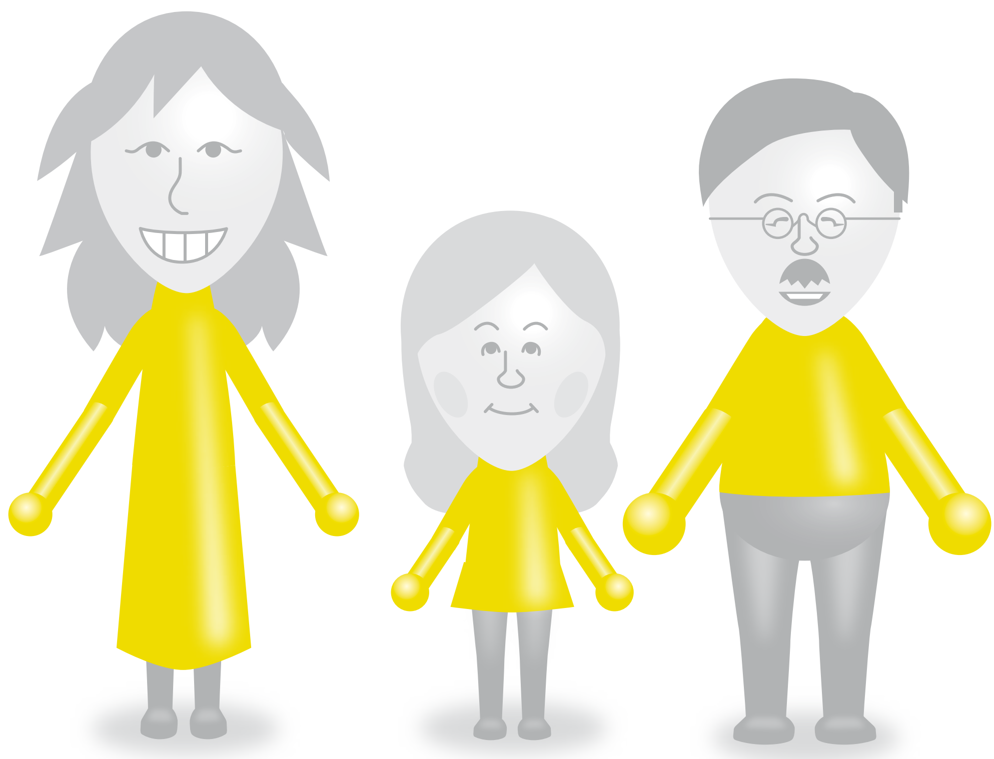
Top financial institution brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change	2-yr CAGR*
1	ICBC	43,927	4	7	15%	11%
2	Visa	24,883	5	9	52%	NA
3	HSBC	23,408	4	3	23%	6%
4	Bank of China	21,960	3	6	4%	3%
5	China Construction Bank	20,929	3	7	-8%	3%
6	Wells Fargo	18,746	5	7	16%	-5%
7	Santander	18,012	3	9	12%	7%
8	RBC	16,608	5	9	12%	-2%
9	Bank of America	16,393	2	9	6%	-15%
10	ICICI	14,454	1	9	NA	NA
11	American Express	13,912	3	3	-7%	-13%
12	Citi	13,403	2	7	-8%	-17%
13	BBVA	12,977	5	9	3%	10%
14	Chase	12,426	4	9	17%	0%
15	MasterCard	11,659	5	7	57%	15%
16	TD	10,274	5	7	-7%	NA
17	Goldman Sachs	9,283	4	9	25%	-6%
18	Barclays	8,383	1	7	20%	4%
19	US Bank	8,377	5	8	NA	NA
20	Standard Chartered plc	8,327	2	6	1%	5%

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg)
*Compound Annual Growth Rate

GAMING CONSOLES

"As gaming consoles continued their transformation from toys for boys to entertainment centers for individuals and families, the leading consoles experienced the most lift."



Added versatility and new social games drove console sales last year.

The recession impacted the category somewhat, as reduced consumer income made manufacturers more cautious about launching new games. At the same time, many consumers purchased games for their money-saving entertainment value; the cost of a game, which can provide many hours of play, is relatively low compared to the short duration and expense of a night out at the movies.

As gaming consoles continued their transformation from toys for boys to entertainment centers for individuals and families, the leading consoles experienced the most lift. Holiday sales were particularly strong for the category. Roughly 3.8 million Sony PlayStation 3 consoles were sold during the last five weeks of 2009, a 76 percent year-on-year increase.

During a comparable time period, Nintendo enjoyed a 40 percent increase in sales on the strength of the Wii, which led the shift in gaming from a solitary to community activity.

The consoles benefited from the buzz in gaming Web sites and also in the general press, as newspapers, such as The Guardian in the UK moved coverage of games from the technology pages to the culture section. The availability of discounted games at mass merchants also helped move the category further into the mainstream, even as it eroded margins.

Additionally, games consoles continued to evolve into more versatile and convenient media centers where consumers rent and stream movies, watch sports, and receive games on demand. These activities provide additional revenue to the console manufacturers through transaction fees or arrangements with content partners, such as Netflix. The consoles enable users to enjoy the entertainment individually or with others located elsewhere.

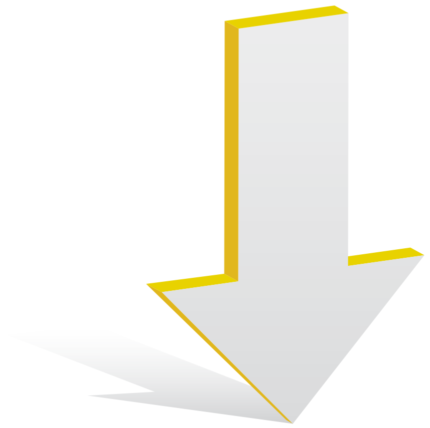
The consoles benefited from the rapidly growing popularity of social games developed by small independent game producers. Social games draw consumers with a low entry cost and generate revenue from micro payments during play. For example, in FarmVille, a Facebook application launched last year, players engage their social network in small financial transactions that help grow crops and raise cattle on a virtual farm.

Games remained the primary driver of console sales, especially music games with the release of Rock Band Beatles. Game publishers also added supplemental hours of game content to retain players and maximize revenue for each title. Because publishers make no revenue when retailers sell second-hand games, they made second-hand games less desirable by limiting access to enhancements to original purchasers.

If evolving technology helped grow the category, it also supplied some of the clearest potential threats, especially to the mobile sector of the business. Relatively inexpensive casual games and immersive media that act as the movie trailer equivalent for complicated console games were available not only for Nintendo DS and Sony PSP, but also for iPod Touch, iPhone and other mobile devices.

The next 12 to 18 months

- The major game producers will shift increasingly to online distribution.
- The growing popularity of micro-transactional social games will draw major game makers into a segment mostly occupied by independents.
- Cloud technology will enable people to access highly complex games.
- Development such as gesture-based interactivity and plug-ins to existing hardware with voice and facial recognition will change the way people interact with games.
- Media convergence will continue with gamers having the option to play on a computer, console, or mobile device.
- 3-D versions of games will emerge with the availability of 3-D TVs.



GAMING CONSOLES DOWN 3%

Top gaming console brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Wii	9,987	5	9	21%
2	Nintendo DS	7,846	3	7	-19%
3	Xbox 360	4,550	4	6	-1%
4	PlayStation 3	426	2	5	25%
5	PSP	155	1	2	8%
6	PlayStation 2	49	1	2	58%

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

Gaming Consoles in 2010

Ed Tomalin
GT

"Certainly the recession had an effect on the industry at the start of the year. A major impact was that people would be staying indoors more so that had a positive effect as a whole. People were purchasing consoles and also, we are probably becoming more discerning in the titles that we are actually buying. But people were still purchasing, so we saw a positive uplift."

INSURANCE

“...consumers sought insurance brands they could trust.”

The insurance industry restored the bottom line last year, with many brands turning around in the last quarter of 2009.

Emerging from the recession more determined to protect what they have, consumers sought insurance brands they could trust. Price remained important, but price without assurances of security and quality was insufficient reason to switch brands.

In cultivating trust, insurance companies confronted two forces: a backlash from consumers angry at the financial industry in general; and the growing influence of the Internet and social media, which continued to enable a power shift from provider to consumer, resulting in disintermediation, channel conflicts and a focus on price.

In some countries consumers buy policies online from aggregation sites that search competing insurance options and facilitate price comparison. This ease of obtaining information online, along with the speed at which innovation can be copied, rewards consumers for promiscuity rather than loyalty and threatens to commoditize much of the insurance industry.

The brands that sustained or grew their brand financial value in 2009 understood these forces and leveraged the Internet and social media to build loyalty and trust by stressing quality and services. For example, State Farm, the number one insurer by brand value, increased in brand value by 19 percent, with its emotional appeal, “Like a good neighbor, State Farm is there.”

Zurich survived the financial crisis without a hitch due to their focus on strategic activities. Their Brand Contribution has increased and in 2009 they achieved the highest dividend paid to shareholders in 10 years.

Geico, which built its brand with iconic pitchmen, went beyond the Australian-accented gecko, the cavemen and the googly-eyed stack of money, relying on renowned investor Warren Buffett to recommend the security and the strength of the company. A relatively small 5 percent decline in brand value resulted from Geico’s credit card operations and a high dependence on car insurance

The multinational insurer Axa increased brand value by 7 percent, mostly by focusing on operational excellence, reinforcing elements of trust and improving the customer experience and transparency. Although the Allstate brand declined, the company prepared for future growth with the arrival of a new CMO in October 2009, and the continued focus on innovation with products like Your Choice Auto product. The ING insurance brand, which declined in value, will disappear as ING focuses on its considerable global banking business.

In a post-recession world, as consumers recalibrate their priorities, insurance brands have a unique opportunity to earn and deepen consumer trust by shifting their emphasis from contract renewal to customer service and by providing value-added benefits.

The next 12 to 18 months

- Brands will move back to the core business and away from offering diversified financial services.
- Margins will continue to erode.
- Consolidation will accelerate.
- Commoditization will increase the need to customize policies and premiums.
- Insurance companies will communicate brand heritage.
- Brands will increase use of digital communication and social networks.

INSURANCE DOWN 7%

Top insurance brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change	2yr CAGR*
1	State Farm	8,214	5	8	19%	-3%
2	Allianz	4,452	4	8	-21%	-8%
3	AXA	3,961	1	7	7%	-14%
4	Zurich	1,937	2	7	17%	-7%
5	Geico	1,819	5	9	-5%	-6%
6	MetLife	1,735	2	2	-6%	-15%
7	Allstate	1,581	4	7	-33%	-25%
8	ING	1,566	3	3	-47%	-27%

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg) *Compound Annual Growth Rate

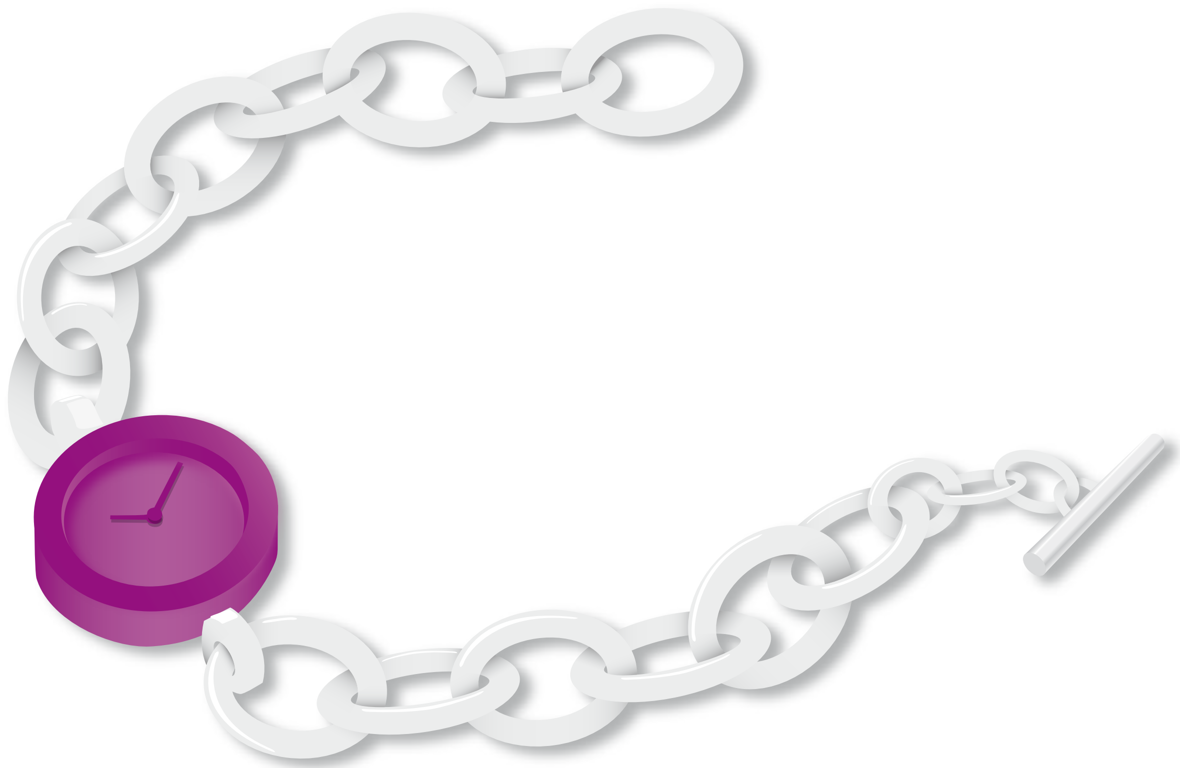
Insurance in 2010

Ed Hughes
Mindshare

"Marketers and businesses have to be very conscious of consumer sentiment. They need to adjust their approach appropriately to come out of this with credibility and to regain the consumer's confidence."

LUXURY

"At all price levels customers were more discriminating, and not just because they had less money to spend. They sought unusual items, adding the personal and unique to the calculus of value."



Luxury brands discovered new ways to stay relevant.

Brands that emphasized heritage and enhanced exclusivity, such as Hermès, did better than brands that pursued the mass market.

Some of the prestige brands cut back on fashion-forward merchandise to concentrate instead on the classics that had established their brands and shaped brand heritage. Gucci, for example, returned to its roots with an equestrian look.

Louis Vuitton, the most valuable luxury brand over the last five years, continued to position itself as timeless and authentic. Rather than compromising its brand value during the recession, it increased prices, invested in creativity, and heightened the focus on quality.

Generally consumers did not automatically feel entitled to luxury last year and needed a justification to spend. Even people with means felt constrained in purchasing luxury items. They wanted to avoid appearing insensitive to the general economic hardship. Pairing an expensive accessory from Tiffany with an inexpensive designer dress from H&M became the new conspicuous frugality.

Some of the wealthiest consumers postponed their purchases of prestige brands, but they did not eliminate them or trade down. And customers looking for more accessible luxury bought smaller, symbolic items. At all price levels, customers were more discriminating, and not just because they had less money to spend. They sought unusual items, adding the personal and unique to the calculus of value.

Many of the luxury brands and categories were buoyed by sales in Asia, particularly China. Watch and jewelry sales at the lower price points of the luxury range ($3,000 to $4,000) were hard hit in the West, but remained strong in China. And while "stealth wealth" characterized shoppers on Madison Avenue and Knightsbridge, Chinese consumers who could afford bling were flaunting it. The appetite for bling among Russians abated somewhat, however, as the oligarchs suffered from depressed oil prices.

As the economy recovers, luxury brands are likely to concentrate most intensely on their core customers. Without retreating completely from the lower end of their lines, the brands will be less likely to offer extremely inexpensive merchandise that serves simply as a badge souvenir that infuses the brand broadly into the mass market.

Online will be an increasingly important venue for luxury sales with sites that evoke or even exceed the experience of exclusivity and refinement that signals luxury in a bricks-and-mortar store. Because of the possibilities for personalization online, there is potential for service on Web sites potentially to be better than service levels available in shops.

The next 12 to 18 months

- Consumers in developed markets will seek investment pieces rather than frivolous indulgences.
- Purchases will be more considered and packaging more discrete.
- In developed markets, brands will emphasize substance over style and craftsmanship and heritage over bling. Badge status will continue to be emphasized in Asia, particularly China.
- Brands will use digital media to convey a personal, even exclusive, luxury experience.
- Corporate Social Responsibility (CSR) will be used as a tactic to grant permission to spend.
- Tired of too much seriousness, a small segment of customers may return to “drunken” spending.

LUXURY DOWN 3%

Top luxury brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Louis Vuitton	19,781	5	8	2%
2	Hermès	8,457	5	7	8%
3	Gucci	7,588	5	4	2%
4	Chanel	5,547	4	4	-11%
5	Hennessy	5,368	5	9	-1%
6	Rolex	4,742	2	6	-14%
7	Moët & Chandon	4,279	5	9	-12%
8	Cartier	3,964	3	2	-19%
9	Fendi	3,199	2	5	-8%
10	Tiffany & Co.	2,383	1	6	6%

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

MillwardBrown Optimor

Luxury in 2010

“The brands that have done a great job over the past year dealing with the economy are those that have stayed true to who they are and held pricing where it is and stayed true to who their core customer really is.”

Kelly Foster
Mindshare

MOBILE OPERATORS

"A few operators tried to at least improve the experience for their high-value customers, smart phone users who transmit a lot of data."

Brand value declined. But only by 1 percent.

The dramatic increase in data transmission helped mobile operators weather the recession.

Category growth was especially strong in emergent markets as reflected by the debut of the largest mobile phone operator in Latin America, Mexico's Telcel, in the BrandZ Top 100.

The brand value of Spain's Movistar grew by 14 percent, based in part on the company's strong position in Latin America and its exclusive relationship with Apple's iPhone. Russia's MTS grew by 6 percent in brand value, reflecting growing brand strength in Russia.

Networks worldwide benefited from the growth in data transmission and especially from arrangements with smart phones. In the United States, Verizon Wireless, which claimed to be the leader in 3G reach, increased in brand value by 39 percent.

The brand value of AT&T grew 18 percent as the brand continued to enjoy an exclusive relationship with the iPhone in the United States. Orange, Vodafone, and O_2 connected with iPhone in the UK.

The growth in data also drove the 23 percent brand value appreciation of the pan-European brand O_2, as well as the 20 percent brand value increase of T-Mobile. T-Mobile memorably positioned itself as energetic and youthful with a social media campaign called "Life's for Sharing."

The dramatic increase in data flow last year strained some networks, however, creating customer service problems. When U.S. iPhone users experienced some downloading problems, for example, it was not clear whether AT&T or Apple was responsible, but AT&T received most of the criticism.

Brands known primarily for delivering a functional benefit may have missed some opportunities to differentiate themselves by improving the customer experience. A few operators tried to improve service at least for their high-value customers, the users of smart phones who transmit a lot of data. And many tried to simplify phone plans and make the pricing structure clearer. In the United States, the recession also motivated a shift from long-term contracts to prepayment, while in the UK, the networks offered deeply discounted minutes.

The recession also cooled the move to bundling services, allowing consumers to contract with an operator for a "quad play" including mobile phone, landline phone, TV, and broadband. As with financial supermarkets, consumers seemed increasingly skeptical about the advantages of bundling.

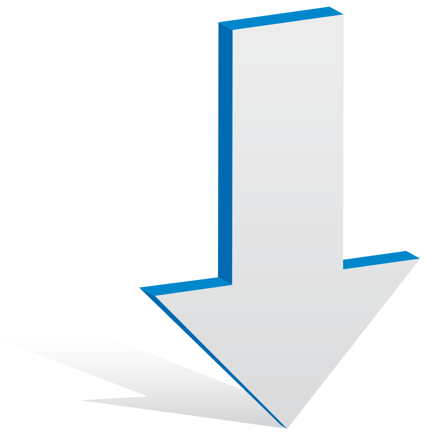
Meanwhile, smart phones continued to change the game. The iPhone in particular affected the balance of power between mobile operator and handset brand, as power shifted to the handset brand, leaving mobile operators struggling against commoditization. The question of power, and who actually owns the customer relationship, became even more complicated with the entry of Google into the mobile business with its Android open platform.

Operators also struggled with the results of their land-grab expansion tactics, which yielded a lot of customers whose minimal data usage limited revenue potential. Price wars continued even as operators looked for ways to add value that would justify a price premium. In the United States, Verizon and AT&T battled over which company offered the widest coverage.

Brand value softened for China Mobile, although it remained the world's most valuable mobile brand, with more than 500 million subscribers. The decline followed the introduction of more competition after the Chinese government awarded 3G licenses to two other major operators, China Telecom and China Unicom. Vodafone, the world's second most valuable mobile brand, declined in value but remained the most global mobile operator with roughly 427 million subscribers worldwide.

The next 12 to 18 months

- The struggle for brand power between mobile operator and handset/ application providers will intensify. Mobile operators will increase production of their own branded phones.
- The revenue pie will increase with the popularity of smart phones and a dramatic increase in data use, but the portion of revenue received by the operators will diminish as handset brands share in payments for applications.
- The relationship between mobile operator and customer will shift from being mostly functional, around the coverage of the network, to an emphasis on value and service.
- Advertising will provide a rising revenue stream with increased Internet searching on smart phones.
- Convergence will increase between mobile and fixed-line brands as mobile operators increasingly move into ADSL and WiMax.
- Operators will start to roll out 4G, even though its advantages over 3G are not yet clear.



MOBILE OPERATORS DOWN 1%

Top mobile operator brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	China Mobile	52,616	5	9	-14%
2	Vodafone	44,404	3	4	-17%
3	Verizon Wireless	24,675	5	9	39%
4	at&t	23,714	4	6	18%
5	Orange	14,018	2	6	6%
6	T-Mobile	13,010	3	8	20%
7	NTT DoCoMo	12,969	3	7	-18%
8	Movistar	12,434	1	6	14%
9	Telcel	10,850	4	9	NA
10	O_2	10,593	2	7	23%

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

MillwardBrown Optimor

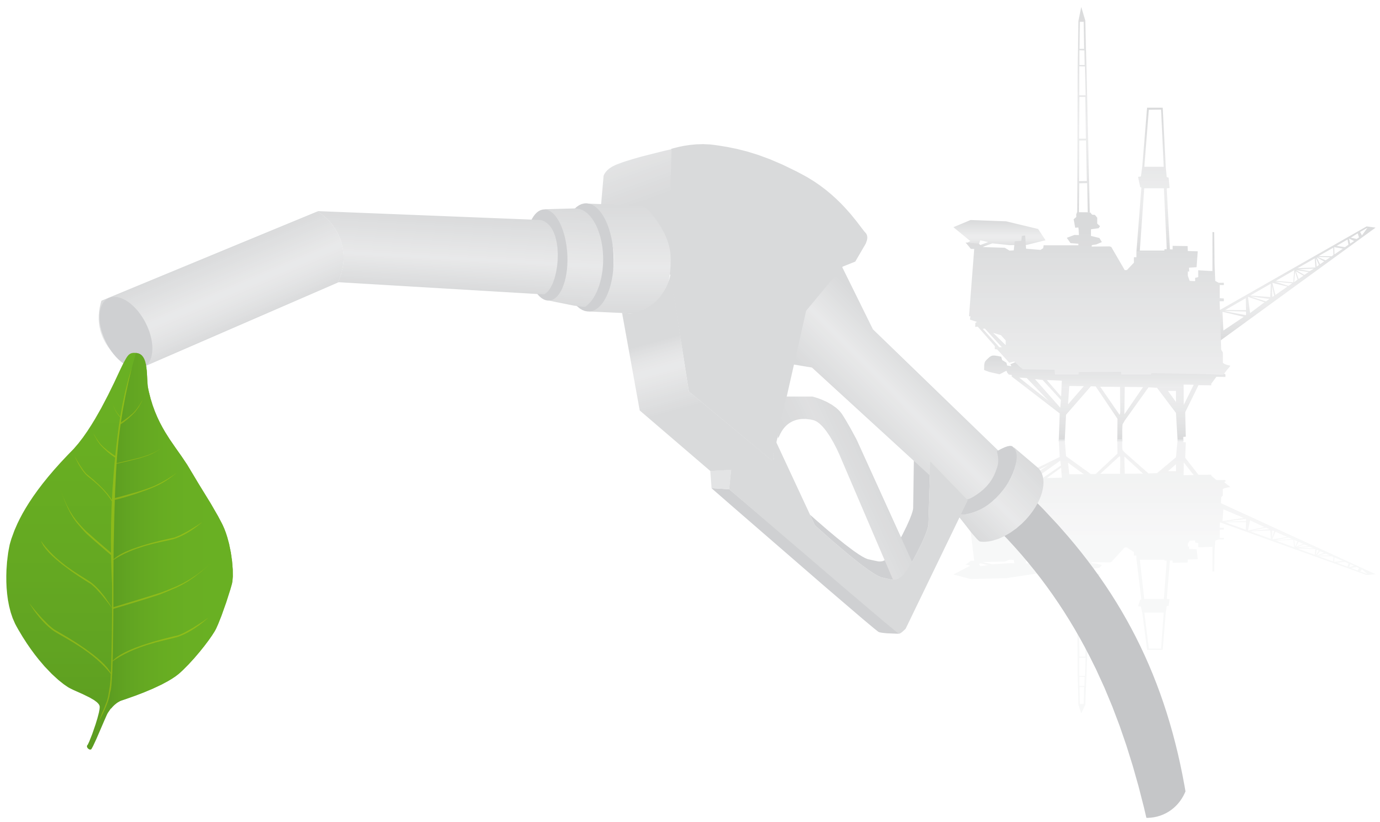
Mobile Operators in 2010

Tim Pritchard
TNS

"One of the big things that's happening at the moment is operators trying to work out what they stand for in terms of their brand DNA. Are they a mobile operator, are they playing fixed lines, are they core play companies or broadband, TV and so forth. What are they, and where are they putting their resources and their focus."

OIL & GAS COMPANIES

"While pursuing reserves, the companies simultaneously attempted to respond to the public's concern about protecting the environment."



Last year was tumultuous for the oil & gas giants.

After earning record profits when the price of oil spiked at almost $150 per gallon in 2008, corporate fortune reversed suddenly as demand softened during the global financial crisis and oil prices plummeted to a low of $40 before edging upward. The difficult economy moved most of the companies back to basics, to a focus on increasing reserves of oil & gas and, in some cases, coal.

Accessing energy reserves is rarely simple. A substantial amount is located in political trouble spots such as Iran and Iraq, while some countries such as Venezuela are nationalizing industries. The geological obstacles are daunting. For example, last year BP discovered oil by drilling more than six miles deep in the Gulf of Mexico. The risk in exploration is large, and the return on investment can take decades.

Myriad pressures challenged all of the brand leaders in 2009. While pursuing reserves, the companies simultaneously attempted to respond to public concern about protecting the environment. Their retail businesses felt pressure from reduced driving, more fuel-efficient cars, lower prices at the pump, and diminished customer loyalty. Drivers shopped for the least expensive fuel, often finding it at locations operated by major food merchants and discount clubs competing with the oil & gas companies for customers.

While the oil & gas companies do not need consumer-facing brands to sell their product, they rely on retail and corporate brand strength to help address the complicated set of challenges they face. BP, Shell, and Petrobras have been particularly successful in this regard; their brands contribute the greatest value in proportion to market cap.

The brand strength of BP, the most valuable brand in the Oil & Gas category, follows from its reputation for environmental responsibility and the strength of its Helios "sun god" retail brand, according to BrandZ research. The Shell brand gains value from its expertise in communicating with the governments and communities that touch its businesses. And, with 45,000 branded retail outlets worldwide, Shell operates more locations than McDonald's.

Petrobras has not only doubled its reserves as a result of new deep sea discoveries but has created one of the world's most trusted brands. Because Brazilian consumers believe that Petobras guaranteed their country's energy self-sufficiency, they hold the company in high regard and even have formed an emotional bond with the brand, unusual for an oil & gas company.

ExxonMobil has been overtaken by PetroChina as the world's largest oil & gas company, but it is still one of the most valuable brands. The brand strength of ExxonMobil can be attributed to its reputation for innovation, corporate citizenship, and communication with shareholders. PetroChina benefits from its scale as the world's largest company by market cap, and from its brand strength in China.

In general, oil & gas company brands emphasize different aspects of a similar brand map that include: innovation, technology, health and safety, responsible production, and a commitment to cutting greenhouse gasses over time. Government-owned companies, like Russia's Gazprom or SinoPec in China, remained less dependent on brand contribution.

The next 12 to 18 months

- Consumption and prices will rise as markets recover confidence.
- The issue of energy security will become more urgent.
- Interest in natural gas will increase because it is a cleaner-burning fuel.
- Companies will control spending.
- Technology credentials will become an increasingly important aspect of brand identity because remaining oil reserves are difficult to access.

Top oil & gas company brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	BP	17,283	1	3	NA
2	Exxon Mobil	15,476	1	2	NA
3	Shell	15,112	1	3	NA
4	PetroChina	13,935	1	5	NA
5	Petrobras	9,675	1	8	NA
6	Chevron	7,254	1	3	NA
7	Total	6,986	1	2	NA
8	Gazprom	6,350	1	5	NA
9	ConocoPhilips	5,347	1	1	NA
10	eni	4,566	1	3	NA

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

MillwardBrown Optimor

Oil & Gas Companies in 2010

Gene Knapp
Wunderman

"One of the classic things we hear about are the implications of supply and demand. With motor fuels and oil & gasoline, I think traditionally we've always taken it for granted that we pull in the fuel station and the gasoline is always going to be there, and seemingly it's always going to cost more. But recently I think, you'll find that what's happening because of the economy is that the demand is actually decreasing."

PERSONAL CARE

"Marketing personal care products in the recession required driving down price while reinforcing trust."

New consumer values affected brands.

Western consumers assigned priority to health, sustainability and personal happiness over attaining an abstract idea of beauty. Whether this perspective is permanent or transient is not yet clear.

But there is no doubt about the immediate impact on the BrandZ personal care category, which includes body, face, hair and oral care along with deodorant. Brands looked to emerging markets for growth last year, as consumers in North America and Europe traded down to less expensive options, including store brands. Consumers did not abandon luxury brands, such as Lancôme, but often turned to them for the "lipstick effect," an affordable indulgence.

In a complementary trend, prestige products entered the mass market, phenomenon sometimes called "masstige." Olay, for example, introduced Olay Pro-X, a line of skin rejuvenating cosmetics priced for mass retail but promising the therapeutic benefits of products available at higher prices. In marketing its Ultra-Lift line, Garnier emphasized its collaboration with dermatologists and nutritionists.

Consumers sought natural products, or at least products that promised the absence of harmful ingredients, as interest in the health and safety of what we put on our bodies catches up with our concerns over the health and safety of what we eat and drink. Pantene returned to a focus on healthy hair with an underlying message that healthy hair is a gift to be treasured. Deodorant brands were reformulated to remove pore-clogging ingredients such as aluminum.

Meanwhile, marketing personal care products in the recession required driving down price while reinforcing trust. When trading down, consumers required reassurance about product performance. When trading up, they needed proof that the product deserved a premium.

The recession also accelerated the ongoing power struggle between supplier and retailer for influence over which brands are favored and how they are merchandised. Walmart may be the best example of this phenomenon because of its scale, its dominance in health and beauty aids, and the introduction last year of its latest store prototype, called "Project Impact," which reduced the allocation of shelf space for some categories. The power of brand becomes increasingly important in this context.

In contrast to these retail challenges and the battle for share and margin in some of the mature personal care segments, the emerging markets presented opportunities for robust sales growth. Oral care was especially strong, reflected in the 15 percent rise in the brand value of Colgate.
The personal care brand to record the highest increase in brand value, Colgate increased advertising spend in 2009, launched new products, and ultimately grew its market share across all regions.

In China, Western personal care products enjoyed cache and were well regarded for being safe to use. They also benefitted from Chinese consumers who were less fixed on saving money and more willing to spend it.

The next 12 to 18 months

- Having traded down, consumers may not trade back up any time soon. But they may continue to treat themselves.
- Every woman will have one thing that she considers fundamental and worth splurging on.
- Ideals of beauty will be more realistic; rather than wanting to look like a celebrity, individuals will instead aspire to simply look their best.
- Consumers will seek value—that is, performance and results at a reasonable price.
- Pharmaceutical solutions will emerge for personal care.
- Store brands will continue to grow.
- More products will be developed for the growing male beauty market.

PERSONAL CARE DOWN 4%

Top personal care brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Gillette	20,663	5	4	-10%
2	Colgate	14,224	5	7	15%
3	L'Oréal	14,129	5	6	-6%
4	Avon	7,293	3	5	-16%
5	Nivea	5,624	2	6	-14%
6	Garnier	4,955	3	6	-5%
7	Lancôme	3,960	4	6	-7%
8	Dove	3,564	2	8	9%
9	Oral B	3,501	3	5	0%
10	Crest	3,071	5	6	5%
11	Shiseido	2,617	3	5	9%
12	Olay	2,590	5	6	-10%
13	Estée Lauder	1,979	4	3	-7%
14	Secret	1,717	4	6	-8%
15	Signal	1	1	8	-9%

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

MillwardBrown Optimor

Personal Care in 2010

Sarah Trombetta
Hill & Knowlton

"We've seen a real movement toward personal grooming and beauty regimens happening at home. In the same way that food trends have migrated from restaurants to home, women and men are creating at home the experiences once reserved for the salon. Brands that are enabling this trend with their products are doing well, sometimes even better than more premium brands."

RETAIL

"Betting on enduring changes in consumer attitudes, Walmart launched a new store prototype, reflecting a strategic shift in favour of price and value over endless choice."

It could have been worse.

That's not high praise, but it's probably the best that can be said about a challenging year when brand value for the retail category decreased by only 1 percent. The outlook improved by year's end when holiday results proved stronger than expected because retailers managed inventories and shoppers cracked open their wallets. Hard times magnified both strengths and weaknesses.

The hard economic times also accelerated the transformative impact of technology. Consumers began using their mobile phones for price comparison and purchasing. And they shopped online, reinforcing the leadership of Amazon, which increased in brand value by 29 percent. Combining its online data into complex algorithms, Amazon was faster than most retailers at determining the bottom of the market and pricing accordingly. The company strengthened its electronic dominance with the acquisition of online shoe and apparel retailer Zappos for $1.2 billion. It also benefited from other revenue streams, such as sales of its Kindle electronic reader.

As consumers shopped both in-store and online, retailers struggled to perfect a more seamless, multi-channel, "inline" brand experience. Best Buy expanded its Twelpforce, an ongoing Twitter conversation between Best Buy employees and customers. With the disappearance of its direct competitor Circuit City, Best Buy emerged as the only national electronics retail brand in the United States, its brand value increased by 18 percent.

Generally consumers continued to fulfil needs over wants. They shopped, but with a diminished sense of entitlement, replacing conviction, "I deserve it" – with rationalization – "I can justify it." In the UK, for example, Sainsbury's emphasized value with its "Feed your family for a Fiver" campaign. While drawn to the comfort of established brands, consumers also switched to store brands when they trusted the retailer to deliver consistent quality.

The deep discount grocer ALDI was one brand that benefited from this trend as more shoppers sought value. Tesco promoted a discount "own label" (store brand) without diluting its mid-market brand positioning. That effort helped the UK grocer achieve a 12 percent increase in brand value.

Tesco also benefited from its ubiquity, its international presence, and its consistent emphasis of the Tesco brand as the place to fulfil household needs.

The emphasis on needs over wants hurt sales in durables and home improvement, resulting in brand value declines for IKEA and Home Depot. Because Home Depot's business is substantially contractor driven, it felt the slowdown in housing more acutely than Lowe's, its more consumer-facing competitor. The consumer focus on needs also hurt Target, the U.S. discount department store chain. Having successfully established a reputation for affordable fashion by associating its brand with well-known designers, the company suffered from a perception that its prices were higher than those of the competition, primarily Walmart.

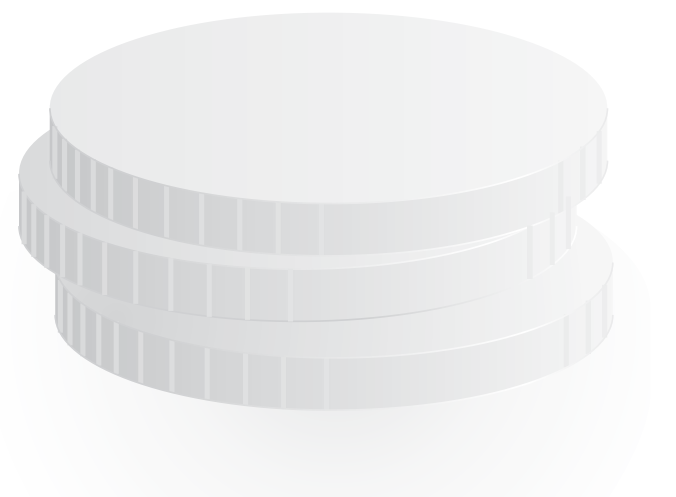
This was Walmart's time – almost. The chain's reputation for low prices perfectly matched the recession-induced frugality of consumers, and the company's product range emphasizes food and other consumables – products people continued to need as they cut back on discretionary spending.

Betting that the recession would produce long-lasting changes in consumer attitudes, Walmart remodelled its stores to improve the shopping experience and stress value over confusing choice. Called "Project Impact," the new format is intended to make the stores more efficient and productive. Broader selection is available online, where Walmart and Amazon challenge each other for price leadership. To accompany these changes, Walmart repositioned its brand, from "Low prices, always" to "Save Money. Live Better." The company also upgraded its identity and introduced designer-branded fashion lines.

Despite all this, the brand declined 4 percent in value. The chain may have confused customers by changing too much too quickly.

Like Walmart, Costco, the warehouse club known for low prices, declined in brand value despite being well positioned for recessionary times. At least two economic factors contributed to the decline. First, many Costco stores are located in states hardest hit by the recession. Second, the chain's business model depends on large purchases by small businesses, which were also hurt by the recession.

Sales in emerging markets continued to drive growth for many of the global retail brands. Carrefour benefited from this trend. Under new ownership, the store fascias were consolidated under the Carrefour brand in an effort to leverage Carrefour's global strength and improve financial results. Walmart also opened its first outlet in India, a joint-venture wholesale operation.



The next 12 to 18 months

- Durables and home improvement will slowly recover.
- Shopping will be more of a multi-channel experience as customer movement between in-store and online becomes more fluid.
- The focus on improving the customer experience will increase across all retail categories, both online and offline.
- Retail leaders will elevate technology to strategic importance as they make their businesses more efficient and more responsive to customers.
- Consumers will continue to need reasons to justify their purchases. Successful retailers will provide reasons.
- Brands that stand for durability and deliver consistently on that promise will win customers.
- The presence of store brands will increase, even at the premium level.

RETAIL DOWN 1%

Top retail brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Walmart	39,421	2	8	-4%
2	Amazon	27,459	4	9	29%
3	Tesco	25,741	5	4	12%
4	Carrefour	14,980	5	7	0%
5	Target	12,148	4	7	-1%
6	eBay	9,328	3	7	-28%
7	Home Depot	8,971	2	3	-3%
8	ALDI	8,747	1	6	1%
9	Auchan	7,848	4	7	NA
10	Lowe's	7,008	2	5	10%
11	Best Buy	5,807	3	8	18%
12	IKEA	5,710	3	8	-15%
13	Marks & Spencer	5,699	5	3	-5%
14	Asda	4,922	3	7	-9%
15	Kohl's	4,371	4	5	12%
16	Lidl	4,102	1	5	-1%
17	Costco	3,875	1	4	-26%
18	Sam's Club	3,255	1	6	-7%
19	Safeway	3,173	2	4	-8%
20	Sainsbury's	2,728	5	4	-4%

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

MillwardBrown Optimor

Retail in 2010

"Frivolous consumption is dead. Consumers are much more mindful about what they're spending. They're looking for value, meaning the best price but without compromising on quality. Brands that have responded swiftly to this change in attitude have done very well."

Lorraine Green
Cohn & Wolfe

SOFT DRINKS

"As the soft drink category is being flanked by water, fruit juices, smoothies, energy drinks and other options, the iconic brand leaders, Coke and Pepsi, are developing line extensions aimed at new consumer tastes."

Carbonated drinks are no longer the choice of the new generation.

Young people want drinks that are healthy, add an energy lift or nutritional benefit, and come in packaging that does not harm the environment. Older consumers are also adopting these preferences for water, fruit juices, smoothies, and energy drinks.

The Coke and Pepsi challenge is especially acute in the United States, where growing public concern about obesity (especially among children) is shaping food and beverage choices. Outside of the United States, and particularly in Europe, Coke and Pepsi face a different threat: the prospect that their investment in building the global soft drink category may ultimately benefit the growth of store-brand's drinks, particularly at deep discounters like ALDI.

Despite the pressures on the category, Coke and Pepsi drove growth with new products, changes in packaging, and clever social networking aimed at drawing the attention of a new generation. Coke, the world's most valuable non-technology brand, emphasized its core values of optimism and happiness with a social media campaign focused on three young "Happiness Ambassadors." These ambassadors are currently en route around the world, where in 365 days, they will visit and post from the 206 countries where Coke is sold.

The huge success of Coke Zero impacted the brand value of Diet Coke, but otherwise the diet brands are thriving and the overall Coca-Cola brand was up. Both Coke and Pepsi seemed able to soften the impact of the recession with advertising and promotional pricing. Red Bull maintained its popularity among young people with clever sponsorships of extreme sports and music events as it attempted to broaden its energy appeal to older consumers. The brand extended its target demographic and increasingly showed up at country clubs frequented by middle-aged golfers.

On the strength of the energy trend, Gatorade's brand value increased by 22 percent, although the brand could be vulnerable to the rise of Red Bull. Coke and Pepsi are exploring ways to segment the energy drink category.

Meanwhile, the leading brands continued to grow outside of North America and Europe, particularly in emerging markets where they found new consumers eager for products and store shelves not yet cluttered with confusing choice.

The next 12 to 18 months

- The category will continue to draw fire from critics concerned with obesity and advocating healthy drink options.
- Brands will introduce new offerings that use more natural sugar substitutes.
- Category segmentation will continue.
- Bottles will become smaller in response to environmental pressures, the battles for shelf space and greater efficiency.
- Returnable bottles may reappear as part of a "retro" effort to reduce the environmental impact of packaging.

SOFT DRINKS DOWN 1%

Top soft drink brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Coca-Cola	54,523	5	6	2%
2	Diet Coke/Coke Light/Zero	13.460	3	4	-6%
3	Pepsi	10,434	5	5	-18%
4	Red Bull	8,917	4	4	9%
5	Fanta	4,662	1	4	2%
6	Sprite	3,855	1	4	11%
7	Gatorade	2,935	5	4	22%
8	Dr. Pepper	2,536	3	4	-9%
9	Mountain Dew	2,322	4	5	5%
10	Diet Pepsi	2,318	2	4	4%

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

MillwardBrown Optimor

Soft drinks in 2010

Tom Walker
TNS:

"I find it surprising that soft drinks haven't suffered as much as perhaps we thought. We've seen in luxury quite a big fall. I would attribute this relative success of soft drinks during recession to how people are attached to the taste and that's actually what makes them passionate about the brand."

SPIRITS

"The major brands also introduced product variations to defend against the emergence of 'discovery' brands that appeal to consumers who value personalization."

Budgets were squeezed.

The global spirits brands relied on closer coordination between product innovation and marketing to drive sales.

They focused quarter-to-quarter on ways to win consumer attention, shifting focus from high-end offerings to the mid-market core of the business, as the brand value for the category declined by 3 percent.

Smirnoff, Bacardi, and Johnnie Walker remained the spirit category's top three leaders in brand value. Johnnie Walker continued its successful "Keep Walking" campaign, associating the brand with progress and incorporating social networking using its Striding Man Society.

Because of the risk attached to introducing new brands, most innovation took the form of brand extension, such as new flavors of vodka. The major brands also introduced product variations to defend against the emergence of "discovery" brands that appeal to consumers who value personalization. One such brand, Svedka Vodka, caught the attention of younger drinkers as a premium brand with a distinctive bottle shape, competitive pricing, celebrity presence, and an unusual marketing campaign featuring a curvaceous female robot.

Some brands shifted from developing a global marketing strategy with local implementation to a more centralized approach, leveraging economies of scale to yield greater and more immediate profit. Jack Daniel's continued to enjoy worldwide success by telling the story of its brand heritage as Tennessee whiskey and the craftsmanship that goes into distilling it. Other global brands customized their messages to remain relevant in markets as diverse as North America, Western Europe, and China. In the United States, for example, Grey Goose Vodka told a story about intrinsic product quality, while in China it emphasized the brand's status.

Price-conscious consumers were willing to trade down and even out of a brand, sometimes to own label, especially when drinking spirits at home. Sales for many of the upmarket brands remained strong, however, suggesting that at least for certain occasions, a brand badge still commanded a price premium. The premium scotch whisky Chivas grew by 9 percent in brand value, as did Ballantine's scotch whisky, also produced by Pernod Ricard.

Meanwhile, marketing efforts were tempered by increased producer concern about social and health issues. Brands promoted responsible drinking.

In the United States and the UK, the popularity of whisky and dark spirits continued to wane as a generation of Diet Coke drinkers graduated to spirits. Younger drinkers favored Vodka as well as Tequila and spiced rum, particularly Captain Morgan.

The next 12 to 18 months

- The major brands will introduce "easy-drinking" spirits for consumers who may not enjoy them, but who want to hold a drink in social settings.
- The major spirits companies will drive further efficiencies and shelf space rationalization at retail.
- Producers will increasingly attempt to associate their brands with social values and environmental responsibility.
- The use of social networking to raise brand awareness will increase, as will efforts to better monetize those efforts.
- More discovery brands will be introduced.

SPIRITS DOWN 3%

Top spirits brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Smirnoff	4,886	4	6	-6%
2	Bacardi	3,507	3	5	0%
3	Johnnie Walker	2,453	1	6	-5%
4	Jose Cuervo	1,781	2	5	-10%
5	Absolut	1,672	3	6	1%
6	Jack Daniel's	1,587	5	5	-2%
7	Baileys	1,563	5	6	-5%
8	Chivas	1,170	5	7	9%
9	Ballantine's	717	1	6	9%
10	Gordon's Gin	692	1	5	-5%

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

Spirits in 2010

Pamela Mazzocco
Landor

"Two years ago brands were promoting luxury bottles, a $1,000 bottle of Vodka or a $10,000 bottle of bourbon, something beautifully packaged and totally ridiculous. Now the brands are more focused on the money-makers, on the brands that keep the lights on. Today, it's about the brand you can be proud of, that you won't be embarrassed by, that offers the best choice for your money."

TECHNOLOGY

"Mobility continued to be a driving trend in both the business-to-business and business-to-consumer sectors."

Technology remained resilient.

Because the category is deeply integrated into our lives, both personal and business. The BrandZ technology category includes hardware, software, professional services, portals, and mobile handsets.

In a year when most categories declined in value, technology increased by 6 percent. The technology leaders Google, IBM, Apple and Microsoft occupied the first four positions in the BrandZ Top 100.

Google's brand value increased by 14 percent last year. The brand's dominance as a search engine combined with the popularity of products such as Gmail and the potential impact of its recently introduced Android mobile phone platform made Google a leader in brand momentum.

Apple's brand value appreciated by 32 percent. This increase is a tribute to the company's ability to transform itself from an electronics manufacturer into a brand that is central to people's lives. Apple manages to celebrate creativity and self-expression while, anticipating consumers' needs and wants and meeting those needs with solutions that are noteworthy for their ease of use and elegance of design. Apple benefited specifically from the popularity of the iPhone, its 100,000 apps, and anticipation for the iPad.

IBM's 30 percent increase in brand value reflected its continuing strength in business-to-business brand marketing and the high level of trust engendered by the brand. Its 2009 global campaign "A Smarter Planet" emotionally argued that IBM provides solutions for many of the challenges faced by governments and commerce. The launch of Windows 7, accompanied by an extensive ad campaign late last year, helped Microsoft maintain its leadership position.

The brand value of HP, which rose by 48 percent, was in part due to the acquisition and rebranding of EDS (Electronic Data Systems). As it refreshed its logo, HP attempted to associate the HP brand with innovation by adopting a new global positioning that unified the brands in each product division under the tagline "Let's Do Amazing." The 80 percent brand value increase for Samsung followed the company's record 2009 financial results. It achieved success with mobile phone handsets and new flat screen TVs with LED technology.

Two new brands made the technology category ranking: Infosys and Facebook. The outsourcing brand Infosys is the most valuable IT brand in India and the originator of the term "the flat world." Facebook, the current leader in the competition for social media dominance, now attracts more visitors that Google.

Mobility continues to be a driving trend in both the business-to-business and business-to-consumer sectors. This trend was reflected in lighter and thinner laptop and notebook computers. Similarly, convergence moved ahead as smart phones became smarter, and portable devices served as centers for communication and entertainment. Convergence intensified the focus on applications and services, a trend that was expected to benefit Apple, Google, and BlackBerry, which enjoyed a 12 percent increase in brand value. As businesses and consumers accumulated more digital assets, such as documents, photos, videos, and movies, the need for reliable storage generated more interest in cloud computing. There is clearly an opportunity for brands that can reliably and securely manage personal and business information on the Internet.

Delayed investment slowed sales for the major business-to-business IT platform suppliers, although software spending continued. Business customers increasingly questioned the sticker price for major implementations and pushed to buy solutions incrementally. IT companies hoped to benefit from the federal stimulus package in the United States. Despite these challenges, Oracle's brand value grew by 16 percent and SAP's by 3 percent.

Amid all these changes, brands explored more effective ways to communicate with customers. Major business technology brands tried to become more accessible and transparent. Recognizing an emerging, post-recession shift in consumer values, they stressed corporate citizenship with initiatives addressing public concerns such as energy efficiency and sustainability.

The next 12 to 18 months

- Brand leaders will communicate with a consistent voice across all channels and increasingly interact with consumers on social media.
- Brand leaders will attempt to help customers fulfil real needs and wants and not regard customers simply as targets to be sold to.
- Devices will become smaller, faster, more powerful, and cheaper.
- Suppliers of applications and services should do well, while makers of devices may face challenges as hardware becomes commoditized.
- Brand leaders will link with efforts to improve society.

Top technology brands

#	Brand	Brand Value $M	Brand Contribution	Brand Momentum	Brand Value Change
1	Google	114,260	5	9	14%
2	IBM	86,383	4	4	30%
3	Apple	83,153	5	8	32%
4	Microsoft	76,344	5	7	0%
5	HP	39,717	3	6	48%
6	BlackBerry	30,708	4	8	12%
7	Oracle	24,817	1	5	16%
8	SAP	24,291	3	5	3%
9	Cisco	16,719	2	5	-7%
10	Nokia	14,866	4	5	-58%
11	Accenture	14,734	5	4	-2%
12	Intel	14,210	2	3	-38%
13	Dell	11,938	3	6	-23%
14	Samsung	11,351	4	9	80%
15	Baidu	9,356	5	10	62%
16	Siemens	9,293	1	6	-31%
17	Sony*	7,516	4	5	20%
18	Infosys	6,442	3	5	NA
19	Canon	5,978	1	1	-32%
20	Facebook	5,524	4	5	NA

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg)
*Sony's value in the Technology sector does not include Games Consoles.

MillwardBrown Optimor

Andrew Curry
The Futures Company

Technology in 2010

"We're seeing now in the industry a shift from a focus on devices and platforms to a focus on applications and services."

TECHNOLOGY UP 6%

15 KEY TAKEOUTS

1 Invest in a strong brand

The recession raised a lot of questions about purchasing behavior. The importance of brand wasn't one of them. Over the past five years, since publication of the first BrandZ ranking, the value of the BrandZ Top 100 Global Brands has appreciated by 40 percent. Even as the S&P index declined, the value of brands increased. The BrandZ five year story shows that strong brands are resilient. They help to support the business when times are tough and enable it to rebound quickly from adversity. The stronger the brand initially, the faster its ability to bounce back. Examples in this year's Top 100 are Starbucks and Samsung.

2 Build trust

The financial crisis shook trust in major institutions, leaving brands vulnerable to the generalized sense of betrayal. Trust is the customer's belief, cultivated over time, in the efficacy and reliability of the brand. BrandZ shows that trust works in tandem with recommendation, the customer's belief, grounded in recent experience, that the brand continues to perform consistently and fulfil its promise. The Trust and Recommendation scores for brands have been combined into a new metric called TrustR. The payoff: There's a positive correlation between a high TrustR score and brand value.

3 Use heritage to create authenticity

The security and authority of brand heritage appealed to consumers last year. If the brand story was genuine — and that was the key — heritage was equally effective for marketing Louis Vuitton luxury or Levi's jeans. Heritage is likely to remain important. Even consumers who can afford to spend lavishly do not want to spend frivolously. The most successful brands know how to retain their heritage and translate it into modern terms.

4 Deliver on the experience

Strong emotional brand messages must be matched by superb product delivery. Failure to provide an experience which lives up to the brand promise is the fastest way to destroy brand trust and value. The requirement for functional excellence applies to product quality, and to the quality of every aspect of the user experience — from gathering information on the Web site, to the point of purchase, to after-sales support and service.

5 Make it personal

The most valuable brands go beyond product features to focus on the user experience. The brands forecast to grow the most in future value are those that are not afraid to let the user own the experience. They offer the user the opportunity to customize and personalize the experience. The iPhone's 100,000 apps enable the user to make it an extension of their personality. The brand becomes central to their lives.

6 Move from philanthropy to responsibility

In this post-recession world, philanthropy is no longer enough. We're in a period of heightened responsibility As consumers resume buying, they will be more demanding about the provenance of their purchases and the behavior of the brands that stand behind them. Consumers will want to know whether they're buying responsible products that were made without harming either the earth or its people. Leading brands must be ready to answer.

7 Go multi-channel

Consumers went into the recession believing that they could have it all. Eighteen months later, many are grateful they have anything. This sobriety will accelerate an ongoing change in shopping behaviour. Consumers won't expect to find everything — largest selection, best price and attentive service — in one place. They'll go to the Web for unlimited choice and to stores — physically smaller with tightly focused edited ranges — for experiencing merchandise and for immediate gratification. Brands need to be well represented wherever consumers shop.

8 Don't ignore social media

Don't go overboard either. Crazy and hilarious videos on YouTube may be OK for passing time. But will they sell products? Disruption for disruption's sake won't bring results. Social media will be incredibly effective, but only if it is authentic and in tune with the brand.

9 Think mobile. It's the new billboard

Mobile is not only the way to reach people on the go. It's also the way to reach them as they pause in the store aisle price-checking online before deciding on a purchase. As with any powerful media, the caveat is don't abuse it. Receiving a marketing message each time the phone turns on is a big turn-off.

10 Adapt your brand to the BRICs

While brands from developed markets will find acquisitive consumers in BRIC countries, especially China, they also will encounter strong local brands growing quickly in competence and international stature. It's important to learn, or relearn, that the most successful global brands not only exploit efficiencies of size and share knowledge, but also adapt their products, services and way of doing business to respect the diversity of the cultures they serve.

11 Don't forget your business customers

Brand isn't the preserve of the consumer. Brand can be just as important for business customers, and often more so. Trust and reputation play an important role in the purchase of business products and services. Large sums of money are involved, and the choice of supplier may be critical to business success. Though they may not always think in these terms, brand matters exceedingly to C-suite executives and to governments.

12 Offer value and price will follow

Even as people worried about keeping their jobs and paying their mortgages last year, most did not consider price alone when making a purchase. The BrandZ data suggests that, even during the recession, brands that created a strong appeal still commanded a price premium. In fact, only 7 percent of consumers bought on price alone, according to BrandZ data. The most valuable brands balance quality and value, whether at a high or low price.

13 Tackle the own-brand challenge

Consumers select a brand for the reassurance of authenticity, quality and value that it provides. House brands increasingly are filling those needs, offering own-label products at every pricing step in a category, even into premium. Where does a brand go? To the place where its promise leads it — a positioning which is consistent with the ideal it embodies and satisfies consumers' functional and emotional needs.

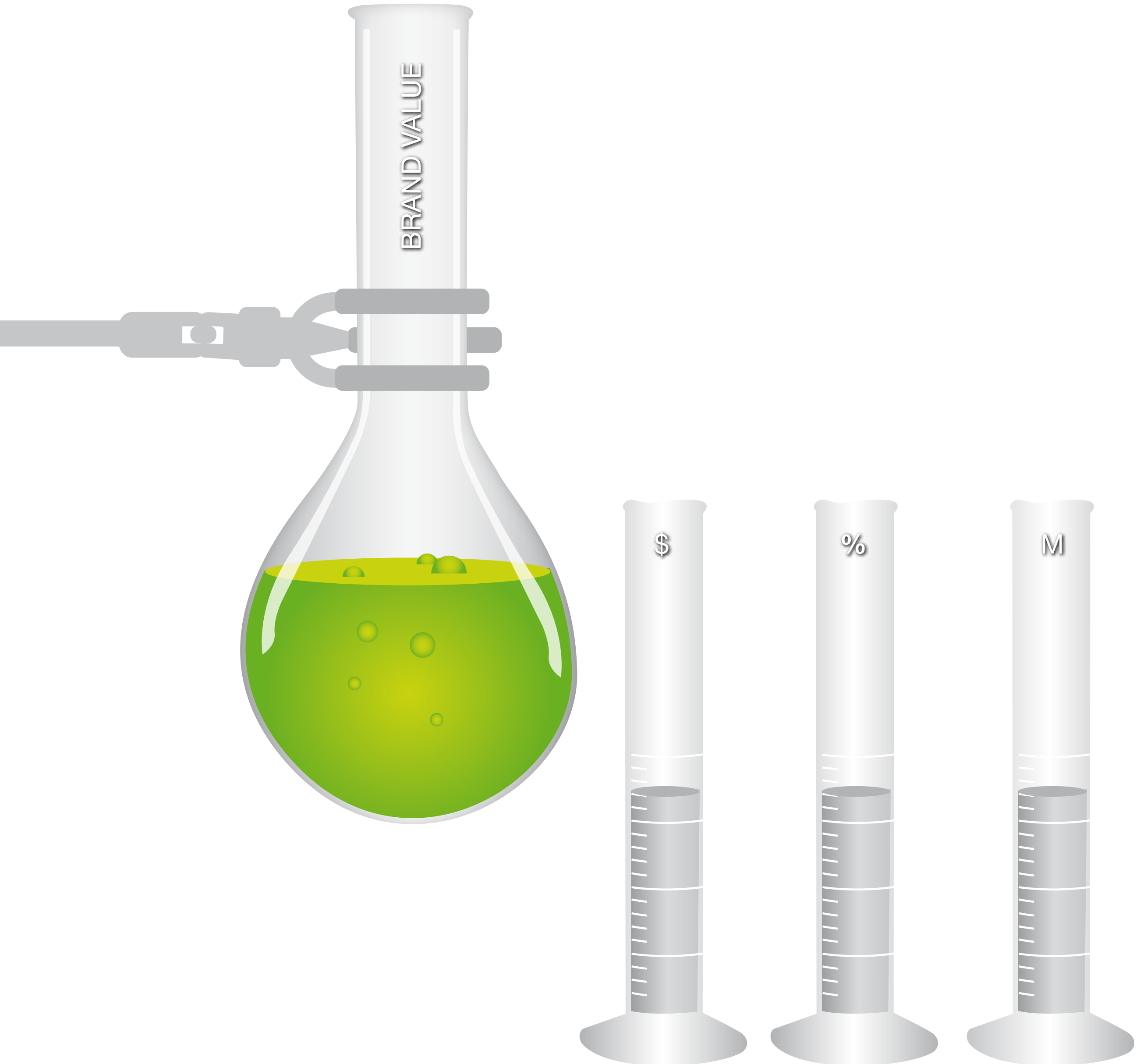
14 Take a position

The biggest share price gains will be made by brands which aren't afraid to stand for something. They will go beyond the functional, to represent an ideal, which appeals across products, categories and cultures. In an increasingly "flat" world, this is the only way that brands will differentiate themselves from competitors and succeed globally.

15 Brand leadership comes from the top

The most valuable brands are built and sustained not by marketing departments but by brand-minded CEOs. These leaders drive brand thinking through the whole organization. Each of the world's Top 10 most valuable brands was built by a visionary leader who understood brand. Each is run today, either by the same leader, or a successor who embodies the same brand principles.

METHODOLOGY



How Brand Value is Calculated

Millward Brown Optimor applies an economic use approach to brand valuation, using a methodology similar to that employed by analysts and accountants. The brand value published is based on the intrinsic value of the brand – derived from its ability to generate demand. The dollar value of each brand in the ranking is the sum of all future earnings that brand is forecast to generate, discounted to a present-day value. Given the high volatility of financial markets over the past 12 months, the brand value is in some cases high relative to current market capitalization, reflecting true value rather than current market swings.

The Data Sources

Brand Equity

Insights into customer behavior and brand perceptions come from WPP's BrandZ, an annual quantitative brand equity study in which consumers and business customers familiar with a category evaluate brands. Since the inception of BrandZ 12 years ago, over one million consumers and business-to-business customers across more than 30 countries have shared their opinions about thousands of brands. It is the most comprehensive, global, and consistent study of brand equity.

Financial Performance

Financial data is sourced from Bloomberg, analyst reports, Datamonitor™ industry reports, and company filings with regulatory bodies. A team of Millward Brown Optimor analysts then prepares financial models for each brand that link brand perceptions to company revenues, earnings, and ultimately shareholder and brand value.

The Valuation Process

The brand value is calculated in three steps:

Branded Earnings

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

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

Brand Contribution

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

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

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

Brand Multiple

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

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

The Brand Momentum™ metric that indicates each brand's growth is based on this evaluation. It is presented as an indexed figure that ranges from 1 to 10 (10 being the highest).

Step 1.
Intangible Earnings

Intangible corporate earnings allocated to each brand by country, based on company and analyst reports, industry studies, revenue estimates, etc

Data Sources

Bloomberg DATAMONITOR

Step 2.
Brand Contribution

Portion of intangible earnings attributable to brand.

Directly driven by BrandDynamics™ Loyalty Pyramid and Category Segmentation collected within the BrandZ study

Data Sources

BRANDZ™

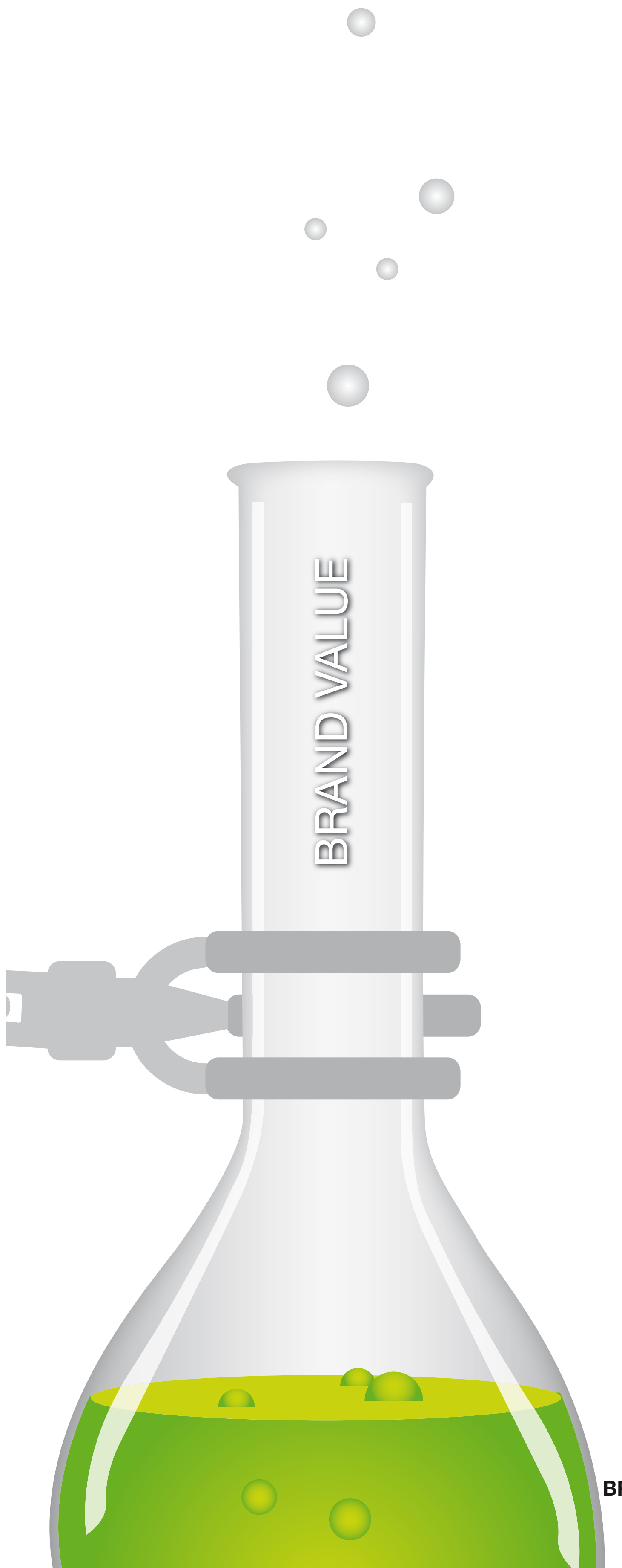
Step 3.
Brand Multiple

Brand earnings multiple.

Calculated based on market valuations, brand growth potential and Voltage™ as measured by BrandDynamics™

Data Sources

Bloomberg BRANDZ™



Oil & Gas Brand Valuation Methodology

The brand values for the motor fuel category published in previous BrandZ rankings reflected the value of the retail fuel station businesses. This resulted in the undervaluation of oil companies, since retail is a relatively small part of their businesses.

Much of the value for these companies, in terms of their brand and business value, is made in their upstream businesses rather than on fuel station forecourts. The brand element is at least as important, if not more, in the business-to-business environment than it is on the retail side. However, unlike many business-to-business brands, oil companies have relatively few customers in their upstream markets, and these can be very difficult to reach through quantitative research.

This year we further developed the BrandZ methodology to capture and reflect the full value of oil company brands. The category has been renamed "oil companies." Key steps included:

- Carrying out bespoke research among analysts and portfolio managers to measure upstream brand equity.
- Using a licensing valuation approach, using the royalty relief methodology for the upstream businesses.
- Retention of the existing methodology for the retail piece, which values each brand via the amount of retail gasoline it generates.

WITH THANKS

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

Bloomberg

The Bloomberg Professional service is the source of real-time and historical financial news and information for central banks, investment institutions, commercial banks, government offices and agencies, law firms, corporations and news organizations in over 150 countries. www.bloomberg.com

DATAMONITOR

The Datamonitor Group is a world-leading provider of premium global business information, delivering independent data, analysis and opinion across the Automotive, Consumer Markets, Energy & Utilities, Financial Services, Logistics & Express, Pharmaceutical & Healthcare, Retail, Technology and Telecoms industries Combining our industry knowledge and experience, we assist over 6000 of the world's leading companies in making better strategic and operational decisions.

Delivered online via our user-friendly web platforms, our market intelligence products and services ensure that you will achieve your desired commercial goals by giving you the insight you need to best respond to your competitive environment. www.datamonitor.com

BRANDZ™

The BrandZ study, commissioned by WPP and conducted annually by Millward Brown, measures the brand equity of thousands of global “consumer facing” and business-to-business brands, and has interviewed over 1 million consumers globally. Consumer perception of a brand is a key input in determining brand value because brands are a combination of business performance, product delivery, clarity of positioning, and leadership. www.brandz.com

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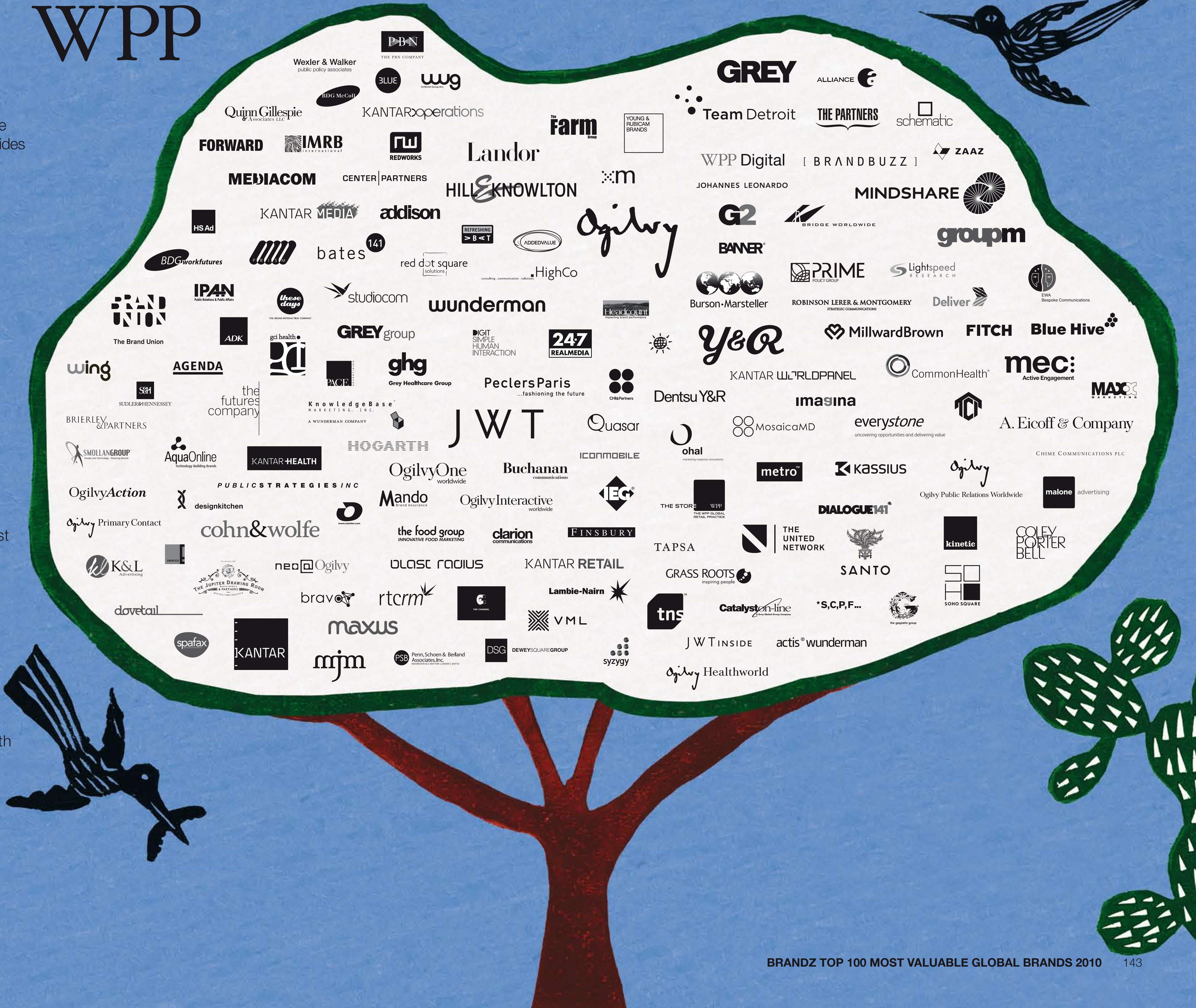

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