

# Millward Brown highlights seven key lessons for brands

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*Eight years of BrandZ Top 100 data shows how the rise and fall of key global brands are both a warning and a model to follow for marketers*

A unique analysis of the fortunes of some of the world's most famous brands by brand research company Millward Brown has revealed seven key approaches that companies can use to boost brand value.

Based on the performance of brands such as Apple, Amazon and Visa over eight years of the BrandZ™ Top 100 Most Valuable Global Brands study, these findings demonstrate the power of the annual ranking and its ability to identify brands that are making waves.



The lessons, revealed in advance of the 2014 BrandZ Top 100 ranking launch on 21 May, the ninth annual release, are based on the fortunes of clusters of similar and often competing companies such as Vodafone, Samsung and Nokia, and demonstrate how a brand and its portrayal via communications have been critical to company financial success.

The seven key lessons:

**Lesson 1: Identify a human truth.** You can rise incredibly fast but when you get it wrong you can fall equally quickly. Apple's rapid rise from No 29 in the first BrandZ ranking in 2006 with a brand value of \$16.0bn to No 1 in 2012 with a value of \$183.0bn comes off the back of a universal truth that people want technology to work simply and easily. By contrast Nokia lost its consumer connection at around the same time, thinking its then-superior technology would be enough to beat the challenge of the iPhone. It has since dropped from \$44.0bn at No 9 in 2008 to \$10.7bn and No 81 in 2011, exiting the ranking altogether in 2012.

**Lesson 2: Make your own connection.** You can go so far as a fast-follower, but ultimately to be a great marketer you need your own connection. Samsung has risen remarkably far and fast, and has had flashes of marketing excellence, including the recent Oscar selfie campaign. As a brand, though, it still has an opportunity to unearth its own universal truth. When it does, it should continue its rise from its No 30 position in the 2013 ranking with a brand value of \$21.4bn.

**Lesson 3: Technological superiority on its own is not everything.** In fact it's not even 90%, because people aren't rational. The technological gap between Apple, Samsung and their competitors is fairly small, but their relative business fortunes have been miles apart. The significant difference is brand love and an affinity with consumers driven by Apple's and Samsung's ability to meet the needs of consumers in a way that is meaningful.

**Lesson 4: International expansion isn't the only way to grow.** Quite often leveraging your brand into other categories can be more effective. Walmart's purchasing power hasn't ensured a smooth global expansion and its BrandZ ranking has declined slightly over the last eight years, ranking No 18 with a brand value of \$36.2bn in 2013. Other retail brands have driven brand growth by expanding their footprint into other categories, most notably with Amazon's stretch from books to appliances to universal retailer.

**Lesson 5: Disruptive innovation and reinventing yourself drives tremendous growth in almost every market.**

Disruptive innovation is the spiritual heartland of Amazon, which has changed the way we buy everything from entertainment to appliances, and in the process moved from No 92 in 2007 to No 14 and a brand value of \$45.7bn in 2013. Other brands have also taken a similar path, including Vodafone, which is now moving from a provider of mobile services to

a rounded broadcast provider focused on Europe and BT, entering the ranking at No 94 in 2013 and storming up as a result of successful expansion beyond calls and lines into broadband, television and finally entertainment and sports.

**Lesson 6: Often your competitors aren't who you think.** The success of Visa and MasterCard demonstrates that brands compete not only against those that provide the same services. Quite often, key competitors come from areas where they can provide substitute services and products. For Visa, MasterCard and American Express, the common enemy over the past few decades has been cash and cheques; however slowly but surely, both are becoming less important. Visa has been particularly successful in gaining traction, moving from No 36 and \$16.3bn in 2009 to a spot in the BrandZ 2013 top 10, at No 9, with a value of \$56.1bn.

**Lesson 7: Learn to live locally.** Simply because you are from one country doesn't mean you can't also be a local brand in another. Some of the most iconic American brands such as McDonald's and Coca-Cola have successfully transcended their origins to become global brands that feel local around the world. McDonald's and Coke have become part of the community wherever they operate and connect via their universal truths such as Coke's Happiness message. This strategy has helped both brands retain top 10 positions (and further gain places) even as the brand value required to stay in the top 10 has increased by 18%.

"Smart marketers seek to learn from the successes of their peers and avoid the failings of brands that have ceased to be as effective. This analysis of BrandZ Top 100 data over eight years highlights essential learnings that all brands need take on board. The path to brand growth isn't always obvious and marketers sometimes need to look beyond the day-to-day business to see the wider opportunities," said Anastasia Kourovskaia, Vice President EMEA at Millward Brown Optimor.

The 2014 BrandZ Top 100 Most Valuable Global Brands ranking will be launched on Wednesday, 21 May 2014.

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