The Top 10 Most Valuable German Brands

Three of the Top 10 are car brands, with a wide range of other categories represented.

To find out more about Best Countries visit: https://www.usnews.com/best-countries

Leaders on Brand Contribution

Brand contribution is the proportion of value driven by brand equity rather than other in-market factors (such as promotions or distribution). It tends to be a key driver of business growth and is measured on a scale of 1 to 5, with 5 the highest.

Telecom Providers

Cars

Cars

Cars

Logistics

Conglomerates

Retail

Apparel

Total Value of the Top 50 Most Valuable German Brands

US$305.7Bil.
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Welcome

by David Roth, CEO, The Store WPP, EMEA & Asia
FUELS LEADING GERMAN BRANDS

The strength of the powerful relationship between “Brand Germany” and the brands of Germany comes under the spotlight in a special feature in this report. We draw on exclusive data and analysis from the annual “Best Countries” research done by Y&R’s BAV Group, with US News and the Wharton Business School. This data shines a light on how country of origin affects German brands, and the power of “Brand Germany” in the mind of the modern global consumer.

We also present market wisdom and cutting-edge insights from experts from WPP companies all over Germany, through extensive Thought Leadership and Best Practices essays. There are succinct, action-led recommendations for brands seeking growth in Germany based on our expert analysis of the market; see our Cross-Category Trends on page 26, and Key Take Aways on page 32, for our take on how the market is evolving.

There is detailed analysis of the Top 50 ranking: how the most valuable brands made it to the top, and the work that must be done to build future value both for those brands in the list, and those that are yet to achieve the scale required to make the Top 50. And we offer a thumbnail sketch of each of the BrandZ™ Top 50 Most Valuable German Brands, describing both who they are and how they relate to this highly sophisticated and increasingly ad-resistant consumer market.

All of this is presented alongside the specially commissioned photographs of Cecilie Østergren, who has captured the essence of modern Germany in her stunning shots.

Whether you’re a German brand or a global name, a startup or a sector stalwart, in this report you’ll find knowledge and insight to help you grow more effectively in Germany – and beyond.
For us at WPP, there is special significance in launching a BrandZ™ ranking of German brands. Germany is WPP’s fourth-largest market, after the US, the UK and China, and it’s a market we see as a long-term investment. It’s also a market on which we plan to place more emphasis in the future, following the UK’s referendum decision to leave the European Union.

We are therefore expanding our business here, having recently acquired the Hamburg-based creative agency group thjnk AG, which specializes in advertising, design and corporate publishing. We have also opened an office in Berlin of OgilvyOne Worldwide, in response to rising demand for customer engagement and digital marketing services. And, in 2016, WPP company POSSIBLE Worldwide agreed to take a majority stake in the full-service digital agency Conrad Caine, based in Munich. We have increased the number of people in WPP in Germany by around 1,000 people in the past year and a half. Today, over 8,000 people work for WPP in Germany, providing advertising, marketing, insight, media, digital, shopper marketing and PR expertise. It’s part of our global presence in 112 countries. By linking all this talent, creativity, wisdom, and horizontality, we amplify global trends and insights that help our clients in useful and unique ways.

If you enjoy this report, we invite you to browse our extensive BrandZ™ library. This year, the range of publications includes just-released inaugural Top 50 rankings of the most valuable UK and French brands, along with our first ranking of the Top 30 Most Valuable Spanish Brands. These titles join our long-running annual studies: BrandZ™ Top 100 Most Valuable Global Brands, BrandZ™ Top 100 Most Valuable Chinese Brands, and BrandZ™ Top 50 Most Valuable Indonesian Brands.

To download these and other reports, please visit www.BrandZ.com. For the interactive BrandZ™ mobile apps go to www.BrandZ.com/mobile.

At WPP, we’re passionate about using our creativity to create and build strong, differentiated brands that deliver lasting shareholder value. To learn more about how to apply our experience and expertise to benefit your brand, please contact any of the WPP companies that contributed expertise to this report. Turn to page 218 for summaries of each company and the contact details of key executives. Or feel free to contact me directly.

Sincerely,

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Introduction

Overview
Key Results
Cross-Category Trends
Economy and Demographics
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Focus
The 'Fearsome Five'
OVERVIEW

14

GDP is ticking over nicely compared to much of the rest of the region, with forecast growth of 1.4 percent in 2017 and 1.3 percent predicted for 2018. Inflation is about where most economists say it should be – at 1.6 percent – and Angela Merkel, the German Chancellor who has served since 2005, is still at the helm.

As a result, consumer confidence is high. OECD figures show a slight dip around the time of the election but otherwise world-beating levels of positivity. There are signs that although savings rates are high, consumers are starting to loosen their grip on the purse strings a little. Retail sales in August 2017 were 2.8 percent higher than the same month a year earlier, driven mainly by non-food sales and a boom in mail order and online shopping, national statistics show.

Busineses are similarly optimistic. Low unemployment and steady government spending are underpinning growth in private consumption, and exports are buoyant thanks to strong demand from Asia and the US, although growth in exports to China are slowing. Official figures show exports in July 2017 (the latest available) were 8 percent higher than in July 2016.

The Munich-based economic research group CESifo tracks business sentiment month by month, and while positivity slipped slightly in September 2017 from 115.9 points to 115.2 points, it still remains way above its long-term average of 102.1 points. On the organization’s traffic light system, which indicates the probability of future growth, the country is safely within the green zone.

CHANGING GEAR

This is an economy that is gradually changing, with a focus on technology and the environment, often both at the same time. Germany’s major carmakers have announced ambitious plans to invest in mass production of electric cars, a move that chimes with announcements by other carmakers and signals the way mobility is changing. In Germany, the shift also helps put clear water between the days of the Volkswagen emissions scandal and the German auto industry of the future.

The country has committed to shutting down its controversial nuclear power plants by 2022, due to long-held concerns about safety, particularly following the Fukushima disaster in Japan, but also as part of a wider program, Energiewende, to switch to renewable energy sources.

On the World Economic Forum’s networked readiness index, which assesses the factors, policies and institutions that enable a country to leverage information and communication technologies (ICT) for increased competitiveness and wellbeing, Germany is ranked 15th out of 139 countries. Singapore is top, followed by Finland, Sweden, Norway and the United States.

And on the European Commission-supported European Digital City Index, which describes how well different cities support digital entrepreneurs, nine of the top 60 cities are German, with Berlin flying the flag for Germany in sixth place.

Berlin’s artistic heritage combines with entrepreneurial talent from all over the world, fuelling startups that tend to cluster around the Torstrasse, otherwise known as Silicon Alley. The capital is also home to Factory Berlin, a Google-backed co-working space that describes itself as Germany’s largest startup campus. And the Betahaus space for startups has branches in both Berlin and Hamburg. Startups to have emerged from Berlin include Soundcloud, Zalando and Food Panda.
Munich is another digital hotspot, as is Hamburg – birthplace of transport startups Mytaxi and Wunder, data company Statista, and financial technology company Kreditech. Frankfurt, Cologne, Karlsruhe, Düsseldorf, Stuttgart and Dresden all make the Digital City Index as well.

For several years, the government has been encouraging businesses to be more innovative, and adapt to changing technological opportunities and the changing demands of consumers.

At the opening of a privately built €50 million research and innovation center in Allendorf in 2017, Chancellor Merkel spoke of the digitization of industry and the economy. “What is really exciting is that one can build a completely new relationship to the customers. Consumers want individual products, they want to know how to use a product best.”

Her government has been encouraging German businesses to apply the skills that have made them leaders in B-to-B services to the consumer market as well.

Businesses like adidas, with its new SpeedFactory in Bavaria, which can make small batches of specialized footwear, are setting the pace. SAP is actively taking steps to embrace a culture of innovation throughout the entire company.

**GAPS TO FILL**

Technological advances are showing what’s possible, and should be inspiring brands to look beyond what have traditionally been their categories to get closer to consumers and deliver products and services that improve people’s lives.

People are looking for not just a better life for themselves, but a future they can believe in and a partnership with the organizations they feel are listening to them and that share their views.

Brands in this climate must create the right products, of course, but must have something to say that goes beyond what’s good about what they’ve made. It is a brand’s ability to make a meaningful connection with a consumer that matters most. They can be not just present but also relevant to consumers, enriching people’s lives, even in small ways.

Successful German brands are telling stories that resonate with people’s lives, delivering on the increasingly complex relationship that consumers expect brands to play in their lives.
TOP 50 GERMAN BRANDS WORTH OVER €260 BILLION

The combined value of the BrandZ™ Top 50 Most Valuable German Brands 2018 is US$305,708 million, or roughly €263 billion. This is significantly higher than the value of the UK Top 50, $ 234,494 million, and the French Top 50 2018, which are worth $240,407 million.

MEGA BRANDS DOMINATE THE RANKING

Value is concentrated at the top of the German ranking, with the top two brands – SAP and Deutsche Telekom – between them accounting for 29 percent of the value of the leading 50 brands combined. This domination of the ranking by a small number of mega brands is a pattern we see in other markets. In France, for instance, almost half of the Top 50’s value comes from just five brands, while in the UK, the top two brands provide 21 percent of the Top 50’s value, and the top five of UK Top 50 make up 40 percent of total brand value.

LUXURY CARS SET GERMAN RANKING APART

The presence and influence of so many premium automotive brands gives the German Top 50 ranking a unique flavor. There are five leading global car brands in the German Top 50, something unmatched in any other national ranking. Between them, names like BMW, Mercedes-Benz and Porsche make the car category the most valuable in the ranking, and the five brands together in the category account for 22 percent of the total brand value of the entire Top 50.

DIVERSITY OF BRANDS REFLECTS GERMAN ECONOMY

A look through the German Top 50 ranking is like a glance at daily life for consumers and businesses in Germany. There are brands from 19 categories, many of which have not only become national success stories but truly global leaders in their fields. For everyday essentials there’s NIVEA, Knorr, Fanta and HiPP; there are logistics, telecommunications and finance giants, a range of retailers, home appliance producers, apparel, several beer brands, a travel company and the airline Lufthansa.
BRANDS COMMUNICATING WELL, BUT NEED MORE FOCUS

Tracking the Top 10 most valuable German brands over time shows that while they are consistently good at achieving visibility among consumers and coming to mind when people think of a category, there is room for improvement in brands’ focus on being different to others in their category, and being different in a way that is important to consumers. Meaningful difference, a key ingredient in what makes strong brands valuable, has not grown at the same pace as being well known. This is potentially risky, as it leaves the door open for newcomer brands to win market share and brand value by simply standing apart from the status quo, and in a way that consumers find relevant and appealing.

BRAND VITALITY ON PAR WITH TOP GLOBAL PERFORMERS

Brands that make the Top 50 ranking in Germany this year are performing as well as the leading brands in the world on the BrandZ measure of health and vitality. Among the leading 50 German brands, 40 percent are classed as being healthy, having achieved great scores on the five components of vitality: purpose, innovation, communication, experience and love. This is not far behind the performance of the Global Top 50 in 2017, 50 percent of which were classed as healthy. This picture of vitality sets German brands apart from those in other large European markets; the top brands in the UK and France were considerably less healthy.

TRUST AND GROWTH ARE NATURAL PARTNERS

Some of the most trusted brands in Germany are also the most highly recommended by consumers, and this matters enormously given the high usage of social media. Trust often takes many years to earn, and some of the most trusted German brands have indeed been around for decades – names like Lufthansa, HiPP, DHL, adidas and Miele. These trusted brands feature among the most likely brands to be loved and recommended, factors that also correlate with brand value.
TOP 5 LEARNINGS FOR MARKETERS

1. EVEN GLOBAL GIANTS NEED TO BE NURTURED

Many of the brands that feature in the German Top 50 are among the most widely recognized and respected brands in the world, and their current scale shows that they have built both brand and business simultaneously. But businesses that nurture the power of their brands can punch above their financial weight and create the best conditions in which to grow future sales. This is especially important now, given that powerful startups are shaking up entire sectors and challenging established business models.

2. MAKE BRANDING A PRIORITY AND REAP THE REWARDS

Analysis of the BrandZ™ ranking shows that the healthiest and strongest brands are those that can best generate volume sales, justify a premium, and grow their value at a pace that outperforms brands in general — factors that all add to their bottom line. In over 12 years of Global BrandZ™ rankings, it has become clear that the share price of valuable brands is better insulated when external factors buffet the market, and these brands make a faster return to growth when conditions improve. Over time, their returns to shareholders have averaged four times the returns of a global market tracker.

3. FAME IS NOT ENOUGH, AND HISTORY DOES NOT GUARANTEE A FUTURE

Brands that are especially strong on these two factors have significantly higher brand value than those that are not. Innovation is strongly linked to consumer love, which is important not just because it’s nice to be loved, but because it helps sustain sales and brand value during the periods between innovations. Strong communications can help make up for deficiencies in other areas, but it cannot work alone.

4. EMOTIONAL CONNECTIONS CAN DELIVER FUTURE GROWTH

The brands that are meaningful, those that make a positive difference to people’s lives, and that are seen as different to other brands in their category, are those that are more healthy and tend to be worth more. Meaningful difference is conveyed through products and services but also through powerful and memorable communications. Advertising by meaningfully different brands doesn’t just reach the target audience — it moves them. Strong communications can help make up for deficiencies in other areas, but it cannot work alone.

5. INNOVATION & EXPERIENCE GENERATE BIGGEST REWARD

Innovation and experience are two of the five key factors that contribute to the BrandZ™ measure of brand vitality. While the brands that are in the best shape perform well on all five measures, it’s clear that in Germany, investment in innovation and experience pays disproportionately high dividends. Brands that are especially strong on these two factors have significantly higher brand value than those that are not. Innovation is strongly linked to consumer love, which is important not just because it’s nice to be loved, but because it helps sustain sales and brand value during the periods between innovations. And innovations that are used to improve the consumer experience are loved for making life easier and perhaps a little more fun.

TOP 50 MOST VALUABLE GERMAN BRANDS 2018

KEY RESULTS
PLANNING A ROUTE

Ensuring future brand strength means building on the best of the past, but also being agile enough to be able to see what the future might bring – and being brave enough to embrace it. This can require a brand to think about their category in an entirely new way, and question what it is that they actually offer the consumer. BMW is doing this through its increasing focus on solutions for mobility, rather than just selling more new cars to individuals. It’s also branched out into a category that at first seems incongruous – beer – but actually gels with what the brand already delivers to people. The brand is working with Nittenauer brewery on a zero-alcohol craft beer, which in itself captures the zeitgeist, but that is particularly relevant to motorcyclists. The brand says it already offers all the things bikers desire: bikes, events, comfort features, training, servicing, oil and clothing. Now, it also offers the post-ride refreshment its customers want.
INTRODUCTION

IS BUOYANT

The mood is buoyant. There is confidence, people have money, and they are willing to spend it. But even affluent Germans are shopping around, looking for ways to make smart consumption decisions – not extravagant ones. Consumers are mindful of the fact that the world is an uncertain place that requires a degree of caution when it comes to spending, and at the same time the public mood creates an expectation of modesty among those who can afford to spend big. This more subtle take on consumerism is linked to people’s desire to buy not just the brands that offer the best quality and value for money, but also those whose brand values – beyond making money – align with their own. Consumers want relationships with brands that share their perspectives on a fair deal for workers, humane treatment of animals, and consideration of the environment. Brands must have a purpose and promote it.

THE SEARCH FOR BETTER WELLBEING IS MAINSTREAM

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TOO MANY BRANDS ARE TURNING OFF CONSUMERS

This is a sophisticated consumer market, and people are highly discerning about the messages they’re prepared to give their time to. The hard reality is that at the moment, there are a lot of brands simply making a noise that consumers don’t want to hear – and those consumers are equipped to switch off. Ad blocking is a significant problem in Germany, with TNS ConnectedLife research showing that 21 percent of Germans online have installed ad blockers on their devices, and the more tech-savvy the audience is, the more likely they are to be shutting out brands. The answer is not to shout even louder, but to understand consumers better and deliver something they want to engage with. Being everywhere the consumer might be is not just creepy, it’s counter-productive. Brands need to consider the times when consumers might find a message helpful, amusing or entertaining, and provide the right thing at the right time.

LIFE IS FOR LIVING, NOT SHOPPING

Experience is becoming a sought-after commodity, especially among the young. They don’t always want to buy something they can keep, they want to enjoy a moment and make memories – preferably memories that can be shared and shared on social media. This means brands that have traditionally set their focus on selling products need to think beyond “things” – most consumers have enough stuff already – and look at what is linked services and experiences they can offer. The popularity of Airbnb and of eBay Kleinanzeigen (classifieds) in Germany signals demand for experiences, along with the rise of Jochen Schweizer, the business named after the stuntman-turned-entrepreneur who sells experiences ranging from skydiving to fondue tasting. Services can be literal, as in the case of Nike+, which offers a fitness partnership with consumers, or a more broad service, such as providing a sense of community. For retailers, this means offering more than an assortment of goods at competitive prices; buying is rarely about only what the shopper goes home with. It’s about the time they spend looking, and how they feel about it afterwards.

THE MOOD IS BUOYANT

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Alcohol and smoking rates are down, demand for low-sugar, organic and meat-free products is up, and many Germans are taking up exercise. At the same time, there’s growing environmental concern, and this helps explain the rising trend for taking a bike or walking to work instead of driving – it improves the health of the consumer and the environment at the same time. Just under 10 percent of German adults already wear a fitness tracking device, and 31 percent of households in big cities only use bicycles for transport. This is a trend that’s affecting the behavior and consumption decisions of people of all ages – and that means brands in almost every category need to think how they can improve the wellbeing of the people they serve and the environment they live in.

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THE SEARCH FOR BETTER WELLBEING IS MAINSTREAM

The country as seen being progressive on LGBT rights, Berlin hosts Germany’s biggest Gay Pride event, and Germany legalized gay marriage in mid-2017. Being different is fine, and being the same as other people is fine. Brands and their communications are increasingly reflecting this relaxed attitude to difference, not just in sexual preference but in other aspects of personal choice. Deutsche Telekom’s “Für alle, die Familie sind” takes a light-hearted look at a range of very different types of family, all dancing to the same song, to show that however different they are, they are all families and all eligible for the brand’s family tariff.

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OBESITY IS A SIGNIFICANT PROBLEM FOR ADULTS AND CHILDREN...

...CONSUMERS ARE SEEKING HEALTHIER FOOD OPTIONS AND TAKING UP EXERCISE.
FAMILIES ARE CHANGING

The “traditional” family unit comprising mum, dad and a couple of kids is no longer the typical German household. More people are living alone, gay marriage has just become legal, and a large number of families have only one child. At the same time, the number of three-generation households is in rapid decline, and the number of adult children living with their parents has fallen by 18 percent over the past 20 years as young people strike out on their own. This all means that the nuclear family image so often used in advertising is losing its relevance, as are “family pack” special offers and family products that have only one kind of family in mind.

MAKE IT SNAPPY

German consumers are leading increasingly hectic lives, and they’re looking for products and services that make their lives just a little bit easier. The appetite for ready meals, take-aways and restaurant meals is rising, and shoppers are picking retailers that offer fast delivery options. This is a trend that’s being seen across much of Western Europe, but while this has led to a recent balm in small convenience stores in many markets – where people are buying food just for their next meal – this is not the case in Germany. Shoppers are still stocking up at big stores, but they want options when it comes to receiving their goods. Click-and-collect from stores is highly popular, and Germans make extensive use of locker-collection points for goods bought online. Deutsche Bahn is now targeting commuters with a pilot service offering 24-hour “BahnhofsBox” lockers, from where travellers can collect their dry cleaning and parcels, and – because some lockers are refrigerated – it’s also possible to have groceries delivered there.

CASH IS STILL KING

Despite being one of the most advanced economies in the world, there’s a strong preference for using cash in Germany, particularly among older consumers. European Central Bank data shows that in 2016, German consumers made around 4 billion transactions using cards – which sounds like a lot until you consider that in France, that figure was almost 11 billion and in the UK, 16.4 billion. Some of this is a legacy of the days of secret police monitoring people’s activities, and they therefore prefer the anonymity that using cash brings. Another aspect of the reluctance to go digital is that people use online payment services – whether with cards or mobile payment platforms – people feel they are at risk of having their data stolen. Gradually this is changing, though. There’s talk that Apple Pay will soon be available in Germany, and shoppers are warming to ALDI’s offer to take payment via smartphone.

EVERYONE LOVES A BARGAIN

Most households in Germany do at least some of their shopping at a discount store, and for many, it’s their main destination for groceries. Germany is the birthplace of now-international discounters ALDI and Lidl, the retail brands that the world now associates with bagging a bargain. But there are other discounters here too, and between them they have created a shopper culture in which it’s expected that a great price doesn’t have to mean a compromise on quality. It doesn’t even have to mean a compromise on experience, now that many discounters are improving stories to make shopping there more enjoyable. A great deal isn’t always about the price, though. It’s about value, so make clear the benefits as well as the deal.
HEALTH FOOD IS HOT

There’s a widespread drive to pursue healthier eating habits, and not just as a way to counter the country’s obesity problem, which is significant, with World Health Organization data showing Germans are among the most overweight in Europe. Products that are low in sugar are therefore in demand, but consumers are also looking for more natural products rather than processed foods, so there’s an increasing call for organic food, gluten-free options and growing numbers of consumers are having meat-free days, with about half of Germans going ‘flexitarian’. More new vegan products are launched in Germany than any other European market, and Europe’s first vegan supermarket chain, Veganz, launched in Berlin six years ago. The German vegetarian society, VEBU, says about 11 percent of the population is vegetarian.

EXERCISE IS ALSO ON THE RISE

In a related phenomenon in the pursuit of better health, Germans are increasingly taking up cycling, yoga and running – and they know they need to do more. Parents are especially concerned about their children’s health – the WHO says 80 percent of kids in Germany don’t get enough exercise – as traditional pastimes such as football get sidelined in favor of electronic games and other screen-based activities. Brands can play a role in helping people get fitter, even if they’re not directly involved in the sector themselves, although they need to be careful to be seen as genuinely helpful, not just trying to make money out of a national problem. The soft drink Fanta has set up or helped fund improvements to up to 100 playgrounds around Germany could be improved or set up to encourage more children to spend active time outdoors.

THERE’S ALTRUISM AND IT’S REAL

Many consumers have good intentions, but in Germany, people are putting their wallets where their intentions are, and are seeking out brands they believe contribute to a greater good. They’re prepared to pay a premium for a product or service that helps the wider community or the environment. This is driving demand for organic produce beyond food; people want clothes and skincare products produced without the use of pesticides. Concern about animal welfare is also widespread, recycling rates are high and car-sharing is on the rise. Linked to the desire to “do good” is the desire to buy local; goods that have travelled a shorter distance are seen as better for the environment and for stimulating the local economy. Bakeries are increasingly focusing on their organic (bio) ranges, and natural cosmetics brands such as Dr. Hauschka and Weleda are proving popular.

NOVELTY HAS VALUE

German people have always travelled extensively compared to many of their European neighbors, and now – thanks to their relative affluence and the rise of budget travel options – they’re travelling more often and to a broader range of destinations. They’re looking for something new, and their experiences abroad are driving demand for new products and experiences when they get home. There is keen interest in what’s new, and a desire to do something different.
INTRODUCTION

KEY TAKE AWAYS

OLD IS GOLD

Many brands focus on young consumers in the hope of winning them over for decades to come, but there’s an oft-overlooked generation of consumers that is active, have time on their hands and have money to spend on themselves right now. The baby boomers and their older cousins tend to be financially secure, with their own homes and a solid pension, and they are far more active than the older generation who went before them. They’re not just putting their feet up – they’re travelling, taking up sports, learning new skills and socializing. And those aged 60-plus are set to be the fastest-growing segment of the German population between now and 2030. They’re also online in big numbers, with around two-thirds of them connected to the internet. Many of them are already shopping online, and more could be convinced to try it; this is a market with a strong history of distance selling since the days before the internet, through catalogue mail order and telephone sales.

SOCIAL MEDIA IS TAKING OFF, BUT IT’S NOT UNIVERSAL

Social networking is popular: two-thirds of German consumers now use social networks at least once a week – a lower proportion than the average for northern and western Europe, though the number of users is gradually climbing. Among those who do use social networks, they’re accessing, on average, between three and four social media platforms, with Facebook, YouTube and WhatsApp the three most widely used. Again, this is a little lower than in other markets. Facebook is used by 60 percent of people, YouTube by 46 percent and Instagram – the fastest-growing mainstream network – by 18 percent. Twitter is used by only 15 percent of Germans. While instant messaging apps are ubiquitous in many other European markets, in Germany, WhatsApp and Facebook Messenger usage is less than half of the online population. It is important to understand who is using each of these tools, and what they’re using them for, in order to adapt brand communications to the environment and be relevant.

ONLINE SHOPPING IS BIG AND GROWING

Already, 61 percent of Germans are shopping online, and a further 29 percent are considered prospective e-shoppers. But the shift to buying groceries online is happening at a slower pace than in other strong EU markets. Kantar Retail predicts that by 2025, 4 percent of FMCG shopping will be done online in Germany. This is not far behind the Netherlands, but a much lower rate than in France and the UK. The number of online grocery options is growing – and REWE’s delivery service is proving popular – but the cost of delivery is still putting many shoppers off making the switch. Only 6 percent of shoppers have a saved online shopping list, and the same proportion have enabled one-click ordering with a preferred vendor. Retailers looking to build the online part of their business need to make delivery quick, convenient and as close to free as possible.

TASTES ARE MIGRATING

The number of people arriving in Germany from North Africa and the Middle East in the past two years – around the one million mark – has led to a change in the nation’s palate. New restaurants are popping up in Germany’s towns and cities to serve Middle Eastern taste buds, and food stores are expanding product lines to meet the demands of this new market. As Germany’s burgeoning migrant community continues to expand and integrate into society, the rest of the population is beginning to explore these new flavors and integrate them into their own diets. In the future, FMCG brands will need to consider the shifting tastes of Germany’s population in order to feed the desire for new flavors.
INTRODUCTION

KEY TAKEAWAYS

DON’T THROW OUT ‘OLD’ MEDIA

There’s considerable excitement over what’s possible for brands to do in the digital world, and understandably so. But brands in Germany must guard against dismissing more traditional media options as obsolete; they are far from it. Newspapers are still a significant source of news for Germans, unlike most other markets, and TV also remains strong. Germans still spend the majority of their media time using traditional options, and more than 70 percent of German internet users can be reached by TV. In fact, on average, consumers here spend 3.7 hours a day watching TV, even though they own an average of 3.1 connected devices. When they are online and using social networks, Facebook has by far the highest reach of all platforms, but Snapchat and Instagram are growing faster. All of these platforms can influence consumer preferences and decisions, not just the hot new ones.

SHARING HAS BECOME A NATIONAL SPORT

The “sharing economy” is flourishing across the world, fuelled by the rise of Airbnb and ride-hailing services like Uber. Enthusiasm for sharing services is especially strong in Germany, where views are changing around the importance of owning things and the role of communities. Car2go and DriveNow are widely used; ShareMyStuff is an online platform that enables people to do as the name suggests, while Ampido is a way of sharing parking spaces, and Kindoo lets parents borrow children’s clothing. Since 2014, the Ministry of Education and Research has been funding research into aspects of the sharing economy through its Sustainable Economy program. Building a brand in Germany right now means considering alternative business models that tap into the growing desire to make efficient use of goods, services and household income – rather than a wish to own something and keep it forever.

THE YOUNG AREN’T WHO THEY USED TO BE

Differences between people of different ages affect not just which media they’re likely to be using and when, but also how they react to the brands they encounter there. Kantar Millward Brown’s AdReaction Connecting Generations 2017 research shows nuanced distinctions in habits and preferences between the very young, the quite young and the still young. Generation Z, aged 16 to 19, are the most likely to skip, close, mute or ignore online ads, but they are also most open to branded content, particularly user reviews, events, tutorials and expert reviews. Generation X, aged 35 to 49, are most likely to engage with brand-supplied information, but are hostile to many other forms of branded content, especially reviews. And Generation Y consumers, those in between, sit roughly in the middle. The youngest German consumers are most impressed by the presence of a celebrity, and by special effects such as augmented reality, while humor and good music strike a chord with everybody. For brands, it is important to know that all of these young consumer groups are more willing than their counterparts elsewhere in Europe to give time to brands whose content they enjoy. While others suspect their limit is 10 seconds, Germans are more likely to say they’ll stick with a message for up to 20 seconds, giving brands more time to develop a story.

BE ENGAGING AND HONEST

Experiment with new ad formats and branded content in innovative ways to be where consumers are. Always be honest at the outset about a brand’s involvement in what’s being offered. When there’s transparency, consumers understand the relationship and judge content on its merits, but no one likes to feel cheated when they discover later that the content they so enjoyed was sponsored. Kantar TNS Connected Life research shows that 22 percent of Germans enjoy content from brands on social media, and the young are even more enthusiastic than that. This is higher than in other northern and western European countries. And 20 percent of Germans think that tailored or personalized ads are a good idea. But with 28 percent saying they “often feel followed by brands online,” execution is essential to get right. Consumers want entertaining content, information, the ability to ask questions and ways to share opinions.
INTRODUCTION

KEY TAKE AWAYS

SHOW THE EFFECT, DON’T EXPLAIN THE SPEC

Consumers in this market are sophisticated and have grown weary of “buy now” ads or those that rattle off a series of features and claims of superiority. If people want to know the details of a product or service, they can look it up. The purpose of advertising in Germany is more about having a moment of engagement with a consumer that makes the brand and its offering memorable. Use emotion or humor to cut through the advertising clutter and make a real impact and demonstrate relevance.

Coca-Cola told a powerful, emotional story of a truck driver called Mischa, accompanying him on a 2,000km journey, and surprised him with a family reunion at the end. The online film was seen over 7 million times in just 10 days and shared almost 60,000 times. The film linked to the brand’s motto, “spend more time together”, and the coke.de website enabled people to send vouchers to loved ones promising the number of special hours they would spend together.

The world has positive perceptions of Germany, German people and, by association, German brands, and this can be turned into a competitive advantage. German people and brands are known for their entrepreneurship, and this is a key ingredient of what’s known as “soft power” – a way of influencing world opinion in a subtle, persuasive way that is preferred over more traditional hard power measures such as financial and military strength. In BAV Consulting’s “Best Countries” ranking, Germany ranks third out of 80 countries in the world. It is respected for its technological expertise, its products are seen as prestigious, and it is a bastion of transparency and progress. The best German brands reflect well on what Brand Germany means to global consumers, and vice versa.

BrandZ™ research over more than a decade consistently shows that the brands that invest in communicating their strengths tend to ride out the ups and downs of economic cycles far more comfortably – and recover much faster – than those that don’t. Now is the right time to invest in building relationships with consumers, even for brands and products they can’t afford or can’t afford to prioritize at the moment. Levels of disposable income are rising, and the young people who might be short of cash right now won’t always be in this situation. Brands should foster familiarity and trust. They should plant the seeds of aspiration, and meet that aspiration with products and services that consumers need as their lives change and their ability to spend increases, whether that’s for something as simple as shampoo and biscuits, or higher-end purchases like white goods, jewellery or even cars and real estate. Talk to people now, and they’ll remember you when they can afford to buy.

There’s growing disillusion among European consumers about the brands they encounter, and few people describe brands generally as “honest and transparent”. But not all brands are equal, and brands that feel authentic to consumers can overcome scepticism, according to research by Cohn & Wolfe for its annual Authentic Brands ranking, called Authenticity 100. In its 2017 results, German brands adidas, BMW and Bosch are among the Top 100 most authentic brands globally (ranking 6th, 9th and 12th respectively), as they are seen as bridging the “authenticity gap”. Among German consumers, the brands seen as most authentic are Lindt, Miele and BMW. The most authentic brands get bought more and recommended more, and authenticity is unrelated to category or price; brands as diverse as Haribo and BMW are seen as highly authentic. Authentic brands aren’t immune from making mistakes, but their authentic pedigree makes them more easily forgiven if they make a correction. What authentic brands have in common is: They keep their promises on quality, they treat customers and their data well, and they communicate honesty and act with integrity.

USE AUTHENTICITY TO FIGHT SCEPTICISM

EXPORT EXCELLENCE

THE THINK LONG TERM

BrandZ™ research over more than a decade consistently shows that the brands that invest in communicating their strengths tend to ride out the ups and downs of economic cycles far more comfortably – and recover much faster – than those that don’t. Now is the right time to invest in building relationships with consumers, even for brands and products they can’t afford or can’t afford to prioritize at the moment. Levels of disposable income are rising, and the young people who might be short of cash right now won’t always be in this situation. Brands should foster familiarity and trust. They should plant the seeds of aspiration, and meet that aspiration with products and services that consumers need as their lives change and their ability to spend increases, whether that’s for something as simple as shampoo and biscuits, or higher-end purchases like white goods, jewellery or even cars and real estate. Talk to people now, and they’ll remember you when they can afford to buy.
The gradual digitization of consumers’ lives is being reflected in the way brands are deciding how to target them. In 2017, online gross adspend was due to overtake investment in TV advertising in Germany for the first time. This would make Germany one of only about 15 countries in the world where brands are spending more money online than they are on the traditional TV screen.

But this pioneering shift belies something curious about media consumption in Germany: traditional media are still immensely popular and incredibly powerful. On average, Germans spend around four hours a day watching the old-fashioned TV, and around the same time listening to the radio. By comparison, the time spent online each day is just under three hours.

The difference, of course, is that when people are online, so much more can be understood about them – where they are, what else they’re interested in and much about who they are – enabling advertisers not only to reach these people effectively, but to reach them with a message that’s more likely to be relevant to that individual. What’s also clear is that there’s a generation gap opening up when it comes to media consumption. The audience of people aged 16 to 24 watching “regular” linear television fell by 13 percent in the two years to 2016. It’s not just that old and young are interested in different content; they’re consuming it in entirely different ways.

Not surprisingly, it’s younger people who are the biggest users of social networks, although these are not as widely used as in other Western European markets. The most popular social network in Germany is Facebook with a penetration rate of 60 percent in Germany (68 percent is the northern and Western European average). YouTube is used by 44 percent, Instagram by 18 percent and Twitter just 15 percent, compared to 23 percent for the rest of the region. And while increases in the level of investment going to online media have largely come at the expense of print, magazines and newspapers still play a key role in helping German consumers stay up to date.

Germans spend an average of more than half an hour a day with a print publication, although it is likely that a smaller proportion of people are spending much longer than that with their favorite read. One of the media they actually spend most time with is radio, which even in this digital age accounts for 32 percent of their media time, and 4.4 percent of advertising spend.

Total media investment in 2017 in Germany was forecast to reach €17,372 million, a 1.0 percent increase over spending in 2016.
FAST FACTS

**US$874**

Spending in 2017 per adult user on e-commerce

81%

Proportion of German population aged 10+ online

9%

Proportion of automated investment in online display advertising

67%

Smartphone penetration in 2017

46%

Tablet penetration in 2017

**ADULT MEDIA USAGE 2017 (h)**

- **RADIO** 32%
  - 3.33 Hours
- **ONLINE** 28%
  - 2.93 Hours
- **PRINT** 5%
  - 0.58 Hours
- **TV** 35%
  - 3.72 Hours

**TOP WEBSITES**

<table>
<thead>
<tr>
<th>Website</th>
<th>Unique visits (000s)</th>
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<tbody>
<tr>
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<tr>
<td>gutefrage</td>
<td>241,320</td>
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<tr>
<td>WEB.DE</td>
<td>232,092</td>
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<tr>
<td>Bild</td>
<td>225,312</td>
</tr>
<tr>
<td>ONLINE FOCUS</td>
<td>223,776</td>
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</table>

**TOP APPS**

<table>
<thead>
<tr>
<th>App</th>
<th>Estimated Users (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WhatsApp</td>
<td>103,164</td>
</tr>
<tr>
<td>GMAIL</td>
<td>76,416</td>
</tr>
<tr>
<td>WEB.DE</td>
<td>67,380</td>
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<tr>
<td>BILD</td>
<td>55,272</td>
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<tr>
<td>ONLINE FOCUS</td>
<td>3,204</td>
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**AUDIO STREAMING**

<table>
<thead>
<tr>
<th>App</th>
<th>Estimated Users (000s)</th>
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<tbody>
<tr>
<td>Spotify</td>
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<tr>
<td>YOUTUBE</td>
<td>12,547</td>
</tr>
<tr>
<td>WSK</td>
<td>9,838</td>
</tr>
<tr>
<td>KÜNSTLER</td>
<td>8,056</td>
</tr>
<tr>
<td>ONLINE FOCUS</td>
<td>5,988</td>
</tr>
</tbody>
</table>

Source: GroupM, Interaction, April 2017
Reaching out to consumers in innovative ways is not just a smart way to maximize reach, or to engage with people online who are moving away from TV and print. It’s also an investment in brand value. BrandZ™ research consistently shows that consumers see the brands that invest in digital communications as innovative, and brands perceived as being innovative tend to have higher brand value.

But the smartest brands are not just switching traditional media budgets over to digital; they’re using media together – mirroring the seamless way that consumers use different devices – with multi-media campaigns designed to generate an effect that’s greater than the sum of its individual parts.

And there’s still plenty of mileage, across all media, in good, old-fashioned storytelling, and compelling stories combined with memorable imagery are still at the heart of some of the most memorable campaigns in Germany. In a recent campaign for Audi, for example, an entertaining and intentionally over-the-top TV ad showed how having your car serviced by a dealer rather than a random mechanic was more than a good idea – it was a triumph of good over evil. Greasy and menacing-looking mechanics chased down an Audi as it roared through the desert to reach an Audi service center for a tune-up.

FASHION BRAND TOMMY HILFIGER COLLABORATED WITH MODEL GIGI HADID ON A PROJECT AIMED AT YOUNG CONSUMERS THAT BECAME LESS OF AN AD CAMPAIGN AND MORE THE CREATION OF A COMMUNITY.

In a break from traditional celebrity endorsement of a brand, Tommy Hilfiger created a Tommy x Gigi collection designed to the Snapchat generation. Ahead of the Spring ’17 collection launch, the brand took Gigi on a trip around the world to meet key online influencers in major cities, and let fans have control over the looks that would later hit the runway. The #TogetherTour took Gigi to Berlin, Dubai, Milan, Shanghai and Tokyo, and gave fans the opportunity to chat informally with Gigi about the collection, with short films made in each city for sharing online. The brand gained 725,000 new members on social networks over a two-month period, 90 percent of whom were in the target audience. High double-digit growth was seen in retail and e-commerce performance versus the same period a year earlier. Tommy Hilfiger, once the official outfitter of 90s hip-hop, was relevant all over again.
THE CAR INDUSTRY IS INTEGRAL TO GERMAN GDP...

...GERMANY HAS ONE OF THE FASTEST-GROWING ADVANCED ECONOMIES IN THE WORLD.
INTRODUCTION

BRAND VALUE

The value of the BrandZ™ Top 50 Most Valuable German Brands 2018 is highly concentrated at the top of the ranking, with the number one brand alone – the technology giant SAP – accounting for 16 percent of the total brand value of the leading 50.

This is a pattern we see in other European markets, though the sheer power of the leading German brands is even more accentuated than in the UK and France – fairly comparable economies. The top five brands represent 10 per cent of the places in the ranking but punch well above their weight, delivering more than half of the value of the Top 50 brands combined. All of the Top 10 German brands are global leaders in their respective fields, and there are many others that are internationally recognized further down the ranking.

There is less concentration at the top of the Global Top 50 ranking because there are so many global mega brands, and their scale is more evenly matched.

PROPORTION OF TOP 50 BRANDS

<table>
<thead>
<tr>
<th></th>
<th>GLOBAL TOP 50</th>
<th>UK TOP 50</th>
<th>FRANCE TOP 50</th>
<th>GERMANY TOP 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER 1 BRAND</td>
<td>8%</td>
<td>12%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>NUMBER 1 &amp; 2 BRANDS</td>
<td>17%</td>
<td>21%</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td>TOP 5 BRANDS</td>
<td>31%</td>
<td>40%</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>TOP 10 BRANDS</td>
<td>49%</td>
<td>57%</td>
<td>66%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Source: BrandZ™ / Kantar Millward Brown (including data from Bloomberg)
Although this is the first BrandZ™ Ranking for Germany, our global valuations have included some German brands since 2006, which enables us to look at the progress of the Top 10 German brands over time.

The picture this paints is somewhat mixed. While German brands have faced poorly compared to the Top 10 Global brands over the past 12 years, they have outperformed leading local brands in other large European markets. The Top 10 German brands grew their value by 98 percent in that time, while leading French brands grew by 93 percent and the top UK brands grew by just 66 percent.

What the Top 10 German brands have done far more successfully than those from their European neighbors is drive significant growth in Brand Power, which is an indicator of the likelihood of a brand to be chosen over others in its category. The average Power score of the German Top 10 actually started, back in 2006, below the leading brands from the UK and France. Over 12 years, however, the German brands’ power soared, while the UK’s flatlined and France’s suffered a serious decline.

Over this 12-year period of tracking Germany’s Top 10 brands, it is clear that being well known – or what we at BrandZ™ call salience – has been the main driver of value growth. The other two elements of a brand in the mind of the consumer – being meaningful and being different – have grown little by comparison.

Fame can be a great advantage for a brand. When consumers think of a category, if a particular brand is the one that first springs to mind, then it’s ahead of the game. The Top 10 German brands have done a good job of amplifying what they stand for and getting that message out to consumers. But relying on salience or fame alone, at the expense of meaningful difference, is a risky game to play. Bold newcomers to a category can quickly find their way into people’s minds; it is then that it becomes so important for a brand to be not just well known, but known for something that really matters to people.
Car brands account for nearly a quarter of the total brand value of the entire Top 50 – something we have not seen in any other BrandZ™ country ranking – and a distinguishing feature of the German economy as well as the BrandZ™ list. Indeed, in the most recent BrandZ™ Global Top 100 ranking (launched in 2017), cars only account for 3 percent of the Top 50 brands’ combined value.

What is, perhaps, surprising, is the relatively small influence of finance brands – there are only a handful of banking and finance businesses in the ranking – given the strength of Germany’s reputation as a leader in the sector in continental Europe. Instead, the German Top 50 is populated with a wide range of brands that largely mirror the breadth of the national economy. Technology and telecommunications brands are heavy hitters, along with several large conglomerates that have become household names around the world, not just in Germany – names like Bosch and Siemens.

Retailers make a strong showing, led by ALDI and Lidl, which have taken the discount supermarket to the world having built a strong business at home first, and apparel brands ranging from the everyday (adidas and Puma) to the more exclusive (Hugo Boss) feature alongside well-established fast-moving consumer goods brands such as NIVEA, Knorr, and HiPP.

### % VALUE OF TOP 50

<table>
<thead>
<tr>
<th>Category</th>
<th>Global Top 50</th>
<th>Germany Top 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
<td>3%</td>
<td>22%</td>
</tr>
<tr>
<td>Technology</td>
<td>40%</td>
<td>16%</td>
</tr>
<tr>
<td>Telecom Providers</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Retail</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Logistics</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Conglomerate</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Finance</td>
<td>11%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: BrandZ™ / Kantar Millward Brown

### CARS, TECHNOLOGY AND TELECOM PROVIDERS DOMINATE VALUE

<table>
<thead>
<tr>
<th>Category</th>
<th>Value in $ Mil.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
<td>$66,566</td>
</tr>
<tr>
<td>Technology</td>
<td>$48,943</td>
</tr>
<tr>
<td>Telecom Providers</td>
<td>$41,921</td>
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<td>Retail</td>
<td>$30,328</td>
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<tr>
<td>Logistics</td>
<td>$25,115</td>
</tr>
<tr>
<td>Conglomerate</td>
<td>$25,041</td>
</tr>
<tr>
<td>Finance</td>
<td>$15,260</td>
</tr>
</tbody>
</table>

Source: BrandZ™ / Kantar Millward Brown

With prestige brands like BMW, Mercedes-Benz, Porsche, Volkswagen and Audi all calling Germany home, it is no surprise that the car category is the most valuable in the BrandZ™ German Top 50 ranking.
The delivery of phone and broadband services is fiercely competitive in Germany, with a host of challenger brands offering competing bundles and promises. In this crowded field, market leader Deutsche Telekom has built a public reputation for trust, reliability and innovation that makes its premium pricing feel like good value for money. The brand is a big spender on communications, sponsoring Bayern Munich football club, and uses its distinctive jingle on TV and online with the promise “Life is for sharing.”
INTRODUCTION

BRAND CONTRIBUTION

TURBO-CHARGING VALUE BY INVESTING IN BRAND

There are some brands that punch well above their financial weight in the BrandZ™ rankings by focusing on making meaningful connections with consumers, being seen as different in their category, and ensuring through their communications that those differences are well understood.

These efforts combined form a sort of “special sauce” that adds real zing to the influence and value of brands, and we call it Brand Contribution. Brand Contribution is scored on a scale of one to five, and it is a measure of the proportion of brand equity over other in-market aspects (such as promotions or distribution). Value can of course come from in-market activity, but that from brand equity is particularly hard for competitors to replicate. This score is what helps make BrandZ™ a distinct and important ranking; BrandZ™ is the only brand valuation methodology that includes the customer view obtained through in-depth consumer research – conversations with the people who know and buy these brands.

Businesses that focus on brand development can supercharge their performance in the BrandZ™ rankings. For example, DHL and Siemens have quite similar brand values, and appear in fifth and sixth places in the German Top 50. But while Siemens derives most of its brand value from its financial strength, its Brand Contribution score is quite low. DHL has a smaller financial footprint but pushes its way up the ranking with a powerful Brand Contribution score of four out of a possible five. Put simply, Siemens is a much bigger business, but DHL beats it in the ranking thanks to its strong connection to consumers.

Brands with high Brand Contribution scores also tend to rate well on the BrandZ™ measure of Brand Power, which tracks consumers’ predisposition to choose one brand over others in their category. In the German Top 50, the brands with a high Brand Contribution score (of four or five out of five), have an average Power score that’s more than 25 percent higher than those with a low Brand Contribution score. This emphasizes the importance of investing in a strong brand – it has a direct impact on consumer choice and sales.
BRAND CONTRIBUTION

BRAND CONTRIBUTION AND BRAND POWER AMONGST THE TOP 50 MOST VALUABLE GERMAN BRANDS

The average of all brands is 100

BRAND CONTRIBUTION  BRAND POWER

HIGH  (4 & 5)  212

LOW  (1 & 2)  168

High Brand Contribution scores don’t just come from the categories that might seem naturally more appealing to consumers – the sexy categories like cars and technology, although Germany’s premium car brands are strong performers in this area. A supermarket brand, home appliances, a mail delivery brand and several beers are among the Top 10 German brands in the 2018 ranking for Brand Contribution, proving that category boundaries are no barrier to building a strong brand.

TOP 10 BY BRAND CONTRIBUTION

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Brand Contribution</th>
<th>Category</th>
<th>Brand Value 2018 $ Mil.</th>
<th>Top 50 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Krombacher</td>
<td>5</td>
<td>Beer</td>
<td>919</td>
<td>36</td>
</tr>
<tr>
<td>2</td>
<td>HiPP</td>
<td>5</td>
<td>Food &amp; Dairy</td>
<td>744</td>
<td>43</td>
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<td>5</td>
<td>Home Appliances</td>
<td>2,250</td>
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<tr>
<td>5</td>
<td>Deutsche Post</td>
<td>5</td>
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<td>Mercedes-Benz</td>
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<td>Beer</td>
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</tbody>
</table>

Source: BrandZ™/Kantar Millward Brown (including data from Bloomberg)

*Brand Contribution measures the influence of brand alone on financial value, with the Brand Contribution Index running from 1 (lowest) up to 5 (highest)

STICKING WITH A GOOD THING

Germany’s biggest selling beer around the world has been brewed in the same way, according to the same simple recipe, since 1873, but is just as relevant to young drinkers today as it was back then – if not more so. The brand, with its distinctive green bottle, has grown well beyond its home city of Bremen and is now sold in more than 85 countries; it enjoys universal appeal thanks to its premium positioning as a drink to share with groups of friends. This theme is timeless and crosses borders, though the packaging of the idea in Beck’s communications is regularly updated. The current campaign promises: “With you, every moment can turn into something extraordinary”.
ENVIRONMENTALISM IS A MAINSTREAM INTEREST...

...RECYCLING LEVELS ARE HIGH, AND CONSUMERS LOOK FOR SUSTAINABLE OPTIONS.
Strong brands do far more than win industry awards and climb rankings such as these. The value of a brand has a clear, measurable link with the share price of the company behind it.

Over the 12 years in which we have been tracking the BrandZ™ Top 100 Most Valuable Global Brands, the companies behind the top-ranking brands have far outperformed stock market benchmarks.

The value of the BrandZ™ Strong Brands Portfolio increased 153.7 percent between April 2006 and October 2017, outperforming both the S&P 500, which grew 97.7 percent, and the MSCI World Index, which grew 47.5 percent. (The MSCI World Index is a weighted index of global stocks.)

In concrete terms, $100 invested in 2006 would be worth $148 today based on the MSCI World Index growth rate, and $198 based on the S&P 500 growth rate. But that $100 invested in the BrandZ™ Strong Brand Portfolio would have more than doubled in value, to $254. Strong Brands are a very valuable asset for businesses and investors.

In difficult economic times, having a strong brand does not make a business immune to a change of fortune, but it can help soften the blow. In 2008-2009, the most valuable brands in the world took a hit due to the global economic downturn, but their value was somewhat protected; their value did not fall by the same extent as other brands, and their recovery came more quickly than for other brands as conditions improved.

**BRANDZ™ STRONG BRANDS PORTFOLIO VS. S&P 500 VS. MSCI WORLD INDEX**

(April 2006 - October 2017)

Source: BrandZ™ / Kantar Millward Brown (including data from Bloomberg)
INTRODUCTION
BRAND VITALITY

Just as there are many contributors to human wellbeing, there are multiple factors that go towards building a brand that’s bursting with vitality.

BrandZ™ analysis has identified five key attributes shared by healthy, strong and valuable brands that each reflects the extent to which a brand is delivering Meaningful Difference – a vital contributor to Brand Value.

Brands that score highly on all five aspects are the most successful: they are “healthy” brands. Those that are low on all five aspects are “frail” and the least successful. Brands with a mix of high and low scores are “OK”.

These five key health indicators can be combined into a single score we call a brand’s Vitality Quotient, or its vQ. The average score of all brands is a vQ of 100. Those with a score over 110 – making them at least 10 percent above average – are those we say are healthy overall. A vQ score of 99 or under means it’s time to call emergency services.

Nurturing brand health makes good business sense. A strong vQ score means a brand is meaningfully different, and this can drive growth in brand value. In fact, globally, brands with a vQ score of 110 or more are on average worth nearly six times what those brands with a vQ of 99 or below are worth. Vitality matters to the bottom line.

Brands can look at how they perform on the five individual health indicators when they are seeking clues to improving their overall brand health. When one or more of the indicators is flagging, overall brand health – and brand value – can suffer.

HEALTHIER BRANDS ARE WORTH MORE

Brands in the German Top 50 that have a vQ score of 110 or higher are, on average, worth nearly six times what those brands with a vQ of 99 or below are worth. Vitality matters to the bottom line.

FUELLING DYNAMISM

The five key indicators underpinning healthy brands and contributing to vQ are:

1. There’s a strong sense of brand purpose, so the brand makes people’s lives better.
2. Brands must be innovative, which means they’re seen as leading the way in their sector and shaking things up.
3. They must also have strong communications, with creative, powerful and memorable advertising.
4. They provide a great brand experience that meets consumers’ needs, and is available when and where consumers need it.
5. Over time, consumers come to love the brand, and that helps sustain the brand until the next innovation.

How to give German brands an energy boost

Source: BrandZ™ / Kantar Millward Brown

$1,816 MIL.
$9,985 MIL.
01 INTRODUCTION

BRAND VITALITY

WHAT’S THE PROGNOSIS?

The healthiest brands in the Top 50 Most Valuable German Brands ranking are those that score well on all five of the key health indicators: purpose, innovation, communications, experience and love. They generate a Vitality Quotient (vQ) far higher than the 100 average.

A high vQ score benefits a brand in several ways. Brands with a high vQ have more than double the Brand Power, which is an indicator of their ability to drive sales. They are better positioned to be able to justify a premium or to feel “worth it” to consumers.

Healthy brands tend to develop a personality type that further reflects well on them. Those brands with a high vQ score are more likely to be described as trustworthy, “in control”, desirable, creative and friendly. They under-index on negative brand personality traits, such as being uncaring or arrogant.

Brands with a high vQ are more strongly positioned for future value growth.

HOW VQ SCORES RELATE TO GROWTH

Among 1,511 German brands assessed for vQ, the average score of all brands is 100 on each measure. The foreign brands in Germany with the highest vQ scores are led by IKEA (which has a vQ score of 147 in Germany), Amazon (134), Google (130), Samsung (128) and McDonald’s (126). They are not eligible for inclusion in the Top 50 as they are not of German origin.

Brand health does not come about by accident, nor is it determined by the category in which a brand operates. It is the result of a concerted focus on investing in the factors that contribute to better brand health, and being meaningfully different in the eyes of consumers.

HOW GERMAN BRANDS MEASURE UP

Brands that make the Top 50 ranking in Germany this year are significantly more healthy than average brands in the country. This is to be expected, and underlines the role of brand vitality in driving higher brand value. While 40 percent of brands in the Top 50 are healthy and only 6 percent are frail, it’s a less positive picture across the German brandscape. Only 10 percent of all German brands (we measured around 250) rank well enough on all five aspects of vitality to count as healthy and the vast majority – 60 percent – are just “OK”, while 30 percent are classed as frail. Among the Top 10 brands in the German BrandZ™ ranking for 2018, seven are healthy, and none is frail.

Leading German brands compare well against the most valuable global brands when it comes to taking care of their health and welfare. Unlike France and the UK, which had comparatively few healthy brands at the top of their BrandZ™ ranking, Germany’s brands are only marginally behind the leaders in the BrandZ™ Most Valuable Global Brands ranking on measures of vQ.

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THE ROUTE TO BETTER BRAND VITALITY

Brand purpose is what a brand sets out to achieve, beyond making money. It is the way a brand makes people’s lives better – not just the practical, literal things that a product or service does for someone. Having a strong sense of purpose is increasingly important as consumers seek brands that don’t simply do a good job at a fair price, but also do something positive for the community or the environment. Brands with purpose make consumers feel good. Brands with a strong purpose are significantly more valuable; high-purpose brands in the German Top 50 are worth more than four times those with low purpose (US$9,269 million compared to $2,141 million).

German brands are among the most purposeful in the region and, indeed, the world. They significantly outperform brands in France and the UK.

AVERAGE BRAND PURPOSE SCORE

<table>
<thead>
<tr>
<th>Country</th>
<th>Purpose Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>116</td>
</tr>
<tr>
<td>Germany</td>
<td>115</td>
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<tr>
<td>Global</td>
<td>113</td>
</tr>
<tr>
<td>India</td>
<td>112</td>
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<tr>
<td>Indonesia</td>
<td>110</td>
</tr>
<tr>
<td>China</td>
<td>109*</td>
</tr>
<tr>
<td>France</td>
<td>109*</td>
</tr>
<tr>
<td>Spain*</td>
<td>109*</td>
</tr>
<tr>
<td>UK</td>
<td>109*</td>
</tr>
</tbody>
</table>

*Top 30

Source: BrandZ™ / Kantar Millward Brown

LEADING BRANDS IN THE GERMAN TOP 50 FOR PURPOSE INCLUDE:

HiPP baby food has been produced by the Hipp family for nearly 90 years, and while the range has grown and changed, and the business has expanded internationally, the purpose of the brand has remained constant. HiPP focuses on the health benefits of its products, the natural origins of its ingredients, the appeal of its varieties to young consumers, and its track record for innovation. The brand’s support for living in harmony with the natural environment has particular resonance among informed consumers of today.

PURPOSE IN ACTION

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INTRODUCTION

BRAND VITALITY

INNOVATION

Innovation is not just the preserve of technology brands. Any brand that is seen as doing something new, or setting trends for their category, will get talked about and tried. When trial goes well, that can lead to a longer-term relationship and, ultimately, love, which correlates strongly with innovation.

Innovation can mean developing a product that does something different, providing an innovative service, or expanding into a new category. Crucially, any innovation by a brand needs to be recognized as such by consumers, otherwise it doesn’t count as innovation. Innovation creates a strong predisposition for sales. Innovative brands in the German Top 50 are worth, on average, nearly 10 times what low-innovation brands are (US$10,863 million versus $1,276 million).

German brands are seen as more innovative than those in other European markets, but the US and fast-growing Asian markets have the edge.

COMMUNICATION

Strong communication has two key elements to it, and neither one alone will be effective. At its most basic level, brands need to be doing sufficient advertising in the right places to be visible and recognizable to the people they’re trying to reach. But being vocal and announcing a brand’s presence is not enough on its own; brands also need something genuinely engaging to shout about. Brands therefore need to do great things, and then tell people they’re doing them. One without the other means wasted resources, but strong communication and share of voice put a brand at a clear advantage.

Brands that perform well for communications are worth more than double the average value of poor communicators (US$8,687 million compared to $3,512 million).

Like many long-established national airlines, Lufthansa has set itself apart from less premium offerings in recent decades with a focus on safety and service, and an on-board experience that’s a cut above that of budget travel. In its latest incarnation, the Lufthansa brand message is “Nonstop You” and a promise to focus on the individual. What is changing is the way the airline reaches those individuals – with growing use of social media tools like Pinterest, Instagram and Twitter to reach younger fliers – and potential employees – with inspiring stories.

COMMUNICATION IN ACTION

Again, German brands on average outperform their European neighbors for the effectiveness of their communications, though US, Chinese and Indian brands are slightly ahead.

LEADING BRANDS IN THE GERMAN TOP 50 FOR INNOVATION INCLUDE:

LEADING BRANDS IN THE GERMAN TOP 50 FOR COMMUNICATION INCLUDE:

AVERAGE INNOVATION SCORE

<table>
<thead>
<tr>
<th>Region</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 50 brands</td>
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<tr>
<td>Global</td>
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</tr>
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<td>US</td>
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<td>China</td>
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<td>UK</td>
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</table>

AVERAGE COMMUNICATION SCORE

<table>
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<th>Region</th>
<th>Score</th>
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<td>Top 50 brands</td>
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<tr>
<td>UK</td>
<td>105</td>
</tr>
</tbody>
</table>

*Top 30

Source: BrandZ™ / Kantar Millward Brown
A brand not only has to deliver a great experience at every point of interaction, and help consumers at every step, it also has to remind consumers, through effective communications, that it is focused on doing this well. Experience starts long before a person considers buying a product, and lasts well beyond the moment of purchase and even the moment of consumption. It includes every exposure to an ad, every experience on a brand’s web site, and every minute they spend waiting for help at a counter or on the phone. A great brand experience cements the relationship between consumers and brands. They also tend to be worth more: brands with high experience scores are almost six times more valuable than poor performers in the German Top 50 (worth an average US$10,197 million, compared to $1,773 million).

Adidas has transformed the experience of shopping for sports and casual apparel by integrating digital innovation into stores and production. It’s using 3D printing technology to produce its footwear, and is using shelf-mounted tablets in stores to make tailored product recommendations based on individuals needs. The brand has also ridden a wave of demand for its retro footwear, and has focused on building excitement in key world cities. Adidas was the fastest-rising brand in the BrandZ™ Top 100 Most Valuable Global Brands 2017, growing in value by 58 percent in a year.

The fact that DHL operates in a highly functional service category, yet is the most loved brand in Germany, provides a powerful lesson to all brands. The brand does a valuable job and does it well, but, beyond that, it’s innovative – something that is often closely linked to love in consumers’ eyes – and it has a clear mission that consumers can relate to and can see in action. The promise “Excellence. Simply Delivered” is lived out in DHL’s support for high-profile movements of goods around the world, including Formula 1 vehicles, as well as in its growing fleet of electric vehicles and scooters for more standard domestic and business parcel deliveries.
Winning the trust of consumers has always been important for brands – after all, who’s going to buy something they don’t believe will live up to expectations? But in an increasingly digital world, the role of trust has become even more important. There is a close relationship between brand trust and recommendation, and this matters enormously, given the importance with which consumers regard recommendations from the individuals they know and trust.

The good news for German brands is that, on the whole, they are widely trusted, and levels of trust in brands across the board have increased slightly since the turn of the decade.

**Most Trusted Brands in the German Top 50 2018**
The average Trust score of all brands is 100

1. Lufthansa: 145
2. HiPP: 139
3. DHL: 137
4. adidas: 135
5. Miele: 134

**Most Recommended Brands in the German Top 50 2018**
The average Recommendation score of all brands is 100

1. DHL: 121
2. Audi: 121
3. Lufthansa: 118
4. adidas: 118
5. HiPP: 118

Many of the most trusted brands in Germany are also among the most likely to be recommended to friends and family. Consumers do not make recommendations lightly – the experience someone else has reflects on them – making the value of a recommendation highly precious to a brand.

**Source:** BrandZ™ / Kantar Millward Brown
The flip side of the coin, however, is that while trust in German brands is strong, when consumers are asked to think about the corporations behind the best-known brands in the country, trust is significantly lower and has plummeted in recent years.

How is this divergence of trust possible? When the managers of a car company are caught up in a scandal over emissions, for instance, consumers lose confidence in the individuals at the top and the corporation as a structure. But their day-to-day experience of the brand is more strongly influenced by the car they drive and those they see on the street. If those cars are just as safe and reliable as they were before the scandal broke, then trust in the brand is somewhat better insulated than trust in the corporation.

Brands fly the flag for their corporations, and while corporations are quite widely mistrusted, building trust in a brand can help make the corporation that owns it feel more accessible and, in turn, more trustworthy. Two German brands that are almost indistinguishable from the corporations behind them – Lufthansa and DHL – are the most trusted corporations in the Top 50 Most Valuable German Brands ranking.
Of the five contributing factors to brand vitality—or a strong vQ score—there are two that stand out as being both difficult to do well in, and the most rewarding in terms of their effect on brand value.

Innovation and experience both have a disproportionately high impact on a brand’s monetary value, showing that investment in these areas is particularly important. It’s also clear that among Germany’s leading brands, relatively few are peak performers in these two areas. The 10 most valuable brands in the ranking are only 15 percent more innovative than all German brands, and they outperform the average on experience by the same proportion. The Top 50 are only 8 percent better than average on experience, and 7 percent stronger on innovation. These are areas ripe for greater focus and investment.
THE FEARSOME FIVE

INTRODUCTION

01

The five brands at the top of the BrandZ™ Top 100 Global Brands ranking are not just huge and immensely valuable, they’re continuing to grow at a tremendous pace. Much of that can be attributed to innovation and the experience they deliver in the modern world.

In the previous session, we called these brands the Fearsome Five – are in what might be considered hot categories in which it’s potentially easier to post strong growth. But let’s not forget that while these are all brands with a youthful outlook, none of them – perhaps with the exception of Facebook – is particularly young anymore. They do work hard to stay fresh and relevant, however.

Their commitment to the consumer experience and to innovation is evident across all of these brands.

Google, Apple, Microsoft, Amazon and Facebook – we call them the Fearsome Five – show the multiplier effect of being innovative, having that innovation recognized, and using innovation to improve the customer experience. When all these efforts combine, the result is an immensely powerful driver of growth in brand value.

Google’s April 2018 report showed that innovation is essential to recent value growth for the Fearsome Five. It’s an important insight for brands everywhere. Innovation is essential to brand success.

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LEARNING FROM THE GLOBAL ‘FEARSOME FIVE’

BRAND VALUE GROWTH OF THE FEARSOME FIVE

This brand has experienced a change in brand value of 7 years.

Source: BrandZ™ / Kantar Millward Brown (including data from Bloomberg)
GERMANY IS ONE OF THE WEALTHIEST PER CAPITA COUNTRIES IN EUROPE... 

...THERE’S CONFIDENCE AMONG BOTH CONSUMERS AND BUSINESSES.
Thought Leadership

Making Every Message Count
The value of media intelligence in the modern era

Be Prepared
Digitization meets crisis 4.0

The Future Of Mobility
Why individuality still matters for car brands

Creativity and Data Collide
Advertising becomes a dialogue discipline

Have You Got Experience?
The new battleground for brand management

Age Is Just A Number
How brands can negotiate the new generation gap
First came Gutenberg’s printing press, then the radio, and then the Internet set in train the third media revolution. It has utterly transformed the media landscape, setting new standards and penetrating every aspect of our daily lives. Thirty years ago, the world was dominated by print, radio and television, with a limited number of advertising opportunities. All of this still exists – they weren’t killed off after all. But the internet has not only reversed advertisers’ mass media-first approach to communications, it has also reinvented individual communication. Social media, networks, blogs and vlogs are just some of the magic words that characterize the viral networks, blogs and vlogs are just some of individual communication. Social media, networks, blogs and vlogs are just some of the magic words that characterize the viral

NEW CHALLENGES

In marketing communications, media analysis needs to be used to clarify the position of one’s own brand as well as that of the competition. But often top-line numbers fail to tell the full story, particularly if the goal of communications is a subtle shift in brand perception. A thorough, modern analysis shows the development of a company’s corporate messages, and makes valid judgments about the success of its own brand communication and press work, using more meaningful metrics such as a Media Impact Score (MIS). In addition, it measures qualitative criteria and describes tonality and media moods. Special, active and critical pieces of communication are identified. This results in new, real knowledge on which strategic media work can be developed.

At the same time, it is crucial that brands work on social media monitoring that can signal the onset of a communications crisis – whether that’s a genuine emergency or just a social media shitstorm. We all live in our digital bubble of information and opinions, whether we are aware of it or not. Each consumer uses their “likes” and “comments” to create self-reinforcing links that influence their future access to information on platforms such as YouTube and Facebook. Therefore, social media observation must be an essential part of media monitoring, so that our perspective is not limited by the extent of our own filters and the bubble that surrounds us.

The most important challenge for communications agencies now is to be compatible with all existing information channels. Think about video, for example. Traditional television is only a part of the new era of mass communication.}

THE VALUE OF MEDIA INTELLIGENCE IN THE MODERN ERA

Kantar Media helps clients develop and drive efficient communications strategies by providing expertise in advertising, monitoring, evaluation, audience measurement, insight solutions, PR, and social media intelligence.

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In the digital age, media outlets work around the clock and the rise of “citizen journalism” through social media makes companies and brands more vulnerable than ever to a crisis. And not just the crisis itself, but also the knock-on effects of a crisis on reputation, image, and business success.

There is also a whole new range of threats to brands that have seemingly come out of nowhere and from a completely different direction: digital threats that can seriously damage the reputation of a company or the value of a brand. In addition to the well-publicized recent global cyber-attacks on business computer networks, these new threats include campaigns by opponents, data theft, and hacker attacks on customer accounts or IT infrastructure.

Such risks require companies and brands to rethink how they prepare for and manage a crisis. Crises cannot only be significantly reduced with the right measures, but their impact can also be significantly reduced if companies and brands are thoroughly prepared. In the digital world, the need to undertake that preparation is urgent.

PREVENTION, BETTER THAN A CURE

To be ideally prepared, from a PR perspective, for a digital attack, two things are particularly important. The first is that there must be a high-functioning crisis-management team that can investigate, test, prepare, prevent, and react – and follow up. This last step is often overlooked, but there is an opportunity for brands to strengthen their reputation during and after a crisis.

Experience shows that the damage caused by a crisis can be significantly reduced if companies are thoroughly prepared. In the digital world, the need to undertake that preparation is urgent. Neglect this at your peril.

**DIGITIZATION MEETS CRISIS 4.0**

**PRACTICE MAKES PERFECT**

An example of the digitization of crisis communications in crisis simulation. It’s common that crisis teams within a company will simulate a crisis to ensure they can meet the challenges they face. Now, they must train to deal with the social media element of a crisis, in real time. In addition to handling media inquiries, people engaged in a simulation like this must also consider immediate communication with other stakeholders, such as NGOs, employees, and shareholders. This way, crisis-management teams can gather realistic experience on the communication challenges they are likely to face during a real crisis, and make the right decisions about how best to use all available communication channels. A simulation activity like this goes beyond determining whether existing internal crisis plans and processes actually function or need to be optimized; they can identify weaknesses in crisis documents and digital communications, which can be adjusted with the appropriate measures before a real crisis strikes.

If, in the event of a real crisis, the company already has in place a sophisticated crisis response that can be quickly adapted to the specific communication needs of the event, a lot has already been done to protect the brand.

The recent global cyberattacks are not only challenging internal IT structures, but also the communication departments of many brands. At the same time, they also offer a great opportunity for crisis communicators: they made it clear that areas of responsibility should be redefined and made part of an integrated information security management system. Too often, however, businesses are cautious about such an integrated approach. They think: “So far, nothing’s happened to us, so why should we change?”

It is precisely this kind of silo-style division of responsibility and carelessness around digital risk that can trigger the kind of disaster we call “Crisis 4.0”.

PR agencies, which not only have many years of experience in crisis communication, but also provide risk-management experience, provide professional support in the optimization of these processes. It is important for companies to know in which areas, for example, internal IT security and emergency management need to be improved. This can be done through reviews and testing of existing communication processes and structures, by preparing for a range of emergencies, and by broadening the resource base and skills in the crisis management team.

**BRANDZ® TOP 50 MOST VALUABLE GERMAN BRANDS 2018**

Burson-Marsteller, established in 1953, is a leading global public relations and communications firm. It provides clients with strategic thinking and program execution across a full range of public relations, public affairs, reputation and crisis management, advertising and digital strategies.

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They say individual mobility is vanishing, and not just because carmakers have been at the sharp end of international criticism over their emissions. The greater challenge to traditional ways of selling cars is the new generation of consumers known as millennials. These young consumers have entirely different priorities when it comes to mobility. They are far more concerned about technology and the environment than older generations, and are no longer buying cars as status symbols. But the biggest difference is this: for millennials, cars and mobility are no longer synonymous. Mobility – getting around – can mean a combination of different options that gets someone from A to B, of which a car (perhaps shared) is only one element. The need for individual mobility – having your own car – is losing relevance.

Technological and infrastructural innovations such as electrification, connectivity, car-sharing and autonomous driving are changing the range of available options for mobility and at the same time changing the way people think about mobility. And that means carmakers need to think differently about what they produce and how they communicate.

But it’s not yet a done deal. Nobody doubts the long-term impact of this mega trend. But humans as a species are prone to confuse trends with fate. Let us be clear about one thing: trends to confuse trends with fate. Let us communicate. Their destiny is not predetermined.

When we read headlines like “The market for new mobility services will reach US$2 trillion by 2030” we tend to think the days of individual mobility are numbered. But don’t forget that numbers like these assume that traditional carmakers will not adapt their communication strategies to account for consumers’ changing needs and priorities.

The bottom line is that the decline of individual mobility is not an autonomous process, it depends on consumer needs, and while this challenges carmakers, it can also provide them with opportunities.

And change may not be as fast as we imagine. Research shows that 84 percent of German drivers say they don’t see car sharing as an option for them in future. This may change, of course, but it means that now, there’s almost as intimate as the home. It’s where you keep your spare lipstick, your phone charger and your music are there. From a communications perspective, the range of potential messages to consumers is therefore huge. Consider the role of the vehicle as an intimate part of people’s lives. Try to express the deep potential of individuality for the definition of mobility itself. This area is currently underexplored.

1 REALIZE THAT A CAR CAN BE A MAGICAL THING TO ITS OWNER

For the new generation, cars are not only part of the transport infrastructure, but they are also part of a system in people’s minds that helps them to make sense of the world around them. Another important mental system of this kind is the increasing relevance of digital world. People can make much more sense of how a vehicle integrates into their world if it is networked with other digital systems, such as smartphones or smart homes. Such integration embeds cars deeper into consumers’ mental structures.

Future mobility in New Delhi will look different to new mobility in Berlin. Communications must be tailored to these different spaces and the people who live in them.

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4 EXPLAIN YOUR MIND-BLOWING INNOVATIONS CLEARLY AND MAKE THEM RELEVANT

Throughout the years we have seen mind-blowing innovations within the car industry. But don’t for a second think that your consumers will understand how essential certain innovations are. They are not engineers, so don’t explain your innovations as if they were. Show them in a different light. Surprise them!

The upshot of all this is that the world of mobility is undergoing significant change. But this does not mean that individual mobility has no future. Carmakers should not fail for the hype, the opportunities that remain for individual mobility might be bigger than they imagine.
The prevalence of consumer data and the ability to address individuals with tailor-made messages means it is more important than ever that we draw on creativity and human understanding. Digital expertise is required, of course, but so is a fresh look at how we think about customer relationship management (CRM). Traditional CRM has been uninspiring - in its use of consumer data, yet the same level as any brand. They expect transparency and, where it's lacking, there is consumer mistrust. And if this lack of transparency is linked to a lack of security around consumer data, then that mistrust is intense. In digital CRM, therefore, brands must not overwhelm individuals with targeted messages but rather engage them in a way that leaves the customer - not the brand - seeking a deeper conversation. This puts the customer in a powerful position, at the same level as any brand. They expect transparency and, where it's lacking, there is consumer mistrust. And if this lack of transparency is linked to a lack of security around consumer data, then that mistrust is intense. In digital CRM, therefore, brands must not overwhelm individuals with targeted messages but rather engage them in a way that leaves the customer - not the brand - seeking a deeper conversation. The individual then becomes what we in CRM call a “hot lead”, and both sides are happy.

To do this, brands must be able to sort through the overwhelming array of available data, separate the wheat from the chaff, and at the same time protect the privacy of their customers. Unfortunately, this is a rare combination. That leaves many brands in risky territory, particularly in Germany, where data protection regulations to protect consumers are being strengthened. The new Data Protection Principles (DSGVO), passed at the end of July 2017, demand transparent handling of user data. The good news is this: today, only a few brands are bringing all of that expertise together. For the user, this means their experience of a brand and a product is rarely as seamless as they might hope or expect. Take an example from the automotive industry. The onboard computer is actually an ideal interface for carmakers to contact customers, and vice versa. The car itself (or the software) can be the medium of communication, but it usually is not. Imagine a day when people do not own a car, but want to feel immediately at home in a shared or self-driving vehicle. Software could help make that happen. Perhaps a carmaker will soon enable me to finish a presentation or join a video conference on my journey from Hamburg to Frankfurt.

There is another important question to consider: and perhaps the most important one at a time when products – to consumers at least – are becoming more and more similar. How can we really engage not just customers but ourselves. We need to cultivate dialogue with other experts in related fields to inspire each other. Holistic thinking that is as seamless as customers’ expectations requires insight and creativity. Talking together means having one eye on the fine detail, and the other on the bigger picture.
H ave you got experience?

In today’s high-tech world, brand management is becoming an increasingly critical way of governing the customer experience, presenting both new challenges and opportunities for CMOs.

In nascent businesses, the brand promise and customer experience are usually driven by the vision of the founder. But as organizations grow, they can lose sight of that vision and how it guides the customer experience.

It becomes easier to focus on internal pressures and efficiencies than on collaborating with other divisions. The result is that the customer’s experience becomes fragmented. Each customer contact point belongs to a different department, with little—if any—communication between them.

Unless the board appreciates the need for consistency, from brand promise to customer experience, brand management’s role is reduced to directing the design look and feel, promotions and advertising. Almost 50 percent of CMOs state that they are only responsible for driving sales rather than the overall experience.

There are exceptions, from small startups such as Deliveroo to large multinationals, such as American Express, which understand that customer experience is a core part of the proposition. Every innovation and increased efficiency is designed to add to the customer experience. But for many, the brand promise has become detached from the customer experience.

As customer experience becomes the focus of attention for consumers and the board, the need for central governance is greater than ever before.

The result is that people have become less tolerant and more demanding. Poor experiences and failure to meet the brand promise can result in significant damage to a brand within minutes.

In the corporate boardroom, there is a growing realization that operational and IT efficiencies alone will not protect against disruptive competitors. The board is starting to look at customer experience as a key business asset. And we can see from the great success stories of our age that brands focusing on customer experience are those experiencing the strongest growth.

CMOs are best suited to govern the customer experience since they understand the customer-brand relationship. But they will need optimized structures and support to deal with the challenges this will bring.

The CMO will need closer cooperation with each department, guiding the detail of how each department works to support the unified customer experience. This requires a deeper understanding of the customer journey than ever before.

CMOs will need partners to help them navigate through the increasing complexities of customer expectations. So there is an excellent opportunity for the next generation of agencies that have brand and creativity at their core, and provide the required depth of expertise, understanding and systems to thrive in the new world of digital and real-world experiences.

For those agencies that are able to adapt, this is an exciting new chapter in bringing brands to life. For their clients, customer experience driven by brand management will lead to a sustainable competitive advantage.

In the past, when consumers had less access to information and alternative solutions, a fragmented customer journey did not matter too much. That changed radically with the advent of the internet, mobile and social media.

Consumers now have a greater choice of brands at their fingertips than ever before. They skip across digital and real-world interfaces from one second to the next, expecting brands to track them and provide both consistent and personalized experiences. Without a moment’s thought, they switch from a TV commercial to a mobile app and then to social media to comment. They try out products in retail outlets where they use mobiles to compare prices and then to social media to react.

The CMO will also need a better understanding of the broader technical landscape for corporate governance, including internal IT roadmaps, emerging legislation around privacy, and how customers will react to that.

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AGE IS JUST A NUMBER

How brands can negotiate the new generation gap

“Everyone wants to be young.” This was the pronouncement of Dolce & Gabbana at their teenage-inspired show at Milan Fashion Week 2016, which was opened by teen icon Justin Bieber. D&G are far from alone in targeting and promoting youth. Indeed, this fashion retailer Forever 21 has even integrated a number of other brands focus on targeting and promoting youth. Uniqlo collaborated with the 63-year-old Influencer and style icon Lin Slater for its LifeWear collection. Lin Slater is also to be seen in the new Mango advertising campaign, “A Story of Uniqueness”, alongside 29-year-old model Bhumi Aurora. L’Oreal uses 72-year-old actress Helen Mirren to promote its Age Perfect line under the motto “Gold, not Old”. These new role models personify the “young at heart” spirit, and the campaigns signal the value of age-agnostic brand management.

Lifestyle and belief are central to self-awareness and identification. But when the characteristics of a target group change, and as age brackets and classic gender roles blur, what does define the target groups? And what can brands use to identify and pinpoint their target groups? As we enter a post-age era in the West, it is lifestyle and beliefs – our attitude to issues like sustainability, climate change, and politics – that shape our identity. For brands, this means making lifestyle and beliefs the central principles of branding and communication.

SIMPLICITY AND VERSATILITY

Modern, urban and youthful consumers have a lifestyle driven by a desire for simplicity and versatility. The new fashion brand Arket, launched by H&M in August 2017, targets the fast-paced lifestyle of urban professionals. The brand concentrates on those people’s needs: quality, versatility, longevity and simplicity in the buying process. The collection is modern, without compromising on consumers’ wish to keep up with short-lived seasonal trends. Timelessness and simplicity are at the heart of Arket; core designs are manufactured in different materials that have different qualities and are therefore suitable for every season of the year. Products remain in the range and are the exact opposite of “fast fashion”. Arket shows that when a brand understands a specific lifestyle and the needs associated with it, age is barely relevant.

Our political beliefs are another identifying feature of social groups, which can be used by brands to identify and address an audience. A perhaps-less-risky strategy is to adopt a position on social policy issues. This is exactly what the EDEKA supermarket chain did with their anti-racism campaign in 2017, when they showed empty shelves with labels “This is how empty the shelf would be without foreigners”. The advertisement immediately became a viral hit and was broadly discussed in social media and the press. This success helps EDEKA stand out and be relevant in the fiercely competitive food retail trade.

THE NEW CHALLENGE

The fact that marvelously clear data such as age and gender are losing importance – and that brands increasingly have to focus more on lifestyle and beliefs – does not make life easy for brands. They now have to address the lifestyles and attitudes of their target groups as specifically as possible in order to be credible, and at the same time, they still need to maintain an appeal across a spectrum of target groups. This is a tough balancing act, but one that – if brands get it right – can fuel sustainable growth.

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AGE IS JUST

How brands can negotiate the new generation gap

“Everyone wants to be young.” This was the pronouncement of Dolce & Gabbana at their teenage-inspired show at Milan Fashion Week 2016, which was opened by teen icon Justin Bieber. D&G are far from alone in targeting and promoting youth. Indeed, this fashion retailer Forever 21 has even integrated a number of other brands focus on targeting and promoting youth. Uniqlo collaborated with the 63-year-old Influencer and style icon Lin Slater for its LifeWear collection. Lin Slater is also to be seen in the new Mango advertising campaign, “A Story of Uniqueness”, alongside 29-year-old model Bhumi Aurora. L’Oreal uses 72-year-old actress Helen Mirren to promote its Age Perfect line under the motto “Gold, not Old”. These new role models personify the “young at heart” spirit, and the campaigns signal the value of age-agnostic brand management.

Lifestyle and belief are central to self-awareness and identification. But when the characteristics of a target group change, and as age brackets and classic gender roles blur, what does define the target groups? And what can brands use to identify and pinpoint their target groups? As we enter a post-age era in the West, it is lifestyle and beliefs – our attitude to issues like sustainability, climate change, and politics – that shape our identity. For brands, this means making lifestyle and beliefs the central principles of branding and communication.

SIMPLICITY AND VERSATILITY

Modern, urban and youthful consumers have a lifestyle driven by a desire for simplicity and versatility. The new fashion brand Arket, launched by H&M in August 2017, targets the fast-paced lifestyle of urban professionals. The brand concentrates on those people’s needs: quality, versatility, longevity and simplicity in the buying process. The collection is modern, without compromising on consumers’ wish to keep up with short-lived seasonal trends. Timelessness and simplicity are at the heart of Arket; core designs are manufactured in different materials that have different qualities and are therefore suitable for every season of the year. Products remain in the range and are the exact opposite of “fast fashion”. Arket shows that when a brand understands a specific lifestyle and the needs associated with it, age is barely relevant.

Our political beliefs are another identifying feature of social groups, which can be used by brands to identify and address an audience. A perhaps-less-risky strategy is to adopt a position on social policy issues. This is exactly what the EDEKA supermarket chain did with their anti-racism campaign in 2017, when they showed empty shelves with labels “This is how empty the shelf would be without foreigners”. The advertisement immediately became a viral hit and was broadly discussed in social media and the press. This success helps EDEKA stand out and be relevant in the fiercely competitive food retail trade.

THE NEW CHALLENGE

The fact that marvelously clear data such as age and gender are losing importance – and that brands increasingly have to focus more on lifestyle and beliefs – does not make life easy for brands. They now have to address the lifestyles and attitudes of their target groups as specifically as possible in order to be credible, and at the same time, they still need to maintain an appeal across a spectrum of target groups. This is a tough balancing act, but one that – if brands get it right – can fuel sustainable growth.
The German Top 50

Ranking Table
Brand Profiles
Expert Insights
### BRANDZ™ TOP 50 MOST VALUABLE GERMAN BRANDS 2018

<table>
<thead>
<tr>
<th>Brand</th>
<th>Industry</th>
<th>Value (M)</th>
<th>Brand Contribution Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>**1. **SAP</td>
<td>Technology</td>
<td>$48,943M</td>
<td>1</td>
</tr>
<tr>
<td>**2. **Mercedes-Benz</td>
<td>Cars</td>
<td>$31,732M</td>
<td>2</td>
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<tr>
<td>**3. **DHL</td>
<td>Logistics</td>
<td>$18,344M</td>
<td>3</td>
</tr>
<tr>
<td>**4. **Siemens</td>
<td>Conglomerate</td>
<td>$15,224M</td>
<td>4</td>
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<tr>
<td>**5. **Allianz</td>
<td>Insurance</td>
<td>$7,651M</td>
<td>5</td>
</tr>
<tr>
<td>**6. **BMW</td>
<td>Cars</td>
<td>$39,215M</td>
<td>6</td>
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<tr>
<td>**7. **Deutsche Bank</td>
<td>Banks</td>
<td>$7,178M</td>
<td>7</td>
</tr>
<tr>
<td>**8. **Bosch</td>
<td>Conglomerate</td>
<td>$24,606M</td>
<td>8</td>
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<tr>
<td>**9. **Mercedes-Benz</td>
<td>Cars</td>
<td>$6,315M</td>
<td>9</td>
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<tr>
<td>**10. **Allianz</td>
<td>Insurance</td>
<td>$5,658M</td>
<td>10</td>
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<td>**11. **Soft Drinks</td>
<td>Personal Care</td>
<td>$4,512M</td>
<td>11</td>
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<tr>
<td>**12. **Miele</td>
<td>Home Appliances</td>
<td>$2,897M</td>
<td>12</td>
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<td>**13. **Bosch</td>
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<td>$3,749M</td>
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<td>$2,142M</td>
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<tr>
<td>**15. **Bosch</td>
<td>Appliances</td>
<td>$1,249M</td>
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<tr>
<td>**16. **Porsche</td>
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<td>$2,250M</td>
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<tr>
<td>**17. **Deutsche Bank</td>
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<tr>
<td>**18. **Porsche</td>
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<td>**20. **Bosch</td>
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<td>$2,072M</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: BrandZ™ / Kantar Millward Brown (including data from Bloomberg)

Brand Contribution Index = Brand contribution measures the influence of brand alone on earnings, on a 1 to 5 scale, 5 being highest.
**SAP SE**

**Company**
SAP SE

**Brand Value**
US$48,943 million

**Headquarter City**
Walldorf

**Category**
Technology

**Year Formed**
1972

The technology company SAP was founded in the early 1970s by five former IBM employees, and their first client was the German branch of ICI in Ostringen, for whom they developed mainframe programs for payroll and accounting. The brand’s initials stand for Systeme, Anwendungen und Produkte in der Datenverarbeitung”, which translates as “Systems, Applications & Products in Data Processing”. The business has grown into a multinational software corporation with more than 335,000 customers in over 180 countries, making it the third-largest software and programming company in the world. SAP offers services to small, medium and large enterprises, and focuses on 25 industries and six industry sectors, including financial services and public services. The brand is committed to innovation to support product, process and service improvements. Its innovations include Enterprise Resource Planning (ERP) software and the SAP HANA in-memory database platform. SAP has established technology partnerships across sports and entertainment, with solutions that engage fans and players with real-time analytics.

**Deutsche Telekom AG**

**Company**
Deutsche Telekom AG

**Brand Value**
US$39,215 million

**Headquarter City**
Bonn

**Category**
Telecom Providers

**Year Formed**
1995

Deutsche Telekom is the market-leading provider of telecommunications services in Germany, providing fixed-line phone connections, broadband, mobile and IPTV services for households, and ICT solutions for business and corporate customers. The company has its roots in the former state-owned monopoly Deutsche Bundespost, which launched in 1950 and was split into separate banking, post and telecom services in 1995. It is not the cheapest player in its sector, but has a reputation for quality and reliability that German consumers have come to trust and regard as good value for money.  

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BRAND PROFILES

BMW is a century-old maker of premium cars best known for their advanced design and technology. BMWs are sold around the world and are perceived as offering reliable high quality and a premium driving experience. The emphasis on the driver is what helps set BMW apart from other high-end German car manufacturers, and the brand’s promise has long been “Freude am Fahren” – in English “Sheer driving pleasure” – and recently “The ultimate driving machine”. BMWs are seen as fun to drive, and their engines generate a unique sound. While BMW was not accused of any wrongdoing over the “Dieselgate” emissions scandal that affected many others in the sector in 2015, it has set about establishing itself as a leader in electric and plug-in hybrid vehicles. Its sub-brand iBMW is entirely focused on electric cars and has released the i8 sports coupe and the compact i3, as well as a range of hybrids that cover almost the full range of body types. Other car brands within the BMW family include MINI and Rolls Royce, and the company also owns BMW motorcycles, BMW Motorsports, and the DriveNow and ParkNow sharing services. BMW is listed on the Frankfurt Stock Exchange but remains majority-owned by the Quandt family. BMW marked its centenary in 2016 and is one of the most profitable German carmakers.

GREEN FOCUS FOR ‘ULTIMATE DRIVING MACHINE’

Mercedes-Benz has grown into one of the world’s most widely recognized premium carmakers. It is best known for its S-Class luxury sedan and other luxury cars, but also produces buses, coaches and trucks. It has long been known for its high standards of quality and for developing innovative technology, such as airbags in the 1980s. The brand’s pride in its commitment to quality was evident in its “The best or nothing” campaign, launched in 2010. More recent developments include a pledge to produce only electric vehicles, to be marketed under the EQ sub-brand, and the launch in 2017 of the first Mercedes-Benz pickup, the X-Class, presented as “the first of a new species”. Mercedes uses high-profile celebrity ambassadors in its advertising, including Franz Beckenbauer, Kate Upton and Roger Federer. It also sponsors the German national football team, the Bundesliga club VfB Stuttgart, and events in golf, horse-riding, tennis and sailing. Mercedes-Benz is highly successful in motorsports; its Formula 1 team has won the championship for the past several years, and it is also active in Formula 3, touring car racing and GT3. Mercedes has long been a partner of international fashion events and Berlin Fashion Week, linking the style and design of fashion with that of high-end automobiles. The brand is a heavy user of social media as well as traditional channels, with Instagram key to the sharing of creative content, user-generated content and cooperation with online influencers. The ‘Grow up’ campaign targets young drivers with ads for compact models in the Mercedes range and features US rapper ASAP Rocky. Parent company Daimler is listed on the Frankfurt Stock Exchange and is in the EUROSTOXX 50 index.
DHL is a letter and parcel logistics brand founded in San Francisco in 1969 but bought by Deutsche Post in 2002. Its distinctive yellow delivery vans operate across more than 220 countries and territories. The brand positions itself as “The Logistics Company for the World”, which it says is about more than just global coverage; it is also about simplifying customers’ lives and making a positive difference to the world. DHL wants to be the global benchmark for responsible business practice, and its GoGreen program optimizes transport routes and links energy-efficient warehouses and vehicles with ‘alternative drive systems’. Under GoGreen, the company has set the goal of making all parcel deliveries carbon neutral by 2050. In some cities, electric-powered StreetScooter vehicles are used by DHL. The company, which owns the manufacturer of StreetScooter, has announced plans to scale up production to around 10,000 of these vehicles a year, which could make it the largest electric light utility vehicle manufacturer in Europe. DHL’s tagline is “Excellence. Simply Delivered.” Its brand campaigns focus on the power of global trade, and how trade and logistics can improve people’s lives. Linked to its push for sustainability, DHL has become the official logistics partner of the new FIA Formula E Championship for electric vehicles, as well as supporting Formula 1, and sponsoring or supporting leading sports teams and events. These include sponsorship of Bayern Munich, and being the logistics partner of the Rugby World Cup and Manchester United. DHL parent company Deutsche Post is listed on the Frankfurt Stock Exchange and is part of the DAX30 and Euro Stoxx 50 indices of leading companies.

Siemens is a German-based global conglomerate that has grown into the largest industrial manufacturing company in Europe. It is best known to consumers as a producer of consumer electronics and home appliances, but has operations spanning lighting, medical products, transportation, energy, industrial automation and buildings-related products. The brand’s tagline is “Ingenuity for Life”, and its Vision 2020 is based on three principles: to “make things that really matter”, to have every employee take personal responsibility for the company’s success, and to be entrepreneurial in pursuing areas ripe for sustainable growth. They also have a stated goal to outpace the competition on efficiency and performance. A specialist innovation unit named next47 has been launched, named after the year Siemens was founded, with the aim of advancing the next generation of pioneering developments; next47 launched with investment of €1 billion. Siemens sponsors Bayern Munich football and basketball clubs, and funds contemporary art and culture through the Siemens Cultural Program. Siemens AG is listed on the Frankfurt Stock Exchange and is a component of the Euro Stoxx 50 stock market index.
ALDI is one of the world’s original discount supermarkets and has been a leader in taking the concept beyond Germany to the rest of the world. The business has its origins in a store in Essen founded by the mother of brothers Karl and Theo Albrecht. The brothers took over the family business and in the 1960s introduced the ALDI name, and divided the business in two, ALDI Nord and ALDI Süd. To customers, the stores operated by the two divisions are indistinguishable: they focus on offering high-quality produce at the lowest possible prices, with an emphasis on everyday essentials to help customers get their shopping done quickly, cheaply, and then get home to their families. ALDI buys in large volumes, which enables them to pass on sizable discounts to customers. More than 90 percent of ALDI products are ALDI exclusive brand products, and each week, ALDI stores offer a changing range of special food and non-food promotional items, ranging from small kitchen appliances to furniture and gardening tools, known as “ALDI Finds”. Stores offer only the basics – no pharmacies, as other supermarkets tend to offer, and the brand spends very little spend on advertising – to keep the model lean and focus on delivering savings. Stores are being updated, however, to improve lighting and make the shopping experience less utilitarian. Together ALDI Süd and Nord have over 10,000 locations all over the world with annual sales of over 50 billion euros. The business remains privately owned.

adidas is a German-founded global sportswear brand and the largest sporting clothes and footwear name in the world after market leader Nike. It has enjoyed strong growth in recent years, partly due to rising global demand for sports leisure wear, particularly among millennials, and partly as the growth strategies of CEO Kasper Rorsted, appointed in 2016, begin to bear fruit. The lifestyle category for adidas grew 45 percent in 2016 and its adidas Originals sub-brand has especially benefited from this trend, with its focus on retro designs from adidas heritage such as the classic Superstars, Stan Smiths and Gazelles. The adidas brand is instantly recognizable by the triple stripes on its footwear and the “trefoil” adidas logo, which the company calls “The Badge of Sport”. Men’s footwear is the beating heart of the business, but clothing and the women’s range are increasingly areas of focus. Unlike rival Nike, adidas collaborates with prominent people outside the sporting industry, and has worked with Porsche Design and designers such as Stella McCartney and Raf Simons. As the brand works to build its profile in the US, which has traditionally been a weak spot, adidas has opened a US factory and signed rapper Kanye West as an ambassador and collaborator on its “Yeezy” collection. It also worked with singer Pharrell Williams on a sneaker line to celebrate the diversity of humanity, called “Hu” or “Human Race”. In sport, in addition to sponsoring some of the world’s most successful soccer clubs—including Real Madrid, FC Bayern and Manchester United, and the UEFA Champions League tournament—it is backing grassroots sporting activity and athletes across a range of disciplines. Digital is central to the adidas growth strategy, and it is investing heavily in technology that allows people to buy online and across channels. There is also a drive to build creative sporting communities focused on six key, trend-setting world cities. adidas employs more than 65,000 people in over 160 countries, and produces more than 850 million product units every year. adidas is listed on the Frankfurt Stock Exchange and is a component stock of the DAX index.

Company
ALDI GROUP
Brand Value
US$12,893 million
Headquarter City
Essen (ALDI Nord) and Mülheim (ALDI Süd)
Category
Retail
Year Formed
1913

Company
ALDI GROUP
Brand Value
US$12,893 million
Headquarter City
Essen (ALDI Nord) and Mülheim (ALDI Süd)
Category
Retail
Year Formed
1913

Company
Adidas AG
Brand Value
US$11,820 million
Headquarter City
Herzogenaurach
Category
Apparel
Year Formed
1949
**QUALITY UNDERPINS PREMIUM STRATEGY**

**Company**
Robert Bosch GmbH

**Brand Value**
US$9,816 million

**Headquarter City**
Munich

**Category**
Conglomerate

**Year Formed**
1886

Bosch is best known as a global provider of premium white goods, power tools and consumer durables, but its heritage lies in supplying components to the then-young German automotive industry, and the roots of the business are more than 130 years old in a company named Werkstatte fur Feinmackanik un Elektrotechnik. Bosch is now the largest manufacturer of home appliances in Europe, and generated €73.1 billion in revenue in 2016. In its communications, its brand promise is “Bosch. Invented for Life”, and it emphasizes its German heritage and high standards of quality to distinguish itself among other global brands in the sector and justify its premium pricing. While Bosch goods tend to be more expensive than average, it appeals to a fairly broad range of potential buyers and does not focus its marketing on only the most affluent households. In 1967, Bosch established a joint venture with Siemens named Bosch Siemens Hausgeräte (BSH) to focus on consumer household goods, and also has a strong B2B division, supplying power tools to professionals. In 2015, Bosch bought out Siemens’ stake in the venture. Robert Bosch GmbH is privately owned.

**CARMAKER DEFIES CATEGORY CONVENTIONS**

**Company**
Volkswagen AG

**Brand Value**
US$8,580 million

**Headquarter City**
Ingolstadt

**Category**
Cars

**Year Formed**
1909

Volkswagen AG is one of Germany’s most premium carmakers, instantly associated with the four rings of its brand logo and the long-standing promise to deliver “Vorsprung durch Technik”, or being “Ahead through technology”. The design and styling of Audis is what also sets the brand apart from its competitors. The range extends from the most compact A1 model through to the sporty TT and RS models, the high-performance R8 sports car, larger sedan cars and the Q range of SUVs. Audi also offers hybrid cars with the e-tron engine. Recent launches include a Q2 – a small SUV cross-over vehicle designed to appeal to younger drivers – and the new A8 featuring a virtual cockpit, touch screen and self-driving options. The brand recently updated its logo to a more digital-friendly black version of its traditional silver rings. Communications tend to focus on Audi as the meeting point of lifestyle and technology, positioning Audi as a daring and emotional brand for forward-thinking consumers. Its ad for the Q series features electronic music; a change for the category, and shows people in unusual situations, while one commercial for the Q2 questions the need to define and hashtag everything, and calls the car #untaggable. One of Audi’s most famous ads was for the 4WD Quattro model, which in 1980 was shown driving up a ski jump. Audi has been involved in the touring car race event DTM (Deutsche Tourenwagen Masters) since 1990, and currently races its RS 5, competing successfully against BMW and Mercedes AMG. Audi is owned by Volkswagen, which is traded on German exchanges as well as on New York, London and Luxembourg. The brand was affected by the 2015 emissions scandal that engulfed the parent company, and some of its cars were recalled as a result, but there has been limited lasting damage to public perceptions of the Audi brand.
CONSUMERS ARE SHOPPING AROUND FOR SMART DEALS...

...THEY'RE NOT ALWAYS LOOKING FOR THE CHEAPEST OPTION.
Our clients are very often global brands, brands that communicate across continents and cultures. They are very aware of how important it is to understand what consumers know and think about them. The problem they tend to face is that traditional research methods often fall short of doing this sufficiently well.

The research we typically see focuses on awareness questions, and questions around sponsorship and brand values; they are asked in a grid format and use the language of researchers — not consumers. On the face of it, they are fairly straightforward surveys, but a deeper investigation reveals low response rates, correlating with answers and data that don’t tie back to known figures.

The task of showing this to a client can often be a daunting one. However, it is possible to show them that there is another way.

This alternative is to gather meaningful data, that can be believed and that can deliver real insight with real impact.

By creating a survey in the mindset of a respondent, instead of asking the questions we want respondents to answer, the research participant can relate to. They can have their say on what a marketing department is doing well, and what needs to change.

In this way, brands are measured in a way that research participants can relate to. They understand a problem and are motivated to solve it.

Pilot studies testing this approach alongside traditional surveys have revealed stark results. Brand awareness is higher, as engaged people spend time trying to remember. Brand differentiation is up, as considered responses identify nuanced differences, and meaningful variance is seen in perceptions and values, where before no distinctions could be made.

The result is that clients can now gauge clearly not just where their brand sits in the market, but also how they portray complicated values and business aims compared to their competitors. Brands can see where their actions tally with their marketing aims, where they might be falling short, and how they might focus future endeavours to better communicate their aims.

By creating a survey in the mindset of a respondent rather than a researcher, the result is better decisions and better understanding for brands.

Sustainable consumption seems an unstoppable force. However, on average, consumer behavior has not yet become more sustainable. Rather, we try to solve our conscience by making gestures towards sustainability; we open accounts at “sustainable” banks, buy locally made products, while booking flights for a weekend away in the fresh air of the mountains at the same time. Sustainable consumption is in the eye of the beholder.

Man just is not a Homo Oecologicus, whose primary motives is the good of the collective and the environment. When it comes to resources, we do not act rationally. The reason is that our immediate needs emotionally override our more distant ones, so that we tend to satisfy these needs first — regardless of a longer-term desire for sustainability. So even if a sense of sustainability prevails, actual consumption will not easily be influenced by attitudes and opinions — not even by our own.

Look at sales for the VW group, for example. In 2016, it sold not fewer cars but actually more cars than ever before. Sales worldwide rose by 3.8 percent, while in “ecologically conscious” Western Europe, sales were up 4 percent. What does this mean for you as a marketer? Should brands abandon the development of sustainable products? No, just the opposite.

We must conclude that the consumer is not a major driver of sustainability. But you are. As a decision maker, you can effectively promote the development of sustainable products, and actively shape sustainable consumption. You can do this because you make decisions that affect a company and not you personally, as a consumer. This makes it easier for you to be a Homo Oecologicus — and leave the consumer no option but to act “responsibly”. The ball is in your court, so let’s play.

**Designing more enjoyable surveys can help brands better understand themselves.**

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Lidl entered retailing in 1973 with its first store opening in Ludwigshafen. It has since grown into one of the top three supermarket chains in Germany and now has a presence in more than 20 countries, with 10,000 stores globally. Lidl has taken the discount supermarket model to the world, with a primary focus on everyday food items but also on a range of themed weekly promotions featuring sports goods, homewares and other categories. Budget private label products account for the majority of the Lidl range, but the premium private label line Deluxe has been expanding, and Lidl does list some well-known brands, often at promotional prices. The brand has been modernising and improving German stories to make them more appealing, but this has resulted in limited growth. The focus has therefore been on expansion; there are now plans to open stores in Australia. Online sales are mainly limited to non-grocery items. Some food lines have gradually been added, but fresh foods are not yet sold online. Lidl is one of Germany’s largest advertisers with the claim: ‘More joy for all’, alongside its ‘Lidl lohnt sich’, or ‘Lidl pays off’. In 2017, communications added the promise “Mehr Freude für alle” or “More joy for all”, alongside its global scale, many years of experience, service excellence and category competence. Oliver Bäte took over as CEO in 2015 and set out about providing the company with a stronger digital presence. The current “Dare to” advertising campaign is running globally as well as in local markets, urging consumers to be bold because Lidl is with them. One ad running in multiple markets shows racing driver Lewis Hamilton inspiring youngsters in an amusing way to follow their dreams. Allianz has been a major sponsor of Formula 1 motor racing for many years and in 2017 announced a deal to sponsor the electric Formula E series to promote sustainable motorsport. The brand also partners with the renowned pianist Lang Lang and his International Music Foundation to inspire the next generation of classical musicians. Allianz shares are traded on the Xetra and all German stock exchanges. The brand has been criticized in 2017 by Greenpeace for using other non-biodegradable polyethylene plastic particles, though the brand was one of several controversies over ingredients in NIVEA products over the years. Since 2016, all NIVEA products have been free of controversial synthetic fragrances, and since 2017 the NIVEA name has come to be synonymous with trust and expertise. The brand regularly launches new lines and product innovations, such as the recently released face cleansing brush and in-shower face and body products. There are two NIVEA flagship stores in Germany, in Hamburg and Berlin, but the brand is primarily distributed via drugstores, personal care stores and supermarkets. While the brand is well loved and widely used, there have been several controversy in NIVEA products over the years. Since 2016, all NIVEA products have been free of controversial polyethylene plastic particles, though the brand was one of several criticized in 2017 by Greenpeace for using other non-biodegradable substances. The Coca-Cola Company, developed in Germany and now sold in more than 170 countries. The drink was developed when it became difficult to import the ingredients for Coca-Cola into Germany during World War I due to a trade embargo. The product used only ingredients that could be obtained in Germany, and the first Fanta was very different from the Fanta we know today. The name comes from the German word “Fantasie”, which means imagination. All Fanta variants are made without artificial colors and the range now goes beyond the original orange to include lemon, mandarin, strawberry and mango, as well as sugar-free Fanta Zero. There are regular launches of limited-time new flavors, often tropical and linked to a beach theme. The brand is undergoing a global relaunch due to take effect in Germany in 2018, with a new logo and “Twist” bottle and lower-sugar recipes, all designed to appeal to younger consumers. Marketing is also changing; young online influencers and their teenage fans are now being invited to create their own content to advertise Fanta, and the brand is making TV ads and posters using the best contributions, which consumers can vote for using Snapchat. Fanta continues with its long-running Partnership Initiative (Playground Initiative), refurbishing playgrounds around Germany in partnership with the German Children’s Fund (Kinderhilfswerk). The Coca-Cola Company is listed on the New York Stock Exchange.
SPORTS CARS PROMISE INTELLIGENT PERFORMANCE

Porsche has grown to become one of the most prestigious automotive brands in the world, built around tradition, innovation, design and performance. It is best known for its flagship ‘mealmakers’, soups and bouillon products, but the huge and constantly updated range of Knorr products includes pasta sauces, other cooking sauces and flavoring products that help consumers create quick and easy flavorome meals. The Knorr brand is associated with trust and its long heritage, and with the flavor of its products, the range changes all the time and new lines are launched. Its main competitor, Maggi, has a very similar range and also releases new lines regularly: Knorr tends to be seen as more natural, with a green logo and new products without additives. One of its most successful new lines was the launch in late 2015 of the ‘Naturally Tasty’ range, promising all-natural ingredients without including any commonly used food additives. The range launched with just four variants and by late 2017 had expanded to 20 ‘mealmaker’ items, including salad dressings, soups, ketchup and other sauces. The line has been heavily promoted since launch, along with the more recent launch (in 2017) of the ‘Taste the World’ range, which enables consumers to easily recreate dishes made famous around the world. This new line features innovative packaging with a viewing window, so shoppers can see what’s inside, and the launch was supported by a dedicated TV campaign. The brand has also been focusing more widely on sustainability, promoting the message “Taste with a good feeling”. Knorr has been owned by Dutch-British FMCD giant Unilever since 2000. Unilever is listed on the New York and Euronext Amsterdam stock exchanges.

MEAL HELPERS OFFER NEW HEALTHY OPTIONS

Knorr was founded in 1838 by Carl Heinrich Theodor Knorr, and has grown into a global food brand sold in around 100 countries. It is best known for its flagship ‘mealmakers’, soups and bouillon products, but the huge and constantly updated range of Knorr products includes pasta sauces, other cooking sauces and flavoring products that help consumers create quick and easy flavorome meals. The Knorr brand is associated with trust and its long heritage, and with the flavor of its products, the range changes all the time and new lines are launched. Its main competitor, Maggi, has a very similar range and also releases new lines regularly: Knorr tends to be seen as more natural, with a green logo and new products without additives. One of its most successful new lines was the launch in late 2015 of the ‘Naturally Tasty’ range, promising all-natural ingredients without including any commonly used food additives. The range launched with just four variants and by late 2017 had expanded to 20 ‘mealmaker’ items, including salad dressings, soups, ketchup and other sauces. The line has been heavily promoted since launch, along with the more recent launch (in 2017) of the ‘Taste the World’ range, which enables consumers to easily recreate dishes made famous around the world. This new line features innovative packaging with a viewing window, so shoppers can see what’s inside, and the launch was supported by a dedicated TV campaign. The brand has also been focusing more widely on sustainability, promoting the message “Taste with a good feeling”. Knorr has been owned by Dutch-British FMCD giant Unilever since 2000. Unilever is listed on the New York and Euronext Amsterdam stock exchanges.
Deutsche Bank is a German global banking and financial services company operating in more than 70 countries; it has an extensive presence in Europe, the Americas, Asia-Pacific and emerging markets around the world. It is a premium banking brand that positions itself as being a client-centric leader in the sector. Based on the number of customers, Deutsche Bank is the leading private and commercial bank in Germany. At the end of 2017, it had 535 branches around Germany and as part of the Cash Group, gave customers access to about 9,000 ATMs nationwide. The bank also operates the Postbank brand. The bank’s two other main areas of business focus are asset management – Deutsche Asset Management is one of the largest asset holders in the world – and corporate and investment banking. Deutsche Bank describes its goal as “combining success and responsibility for the benefit of our customers and society”, positioning itself as a powerful service, which is on its way to becoming a rival to PayPal in Germany.

Sparkasse is the number one retail bank in Germany, with around 50 million customers and 14,000 branches across the country, including in small villages. It operates on a different model to the private banks, such as Deutsche Bank, and co-operative banks like Volksbanken. The public bank model that Sparkasse operates under has regional Sparkassen that are independently run and managed. Each focuses on the customers it serves locally. This local focus has led to the brand being known for the friendly service of branch staff, and in its communications, Sparkasse emphasizes the personalized service it offers, the huge range of products on offer, customer safety, and innovation through online banking products. Its online banking app is called Kredit, and Sparkasse operates the “paydireckt” service, which is on its way to becoming a rival to PayPal in Germany. Sparkasse is one of the biggest spenders on advertising among the banks, and is strongly associated with the color red in its logo and the claim: “Wenn’s um Geld geht – Sparkasse” or “When it comes to money – Sparkasse”.

1&1 is a challenger brand in the highly competitive German telecommunications sector, offering mobile network services, broadband, web hosting, virtual servers and email solutions. In 2016 it had around 17 percent of the German DSL broadband market, making it second only to Deutsche Telekom, and around 8 percent of the mobile market, putting it in fifth position behind Deutsche Telekom, Vodafone, O2 and Aldi Talk. 1&1 was a relatively late entrant to the mobile market, launching mobile consumer services over the Vodafone and Telefonica networks in 2010. The brand positions itself as offering good value for money and strong customer service. It often bundles products and services into a single price, with the cost of mobile phone handsets, for example, offered at a reduced price as part of a service package. In its communications, 1&1 frequently takes aim at its biggest rival, Deutsche Telekom, saying that 1&1 has the best and fastest network in the country. This usually generates a response from Deutsche Telekom, whose DSL network 1&1 uses, and at the time of writing, court action was continuing over 1&1’s attempts to ban such claims in 1&1’s advertising.

EDEKA is Germany’s leading group of grocery retailers, with about 11,400 stores across a range of store formats and sub-brands. It promotes a positive shopping experience in a pleasant environment, with a format, location and range to suit consumers’ needs within easy reach. The range of formats includes EDEKA Center hypermarkets, which have specialist areas and offer more non-food products, and EDEKA-markets and supermarkets, which frequently feature specialist service counters run by independent merchants. The company plans to roll out more stores in a wider range of formats, from forecourt retailers to butchers. It is also modernizing stores to improve the shopping experience. EDEKA offers a wide range of private label products in food and non-food categories such as beauty. These range from the economical 1 & 1 and Dünnig lines, to higher-priced international specialty foods. The private label ranges are highly popular and EDEKA has announced plans to further extend its portfolio. EDEKA tends to bring humor to its advertising, and its 2014 “Supergeil” music video featuring musician and actor Friedrich Liechtenstein became a viral hit. It now works closely with the WWF to promote sustainability, and comical pandas often appear in EDEKA ads, in one case accompanying shoppers around a store, helping them choose their goods responsibly. In 2017 the brand also ran an online spot #Vielfalt (diversity) to draw attention to racism, showing genuine reactions from EDEKA shoppers when they see what would be missing from supermarket shelves if not for inter-cultural diversity. Most ads carry the tagline “We just love good. EDEKA is privately owned.”
A watchful eye across all consumer touchpoints is essential for brand success, since every moment in which a consumer encounters a brand has an impact on the brand’s image, and consequently affects brand value. This applies equally to the emotional brand campaign and annoying performance banners.

We know that online banners are barely touched – only 0.3 percent are clicked on – and that there is no correlation between clicks and better advertising awareness. Through click rates alone, we cannot predict the impact of a campaign on a brand.

To measure the impact of digital campaigns, consider also tracking brand equity metrics. Brand KPIs are not only a fantastic cross-channel equalizer, but also ensure the measurement of long-term brand success.

The need for uniform and cross-platform measurement is a clear concern of the entire marketing and digital industry. So far, however, silo thinking has dominated the world of social media platforms, agencies, and publishers.

Brands and their partners must strive to balance the yin and yang of performance and branding.

Kantar Millward Brown is a leading global research agency specializing in advertising effectiveness, strategic communication, media, and brand equity research. Our strategies are based on comprehensive qualitative and quantitative research.

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After the “digital drunkenness” of the last few years, many marketing managers are becoming disillusioned with digital communication. Procter & Gamble recently cut more than US$100 million from their digital advertising budget, without causing any significant slump in business figures. Can it be concluded, therefore, that digital communication has no effect?

An extract from the global database of our Touchpoint solution “Connect” shows that digital advertising is on average responsible for only 3 percent of brand impact generated through recent touchpoint experiences (across paid, owned, and earned touchpoints). This effect, however, varies greatly across industries, brands and countries. In Germany, for example, there are brands in the financial sector for which digital advertising is responsible for more than 12 percent of brand impact coming from recent touchpoint experiences. In the FMCG sector, however, there are brands whose digital advertising does not just fail to improve the brand; it actually has a damaging effect on their brand equity.

Our view is that the use of digital communication must always be determined by the context in which a brand is operating. Is the category and the brand even suitable for digital communication? What is the path to purchase for the brand? Do major parts of the customer journey take place in digital media (as they do in the travel and banking industries)? Where do competing brands cross paths along the way? Then, how good is the quality of the creative content, and how well does it fit the channel? Are there creative synergies between digital and non-digital messages? And are the communicated messages consistent with the targeted emotive positioning of the brand?

If all of these questions are defined in an integrated branding and communication strategy, and implemented in a channel compatible manner, then digital communication, in conjunction with communication at other touchpoints, can make a significant contribution to brand equity and sales.

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Kantar TNS provides expertise in growth strategies around new market entry, innovation, brand switching and customer strategies, and has a presence in over 80 countries.

www.tnsglobal.com
EDUCATION LEVELS IN GERMANY ARE HIGH...

...MORE THAN 28 PERCENT OF ADULTS HAVE A DEGREE.
THE POWER OF PERSONAL DIALOGUE

The relationship between people and brands is often compared to a love affair—starting with awareness and courtship, and finishing with life-long loyalty. But it is not actually like that. Consumers are only loyal if they are rewarded again and again during every experience they have with a brand.

Consumers do not choose products or brands just for their own ends, but to serve a higher purpose. They stick with a brand and will pay more for it if it helps them achieve their goals, whether they are functional or emotional.

This means that the classic brand focus on advertising may be wide of the mark. Consumers want to be inspired by a product, a brand and a company, not just when they see an ad but throughout the entire customer journey. They want dialogue, and progressive companies are seeing the value of maintaining one. Yet as the number of touchpoints grows, managing the relationship becomes more difficult. Often, this is the result of important information being held in different parts of a company. CIOs and IT managers burn through a lot of money building technical solutions, but too few companies know how to use them, intelligently combining data to derive valuable insights for the design of campaigns and customer loyalty programs.

A strong example of intelligent customer management is the Samsung Digital Command Center. Their success has been in connecting digital services with traditional channels and to pick up customers where they are: Twitter, the website, video, Facebook, chat, e-mail or telephone. A team of community and content managers, as well as call and script specialists, works together to provide support across all channels. This link makes it possible to build a constantly learning digital service unit, which builds trust and customer satisfaction—over 95 percent.

Understanding and trust are the basis of dialogue. The challenge is to intelligently apply data and knowledge to power meaningful dialogue with individuals. This know-how is the basis for high-quality loyalty programs, which in the best case enable long-term customer relationships.

OLDIES BUT GOODIES – THE LASTING POWER OF MASS MEDIA

It is not just Procter & Gamble that has seen it. Online platforms and startups like Zalando have recognized it too. Classic mass media—traditional media, if you like—still works.

Many brand managers understand this, often as a result of learning by doing. If the target group is not extremely narrow, if there is no narrow B2B target group, for example, then for many brands, mass media channels remain an integral part of intelligent communications today.

New media offerings certainly provide brands with enhanced strength when it comes to dialogue marketing; social media and digital sales channels create ever more attractive opportunities to communicate, act, and react more effectively.

But classic mass media, from print to audio to video, are by no means obsolete. On the contrary, they enable millions of contacts (not, and not just gross!) to be made more quickly than any other medium or touchpoint. They can build awareness and brand image, and drive short-term sales. Successful brands see this, and succeed by successfully combining old and new mass paid media with owned and earned opportunities.

KANTAR TNS

Kantar TNS provides expertise in growth strategies around new market entry, innovation, brand switching and customer strategies; and has a presence in over 80 countries.

www.tnsglobal.com
**dpd**

*Company: Le Groupe La Poste*

*Brand Value: US$2,316 million*

*Headquarter City: Aschaffenburg*

*Category: Logistics*

*Year Formed: 1976*

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**Schwarzkopf**

*Company: Henkel AG & Company, KGaA*

*Brand Value: US$2,303 million*

*Headquarter City: Düsseldorf*

*Category: Personal Care*

*Year Formed: 1904*

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**Miele**

*Company: Miele & Cie. KG*

*Brand Value: US$2,250 million*

*Headquarter City: Gütersloh*

*Category: Home Appliances*

*Year Formed: 1989*

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**Lufthansa**

*Company: Deutsche Lufthansa AG*

*Brand Value: US$2,142 million*

*Headquarter City: Frankfurt*

*Category: Airlines*

*Year Formed: 1926*

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**Social Media Campaign for Airline’s Focus on ‘You’**

Lufthansa is a premium global airline with a reputation for excellence in safety, the standards of its maintenance, and service. It operates a relatively young fleet of aircraft, which enables it to run as efficiently as possible, making cost savings on fuel consumption and allowing the brand to promote its fights as among the most environmentally acceptable in the industry. Lufthansa flies to almost 200 destinations in more than 80 countries, and was a founding member of the STAR alliance of airlines, which further extends its network. New routes announced for summer 2018 include Santorini, Menorca, Glasgow and Chisinau all from Frankfurt, as well as Funchal on Madeira from Munich. Airlines owned by the Lufthansa group include Austrian, Swiss, Air Dolomiti, Germanwings, and Lufthansa Cargo, serving different routes and sectors of the travel market. The company is also in the process of buying parts of the insolvent airline Air Berlin; it took more than 30 Air Berlin planes on a wet lease arrangement in early 2017 and looks likely to take on more jets, many Air Berlin routes and thousands of Air Berlin employees. While Lufthansa has been hit by strike action by its pilots and cabin crew ever pay, working conditions and pensions, there has been widespread public support for the company and the strikes do not seem to have damaged perceptions of the brand. Recent launches include a new, more comfortable cabin configuration for business and premium economy passengers flying long-haul routes. The brand’s slogan in communications is “Lufthansa – Nonstop You”. In addition to mainstream media, the brand is increasingly focusing on social media communications to reach young people, both as consumers and potential staff. The brand uses Twitter, Instagram, Facebook and Pinterest to tell storytelling stories and share a look behind the scenes. Lufthansa is listed on the German Stock Exchange in Frankfurt.
Award for fashion students, and supports international contemporary fashion. The brand presents the Hugo Boss Prize, the Hugo Boss Fashion Art Prize, which began in 2012, featured bottles with labels designed by a range of artists. The current campaign, begun in 2017, is “With you, every moment can turn into something extraordinary”. Beck’s has been a sponsor of the May marathon in Dusseldorf, which since 2017 has been branded as the METRO Marathon. It also sponsors the Bocuse d’Or competition for top chefs, supporting German competitors as they make their way through the international contest to the final in Lyon each year. Metro’s parent company, Metro AG, owns a range of wholesale and retail companies and employs around 220,000 people globally. It owns the Metro, Makro and Real stores, as well as wholesale and retail companies and employs around 220,000 people globally. It owns the Metro, Makro and Real stores. The brand has an increasing focus on delivery digital services to consumers, with a focus on winning customer loyalty with quality goods that provide great value for money. It has grown into an international business serving 21 million customers in 35 countries.

**BEER CELEBRATES MOMENTS OF SHARED HAPPINESS**

Beck’s was first brewed in the northern German city of Bremen and is a pilsner beer described by its makers as having a sweet, soft taste. It has been brewed in the same way, according to the original recipe using four key ingredients, since 1873. Beck’s has grown to become the biggest-selling German beer in the world, sold in more than 85 countries. It is a premium beer that tends to appeal to young adult drinkers; it is positioned as a drink to be shared by groups of friends on a night out, and as a good match for casual dining. The brand sponsors music festivals and events popular with this audience. Beck’s uses distinctive green glass bottles and for many years a ship with green sails was used in their communications to reflect adventure and openness, though the ship has gradually been given less prominence. In an effort to counter the rising demand for craft beer, Beck’s launched a range of variants under the “Beck’s Taste the World” banner in 2015. For many years the brand’s communication tagline was “Follow your inner compass”, with an urge for cosmopolitan consumers to think differently. This campaign, which began in 2012, featured bottles with labels designed by a range of artists. The current campaign, begun in 2017, is “With you, every moment can turn into something extraordinary”. Beck’s has been a sponsor of the May marathon in Dusseldorf, which since 2017 has been branded as the METRO Marathon. It also sponsors the Bocuse d’Or competition for top chefs, supporting German competitors as they make their way through the international contest to the final in Lyon each year. Metro’s parent company, Metro AG, owns a range of wholesale and retail companies and employs around 220,000 people globally. It owns the Metro, Makro and Real stores. The brand has an increasing focus on delivery digital services to consumers, with a focus on winning customer loyalty with quality goods that provide great value for money. It has grown into an international business serving 21 million customers in 35 countries.

**DIGITAL PUSH HELPS MAKE SHOPPERS LIVES EASIER**

Metro is a chain of cash and carry stores that serves businesses and consumers, with a focus on winning customer loyalty with quality goods that provide great value for money. It has grown into an international business serving 21 million customers in 35 countries. The brand has an increasing focus on delivery digital services to consumers, with a focus on winning customer loyalty with quality goods that provide great value for money. It has grown into an international business serving 21 million customers in 35 countries.

**FOCUS ON ‘FAST’ DRIVING PROGRESS FOR SPORTS BRAND**

Puma is one of the world’s leading sports brands, designing, developing, selling and marketing footwear, apparel and accessories. The range includes performance and sport-inspired lifestyle products for sports including football, running, golf and motorsports. Puma products are sold in more than 100 countries, and the company is the third-largest sportswear manufacturer in the world. The Puma brand was born at the same time as rival Adidas. Brothers Rudolf and Adolf Dassler jointly formed the Dassler Brothers Shoe Factory in 1924, but their relationship deteriorated to the point where they each went their separate ways. Rudolf launched Puma and Adidas, both still based in the same German city. CEO Bjorn Gulden has announced Puma’s mission to be “the fastest sports brand in the world”, fast in innovation, decision-making and problem solving. The brand outlines its four key values as being brave, confident, determined and joyful; it seeks to promote credibility, authenticity, and an appreciation for the games and sports it is involved in. Sponsored athletes over the years have included Michael Schumacher, Boris Becker and Diego Maradona. More recent athletes sponsored by Puma include Italian goalkeeper Gianluigi Buffon and Spain player Cesc Fabregas. The brand also sponsors several football clubs and national teams, as well as athletics teams and individuals, including Usain Bolt. Puma also works with non-sporting celebrities; singer Rihanna is women’s creative director and global ambassador for women’s training. The Korean boy band BTS have shot several commercials for the brand. Puma Group owns the Cobra Golf brand as well as a subsidiary, Dobotex. Puma has been majority-owned by French group Kering since 2007, with Puma shares listed on the Frankfurt and Munich stock exchanges. They are a component stock of the SDAX index.
HOLIDAY SNAPS AT HEART OF ONLINE TRAVEL CAMPAIGN

TUI Group is the world’s largest tourism business, linking 1,400 travel agencies, online portals, six airlines, more than 300 hotels and 16 cruise liners. This network enables the business to provide 20 million customers a year with holidays in 180 destinations around the world. The business began as an industrial company, Preussag AG, but has gradually shifted into the tourism market through a series of acquisitions, firstly the Hapag-Lloyd tourism company, along with other sizable players in the industry from around Europe, including Thomson, Fred. Olsen and Nouvelles Frontières. The business also took shares in the hotel groups RIU and Magic Life. In 2007, it merged with First Choice Holidays, based in the UK, to form TUI Travel Plc, with TUI AG the major shareholder. TUI’s blue and red logo features a smile, and communications focus on the tagline “Discover your smile”. Since October 2017, all TUI operations have been branded according to the TUI master brand, which the company says will create consistency, confidence, reliability and guidance for customers.

HYPERMARKET INVESTING IN SHOPPER EXPERIENCE

Kaufland is a network of hypermarkets with a very strong focus on discount pricing, a unique combination in the German retail market. The brand’s origins lie in its association with the discount supermarket chain Lidl, which dates back to 1930; both Kaufland and Lidl are part of the Schwarz Group. The Kaufland brand emerged in 1984 with its first store opening in Neckarsulm. Expansion was gradual until the fall of the Berlin Wall, after which rapid growth took place across Germany and Europe. Kaufland now operates over 1,000 stores in Germany, the Czech Republic, Slovakia, Poland, Romania, Bulgaria and Croatia. It has announced plans to open stores in Australia and Moldova. While discount prices are at the heart of the brand’s promise, Kaufland has, like Lidl, been investing in changes to its stores and services to improve the customer experience. It is now active online and has been revamping and enhancing stores, and reviewing its product range to broaden the brand’s appeal to a wider range of customers. Kaufland Stiftung is owned by the Schwarz Group, a family-owned German retail company.
Digitization is disruptive. Industries and business models are changing. Brand management and marketing are being challenged. Right? Absolutely. But it is increasingly common to hear that these changes are also disrupting the concept of a brand (consumers are now “prosumers”), and that “brand” will soon be dead. Right? Wrong!

What all these discussions have overlooked is that the fundamental rules of human behavior, which have developed over thousands of years throughout the world in a similar, often identical form, continue to apply.

Social psychology is the science that has placed this subject at the center of its research and teaching. In order for people to meet the demands of everyday life, stressful situations, and face new experiences, they display classic patterns of behavior. People need relief; people need to be able to deal with the complexity of daily life: relief and orientation, security, recognition, integrate and orchestrate the new possibilities available, and opportunities around virtual reality are just at the beginning. Budget allocation will change, but the objective of brand builders will not: their challenge, to nurture strong brands and to use those strong brands to help consumers make and justify their decisions. If they succeed at this, then some of the other goals of marketing – customer acquisition, loyalty, sales and profitability – will naturally follow.

Management and marketing will of course change. They can – no, they must – recognize, integrate and orchestrate the new possibilities available, and opportunities around virtual reality are just at the beginning. Budget allocation will change, but the objective of brand builders will not: their challenge, to nurture strong brands and to use those strong brands to help consumers make and justify their decisions. If they succeed at this, then some of the other goals of marketing – customer acquisition, loyalty, sales and profitability – will naturally follow.

Intelligent, voice-controlled helpers are increasingly finding their way from the smartphone to the living room. For brands, this development means a fundamental upheaval for communications. The decades-old mantra of text, graphics and digital, complemented by interaction, gains a new dimension: voice. Voice and language. Spoken language is diverse and at the same time personal. This is what makes conversation such a complex interface. When consumers talk with brands, they take us back to the origins of selling. The power of direct, unvarnished contact with the customer will return to prominence, but now, unlike the old days, consumer expectations are high and their tolerance threshold is low.

In 2019, 75.5 million people will communicate with language assistants, according to eMarketer forecasts. The potential of conversational campaigning for brands is enormous. The main challenge for brands is to develop activation strategies that deliver voice services that are not just tolerated but enjoyed by the people who use them. They must prove they can have a natural discussion with consumers and adapt their content plans to voice. If they get this right, they can deliver the trigger that spurs someone to make a purchase; they can boost loyalty and drive revenue. But what counts to the consumer is convenience and relevance. For consumers to want to chat with you, deep market understanding is as important as the art of conversation.
THE MOMENT COUNTS

The number of contact points between brands and consumers has grown tremendously, thanks to the explosion of digital media. Consumers are having more experiences or “moments” with brands, through exposure to products, services, and communications.

The number of potential moments is almost limitless. A moment is an individual experience with a product or brand, in a given context at a particular time. Timing and environment have a powerful effect on the feelings, attitudes, and needs of an individual. One moment might be breakfast at home with the family, and another a gym workout. A person is in a very different frame of mind when they have just taken out an insurance policy, than they are just half an hour later, when they are shopping for dinner on the way home. There are routine moments in everyone’s lives, and scattered among them are extraordinary events. All of them generate a unique combination of context factors, ‘make’ the moment and influence attitudes, behavior, evaluation, and decisions. Even decisions that people apparently make on “autopilot” are affected by the moment – as well as all the moments before, that have influenced their decision.

For every consumer need and every situation, there is an optimal product or service... and if consumers are not offered it, they ask for it. Matching moments with brand offerings is a key determinate of purchase decisions, and is therefore crucial to both meeting consumer needs and driving business success for a brand.

Perfectly timed and executed brand moments can influence choice, deepen customer satisfaction and build loyalty.

Brand management and marketing teams must decipher these moments, and must consider moments at every stage of brand development, from product innovation to communication to service and customer loyalty. Market research can provide the data that helps brands:

- Offer the right product, service or piece of information for every demand moment;
- Match communications touchpoints with the most relevant content for the moment;
- Optimize the purchase process, both online and offline, for different point-of-sale moments; and
- Improve the customer experience of actually using a product or service to generate new moments.

Brands should orient themselves around key moments and, using consumer and media research, identify, optimize and activate precisely those moments that can best meet consumer needs and drive brand success.

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THE TIME IS RIGHT TO ADD TO BASKET

There is dynamism in the fast moving consumer goods sector, and in food retailing in particular. It clearly signals that the German consumer is ready to take the next step – shopping for these categories online. They have already become accustomed to searching and shopping online for products in other categories without a problem. Secure ordering, fast shipping and easy exchanges mean people’s willingness to shop online is growing.

Brands need to move now, with the right e-commerce strategy, to avoid being left behind.

Brands must think about product presentation, search optimization, the availability of goods, and generating smart recommendations. But these are only a few of the areas in which brands should work to excel. Consumers have increased expectations of service and convenience that must be matched. After all, if they cannot find what they are looking for within a second or two, they simply go to the competition.

German brands have so far been very relaxed about digital change and its many facets, but we are at a turning point now for e-commerce. Now is the time to create an online sales strategy for every brand. Getting to grips with the basics now will put brands in a strong position to stay ahead of the competition.

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Kantar TNS
Kantar TNS provides expertise in growth strategies around new market entry, innovation, brand switching and customer strategies; and has a presence in over 80 countries.

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THERE’S A STRONG SENSE OF INDIVIDUALITY...

...AND A CELEBRATION OF GERMANY’S GROWING DIVERSITY.
Slogan of the brand for many years was “Leben Sie – wir kümmern uns um die Details”, which means “Live – we take care of the details”, though the bank is doing little advertising at the moment.

HypoVereinsbank is one of the leading privately owned banks in Germany and part of a pan-European Banking Group (Unicredit) offering a broad range of products for private clients, SMEs and institutional investors. The brand name has only been in use since 1998, since the merger of Bayerische Hypotheken und Wechselbank and Bayerische Vereinsbank. But the history of the bank goes back to the Hochfürstlich-Brandenburg-Anspach-Bayreuthische Hofbank, which was founded in the late 18th century. The bank has more than 550 branches around the country and focuses on corporate banking, savings, mortgages and wealth management. It has a strong history in savings and in linking German businesses to international markets across Western, Central and Eastern Europe. The communications slogan of the brand for many years was “Leben Sie – wir kümmern uns um die Details”, which means “Live – we take care of the details”, though the bank is doing little advertising at the moment.

HypoVereinsbank is well known as the bank of Bayern Munich, which contains zero alcohol; usually "no alcohol" beers contain up to 0.5 percent alcohol. The brand’s current advertising campaign is called “Incomparable nature”, and reflects the tagline “Eine Perle der Natur”, or “A pearl of nature”. Joey Kelly, a member of the German musical family band The Kelly Family, features in advertising for Krombacher called “Incomparable nature”, and reflects the tagline “Eine Perle der Natur”, or “A pearl of nature”. Joey Kelly, a member of the German musical family band The Kelly Family, features in advertising for Krombacher.

Krombacher is a premium beer brand that has become the best-selling beer in Germany. It stands out in a busy beer market for its strong association with nature, environmental conservation and animal welfare. The concept of a beautiful "Krombacher Island" has been part of brand communications for many years, alongside the Simple Minds songs "Belfast Child" and "Stars will lead the way", which are now strongly linked to Krombacher. In 2017, the business donated €500,000 to a conservation project called Artenschutzprojekt, which encourages Germans to enjoy their natural surroundings and protect endangered habitats for animal species under threat. In 2017, the brand launched a new variety of Fassbrause, a kind of fruity beverage that has long been a speciality of Berlin and a segment in which Krombacher already leads the market. The new Krombacher Fassbrause Cita & Orange represents a real alternative to soft drinks. Also new in 2017 were alcohol-free Pils and wheat beer varieties, which contain zero alcohol; usually "no alcohol" beers contain up to 0.5 percent alcohol. The brand’s current advertising campaign is called “Incomparable nature”, and reflects the tagline “Eine Perle der Natur”, or “A pearl of nature”. Joey Kelly, a member of the German musical family band The Kelly Family, features in advertising for Krombacher. Beer brand and is equally popular among men and women.

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**RETAILER APART**

Tchibo is an international retailer that began as a mail-order roasted coffee business and still has coffee at the heart of the company. In the years following its launch, Tchibo opened its own stores and established shelves and sections within supermarkets and bakeries. The range of Tchibo goods expanded beyond coffee, and the range was updated each week with weekly themed promotions. The motto “Every week a new world” gained momentum, giving shoppers a reason to stop by more regularly to see the current theme or range. “Das gibt es nur bei Tchibo”, or “Only at Tchibo”. Tchibo generated €3.3 billion in turnover in 2015.

**UNDERSTANDING AT HEART OF INSURER’S OFFER**

ERGO is one of the leading insurance providers in Germany, and operates across 30 countries, primarily in Europe and Asia. Customers can choose which format of contact with ERGO suits them best, from a meeting with one of more than 9,000 sales agents, or via phone, mobile or online. Brokers and other partners also provide services to private and corporate customers. ERGO maintains partnerships with the UniCredit Group and other banks, both in Germany as well as in other European countries. Since 2010 the brand’s slogan has been “Versichern heisst verstehen” (To insure is to understand), and ERGO says this underpins all of their actions, which are focused on the wishes and needs of the customer. The company promises to offer needs-based advice that addresses customers’ personal concerns, and pledges to communicate in a clear way, provide innovative services, and provide swift support in the event of damage or loss. Parent company ERGO Versicherungsgruppe AG was renamed ERGO Group AG in 2016 to emphasise the internationalization of the group and chime with a new corporate structure that places the German, international, and direct and digital parts of the business in three distinct units. The company is working on a range of new digital tools, and was due to launch “Navigile”, a fully digital car insurance service, in late 2017. About 44,000 people work for the Group, either as salaried employees or as registered sales representatives. ERGO is part of Munich Re, one of the leading reinsurers and risk carriers in the world.

**OBI**

OBI is an international chain of DIY stores, with its distinctive “orange box” outlets offering an assortment of around 40,000-60,000 items aimed at families, do-it-yourselfers and semi-professionals making home improvements. The range covers building materials, gardening goods, tools, sanitary ware and decorating products. Stores also offer machinery rental, renovation services and consulting. The first OBI store opened in Hamburg in 1970, and the brand has been expanding internationally since 1993. Today, it has more than 350 stores in Germany and a total of 650 around the world, with Austria, Poland, the Czech Republic and Russia among its biggest international markets. The group employs more than 64,000 people. OBI’s online store, launched in 2010, now covers most of its range, and the brand has declared its intention to become the leading online retailer of home improvement and gardening products. New store openings and the brand’s enduring popularity have led to strong value growth in recent years. Its latest slogan is “Das Leben ist voller OBI Momente”, which means “Life is full of OBI moments”. The brand is a strong user of online media, advertising on Facebook, YouTube, Instagram and Pinterest. Loyalty programmes, special promotions and product comparisons are available on the website and the OBI app. OBI’s parent company is privately held.

**THE GERMAN TOP 50**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
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<th>Year Formed</th>
<th>Brand Value</th>
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**THAT'S THE TOP 50 MOST VALUABLE GERMAN BRANDS 2018**

**German Top 50**

- **BEER BRAND TARGETS ‘MEN WHO KNOW’**

The Hasseröder brewery was founded in 1872 in the Werringerode district Hasseroede by Robert Hoppe, and its Premium Pils is well known across Germany. The brand tends to appeal more to drinkers in the east than the west of the country; it is less expensive than many of its competitors and has a strong following among men. Its communications build on this reputation, and since 2011, the brand’s tagline in communications has been “Männer wissen warum” (Men know why). The brand sponsors the Hannover 96 football club, and Eisbären Berlin. The world’s largest brewer, AB InBev, currently owns the Hasseröder brand, though in 2017 was reported to be in talks to sell it. AB InBev is majority-owned by the Vardamme, De Móvius and de Spoelbergh families, from Belgium, with other major stakeholders including the private investment company 3S Capital. Anheuser Busch InBev is a publicly traded company. It is listed on the Euronext with secondary listings in Mexico and South Africa and with American Depositary Receipts on the New York Stock Exchange.

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**SOCIAL MEDIA CELEBRATES DIY ‘MOMENTS’**

OBI is an international chain of DIY stores, with its distinctive “orange box” outlets offering an assortment of around 40,000-60,000 items aimed at families, do-it-yourselfers and semi-professionals making home improvements. The range covers building materials, gardening goods, tools, sanitary ware and decorating products. Stores also offer machinery rental, renovation services and consulting. The first OBI store opened in Hamburg in 1970, and the brand has been expanding internationally since 1993. Today, it has more than 350 stores in Germany and a total of 650 around the world, with Austria, Poland, the Czech Republic and Russia among its biggest international markets. The group employs more than 64,000 people. OBI’s online store, launched in 2010, now covers most of its range, and the brand has declared its intention to become the leading online retailer of home improvement and gardening products. New store openings and the brand’s enduring popularity have led to strong value growth in recent years. Its latest slogan is “Das Leben ist voller OBI Momente”, which means “Life is full of OBI moments”. The brand is a strong user of online media, advertising on Facebook, YouTube, Instagram and Pinterest. Loyalty programmes, special promotions and product comparisons are available on the website and the OBI app. OBI’s parent company is privately held.
BOSS BUILDS TRUST IN BABY FOOD BRAND

HiPP baby food began when Joseph Hipp first made children’s rusk flour and sold it in his pastry shop. His son Georg Hipp sold the increasingly popular product in Munich and the surrounding area door to door, until he founded his own company in 1932 called Nährmittel Hipp. The range saw strong growth after World War II, and has since grown to become the undisputed leader in baby food in Germany. HiPP continues to offer a very wide product portfolio in baby food, and frequently launches or revises the range to adapt to changing consumer tastes and needs. As well as being a premium baby food producer, HiPP also makes food products for toddlers and older children, and a range of non-food baby care items positioned as products the whole family can use. HiPP is seen as a leader in this sector, and its innovations tend to be quickly copied by its competitors. There is a strong focus in communications on the organic ingredients used in HiPP baby food, the health benefits of its products, and its support for bio-organic farming and living in harmony with the environment. Ads for the newer products addressing toddlers and older children target this audience directly, rather than parents, with the slogan “I put my own name to this”, which helps build trust. HiPP is one of the largest business-to-consumer parcel delivery services in Germany, with 16,000 ParcelShops across the country. These pick-up locations are often placed within small shops, bakeries and dry cleaners, allowing consumers to collect their parcels at their convenience. OTTO, H&M, eBay and Deutsche Bahn are among the businesses that use Hermes as their delivery partner. One of Hermes’ key points of difference in a competitive courier market is that it will try to deliver a parcel four times before charging extra. Detailed online parcel tracking is also available. The brand describes itself as fast, reliable and naturally sustainable. Since 2014, Hermes has been investing in nine environmentally friendly logistics centers across Germany, due for completion in 2019, and in partnership with Mercedes-Benz plans to have 1,500 electric delivery vans operating by 2020. Hermes is also trailblazing deliveries with Starship robots, which can carry up to 15kg for distances of up to 3km. Hermes has several years been an Official Premium Partner of the Bundesliga football league. Hermes is active worldwide and has extensive logistics operations in the UK, Russia, Italy and Austria. The integration of German parcel shippers Mondial Relay and two-person handling operations in the UK, Russia, Italy and Austria. The integration of German parcel shippers Mondial Relay and two-person handling operations in the UK, and the large-scale marketing has enabled Hermes to strengthen its competitive position in France. Hermes Europe is privately owned.

CHOCOLATE RANGE THINKS OUTSIDE THE SQUARE

Ritter Sport is a range of chocolate sold in a distinctive square pack, originally designed to fit into the pocket of a sports jacket. This shape is now one of the brand’s distinguishing features in a crowded confectionary market. There are 25 standard varieties, each sold in a different-colored pack, as well as seasonal and occasional specials. The crowdsourced “Unicorns Glitter” bar launched as a limited edition in 2016 was such a hit that the surge in demand crashed the online shop and led to a secondary trade in the bars on eBay. Ritter Sport was one of the first major chocolate producers to launch a vegan bar. The flagship store in Berlin allows shoppers to create their own customized Ritter Sport chocolate bar. In its communications, the brand’s tagline is “Quadratisch. Praktisch. Gut”, which translates as “Square. Practical. Good.” The brand has traditionally relied on television to build awareness but is now a large and successful user of out-of-home space, especially in train stations. Their posters use wordplay on posters and station stairs to lend commuters some amusement. Ritter Sport also uses social media to great effect, promoting special editions through Instagram and Facebook. Ritter Sport is sold in 99 countries, and the company is privately owned.

TRUST IN BABY FOOD BRAND

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COURIER INVESTS IN ELECTRIC FUTURE

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Aral is a brand of motor fuels, lubricants and filling stations, with its network of around 2,500 petrol stations across Germany making it the largest brand in the sector. The name comes from a combination of the German words “Aromaten” and “Aliphaten”, the aromatic and aliphatic components found in gasoline. The business was founded as Westdeutsche Benzol-Verkaufs-Vereinigung GmbH in 1898 and has been known as Aral since 1924. The brand’s promise is “Aral. Alles super”, meaning “Aral. Everything’s great”, a promise it applies to the quality of its products and the customer experience at filling stations. The brand prides itself on innovation in products and services, including the high-performance fuel Aral Ultimate T02, and the introduction of REWE To Go forecourt shopping, carwash services, and Petribistro for food on the go. Aral is the only petrol station chain in Germany to partner with the popular PAYBACK bonus program. About 16 million households take part in this scheme, in which they earn points for shopping with partner brands. Aral also has a large B2B business, serving vehicle dealerships and repairs, and sells LPG, heating oil and related products. Aral is a long-time sponsor of the Deutsche Tourenwagen Masters, which is “Powerbly Aral ultimate”, and is a partner in the FIA European Formula Three Championship. Aral is now owned by BP Plc, which is listed on the London Stock Exchange.

FUEL GIANT INNOVATES TO MAKE ‘EVERYTHING GREAT’

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BAKING BRAND LOOKS OVERSEAS FOR GROWTH

Dr. Oetker is a range of food products with a focus on home baking that dates back to 1891, when the first product in the range – Backin baking powder – was launched. Backin is still available and the brand enjoys a reputation for consistency not just because many of its products have been around for so long, but also because the company has remained under the control of the Oetker family since it was founded by August Oetker in 1891. After World War II, the founder’s grandson, Rudolf-August Oetker, pushed for the expansion and diversification of the business, which has grown into a group with total sales in 2016 of €11.7 billion. The food division accounted for about a quarter of that, and Dr. Oetker is the leading German brand of frozen pizza, desserts and baking products, and its best-known drink product is Henkeli sparkling wine. Dr. Oetker is now heavily focused on developing the brand in Asia and the Americas. A whole heart in the brand’s logo relates to their long-established slogan “A clever head uses Dr. Oetker”. The broader company owns a stake in around 400 companies around the world, with its mixed products and services, including the high-performance fuel Aral Ultimate T02, and the introduction of REWE To Go forecourt shopping, carwash services, and Petribistro for food on the go. Aral is the only petrol station chain in Germany to partner with the popular PAYBACK bonus program. About 16 million households take part in this scheme, in which they earn points for shopping with partner brands. Aral also has a large B2B business, serving vehicle dealerships and repairs, and sells LPG, heating oil and related products. Aral is a long-time sponsor of the Deutsche Tourenwagen Masters, which is “Powerbly Aral ultimate”, and is a partner in the FIA European Formula Three Championship. Aral is now owned by BP Plc, which is listed on the London Stock Exchange.

PIZZA MAKER PRESENTS EXPANDING RANGE

Wagner is one of Europe’s leading brands of frozen pizzas, though the business was launched by baker Ernst Wagner as a range of frozen meat meals in a ready-to-cook bag. Pizzas were added after Wagner visited Italy in the early 1970s, and they quickly became the focus of the brand. Now, 350 million pizzas can be baked in Otzenhausen every year, and there is a range of lines, including Original Wagner Stilschen Pizza, Die Backfrösche, BIG Pizza, Original Picolinis, Pizzies and Tarte Flambee. Since 2015, Wagner has been producing the frozen snack Rustipani (oven baked), and gluten-free pizzas have been available since 2016. The brand’s tagline is “Einmal Wagner – immer Wagner”, or “Once Wagner – always Wagner”. Along with its main competitor, Dr. Oetker, Wagner enjoys widespread public awareness and double-digit market share. Wagner is available in most supermarkets, including the discounter ALDI, which mostly carries private label goods. Since 2005, Wagner has supported the “Deutschen Tafeln” programme with food donations and financial support for people in need. Wagner also funds education and sports facilities. Wagner has been wholly owned by Nestlé since 2013.

INSURER PROMISES TO BE VOICE OF REASON

HUK-COBURG is the largest German car insurer, with 11.2 vehicles insured, and is also one of the leading suppliers of private liability, household and legal protection insurance. It is seen as a value-for-money brand that provides good customer satisfaction. The brand operates from nearly 700 customer service centers, while HUKCA, the brand’s online service, is the leading online insurance provider in the country and is seen as offering especially good value deals and benefits. Since 2006, HUK-COBURG’s promise to customers has been “Aus Tradition günstig” (traditionally reasonable), and the HUK protective shield logo features in communications. The brand recently launched HUK-COBURG Autowelt, which has taken the brand from an insurer of cars to also being a seller of used cars. The brand says it sells only high-quality and tested used cars, to ensure drivers will be safe on the road. This reassurance over safety and value for money links with the peace of mind that the insurance part of the business provides. The brand has been promoting the new service and the brand itself, emphasizing its leading position in the German marketplace and the good value it provides. HUK-COBURG only operates in Germany and is privately owned.
In the last few years, the word “consumer” has become something of a swear word. People no longer wanted to identify themselves with a term that is associated with inactivity and reactivity. Marketing has reacted to this paradigm shift by embracing participation and two-way communication. Today, brands willingly interact with their customers eye-to-eye via a range of direct communication channels.

But with big data and automated purchase recommendations – and even automated buying processes – this relationship again seems to be in jeopardy. In order to enjoy a new dimension of shopping comfort, consumers are apparently abandoning aspects of their newly gained independence and autonomy. They are willing to share their personal data in exchange for saving time.

But do we really see a win-win situation for both customers and suppliers, or is man increasingly subject to invisible economic and technological mechanisms? And how can more maturity in online shopping be achieved, if indeed that is what we desire?

In the first instance, there should certainly be more information and transparency about the invisible mechanisms at work. As the German philosopher Immanuel Kant so rightly said: “Enlightenment is man’s emergence from his self-imposed immaturity.”

We are a global brand agency with deep expertise in brand strategy, design, interaction, brand management and employee engagement.

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TRUSTED BRANDS GET RECOMMENDED TO FRIENDS...

...BOTH VIA SOCIAL NETWORKS AND IN THE PHYSICAL WORLD.
A Brand Is A Platform Is A Brand
Navigating a brave new world

When The Price Is Right
Building value for budget brands

German Engineering
How German-ness shapes and reflects on local brands

Future Tense
How strong brands today prepare for the path ahead
A BRAND IS A PLATFORM IS A BRAND

"YOU HAVE TO UNLEARN WHAT YOU HAVE LEARNED." MASTER YODA, STAR WARS

One look is enough to see it’s clear that someone has changed the rules of the marketing game. Things that worked perfectly yesterday have suddenly ceased to be valid, and brands now find themselves in the center of a perfect global storm whipped up by the rise of the platform economy.

The platform storm has blown away much of what we knew, and created instead a new world. A world in which other rules apply and the “survival of the fittest” principle applies: the winner takes it all.

Entire industries have been transformed by new global category owners such as Uber, Airbnb or Tinder in a very short space of time. All of these disruptors share one thing: they are digital platforms that focus on the “network effect”.

MORE USERS = MORE VALUE = MORE USERS

Industry by industry, this phenomenon is gathering momentum, and fast-moving consumer goods and other consumer categories must surely be next.

It is only a matter of time before the consumer brands encounter platforms that redefine their categories. It is unclear whether the future global category owner will be the current leader, a rival, or a completely new company.

Although platform brands are not yet clearly evident in the consumer brand landscape, their initial contours can already be identified in many areas.

Consumers and products are increasingly interwoven, and they are inseparably linked by data. The classic brand – on which everything else used to hang – is now only an aid to entering the new world, in the age of platform economy.

When it comes to brand marketing, we used to depend on “push” communication, such as TV commercials, to impress a brand’s message on consumers. Now, we find ourselves in a world in which platforms themselves act as magnets, to which consumers are “pulled”.

The digital platforms we see today are both a product and a service in one, and growth emerges from the platform itself. The likes of Airbnb and Tinder do not need to rely on classic marketing channels like TV, print or display ads to generate new users – at least not to the same extent as brands once did.

The network effect allows the platforms to grow exponentially when a critical mass of participants is reached, and continuously create new value for users and providers. Uber, for example, has just 6 percent of the employees that BMW has, and yet it is a bigger business.

IT’S NOT A TRICK. IT’S THE NETWORK EFFECT

Companies like Philips and McCormick are among the brands at the forefront of platform development among FMCG and consumer brands.

The uGrow platform from Philips accompanies parents as they monitor the development of their baby. With a smartphone app and devices like the Smart Ear Thermometer and Smart Babyphone, a child’s stages of development can be stored, compared and shared via the uGrow platform.

From here, it would only take a small step to open the platform to further applications, and perhaps even doctors and other users, and to begin to realize the network effect.

The spice manufacturer McCormick is taking a fresh approach to reaching consumers, working to develop an industrial standard for people’s taste preferences, with its FlavorPrint platform.

The vision is that, in future, every consumer will know what they really like, and will be able to find suitable products both online and at the point of purchase.

If FlavorPrint takes consumers to more products and recipes that they can be sure they’ll love, many brands may find themselves squeezed out of the market. A platform can act as a gatekeeper, determining who has access to the consumer.

When the Price is Right

After the quality of a product or a service, affordability is usually the most important point of emphasis in marketing messages. A savvy marketer will be able to manipulate people’s perceptions of value in order to maximize the income stream from a brand at a specific price point – or find ways to make the brand feel more affordable without lowering margins.

Ryanair, the leading low-cost airline in Europe, has built its strength on its ruthless pursuit of low cost. At the same time, it still manages to be more profitable than many of the well-established airlines.

ALDI, one of the pioneers of discount retailing, is both a popular and highly valuable brand not just in its category but among all German brands, as this year’s BrandZ ranking illustrates.

Both of these brands are strong examples of ways that “low price” can underpin a brand’s identity. There is always a market for low-priced brands, but to make money, these brands must drive volume and fine-tune their business models so they can remain low-cost providers.

For most brands, manipulating price is a double edged-sword. Cutting prices will drive more volume, but at the same time this will encourage people to look for more discounts in the future. For a brand that has not built its reputation on low prices, cutting prices to compete can be a dangerous route to take.

Even for brands such as Ryanair and ALDI, which thrive because of their low pricing, it is wise to communicate about more than price, and link price to meaningful differentiation from the competition.

There are few brands that are so well known that they can assume people have a perfect understanding of the experience on offer. Even when the brand is well known, its emotional and rational appeal needs to reflect the brand’s purpose and history.

“That’s all very well,” some will say, “but the brand I am responsible for is not Apple, Louis Vuitton or Maserati.” The answer to this: That may be so, but the same rules apply.

Think of Ryanair, ALDI and many other budget brands, and look at how their brand building has been managed over the years and across many different markets.

People value things that they find meaningful. But in most cases, the price tag is the thing they pay most attention to. So pricing is a key part of meaningful differentiation. Importantly, however, the understanding of the brand’s meaning must be shared across all corporate and agency stakeholders in order to create an experience that exemplifies its purpose – just as we see at both Ryanair and ALDI.

A clear, succinct statement of what makes the brand meaningfully different in the minds of its consumers is the standard against which all actions should be judged. Grow your brand’s meaning to grow its financial value – regardless of what the price tag on your product says.
GERMAN ENGINEERING...

All over the world, brands are shaping people’s everyday lives. Although the rules of branding are universal, there are, of course, differences: in Latin America, things are a bit more colorful and loud; in China, concrete proof of performance is especially important. So what distinguishes German brands? Are there any characteristics at all? And, if so, how are these to be explained?

Three properties are particularly noticeable:

**RELIABILITY**

Brands give consumers security and trust; they guarantee uniform and reliable quality. The concept of the brand therefore probably caught on with Germans very early. As proven by numerous scientific studies, we are people who tend to feel vulnerable. Especially in comparison to the British or Americans, Germans are particularly concerned about uncertainty in times of change. There is a great longing for stability, and any change involves more fear than hope.

**SELF-SIMILARITY AND ICONOGRAPHY**

German and international brand manufacturers often take an opposing approach to opening up growth areas: Anglo-Saxon and American companies in particular ask the question: “Where are new growth areas in the market?” For German branded goods, the initial question is more often: “How do I get the best out of my brand?” There is no right or wrong here. Both paths have advantages and disadvantages. The Anglo-Saxon or American approach is faster. The German way is more sustainable from a brand point of view.

In their growth strategies, Anglo-Saxon and American branded manufacturers usually proceed in such a way that the product comes first and then the brand. In case of doubt, the brand essence is interpreted somewhat generously and, if necessary, somewhat bent. Nevertheless, whoever is fast occupies new fields for themselves. The result is the growth of powerful, universal brands, but their identity often frays and becomes diffuse - one of the reasons why new, distinctly developed (or defined) local brands are experiencing a renaissance and making global players’ lives difficult.

German brand manufacturers often focus on brand-specific growth. As Bernd Pischetsrieder once said in his time as CEO of BMW, “The question is not whether BMW can build an SUV, but whether BMW should build an SUV.” Well, now BMW not only has an SUV, it has a whole portfolio of them in its X range. The question is still the right one: does a new product not only generate additional sales, but can it contribute to the sustainable strengthening of the brand?

The principle of self-similarity is particularly important for German brands; possibly because branded iconography has always been understood as more than a purely aesthetic pursuit. Signals do not only play a role for branding, but often also serve as a promoter of brand promise. Almost all major German brands are characterized by a high level of autonomy and recognizability, and in the automotive sector, this is particularly clear. A BMW, Mercedes, Audi or Porsche can be easily recognized from its logo, no matter what era it comes from. While there are design breaks in many international competitors, the individual series of German brands can be put into a chronological order without much effort. This is self-similarity, which strengthens the brand.

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Kantar Added Value is a strategic insight-based marketing consultancy that specializes in brand strategy. Today Kantar Added Value operates globally from 11 locations in nine countries.

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German brands do not tend to seek the limelight, even if they are comfortably within the premium segment – think of brands such as BMW, Boss, Leica, Miele and Bulthaup. They are usually discreet in their performance, rather timelessly classic, sometimes bordering on bland. This is not least due to our role in the world after the Second World War. One lets performance speak for itself; restraint and humility are important. The “Made in Germany” quality promise is often even more credible as a result: no unnecessary frills, no superficial bling bling that might distract from the essential. It means absolute reliability. This all becomes clear when we look at the airline sector – a business with plenty of scope for eye-catching brand activity, yet German airlines have said very little. Since the mid-1960s there has been a single, only moderate, redesign at Lufthansa, which came in 1989. Delta Airlines, United Airlines and British Airways had each completed five complete design revisions in that time, including several that were ineffective and short-lived, which would be unthinkable for a German airline.

German brands are increasingly being led by international teams, and sometimes, as in the case of Bayer and SAP, global marketing is not even run from Germany. In this respect, the properties described above will somewhat soften over time. As long as the brands keep their “Germaness”, this should be considered as an opportunity. While we are proud of our German thoroughness, we must be faster. We can no longer allow ourselves to react to developments only when they are manifest in the market. Continuity must not become stagnation. Brands nowadays have to refresh themselves regularly, or risk falling into oblivion. When we internalize this, our brands have enough substance to continue to play in the first league in the future.
TODAY PREPARE FOR THE PATH AHEAD

There is no guarantee that the strong brands of today will be the strong brands of tomorrow. This BrandZ™ report into brands of today will be the strong brands of the future, a first step must be understanding the ingredients of successful brand management now, and what has got these brands to such a position. But then we must look to the future.

Kantar TNS and Grey have carried out two studies, under the banner “Brands Ahead”, which complement BrandZ™ by determining the prerequisites of strong brands of the future. These studies include the views of consumers as well as business leaders with responsibility for marketing. The findings allow us to make comparisons across sectors and draw conclusions. Some of the leading brands to emerge as potential leaders in the future include: Amazon, Apple, Audi, BMW, Mercedes, Coca-Cola, Deutsche Telekom, Lindt, Nivea and Persil. Many people would have predicted these very same brands, but we also have looked at the “why” behind the “which”.

We can see that there are “3Cs” that successful brands of the future must manage: Competitiveness + Content + Context.

Brand Competitiveness: Established drivers remain, but must be reinterpreted. Performance, relevance and differentiation are still fundamental. Brands that are leaders in their categories for competitiveness include Deutsche Telekom, Lindt, Nivea, Volkswagen and Raiffeisenbanken.

Brand Content: Brands must create valuable content that motivates the customer to engage with it and with the brand. This must focus on what interests the user. Think here about brands such as Amazon, Apple, Coca-Cola, H&M, Red Bull, Samsung and Tchibo. Brand Context: Brands gain in importance as they integrate seamlessly into the daily lives of the target audience. They must be relevant to the needs of the consumer and reflect their values. Examples of strong performers in this area include Congstar, Innocent Smoothies, Kerrigold, Samsung and Weleda.

Once the 3Cs are in place, then a brand must consider what we call the 3Ps, which apply across a wide range of industries. They are:

- Personification: Brands must have advocates, and amplify their voices via digital media. Brands that are strong in this area now include ALDI, Bose, Nivea and Nutella.
- Presence: Size, continuity and relevance give a brand a strong advantage. Allianz, Coca-Cola, Nivea, Persil and many car manufacturers have a head start here.
- Profiling: Expectations are the key to success. Successful brands need to understand precisely what consumers expect, and match or exceed those expectations in the way that Bose, EDEKA and Lindt do now.

As brands look to fulfill both the 3Cs and the 3Ps, they must ask themselves:

- Have you sufficiently considered the visibility of the brand beyond your target audience of today?
- Do you understand the importance of your brand’s future for your customers, and how you stand compared to the competition?
- Do you understand the drivers of brand visibility in your category?
- Are personification, presence and profiling part of your marketing strategy, especially with regard to brand, communication and customer service?
- Is your brand’s future viability an explicit brand-building goal?
- Are all employees also brand ambassadors?

// Is the brand agile enough to adapt to different situations, to the spirit of the times, and to changing social conditions – while staying true to the values of the brand?

One of the most forward-looking brands in all of these areas is BMW. In addition to getting it right on the 3 Cs, BMW also fulfills the three Ps for the future: presence, profiling and personification. For 12 out of 15 future drivers questioned by Kantar TNS and Grey in the Brands Ahead study, BMW leads the motor vehicle category on a range of measures, from trust in the brand through to innovation, transparency, a positive public image, having contact options in social media, as well as recognition of their size and relevance in the market. For no other car brand does such a high proportion of the population believe it is both important and very likely that this brand will be available in five years. BMW has achieved this through consistent and continuous brand management over many decades; their investment has given the brand the strongest prospects of future viability.

Kantar TNS provides expertise in growth strategies around new market entry, innovation, brand switching and customer strategies; and has a presence in over 80 countries.

www.tnsglobal.com
CAR SHARING IS BECOMING MORE POPULAR AS ENVIRONMENTAL CONCERNS GROW...

...PEOPLE WANT TO CONTRIBUTE TO SOCIAL GOOD.
IT IS POSSIBLE NOT ONLY TO MEASURE THE VALUE OF GERMAN BRANDS, BUT ALSO TO ASSESS THE STRENGTH OF BRAND GERMANY ITSELF.

The Best Countries ranking does exactly that, comparing perceptions of countries around the world held by a broad spectrum of consumers. There is a close relationship between how people feel about a country, and their attitudes towards the brands they associate with that country. Strong countries fuel strong brands, and vice versa.

Developed by WPP’s Y&R BAV Group, the annual Best Countries ranking was first launched in 2016 at the World Economic Forum’s meeting in Davos, the world’s largest gathering of global leaders and heads of industry and influence. It is now in its fourth wave.
BRAND GERMANY

BEST COUNTRIES

IDEAS AND EXCELLENCE AT HEART OF COUNTRY’S GLOBAL IMAGE

Germany has a rare combination of strengths that sets it apart on the global stage, even among other large and financially strong countries that similarly wield great international influence. What Germany has in its favor is that in addition to traditional measures of what makes a strong country—power, a thriving economy and political influence—it is also a leader on key measures of “soft power”, which are increasingly important. Germany is seen as entrepreneurial, progressive, transparent, providing a good standard of public education and offering a high standard of living. It’s also one of the most popular countries in which to do business.

How a country is viewed around the world is of huge importance to brands. The words “Made in...” can instantly lend credibility and trust to a product or brand that a consumer hasn’t previously encountered. That can be enough to convince someone to buy, and beyond that, convince them to pay a premium. Likewise, “Made in...” can prove an instant turn-off if a consumer associates the country of origin with poor safety standards, or sees it as being behind the times on social issues or workers’ rights.

The perceptions and performance of brands abroad feed back into the development of the country itself. Willingness to invest is closely linked to the strength of a country’s brand, and as local brands and businesses succeed, they generate economic growth as well as lending further positive associations to their country’s brand.

The annual Best Countries ranking measures global perceptions of countries against a series of characteristics—impressions that have the potential to drive trade, travel and investment, and directly affect brands. It was developed by WPP’s Y&R BAV Group, and The Wharton School of the University of Pennsylvania, with U.S. News & World Report.

The ranking is based on a large global survey, which asks a range of people about how they perceive different countries against a range of key attributes.

In the 2018 Best Countries ranking, Germany ranks 3rd out of 80 major markets around the world across all measures. It has moved up one position in the past 12 months, taking the place of the UK.
THE VIRTUOUS CYCLE EVERY BRAND HOPES FOR

GERMANY HAS COME TO REPRESENT THE QUALITY, DURABILITY, AND ENGINEERING THAT BRANDS LIKE BOSCH, BMW, AUDI, AND MERCEDES HAVE SHOWN THE WORLD THAT GERMANY CAN DELIVER.

The relationship between country brands and the products and services those countries produce is complex and changes over time. When a country and its brands represent consistent qualities and values, they lend one another credibility, and there is a multiplier effect for both.

Think of France and Chanel; both represent elegance, glamor and prestige. Chanel is intrinsically French, and France is synonymous with Chanel. The same could be said Italy and Ferrari, or Japan and Sony. In each case, the brand and the country are part of a virtuous cycle, a symbiotic relationship. In fact, Germany is a fine exemplar of this symbiosis in action: Germany has come to represent the quality, durability and engineering that brands like Bosch, BMW, Audi and Mercedes have shown the world that Germany can deliver.

Brands can both shape and be shaped by perceptions of their country of origin. Japan in the 1970s was known as a cheap manufacturing base, but is now respected as a world leader for quality electronics and technology thanks largely to brands like Sony and Toyota. South Korea has taken a similar path, with Samsung and Hyundai demonstrating to the world what modern South Korea is and, in doing so, creating a consumer predisposition in international markets to favor other Korean brands.

In a relatively short time, China, too, has shifted perceptions from being seen as the world’s toy factory, to a place of entrepreneurship and innovation, particularly in digital technology. This is partly because of government strategy and a rebalancing of the Chinese economy, but also due to the ambassadorial role of some of China’s leading export brands, such as Haier, Huawei and Alibaba.
HOW TO MEASURE A COUNTRY

The people surveyed included a high proportion of “informed elites” – college-educated people who keep up with current affairs – along with business decision makers and members of the general public. Collectively, the 80 countries in the 2018 ranking account for about 95 percent of global gross domestic product and represent more than 90 percent of the world’s population. The people surveyed for Best Countries were asked how closely they associated 65 attributes with a range of countries. These attributes were then grouped into eight categories that were used to calculate the Best Countries ranking:

STATE OF A NATION:
THE 8 ELEMENTS OF A COUNTRY’S BRAND

ADVENTURE
A country is seen as friendly, fun, has a pleasant climate, or scenic or sexy.

CITIZENSHIP
It cares about human rights, the environment, gender equality, is progressive, has religious freedom, respects property rights, is trustworthy, and political power is well distributed.

CULTURAL INFLUENCE
It is culturally significant in terms of entertainment, its people are fashionable and happy, it has an influential culture, is modern, prestigious and trendy.

ENTREPRENEURSHIP
It is connected to the rest of the world, has an educated population, is entrepreneurial, innovative, and provides easy access to capital. There is a skilled labor force, technological expertise, transparent business practices, well-developed infrastructure, and a well-developed legal framework.

HERITAGE
The country is culturally accessible, has a rich history, has great food, and many cultural attractions.

OPEN FOR BUSINESS
Manufacturing is inexpensive, there’s a lack of corruption, the country has a favorable tax environment, and transparent government practices.

POWER
It is a leader, is economically and politically influential, has strong international alliances and a strong military.

QUALITY OF LIFE
There’s a good job market, affordable living costs, it is economically and politically stable, family-friendly, safe, has good income equality and well-developed public education and health systems.
EACH OF THE EIGHT MEASURES IS GIVEN A WEIGHTING IN ITS CONTRIBUTION TO THE TOTAL SCORE FOR EACH COUNTRY:

- Citizenship: 19%
- Entrepreneurship: 19%
- Quality of Life: 19%
- Cultural Influence: 14%
- Open for Business: 13%
- Power: 8%
- Adventure: 4%
- Heritage: 4%

The weight of each category in the final index was determined by the strength of its correlation to per capita GDP (at purchasing power parity). As seen in the above breakdown, a nation focused on providing great quality of life for its people, which cares about rights and equality, and has a focus on entrepreneurship, is seen as having the most powerful nation brand. This reflects how the world has changed; no longer is it just tanks and banks that give a country influence around the world. Hard power is making way for softer power that comes about as a result of entrepreneurship and cultural exports.

In addition to the eight categories above, a momentum metric called “Movers” represents 10 percent of the index, measuring how different, distinctive, dynamic, and unique a country is seen to be.

To see the full Best Countries methodology, visit: https://www.usnews.com/news/best-countries/articles/methodology
DIGITAL ADVERTISING SPEND HAS OVERTAKEN TV...

...BUT MANY CONSUMERS FEEL HARASSED BY BRANDS ONLINE.
SWITZERLAND TOPS THE RANKING AS IT IS HIGHLY REGARDED FOR ITS CITIZENSHIP, BEING OPEN FOR BUSINESS, FOR HAVING AN ENVIRONMENT THAT ENCOURAGES ENTREPRENEURSHIP, OFFERING ITS CITIZENS A HIGH QUALITY OF LIFE, AND FOR BEING CULTURALLY INFLUENTIAL.

All of the other countries in the top five also score highly across all of these measures. Canada is especially strong on the citizenship measure and tops the ranking for quality of life. Germany has a similar Best Countries profile to the UK, though Germany is stronger on entrepreneurship and is seen as offering a better quality of life. Japan’s greatest strength is also entrepreneurship, but it also scores highly across all the other measures.
A CLOSER LOOK AT BRAND GERMANY

GERMANY CONSISTENTLY APPEARS IN THE TOP 5 OF THE BEST COUNTRIES RANKING, AND IN THE PAST YEAR HAS MOVED UP ONE POSITION, FROM FOURTH TO THIRD, TAKING THE PLACE OF THE UK.

The number one spot is claimed by Switzerland for the second year running, and Canada has retained its grip on second place.
BEST COUNTRIES FOR:

ENTREPRENEURSHIP
1. Germany
2. Japan
3. US
4. UK
5. Switzerland
6. Sweden
7. Canada
8. Singapore
9. Netherlands
10. Norway

CULTURAL INFLUENCE
1. Italy
2. France
3. US
4. Spain
5. UK
6. Japan
7. Switzerland
8. Brazil
9. Australia
10. Sweden

HEADQUARTERING A CORPORATION
1. Switzerland
2. Canada
3. Luxembourg
4. Australia
5. Denmark
6. Sweden
7. Netherlands
8. Germany
9. New Zealand
10. Germany

TRANSPARENCY
1. Norway
2. Switzerland
3. Finland
4. Sweden
5. Denmark
6. Netherlands
7. Germany
8. UK
9. Austria
10. Austria

BEING ‘OPEN FOR BUSINESS’
1. Luxembourg
2. Switzerland
3. Panama
4. Denmark
5. Sweden
6. Finland
7. Canada
8. Norway
9. Netherlands
10. New Zealand

QUALITY OF LIFE
1. Canada
2. Denmark
3. Sweden
4. Norway
5. Australia
6. Switzerland
7. Finland
8. Netherlands
9. New Zealand
10. Germany

WOMEN
1. Denmark
2. Sweden
3. Norway
4. Netherlands
5. Finland
6. Canada
7. Switzerland
8. Australia
9. New Zealand
10. Germany

#14 #19

Ranking out of 80 countries.
KEEPING UP WITH THE NEIGHBORS?

Germany’s attributes correlate most strongly with those of the UK – their profiles are 85 percent the same – followed by the US (67 percent), then Japan, Sweden and Denmark. These markets are all culturally quite different, but they are all major world economies and leading exporters with a strong sense of cultural and national identity.

Germany has much in common, from a perception point of view, with countries like the UK, the US, Canada and Japan.

BEST COUNTRIES IN EUROPE:

#1 Switzerland
#3 Germany
#4 UK
#6 Sweden
#9 France
#10 Netherlands

#11 Denmark
#12 Norway
#14 Finland
#15 Italy
#17 Austria
#18 Luxembourg

#19 Spain
#21 Ireland
#24 Portugal
#28 Greece
#32 Poland
#33 Czech Republic

Ranking out of 80 countries.
Germany is the world’s most entrepreneurial country, and is among the top four in the world for prestige, progress, having a skilled labor force, strong international allegiances, and a well-developed infrastructure. Even some of what might be considered Germany’s weaknesses could be seen as advantages: This is not a market associated with cheap manufacturing costs, but this helps German brands command a premium. Nor is Germany seen as adventurous or particularly fun, but again this links to more positive attributes such as dependability and trustworthiness. There is room to work on the country’s impression as a friendly place, however; Germany ranks 51st out of 80 countries on this score.

Germany is also a favored hotspot for business. When business decision makers are asked about the countries where they prefer to operate, over 34 percent say Germany first, the second highest rate registered among western European economies.
DIGITAL CONNECTIONS ARE INCREASINGLY IMPORTANT...

...BUT NEWSPAPERS AND TV REMAIN KEY SOURCES OF NEWS AND ENTERTAINMENT.
Experiences with brands can provide those snippets, and leading brands don’t just represent themselves; they represent their country.

What a brand represents in people’s minds can gradually change. China, Singapore, Japan, and Korea have shown how international perceptions of what their country represents can deliver a change in perceptions relatively quickly. When there is a concerted and sustained effort by government bodies in collaboration with the private sector, change can happen fast. Brands can use their country of origin to greatest effect when they align with values and positive attributes already associated with that country. This often means walking a fine line between using accepted wisdom to benefit a brand, and perpetuating stereotypes.

Striking the right balance is a matter for each brand, and will depend on their category and the market they are entering. For some brands, the reputation of their country will help fill gaps in what consumers know about an individual brand. The following rules of thumb apply to most German brands:

- Germany is seen as modern, progressive, and forward-looking, though not very fun, despite its lively arts scene. Consumers around the world expect it to be associated with leading-edge technology and design.
- There’s a natural association in people’s minds between Germany and excellence in sport, something that repeated strong showings in football World Cups and Olympic Games underscore. Brands that use medal-winning performance and athleticism in their communications feed into this expectation of producing winners.
- Few people see Germany or German goods as being particularly affordable, but Germany ranks well on the measure of prestige. There is therefore a sense among consumers that German goods might be expensive, but that their premium pricing is justified, and this helps explain the strong predisposition to buy German-made. This demonstrates that while German brands are not cheap, they represent strong value for money and are “worth it.”
- Germany is seen as a leader with strong global connections, scale, and influence. Brands that reflect an international outlook and position themselves as leaders in their field will find this messaging resonates with what consumers expect from Brand Germany and will feel authentic.

People believe what they do about a country because they gradually accumulate snippets of information that either reinforce or challenge what they think.
BAV Group has created a research tool—Cultural Rankings—to capture a snapshot of the mindset of consumers regarding different markets across categories.

The Cultural Rankings measure brands on key dimensions that matter, from trust to innovation to social responsibility. The importance of each attribute varies depending on the context—the time and region being studied. The results yield insights into otherwise inexplicable cultural factors underlying the success and failure of brands.

The latest BAV data from Germany indicates that performance and quality are key building blocks of brand consideration and brand admiration, but it is brands that also appear forward-thinking that rise to the top as particularly strong in the market.

The combination of quality and vision—two of the attributes measured in the BAV study—drives Brand Strength, an indicator of momentum. Brands that personify these two characteristics are 58 percent more likely to be identified as the “best” in their category by consumers, resulting in 2.3 times more consideration and 2.6 times higher reported usage.

Germany is the largest consumer market in Europe with the highest gross domestic product, resulting in the highest total purchasing power. Living in a large market with big opportunities allows German consumers to reap the benefits associated with the current economic prosperity of their country. In 2009, amid the global financial crisis, traits such as value and customer-centricity became more strongly associated with brand power. These are still very important, but their role as brand differentiators has waned and their influence on consumer decisions has halved since then.

Now, record high employment, low inflation, and rising wages have increased consumer confidence and allowed German shoppers to splurge with their newfound disposable income. German shoppers prioritize quality and price when making purchasing decisions, but brands that also promise a cutting-edge experience are highly preferred.
Vision and quality are powerful reflections of Brand Germany. Phrases like “German engineering” or “German efficiency” are rooted in German businesses’ cultural emphasis on distinction and excellence. However, high quality doesn’t necessarily lead to exclusivity. Leading brands have managed to retain a loyal, mass-market consumer base without sacrificing a great product offering. Here are two examples that show the ingenuity of German branding, as well as BAV’s Top 10 Visionary and High Quality brands in Germany.

**Vision and Quality in Action**

**APPLIANCE AND AUTOMOTIVE BRANDS SHOW HOW IT’S DONE**

**Miele**

Founded in 1899, Miele has a long-standing reputation as a premier appliances and commercial equipment brand. Today, it is one of the world’s leading manufacturers of premium domestic appliances. The brand’s product portfolio ranges from consumer-ready kitchen appliances to professional cleaning products for laundry care, along with products for the medical, laboratory, and dental markets. Miele has been able to expand in this way due to their commitment to quality, and has offered 10-year product warranties since the beginning of the 20th century, well ahead of the rest of the sector.

The Miele “immer besser” (“always better”) strategic vision has remained the same since the beginning. This forward-thinking philosophy resonates throughout the company’s history; Miele was one of the first to manufacture domestic washing machines, and later to add electric motors to them. Today, the brand is recognized for its continued innovation in product design and sustainability, such as the development of a “smart kitchen” which uses Wi-Fi and radiofrequency waves to make cooking quicker and more energy efficient.

The attention to detail and continual innovation that Miele pours into its products makes the brand an excellent ambassador brand for Germany. Whether it is innovative product features or attentive customer service, Miele showcases the vision and quality that consumers have come to expect from German products.

**BMW**

BMW has long been associated with luxury, offering premium-quality automobiles from sub-compacts to SUVs and even motorcycles. The brand offers cutting-edge design and materials, earning it a spot in the top 1 percent of brands in the world for quality, performance, and prestige in BAV. However, the brand also takes car ownership to a whole new level, offering a variety of lifestyle products, such as professional driving certifications and elite memberships to car-sharing networks, and priority access to BMW-sponsored events like golf tournaments.

But BMW didn’t become “The Ultimate Driving Machine” through quality alone. The brand’s commitment to a bringing its customers into the BMW lifestyle – and around-the-clock customer service – highlights why it is one of the most visionary brands in BAV. Recent product innovations, including electric cars, windshield projections, internet connectivity, and the “100 Year Plan” to develop vehicles of the future, show that BMW is dedicated to progress and improvement. Beyond automotive, BMW has collaborated with artists, filmmakers, and architects to inspire creative innovation.

BMW doesn’t just raise the bar in terms of product quality, but sets an example for brands everywhere to live out a higher brand meaning. BMW centers its brand vision on leading innovation both today and tomorrow, and reinforces its promise through best-in-class quality which has become synonymous with German automotive.
TOP 10 MOST VISIONARY AND HIGH-QUALITY BRANDS IN GERMANY

ABOUT CULTURAL RANKINGS

The BrandAsset® Valuator (BAV) is a study of consumer brand perceptions, measuring brands on imagery and equity dimensions in a category-agnostic fashion. By understanding and exploring a brand against the broader dynamics of culture, BAV can uniquely provide insight into a brand’s larger role in the evolving cultural marketplace, and provide actionable insights that drive both brand growth and the brand’s impact on culture.

BAV has been collecting cultural ranks of brands for 24 years to date, having spoken to over 1.2 million consumers globally. In Germany, BAV has been tracking thousands of brands on the same 75 brand associations, including 48 imagery dimensions, since 1993. The evolution of the brandscape in Germany has been meticulously measured and studied by BAV and reflects the culture of the times and consumer attitudes.

BAV’s “Cultural Rankings” tool captures a snapshot of consumers’ mindset and market conditions measuring key brand dimensions that matter, from trust and innovation to social responsibility. When combined with other market-specific brand associations, the tool helps contextualize a brand’s cultural role, guiding marketplace positioning.

For more information about BAV and its Cultural Rankings, please contact:

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Automobiles
Sport & Leisure Goods
Personal Care Products
Television Stations
Home Appliances
Charities & Non-Profit Organizations
Consumer Electronics
STANDARDS OF LIVING FOR OLDER PEOPLE ARE GOOD...

...MANY ‘SILVER SURFERS’ ARE ENJOYING NEW TECH.
Resources

BrandZ™ Brand Valuation Methodology
Reports and Apps Powered by BrandZ™
WPP Company Contributors
WPP in Germany
Brand Experts
BrandZ™ German Top 50 Team
BrandZ™ Online & Mobile
The BrandZ™ Brand Valuation Contacts
The BrandZ™ valuation methodology can be uniquely distinguished from its competitors by the way we use consumer viewpoints to assess brand equity, as we strongly believe that how consumers perceive and feel about a brand determines its success and failure. We conduct worldwide, on-going, in-depth quantitative consumer research, and build up a global picture of brands on a category-by-category and market-by-market basis. Globally, our research covers 3.2 million consumers and more than 100,000 different brands in over 50 markets. This intensive, in-market consumer research differentiates the BrandZ™ methodology from competitors that rely only on a panel of “experts”, or purely on financial and market desktop research.

Before reviewing the details of this methodology, consider these three fundamental questions: why is a brand important; why is brand valuation important; and what makes BrandZ™ the definitive brand valuation tool?

**IMPORTANCE OF BRAND**

Brands embody a core promise of values and benefits consistently delivered. Brands provide clarity and guidance for choices made by companies, consumers, investors and other stakeholders. Brands provide the signposts we need to navigate the consumer and B2B landscapes.

At the heart of a brand’s value is its ability to appeal to relevant customers and potential customers. BrandZ™ uniquely measures this appeal and validates it against actual sales performance. Brands that succeed in creating the greatest attraction power are those that are:

- **Meaningful**
  In any category, these brands appeal more, generate greater “love” and meet the individual’s expectations and needs.

- **Different**
  These brands are unique in a positive way and “set the trends”, staying ahead of the curve for the benefit of the consumer.

- **Salient**
  They come spontaneously to mind as the brand of choice for key needs.

**IMPORTANCE OF BRAND VALUATION**

Brand valuation is a metric that quantifies the worth of these powerful but intangible corporate assets. It enables brand owners, the investment community and others to evaluate and compare brands and make faster and better-informed decisions. Brand valuation also enables marketing professionals to quantify their achievements in driving business growth with brands, and to celebrate those achievements in the boardroom.

**DISTINCTION OF BRANDZ™**

BrandZ™ is the only brand valuation tool that peels away all of the financial and other components of brand value and gets to the core – how much a brand alone contributes to corporate value. This core, what we call Brand Contribution, differentiates BrandZ™.

The brands that appear in this report are the most valuable in Germany. They were selected for inclusion in the BrandZ™ Top 50 Most Valuable German Brands 2018 based on the unique and objective BrandZ™ brand valuation methodology, which combines extensive and on-going consumer insights with rigorous financial analysis.
We identify the purchase volume and any extra price premium delivered by these brand associations. We call this unique role played by brand, Brand Contribution.

Here’s what makes BrandZ™ so unique and important. BrandZ™ is the only brand valuation methodology that obtains the customer viewpoint by conducting worldwide on-going, in-depth and consistent quantitative consumer research, online and face-to-face, building up a global picture of brands on a category-by-category and market-by-market basis. Our research now covers 3.2 million consumers and more than 100,000 different brands in over 50 markets since we first introduced BrandZ™ in 1998.

**STEP 3: CALCULATING BRAND VALUE**

Now we take the Financial Value and multiply it by Brand Contribution, which is expressed as a percentage of Financial Value. The result is Brand Value. Brand Value is the dollar amount a brand contributes to the overall value of a corporation. Isolating and measuring this intangible asset reveals an additional source of shareholder value that otherwise would not exist.

All brand valuation methodologies are similar – up to a point.

All methodologies use financial research and sophisticated mathematical formulas to calculate current and future earnings that can be attributed directly to a brand rather than to the corporation. This exercise produces an important but incomplete picture.

What’s missing? The picture of the brand at this point lacks input from the people whose opinions are most important – the consumer. This is where the BrandZ™ methodology and the methodologies of our competitors part company.

**HOW DOES THE COMPETITION DETERMINE THE CONSUMER VIEW?**

Interbrand derives the consumer point of view from different sources like primary research and panels of experts who contribute their opinions. The Brand Finance methodology employs a complicated accounting method called Royalty Relief Valuation.

**WHY IS THE BRANDZ™ METHODOLOGY SUPERIOR?**

BrandZ™ goes much further and is more relevant and consistent. Once we have the important, but incomplete, financial picture of the brand, we communicate with consumers, people who are actually paying for brands every day, regularly and consistently. Our on-going, in-depth quantitative research includes 3.2 million consumers and more than 100,000 brands in over 50 markets worldwide. We have been using the same framework to evaluate consumer insights since we first introduced the BrandZ™ brand building platform in 1998, which allows historical understanding of the change in brand equity.

**WHAT’S THE BRANDZ™ BENEFIT?**

The BrandZ™ methodology produces important benefits for two broad audiences.

• Members of the financial community, including analysts, shareholders, investors and C-suite, depend on BrandZ™ for the most reliable and accurate brand value information available.

• Brand owners turn to BrandZ™ to more deeply understand the causal links between brand strength, sales and profits, and to translate those insights into strategies for building brand equity and fueling business growth. Since we have been using the same framework to measure these insights, this enables historical and cross-category comparisons.

**ELIGIBILITY CRITERIA**

Each of the brands included in the BrandZ™ Top 50 Most Valuable German Brands 2018 must meet the following criteria:

- The brand was originated in Germany
- And is owned by a publicly listed company traded on a credible stock exchange, or its financials are available in the public domain
**GOING GLOBAL?**

**BRANDZ™ COUNTRY REPORTS: ESSENTIAL TRAVEL GUIDES FOR GLOBAL BRAND BUILDING**

Our BrandZ™ country reports contain unparalleled market knowledge, insights, and thought leadership about the world’s most exciting markets. You’ll find, in one place, the wisdom of WPP brand building experts from all regions, plus the unique consumer insights derived from our proprietary BrandZ™ database.

If you’re planning to expand internationally, BrandZ™ country reports are as essential as a passport.

- **BRANDZ™ TOP 100 MOST VALUABLE GLOBAL BRANDS 2017**
  - This is the definitive global brand valuation study, analyzing key trends driving the world’s largest brands, exclusive industry insights, thought leadership, B2B trends and a look at Emerging Brands.
  - [brandz.com/region/global](http://brandz.com/region/global)

- **BRANDZ™ TOP 50 MOST VALUABLE INDIAN BRANDS 2017**
  - This in-depth study analyzes the success of powerful and emerging Indian brands, explores the Indian consumer’s shopping habits, and offers insights for building valuable brands.

- **BRANDZ™ TOP 50 MOST VALUABLE INDONESIAN BRANDS 2017**
  - Now in its third year, this study analyzes the success of Indonesian brands, examining the dynamics shaping this fast-developing market, and offering insights for building valuable brands.

- **BRANDZ™ TOP 50 MOST VALUABLE LATIN AMERICAN BRANDS 2017**
  - The report profiles the most valuable brands of Argentina, Brazil, Chile, Colombia, Mexico and Peru and explores the socio-economic context for brand growth in the region.

- **BRANDZ™ TOP 20 MOST VALUABLE SAUDI ARABIAN BRANDS 2017**
  - As Saudi Arabia embarks on an ambitious program of transformation, this ranking explores the country’s most accomplished brands, analyzes their success and identifies the key forces that are driving growth in this market.
As the UK embarks on a tumultuous period of transformation and uncertainty, this debut ranking explores the UK’s most iconic brands, successes, and identifies the key forces driving growth in this market.

This new report identifies the key forces driving growth in one of the largest, most influential and dynamic markets in Western Europe, built on centuries-old strengths, and adapting to new and challenging conditions.

While America is in the midst of a unique economic and political period, US brands remain focused – and continue to thrive. This report demonstrates how consumers reward brands that evolve and deliver meaning over time, while also welcoming innovative game-changing brands.

Brand awareness among Cubans is high, but gaining access to them uniquely challenging. Now is the time to plan your Cuba strategy.

Mongolia’s GDP has grown at rates as high as 17 percent in recent years, encouraging a growing number of international brands to gravitate toward this fast-growth market and make a beeline for one of Asia’s hidden gems.

France is one of the largest economies in the EU, seventh largest in the world, and has proved itself as being adept at managing change. This new report explores a landscape in transition, and how it’s rich heritage and expertise can help define the path for French brands in the future.
LOOKING EAST

THE BRANDZ™ CHINA INSIGHTS REPORTS

The opportunity to build brands in China is greater than ever. But so are the challenges.

The fastest growth is happening deep in the country, in less well-known cities and towns. Consumers are more sophisticated and expect brands to deliver high-quality products and services that show real understanding of local market needs.

WPP has been in China for over 40 years. We know the Chinese market in all its diversity and complexity. This experience has gone into our series of BrandZ™ China reports. They will help you avoid mistakes and benefit from the examples of successful brand builders.

BRANDZ™ TOP 100 MOST VALUABLE CHINESE BRANDS 2017
The report profiles Chinese brands, outlines major trends driving brand growth and includes commentary on the growing influence of Chinese brands at home and abroad.
brandz.com/report/china/2017

BRANDZ™ TOP 30 CHINESE GLOBAL BRAND BUILDERS 2017
This groundbreaking study aims its radar at the edge of the Chinese brand universe, exploring developed country markets where only a few Chinese brands have dared to go – so far.
brandz.com/article/just-launched-brandz-chinese-global-brand-builders-download-the-full-report-now

8 RETAIL TRENDS IN CHINA
With the continued rebalancing of the Chinese economy, 2017 - The Year of the Rooster, could be characterized as another year of change for China. The retail sector is at the intersection of much of this transformation, and with the rapid growth of e-commerce, Chinese retail is changing and adapting fast.
brandz.com/article/china-retail-trends-report-2017

THE CHINESE GOLDEN WEEKS IN FAST GROWTH CITIES
Using research and case studies, the report examines the shopping attitudes and habits of China’s rising middle class and explores opportunities for brands in many categories.
brandz.com/article/chinese-golden-weeks-report
For the iPad magazine, search Golden Weeks on iTunes.

UNMASKING THE INDIVIDUAL CHINESE INVESTOR
This exclusive new report provides the first detailed examination of Chinese investors, what they think about risk, reward and the brands they buy and sell. This will help brand owners worldwide understand market dynamics and help build sustainable value.
brandz.com/article/unmasking-the-individual-chinese-investor-report

THE CHINESE NEW YEAR IN NEXT GROWTH CITIES
The report explores how Chinese families celebrate this ancient festival and describes how the holiday unlocks year-round opportunities for brands and retailers, especially in China’s lower tier cities.
brandz.com/article/chinese-new-year-report
For the iPad magazine, search Chinese New Year on iTunes.

IN-DEPTH BRAND-BUILDING INTELLIGENCE ABOUT TODAY’S CHINA

THE POWER AND POTENTIAL OF THE CHINESE DREAM
The Power and Potential of the Chinese Dream is rich with knowledge and insight, and forms part of a growing library of WPP reports about China. It explores the meaning and significance of the “Chinese Dream” for Chinese consumers as well as its potential impact on brands.
brandz.com/article/chinese-dream-report

OPPORTUNITIES FOR GLOBAL BRAND BUILDERS
WPP has been in China for over 40 years. We know the Chinese market in all its diversity and complexity. This experience has gone into our series of BrandZ™ China reports. They will help you avoid mistakes and benefit from the examples of successful brand builders.
brandz.com/article/just-launched-brandz-chinese-global-brand-builders-download-the-full-report-now
BRANDZ™
BRAND BUILDING TOOLS

CHARACTERZ
Brand personality analysis deepens brand understanding.
Need an interesting and stimulating way to engage with your clients? Want to impress them with your understanding of their brand?
A new and improved CharacterZ can help! It is a fun visual analysis, underpinned by the power of BrandZ™, which allows detailed understanding of your brand’s personality.
brandz.com/wpp-resources-and-companies

INNOVATIONZ
Discover InnovationZ, a dynamic new tool from BrandZ™
Discover innovation ideas from around the world, personalized to your client’s category.
brandz.com/wpp-resources-and-companies

WEBZ
Your web traffic story for your brand
WebZ helps you understand your brand’s digital journey! Through analyzing how traffic is driven to your brand’s website, it will help you understand your audience demographics and gain insights into viewer trends.

TRUSTR
Engaging Consumers in the Post-Recession World
Trust is no longer enough. Strong brands inspire both Trust (belief in the brand’s promise developed over time) and Recommendation (current confirmation of that promise). This combination of Trust plus Recommendation results in a new metric called TrustR.
www.wpp.com/wpp/marketing/brandz/trustr

REPD
Maximizing Brand and Corporate Integrity
Major brands are especially vulnerable to unforeseen events that can quickly threaten the equity cultivated over a long period of time. But those brands with a better reputation are much more resilient. Four key factors drive Reputation: Success, Fairness, Responsibility and Trust. Find out how your brand performs.
www.wpp.com/wpp/marketing/brandz/repd

SocialZ is the social media data visualization product from BrandZ™ that enables you to easily depict, visualize, and present a real-time view of the social landscape surrounding any brand.
SocialZ is a BrandZ™ real-time, social-media-data dashboard. It is in WPP’s partnership with Bazaarvoice.

Only available via your WPP Agency.
Y&R’s BAV Group is a global consultancy with expertise in consumer insights and brand marketing strategy. Using BrandAsset® Valuator, a proprietary brand management tool and global database of consumer perceptions of brands, BAV informs strategic and creative solutions that drive business results. Over 24 years, BAV has captured data and insights from more than 1.2 million consumers across 56,000 brands in 52 countries around the world, evaluating 72 brand image and equity dimensions that matter. Y&R’s BAV Group also produces the Best Countries report, an annual ranking and data analysis of 80 countries around the world, in partnership with US News and World Report and The Wharton School.

Brand Union is a global brand agency with deep expertise in brand strategy, design, interaction, brand management and employee engagement. 500 people. 22 offices. Every major market. We have been part of WPP Group since 1986. We help clients define, create and curate the moments of interaction that are essential for brands to thrive. We have created a proprietary framework to assess brands holistically from a user perspective. Our approach is framed around four brand fundamentals: Impression, Interaction, Responsiveness and Resilience. We believe that together these factors determine the overall success of a brand, both today and in the future.

Burson-Marsteller, established in 1953, is a leading global public relations and communications firm. It provides clients with strategic thinking and program execution across a full range of public relations, public affairs, reputation and crisis management, advertising and digital strategies. The firm’s seamless worldwide network consists of 72 offices and 85 affiliate offices, together operating in 110 countries across six continents. Burson-Marsteller is a unit of WPP, the world’s leading communications services network.

Deepblue is a digital communications agency that combine strategy, creativity and technology under one roof. With over 140 employees, DeepBlue uses a diverse set of media channels like TV, print, OOH and digital to deliver coherent advertising messages. Agency services include strategy & consulting (marketing, digital and data), marketing campaign development, infrastructure and operations (site design & technical development, web publishing & content, CMS & eCRM operations, e-commerce).

Essence, part of GroupM, is a data-driven global agency that blends data science, objective media, and captivating experiences to build valuable connections between brands and consumers. Clients include Google, FrieslandCampina, and the Financial Times. The agency is more than 1,100 people strong, manages over $3 billion in media spend and deploys campaigns in 71 markets via its global offices throughout North America, EMEA and APAC.

The Geometry Group is a creative agency with focus on journey marketing and customer experience. Centering the thinking along the journey people take on the path to purchase, the Geometry Group has developed a strategic omnichannel framework and tools to help understand how people buy. Based on the analysis of the purchase decision journey, Geometry Group creates “pivotal ideas” that bring brands to life when it matters most, advancing brand equity into meaningful action. In Germany 220 people operate in 3 offices with expertise in branding, digital, shopper, experiential and relationship marketing — integrating services around the client needs.
WPP COMPANY CONTRIBUTORS

THESE COMPANIES CONTRIBUTED KNOWLEDGE, EXPERTISE, AND PERSPECTIVE TO THE REPORT

gkk is a founder-managed full-service dialogue agency with over 20 years of experience. Today the agency has more than 900 employees at four offices in Germany and develops individual, targeted and client-specific solutions for prospect and customer relationship management. gkk provides dialogue expertise with all relevant services, channels and technologies from a single source, including: consulting, strategy, creative development, social media, dialogue centres, information and communications technology (ICT) and database marketing/business intelligence. gkk works with clients like BMW, Deka, DVAG, engelbert strauss, Fressnapf, GEMA, ING DiBA, Kia, Lenze, Maserati, Mini, Payback, Porsche, Samsung and Siemens.

Grey is a global advertising agency specializing in creative advertising and building brand-consumer relationships for businesses. The agency’s expertise extends to providing brand ideas and strategies, brand planning, creative development, and production. With established offices in over 83 countries, Grey operates over five geographical units: North America, Europe, Middle East & Africa (EMEA), Asia-Pacific and Latin America. The agency ranks amongst the world’s top organizations within the industry. Grey is a global advertising agency specializing in creative advertising and building brand-consumer relationships for businesses. The agency’s expertise extends to providing brand ideas and strategies, brand planning, creative development, and production. With established offices in over 83 countries, Grey operates over five geographical units: North America, Europe, Middle East & Africa (EMEA), Asia-Pacific and Latin America. The agency ranks amongst the world’s top organizations within the industry.

Hill + Knowlton Strategies, Inc. is an insightful research and strategic communication planning company with a global clientele portfolio. Established close to 90 years ago, the company emphasizes factoring the public into decision making at the highest levels of leadership for achieving future growth. Hill + Knowlton Strategies is part of WPP, one of the world’s largest communications services group. The company’s clients represent almost 50 percent of global Fortune 50 companies.

J. Walter Thompson Worldwide is a global marketing communications company that specializes in providing brand-building strategies for businesses. The company was established more than 150 years ago and currently has more than 200 offices in over 90 countries, employing nearly 12,000 marketing professionals. J. Walter Thompson’s service network includes digital transformation, activation & commerce, and intelligence.

MediaCom is the Content + Connections Agency that specializes in strategic planning and buying across Paid, Owned, and Earned media to help clients optimize their media communication systems significantly and sustainably. The agency network has 125 offices across 100 countries around the world, employing around 7,000 people. MediaCom was named Agency Network of the Year at the M&M Global Awards 2017 for an unprecedented seventh time, including in 2015 and 2016. MediaCom is part of GroupM, which oversees the media investment management sector for WPP, the world’s leading communications services group.

We were born in Asia in 1997, a startup with a desire to change the media world. Now we are a global agency with 116 offices in 86 countries and billings of $35 billion (source: RECMA). We aim to be our clients’ lead business partner, to grow their business and drive profitability through adaptive and inventive marketing. We do this through speed, teamwork and provocation because in today’s world everything begins and ends in media. We create new things and have fun doing it. Mindshare is part of GroupM, the media investment management arm of WPP, the world’s leading communications services group. Visit us at www.mindshareworld.com and follow us on Twitter @mindshare and facebook.com/mindshare and LinkedIn.com/company/mindshare

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Ogilvy Germany is a brand communication and marketing agency that offers holistic marketing solutions from digital transformation consultancy to agenda-setting brand communication. The agency uses a three-dimensional brand stewardship methodology on both a local and global scale, which incorporates a data-driven intelligence system and a mixture of tools and techniques to reach, touch and leverage consumers in the most relevant way. This approach keeps the agency fully rooted in the marketplace, attracting top local clients and the best people to work on them, and connecting local knowledge and insights with thought-leading perspectives and management from a worldwide network.

Scholz & Friends is one of the leading agency groups in Germany and is part of the Commurce Group. Together with its agency partners e.g. gkk DialogGroup (CRM) and doofblue networks (Digital Customer Journey), Scholz & Friends is positioned as “Orchestra of Ideas” by providing communication solutions beyond advertising. In addition to the main German offices in Hamburg, Berlin and Düsseldorf, the agency network is active in several other European markets. The group’s clients include Opel/Vauxhall, Siemens, Vodafone, Henkel, Sanofi and institutions like the German Federal Government and the European Parliament.

The agency group thjnk was founded by Karen Heumann, Armin Jochum and Michael Trautmann in Hamburg in August 2012. Today, the three founders together with Ulrich Pallas make up the management of thjnk AG serving a diverse portfolio of clients. Its services range from advising on all aspects of strategic brand positioning through to developing media-neutral, integrated, 360-degree communications concepts.

WAVEMAKER is a brand-new media, content and technology agency that evolved from merging MEC and Maxus in late 2017. We are FUTURE MAKERS. Bound by our Purchase Journey obsession, we help clients translate audience behaviors and insights into smart decisions today, for a prosperous tomorrow. We integrate media, content and technology into the best operational system for marketing communication. Individually for each client. For valid decisions, for the agility of brands and for a dynamically inspiring communication. In Germany, 650 people work for WAVEMAKER – in our headquarters in Düsseldorf as well as in our offices in Berlin, Hamburg and Munich. WAVEMAKER is part of GroupM, which oversees the media investment management sector for WPP, the world’s leading communications services group.

Wunderman is Creatively Driven. Data Inspired. A leading global digital agency, Wunderman combines creativity and data into work that inspires people to take action and delivers results for brands. Industry analysts named Wunderman a leader in marketing database operations as well as a strong performer in customer engagement strategy. Headquartered in New York, the agency brings together 7,000 creatives, data scientists, strategists and technologists in 175 offices in 60 markets.

Y&R is a global advertising and communications agency that has provided analytical knowledge and integrated marketing solutions to businesses for more than 30 years. Y&R specializes in advertising, digital and social media, sales promotion, and brand identity consulting. Y&R is part of WPP, the largest advertising group in the world.
KANTAR IN GERMANY

Kantar
Kantar is one of the world’s leading data, insight and consultancy companies. Working together across the whole spectrum of research and consulting disciplines, its specialist brands, employing 30,000 people, provide inspirational insights and business strategies for clients in 108 countries. Kantar is part of WPP and its services are employed by over half of the Fortune Top 500 companies.

In Germany, more than 2,000 Kantar employees offer expert service to clients through specialized brands including Kantar Millward Brown, Kantar TNS, Kantar Health, Kantar Media, Kantar Added Value, Kantar Varmeer, Kantar Retail, Kantar Futures, Kantar Worldpanel and Lightspeed. With 28 offices across Germany, and a global network, we serve local, regional, and multinational clients.

Kantar Added Value
Kantar Added Value is a strategic insight based marketing consultancy that is specialized on brand strategy. Kantar Added Value’s consulting services include Brand Strategy & Positioning, Category Strategy & Innovation, Cultural Insight & Strategy, Brand Communications Optimisation and Brand Tracking. Today Kantar Added Value operates globally from 11 locations in nine countries, working with a broad spectrum of world-famous brands including Unilever, GSK, Allianz, Colgate Palmolive, Vodafone, BMW, Pepsico, Moet Hennessy, Bosch, Facebook, Mondelēz, Siemens or IKEA.

Kantar Media
Our clients rely on data and services for all aspects of media measurement, monitoring and selection. At Kantar Media we provide the most comprehensive and accurate intelligence on media consumption, performance and value. The company helps clients drive communications strategies efficiently by providing expertise in advertising, monitoring, evaluation, audience measurement, insight solutions, PR, and social media intelligence.

Kantar Millward Brown
Kantar Millward Brown is one of the leading global research agencies, specializing in advertising effectiveness, strategic communication, media, and brand equity research. The agency’s expertise comprises providing brand development and growth solutions through comprehensive research based on qualitative and quantitative data. Kantar Millward Brown operates in more than 55 countries and is part of Kantar, WPP’s data investment management division.

Kantar TNS
Kantar TNS advises clients on specific growth strategies around new market entry, innovation, brand, communication and customer strategies, based on long-established expertise and market-leading solutions. With a presence in over 80 countries, Kantar TNS has more conversations with the world’s consumers than anyone else and understands individual human behaviors and attitudes across every cultural, economic and political region of the world.

Lightspeed
Lightspeed is a leading digital data collection specialist, on a mission to help clients discover truth through data. Our 700 employees in 14 countries are passionate about boldly challenging the status quo to find faster, more creative ways of connecting brands and consumers. From modernizing surveys via our Programmatic Gravity Network and LifePoints mobile app, to amplifying the voice of the millennial through VICE Voices, or leveraging our first party panel relationships and patented Honesty Detector Service to find the quality in the quantity of data out there, we deliver the “buy and why” insights that power today’s marketing decisions.

To learn more about how to obtain valuable insights applicable to your business, contact:

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You can also keep updated on the latest news and studies from the Kantar network in Germany, and globally through our portal:

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IN GERMANY

WE HELP BUILD VALUABLE BRANDS

WPP and its companies have been engaged in Germany – one of our biggest markets worldwide – for over 30 years. Today more than 8,000 people (including associates) work in offices around Germany, in Berlin, Düsseldorf, Frankfurt, Hamburg, Munich and other cities, generating over US$1.3 billion in revenue.

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// Current information about the latest updates

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What is Amazon’s performance this year?

Amazon is positioned at number 4 with a value of $139,286 million.

RoZie, who is the WPP global client leader for Unilever?

The WPP global client leader for Unilever is Peter Dart.

RoZie is constantly learning. Check rozie.wppbrandz.com regularly, and RoZie will help you keep your own brand knowledge up-to-date.
The consumer viewpoint is derived from the BrandZ™ database. Established in 1998 and constantly updated, this database of brand analytics and equity is the world’s largest, containing over 3.2 million consumer interviews about more than 100,000 different brands in over 50 markets.

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