“Brand Japan” Post-Disaster

Changes in perceptions of “Brand Japan” after the March 11 disaster

Press Release

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Creating and managing brand value™

Interbrand

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Interbrand "Brand Japan" Post-Disaster Report

Following the March 11 disaster, Interbrand Japan conducted a survey to understand changes in the way "Brand Japan" is perceived overseas.

The survey looked at changes in perceptions before and after the disaster among consumers in the United States, the United Kingdom, and China.

The survey covered five industries: "automotive," "consumer electronics," "cosmetics and toiletries," "food and beverages," and "apparel".

The survey focused on changes in five brand image attributes associated with "Japanese brands": (1) reliability, (2) safety, (3) quality, (4) style, (5) approachability.

Fieldwork was conducted between April 29 and May 5, 2011.

<Topline Summary>

1. **Following the disaster in Japan, overall perceptions of "Brand Japan" fell 12 percentage points (pp).**
2. **In China there is a strong perception that "Japanese products are contaminated with radioactive materials," and as a result perceptions dropped 22 percentage points (pp).**
3. **There was significant impact on overall perceptions of Japanese food and beverages (down 20 pp) and Japanese cosmetics and toiletries (down 13 pp).**
4. **Perceptions of "safety" and "reliability," usually considered pillars of strength for Japanese brands, were damaged (down 17 pp and 14 pp, respectively).**
5. **The effects of the disaster on perceptions differ greatly by country and by category. Brand owners need to understand the situation in each market before taking action.**
   (This release ends with advice for brand owners: "Eight suggestions for maintaining and growing brand strength during times of crisis")

First, we would like to express our heartfelt sympathy and deepest condolences to those who lost loved ones or who were affected in anyway by the March 11 Great East Japan Earthquake. We would also like to offer our sincere thanks to the workers who have been doing their utmost to help the disaster victims, as well as the families who are supporting their efforts.

Interbrand Japan, Inc. (CEO: Atsushi Iwashita; Headquarters: Chiyoda Ward, Tokyo) as the Japanese representative of the world's leading brand consultancy, feels a duty to contribute to Japan's global recovery.

While media reports often discuss the impact of the earthquake and nuclear accident on Japanese brands and products made in Japan, we are yet to see the true picture. This survey aims to provide an objective view of current perceptions in overseas markets, and give an analysis of the actual status of "Brand Japan".

We hope that this will help guide companies in their efforts to rebuild and drive the recovery of the Japanese economy.

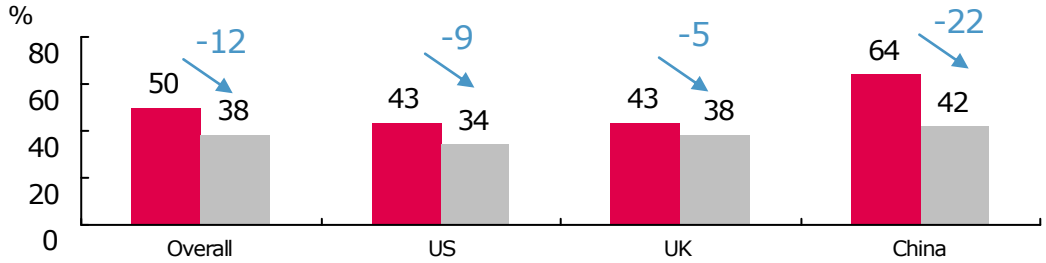
<Details>

1. As a result of the earthquake and nuclear accident, overall perceptions of "Brand Japan" fell 12 percentage points (pp).

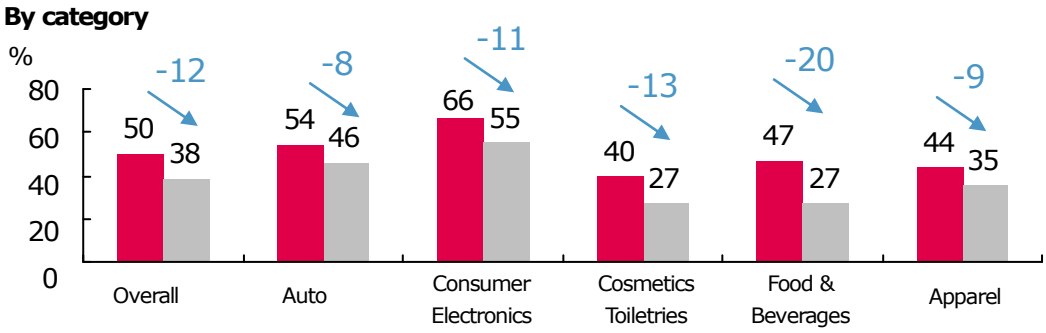
Overall perceptions dropped significantly, with perceptions of "reliability," "safety" and "quality" seeing noticeable declines. By category, "food and beverages" was worst hit.

Changes in perception of Japanese brands since March 11
Top 2 Boxes (Strongly Agree/Agree)

By country



By category



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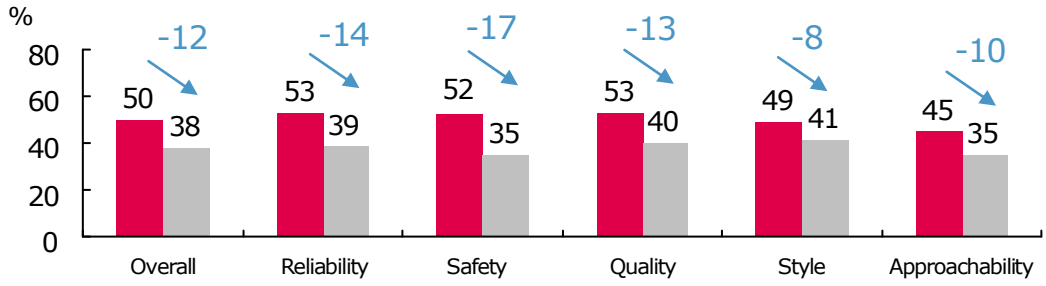

Respondents: n=326 (US n=108, UK n=109, China n=109)
*Applies to all charts

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2. In China there is a strong perception that "Japanese products are contaminated with radioactive materials," and as a result brand perceptions dropped 22 percentage points (pp).

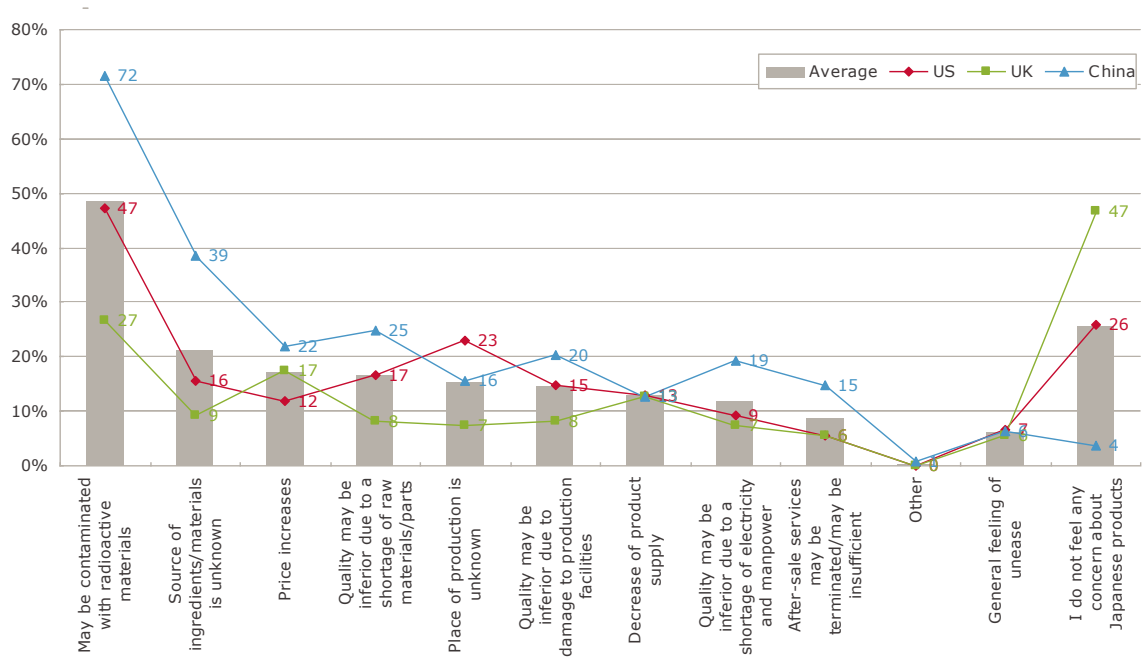
The fall in perceptions was relatively mild in the US (down 9pp) and the UK (down 5pp). However in China, perceptions dropped 22pp.

This fall is partly explained by strong perceptions that "Japanese products are contaminated with radioactive materials". This was selected by 72% of respondents in China compared to 47% in the United States and only 27% in the United Kingdom.

Overall, the public in the United Kingdom appears least concerned about Japanese products with nearly half selecting the response "I am not worried about Japanese products."

Main reasons for concern about Japanese products

Select up to 3

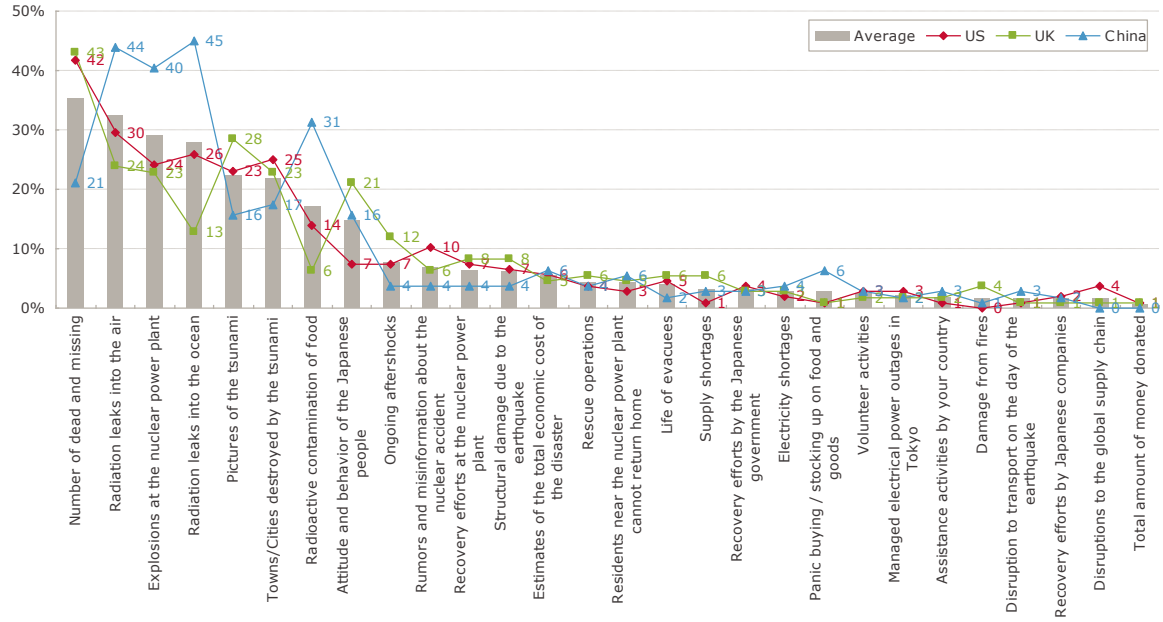


When asked "what left the greatest impression concerning the earthquake in Japan," the top response in the United States and the United Kingdom was "the number of people who died and the number of people missing."

Meanwhile, news related to the nuclear accident left the greatest impression on the public in China, and this helps explain fears about contamination of products and the overall decline in perceptions of "Brand Japan" in the country.

Most striking aspects of the disaster in Japan

Select up to 3



3. **There was significant impact on the overall perceptions of Japanese food and beverages (down 20 pp) and Japanese cosmetics and toiletries (down 13 pp).**

Automotive (down 8 pp)
Overall perceptions dropped 8 pp with "safety" and "reliability" perceptions particularly affected. In the United States and the United Kingdom the decline in perception on all image attributes was relatively small, while in China there was a notable drop especially for "safety" and "reliability".

Consumer electronics (down 11 pp)
Overall perceptions dropped 11 pp with "safety" perceptions particularly affected.
In the United States and the United Kingdom "safety" saw declines, while in China perceptions of "safety" and "quality" fell significantly.

Cosmetics and toiletries (down 13 pp)
Overall perceptions dropped 13 pp with only perceptions of "stylish" falling less than 10pp. Before the disaster, Chinese perceptions of Japanese cosmetics and toiletries brands was high compared to the US and UK; however, following the disaster perceptions in China plummeted.

Food and beverages (down 20 pp)
Overall perceptions dropped 20 pp with perceptions of "safety," "reliability," and "quality" all particularly affected. Of the five industries covered, perceptions of Food and beverages were hardest hit. In China, the situation appears to be extremely challenging with overall perceptions falling 35 pp, and perceptions of "safety" in particular dropping 48 pp.

Apparel (down 9 pp)
Overall perceptions dropped 9 pp with only "safety" falling more than 10 pp. In this category too there was a stark contrast between China, where the overall average fell 18 pp, and the US and UK.

4. **Perceptions of "safety" and "reliability," usually considered pillars of strength for Japanese brands, were damaged (down 17 pp and 14 pp, respectively).**

Perceptions of "safety" (down 17 pp), "reliability" (down 14 pp), and "quality" (down 13 pp) all fell. This is a cause for concern as these are traditionally considered pillars of strength for Japanese brands. Perceptions in China were particularly affected, and it appears that the foundations of "Brand Japan" took a hit, with "safety", "reliability", and "quality" all falling more than 20 pp (down 29 pp, 26 pp and 24 pp respectively).

Changes in perception of Japanese products pre/post disaster

Top 2 Boxes (Strongly Agree/Agree)

■ ≦ -30 pt ■ ≦ -20 pt ■ ≦ -10 pt

		US			UK			China			Average		
		Pre	Post	Change	Pre	Post	Change	Pre	Post	Change	Pre	Post	Change
5 Category Average	Reliability	44	36	-8	45	40	-5	68	42	-26	53	39	-14
	Safety	46	33	-13	46	38	-8	64	35	-29	52	35	-17
	Quality	43	35	-8	47	41	-6	68	44	-24	53	40	-13
	Style	40	36	-4	41	38	-3	65	49	-16	49	41	-8
	Approachability	40	32	-8	38	34	-4	56	40	-16	45	35	-10
	Average	43	34	-9	43	38	-5	64	42	-22	50	38	-12
Automotive	Reliability	52	49	-3	56	53	-3	67	44	-23	58	49	-9
	Safety	49	44	-5	55	49	-6	60	40	-20	55	44	-11
	Quality	50	45	-5	55	49	-6	63	49	-14	56	48	-8
	Style	48	46	-2	43	39	-4	62	51	-11	51	45	-6
	Approachability	49	44	-5	43	38	-5	54	44	-10	49	42	-7
	Average	50	46	-4	50	45	-5	61	46	-15	54	46	-8
Consumer electronics	Reliability	63	56	-7	69	65	-4	83	63	-20	71	61	-10
	Safety	62	47	-15	69	60	-9	75	49	-26	69	52	-17
	Quality	57	51	-6	71	66	-5	80	57	-23	69	58	-11
	Style	53	49	-4	65	61	-4	75	61	-14	64	57	-7
	Approachability	50	44	-6	54	50	-4	62	52	-10	56	49	-7
	Average	57	49	-8	65	60	-5	75	56	-19	66	55	-11
Cosmetics & Toiletries	Reliability	29	19	-10	28	19	-9	63	35	-28	40	25	-15
	Safety	35	24	-11	30	23	-7	59	28	-31	41	25	-16
	Quality	34	25	-9	29	23	-6	66	39	-27	43	29	-14
	Style	28	26	-2	29	27	-2	62	45	-17	40	33	-7
	Approachability	31	21	-10	28	22	-6	55	36	-19	38	26	-12
	Average	31	23	-8	29	23	-6	61	37	-24	40	27	-13
Food & Beverage	Reliability	39	26	-13	39	28	-11	67	25	-42	48	26	-22
	Safety	44	17	-27	43	26	-17	69	21	-48	52	21	-31
	Quality	37	22	-15	45	36	-9	69	30	-39	50	29	-21
	Style	36	28	-8	33	32	-1	62	38	-24	44	33	-11
	Approachability	36	19	-17	32	29	-3	55	29	-26	41	26	-15
	Average	39	22	-17	38	30	-8	64	29	-35	47	27	-20
Apparel	Reliability	38	32	-6	35	33	-2	62	44	-18	45	36	-9
	Safety	40	31	-9	35	33	-2	59	36	-23	44	33	-11
	Quality	34	31	-3	36	33	-3	64	44	-20	45	36	-9
	Style	35	31	-4	35	33	-2	64	51	-13	45	38	-7
	Approachability	34	29	-5	31	30	-1	53	37	-16	40	32	-8
	Average	36	30	-6	34	32	-2	60	42	-18	44	35	-9

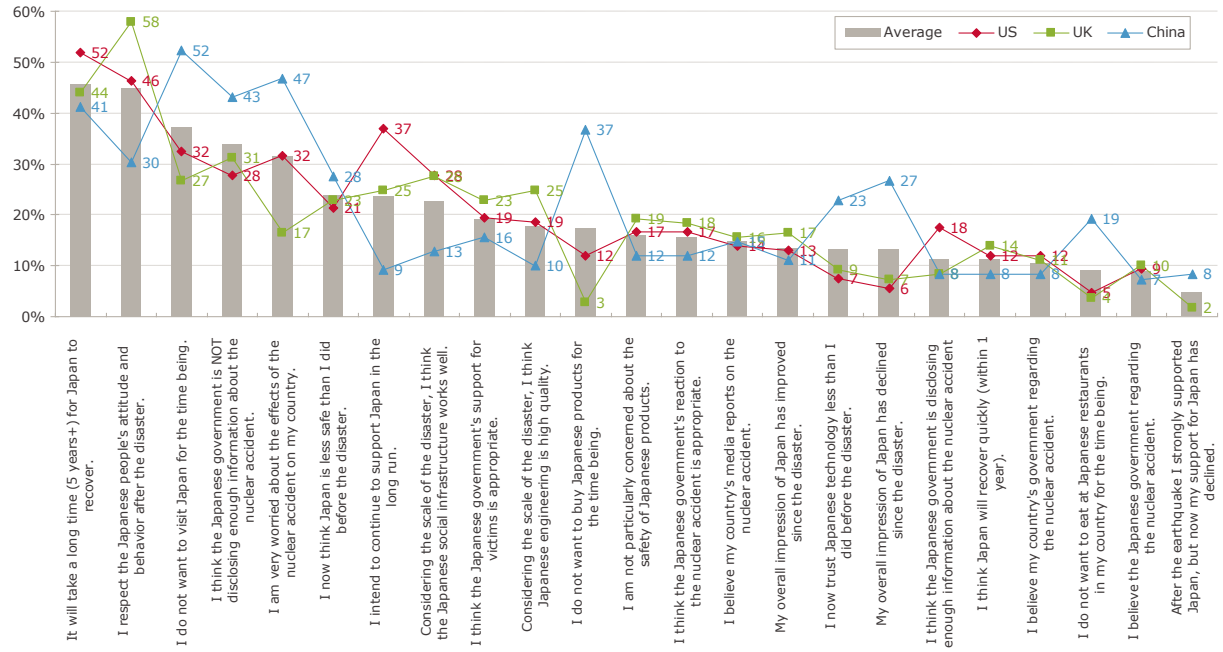
5. The effects of the disaster on perceptions differ greatly by country and by category. Brand owners need to understand the situation in each market before taking action.

As this survey shows, the effects of the March 11 disaster on "Brand Japan" vary by country and category. It is important that brand owners recognize this and gauge the mood in each market before taking action.

For example, in the United Kingdom nearly 60% of people say they "respect the actions and attitude of the Japanese people"; this is a positive perception that could be leveraged. Meanwhile, in China a noticeable high percentage of people say they "do not want to travel to Japan in the foreseeable future" and "do not want to buy Japanese products in the foreseeable future" suggesting negative perceptions that need to be mitigated.

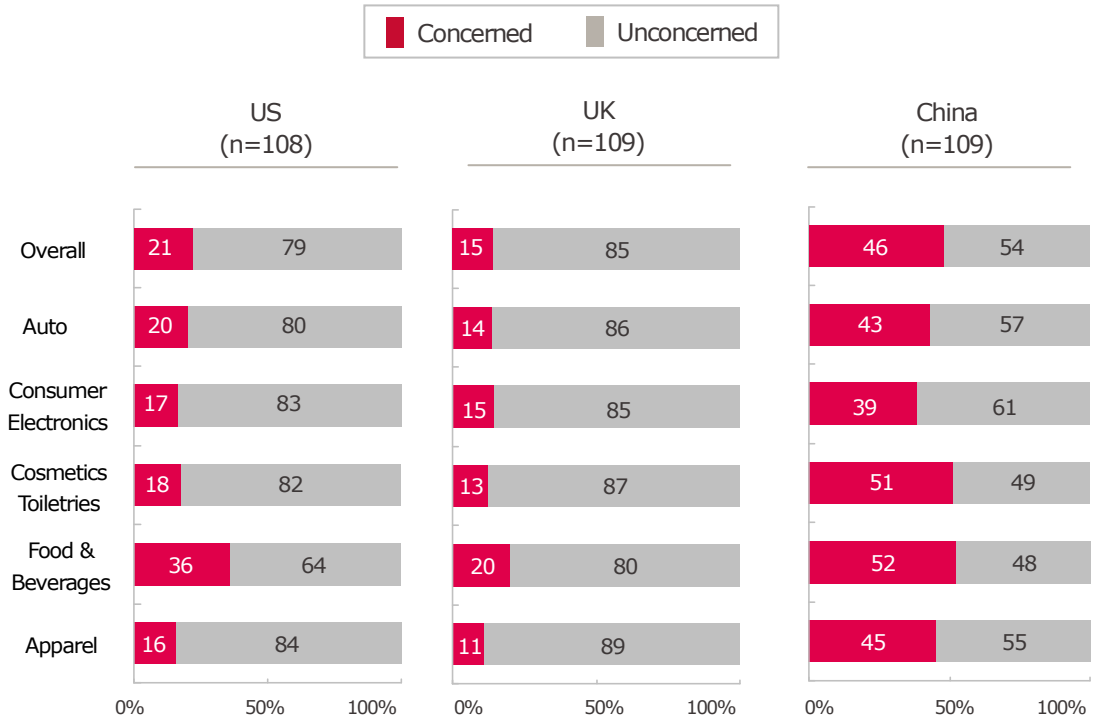
Perceptions of the disaster

Select all that apply



Interestingly in China, even if a Japanese brand manufacturers outside of Japan, there may still be concerns; when asked "Do you feel worried about products from Japanese companies even if they are produced outside Japan?" nearly 40% of consumers in China responded that they "still feel worried." While local production may be one course of action, it is essential to manage the brand holistically.

Concern about products from Japanese companies, even if the products are manufactured outside Japan



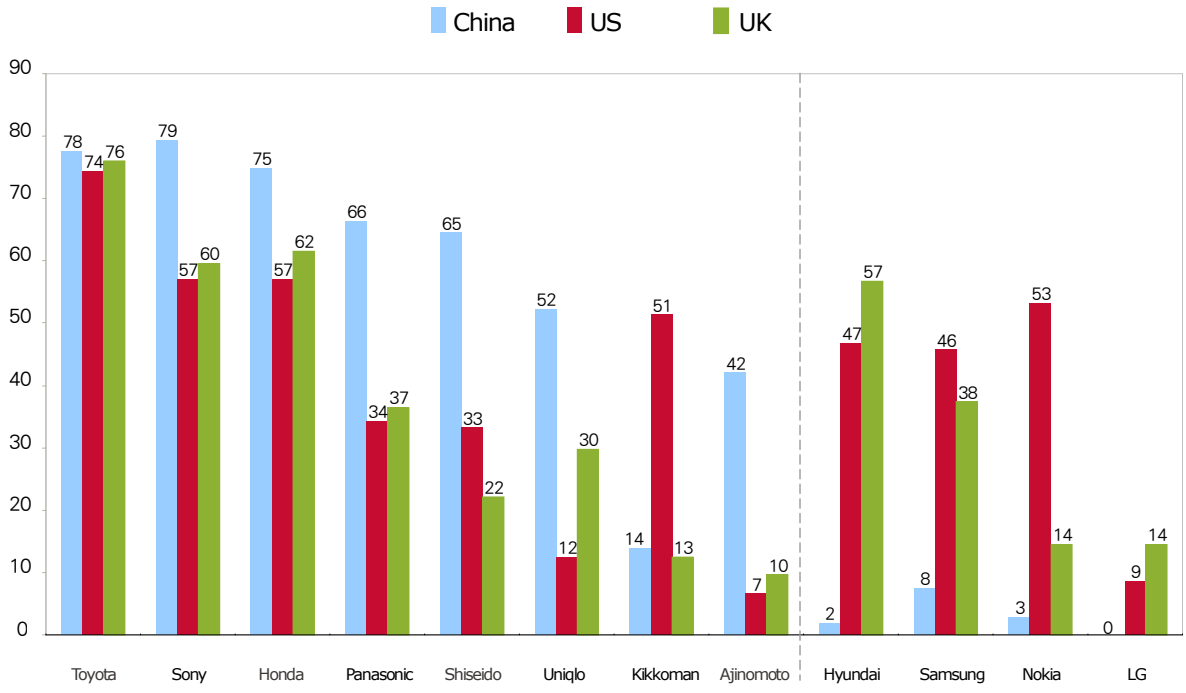
When it comes to country of origin, there is confusion overseas with many respondents incorrectly assuming non-Japanese brands were Japanese. This suggests that some non-Japanese brands may be inadvertently affected by the aftermath of March 11.

Close to half of the respondents in the US and UK thought that South Korean brand Hyundai was Japanese, and in the US over half thought that the Finnish brand Nokia was Japanese.

When it comes to brand management, perception can often be more important than "fact" so it is critical to understand what the public thinks of your brand, even if it is a misperception, and act accordingly.

Brands perceived as being Japanese

Select all that apply



Finally, we would like to offer "Eight suggestions for maintaining and growing brand strength during times of crisis." These were developed based on various crises including the terrorist attacks on September 11, 2001 in the United States and the bombings on July 7, 2005 in London. We hope that they will be of assistance to all those involved in managing "Brand Japan."

Eight suggestions for maintaining and improving brand strength during a crisis

1. **Think holistically:** Consider how your brand touches local communities, other businesses and the wider nation. Now is the time to be the best citizen you can be.
2. **Restate your purpose and your vision:** Make sure that you are addressing the strategic picture, not just tactical issues.
3. **Start with your people:** How you treat them will have a huge effect into the future.
4. **Focus on the future:** Show optimism and hope. Give clear plans for recovery.
5. **Get social:** Communicate constantly and be transparent. Good stories as well as bad stories can quickly gain traction.
6. **Communicate clearly and simply:** People are hungry for information, make sure you engage them in a meaningful way.
7. **Focus on the customer experience:** Customers helped now are likely to remain loyal for life.
8. **Check, check and check again:** Make sure your products and services are safe.

Survey Details

Target countries (cities): United States (New York), United Kingdom (London), China (Shanghai)

Respondents: General public, men and women age 20 to 50

Sample size: United States (New York): n=108, United Kingdom (London): n=109, China (Shanghai): n=109

Target industries: Automotive, consumer electronics, cosmetics and toiletries, food and beverages, apparel

Survey method: Web survey (extraction from online panels of affiliated survey companies)

Survey volume: Approx. 10 minutes

Survey time period: April 29 through May 5, 2011

About Interbrand

Founded in 1974, Interbrand is recognized for being at the forefront of the dialogue on brands as business assets. Today, Interbrand is amongst the largest brand consultancies and has grown to include 40 offices in 25 countries. The combination of rigorous strategy and analytics with world-class design creativity help its clients to create and manage brand value in all market dynamics. It is widely respected for its annual study, The Best Global Brands, and creating a broader platform for the discussion on brands in the Webby-award winning website brandchannel.com. For more on Interbrand, visit www.interbrand.com

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