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GROWTH IN A CHANGING WORLD.

Growth is fundamental to life. It is an inherent part of being human. So is change.

Over the last two decades, our lives have been transformed in remarkable new ways. These shifts in behavior, expectations, and experiences provide incredible opportunities for business growth, but keeping up with them poses new challenges. One of the most critical ways to turn change into growth is by building and constantly developing a strong brand.

Brands are how we form opinions and find meaning in a business. They embody purpose and values, help human beings understand a business on a deeper level, and ensure businesses act in line with people's expectations. Consumers use this understanding to make better choices, demonstrate loyalty, and determine value. Brands are a human construct, and are at the heart of any successful business.

This is as true internally as it is externally. Brands start with humans on the inside and are ultimately delivered to humans on the outside, using technology as a primary means of interaction and a powerful platform for engagement. At a time when speed to market, customer centricity, and cultural alignment are more important than ever, brands are the key to change, and to growth.

PURPOSE THAT MOVES PEOPLE

If brands start and end with people, it's important to acknowledge a significant generational shift in the way people interact with, and what they demand from, brands. Both as employees and customers, younger generations have very different views about the brands they choose. They expect a brand's purpose and values to align with them, and their desires for better communities and a better world.

60% OF MILLENNIALS SEEK EMPLOYERS WITH A CLEAR PURPOSE.[1]
66% OF CONSUMERS CLAIM TO BE WILLING TO PAY MORE FOR PRODUCTS FROM MORE SOCIALLY RESPONSIBLE COMPANIES.[2]

OUTGROW THE BUSINESS. FIND PURPOSE.

The world is changing, and so must brands. But if there's no anchor at the heart of a brand, growth can't be sustained and can even be chaotic. At a time when a clear vision and an authentic purpose are critical to every organization, the values underpinning that purpose are what help hold it steady, and become the bones that prevent its collapse.

Purpose is an organization's reason for existing: its most fundamental beliefs and highest-order aims. A strong sense of purpose draws people into an organization and aligns them inside of it while driving momentum outside of it. Purpose is built on values, and values are the foundation of everything the organization does.

- **VALUES ARE THE DNA OF AN ORGANIZATION**
- **VALUES CHARACTERIZE THE CORPORATE ETHOS**
- **VALUES GOVERN HOW YOU BEHAVE AND BUILD AFFINITY**
- **VALUES ARE ENDURING AND SHAPE THE ESSENCE OF A BRAND**

Values connect people to people, and customers to brands. When people and brands align on a deeper level it creates a synergy that allows them to change and grow together.

FROM BUSINESS LED TO PURPOSE LED

Growth for the sake of growth is not only a constant pressure but can also weaken a brand. True agility means flexing with purpose. Such agility can only be achieved by defining and codifying that which the organization stands for—it cannot be a boardroom exercise that pumps out a generic statement that may be interpreted as superficial and unfounded.

Authenticity is the litmus test for credibility and relevance. It resides in a company's heritage, regardless of age. The challenge is to find that source. Some of the perennial Best Global Brands have evolved over decades based on core values that are embedded in their brands and businesses. It's not about getting stuck in the past. Messaging can evolve and business strategy can change. Far from abandoning values, exercising agility means reaffirming them inside and out.

84% OF EXECUTIVES BELIEVE AN ORGANIZATION WITH A SHARED PURPOSE WILL BE MORE SUCCESSFUL IN TRANSFORMATION[1]

An organization's culture offers a compelling view of the resiliency of the company's values. Employees are the first line of defense and the front lines of conviction—engagement scores and performance metrics will measure the resiliency of values and efficacy of purpose. In the market, these ideals must be constantly understood, expressed, and measured through the brand. There has to be a constant checking-in between the organization and the customer for that connection to remain relevant.

SUSTAINING RELATIONSHIPS

The relationships that exist between customers and brands have evolved to become more intimate and transparent. People have greater access to brands, and more power to measure the quality of their experiences with them. This is an equalizing force, putting accountability in the hands of customers, and customers-to-be. People understand when brands deviate from their values, and have the power to withhold loyalty—and dollars—when they do.

A brand's experiences should be driven by a set of behaviors that are part of the organization. Authenticity is about the promises that you make and the experiences that you create. Consistently delivering on that promise sustains the bonds between customers and brands.

FROM VALUES TO GROWTH

Brands that stand as the embodiment of purpose and values are a magnetic force, keeping existing customers close and drawing new ones into the fold. Like things attract. Shared values bring people and brands together, both internally and externally.

When values manifest in a clearly communicated purpose, it becomes the engine driving the organization. Purpose is the connection to the past, the reason for being, and the roadmap to the future. It keeps people connected to the human side of the business, willing to trust its interests and contribute to its growth.

83% OF COMPANIES THAT OVERPERFORM ON REVENUE GROWTH LINK EVERYTHING THEY DO TO BRAND PURPOSE, AS OPPOSED TO ONLY 31% OF UNDER PERFORMERS[2]

[1]Harvard Business Review & EY 2015 - The business case for purpose

[2]The Advertising Research Foundation 2015 - Insights2020

BE PURPOSE-BRED.
NOT JUST
PURPOSE-LED.

There are no Indian brands in Interbrand's Best Global Brands league table yet. There are a fair number of Indian businesses that are global, but they haven't been able to establish themselves as global brands so far.

To understand why merely growing the size of their global business will not realise their corporate aspirations of being admired as a global brand, it is useful to understand what the truly global brands deliver today.

Having begun with the Age of Identity, the world has swiftly moved through the Age of Value, Experience and now, thrives in the Age of You. The future thinkers of the world have spoken about it as Globalisation 3.0 or the Cognitive Era, where, after the Reigns of Empires and MNCs, it is now the individuals that rule.

So, it is the individual-led era where people with high cognition are in the controlling position and they are clearly using brands to design their lives. Given this new expectation from brands and the accelerating pace of change all around, it devolves upon brands to move at a new speed. At Interbrand we call it the Speed of Life.

While the brands confined to local geographies may still have some borrowed time to remain impervious to this new norm, the global brands and the global brand aspirants have no choice.

So what should Indian brands aspiring to be global, do?

Quite clearly, Indian businesses and brands will need to be global frontrunners in designing lives and creating better experiences, at the speed of life. This requires reinvention and reinterpretation in the context of resolution of conflicts. Finding new relevancy and role in creating better life experiences.

BEING PURPOSE-LED

After an aspirational global role and relevance has been found by the Indian brands, the next big step is about setting a goal and creating a purpose. Once you do that and commit to it, the Universe, as is oft repeated rather romantically, conspires to help you achieve it.

Finding their global purpose will create new relevance and authenticity of the Cognitive Era Brands. This is what will enable the decisive social presence, as people will connect most with the resolutions of their most powerful and unresolved conflicts. That's what they will talk about and share. Thus making it easy for such businesses and brands to gain the all-crucial consumer advocacy, the highest form of engagement.

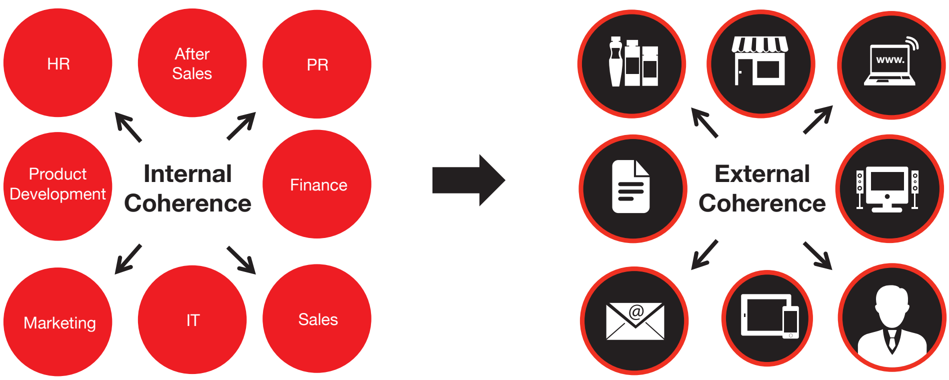
At a conceptual level it would have been enough to provide a definitive philosophical direction to the global brand aspirants. But there are challenges both at global and local levels that the brands and marketing have to contend with.

BEING PURPOSE-BRED

In our analysis, the toughest challenge for brands and marketing is a lack of the experience and ability to manage the exploding micro experiences within today's complex and pervasive customer journeys. There is a desperate need for an anchor to tie it all together– an anchor with a meaning system. A purposeful anchor that inspires and connects people– around culture on the inside, and around experience on the outside.

An anchor that breeds focus and consistency through governance.
And orients the commitment through clarity and responsiveness to provide the dynamic micro experiences.
The organisation's ability to do so with its brand will create the only possible differentiation in the easy-to-imitate age we live in.
Indeed, brands are the only sustainable differentiation that businesses have to leverage their competitive growth with.
Unfortunately, that's where the problem lies when it comes to Indian businesses.

BRAND AS AN ANCHOR FOR INTERNAL AND EXTERNAL COHERENCE



The Brand can act as a purposeful anchor that inspires and connects people– around culture on the inside, and around experience on the outside.

Ashish Mishra
Managing Director, Interbrand India

OUTGROW THE EXTERNAL BRAND. BUILD AN INTERNAL CULTURE FIRST.

BUILDING ORGANISATIONAL 'SANSKAAR' & VALUE SYSTEM. THE NEW ROLE OF BRAND.

Over the last century, brands have moved from The Age of Identity to The Age of Value to The Age of Experience and are finally in the Age of You.

The evolution interestingly is not a sequential rejection of the precursor, but an analogous qualification of the follower.

The implication on the conventional branding value chain is total. And its epicentre is the experience.

Consumer Research, Marketing Strategy, Identity Design, and Activations are thus terms for stragglers and should evolve into practices of Experience Audit, Strategy, Design and Governance.

But when did experience & engagement take over the centre stage? We only have to consider the pivotal impact of technology on business to understand that.

There was a time when we bought in a linear fashion. When the need grew into a want, a sub set of brands we were aware of became our consideration basket. We then found out more about them through ads, dealers, family or friends; grew more desirous and finally made the purchase.

Contrast this it to a new car buyer's journey as mapped a few quarters ago. The person began with a set of five hatchback brands. The process of search and evaluation almost immediately intensified. Comparison sites, blogger reviews, WhatsApp queries, Facebook closed group posts for advice, test drives, showroom hopping, finance evaluations, online deal negotiations, customisation possibilities, kids' views, spouses' colour and furnishing choices, tech savvy friends' advice on price-feature trade-offs, company website checks, YouTube videos, crash test reports and much more. In effect, what would have been a linear purchase process of 4-to-6 touchpoints had grown into a complex journey of over 110 touchpoints! The so-called basket of brands of five that the prospect began with got overhauled two times over and the final car bought wasn't even a hatch!

Yes, indeed the Awareness Interest Desire Action (AIDA) model and consideration set concepts are no more than vestigial anachronisms today. Broadly put, the consumer journey as the pivot of all business and brands has undergone a complete change. That simply is the reason for the fundamental shifts that have changed the face of corporates around the world.

This is also the biggest marketing challenge for the world. CMOs everywhere are struggling to stay relevant. The marketing function not only has newer competition and their footfall building discounts to contend with, it also has the confounding task of the addressing this new complex and multi touchpoint customer journeys.

Unfortunately the unsuspecting CMO with a primary experience of coordinating with ad agencies knows little beyond churning out print and TV campaigns. With the consumer expecting a seamless experience across the product, the information, the packaging, the social, the reviews, the advocacy, the environments, the usage, and the communities; and with disparate teams attempting to manage each of these as different functions; the CMO's and the CEO's biggest challenge today is arresting the inefficiencies and the disjointedness of the efforts. The pressure is mounting under the weight of exemplary brands like Apple, Nike, Tesla, Starbucks, and MINI.

There is a definite pattern to the success of these brands: It is the cohesion of experience; The identity of the cohesion; The strategy behind the identity; The purpose of the strategy; and the governance of its implementation.

This reaffirms the experience centric transformation of the conventional marketing and branding value chain indeed. But how can this maze be navigated?

The prophetic businessman Larry Ellison provided a clue at his Annual General Meeting (AGM), evocatively stating, "It's all about people. People on the inside and people on the outside. You keep your employees happy and they keep your customers happy. And you win!"

Quite simple really, right? Yes, this truly embodies the microcosm of the solution of all branding and marketing of the future. Marketing needs to relinquish control over the brand and let it assume a "centre of the organization" role influencing all functions equally. That's the way for the harrowed marketing function to assume less than tertiary importance in an organization and get CEO's and Management Board's attention. Having done that, as a facilitator (not the primary owner and controller) of the brand, marketing needs to propagate and structure the new brand management in two fundamental stages – building culture and values on the inside, to deliver experience on the outside.

The primacy of the two tasks lies in the building of culture, values, and behaviours internally. Only when that is done can the experience outside be cohesive, efficient, and effective.

That really is the new distillation of building brands and businesses- the new Anatomy of Growth.

OUTGROW COMMUNICATIONS. BUILD ENGAGEMENT.

OUTGROW SALIENCE AND PROXIMITY

In India, engagement sits at the fulcrum of a peculiar paradox: digital growth is exploding while customer centricity is barely burgeoning. This phenomenon leads to the leapfrogging of a billion-person market from a recent past in which conventional businesses themselves were still coming to terms with the basic tenets of customer orientation, to the present, in which the most-promoted brands are in the e-commerce and telecom spaces.

Brand engagement has traditionally been neglected by Indian brands. Few understand the need to engage with the stakeholder at a deep level, over a sustained period of time. Fewer still know how to go about it.

A cursory look at the brand strength assessments of a cross section of Indian brands confirms this. Almost all of them—from the largest conglomerates and B2B brands to giants in the telecom, FMCG, automotive, banking and consumer durable spaces—have consistently low engagement scores. The Best Indian Brands, in fact, score an average of 4.5 out of 10. Compare this to the global average (represented by the Best Global Brands) of 6.5, and it's clear that engagement is a neglected factor of brand strength amongst Indian brands.

Our research into Indian brands across industries—including conversations with leading CMOs—reveals the top reasons for a lack of engagement in India, which will serve as a foundation for finding solutions:

1. Lack of appreciation for engagement ROI: Building strong and lasting brand engagement often requires large investments. The benefits of these investments are not immediate, but accrue over a period of time, and may manifest in the form of emotional measures like "a sense of belonging" to a brand. These benefits are not easily measurable and, in a world in which businesses are focused on the next quarter's sales numbers, many corporations do not find the reasons for brand engagement compelling.

2. Poor online engagement ecosystem: While India has made significant strides in building infrastructure, there is still a long way to go. The country has limited platforms for communication, low digital penetration, and even lower internet speeds. A recent report by Crisil[1], a leading rating agency in India, elucidates these points. According to Akamai's State of the Internet study, broadband speeds in India average at 5.6 Mbps[2]. This is amongst the slowest in markets with 4G services (the fastest, according to the report, was South Korea, with 26.1 Mbps). Insufficient digital infrastructure means that brands need to prioritize real-world engagement, which can become prohibitively expensive.

3. Challenging heterogeneity: Assuming a brand overcomes cost and infrastructure hurdles, the question then becomes who do you engage with? The fact is, there are multiple Indias within one. It is famously said that culture, language, customs, and even cuisines change every 100 km in this country. India's high population, vast cultural diversity, multitudes of languages, and disparate urban-rural populations make it difficult to create compelling and relevant engagement, as the effort gets spread very thinly across nuanced cultures.

4. Priority of salience in fast-changing markets: In developing markets such as India, which are constantly expanding and extremely competitive, building presence and salience often takes centre stage. Indian marketers are often too preoccupied with expanding into new territories and tackling rising retail challenges to worry about engaging with the consumer at a micro-level.

5. "Anything you say about India, the opposite is also true": Given the magnitude of people and the diversity of language, culture, and customs, the country often experiences trends and counter-trends simultaneously. For example, the fitness movement is getting bigger than ever, with an active lifestyle being propagated by a large percentage of food, apparel, and sportswear brands. In parallel, indulgence (for pleasure, not health benefit) is widely advocated by an equal number of food brands. These trends coexist and continue to grow, not necessarily at the cost of one another. Creating effective and impactful engagement in such a disparate market becomes a challenge for brands.

6. Aspiration vs. actual price: There exists an interesting paradox in the Indian market: Customers yearn for aspirational products, but expect these products to be available to them at affordable prices, and without compromising quality. Hyundai's success in the Indian market is largely due to its ability to constantly deliver fully loaded, feature-rich automobiles, a world class dealership experience, and an aspirational brand image that comes with a price that's comparable to that of Maruti, the quintessential commoner's car. Engaging customers can be an exceptional challenge in markets where customers' desires are so divided.

The reason engagement scores are low amongst brands in India is perhaps as much due to inherent structural issues with the market as to a lack of appreciation. However, there are compelling reasons that India is becoming fertile ground for engagement:

The consumer capital and rising social saturation: India is currently the largest market in the world, and increasing spending per capita makes our economy more attractive for long-term growth prospects. Hence, in markets like this, the continuous building of brand loyalty and advocacy through some of the most populous social networks will play an increasingly important role. While digital infrastructure is still growing in India, the social presence is rising.

Brands have a chance to get ahead of the curve by reaching vast audiences where they'll be in the future

Evolving demographics in India: The Great Indian Middle Class is seeing increased discretionary spending, driven by an increase in disposable income. Indians are no longer "Brahminical" in their approach to spending and are increasingly choosing to consume. This presents immense opportunities for brands to engage in deep, meaningful conversations with customers on an ongoing basis, which will keep them top-of-mind when those purchase decisions are made.

Growing affluent class demanding exclusive attention: The luxury market has grown at a compounded annual growth rate (CAGR) of 25%, to over $18.3 billion[3] is projected to grow 2.5 times its current size in the next five years. The purchase of luxury cars in India has increased, despite the economic slowdown in 2017—with first quarter growth at its lowest since 2014.[4] High purchasing power is also evident in the affluent class through significantly increased smartphone usage and spends on eating out.

As the rich get richer, they are also getting pickier about where they spend. Given the multitude of options available, presence alone might no longer be enough. Brands now need to work harder to engage more deeply with customers, stay relevant, and be the preferred choice.

Getting savvy consumers to stick with you: The middle class—which constitutes nearly 65% of the total consumer market—is highlyvalue-conscious[5]. Catering to this significant target group has led to widespread democratization and discounting—two of the biggest success-drivers in the market. Fostering engagement amongst this finicky group may be a strong way of restoring some lock-in and loyalty, which can be a stabilizing force for brands amidst the uncertainties of an evolving market.

The engagement opportunities: Despite the plethora of challenges, it's important to pay attention to growth trends in India. There are certain "hero categories" in which engagement is the key growth driver, as brands are more critically expected to design their experiences around customers and deliver personalization. The best bets for engagement strategies lie in the sectors in which the customer segments are of higher value and thus there is a business case for investing in engagement. Luxury goods and services, HNI wealth management, high-end hospitality, gems and jewelry are all sectors in which early adoption of an evolved engagement practice is crucial. Forging stronger connections in the world's most populous nation will be a happy fillip to its celebrated heterogeneity and drive the evolution of society at large.

[1] Crisil 2017 - Mammoth moves (3 years of Modi government)
[2] Akami 2016 - Q4 State of the Internet Connectivity Report
[3] Observer
[4] Reuters 2017 - India loses fastest growing economy tag after sharp growth slowdown
[5] Tata Opportunities Fund 2012 - The India consumption story

OUTGROW TECHNOLOGY. FOCUS ON EXPERIENCE.

DON'T LET TECHNOLOGY GET IN THE WAY

Brands and people are occupying more spaces together, both digital and physical. Technology can create more opportunities for brands to form deeper relationships with customers, and it's becoming more than just a tool—technology can embody your brand. However, if it's not fully embraced and the experience is disruptive rather than immersive, it will only cause alienation in place of connection.

THE ADOPTION RATE OF HOME VOICE ASSISTANTS GREW TO 12% IN THE FOURTH QUARTER OF 2016.[1]

Voice assistants are a new frontier for many brands: a chance to literally begin a conversation with customers and field questions in real time. However, assistants run the risk of becoming intrusive.

A TV ad that triggers a virtual assistant to deliver a message is a clever exploit of fresh technology—yet besides being amusing or surprising, it does little to build a relationship or provide deeper benefit. This type of advertising may feel like a violation—a brand entering the home without permission over a device many aren't completely comfortable with yet. Users expect to hear from their assistants on their terms—having that assistant deliver a message on behalf of a brand is as jarring as having that brand's own voice come through their speakers. Voice assistants can help bring brands into users' lives, but the message must be meaningful in order to be well-received.

Voice assistants pose other challenges along with their opportunities. One is that each voice assistant has its own brand persona. Alexa is different from Siri is different from Bixby is different from Google Home is different from Cortana. This leaves very little room for a brand's own voice to be heard.

Brands have two choices. One: Create an assistant of their own, which is fraught with resource and adoption issues and is probably only viable for a handful of businesses. Two: Find a way that existing voice assistants can make interacting with that brand and business easier for users. The second option requires openness to partner with experts and stakeholders and to relinquishing total control of the brand experience. Both require a mastery of current technology, and the ability to anticipate consumer behaviors and needs.

What will successful executions sound like? They could take many forms.

This includes entering a hotel room and being greeted by a voice assistant automatically, with a custom itinerary based on personal interests; Integrations that allow users to check their account information, flight status, or tire pressure with a simple voice command; Syncing voice assistant information upon entering a store to deliver directions to sale items that users are interested in. There is no shortage of possibilities, but if the interaction is valuable, positive, and simplifies our lives, it will reflect well on the brand enabling it.

Voice assistants are just one timely example of the disruptive influence technology can have on brands. The same will be true for AI, driverless cars, augmented reality, and automation—these new tools create friction as both users and brands come to grips with how they

work and the best ways to use them. Growth brands know that the Age of You isn't over, and that simply using these technologies is not enough to get them to reach their full potential as brand and business tools. The brand experience needs to be a consideration from the start, and built in to help humans work with technology in harmony. Technology that is not translated through a brand can become a barrier between the business and its audience. A voice is a powerful tool, if it carries a relevant message.

OVER HALF OF US TEENS AND 41% OF ADULTS USE VOICE SEARCH ON A DAILY BASIS.[2]

[1]IDC - U.S. Intelligence Assistive Embedded Consumer Devices Forecast 2016-2020
[2]Google and Northstar Research Report 2014 - The Mobile Voice Study

ACCELERATE RESPONSIVENESS. MOVE AT THE SPEED OF LIFE.

DISCARD THE SPEED TO MARKET. MATCH THE SPEED OF LIFE

Brands don't move at a single speed. New, technology-centric brands like Interbrand's Breakthrough Brands—unencumbered by legacy processes and free to reinvent how they do things in the Age of You—can build up their businesses and brands at head turning rates. Chinese rideshare brand Didi Chuxing, Indian online marketplace Flipkart, and US e-commerce and payments provider Square have reached valuations of 50 $b USD, 11 $b USD, and 6 $b USD respectively. What do they have in common? They're all forward-thinking, digital-first companies that have worked just as hard to establish their brands as they have their new technologies.

WITHOUT A STRONG BRAND AS AN INTERFACE BETWEEN YOUR INCREDIBLY FAST-MOVING COMPANY AND YOUR ACTUAL CUSTOMERS, IT'S DIFFICULT TO MAKE REAL IMPACT IN THE MARKET.

The key insight is that being an agile innovator is not enough. There are plenty of companies creating incredible technology and breaking down paradigms that go nowhere. This is where companies with established brands have a massive advantage. They have already done the hardest work: their brands are strong, recognized, even beloved. It's the internal structure and capabilities that need to be boosted.

There are a few ways to build the technical capability of a company to expand its brand. Integrated systems and collaborative tools that provide seamless communication should be a given, but are often overlooked. Beyond that: acquiring, investing in, or partnering with younger, faster brands is effective. If you can't beat them, join them. Microsoft's acquisition of LinkedIn, Walmart's acquisition of Bonobos, and the partnership between Target and Casper are all a testament to the growing popularity of this strategy. Now, as once- Breakthroughs reach the Best Global Brand level, they are even acquiring longer- established brands (and their clout)—Amazon's recent acquisition of Whole Foods being a sign of what's to come. Established brands are also in a good position to use and create new technology. While startups can drive flashpoint innovations with sustained focus, established brands have the budget to fund and foster these efforts at a larger scale. They are able to truly experiment and put ideas into practice with the resources that smaller companies just don't have, to build their brands faster.

WORLDWIDE SPENDING ON IOT WILL GROW 16.7% IN 2017, REACHING MORE THAN $ 800 BILLION[1]

Samsung's continued investment in VR and IoT, on display at the Samsung 837 experience space, is an example of a Best Global Brand that never stops in its efforts to put the latest technologies in the hands of real people. Auto brands like Nissan and Toyota continue to push boundaries for self-driving and electric cars, with up-and-comer Tesla setting the pace. Breakthrough Brand Face++ creates stunning facial recognition technology, but it took Lenovo to give them their most well known use case—allowing users to login to Lenovo products with their smile alone. Best Global Brands are enablers of technology, and when they combine new capabilities and solutions with a strong brand platform, it only amplifies their business growth.

Technology and brand are now indelibly intertwined. We form opinions on many brands through the user experience of their apps alone. Established brands that get the most attention do so for technological leaps and innovations, not just for the latest ad campaign. People want to try new things that work well, and when those things impart a stronger connection or a positive feeling, they are associated with the brand that supplied it in the first place. That needs to be the goal of any brand looking to grow, and technology can take them there faster than ever. Building brands at lightning speed is not just reserved for startups. No matter how established or beloved a Best Global Brand is, continued brand-building is a must for business growth.

[1]IDC 2017 - Worldwide Semiannual Internet of Things Spending Guide

UNDERSTAND WHAT NEEDS TO BE OUTGROWN.

ACCELERATING WHAT MATTERS

Businesses today have an overwhelming amount of data available to them, but data analysis often occurs in the rear-view mirror. Cumbersome data collection and analysis is not fast enough to respond to changes that brands need to make closer to real time.

In order to grow, companies need to move to a more predictive model of brand analysis. Amid constant change, they need to measure the data attributes indicative of what will truly drive business impact. It's the only way to move at the speed required to be ahead of the competition.

A strategic model combines brand, transactional, perceptual, and behavioral data in order to identify the right brand activations and drive the best business outcomes. This combined data approach outlines the key metrics of a business's performance, and provides a focused view into the micro indicators driving the macro changes.

FROM:

TOO MUCH DATA, BUT NOT ENOUGH INSIGHT INTO HOW TO TAKE ACTION.

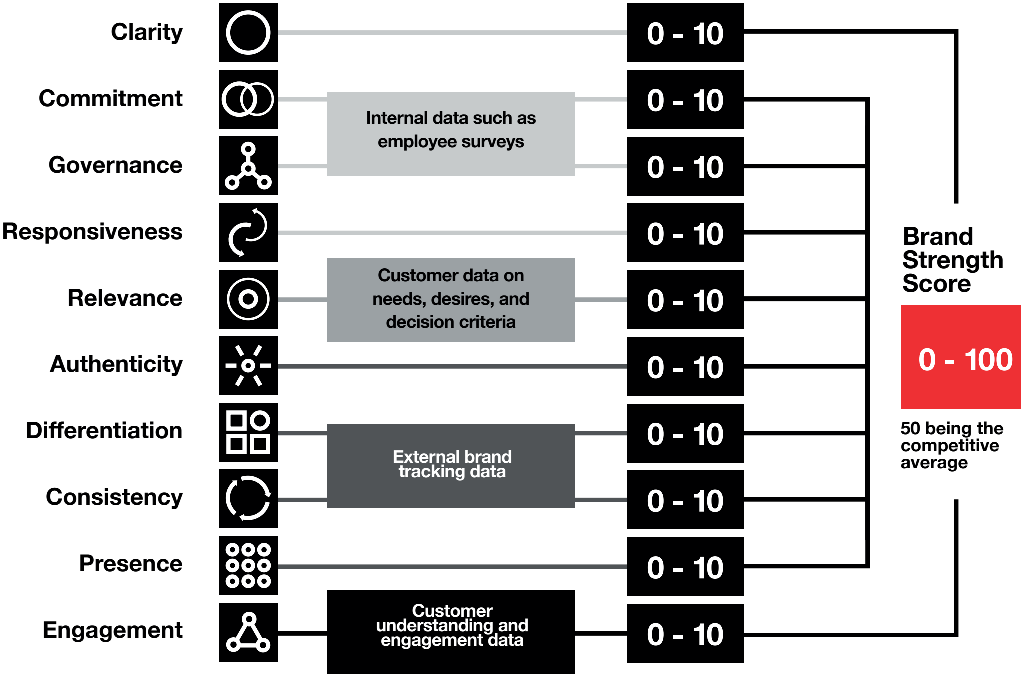
TO:

A STRATEGIC BRAND MODEL THAT HELPS MAKE BETTER BUSINESS DECISIONS.

This is a statistical model, based on the 10 Brand Strength dimensions (those used in the Interbrand Best Global Brands methodology to measure the performance of a brand) which identifies the exact perceptual, behavioral, and transactional data sources underpinning each dimension.

These leading indicators help identify the processes, strategies, and behaviors that can be acted on quickly and directly to anticipate and affect real change, while driving demonstrable impact on business performance.

BRAND STRENGTH ASSESSMENT



DATA FOR THE REAL WORLD: DESIGNED AROUND THE CUSTOMER

We know that delivering superior customer experiences drives business growth. However, these experiences are becoming increasingly challenging to create as the customer's journey becomes more complex. Reams of data surround the measurement of the customer experience, which often creates a fragmented and reactive view. A connected source of data, one that provides a holistic view of people, is needed to keep pace with the speed of market change and customer demands. This ensures that data is dynamic and nimble so that activation can be highly targeted. By prioritizing actions that truly impact growth, the right experiences will be created and delivered to the right person, at the right time and place.

FROM:

DISPARATE DATA DRIVEN BY SPEED OF MARKET CHANGE.

TO:

A CLEAR ROADMAP WITH PRIORITIZED ACTIONS THAT IMPACT GROWTH.

Data for the real world: Designed for brand and business performance

It is critical for organizations to stay focused on their long term goals while reacting to the shifting, test-and-learn culture of the digital user experience. Directing focused, daily brand and business decisions is possible through a detailed roadmap that identifies both immediate and long-term impact on business performance. Such a roadmap should also clearly model the relationship between brand metrics and business level financial data.

Internally, this helps align different groups across the organization that may be responding to customers in vastly different ways, depending on the data that's pushing them for immediate action. If these units are not led by a central vision, internal chaos can occur, which can erode the brand's performance and break down the overall customer experience.

WHAT A STRATEGIC MODEL ULTIMATELY PROVIDES

1. A business case to validate the focus and changes necessary to drive growth and improve brand and business performance.

2. A strategic roadmap that enables the right allocation of money and resources to the right areas, aligning all business and brand activities.

3. A rigorous approach to overhaul internal processes, institutionalize change in order to deliver relevant experiences, and ensure internal teams have the right capabilities.

To be truly ready for change, companies need to optimize the way they look at data, and not respond haphazardly. For focused business success, responses need to be consistent, dimensionalized, and underpinning a larger vision. Only with focus can a business truly accelerate growth.

OUTGROW THE CAPABILITY CONSTRAINTS. UPGRADE PEOPLE, PROCESSES, AND PLATFORMS.

THE CAPABILITIES TO OUTGROW

While it's hard for businesses to keep up with constant change, the most significant toll is on its people. When market forces shift and businesses have to pivot, it can often bring more stress for everyone within the organization. Change is now coming so fast, so often, that a new wave begins before people have had a chance to recover from the last.

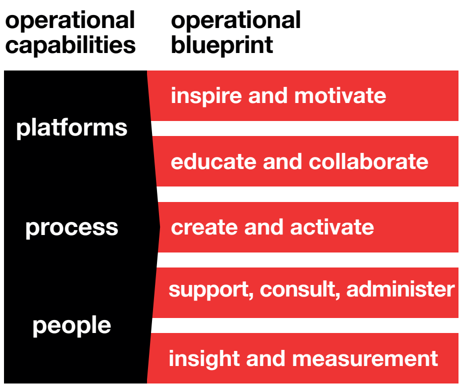
With these evolving market conditions driving new ideas, experiences, and models for Growth, any external changes made by a company will struggle to gain a foothold if internal teams are not informed, engaged, motivated, or fully equipped with the right capabilities to create change and grow along with the organization. Especially given that change is not always immediately perceived as positive.

Change is what helps create new and engaging customer experiences, but without engaged and invested employees, this is impossible to deliver. Organizations cannot afford to leave their people behind. And it takes much more than a declaration or reassurance from leadership. Change must be institutionalized. Flexibility, reinvention, and reorientation must be second-nature—an inbuilt reflex, without a second thought. This will align the business ambitions with the evolving market conditions, and prime the organization for growth inside out and outside in.

50% OF US WORKERS HAVE BEEN AFFECTED BY ORGANIZATIONAL CHANGES IN THE LAST YEAR, ARE CURRENTLY BEING AFFECTED, OR EXPECT TO BE AFFECTED IN THE COMING YEAR[1]

This is where brand plays a key role. Not only is a brand the ideal vehicle for highlighting an organization's ambition and purpose in a way that's human and engaging, it also plays the role of integrator. Brands are increasingly deployed to bridge gaps across organizations, which are increasingly global, multidisciplinary, and siloed. The brand can bring coherence to varied customer experiences and touchpoints, and help companies leverage best practices and competencies from all corners of the organization.

With every change, it's important then for the brand to ensure that platforms, processes, and people are aligned.



PLATFORMS

To communicate this brand message consistently across time zones and language barriers, strong, centralized platforms are paramount. These can come in the form of: a fully-integrated brand portal; effective internal communication apps and services that reach people where they are without distracting them; reliable, intuitive databases and other technologies that share knowledge and drive business strategy forward. These platforms are essential to lowering the inevitable friction of working in an ever-more hectic and global marketplace.

PROCESSES

However, the best platforms in the world are nothing without efficient processes built in that empower employees rather than pile on bureaucratic tedium and slow them down. When used correctly, they should lower barriers while ensuring that all brand communications are consistent, that responsibilities are clearly delineated, and that all brand activities point towards a broader strategy. Processes can help impart a broader culture of experimentation, giving people the leeway to try and fail so that they can imagine new ways to grow.

THE MOST ENGAGING, COHESIVE CUSTOMER EXPERIENCES ARE DRIVEN BY HIGH PERFORMING BRAND AND MARKETING ORGANIZATIONS.

PEOPLE

Building processes goes hand-in-hand with empowering people to embrace and lead change. This requires bringing people along on the journey, providing clarity on the destination, and most importantly, investing in people with the right training, skills, and behaviors.For an organization to be primed for change, people need to know that the organization will equip them with everything they need to drive that change, and will provide rewards in the form of personal development. To achieve growth in the modern marketplace, this bottom-up approach is essential. Systems are important, but it's predominantly about people.

Strategy, culture, and technology are all beholden to real individuals. Not just inside the company, but outside of it as well. The core of this idea is truly intuitive: A brand is made by people, for people. Change is constant because customers are always changing, so for a brand to keep up with them, its people must be able to move just as fast.

[1] APA 2017 Work and Well-Being Survey

OUTGROW THE HYPER-SEGMENTATION. USE DESIGN TO INTEGRATE.

DESIGN AS A FORCE OF INTEGRATION

Of the many shared characteristics across the Best Global Brands, for those that are mastering Growth in a Changing World, the elevated role of design in the enterprise is fundamental.

When design is brought up in the context of brand, it's often assumed that it's an aesthetic concern. While aesthetics remain a vital part of a brand, it cannot be isolated to what's visible—it must be internalized by the organization and harnessed as a force for change and improvement.

41% OF DESIGN-LED ORGANIZATIONS REPORT HIGHER MARKET SHARE. 70% REPORT HAVING A STRONGER OR BEST-IN-CLASS DIGITAL EXPERIENCE*

As brands are experienced in micro moments in the hyper-fragmented Age of You, design can be a powerful force for unifying a brand's experiences. It can make an instant impression and link moments in a way that's both memorable and meaningful. Design ensures that every aspect of an organization's brand is aligned, with little, if any, distinction between an organization's business strategy and its customer experience.

With increasingly complex organizational demands, design becomes a force of integration. The fundamental advantages of having design hardwired into the organization bolsters the strength of the brand in key ways:

One is focus. Excellent design delivers both a coherent customer experience and an elegant roadmap for future growth.

One is clarity. Design provides a shared point of view on the ideal customer experience, allowing everyone in the organization to know how they can each impact that experience.

One is speed. Design can be harnessed to breed efficiency. Macro design principles can quickly become micro applications.

One is flexibility. Embedding design methodologies into the organization allows teams to reinvent processes that adjust to different contexts.

DESIGN FOR THE OUTSIDE IN AND THE INSIDE OUT

At a time of hyper-personalization, organizations must communicate with customers in a non-linear fashion. By understanding how people live and interact, organizations can structure themselves around their customers' priorities. Design derives power from its role as mediator—accounting for the interest of the customer and the desires of the business equally.

91% OF DESIGN-LED COMPANIES LIST DESIGN AS CRITICAL TO CUSTOMER EXPERIENCE. 85% LISTED DESIGN AS A CRITICAL COMPONENT OF BRAND.[1]

DESIGN FOR SIMPLIFICATION AND HUMANIZATION

With hyper-fragmentation comes hypercomplexity. Rapidly shifting technologies and ever-changing customer demands create multifaceted, layered challenges for organizations. Design solves these complexities by rendering interactions with technologies and other complex systems simple, intuitive, and pleasurable for the organization and the customer.

DESIGN FOR TRANSFORMATION AND ADAPTATION

Not all traditional organizations are built to handle continuous transformation. Fortunately, disruption and design go hand in hand. When introducing new ideas, design methodologies—such as validation and iteration—can help make the unknown comfortable by making ideas tangible and easier to socialize internally.

DESIGN FOR STRUCTURE AND CULTURE

Becoming a design-led organization requires both cultural and structural rigor. For some businesses, how to solve for the customer—including processes and tools—may require an overhaul. Design-led organizations are driven by empowered employees who are empathetic to their audiences, and who deliver what people need, instead of what the job requires. None of this means that design can't be beautiful, but above all, it must be functional—it should balance beauty and utility, efficiency and emotion. Purity of design can't be at the user's expense. More than a lofty and provocative goal, design is an essential tool for building strong, agile, customer-centric organizations.

DESIGN IS WHERE A SINGLE TOUCHPOINT REFLECTS THE ENTIRE BUSINESS, AND WHERE WHAT'S LEFT OUT IS AS CONSIDERED AS WHAT STAYS IN. WHERE THE CUSTOMER AND THE EXPERIENCE ARE ONE.

[1] Forrester on behalf of Adobe 2016 - "Design-Led Firms Win the Business Advantage."

OUTGROW THE ADHOCRACY OF A STARTUP.

We draw an analogy between breaking the sonic barrier and business growth. Why? Because sonic barrier describes the sudden increase in aerodynamic drag experienced by an aircraft when it approaches supersonic speed. And when it breaks that speed barrier, sonic booms generate enormous amounts of energy, sounding just like an explosion.

One might say that this resembles what is frequently happening in today's market: entrepreneurs who are bold enough to challenge the conventions of entire categories are accelerating their businesses' growth so quickly that, when news of them hitting their frst billion-dollar valuation breaks, it must resemble the sound of a sonic boom, both in volume and reach.

Right now, the world is resonating with the sounds of trailblazing brands that have broken through: Airbnb turned the hotel category on its head, Tesla challenged decades of automotive conventions, the likes of Uber and Lyft have dared to reinvent personal transportation, Snapchat changed he way people connect socially, and Pokémon Go needed no more than a few weeks to engage millions of people and businesses around the world in a hunt for fctional cyber creatures.

The questions are: What separates the businesses that do break through the growth barrier from the ones that never reach it? And what is that powerful fuel that helps them accelerate fast enough to make it through? Over the course of our 40-plus years, Interbrand has worked with some of the world's largest Fortune 100 companies and most agile startups alike. Looking at the ones that were extremely fast to reach and sustain an impressive level of business growth, the very same—and (as with most good things in life) very simple—growth formula applied. Let's look at how some recent sonic boomers did it:

A CLEAR SENSE OF PURPOSE
A RELEVANT OPERATING MODEL
+ A POWERFUL CUSTOMER EXPERIENCE

BRAND AND BUSINESS GROWTH

You need to be crystal clear on the meaningful impact you want to see in the world—and why. Whether it is the ambition to dramatically improve a product, a service, or an entire category, be relentless in defning the story that lives at the core of your business and brand—and message it over and over again, since it will become a flter people use to judge the authenticity of everything you do.

Then you need a design and operating model that speaks to the people you'd like to call your customers. Uber's business is built on a technology platform that makes transportation easy and seamless. Warby Parker designed an initial operating model that substituted expensive retail locations with free product trials. Find out what the operating model is that allows you to scale, quickly

At the end of the day, the rate of growth you'll reach will depend on the quality of the experience you provide. It's not news, but not less true today than it has been before, either. You have to make sure to invest in and focus on the experiences that truly matter to people and inspire them to engage over and over again. That sounds rather simple, doesn't it?

Then why do 80-90 percent of startups fail?

Making it real is pretty hard, after all. And so many businesses (existing and new) fail to replicate this formula. This is mainly because of three growing pains that keep them from reaching their full potential:

1. LACK OF FOCUS

Very often, organizations—even when they're still small or only comprised the founders and their initial team—lack a shared focus. Too often, they try to be too many things to too many people. And while they go down that road with the best of intentions—to cover more segments, to play in more categories, to generate more revenue streams—it is very rarely a successful path to explore in the early stages of a business venture. If the brand is not clear on its own purpose, customers won't be either.

2. LACK OF ALIGNMENT

Another growing pain on the path to success is missing processes and structures that are necessary for an organization to rally the right troops around the right table at the right times. Much energy is being wasted on the inside with redundant meetings and talk, while people on the outside are waiting for the "next big thing." Internal processes are needed (and are often important to hedge risk), but in order to thrive in today's hypercompetitive world at the speed of life, organizations need to allow for iterative exploration, beta testing, and faster decision-making. Take a look at Google: It's a big (i.e., real big) business that has scaled lean startup principles to hit the ground running and power right through the growth barrier.

3. LACK OF ACTIVATION

The third obstacle to accelerated growth is a too-superfcial understanding of what it takes to bring a brand to life. We live in a world where the degree to which customers engage in (and talk about) the experience you provide them defnes the degree and longevity of your success. And while the number of potential touchpoints and the changes you can make to them can be overwhelming, it is absolutely critical to identify what the most relevant experiences are for your audiences. Once you know, relentlessly prioritize them—invest in user Experience (UE) design and activation, and create a seamless connection between them. Too often, the excellence of a few selected touchpoints is sacrifced in order to maintain the mediocrity of too many.. While being present is important, emerging companies must be good at creating hallmark brand experiences that stick with people.

Apple understood that early, when it invested heavily in its stores. Uber has gained traction by continuously improving its app. And today, Breakthrough Brand Shinola is following this formula by relentlessly focusing on the quality and durability of its product. What are you prioritizing as the signature experience of your brand?

Of course, doing all these things right takes discipline—which does not always come easily during the early growth stages of a potential new breakthrough. Priorities shift, people change, the market turns, the competition reacts. It is challenging for many Breakthrough Brands to keep the eye on the prize and not get distracted.

For exactly that reason, we have developed the Interbrand Accelerator—a service that helps companies at all stages successfully navigate the most critical moments of their growth and alleviates the above-mentioned growing pains.

The Accelerator combines a proprietary analysis of ten key growth factors (including the fve measures of a Breakthrough Brand) and features a data dashboard that sources leading indicators, fast-moving metrics, and customized data to spot and visualize opportunity areas. The information is used to align key decision-makers around a shared set of strategic priorities, and to identify the most urgent and impactful actions the business can take in order to create a holistic, connected customer experience that's hard to resist.

This is a powerful tool for the next generation of business leaders who are keen to align their organizations around delivering a coherent brand and to rapidly capitalize on opportunities for business growth.

And when the next big booom echoes through the industry, signaling a new brand breaking through the growth barrier, who wouldn't rather be the person in the pilot seat?

Judy Lee
Former Head of Brand & Creativity,
North America, Facebook

OUTGROW LEGACY BUSINESS MINDSET. THINK LIKE A STARTUP.

Consumers today are marketed to more than ever. They're bombarded every moment with messages for websites, apps, content. That much choice means opportunity, but it can also mean noise.

However, some companies are not only surviving, they're breaking through the Growth Barrier. Breakthrough Brands grow fast, get big sales, and garner headlines. They're companies who had marketing as part of their strategy from the very beginning, and they seem to innovate every step of the way. How do they do it?

Learning what makes a Breakthrough Brand stand out, and applying those lessons to your own business, can revitalize your marketing and lead to more growth.
It's never too late to break through.

MOBILE-FIRST MINDSET

It used to be enough for a business to have a mobile-friendly website, or emails that looked good on smartphones, but today's Breakthrough Brands are built from the very beginning to be mobile. Think trailblazing brands like Uber and Lyft. Reaching a mobile audience has been central to their success.

Geography, infrastructure, and distribution all go away in a mobile-frst world. This plays to the strengths of Breakthrough Brands, but how can you take advantage of a mobile-frst mindset, even though you might already be an established company? What aspect of your business most easily lends itself to mobile?

HAVING A BOLD VISION

A mistake that's often made when discussing Breakthrough Brands is equating innovation with a faster way of doing something. Speed is important, but if you're headed in the wrong direction, going faster will only get you to the wrong place in a shorter amount of time.

Breakthrough Brands succeed because of a singularity of vision that can be owned by only their company. Other former breakthroughs like TOMS, Warby Parker, and Out of Print clothing embody this concept. Philanthropic eforts have been part of their missions from the beginning.

Being purpose-led gives Breakthrough Brands a clarity that's lacking at companies who only care about market share or quarterly profts. But that kind of vision can't be focus-grouped or tacked on after the fact. It's not a PR strategy, marketing angle, or empty slogan. It has to be bred into a company's DNA from the beginning. When it's not, consumers will smell a fraud.

THE NEW MARKETING

Traditional advertising—which used to exist in silos and was defned by the marketing funnel—is breaking down. It's no longer about brand versus performance, marketing versus sales, consumer versus shopper. Breakthrough Brands are blind to these distinctions and, instead, see one funnel and one person moving through it. Their ads are not mere product announcements or promotions designed to shout the loudest. Instead, the new marketing consists of campaigns that are smartly targeted, well-crafted, and designed to drive meaningful action.

These ads don't happen by accident. For every new campaign, emerging brands develop smarter strategies by testing a number of variations of copy, image, and ad type to hone in on what works best. Concept A or B? Stacked vertically or horizontally? These are real-time tests being decided in days rather than weeks. Brands like this understand that sometimes the idea is right but the execution is wrong, and so they test and iterate until they get it right.

Other Breakthrough Brands expand the very notion of what marketing is. For Breakthrough Brands in the apparel category, anything that has to do with the brand—even the fulfllment and shipping of their physical product—is treated as marketing. They also use traditional avenues, such as bricks and mortar locations, to build relationships in person. Not all breakthroughs are purely digital.

CONNECTING THE WORLD

Twenty years ago, less than three percent of the world's population had a mobile phone and less than 1 percent was online. Today, two-thirds of the world's population has access to a mobile phone, and one-third of all humans are able to communicate on the Internet. By 2018, it's expected that 3.82 billion people will be connected to the Internet.*

For creatives and marketers, a more open and connected world means being able to tell their story in every corner of the globe—to the right people, at the right moment, and on any device. For Breakthrough Brands, this newfound connectivity means they can instantly reach audiences, both global and local. In fact, more than 70 percent of businesses that advertise on Facebook are outside of the US.**

In India, a woman quit her job as a software consultant in order to start her own business making traditional foral headdresses for brides. At frst, Kalpana Rajesh was Pelli Poola Jada's only employee. But business boomed after she posted photos of her creations to Facebook, and today the company has 45 branches and 250 employees, all of whom are women.

DISRUPT OR DESTRUCT

As Steve Jobs famously said, "If you don't cannibalize yourself, someone else will." The brands that have broken the growth barrier, as well as the Breakthrough Brands that are currently redefning various industries, prove that it doesn't take huge amounts of capital to innovate or cause disruption. And more like them are being created every day. You can learn from the success of these growing brands, or become a footnote in whatever industries tomorrow's Breakthrough Brands disrupt. The choice is yours.

*No Ordinary Disruption. Dobbs, Manyika, Woetzel. Public Afairs Publishing, 2015. eMarketer, April 2016
**Facebook Internal Data: Q1 2016

Rahul Bansal
Associate Director, Interbrand India

OUTGROW LOCAL. TOP 5 SECTORS AND INSIGHTS FROM THE GLOBAL BEST.

INSIGHT – TRANSITION FROM AUTOMOBILE MANUFACTURERS TO MOBILITY PROVIDERS.

Automobile manufacturers are making a shift from just automotive production to providing more advance mobility solutions.

Most major auto makers, including GM and Toyota Motor Corp., are investing in their own driverless car technology. Alphabet and Fiat Chrysler Automobiles NV plan to use Alphabet's self-driving technology in a trial with 100 Chrysler minivans. Tesla Motors Inc. already sells cars with autonomous driving features that allow drivers to go hands-and feet-free in stop-and-go traffic, as well as highway cruising.

Porsche acquired the toolmaking division of Kuka Systems GmbH in the year under review and continued to operate the division as a wholly owned subsidiary of Porsche AG. Over 600 employees at Porsche Werkzeugbau GmbH's locations in Schwarzenberg in the German state of Saxony and Dubnica in Slovakia strengthen the Company's expertise, especially in the production of complex aluminium parts.

Jaguar Land Rover unveiled InMotion, a separate innovation company charged with building mobility apps and services that play to the strengths of its parent company's premium car brand. The BMW Group introduced subsidiary BMW i Ventures, devoted to providing venture capital to mobility companies on the rise. Its latest investment involves software that could be crucial to an automaker's next steps. BMW i supports urban mobility that include not only the vehicles themselves, but also services such as, car sharing, parking and battery charging. BMW Group is preparing to become the first carmaker to launch a "premium Airbnb for cars" service, as the leader in luxury sales shifts gears from vehicle manufacturer to mobility provider. To rent a MINI in Seattle, users will pay 49 cents per minute, with a three-tiered cap system limiting the cost to $50 for 3 hours, $80 for 12 hours and $110 for 24 hours. While the cars can be rented for a maximum of four days but the focus is on short, one-way trips.

INSIGHT – OUTGROWING THE LIMITATIONS OF CATEGORIES AND CHANNELS

Tech companies are trying to create systems that integrate various services into a one stop product so as to ensure that a customer does not need to switch or leave the system for other services. Such integration ensures that a user spends more time within a single system than multiple spaces. Such dedicated systems ensure that users do not switch apps, and that the user data collection is from a single source and hence more accurate than being spread over various systems.

Facebook is expanding the services available to users with the launch of Transportation on Messenger. With this new feature, users can request a ride from a car service without ever needing to download an extra app or leave a conversation. It's super easy and doesn't take users away from the native experience.

Nest, owned by Alphabet, works with Google Home and Google Assistant as expected, but also integrates Amazon Alexa, Philips Hue personal wireless lighting, and others to enhance your home living experience.

Amazon Alexa now has over 15,000 skills to interact with, which has freed its voice assistant from the smartphone, weaving technology into the background of our environment. Alexa conquered CES 2017, according to Wired, with dozens of Alexa-enabled devices. Now you can easily call your assistant from your Ford vehicle with the help of a built-in button. Whirlpool appliances respond to the now familiar prompt, “Hey Alexa.” These are just two examples of the ambient brand experiences that are now part of our everyday lives.

INSIGHT - BREAKING THE CREATIVE EXPERIENCE BARRIERS

Media giants are slowly moving content from television to more diverse spaces, like the internet and releasing more dynamic content platforms like YouTube, Vimeo, Hulu, etc., through which they not only enhance viewership and loyalty and engage the audiences. Live streaming content combined with constant audience engagement creates conversation, thereby building a relationships between the brands and their audiences. Merchandising and partnerships also form extended streams of revenue, which create more touchpoints for the audience to interact with the brand.

Netflix has more than 93 million streaming members in 190-plus countries and added more than 19 million global streaming subscriptions in 2016 alone, according to its 2016 annual report. Feeding the desire for new content globally, Netflix also reached a licensing deal in China with the Baidu-owned streaming service iQiyi, to allow distribution of selected Netflix original content in a market blocked by strict protectionism.

Disney is shifting its business strategy with a more aggressive commitment to original content. It ended its partnership with Netflix and announced the launch of its own streaming services, which will be enabled by the acquisition of BAMTech, a direct-to-consumer streaming technology company. This will allow Disney to create new and original content for very specific audiences via two streaming services: an ESPN-branded multi-sport video streaming service, launching in early 2018, followed by a new Disney-branded direct-to-consumer streaming service in 2019. The latter will “become the exclusive home in the US for subscription-video-on-demand viewing of the newest live action and animated movies from Disney and Pixar,” the company said in a press release.

If media and entertainment brands want the people to reward them with their love and loyalty, then they must be laser focused on what the people want. Growing brands are proactively creating personalized content that will reach people everywhere, and win their hearts.

INSIGHT - BREAKING THROUGH THE FINANCIAL INNOVATION LIMITATIONS

There isn't a brand in financial services that has not had some variation of customer-centricity as part of its business or brand strategy. Leading brands know they need to be customer-centric—the best know how to combine insights with creativity to produce customer-driven innovation that is simple to understand, fits easily into customers' lives, and commands a price people are happy to pay. American Express has certainly done this with its OPEN small business program, and PayPal is continuing to innovate with Venmo. The arrival of insight champions like Apple with Apple Pay create doubt about financial services brands being up to the challenge of thinking and acting differently. While new brands to the sector have the benefit of starting fresh with different technology platforms, legacy brands have the strength of expertise, know-how and judgment that comes from experience. Combined with data insights, the inherent know-how and expertise of established financial services brands is a growth force that hasn't been fully leveraged—yet.

There is no shortage of growth potential for financial services brands. They are rich in the data, technology and insights needed to create innovations that drive choice and positively impact people's lives in small and big ways. This insight-driven innovation, when combined with a clear purpose and dedication to changing the relationship with customers, has the potential to redefine the category and increase the roll brand plays in the sector.

INSIGHT: GROWING FROM THE INSIDE OUT

Diversified businesses have long been considering how and where to invest in technologies that will help them pivot their core businesses in this age of constant change. Those decisions are already in the making for some, while others are just recently working their way through transformation.

While efficiency and structure are vital in order for diversified companies to deliver sustained growth, people don't react the same way as businesses. People's behaviors follow different rules, especially as society and culture shifts rapidly. And because people drive growth, businesses have to learn to play by their rules and focus on their internal cultures.

That's why diversified companies like 3M and GE are approaching their investments in people—both current and future—in a real-life, responsive manner.

In 2016, 3M made the World's Best Multinational Workplaces list, an accolade well earned, with employee ratings consistently far above 80%, reflecting the company's commitment to making significant, relevant changes for its people. Programs like the 3M Women's Leadership Forum, its FlexAbility program for flexible working arrangements, and its 15% culture, which fosters individual creativity, continue to foster a positive, people-focused and rewarding culture that fuels growth for the company.

GE likewise made bold moves this year to connect people's growth to business growth. Recognizing that employees need to be encouraged to take their own risks in order to create sustainable growth opportunities, GE revamped its performance review system—a disruption that's unleashed significant new thinking and has positioned the company for consistent innovation. Traditional methods for evaluating employee performance—a process that could take up to five months—are being replaced with a more nimble process that helps employees correct course as they progress. The new methods, integrated through mobile technology, are teaching GE employees to become accustomed to the trial, error and experimentation that the company needs, to keep growing.

OUTGROW THE LIMITING ASSOCIATIONS OF THE COUNTRY OF ORIGIN. BUILD A NATION BRAND.

CREATING A NATION BRAND BACKDROP

Creating unique nation brands to promote tourism, trade and foreign direct investment

The Malaysian Government had a challenge. The country was ready to receive tourists, but visitors to Asia went mostly to Thailand, Bali, China or Japan. Malaysia wasn't top-of-mind when it came to booking a holiday. In fact, a brand strength assessment of Malaysia as a tourist destination revealed that most foreigners had no basic concept of the country's location, let alone what it stood for. How could Malaysia ensure that tourists would consider the country as a holiday destination? In 1999, the Malaysia Tourism Promotion Board took action and launched the "Malaysia: Truly Asia" campaign. At first sight, the catchphrase seemed like a superficial slogan– but it served a strategic purpose. The taglineeducated potential visitors that Malaysia is, in fact, a country in Asia. Moreover,the slogan implied that tourists would miss out on the true Asia if they skipped Malaysia. The consequent use of the catchphrase "Malaysia: Truly Asia" and various public and private initiatives contributed to the steady growth of tourist arrivals to a record 25 million in 2012. The country is now ranked 10th on the United Nations World Tourism Organization's list of most-visited countries. "Malaysia: Truly Asia" is a classic example of a nation branding campaign focused on tourism, but the development of a nation brand is no longer the exclusive domain of tourism authorities. In an era of continuing globalisation and increased competition between states, investment boards and trade promotion agencies find that they have to go beyond merely creating the conditions for industries to prosper, since rival states can easily imitate these factors. It has become apparent that countries need to find a unique and sustainable competitive edge that is aligned with economic strategy and supported by public policy. A well-defined brand strategy helps countries gain a strategic long-term brand advantage. Unfortunately, nation branding often gets confused with short-term tactics, such as country commercials on CNN. These expensive advertisements often lack a consistent strategy and don't contribute to the creation of a true nation brand. So, what is nation branding?

A PROMISE OF LUXURY

A brand is, in essence, a promise. If a country or a city sells a promise to a tourist, business executive, or investor, it must deliver on that promise. For example, Dubai promises luxury. It started delivering on this promise in 1999 with the opening of the Burj Al Arab, often referred to as the only seven-star hotel in the world. The sail-shaped hotel became an instant symbol of excessive luxury, sending the implicit message that the standard for all hotels in Dubai is luxury. In 2007, the emirate reinforced its positioning strategy by building the. Burj Khalifa, the tallest tower in the world that houses the first and only hotel designed by Giorgio Armani. Even the police force has embraced the luxury brand, recently acquiring a Lamborghini Aventador worth US $450,000 to complement its fleet of police cars. These actions speak louder than words. Dubai didn't inherit an Eiffel Tower, but the emirate was able to create a brand advantage based on its value proposition of luxury. This brand promise didn't come out of nowhere. It was rooted in the prevailing brand image of overindulgent sheiks in the Middle East. To signal its luxury positioning, it used symbols such as the Burj Al Arab instead of a logo, a website, an advertorial in Newsweek, or a commercial on CNN. The new brand identity was consistently managed even during the financial crisis, when the temptation to diversify was omnipresent. Dubai realised that brand strategy is as much about saying no as it is about saying yes. As a result, the brand advantage is undiluted, and Dubai consistently attracts tourists with high disposable incomes. Destinations in developing countries could achieve similar results if they consistently communicated their competitive edge to those abroad using striking symbols.

WHY FRANCE ATTRACTS 83 MILLION TOURISTS PER YEAR

Nation branding strategically steers the image of a country in order to stimulate tourism, increase trade or attract companies and foreign direct investment (FDI). One way to think of a nation brand is as a set of associations. In other words, what attributes instantly come to mind when you think of a certain country? A survey on the brand image of France, for example, revealed that the country is related to an average of 6.1 brand associations. At a minimum, the country evokes images of the Eiffel Tower, wine and fashion. These solid brand associations drive tourists to visit the "City of Love," motivate consumers to pay premium prices for a bottle of Bordeaux, and attract fashionistas to shop for the latest trends. France uses its brand advantage instead of depending on major promotional campaigns. On the other hand, a developing country like Liberia evokes either no brand associations or merely negative ones, such as civil war, child soldiers and poverty. This brand image deters tourism, trade and investment, even though the West African country has been at peace for over a decade under the leadership of its president, Nobel Laureate Ellen Johnson Sirleaf. There is a strong discrepancy between the brand image the country retains and the brand identity Liberia wants to convey. How can Liberia lose its negative brand associations, and what should the country become known for instead? What are the possible brand associations that are authentic, truthful, and recognised on the grassroots level, while at the same time stimulate tourism, trade and FDI? In short, how can Liberia create a brand advantage?

FINDING A COMPETITIVE EDGE

Nation branding should be guided by the economic strategy of the country, but a clear economic focus that serves as a foundation for the nation brand isn't always present. Sometimes a nation brand needs some "Imagineering", where one looks beyond what is and imagines what could be. For example, finding a tourism strategy at first seemed daunting for Liberia. As one of the poorest countries in the world, Liberia lacked basic infrastructure and had expensive hotel rooms due to high energy prices. It evoked a persistent brand image of war and poverty and lacked striking landmarks, distinctive culture and significant wildlife.

An assessment of the local prevailing brand associations, however, provided the basis for a new, authentic brand identity. Most citizens spoke of the 315 miles of golden beaches, yet the fact that nearby destinations like Gambia and Senegal were already known for their beaches would make it difficult to attract tourists with such a similar proposition. Meanwhile, the assessment also revealed Lake Piso and Blue Lake as two other possible tourist destinations. But what kind of tourist would travel to a developing country, stay at no-frills hotels, and have an interest in a vast ocean, unexplored rivers, and virgin lakes? Here an idea started to emerge: American sport fishermen might enjoy navigating virgin territory and are already used to living in fishing camps and paying $200 per day for a boat rental. Such a value proposition is authentic, recognised as such by locals, and builds on the presence of an existing fleet of small fishing boats. Liberia could become known as the premier sport fishing destination in Africa, a claim that hasn't yet been staked by another African country. With this initial concept in mind, Liberia must align its public policy with the new positioning strategy to create a more robust brand advantage. For example, a ban on commercial fishing would send a strong signal that Liberia is the sport fishing destination in Africa. The coastline would instantly become the largest sport fishing sanctuary in the world in spite of its very basic tourism infrastructure. The case study of Liberia demonstrates that a country doesn't need an extensive budget to attract tourism and foreign investment– but it does need commitment to create a brand advantage.

CUBAN CIGARS, SWISS WATCHES AND CHILEAN WINES

Nation branding can also encourage trade through the country-of-origin effect. French wines, Cuban cigars and Swiss watches are all perceived to be the best in their product category, which enables the local industry to use this brand advantage to ask for premium prices. Additionally, these brands are less vulnerable to competitors, since the country-of-origin effect can't be replicated. As a result, these industry clusters have become more robust. Surprisingly, Chilean wines often surpass French wines in blind taste tests, challenging the theory that being better is a viable strategy. When differences between products become arbitrary, perception of the brand dictates reality. But even if Chilean wines could consistently taste as good as their French counterparts, they wouldn't be able to create a similar brand experience. French wines are made in accordance with traditional fermentation processes; winemakers have passed on knowledge and experience through generations, and they label and protect their wines with widely recognised terroir names, such as Bordeaux and Champagne. So, how could a challenger dethrone a product category winner? Chile realised that marketing, communication and promotional activities were only short-term "brand-aids", and insignificant without an authentic and distinctive brand advantage. The country would need to find a brand advantage of its own. Chile thus changed the narrative of the wine industry. The Chilean vineyards have a unique story, as they were the only vineyards untouched by the worldwide outbreak of Phylloxera in the 1800s. Chilean grapes are still grown on their original French rootstock. Additionally, Chilean wine producers don't rely on traditional processing practices, but put their trust in science and technology to control and guarantee quality. The idea to segment wines based on grape variety and convey quality through a belief in science allowed Chile to change the narrative of wine to its benefit. Today, many consumers select their wines based on grape variety rather than terroir names. Although Bordeaux, Champagne and other brands remain strong, Merlot, Cabernet Sauvignon and Chardonnay have now become household names. Chilean wines are increasingly sold at a premium prices, which in times of hardship creates a buffer against price fluctuations.

LESSONS FROM CAREER BUILDING

The process of nation branding is surprisingly similar to how people intuitively build their careers. For example, both countries and people need to evaluate their capabilities and decide at an early stage what industry they want to focus on. At the same time, they must also consider how many competitors are going after the same opportunity and if their desired industry will continue to generate jobs in the future. In short, both states and people need to choose an economic direction that accounts for competitiveness and future trends

A second step toward a professional reputation or a coherent nation brand is building credibility. For example, young employment seekers obtain a diploma to signal a degree of understanding and they apply for internships to gain relevant work experience. These minimum requirements to enter a specific labour market are sometimes referred to as 'table stakes'– a potential candidate must meet them in order to be considered for a job interview in the desired industry. Similarly, countries must meet table stakes if they wish to be considered by tourists, investors and business executives. Here the term table stakes refers to everything that is expected of a country. For example, every business park should, at the very least, have well-maintained infrastructure, a stable supply of energy, and clearly defined property rights.

Most countries work very hard to become everything that is expected but forget that they also have to find ways to signal how they differ from competitors. In particular, business parks in developing countries need to differentiate themselves from comparable generic locations if they are determined to attract multinationals and FDI. For example, if Kenya wants to become the Silicon Valley of Africa, it should signal commitment with a unique government-led initiative like citywide free Wi-Fi in Nairobi. Such a noticeable public initiative would communicate louder than any advertorial in Forbes ever could. "Serengeti Valley" would still need to deliver on all of the expected facilities of a business park, but at least the location would be noticed and considered.

Nation branding isn't the holy grail of economic development, but it can provide a distinct advantage when it is aligned with a well-defined economic strategy and supported by public policy. Countries around the world have now started to realise that nation branding works as a catalyst for growth. In 2011, President Barack Obama launched "Brand USA" to attract more tourists and "Select USA" to attract more investment. The US Agency for International Development and the National Competitiveness Foundation of Armenia have just announced their intent to create a national brand for Armenia. Can the India Nation Brand offer something that the world needs? What are the choices available within the possibilities of IT and outsourcing to medical and spiritual tourism to the upstream manufacturing hub? Is there something hidden in the manifesto unveiled during the Independence when its leaders heralded, "We will strive to ensure that India finds its rightful place in the world. And provides the path of peace and coexistence to the world".

Well, whatever it emerges after a thorough strategic analysis, one thing is clear - in a highly competitive environment, a well-defined brand strategy makes the difference.

AN ALUMNUS OF THE JOHN F. KENNEDY SCHOOL OF GOVERNMENT AT HARVARD UNIVERSITY, GUIDO VAN GARDEREN IS CURRENTLY A SENIOR STRATEGIST AT INTERBRAND. IN HIS UPCOMING BOOK, "ADVANCED NATION BRANDING STRATEGIES," HE EXPLAINS HOW BRAND STRATEGY CAN HELP ACCELERATE ECONOMIC GROWTH.

INTERBRAND'S BRAND VALUATION METHODOLOGY

There are three key components in all of our valuations: an analysis of the financial performance of the branded products or services, of the role the brand plays in the purchase decision, and of the competitive strength of the brand. These are preceded by a decision on segmentation and at the end of the process are brought together to enable the financial value of the brand to be calculated.

SEGMENTATION

Segments are typically defined by geography, business unit, product, service or customer group. Why is segmentation important? A robust valuation requires a separate analysis of the individual parts (or segments) of a business to ensure that terms of the three key components of the brand valuation (financial performance, Role of Brand and Brand Strength) can be taken into consideration. From a brand management perspective, the insights and recommendations that result from the brand valuation exercise will be at the segment level, so it is also important that they are at an actionable level for the client's brand teams. The number and choice of segments therefore depends on:

- **THE STRATEGIC PRIORITIES OF THE BUSINESS AND OF THE BRAND VALUATION EXERCISE**
- **THE LEVEL AT WHICH BRAND MANAGEMENT DECISIONS ARE TAKEN**
- **THE NUMBER OF PARTS OF THE BUSINESS THAT CAN BE IDENTIFIED WHERE FINANCIAL PERFORMANCE, ROLE OF BRAND AND BRAND STRENGTH CAN BE ISOLATED AND ANALYSED SEPERATELY**
- **THE AVAILABILITY OF DATA**

FINANCIAL ANALYSIS

This measures the overall financial return to an organisation's investors, or its 'economic profit.' Economic profit is the after-tax operating profit of the brand minus a charge for the capital used to generate the brand's revenues and margins. A brand can only exist and, therefore, create value, if it has a platform on which to do so. Depending on the brand, this platform may include, for example, manufacturing facilities, distribution channels, and working capital. Interbrand, therefore, allows for a fair return on this capital before determining that the brand itself is creating value for its owner.

We build a set of financial forecasts over five years for the business, starting with revenues and ending with economic profit, which then forms the foundation of the brand valuation model. A terminal value is also created, based on the brand's expected financial performance beyond the explicit forecast period. The capital charge rate is determined by reference to the company's weighted average cost of capital.

ROLE OF BRAND

Role of Brand measures the portion of the purchase decision that is attributable to the brand, relative to other factors (for example, purchase drivers like price, convenience or product features). The Role of Brand Index ('RBI') quantifies this as a percentage. Customers rely more on brands to guide their choice when competing products or services cannot be easily compared or contrasted, and trust is deferred to the brand (e.g. computer chips), or where their needs are emotional, such as making a statement about their personality (e.g. luxury brands). RBI tends to fall within a category-driven range, but there remain significant opportunities for brands to increase their influence on choice within those boundaries, or even extend the category range where the brand can change consumer behaviour.

BRAND STRENGTH

Our experience shows that brands that are best placed to keep generating demand and profit into the future are those performing strongly (relative to competition) across a set of ten factors. Four of these factors are internally driven, and reflect the fact that great brands start from within. The remaining six factors are more visible externally, acknowledging the fact that great brands change their world. These are the factors that Interbrand believes make a strong brand. Performance on these factors is judged relative to other brands in the industry and relative to other world-class brands. The strength of the brand is inversely related to the level of risk associated with the brand's financial forecasts (a strong brand creates loyal customers and lowers risk, and vice versa). A proprietary formula is used to connect the Brand Strength Score to a brand-specific discount rate.

BRAND VALUE

The brand-specific discount rate is used to discount brand earnings back to a present value, reflecting the likelihood that the brand will be able to withstand challenges and deliver the expected earnings into the future. This is equal to brand value.

BRAND STRENGTH

INTERNAL FACTORS : GREAT BRANDS START FROM WITHIN

CLARITY

Clarity internally about what the brand stands for in terms of its values, positioning and proposition. Having clarity about target audiences, customer insights and drivers as well.

COMMITMENT

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

GOVERNANCE

The degree to which the organisation has the required skills and an operating model for the brand that enables effective and efficient deployment of the brand strategy.

RESPONSIVENESS

The organisation's ability to constantly evolve the brand and business in response to, or anticipation of, market changes, challenges and opportunities.

BRAND STRENGTH

EXTERNAL FACTORS : GREAT BRANDS CHANGE THEIR WORLD

AUTHENTICITY

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

RELEVANCE

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

DIFFERENTIATION

The degree to which customers/consumers perceive the brand to have a differentiated proposition and brand experience.

CONSISTENCY

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

PRESENCE

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

ENGAGEMENT

The degree to which customers/consumers show a deep understanding of, active participation in, and a strong sense of identification with, the brand.

BEST INDIAN BRANDS CRITERIA

To start, Interbrand compiles a list of Indian brands from our marketing database based on more than 25 years of valuing brands and nearly four decades of consulting with organizations in India and around the world.

We then narrow the candidates based on the following criteria for consideration:

1. THE BRAND'S COUNTRY OF ORIGIN MUST BE INDIA.
2. THERE MUST BE SUBSTANTIAL PUBLICLY AVAILABLE FINANCIAL DATA.
3. THE BRAND MUST HAVE A BROAD PUBLIC PROFILE AND AWARENESS OR THE BRAND MUST BE POSITIONED TO PLAY A SIGNIFICANT ROLE IN THE CONSUMER'S PURCHASE DECISION.
4. THE ECONOMIC PROFIT MUST BE POSITIVE, SHOWING THAT THERE IS REVENUE ABOVE THE COMPANY'S OPERATING AND FINANCING COSTS.

Based on these criteria, certain brands you might expect to see in this ranking are not included. Additionally, you will not find certain industry sectors included in our study. The airline industry for example is highly capital intensive and generally operates on narrow margins. Hence the airline brands struggle to achieve positive economic profits over the long term.

For brands that do meet the Interbrand criteria, we next look at the current financial health of the business and brand, the brand's role in creating demand, and the future strength of the brand as an asset to the business.

CONTRIBUTORS

AMEYA KAPNADAK

ASHISH KALPUND

ASHISH MISHRA

ASHMITA KANNAN

ASHOO ADVANI

DISHA AMIN

DOMINIK PRINZ

GONZALO BRUJO

GUIDO VAN GARDEREN

JEZ FRAMPTON

JUDY LEE

KIRAN JADHAV

MIKE ROCHA

MILIND PAWAR

NAYANA RAMESH

NEETI NAYAK

PRAGYA ARCHAN

PRASHANT BARSING

RAHUL BANSAL

SACHIN MISTRY

SIMRIN MANWANI

UJJAYINI MAJUMDAR

SPECIAL THANKS TO

Madhukar Kamath, Tejas Tikle, Apoorv Phatak, Priyanka Rajesh, Sanjay Kasturi, Sunil Wadte and to many other Interbrand employees who shared their insights, creativity and time.

CONTACT US

ASHISH MISHRA
Managing Director,
Interbrand India
Tel India: +91 22 6295 0310
Ashish.mishra@interbrand.com

www.interbrand.com
Www.brandchannel.com

Follow us on Facebook and Twitter:
www.facebook.com/Interbrand
www.twitter.com/InterbrandIndia

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