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BEYONDTECH



Is a tech takeover looming for the Best Global Brands?
Here are the best and biggest disruptors, innovators and pioneers

TRENDS

Tech co's are now at \$1tn valuations – but how do they stay there?

BRANDS

As brands try to integrate deeply into customers' lives, they face big issues

CUSTOMERS

Exclusive research proving how consumers value privacy and trust

INSIDERS

Industry experts from Salesforce, Google, Adobe, Sony & Samsung



Interbrand

Best Global Brands 2019

The ranking of the 100 most valuable global brands

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WHAT 'NEXT' LOOKS LIKE

The world's leading technology and electronics brands make up 50% of the top ten Best Global Brands in 2019; their impact upon customers, business and wider society has been profound.

Uber's immediacy, Amazon's abundance and Netflix's intimacy ripple across every aspect of life and line of business, raising the threshold of what makes a good experience for businesses that play in and out of this arena. They have redefined loyalty and enabled the mass and rapid adoption of new technologies such as IoT, Voice and AI.

Yet despite what currently looks like almost limitless opportunities and total brand domination, sustainable growth for the tech giants is not without its challenges. As they grow larger and ever more powerful, their latent promise becomes clouded by regulatory concerns. As they set their sights on connecting ever more intimate aspects of our lives, customers must also wrestle with the degree to which they prize utility over privacy.

This is a fascinating period of disruption and change, with implications both inside the category and far beyond. Inside this report, you'll find our overview of the sector, some inside information on how some of the biggest players see their strategy evolving, and our expert recommendations for how brands can learn to cope with the turbulence.

Some of it's not a comfortable read, but it's vital to know what's coming down the road towards you. The information in this report will, we believe, form part of that crucial navigation guide to the technology future.



20 YEARS OF GREAT GLOBAL BRANDS

Charles Trevail
Global Chief Executive Officer
Interbrand

Thirty years ago, we asked ourselves about the nuanced relationship between brand and business performance; ‘How much is a brand worth?’ and ‘How can we track and improve its performance over time?’ Aiming to answer questions of this kind, we built the world’s first accredited brand valuation methodology.

In the past 30 years, we have conducted thousands of brand valuation exercises, underpinned by our proprietary Brand Strength framework, to help businesses create roadmaps to stronger brands and customer experiences. In 2000 we published our first ranking of the most valuable brands in the world, and this year we are marking its 20th year.

Twenty years of brand valuation data has many stories to tell. Only 31 brands (eg Disney, Nike, and Gucci) from the 2000 ranking remain on the table today; 137 brands (Marlboro, Nokia, and MTV, to name a few) have come and gone in the intervening years. Coca-Cola and Microsoft are the

31

Brands from the 2000 ranking which remain on the table today

137

Brands which have come and gone in the intervening years

\$2.1Tr

Cumulative brand value residing in the world’s top 100 brands

only brands to have retained top ten spots. In 2001 (the first year in which the table included 100 brands), the cumulative brand value residing in the world’s top 100 brands was \$988B. Today, that value stands at \$2.1T— representing a 4.4% average CAGR and more than 2.1x increase in total value. These figures behind Best Global Brands tell a clear story: in such a fluid market landscape, investing in brand is key to long-term success.

Today, there is no question as to whether brands have intrinsic value or not. Millennials and Gen Z continue to push companies to redefine what effective brand-building means — and increasingly, what it means to be a truly valuable brand in their eyes. With ever-savvier consumer bases, brands are expected to act in line with their customers’ values. Consumers expect not just engaging experiences, but bold actions that transform traditional categories and help make the world a better place. While it’s an exciting time to be a brand leader, a far more dynamic landscape means brand building is more difficult than ever.



THE FASTEST GROWING BRANDS ARE MAKING WHAT WE CALL ‘ICONIC MOVES’

What we are seeing in this evolving market landscape, where customers’ expectations are moving faster than a company’s ability to respond, is that incremental moves can only keep you in the game for the short term.

The fastest growing brands are making what we call Iconic Moves – the big bets that transform the way customers interact with brands. When executed successfully, Iconic Moves reframe customer expectations and result in temporary market monopolies and noteworthy brand and business successes.

As brands have evolved to meet customer expectations, so have we. Our valuation methodology remains foundational, but our consultative approach has shifted from static frameworks to dynamic models. While successful brands possess a set of common attributes, brands’ positions are a moving target. We have therefore altered our way of working to see brands as they truly are – dynamic, flexible, multi-faceted assets. Using our proprietary Human Truths methodology (to understand customer trajectories), Brand Economics (to identify the business opportunity) and Brand Experience (to make real change within a business), brands can spark customer desire and drive extraordinary results. We call this approach Interbrand Thinking – an interdisciplinary approach that addresses business challenges through the lens of brand.

At this point of inflection, we look backwards to look forward. Twenty years of data and insights have provided us with a lens with which we can help deliver Iconic Moves for brands across countries and continents. Today, in the 20th year of Best Global Brands, we’re excited to share our Iconic Moves thinking and invite you to join the discussion. Welcome to Best Global Brands 2019. ■

Interbrand
Best Global Brands 2019

TECHNOLOGY

Brand	Rank 2019	Rank 2018	Value 2019 (\$ USD m)	Value Growth
Apple	1	1	234,241	9%
Google	2	2	167,713	8%
Amazon	3	3	125,263	24%
Microsoft	4	4	108,847	17%
Samsung	6	6	61,098	2%
Intel	13	11	40,197	-7%
Facebook	14	9	39,857	-12%
Philips	49	43	11,661	-4%
Hewlett Packard	54	54	10,891	4%
Sony	56	59	10,514	13%
Canon	61	55	9,482	-9%
Dell	63	NEW	9,086	n/a
Huawei	74	68	6,887	-9%
Panasonic	81	76	6,189	-2%
Uber	87	NEW	5,714	n/a
Nintendo	89	99	5,550	18%

DISCLAIMER: The Interbrand Best Global Brands is provided by Interbrand for informational purposes only, and is based on methodology that includes subjective components. It should not be construed as a recommendation or advice. You can view the full Terms and Conditions of accessing the Interbrand Best Global Brands rankings at: <https://www.interbrand.com/best-global-brands-terms-and-conditions/>

TECHNOLOGY RISERS & FALLERS 2019

The highest riser in the technology sector was Amazon, with a 24% increase in brand value over the year, from \$100,764m to \$125,263m. It ranked third overall among top movers and generated the largest increase in brand value at \$24.5 billion over the past year. Amazon's infrastructure, scale, and growth rates are having a huge impact on the entire retail landscape. It is estimated the firm has over 100 million Prime members in the United States, with 70% of Americans with incomes of \$150,000 and up having Amazon Prime memberships.

Microsoft's 17% growth from \$92,715m to \$108,847m reflects CEO Satya Nadella's renewed focus on its enterprise customer base. Directing company resources back to its core strengths has worked brilliantly.

2019 also sees a new entrant in technology, Uber which currently ranks at number 87 with a brand value of \$5,714m and is extending its mobility as a service play into ever-increasing arenas including mobility and food.

At the top there is relative stability in 2019, with Apple, Google, Amazon and Microsoft at #1 through #4 respectively, and Samsung at #6 on the grid, as in 2018. Each business showed strong YOY brand value growth.

Among the fastest decliners in the 2019 Best Global Brands, and the steepest decline among technology companies, Facebook dropped out of the top 10 brands to land at #14th. Responsiveness and governance are factors that caused the world's largest social network to lose over \$5 billion in brand value, a decline of 12% from the previous year.

ROLE OF BRAND IN TECHNOLOGY PURCHASING 2019: 32%

The score for the technology sector contrasts with that of more glamorous sectors such as luxury at 67% and beverages at 60%. Technology currently rests at a 32% role of brand. Will this change? Probably. As technology brands make a play to own increasingly intimate aspects of consumers' lives, we expect to see the sector's Role of Brand score grow.

The Role of Brand score measures the portion of the purchase decision attributable purely to the brand rather than other factors such as price, convenience or product features. The Role of Brand Index (RBI) quantifies this as a percentage.

RBI determinations for Best Global Brands derive, depending on the brand, from one of three methods: primary research, a review of historical roles of brands for companies in that industry, or expert panel assessment.

-5

Facebook's drop in brand ranking (year-on-year)

18%

Nintendo's brand value growth since 2018

24%

Amazon's brand value growth since 2018

TRILLION DOLLAR THINKING

Microsoft, now a \$1tn company, has featured in our Best Global Brands list since the start, showing an enviable capacity to stay relentlessly relevant over time. How do its tech rivals measure up to its staying power?

One Trillion. It's a number so enormous that it's hard to visualize. And a valuation milestone that was reached for the first time by a publicly-traded company in 2018 when Apple broke the \$1tn barrier, driven by the excitement of the iPhone X refresh cycle. The second company to get there was Amazon. Both of their values subsequently fell, however, as global markets entered into a correction in late-2019. Quietly, though, a third company has also topped the trillion-dollar valuation mark: Microsoft. With Apple, Google, Amazon and Microsoft occupying the top four positions in the 2019 Best Global Brands (at #1, #2, #3, and #4 respectively), and their combined growth in brand value exceeding 13% annually, these companies are demonstrating that their internal compasses are set in a direction that drives success across a wide variety of metrics. ►

CONSISTENTLY VALUABLE, VALUABLY CONSISTENT

Microsoft has held its place near the top of our Best Global Brand rankings while others have slipped



COMPANIES THAT COMMIT TO CONSTANT CHANGE ARE ABLE TO BUILD BUSINESS MODELS THAT THRIVE IN FLUX

► One such metric is Best Global Brands. And while each of the trillion dollar elite occupy the top spots in our ranking, only Microsoft has held its position for the 20 years of our ranking and analysis.

Microsoft, recently rejuvenated under the leadership of CEO Satya Nadella, has sustained its trillion-dollar valuation and sustained its place in Best Global Brands. Given the success Microsoft has enjoyed, we're examining the broader technology landscape through the prism of Microsoft's Values in Action, which are:

- 1: Innovation
- 2: Diversity and Inclusion
- 3: Corporate Social Responsibility
- 4: AI (Artificial Intelligence)
- 5: Trustworthy Computing

INNOVATION

"We believe technology can and should be a force for good and that meaningful innovation can and will contribute to a brighter world in big and small ways."

Companies that commit to constant change are able to build business models that thrive in flux. Innovation requires commitment beyond a 2% increase in annual budgeting for research and development. It requires a commitment to create an environment that fosters future disruption. The smartphone market is a clear example of consistent innovation at scale. It has been little more than a decade since the first iPhone was released in 2007, and the adoption curve for smartphones is one of the steepest in history. Few shun the devices, as a stunning

96% percent of Americans own a mobile phone, with 81% having ownership of a smartphone as shown in the 2018 Pew research. That 2018 81% market penetration, compared to just 35% smartphone ownership in 2011, gives a sense of the acceleration of technology adoption.

This creates even more pressure on companies to innovate quickly as market windows emerge and disappear with increasing velocity. The idea of market positioning becomes less relevant to a company competing against a backdrop of constant disruption. To provide context, it took the telephone 75 years to reach 50 million users, automobiles 62 years and TV 14 years. Mobile phones took 12 years, and the smartphone game Pokemon Go reached that milestone in a blazing record of 19 days.

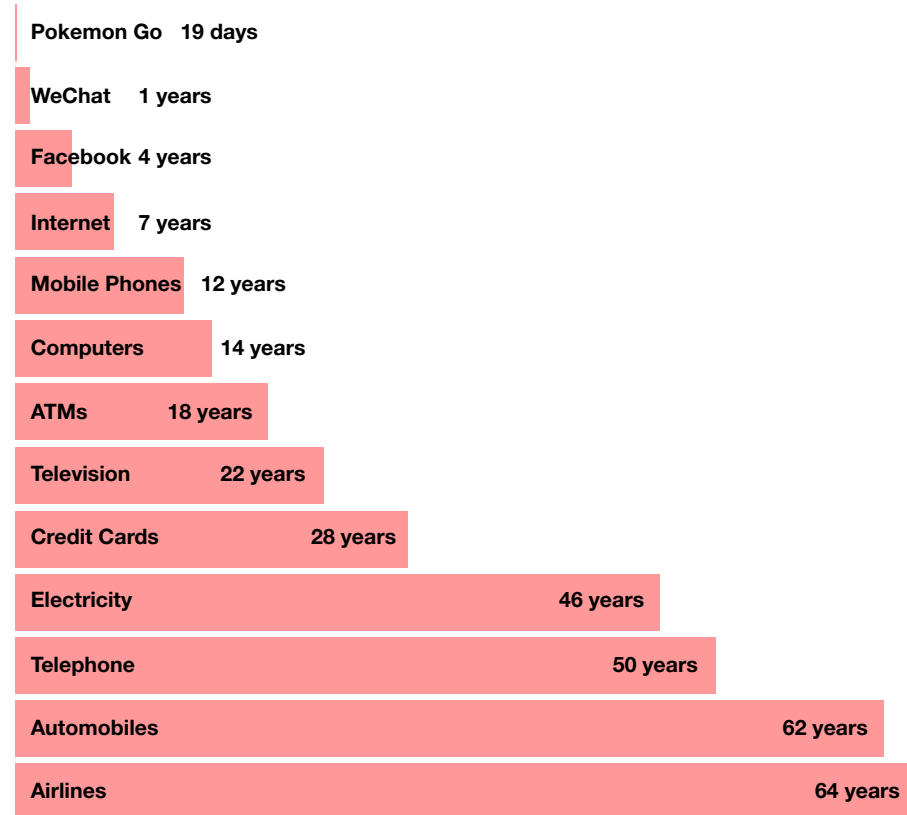
Conceived by George Gilder but attributed to Robert Metcalfe, the co-founder of Ethernet, the technology used to link computers together into a network, the concept of Metcalfe's Law is that the value of a network does not grow in a linear fashion with its base. Metcalfe's Law has also been extended to show how this network effect creates non-linear value and competitive advantage in tech businesses. This is altering customer expectations, creating an erosion of loyalty due to an initial abundance of choice as companies seek to scale and is driving an ever-increasing speed of adoption.

DIVERSITY AND INCLUSION

A diverse set of employee input is considered one of the keys to modern business success. It allows companies to break down echo chamber fallacy, improve its talent pool, and build inclusion and employee engagement. While diversity and inclusion are logical goals ►

HITTING THE 50 MILLION MARK

Time taken to reach 50m users



► for management to pursue from a variety of metrics they are a pain point for many technology companies, especially those located in Silicon Valley. Google, the #2 ranked Best Global Brand, for instance, is “addressing the lack of representation across the company through our talent engagement and community outreach efforts”. Admirably, the company leverages its own technology to manage this – using statistical analyses to check for pay equity in each job group using ordinary least squares regressions across unexplained pay differences on gender, race and ethnic inputs. The number of statistical pay differences between Googlers is apparently zero, based on their analysis.

Another factor that is pushing urgency for management to improve diversity is that

financial performance improves with gender and ethnic diversity. The McKinsey Diversity Matters report published in 2015 shows EBIT margin increases have statistical significance when management and board leadership have gender and ethnic diversity.

Credit Suisse has published analytics that show return on equity from companies that have 1 or more women represented on the executive board produces a meaningful 4% incremental return. Companies that make bold moves to truly adopt diversity and expand inclusiveness are rewarded for their efforts.

CORPORATE SOCIAL RESPONSIBILITY & PHILANTHROPY

In 2005, the Who Cares Wins conference was first held in Zurich Switzerland, bringing

together government, regulatory agencies and global investors to understand the role of environmental, social and governance (ESG) value drivers in financial performance. The conference was spearheaded by the United Nations Secretary General Kofi Annan in 2004, and is considered the foundation of the concept of using the environmental, social and governance (ESG) to create sustainable societies. Changing the world from a short-term focus on profits by creating a new metric set is an Iconic Move.

ESG is creating input that extends beyond profitability and allows investors to monitor new factors that may drive performance. Principles for Responsible Investment (PRI) is a UN initiative that promotes environmental, social and governance factors in asset allocation, and has over 1,184 signatories representing \$70 trillion in assets. The key is that there continues to be a refinement in scoring initiatives to measure companies’ ESG performance. This includes grading companies on individual criteria such as resource use, emissions, human rights, product responsibility and corporate social responsibility.

One company that has connected its brand to corporate social responsibility is Apple Inc. The top ranked company in the Best Global Brands for 7 consecutive years, Apple has driven innovation at both the product level and from corporate social responsibility.

Under CEO Steve Jobs, Apple was viewed as a company that looked at the world through an exclusive lens of delivering the highest quality product possible. Charitable donations were halted as Mr. Jobs sought to restore the company to fiscal health.

Under the leadership of Tim Cook, Apple has focused on setting supplier standards, delivering products that require low power consumption and include recycled materials, and building programs and processes for disassembly and reclamation of products that have reached end of life. Apple’s latest robot is called Daisy and it can break down 1.2 million iPhones a year; approximately 200 per hour. The robot is based at Apple’s material recovery lab in Texas and is a 33-foot-long five-armed recycling machine.

Apple makes culture; by including metrics for social and corporate responsibility, the company is able to stay ahead of consumer expectations for authentic company actions.

AI & TRUSTWORTHY COMPUTING

Only 31 of the 100 companies in the 2019 Best Global Brands experienced an absolute decline in brand value. Among the fastest decliners, and with the steepest decline among technology companies, Facebook dropped out of the top 10 brands to land at the 14th spot. Responsiveness and governance are factors that caused the world’s largest social network to lose over \$5 billion in brand value, a decline of 12% from the prior year. Facebook has been embroiled in numerous negative events, including violating data privacy for up to 87 million users in the Cambridge Analytica scandal.

The controversy raised awareness of the data that Facebook collects on users and brought to public consciousness the idea that “If You’re Not Paying, You’re The Product”. Facebook’s CEO had to testify before Congress, a #DeleteFacebook campaign gained momentum and media attention, and the company experienced high-profile employee departures including the founders of the acquired messaging platform company WhatsApp. Evan Acton, one of the WhatsApp founders, even supported the #DeleteFacebook movement upon exiting the company. A year loaded with scandal was topped with a record fine of \$5 billion from the United States Federal Trade Commission in the summer of 2019 and the threat of far reaching regulation to follow.

This indicates an inflection point in technology. Which brand will seize the opportunity to generate a model with trust at its core and a clear pact with customers? Do ideas require guidance and oversight? Is Elon Musk, the Tesla CEO, correct when he states that artificial intelligence is “a very serious danger to the public”?

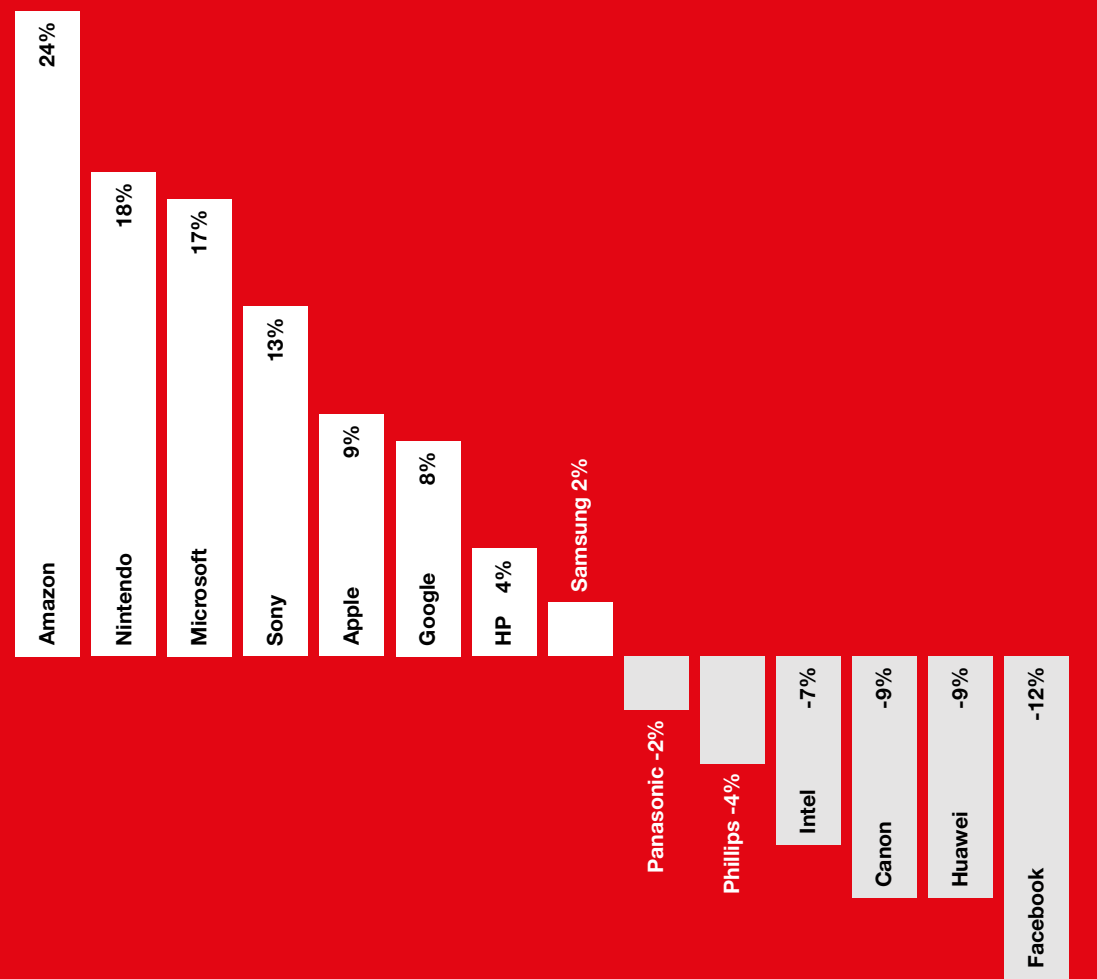
The human mind is falling behind in its ability to outperform computational intelligence. Technology, with a lack of positive intent, could potentially make the world a darker place. All the more reason to embrace the concept that Who Cares Wins. ■



Which brand will seize the opportunity to generate a model with trust at its core and a clear pact with customers?

2019'S BRAND VALUE MOVES

Brand value change year on year from Best Global Brands 2019



WHAT IS AN ICONIC MOVE?

In a world where people's expectations continue to move faster than businesses, customers increasingly reward bold moves that dramatically increase a brand's desirability and utility. We call them **Iconic Moves**. Here is how they work:

Iconic Moves shift customer expectations

They don't just meet them; they create a new normal, reshaping the business and how its consumers perceive it.

Iconic Moves force an internal commitment to change

They are not simply marketing announcements, but true commitments that require follow-through inside the organisation.

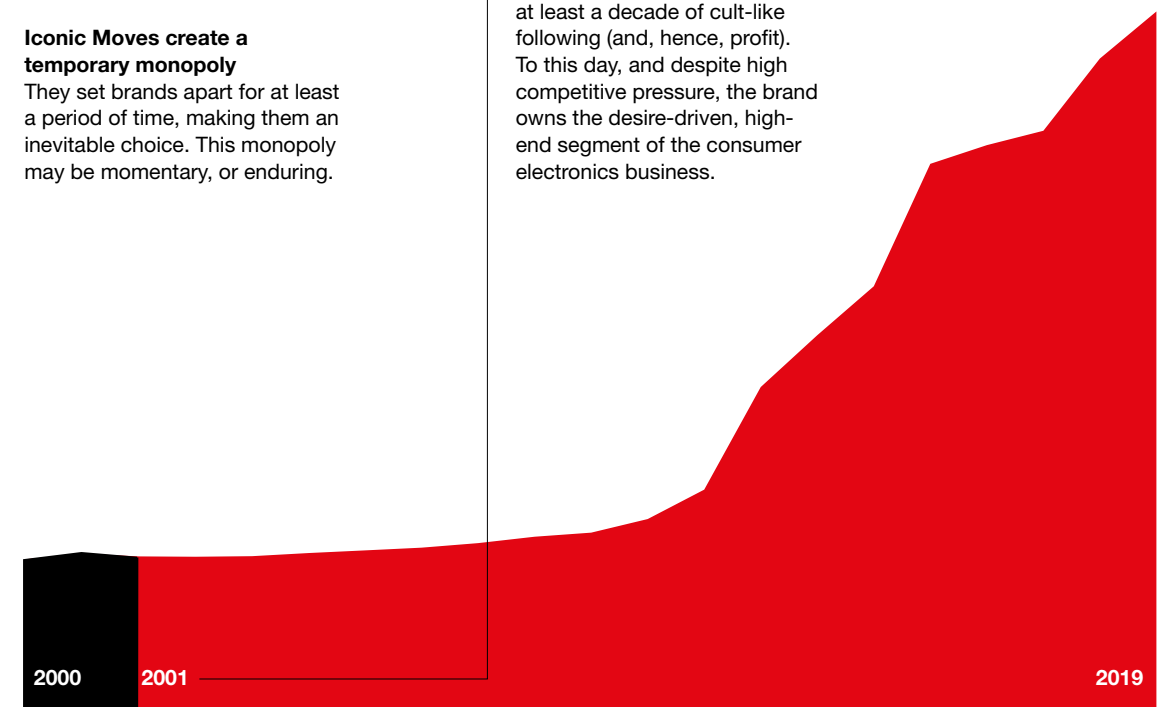
Iconic Moves create a temporary monopoly

They set brands apart for at least a period of time, making them an inevitable choice. This monopoly may be momentary, or enduring.

#1
APPLE
 +9% 234,241 \$m

ICONIC MOVE: APPLE STORES, 2001

At a time when the consumer electronic category was pulling back investments in bricks and mortar, Apple's move is to be credited not just for surpassing the billion dollar mark in yearly sales in only three years – but for much of the brand's desirability and at least a decade of cult-like following (and, hence, profit). To this day, and despite high competitive pressure, the brand owns the desire-driven, high-end segment of the consumer electronics business.



TECH'S TRUST ISSUES

Daniel Binns
CEO, Interbrand New York

The big tech brands are racing to expand into new categories and integrate their ecosystems more deeply into customers' lives – but trust and innovation are also vitally important. How will they succeed?





SUCCESSFUL TECH BRANDS DEMONSTRATE THEY LIVE UP TO THEIR CORE PRINCIPLES BY EMBEDDING IT INTO THEIR PRODUCTS, SERVICES, AND EXPERIENCES

In the past decade, the big technology brands have shifted their focus from product to ecosystem. Enterprises now choose between deeply integrated cloud platforms, with tools and systems that touch all parts of the organization. Individuals now choose which set of tech products and services offer the most utility as an ecosystem, and which ecosystem they feel comfortable inviting into their personal and professional lives.

In the wake of evolving customer expectation, tech corporations must think beyond individual products. Users now expect the best of both software and hardware, seamlessly interacting to deliver the best experience. Top tech firms respond by taking bold steps to expand, position, and anchor their ecosystems in customers' lives. They do so by building high-vision brands that create credibility across categories, unified under a clear world view, and encouraging of bold innovation and transformative change.

In 2009, tech companies faced off head-to-head with flagship products: Galaxy versus iPhone. Bravia versus Aquos. In 2019, they engage in a war between ecosystems. Android versus iOS. Adobe Cloud versus G Suite. While lofty, visionary branding has long been the norm in tech, this new competition elevates this to a new level.

The race to become the coveted 'primary platform' is won by whichever product or service anchors a user's ecosystem. The

best brands are adapting – supporting each individual offering, while speaking for the ecosystem in its entirety. Amazon, which ranks #3 in Best Global Brands 2019, exhibits a relentless pursuit of consumer-first thinking that stretches across every new business endeavor. Google (#2) stands for consistent utility and near-universal presence. Microsoft (#4), while relying more on hero products than competitors do, has elevated their core principle from productivity to achievement. Apple, the top-ranking brand in Best Global Brands 2019, implies impeccable quality within a neatly sealed world. Each of the four brands unlock credibility with customers no matter what the category, allowing the company to connect capability to demand in relentlessly innovative ways. Only a principled, vision-led brand can capture share in this ecosystem market.

In 2019, the ecosystem competition homed in on one technology – voice. As the most seamless interface, voice makes an ideal ecosystem anchor. Smart speakers and AI continue to grow, especially in the home. Amazon and Google continue to vie to become the leader in voice, knowing that the brand that owns this touchpoint will likely win in the race to become the primary platform.

But a visionary message is not enough. Successful tech brands demonstrate they live up to their core principles by embedding it into their products, services, and experiences. Without a cohesive identity across engagements, users will define the

brand by their interaction with whichever product they use most. Tech firms that synchronize their brands can actively foster growth across disparate lines of business, expanding in any credible direction within the context of a broader trajectory.

Facebook's equity concentrates around the core business of social networking. However, they have missed the mark on living up to their vision: "To give people the power to build community and bring the world closer together". The launch of Libra and Calibra is a logical brand extension, moving Facebook into cryptocurrency, a way to build community through payment connection, but one not without roadblocks. Facebook's foray into cryptocurrency runs up against a poor perception of privacy, especially in a sensitive category like finance. To counter this, Facebook has tried to leverage the blockchain to quell public privacy concerns.

Elsewhere in tech, Intuit is trying to build a personal finance ecosystem, but is deeply limited by the degree of product-level equity that resides in TurboTax and QuickBooks. Intel has a lofty brand vision, "sponsors of tomorrow." However, they fail to be perceived as innovative outside their core business of computer semiconductors in any way that would build broader equity.

Maintaining a vision-led technology brand requires a commitment to creating products, services, and experiences that reflect the principle at all costs. Without seeing this commitment, customers will not perceive the brand as credible across categories, limiting flexibility to explore new opportunities.

PRIVACY & UTILITY

In the past, privacy was something companies had to demonstrate for individual products and services – a prerequisite to compete in-category. Today, consumer trust and confidence are central to the viability and success of the ecosystem and the business, making privacy and security foundational components of a brand. As consumers

increasingly expect personalized and seamless user experiences, successful tech brands will need to inspire necessary trust while demonstrating the relevance and utility of their products, and concern for the user.

For consumers to invite a company into their personal and professional lives, they have to trust the brand to be respectful of their data and digital wellbeing. For a corporation to dominate across a vast range of categories and geographies – intact and unimpeded – the brand must also inspire the trust and confidence of governments and a sense of impenetrable security. Brands must position their entire product portfolio around a vision and message that supports this trust, and amplify this with bold investment and innovation in privacy products and services.

Cross-category expansion benefits the top tech companies. Expansion into new sectors makes it difficult for any audience, including legislators, to clearly define a true competitive set, and therefore establish a monopoly. Moving into cryptocurrency, for example, allows Facebook to make the argument that they face strong competition from multiple business angles. On the other hand, the ambiguity of large tech companies creates an easy target for politicians to attack, capitalizing on a zeitgeist of distrust.

Brands seek modern measures to inspire public trust. Blockchain, with no centralized data owner, could become a means to create greater privacy and security – but that is so far unrealized. Facebook leverages blockchain in the aforementioned Libra project to counter their recent bevy of privacy issues. Conversely, Apple's neatly sealed world is perhaps the most credible on security, and so does not require or utilize blockchain to support a privacy perception.

New privacy laws will alter the tech landscape. The California Consumer Privacy Act (CCPA) gives users the right to delete their data and guarantees that individuals retain certain control over their personal ►



Consumer trust and confidence are central to the viability and success of the ecosystem and the business



Across global markets, consumers weigh the value of privacy against utility differently

► information. These regulations run counter to blockchain, which ensures no one entity has ownership and that data cannot be deleted. As more laws like the CCPA come along, tech brands will need to elevate security to a brand level, rather than relying on blockchain to earn trust. Business models that rely on user data must make strides to protect it from misuse. But if consumers get enough utility from the products the burden of proof around benevolence, privacy, and security decreases.

Apple locks in consumers with hardware and subscriptions, supporting more authentic brand promises around privacy. While perhaps the most credible on security, Apple's 'walled garden' forces users to forego a degree of compatibility and utility with products outside the ecosystem.

Google has transacted in user data from the start. So many of its key ecosystem touchpoints, excluding B2B (cloud), connect users to the brand for free. Migrating toward a subscription model would be a massive, high-risk, off-brand undertaking. As a result, Google relies on a brand of benign utility, elevating helpfulness to a prominent role. Although negative PR has put this identity to the test over the past two years, Google's continued growth in categories new and old proves their approach to be effective.

Google, Apple, and Facebook have prioritized digital wellbeing and social impact. Category leaders are designing products and features to help users limit their digital engagement, working to evolve the role that technology plays in consumers' lives. Mark Zuckerberg has announced a shift of focus, from "connecting the world" to "bringing the world closer together," and ensuring users feel that time on Facebook is time well spent. Brands are recognizing a responsibility to wield their influence in ethical ways.

Across global markets, consumers weigh the value of privacy against utility differently. What Western perspectives consider a balance of trust and convenience does not reflect the thinking of Eastern markets.

Exchanges of information that could be considered invasions of privacy in the West are tolerated, even welcomed, in other parts of the world. With deep consideration for cultural context, brands must frame the use of data and the role of technology in our lives as benign and respectful, or prove the utility of their services as worthwhile.

WHEN CULT BECOMES CULTURE

As businesses expand, so too do they evolve. High-minded founders with charismatic visions eventually step aside. Startups go public. Investors push for consistent returns, often at the expense of bold innovation and iconic transformation.

The first generation of tech giants are now grappling with the impermanence of their leaders. Companies need ways to preserve the contributions of their founding visionaries. To do so, they must build their brands around a culture of innovation, maintaining in their DNA the inspiration to make iconic change.

The high visibility of tech leaders and their ideas provides companies with a license to continue innovating. To perpetuate this license and ambition, brands must move from cult to culture, codifying the founding vision into the brand.

Google has managed their succession exceptionally well. The high degree of clarity across the organization – consistent messaging and identity, selective hiring – facilitated a measured withdrawal of Sergey and Larry from the business without sacrificing their vision or license to innovate.

Compared to Google, Tesla and SpaceX face a hyperextended dependence on Elon Musk. The swings in share price tied to his actions exemplify this reliance. Uber, though, navigated an early stage of growth without the leadership of a visionary founder, as the Uber board removed Travis Kalanick for his mismanagement of internal culture.

When a younger brand lacks the founding voice, like Uber, brand must serve as the tool that fosters vision and sustains ambition. ■

ELECTRONICS BRAND STORY

Electronics brands are expanding outwards from the home to society, from goods to services and solutions. Conversely, software brands are heading inwards, developing products such as Google Home and Alexa, in addition to smartphone apps connecting home appliances, and cars, so that they can play the role of 'primary platform'.

While technology and innovation are the lifeblood of growth for the hardware businesses in this new context, the cornerstone to success for these brands is understanding the world of customers – the deep penetration of technology and innovation into their daily lives, and into the goods, services and experiences they value.

Successful innovation, therefore, will focus around identifying 'customer truths' and leveraging 'outside in' perspectives ('outside in' because they come from the world outside of a business – customer's lives, expectations and beliefs). These two approaches should serve as catalysts for innovation, as much if not more so than emergent technologies.

As the boundaries between electronics brands and technology brands become ambiguous, electronics brands also need to view themselves differently. To date they have fostered closed connections only with their own branded products, but in the future it will be necessary to act as a connective force, consolidating and leveraging consumer information more broadly and responsively than ever before – including from competitor products.

What's more, it will be critical to do so without relying on indirect, unintentional and passive means of capture, as the biggest battle in this space – whether B2C or B2B – remains one of trust.

Omnichannel touchpoints to intertwine brand experience into the customers' life will create a stronger bond, both online and offline. Complementary paths to have customers engage in a brand experience should also be sought and maximized, including partnerships with subscription and platform companies.

CONSUMER ELECTRONICS

This category is currently undergoing a radical evolution of its own. Electronics businesses are now evolving to compete with the software behemoths, with an eye on some bold opportunities.

B2C > B2B

By leveraging the brand value nurtured in the B2C context and emergent technological capabilities, leading electronics brands have expanded their businesses into a variety of new arenas including the workplace (Canon, HP, Panasonic), medical devices (Canon, Philips), and mobility (Panasonic). This change has accelerated with the advent of cross-industry, next-generation technologies such as 5G, AI, IoT, sensing, and robotics.

SMART CITIES

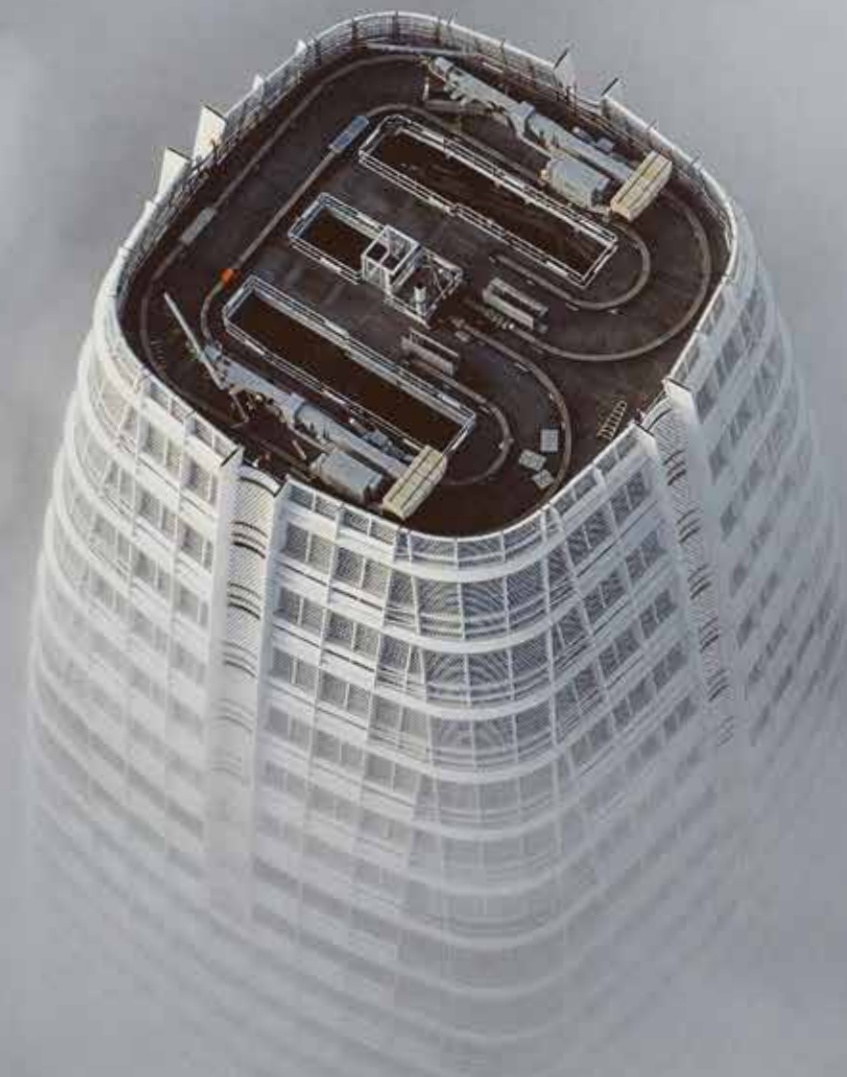
'Smart City' solutions are being developed to meet the global social trend toward urbanization. Here all the elements of the city, such as people, energy, and mobility, connect through information and create new value. Philips and Panasonic are making bold moves in this arena.

ENTERTAINMENT

With 5G soon a reality, there is a steady shift from 'goods' to 'experiences' or from hardware to software and content. Consider game consoles v smartphones: the experiences that consoles offer are much more deeply engaging and broad than that offered by smartphones. Sony and Nintendo have the early leader advantage here because, with both hardware and software plus content, they can offer a different level of experience to rivals.

VIEW FROM THE INSIDE

The tech landscape covers a broad spectrum from B2B behemoths to consumer-facing corporations. We've asked a selection of experts from Salesforce, Google, Adobe, Sony and Samsung what's happening in the sector now





**IT'S SO CRITICAL
RIGHT NOW THAT
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FOUNDATION OF
TRUST WITH YOUR
CUSTOMERS. WE
WANT TO ONLY
PURCHASE PRODUCTS
AND SERVICES
FROM COMPANIES
THAT WE FEEL ARE
TRUSTED AND FROM
COMPANIES THAT
ARE GIVING BACK**

Stephanie Buscemi
CMO, Salesforce

**HOW DO YOUR VALUES SHAPE
YOUR BRAND VALUE?**

I'm super proud to say that the discussion of values is something that happens every single day at Salesforce. I joined Salesforce 5 years ago, and I can tell you in my 25 years of working for a lot of different technology companies, this is the first company in which the discussion around values gets manifested in everything we do – from the smallest to the biggest decisions. And so the company, as a whole, is deeply committed to our set of core values. Just to familiarize you with what those are, they are: trust, customer success, innovation and equality.

They're not something that goes in and out of vogue. They've been with the company for over 20 years. When the company was created, it was really about the promise of the cloud and democratizing the access to technology by bringing your data and using the cloud. So it was essential to establish trust and we've never lost sight of that. It's our compass. With all of our decisions in the organization, we talk about the values. Whether it's making decisions related to advertising campaign content, or if it's in our data centers, or employee policy. What we've found is that values create value and it's something to anchor all of us back to.

Our employees love it, because at the end of the day, people want to work for a business that is walking the walk and not just talking the talk. We see that it starts from within the company with our employees, in terms of the belief that we have this shared responsibility to improve the state of the world. That's the biggest thing. You've probably heard our CEO, Marc Benioff, talk about it.

Business is the greatest platform for change and it starts from within our company and how we interact with each other, to how we interact with our customers and our entire ecosystem.

**COULD YOU SHARE SOME EXAMPLES
OF THE BENEFITS OF PURPOSE?**

We do research reports every year. We run them year-over-year to assess and understand both customer and prospect sentiment around a variety of topics. 95% of customers said they're more likely to be loyal to a company they can trust. 92% of them said they were more likely to purchase additional products and services from a trusted business.

So I think that the buying criteria has changed. It's not good enough to have a good product anymore. People want to have a connection to the companies and brands that they work with, and it starts with building trust. That is a huge piece of our competitive differentiation. People know that dynamic things are going to happen – the world is constantly changing – but we have consistently shown up as a trusted business. Our customers know that whatever happens, they have a really good sense for the ways we make decisions.

In tech, there is a crisis of trust. You can look at what's gone on with social media companies and in many other places, there is a heightened need for data privacy. In fact, more than any other industry, I think it's so critical right now that you have a strong foundation of trust with your customers. We want to only purchase products and services from companies that we feel are trusted and from companies that are giving ▶



#70
SALESFORCE
+24%
8,004 \$m



A KEY TENET FOR US IS ALWAYS ABOUT MAKING IT CONSUMABLE, ACCESSIBLE AND BENEFICIAL TO THE MASSES, BECAUSE WE BELIEVE EVERYONE SHOULD GET THE BENEFIT OF TECHNOLOGY INNOVATIONS

► back. So when Marc says the “business of the business is to improve the state of the world”, he deeply believes that.

I’ll give you an example. When the company started, Marc and our co-founder, Parker Harris, said we want this to be a different kind of business. And so they created something called the 1-1-1 model, which is: 1% of all revenue, 1% of all products and 1% of our time would go to giving back to our community.

That might have been an easy thing to do back then when they didn’t have a lot of revenue and a lot of employees. But today it’s on a massive scale. Every employee in our company (nearly 40,000 employees) gets one full week of what is called VTO – volunteer time off. So many of us know the term PTO (paid time off), but you equally have a volunteer time off, in which we help people find their passion projects and things they want to give back to.

HOW IS CUSTOMER BEHAVIOR CHANGING, AND HOW DOES YOUR BRAND KEEP UP WITH IT?

In addition to customers wanting to work with brands that they can trust and that are giving back, there is a real need to advocate for equality of every human being. And equality is one of our core values. We were the first company in the Fortune 500 to announce and name a Chief Equality

Officer, Tony Prophet, to signal that we had a commitment to equality, because that’s what’s reflected in our customer and employee base. We’re doing it because our customers and employees are a diverse set, and we want to be advocating for them at all times.

We then looked in our organization and said, “are we doing everything we can to advocate for equality in our day to day practices?” So we had to go back and reflect, and we created an inclusive marketing program in our organization, because what we also saw in our study was 52% of consumers said they’re likely to switch a brand if they don’t see themselves and see diversity in that brand.

The reality is we have a long way to go. Marketing in particular, whether it be B2C or B2B, still lacks representation and actually perpetuates stereotypes. This study that I’ve been referring to, our Salesforce study, found that only 37% of people who appear in ads are women and 85% of women said those ads don’t actually represent their real world self.

We heard that loud and clear and we audited all of our own marketing. When we first came together to do that, we looked in the room and said, “we don’t even have a diverse enough group in this room to effectively audit our content and assets today.”

So that was step 1. Step 2 was to then say, “What does inclusive marketing

look like? How do we break down those stereotypes? How do we ensure we don’t have appropriation? How do we break down all of these things?”

So we established the 6 principles of inclusive marketing. We trained our entire marketing organization on it. It’s allowed us to create better content that speaks more to our customers and our employees.

We’ve now made it publicly available on trailhead.com, which is our free online learning platform, and I know that other marketing organizations are tapping into that.

I never want to make it sound like there’s a finish line here. We, as much as anyone else, are just getting started. I do see some marketers out there washing their ads and their content with words like trust – people have to be really careful because you have to be able to show that you’re walking the walk. Otherwise, it’s going to be really damaging.

HOW IS YOUR BRAND POSITIONED TO HAVE A TRUSTED RELATIONSHIP WITH YOUR CUSTOMERS?

While we find it particularly exciting being in technology, we’re also conscious that consumers have mixed feelings about it. There is some fear about things like artificial intelligence. Salesforce, remaining very true ►





WE DIDN'T WANT IT TO BE THAT YOU HAD TO HAVE SOME PRESTIGIOUS, ADVANCED DEGREE. ANYONE WITH A WEB BROWSER CAN GO OUT AND GET THE SKILLS THEY NEED TO SCALE UP IN THIS WORLD OF TECHNOLOGY AND GET A JOB

► to the way it started 20 years ago, wants to be consistent about making technology accessible to everyone.

That's exactly what we're doing now with the latest and probably one of the most disruptive technologies out there. We're making it so that everybody can learn to use AI. We don't look at artificial intelligence as something that solves for the most tedious use cases. We actually try figure out how we can make it accessible to every salesperson, every marketer, every service and every call agent.

Anytime you see an announcement at Salesforce around a new technology or innovation, you'll know we're not making a science project out of it. A key tenet for us is always about making it consumable, accessible and beneficial to the masses, because we believe everyone should get the benefit of technology innovations.

Another example behind what we've done with AI is Trailhead.com. Trailhead was us acknowledging that there is a war on talent and technology. We created it to enable people to learn how to build applications and leverage and use these technologies.

Rather than try to play in the war on talent and say we just need more data scientists and people with advanced computer science degrees instead, what we've done is said

"we want to make this free". Trailhead is our free online training site, and what's truly differentiated about it is that it goes back to our core value of equality. We didn't want it to be that you had to have some prestigious, advanced degree. Anyone with a web browser can go out and get the skills they need to scale up in this world of technology and get a job.

IDC estimated that the Salesforce economy is expected to drive 3.3 million new jobs and more than \$859 billion in new business revenues worldwide by 2022 – that's nearly \$140 billion a year. This revenue has a direct impact on local economies, contributing new business revenues and creating jobs. There are people who went from being manicurists to Salesforce developers are now making six figures because they went on Trailhead, paid zero dollars, and were able in an easy way, without an advanced degree, to get the skills they needed to go and get these Salesforce developer jobs.

We're democratizing the access to learning and the way people are learning. We recently made a commitment to a million more jobs, because we know that we can bring Trailhead into underserved communities where people can't afford to take on a half million dollars in debt to go to college. We can bring Trailhead to them and they can get the skills they need for the future.

We have millions of Trailhead members now. These are people that have come on and are actively learning and getting badges. What's been pretty fascinating about it is we now see that people are actually taking the badges they earn and putting them on their LinkedIn profile.

The people who are transforming their lives personally and professionally within their business with these skills that they're learning, we call them trailblazers. We've stood up trailblazer communities.

These are people who come together and support each other in getting additional learnings, skills and jobs. It's created a massive following and changed people's livelihoods. The business impact on Salesforce of Trailhead is really about creating the brand loyalists of the future and making sure advocacy and all of those metrics which we know are drivers of growth, are looked after.

I think there are two things to say about that. One, it's a very scalable model, because now you can get that community. They're creating content too. It gets to a co-creation model where they help shape the building of the trails. And we keep it accessible to everyone.

The second thing is brand loyalty. I'll give you a great example. Our CEO, Marc Benioff, was out with a Fortune 100 company meeting with

their CEO. We were there and they did this whole presentation. And then in came all these people who had Trailblazer hoodies on. The CEO looked at Marc and said, "Oh, wow, you brought your whole team?" And Marc turned and looked at him and said, "these are all your employees. These people work for you."

WHAT WAS SALESFORCE'S MOST ICONIC MOVE?

It would have to be the birth of the Trailblazer community. Because, you know, as a marketer, having done this 20 plus years, we've always looked at marketing within our four walls, or we've limited our thinking and our ecosystem. With the trailblazer community, we've created this massive halo effect on Salesforce.

Never in my wildest imagination did I realize how much this would take off that our trailblazers are so passionate about Salesforce. They are the amplifiers of our brand. They build on our platform as if it was their very own.

That's been a game changer. We've made technology fun. It's been seen as pretty dry, pretty sterile. But when you look at our website or go to our events, they don't look like anybody else's technology event out there. And the point is to make technology acceptable and fun for everyone, and that people can innovate on our platform. ■

Google

#2
GOOGLE
+8% 167,713 \$m

DESIGN IS ABOUT SOLVING PROBLEMS AND SUSTAINABILITY IS ONE OF THE GREATEST PROBLEMS OF OUR TIME, SO WE MUST DO OUR SHARE

Ivy Ross

VP of Hardware Design, Google

WHAT BOUNDARIES ARE YOU PUSHING AT GOOGLE AND WHAT DO YOU HOPE THE IMPACT BE?

I believe that you can affect millions of people's lives, even within boundaries, while still being as creative as possible. Some of the boundaries we take into consideration at Google revolve around price, the time it takes to design and build a product before it gets into users' hands, and the privacy and security of our users – to name just a few. But even after taking all of these into consideration and working within these boundaries, we hope the beautiful products we make play a helpful role in people's lives, and that they not only look good, but feel good and are accessible to people.

HOW DO YOU SOLVE FOR, OR DESIGN FOR, RAPIDLY EVOLVING EXPECTATIONS?

Society is changing rapidly and the world is more dynamic than ever. We are constantly doing research and taking the pulse of what is on people's minds and what they want from their technology. We even work with users in their homes to observe how they use their products. At the same time, we look ahead to our users of the future and try to better understand what younger generations will want from technology to better understand what is on their minds and what their challenges and dreams are.

Within the design team, we have a small group that are constantly reading a cross section of trend reports that focus on and aggregate sociological trends to help inspire and inform our choices. Having a cultural cross-section is also important, so I have the design team cover a variety of design, material and color shows around the world too. We do not take inspiration from looking

at other electronics but rather from life and how we want to live. We use a mix of data and intuition to create a hypothesis about the future.

WHAT WILL CUSTOMERS' EXPERIENCE OF GOOGLE'S HARDWARE LOOK AND FEEL LIKE IN THE FUTURE?

We will continue with our three main design principles to create products that are human, optimistic and bold, but how that shows up will evolve over time in order to surprise and delight our users and inspire new audiences. We will be using more sustainable processes and materials as we continue to push those boundaries.

Design is about solving problems and sustainability is one of the greatest problems of our time, so we must do our share. Our products will continue to amplify our senses whenever possible, as I believe we are craving more of that as a society.

WHAT IS YOUR EXPERIENCE OF BEING A SENIOR FEMALE LEADER IN ONE OF THE WORLD'S MOST IMPORTANT TECHNOLOGY BRANDS?

I think the important thing is to have diversity of perspective in all technology companies. This extends beyond gender too, so having a diverse group of folks seeing things differently and asking different questions is important, as we create tools that in the future, a variety of people will use.

My advice to other leaders would be to stay true to yourself using the unique gifts you have. Don't look around and become just like others but become more of yourself through your leadership. Be fearless and speak your truth, practice deep listening and be in service to others, and to our planet. ■



WE EARN OUR CUSTOMERS' TRUST BY DELIVERING GREAT CUSTOMER EXPERIENCES, CONSISTENTLY. AND WE START EVERY DAY KNOWING WE HAVE TO EARN IT ALL OVER AGAIN

Neil Lindsey

Vice-President Prime & Marketing, Amazon

HOW DOES THE BRAND SUPPORT AMAZON'S EFFORTS TO DELIVER SERVICES ACROSS MANY PARTS OF CUSTOMERS' LIVES? AND HOW DOES THE BRAND BUILD AND MAINTAIN A RELATIONSHIP OF INTIMACY AND TRUST?

Customers have many ways to shop. In fact, the vast majority of shopping is done offline, and almost all retailers and brands sell online too. And customers have many ways to access content, whether video or music or books. We have to earn the privilege of serving our customers every single day, because buying somewhere else, watching somewhere else, listening somewhere else is easy – and it should be.

Because of this we have leadership principles we operate by, that focus first on making sure we deliver a great customer experience. We don't have a brand manifesto. In fact, the word 'brand' doesn't even appear in our leadership principles. We are what I think of as a 'small b' brand, which means that what our brand stands for is an output of our 'capital C' Customer Obsession, and how customers respond to our products and services. Our brand earns its stripes and

we earn our customers' trust by delivering great customer experiences, consistently. And we start every day knowing we have to earn it all over again. It's why we often say "it's always Day 1".

ONE OF THE THINGS UNIQUE TO AMAZON IS AN ABUNDANCE OF CHOICE AND A RANGE OF OFFERINGS. WHAT IS THE ROLE OF THE AMAZON BRAND IN THIS CONTEXT?

The choices we offer in terms of selection, or speed, or even entertainment content, are about enabling customers to access whatever it is that will make their lives a bit easier, a bit better or even a bit more fun. Sometimes those choices help our customers solve an everyday problem that helps them be a 'hero' in the eyes of the people they care about - whether by finding and getting the perfect gift fast, or being able to attend their kid's soccer practice and still get dinner on the table with a Whole Foods Market delivery.

In fact, we sometimes say that, at our best, we enable the triumph of the everyday hero. The products and services we offer provide selection (choice, if you like), value and convenience, which empowers our ►

amazon

#3
AMAZON
+24% 125,263 \$m



WE ARE AN ENABLER. IF PEOPLE SEE OUR BRAND THAT WAY, WE'RE THRILLED

► customers. We are an enabler. If people see our brand that way, we're thrilled.

PRIME IS ONE OF THE MOST SUCCESSFUL MEMBERSHIP PROGRAMS EVER – BELOVED BY CUSTOMERS. WHAT ARE THE KEY PRINCIPLES OF AMAZON'S SUBSCRIPTION MODEL, FROM A BRAND PERSPECTIVE?

Prime is about offering the best of shopping and entertainment in a membership program with outsized value for every member. Prime includes a lot of benefits, and while you may not use every benefit every day, Prime should deliver joy and make your life better every day, and in doing so deliver incredible value for the price you pay for membership. We work hard to deliver great selection, great value, great savings, fast delivery and award-winning content, and more – that's the key principle behind the Prime brand.

AMAZON'S SUCCESS IS IN PART DUE TO ENDLESS INNOVATION. HOW DOES THE BRAND UNLOCK THE POTENTIAL OF THIS STORY FOR CUSTOMERS?

The brand isn't the key, so it doesn't unlock anything. The innovation that creates the experiences is the key to unlocking services that customers enjoy, and we then work hard to earn and keep customers' trust. We often say, 8 out of 10 points of great marketing

are the customer experience, the 9th point is getting the right message to the right customer at the right moment. The 10th point is about amplifying the truth about who we are, what we do, and why we do it. Customers come first; innovation follows. To us, the brand is an output, not the key.

WHY WILL AMAZON WIN THE BATTLE FOR ATTENTION? AND IS THIS TRULY THE MAIN BATTLE THAT NEEDS TO BE WON?

The battle for attention is a noisy distraction. The hard work of inventing and building matters much more. Below the noise is a flow of information where the truth gets heard by those seeking it. When customers enjoy an experience, they tell others. That's the attention that matters most in the long term. Trying to shout over the noise just adds to the cacophony and hurts your voice. No thanks.

Let's build great products, let's earn and keep our customers' trust by delivering on our promises, and let's speak the truth in as rational and interesting a way as possible – without taking ourselves too seriously. A signature commonly used here is: 'work hard, have fun, make history'. That's not a battle cry, just encouragement to find the best future we can, together with customers, sellers, small businesses, inventors, creators, and employees. ■





WE WILL CONTINUE TO USE CREATIVITY AND TECHNOLOGY TO ENRICH PEOPLE'S LIVES

HOW DO YOU SEE THE ROLE OF BRANDS CHANGING? WHAT ARE THE BIGGEST CHANGES YOU'VE SEEN AND FELT THE MOST OVER THE PAST YEAR OR SO?

I think the role of brands is evolving from something symbolic that distinguishes your products and services from those of other companies to something bigger – something that embodies what your company stands for. Even the way that customers evaluate brands is no longer based on merely the quality of its products and services, but is changing to encompass multifaceted aspects, such as diversity and global environmental initiatives driven by that company. One year ago, new President and CEO Kenichiro Yoshida redefined Sony as a “creative entertainment company with a solid foundation of technology.” Sony got its start from the electronics businesses centered on sound and video, but expanded into the field of entertainment, such as music, movies, and games, as well as financial services. These diverse businesses are what shape Sony today. In addition to this, our business domains have expanded into AI and Robotics-related fields that are expected to expand in the future, as well as the medical and educational fields, adding to the diversity of our portfolio. Through these diverse businesses, we would like to contribute to society as a company that fills the world with emotion through the power of technology and creativity.

THE WAY WE BUY THINGS AS WELL AS THE WAY COMPANIES AND CUSTOMERS USE THEIR MONEY IS CHANGING. HOW DO TRADITIONAL MASS MARKET BRANDS TRY TO CONNECT WITH PEOPLE IN SUCH A MARKET?

Midori Tomita

VP, Brand Design Platform, Sony Corporation

I think the traditional one-way communication between companies and customers is shifting toward two-way interaction, sometimes to the level of creating something together. Under our new corporate direction, we are advocating “getting closer to people” and “getting closer to creators”. While the state and definition of entertainment are changing drastically due to technology, it is important that Sony co-develops entertainment with creators rather than unilaterally. The products we provide may be products for the “mass” market, but the process of making those products reflects the thoughts and know-how of various creators. We want to make connections with the customers by telling such stories along with the products. In creating new entertainment, it is particularly important to nurture the next generation of young creators. In particular, we want to support these young creators with the power of Sony technology and the know-how of entertainment professionals within the Sony Group.

CUSTOMER EXPECTATIONS ARE SHIFTING MUCH QUICKER THAN MANY BRANDS ARE ABLE TO KEEP UP WITH. ARE YOU EXPERIENCING THIS SHIFT? WHAT ARE YOU DOING TO CONTINUE TO MEET/STAY AHEAD OF CUSTOMER EXPECTATIONS?

As we move forward, society will continue to experience major lifestyle changes as a result of advancements in technology. I think consumers are feeling an underlying sense of anxiety as well as excitement about their future. As one of the world's leading technology companies, we take pride in helping to build a part of that future. We will continue to use technology to enrich people's lives and contribute to solving social issues. As one example, last year, we established a set of ethical guidelines for AI to be the foundation for the entire Sony Group's commitment to using AI technology for social good. We are applying image sensor technology used for cameras and smartphones to medical cameras and automated driving. Also, Sony Computer Science Laboratory (Sony CSL), as a company, is committed to solving issues of the global agenda through technology. Through these efforts, we want to meet the expectations of our customers as a technology company that creates the future together with

them.

WHAT DO YOU SEE AS THE BIGGEST OPPORTUNITIES FOR YOUR BRAND? WHAT ARE SOME OF THE EXCITING INITIATIVES AHEAD?

As a “creative entertainment company with a solid foundation of technology”, it is an incredible journey for us to work toward creating a society together that brings joy and excitement to the global community. In addition to our core businesses of electronics, entertainment and financial services, we have started new business collaborations based on technology, such as entering into partnerships with many venture companies through the Sony Innovation Fund, founded in 2016, as well as providing support for venture companies through the Sony Startup Acceleration Program. Also, many businesses efforts are underway to develop and support the creativity of children and students, including activities run by Sony Global Education. We want many people know our purpose, to “fill the world with emotion, through the power of creativity and technology,” and increase the number of partners who can empathize with this mission, whether they are companies or customers. We believe this is an opportunity to grow the Sony brand beyond the basic relationship between product and service providers and their users.

WHAT ARE THE BIGGEST CHALLENGES AS A BRAND LEADER? WHAT ARE SOME DIFFICULT PROBLEMS THAT MAY KEEP YOU UP AT NIGHT?

Sony started with electronics, and the quality of that business has earned our company great trust and has become a pillar of the Sony brand. On the other hand, as I mentioned earlier, our business portfolio has now become extremely diverse as we have expanded into entertainment and financial services. Diversity in business can sometimes make the character of a brand unclear, but we view this as a unique value that only Sony has. Under the name “Sony”, our individual businesses and brands work together to create new brand value as a “creative entertainment company with a solid foundation of technology.” In this way, we will challenge ourselves to continue being a company that continuously generates high levels of profit and social value. ■

SONY

#56
SONY
+13% 10,514 \$m





OUR THIRST FOR INNOVATION AND PIONEERING SPIRIT ARE CODED INTO OUR DNA

AT 50, SAMSUNG IS THE WORLD'S BIGGEST CONSUMER TECH COMPANY. WHAT'S THE SECRET OF ITS SUCCESS?

Over the last 50 years, we at Samsung Electronics have believed that the keys to developing technologies that make consumers' lives easier are a thirst for innovation and a pioneering spirit. That mindset has been integral to our journey. Whether we are creating a next-generation TV, mobile phone, refrigerator or memory solution, our development is driven by the simple, yet profound goal of creating meaningful innovation.

By establishing entirely new smartphone categories and form factors, devices like the Galaxy Note and Galaxy Fold fall into that 'game-changing' category as well. Our pioneering spirit has also seen us lead the charge in the development of next-generation technologies like 8K and 5G.

Our thirst for innovation and pioneering spirit are coded into our DNA, and underlie our vision to develop products and technologies to empower our consumers to achieve things they didn't think were possible. We have had an incredibly successful journey over the last 50 years, and we will keep that spirit alive.

WHAT ARE THE MOST EXCITING PROSPECTS AND CHALLENGES AHEAD?

The world is rapidly entering a new era of technology where everything will be hyper-connected and powered by intelligence. It is an exciting time for change and innovation, as IoT devices become more powerful and enabled by AI, VR, AR and faster 5G networks. Samsung is in a unique position in the industry, as we are the only company

Younghee Lee
Chief Marketing Officer, Samsung

with end-to-end product solutions that cover everything from semiconductors to network equipment and home appliances. We can leverage this extensive portfolio to create a connected ecosystem that brings together the half a billion devices we sell each year.

We've led the development of technologies that have laid the foundation for the entire 5G infrastructure. The strides we're making in 5G will usher in a new era of connected living in which Samsung products' continuous connections will enable you to do things you never could before. Today's workforce is increasingly mobile too, and requires technology that empowers them to work at home, at the office, or on the go. Samsung 5G devices will allow them to do that.

We also recognize that our position in the market comes with great responsibility. That's why we have strict policies and procedures to handle the potential repercussions of these emerging technologies, including security, privacy and AI's ethical implications.

HOW IS SAMSUNG ADDRESSING SOCIAL ISSUES THROUGH TECHNOLOGY?

We have been changing and innovating over the last 50 years, but consumers have always been our main focus. Focusing on understanding what consumers value, and making their experience our priority, allows us to stay connected to our community as they too grow and change.

For Samsung, that means that we have to think about a wide variety of people. Along with asking ourselves how we can better understand and meet the needs and values of Millennials, Gen Z and the next generation, we also take into consideration

the increasing number of single and elderly households. However, in order to offer consumers truly meaningful innovation, we need to think beyond age and other demographics. That's why, when developing new technologies, we devote a great deal of time and effort to identifying consumers' interests and passions.

We're also constantly exploring ways to apply our products, services and innovations to help solve the wider issues facing society. We are paying close attention to sustainability, which we believe is an essential issue for the future, and one our consumers care about deeply. We've established a research center for particulate matter, and have been developing a number of citizenship programs, like Solve for Tomorrow, in an attempt to address these big social issues with the community. Security and accessibility are also key issues that are becoming increasingly important as the world becomes more connected.

Furthermore, we are developing robots that help improve people's daily lives. Samsung has developed home service robots that provide comprehensive health and life care services for elderly people. These include systems which help improve the ability to walk for people having difficulty. We're also developing various applications, powered by AI, that can improve quality of life.

We try to keep listening to and learning from our consumers. As we make the connections with consumers stronger, Samsung promises to keep discovering new opportunities to create experiences that enrich our consumers' lives. By doing this, we will continue to lead changes in society through innovation, so that we can all live and thrive together. ■

SAMSUNG

#6
SAMSUNG
+2% 61,098 \$m

THE CONSUMER PERSPECTIVE

PUT MY SAFETY FIRST

Ben Wiseman
Managing Director,
C Space San Francisco

Privacy and trust are huge issues in the tech sector. Our customer agency, C Space, has just released some in-depth research that pinpoints exactly how consumers feel about the tech giants' grab for their personal data





WHILE STOCK PRICES CONTINUE TO RISE, HOW MUCH SHOULD TECH COMPANIES CARE?

Watching developer conferences, you would think that the future of technology is about privacy. Both Google's I/O and Facebook's F8 conferences made big plays on privacy this year. Mark Zuckerberg claimed that "the future is private," while Google trialed a range of new features for Android, Google Assistant and Chrome. To some extent that is true. The future is certainly very bleak for any tech business that doesn't respond to the privacy concerns of consumers. Facebook's declining brand value in the Best Global Brands 2019 ranking (off the back of declining stock value) is cautionary tale enough for most businesses.

But privacy is not the future, no more than electricity or code. It is a prerequisite, not an outcome. New research conducted for this article clearly shows that the privacy furor is actually the symptom of a much more systemic issue in the technology sector; the decline of purpose.

Consumers are experiencing a shift in the companies they once believed in, which in turn has eroded their trust. Companies that – in consumers' minds at least – used to serve a positive purpose, have expanded ruthlessly in pursuit of attention, users and advertising spend. And customers have cottoned on. They've observed the scandals: the impact on politics, on their communities, and on their kids. And as companies have moved away from their purposes to serve their shareholders, they have undermined trust with their consumers. In turn, they've experienced a backlash from politicians, corporate customers and consumers.

Tellingly, where they have stayed true to their purposes, they succeed with customers still. But given the metrics against which any

tech brand is evaluated, is it inevitable that they stray from their purpose as they grow? Not if you ask consumers. Our research shows that they expect successful brands to stay at the cutting edge of technology and push boundaries. But 84% also said that they must do that without undermining their social purpose. What's more, according to C Space research among more than 100,000 US and UK customers over the last 4 years, a business's ability to demonstrate that it 'shares consumers' values' and/or 'does good for society' is strongly correlated to advocacy and likelihood to recommend.

Tech companies do have a significant disadvantage compared to other sectors. As they are disrupting almost every other category, they are also vulnerable to disruptors themselves. They move faster than any other sector and their business models can evolve in a heartbeat. Today, Amazon's sights are on cloud computing, healthcare disruption and Oscar nominations; a far stretch from their original purpose of customer-centric, efficiency-led online retail. Amazon Web Services has exploded from \$4bn to \$30bn in 4 years and is now at the heart of their profit model.

But if tech companies are all prone to sudden and drastic changes of direction and market, why have all companies have not received equal amounts of consumer backlash?

According to the consumers C Space spoke to, this is because some companies have progressed and have managed to retain their purpose. "I think 10 years ago you could describe Alibaba as a hardworking and positive person. Now Alibaba is a charming and trustworthy person. Alibaba has filled itself with more and more knowledge and

ability through these 10 years. Alibaba will change our life and make our life more intelligent and convenient."

Others, however, have progressed but strayed from their purpose: "10 to 15 years ago Facebook was fresh and new, the new kid at school who nobody knew anything about. Now Facebook is that one douche kid who isn't a kid anymore, just a sellout 20-something year-old who doesn't take responsibility for his own actions and will sell you out just to make some extra cash."

Perhaps that doesn't seem fair. After all, Amazon has been accused of contributing to working poverty, and yet has not been hauled in front of Congress like Facebook, or had their founders calling for a breakup. At the heart of this is their customers' perception of purpose. Amazon is still "a place where people can come to find and discover anything they might want to buy online." Their proliferation has stretched that meaning but stayed true to it. Facebook was about "making the world more open and connected." But their undermining of customer privacy reinterpreted "open" well beyond what consumers deemed acceptable.

However, while stock prices continue to rise, how much should tech companies care?

Their progress, by nature of them living on the bleeding edge of technology, will continue to draw them further towards the boundaries of what consumers, regulators and wider industry deems acceptable. C Space research shows that 82% of customers expect tech companies to keep pushing and 72% are excited about advances to come. But they must do that in pursuit of a purpose that benefits those they seek to serve. On the right side of the line they are innovators, employers and enablers. On the wrong side they are schemers, exploiters and profiteers.

Any tech company without a strong customer-led purpose risks a bigger backlash from both customers and regulators than it ever saw over privacy. The next wave of unicorns have much to learn from the successes and failings of the Big Four. In the future, the most successful companies will need to deliver upon a more progressive, inspiring and human-centred version of progress *and* push the boundaries of innovation. ■

HOW DO TECH FIRMS LOSE SIGHT OF THEIR ORIGINAL PURPOSE?

PRODUCT OVER PURPOSE

The culture of many tech companies is led by the engineering group. Marketing teams have often been awareness drivers of product, or corporate functions managing reputation. Marketers, or those with experience of defining and evolving purpose, rarely hold the same internal authority or resource that they might in another sector. A solution for the industry is to reimagine the role that their marketers might play in their businesses. As those most connected to culture and customer needs, senior marketers could be setting the purpose, which would inform the product roadmap, rather than the inverse.

ONE BRAND CAN'T DO IT ALL

Is it fair to expect one brand to achieve the original purpose of a company as well as its future potential? P&G recognized decades ago that an effective portfolio strategy would allow them to play different roles in people's lives with integrity. Google's Alphabet brand has begun that strategy but could take it further, faster.

USER-CENTRICITY IS CONFUSED WITH CUSTOMER-CENTRICITY

The discipline of user-centered design is pervasive in Silicon Valley, which leads to outstanding product development. An unintended consequence is that companies believe they are deeply connected to their customer, when in fact they are just connected to their customer's experience of the product they are designing. And they may even work to KPIs that are detrimental to customers. In stark contrast to those seed-stage days, these companies risk being no longer inspired by a customer-led purpose, but by the disparate opportunities that new technologies offer their revenue models.

TAKE YOUR BRAND FURTHER

By now you will have seen our Best Global Brands 2019 list. You may be thinking ‘How can my brand join that list?’ or ‘How can I improve my brand’s value?’ Here are some of the ways we can help make that happen

DEPARTURE POINT SESSION

Assess the performance of your brand through the lenses of Human Truths, Experiences and Economics. Establish what needs your brand is addressing, what interactions it has with audiences, and what the business model, competitive landscape and relative performance look like within this context.

AMBITION SESSION

Identify your brand’s farthest-reaching business goal: its Ambition. Stretching into the long term this ambition should be simple, challenging, compelling – and underpinned by clear KPIs. The resulting ambition will command commitment, demand measurement and stand powerfully as an act of leadership

ROADMAP SESSION

An initial baseline examination of your brand by assessing its performance across Interbrand’s ten proprietary Brand Strength dimensions. Identify areas of opportunity to improve the brand and define an initial activation roadmap with clear measures of success.

ICONIC MOVES DIAGNOSTIC SESSION

Explore the signifiers of an Iconic Move within your category and identify those that offer your brand the most promising growth trajectory. At Interbrand, we focus on those moves that reframe customer expectations – actions that can sway the way people within or outside an organisation think, choose and behave – and create the most growth.

PEOPLE PULSE ACADEMY WORKSHOP

Your talent is your lifeblood. Brand Clarity, Commitment and the Confidence of your team is vital to sustaining any moves you are making as a business. Through one of our Academy workshops, we will map how your culture and learning is set up for, and can deliver on, your ambition.

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Interbrand Best
Global
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2019

The ranking of the 100 most
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