Total Value
$85,302MIL.
(or approximately €73,300)

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.

The Italian Top 30 Breakdown
14 categories are represented in the 2018 Top 30. The most influential are:

- **LUXURY** 34%
- **FOOD & DAIRY** 15%
- **TELECOM PROVIDERS** 12%
- **ENERGY** 10%
- **BANKS** 6%
- **CARS** 5%
- **CRUISES** 4%
- **OIL & GAS** 4%
- **ENTERTAINMENT** 4%
- **INSURANCE** 3%
- **TIRES** 1%
- **RETAIL** 1%
- **SOFT DRINKS** 1%
- **ALCOHOLIC DRINKS** <1%

% = Top 30's Total Value
# = Number of brands

Salute!
These are the Top 5 brands in the Italian Top 30 on the BrandZ™ measure of vitality, called EQ. Brands that are bursting with vitality deliver a healthy bottom line. We measure brand vitality by monitoring five key contributors to brand wellness.

The average for all brands is 100.
Welcome to the inaugural WPP BrandZ™ Top 30 Most Valuable Italian Brands ranking.

We are tremendously excited to be bringing the BrandZ™ study to Italy. This is the fourth-largest economy in the European Union, and is home to some of the most recognizable and most coveted brands on the planet. Take Ferrari, Lamborghini and Maserati just for starters, along with fashion labels from Armani to Zegna, and household names in food and drink.

But Italy is also home to strong, valuable brands in media, telecoms and banking, and to outstanding precision engineering in sectors as varied as exercise equipment and yacht building. This nation has been built on the success of small businesses; on craftspeople and experts with great vision, passion, know-how and determination.

This ground-breaking study ranks the country’s most successful brands, analyzes their strengths, and identifies the key forces that are driving growth in this market. It is the first edition of an annual review that will track and anticipate the changing environment for brands in Italy, and will chart the fortunes of the country’s most valuable brands.

It is also an opportunity for us to throw a spotlight on what makes “Brand Italy” such a great asset to the country, and to celebrate those brands that contribute to the strong perceptions of Italy abroad.

We take an exclusive, in-depth look at what Brand Italy represents to consumers around the world. Data and analysis from the “Brand Italy” research done by Y&R’s BAV Group, with Partners US News and the Wharton Business School, shine a light on how country of origin affects Italian brands. We show that modern Italy is no longer just the home of fine art, a rich history, and la dolce vita. Italian engineering, design and creativity are powering world-class Italian brands, both young and old.

This is why WPP is investing significantly in Italy. This is a key growth market for us in Europe, and this year, WPP will unveil a very physical sign of our commitment to Italy, and our belief in the strength of the opportunity here. A new WPP Campus will open in Milan, bringing together about 1,800 people from our advertising, media, public relations, data management and digital companies. This co- location of our businesses in a renovated former factory will not only create horizontality between all of our companies, but will also foster creativity, efficiency and collaboration, for the benefit of all of our clients in Italy. It is a clear demonstration of our long-term vision for this market.

Whether you’re an Italian brand or a global name, in this report you’ll find knowledge and insight to help you create and grow brands in Italy – and farther afield – more effectively.

On page 36, Take Aways provide succinct, action-oriented recommendations for brands based on our expert analysis of the market. We’ve also included summaries of Italy’s Top 30 most valuable brands. Brand experts from WPP companies across Italy share their market wisdom and sharp insights through extensive Thought Leadership and Best Practices essays.

And we present all this with stunning photography and a vibrant design that reflects the essence of the country itself. At WPP, the global communications services leader, our companies have been engaged in Italy for over 30 years. Today, 3,000 people work across WPP companies in seven Italian cities, providing advertising, marketing, insight, media, digital, shopper marketing and PR expertise. It’s part of our global presence in 113 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.

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 236 for summaries of each company and the contact details of key executives. Or feel free to contact me directly.

Sincerely, David Roth

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INTRODUCTION
The outlook in Italy right now is bright, and not just because of the food, fashion and design.

Thanks to a stable and positive business climate in Europe, rising rates of employment, and increasing demand from outside the region for Italian goods and services, the economy is quietly ticking over. In Q3 2017, GDP increased by 0.4 per cent, following a 0.4 percent increase in Q2 with respect to the first quarter of 2017 and by 1.5 per cent in comparison with the second quarter of 2016.

Growing domestic demand is part of the reason for this; gross disposable income has increased slightly, though given that inflation has also been rising, the net effect on household spending power has been minimal. What is making a greater difference to demand at home are rising levels of employment. Make no mistake; the unemployment rate in Italy remains high – over 11 percent despite the recent falls – but this is a significant improvement over 13-plus percent levels seen just a couple of years ago. Jobs growth has been especially strong among women, young people, and temporary workers. The Italian National Institute of Statistics, ISTAT, describes Italian economic growth as "robust".

Consumer confidence climbed throughout 2017 – up from 106.6 in February to 116.1 in October, before slipping back slightly in November then ending the year higher, at 116.6. Business confidence had similar ups and downs, with the broad business confidence index rising in late 2017, powered by confidence in services and retail trading, though there were slight year-end dips for manufacturing and construction. Overall, confidence levels were significantly higher towards the end of the year than they were at the beginning.

As Italians say, “piano, piano”. Slowly and softly.

Italy’s failure to qualify for the World Cup finals for the first time in 60 years is likely to have hurt consumer sentiment. The cost to the national economy of the Azzurri failing to make the finals is estimated by the business newspaper Il Sole 24 Ore as around €100 million due to lost advertising opportunities. But Franco Carraro, former chairman of the national soccer federation, says it could cost the country up to €1 billion in lost travel to the event, takings at bars and restaurants, betting revenue and a general decline in the consumer mood.

Changing landscape

But such ups and downs have become the norm in Italy. What is new is the extent to which the composition of the economy is changing, with a rising emphasis on startups and technology-based enterprises. This has been gathering momentum since a growth decree was passed in 2013 and extended under former Prime Minister Matteo Renzi. Government initiatives gave young startups tax exemptions, more flexible employment options and less onerous bankruptcy procedures to lessen the stigma of business failure. The Smart & Start program provided government-backed loans to startups,
and there were startup visas made available to entrepreneurs looking to relocate to Italy.

As a result, businesses such as Talent Garden have sprung up. A startup itself, the business provides co-working spaces or campuses numbering 16 in Italy and four overseas. Other notable Italian startups include corporate carpooling platform Jojob, journey planner Wanderio, food delivery service Foodinho, and financial services provider MoneyFarm. And, since 2005, the education and business incubation platform H-Farm has been encouraging entrepreneurs across Italy to think differently about business models and the deployment of their talent.

Official data shows it is predominantly young people who are starting businesses, and more than a quarter of new enterprises are being launched by women. In high-tech manufacturing and knowledge-intensive services, more than 48 percent of new business founders are women.

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, Italy ranks 45th. It is one of the fastest movers, up 10 places since the last ranking, thanks in part to initiatives to foster startups, and efforts to improve access to online services for citizens.

But Italy is still some way behind France (ranked 24th), Germany (15th) and the UK (8th).

Italian entrepreneurship is not centered around a particular city as it is in many other countries; in Italy, the startup landscape is more sprawling. The top-ranking Italian location among the 60 cities that make the European Commission-supported European Digital City Index, which describes how well different cities support digital entrepreneurs, is Milan, in 48th place. Rome follows in 54th and Turin in 55th place.

Large enterprises are also betting on a more high-tech Italy. Amazon has invested in a €150 million distribution center outside Rome “to satisfy growing demand”, as well as a research and development center in Turin. This is in addition to the €450 million already invested since the brand launched in Italy in 2010.

Supporting the home side

Italian giants of industry are also spotting opportunity at home. Exor, the multi-billion-dollar Agnelli family investment company that owns Fiat and Ferrari, announced plans in 2017 to take minority stakes in smaller businesses and startups.

This focus on technology and startups is helping shift impressions both at home and internationally of what Italy’s strengths are, and what Italian businesses and brands represent. It underlines the work of a 2015 government advertising campaign designed to show that Italy’s strengths go beyond stereotypes: “Italy, the extraordinary commonplace”, highlighted Italy’s excellence in aerospace, engineering and biomedical research, while still acknowledging the role food plays in the national economy.

It should be noted that while the BrandZ™ Top 30 Most Valuable Brands ranking celebrates the largest and most valuable brands in mainstream consumer categories, Italy is a nation of small businesses, some of which have grown to be world leaders in niche areas. Brands like this have not yet achieved the scale to make the Top 30 ranking, or are operating in categories not covered by BrandZ™, but they are nonetheless an integral part of the Italian economy and Brand Italy. These include names like Beretta Firearms, Technogym exercise equipment, the stable of Luxottica eyewear brands, and Agusta helicopters.

Looking ahead

There are opportunities for brands large and small to make meaningful connections with increasingly busy and choice-rich Italian consumers. Brands can earn their place in people’s lives – both in their shopping trolleys and their hearts – by enriching people’s lives. Sometimes that enrichment is practical, and other times it’s about sharing priorities and values, creating a memory, or experiencing a moment of joy.

The strongest and most successful Italian brands are telling stories that resonate with people’s lives. Consumers here are sophisticated and discerning; they know what they want, and they expect an increasingly complex – and fairly balanced – relationship with the brands they make part of their lives.
Gucci is approaching its centenary year, but this is a brand that builds on its heritage with what it describes as a “wholly modern approach to fashion.” The Gucci brand, valued at US$16,273 million in the BrandZ™ Italy ranking, was launched in Florence in 1921, made its US debut in the early 1950s, and is now a truly global brand representing elegance, romance and eclectic influences as well as traditional Gucci quality craftsmanship and attention to detail. The brand is now under the guidance of creative director Alessandro Michele, and is the third-most valuable luxury brand in the world (after Louis Vuitton and Hermès), according to global BrandZ™ rankings, having risen 8 percent in value in the past year.

Gucci is Italy’s most valuable brand

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Value is concentrated at the top of the Italian ranking, with the top two brands – Gucci and telecom provider TIM – between them accounting for 30 percent of the value of the leading 30 brands combined. This domination of the ranking by a small number of mega brands is a pattern we see in other markets. In France, Italy, Germany and China, around half of the Top 30’s value comes from just five brands; and in Spain, it is even higher, at 67 percent. In the UK, the top two brands provide 24 percent of the Top 30’s value, and the top five make up 46 percent.

Luxury fashion sets Italian ranking apart

The presence and influence of so many high-end fashion brands lends the Italian Top 30 ranking a unique flavor. There are seven leading luxury brands in the Italian Top 30. France is the only other market in which luxury names have such a significant impact on the BrandZ™ ranking. Between them, brands like Prada, Fendi, Armani, Ferragamo and Bottega Veneta make the luxury category the most valuable in the ranking, and together account for 34 percent of the total brand value of the entire Top 30.

Diversity of brands reflects Italian daily life

A look through the Italian Top 30 ranking is a like a passeggiata through any Italian town or city. There are daily essentials – Barilla pasta, Nutella spread, Lavazza coffee and Kinder chocolate bars, along with little luxuries like Campari and Ferrero Rocher. Then there are the bigger luxuries – not just the high-end fashion labels but also fast cars. There’s daily entertainment from Rai and Mediaset, and then the brands that simply make life tick – telecom providers, energy suppliers, banks and insurers. In total, 14 categories make up the Italian Top 30.

The most valuable Italian brands are good at achieving visibility among consumers and coming to mind when people think of a category – something we call “salience.” Where they are outperformed by brands in other markets is on being different in a way that is important to consumers. Meaningful difference, a key ingredient in what makes strong brands valuable, is lacking among Italian brands, and this puts even the most valuable brands at risk. By overlooking meaningful difference, brands leave the door open for newcomers 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.

Brands communicating well, but need more focus on what they represent

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Top 30 Italian brands worth close to €72.5 billion

The combined value of the BrandZ™ Top 30 Most Valuable Italian Brands 2018 is US$85,302 million, or roughly €72,483 million. This positions the value of leading Italian brands as less than the Top 30 in several neighboring markets; the French Top 30 Most Valuable are worth US$221,878 million, the Top 30 in Spain are worth US$103,303 million, and in Germany, the Top 30 are worth US$886.638 million. The relatively low value of the Italian Top 30 could reflect the fragmented nature of the Italian economy, and the fact that many of the companies and brands behind the country’s GDP do not originate in Italy.
Brand vitality on par with top global performers

Brands that make the Top 30 ranking in Italy this year are performing almost as well as the leading brands in the world on the BrandZ™ measure of health and vitality. Among the leading 30 Italian brands, 43 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 30 in 2017, 67 percent of which were classed as healthy. This picture of vitality sets Italian brands apart from those in other large European markets; the top brands in the UK and France were considerably less healthy, though top German brands are fighting fit.

Trust and growth are natural partners

Some of the most trusted brands in Italy are also the most highly recommended by consumers, and this matters enormously given the increasingly widespread usage of social media. Trust often takes many years to earn, and some of the most trusted Italian brands have indeed been around for decades – names like Pirelli, Armani, Lavazza and Esselunga, and the cruise companies MSC and Costa. These trusted brands feature among the most likely brands to be loved and recommended, factors that also correlate with brand value.
THE NATIONAL ECONOMY IS HIGHLY DIVERSE...

ITALY IS A WORLD LEADER IN HI-END MANUFACTURING AND TECHNOLOGY.
Top 5 learnings for marketers

1. Big brands need to watch their step

Many of the brands that feature in the Italian Top 30 are among the most widely recognized and loved 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. To remain strong, brands need to balance their need for hard business results in the short term with investing in their brand for the long term. The Top 30 have an average Brand Contribution score of 3.6 out of a possible five, showing there’s room for improvement.

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. 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. Youth is no barrier to success

Brands featuring in the BrandZ™ Italy ranking are old by world standards – an average of 78 years old, compared to relatively youthful 65-year average age among the Global Top 30. But the difference in average value of the youngest and oldest Italian brands in the Italian ranking is negligible, showing that age is no impediment to success or growth in brand value in this market. While it’s an advantage to have generations of happy customers, heritage is not enough to ensure a brand’s continued relevance in people’s lives. Brands must constantly demonstrate to consumers that they stand for something that is relevant to people’s lives today, or they risk losing their ability to win sales and command a premium.
It may be home to 40 percent of the world’s art treasures, but when it comes to modern-day creativity in the minds of consumers, Italy and Italian brands are lacking dynamism. Creativity is a key ingredient of innovation, which in turn drives love and brand value. Yet the Top 30 Italian brands are barely any more creative than the average brand from anywhere in the world. Even the Top 10 are seen as lacking creativity, and many of these are brands that have originality and design at their heart. The most innovative brands are seen as shaking things up and are regarded as “leading the way” in their categories, but without creativity, both in their products and services and in the way they communicate with consumers, a key element of innovation is lacking. In this environment, it only takes a small dose of true creativity to make a memorable impact.

Emphasis on creativity can help brands shine

It may be home to 40 percent of the world’s art treasures, but when it comes to modern-day creativity in the minds of consumers, Italy and Italian brands are lacking dynamism. Creativity is a key ingredient of innovation, which in turn drives love and brand value. Yet the Top 30 Italian brands are barely any more creative than the average brand from anywhere in the world. Even the Top 10 are seen as lacking creativity, and many of these are brands that have originality and design at their heart. The most innovative brands are seen as shaking things up and are regarded as “leading the way” in their categories, but without creativity, both in their products and services and in the way they communicate with consumers, a key element of innovation is lacking. In this environment, it only takes a small dose of true creativity to make a memorable impact.

Innovation, experience generate biggest rewards

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 Italy, 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.

Cooking up something new

Ensuring future brand strength means building on the best of the past, but also being agile enough to move with the times. Galbani is a brand of cheese that was founded in the 1880s. While the dishes its products are used in are probably little changed since those early days, Galbani uses creativity in its communications to show that it remains relevant today. The Galbani “Recipe for Millennials” campaign draws on the point that while meals are traditionally a time for families to share and talk, younger people increasingly prefer the company of their smartphone. The video recipe, which ran on YouTube and Facebook, therefore guides parents, step-by-step, through a humorous procedure in which kids’ cellphones are wrapped thoroughly in tinfoil so they no longer receive a signal. Suddenly, everyone pays attention to the meal and to each other.
The rise of online shopping

Amazon is behind much of the shake-up; the company has invested over €550 million here since launching in Italy in 2010, and opened a new logistics center outside Rome in September 2017. The range of services has gradually increased; delivery is possible within two hours and, through an Amazon partnership with Fiat, Italians can even buy a car online. Amazon Pay became available in Italy in April 2017, enabling shoppers to use other online merchants and pay through their Amazon account – and giving local retailers an easier route to the online market. Tourism and online games are the biggest sellers online, but e-commerce is starting to transform the grocery sector. Cortilia has established a strong following with home delivery of boxed fresh food and household essentials, while online-only player Supermercato24 and newly launched Cicalia.com offer fresh and packaged goods, and delivery in as little as an hour. Online grocery is less than 1 percent of sales in Italy, lower than in other European countries, so there remains scope for further growth. The effect of e-commerce on physical retailers has been significant, and they continue to adapt their offer. Supermarket Esselunga launched online shopping – Esselunga a casa – back in 2001 and more recently started a click-and-collect service. Carrefour offers home delivery and delivery to customers’ parked cars in a store car park.

Consumption with a conscience

Responsible consumption is no longer for a niche audience; buyers of everything from coffee to couture now expect and demand goods that are produced in an ethical and socially and environmentally responsible way. Almost all supermarket shoppers arrive with their own reusable bags, and there is strong support for an incoming European directive that biodegradable bags must be used for fruit and vegetables. The supermarkets Auchan, Esselunga and Coop have all pledged to stop selling eggs from caged hens, and Fairtrade chocolate and coffee ranges are expanding. The shift towards more considered consumption is also happening at the top end of the market; the inaugural Green Carpet Fashion Awards took place in late 2017 to recognize brands promoting sustainable fashion. The awards are backed by the Ministry for Economic Development and the Italian foreign trade agency ICE, and have been developed in partnership with Eco-Age, founded by the designer Livia Firth. Brands including Giorgio Armani, Fendi, Gucci, Prada and Valentino are all linked to the awards. This movement is also fuelling organizations such as Eleventy, which promotes artisanal clothing production and design as “responsible Italian elegance”.

CROSS-CATEGORY TRENDS
The sharing economy is on the rise

The sharing of goods and services is proving popular in Italy, and there is growing interest in crowdfunding for worthy causes and for up-and-coming businesses. Italy is the third-biggest Airbnb market in the world, after the US and France, used by 3.6 million travelers in 2015, and 83,000 property owners. Kantar TNS research shows that many more people use sharing services than offer them; among internet users, 53 percent of people have used at least one sharing service, compared to 44 percent in France and 19 percent in Germany. The main attraction is the ability to access goods and services in an easier way. Paying less – or nothing at all – is another big draw, and the possibility of finding new services. But there remains strong public concern about the safety of online transactions, and who to call if something goes wrong. Strong local crowdfunding platforms have emerged, including DeRev.com and ProduzionidalBasso.com, which link a donation with a reward, and Starteed.com, a more recent arrival, which introduced an equity stake as well. The growth of the sharing economy has not been without some pain; in April, Uber was banned from operating in Italy following a series of court actions led by the country’s taxi associations. Similarly, Airbnb is contesting a ruling that means people renting out homes through Airbnb are subject to laws governing short-term leases, data collection and taxes payable on rental fees.

Mind the generation gaps

The obvious differences in outlook and spending priorities that exist between young and old in many markets also apply here in Italy, but that’s not the only generation gap to be wary of. The difference in behavior and attitudes between the “quite young” and the “very young” in Italy has been described as comparing a giant hard drive with the power and agility of a supercomputer. The “centennials” or post-millennials tend to distrust brands, and expect conversation with businesses, not one-way communication. Media strategies for these young consumers must be mobile first, and messages that draw on humor and music are most likely to win their attention. And, while they’re always connected, they’re more aware than anyone of their rights to privacy – and how to install ad blockers. It’s important to remember that in Italy, adult children often live with their parents until well into their 30s, so while they may influence decisions in certain categories and make many of their own purchases, in other categories, it’s still older consumers actually paying for goods and therefore having the ultimate say.
Innovation is not at odds with tradition; in fact, moving with the times is often the best way to ensure that tradition continues. Banks and telecommunications providers tend to be good at this; they offer security, help you save to fulfil your dreams, or give you the most reliable service – but the way they do that and the products they offer changes all the time. It’s the same with fashion and personal care; the promises don’t change a great deal, but the products on the shelves are quite different from year to year. Sometimes, evolution means stepping away from tradition, if only a small distance. Food and drink producers in particular should take note of demand for organic, “free from”, “superfoods” and meat-free protein products, and consider either parallel product lines or adapting existing formulations.

“...

Innovation is not at odds with tradition; in fact, moving with the times is often the best way to ensure that tradition continues.”

5

CROSS-CATEGORY TRENDS

Top 30 Most Valuable Italian Brands 2018
Fashion and footwear are vital exports... Italian brands are known for craftsmanship, style, and fun.
ECONOMY AND DEMOGRAPHICS

**ECONOMY**

| GDP (2018): | €1,680,523BIL. |
| GDP Growth Rate (2017): | 1.5% |
| GDP Growth Forecast (2018): | 1.1% |

**Main Industries**
- Tourism
- Machinery
- Iron and Steel
- Food production
- Automotive
- Clothing
- Footwear
- Ceramics

**Ease of Doing Business**: 46 out of 190 markets, with 1 being the most business-friendly.

**GDP per Capita (2016)**
- Global Average: €34,200
- US$30,675
- US$10,191

**GDP per Capita by Area (2016)**
- Northwest: €34,200
- Center: €29,900
- South & Islands: €33,300

**GDP Growth Rate (2017)**
- 1.5%

**GDP Growth Forecast (2018)**
- 0.39%

**Supplementary Data**
- Total Population: 60.78BIL.
- Urban Population: 69%
- Rate of Urbanization: 0.39%

**Population by Age**
- 0-14 years: 13.6%
- 15-24 years: 9.74%
- 25-64 years: 42.46%
- 65 years and over: 21.37%

**Population by Area (2016)**
- North: 45.8%
- Center: 19.9%
- South & Islands: 34.4%

**Labor market (2018)**
- Employment rate: 58%
- Unemployment rate: 10.8%

**Use of Technology**
- Internet access per 100 people: 65.6
- Laptop penetration: 74%
- Smartphone penetration: 89%
- Mobile subscriptions per 100 people: 151
- Number of fixed broadband subscriptions: 15.3BIL.
- Number of mobile broadband subscriptions: 51.8BIL.

**Internet users that have internet or report owning a smartphone**: 83.2%

**Top 30 Most Valuable Italian Brands 2018**
- Turin
- Milan
- Genoa
- Bologna
- Rome

**LAND AREA**
- 294,140 SQ KM

**POPULATION**
- Total Population: 60.78BIL.
- Urban Population (of total population): 69%
- Rate of Urbanization: 0.39%

**Life Expectancy at Birth**
- Italy: 82.2yrs
- Japan: 85yrs
- France: 84yrs
- US: 79yrs
- China: 75yrs
- Brazil: 69yrs

**Median Age**
- Italy: 45.1
- Japan: 69.9yrs
- France: 41.2yrs
- US: 37.9yrs
- China: 37.1yrs
- Brazil: 31.6yrs

**ECONOMY AND DEMOGRAPHICS**

**FDI Flows (2016)**
- Inward: €28,955BIL
- Outward: €22,794BIL

**Main Imports**
- China: €133,700BIL
- Brazil: €58,680BIL
- France: €28,352BIL

**Main Exports**
- Japan: €57,328BIL
- Spain: €41,789BIL
- Brazil: €145,242BIL

**FDI Flows (2016)**
- Outward: €1,680,523BIL
- Inward: €1,240,538BIL

**Top 30 Most Valuable Italian Brands 2018**
- Turin
- Milan
- Genoa
- Bologna
- Rome

**Centers of Population**
- Rome
- Milan
- Genoa
- Bologna
- Florence

**ECONOMY AND DEMOGRAPHICS**

**Population by Age**
- 0-14 years: 21.37%
- 15-24 years: 9.74%
- 25-54 years: 42.46%
- 55-64 years: 12.73%
- 65 years and over: 6.5%

**Education**
- Lower secondary: 32%
- Primary school or no qualifications: 19%
- Upper secondary diploma: 36%
- University degree: 36%

**Households**
- Single person households: 20.5%
- Household with children: 29.4%

**Breakdown of economy by sector (2017)**
- Agriculture: 2.1%
- Industry: 24%
- Services: 73%

**Labor force by occupation (2018)**
- Agriculture: 3%
- Industry: 28.3%
- Services: 67.8%

**Labor force by occupation (2018)**
- Agriculture: 2.1%
- Industry: 24%
- Services: 73%

**Labor market (2018)**
- Employment rate: 58%
- Unemployment rate: 10.8%
- Inactive (aged 15-64): 34.8%
- The Youth Unemployment Rate (aged 15-24): 32.2%

**GDP by Sector by occupation (2017)**
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- Services: 73%

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**Households**
- Single person households: 20.5%
- Household with children: 29.4%

**Breakdown of economy by sector (2017)**
- Agriculture: 2.1%
- Industry: 24%
- Services: 73%
KEY TAKE-AWAYS

1. **Draw on heritage, but don’t just be old**

Longevity in the fickle world of business is to be admired, but to be relevant to today’s consumers, brands need not just to say they’re old, but to show that they’re old for a reason. Lavazza coffee, for instance, has been around since 1895, the brand tells the story of Luigi Lavazza’s unique blend, and how this has stood the test of time. And it’s adapted to the times, with innovations like the biodegradable coffee pod, a world away from the days of young Luigi’s voyage to South America. Similarly, Panettone Motta explains in its advertising that its recipe is unchanged for nearly a century, not for lack of imagination, but because while new ingredients fall in and out of fashion, their recipe remains the best.

2. **Show you’re worth it**

The rise of discount supermarkets and the growing availability of private label products are giving Italian consumers changing expectations of value for money. Private label goods now account for about 20 percent of sales of packaged goods, and this figure is rising steadily each year, with people snapping up not just private label store-cupboard staples but also more premium items. At the same time, discounters Lidl and Eurosip are the fastest-growing supermarket retail brands by some considerable margin. The challenge for brands, therefore, is to demonstrate value for money by offering something other than just a good product. The ‘extra something’ might be quality or taste, but it can also be a more emotional connection that turns purchasing and consumption into an experience.

3. **Be fast and flexible**

As consumers get used to buying online, they are becoming less forgiving of some of the traditional hassles involved in bricks-and-mortar shopping. They want to shop when it suits them, they want more choice, delivery options, and they want everything faster and easier than before. These growing demands, and e-commerce vendors’ ability to meet them, are challenging physical retailers to do more than provide a place in which to carry out a transaction. It’s not possible to fight e-commerce on convenience – what could be simpler than a few clicks – but the physical shopping experience can provide an emotional and even more intimate connection with people that is far more memorable than shopping online. At the same time, however, retail brands can offer services that take away some of the less pleasant aspects of visiting a store, such as getting bulky items home, or even just out to their car.

4. **Beware the big discount**

In a price-sensitive market, one sure-fire way to catch consumers’ attention is to trim the price by just enough to undercut the competition. The trouble with this strategy, however, is that the competition can simply respond in kind, and before you know it, there’s a race to the bottom, margins have been slashed and customers have come to see your brand as cheap. Volume sales may keep ticking over, but value sales are lost, along with the equity built up in your brand. By some counts, one in every three or four supermarket items bought in Italy now is on special offer. Before offering even more for even less money, think about how better to justify a reasonable, sustainable price that doesn’t just bring in a few euros more now, but also adds value to a brand in the longer term.
Across western Europe, consumers are becoming disillusioned with many of the brands they encounter, and it’s no different in Italy where only 9 percent of consumers describe brands generally as “honest and transparent”. But not all brands are equal, and brands that feel authentic to consumers can overcome skepticism, according to research by Cohn & Wolfe for its annual Authentic Brands ranking, which identifies Italian brands Barilla, Ferrari, Illy, Ferrero and COOP as bridging the “authenticity gap”. The most authentic brands get bought more and recommended more. 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.

Italy’s North-South divide is not just about local rivalry; there are clear regional differences between people in different parts of the country and these broadly apply to the areas either north or south of Florence. The central and northern regions account for nearly 90 percent of exports, and there is significant disparity in family income – a difference of 15,000 euros on average between the most affluent area (Bolzano in the far north) and Sicily, the worst-off area, on average, where real deprivation is not uncommon. The economy is running at two speeds: unemployment rates in the south are double the rates of the center and north, and this adds up to different spending priorities and habits. National TV campaigns still have their place, but digital technology – particularly mobile – now allows greater precision of targeting, and this precision should be applied not just to different age groups but also geographically. Bear in mind, though, that while broadband access is widespread in the north, fast internet access in the south is definitely not the norm.

Women in Italy frequently feel typecast into roles as mothers and lovers, and are looking for society to reflect the new roles they wish for themselves, Kantar TNS research shows. Young women are looking for role models who are symbols of innovation and who demonstrate the ability to pursue their goals in a sensitive, positive ways; Italian astronaut Samantha Cristoforetti emerged as a popular symbol of the type of woman they would like to become. The lesson for brands is to avoid perpetuating stale stereotypes, particularly to a young audience who no longer identify with these roles as they once did. There is also an opportunity for brands to make it their mission to close the gender gap; brands should stand for something, and for some brands, this issue could be that thing.

The Italian palate extends well beyond pasta, pizza and vino rosso; demand for gluten-free products is rising by more than 20 percent a year, with biscuits, cakes and other sweets topping the list. The gluten-free sector is now worth more than €175 million, according to industry estimates. Sales of lactose-free goods are also rising, though not at quite such a rate, and many people report adjusting their diets so they consume meat less frequently. Consumers are rethinking what they put on their plates, looking at ingredients lists carefully as they shop, and looking for the provenance of their food either on packaging or in communications. Items that are natural, sugar-free, GM-free, low-salt and “free of artificial colors” are all sought after. The organic food industry is also on the rise. Assobio (the National Association of Organic Food Producers), puts organic food sales in 2016 at more than €1 billion, accounting for 3 percent of total food sales. As in many other European countries, the arrival of immigrants from parts of North Africa and the Middle East is further diversifying the Italian palate. In future, FMCG brands will need to consider the shifting tastes of Italy’s population in order to feed the desire for new flavors.
Use the power of ‘Brand Italy’

Italian products are so highly regarded around the world that many businesses with no connection to the country make themselves look and sound Italian through their packaging, advertising or even by choosing a brand name that has an Italian ring to it. The cachet of being Italian is particularly strong when linked to food, wine and fashion, but “Made in Italy” is a badge of honor in virtually any category. Italian brands in international markets need not just to promote their Italian heritage but think about how to distinguish themselves from potential imposters in their field. The current trend for “re-shoring”, that is bringing production of Italian goods back to Italy after a period of outsourcing, is being done because overseas buyers want goods that really are made in Italy.

Offer convenience to busy people

The Italian love of the long lunch has not diminished, but the hectic lives people now lead mean this is far from a daily occurrence. While consumers are still looking for great quality food, they’re also looking for simple, time-saving solutions to help them create everyday meals fast. Supermarkets report rising sales of single-portion meals and ready-to-eat meals generally – both fresh and frozen – and a decline in sales of store-cupboard staples such as bread, meat, cheese and breakfast items. It’s not just about saving time, though; buying ready meals also introduces an element of novelty into the diet. This search for new experiences and convenience extends beyond food; many products and services can meet this growing need.

Think again about loyalty

National retail chains and small individual stores usually have a loyalty scheme of some kind, offering a small discount on regular purchases, or a reward after a certain number or value of transactions. As a result, penetration of loyalty cards is high among Italian consumers, and many retailers are switching physical cards for digital memberships. But the popularity of loyalty cards, physical or virtual, should not be mistaken for actual loyalty; in fact, consumers will often have a loyalty card for several competitors in a single category, and they use whichever one suits them at a given time, which is not really loyalty at all. Think about loyalty in a more sophisticated way, using data to tailor special offers and services to the individual, and to create a more personalized experience in stores.

Responsible consumption is mainstream

Many consumers, but especially the young, are looking at the business and the supply chain behind the products and services they consider buying. Recycled or recyclable packaging can be the difference between making a sale. The idea of “zero waste” is gathering momentum, and parts of Italy lead the world in their rate of recycling. The town of Capannori, near Lucca in Tuscany, has led by example, countering plans for an incinerator there by reducing waste. The plan is to send no waste to landfill by 2020, and this town is not alone. Brands such as Illy, Nespresso and Lavazza have come up with recyclable coffee capsules. Similarly, Ferrero has spoken out about the need for responsible and sustainable use of palm oil in food, and several brands have launched products labeled free of palm oil.
01 INTRODUCTION

KEY TAKE-AWAYS

Be more than just ‘green’

Being a responsible corporate citizen means more than showing you care for the environment. It’s also about being a good employer, supporting local traditions when that’s appropriate, and fostering good habits and strong communities. The fashion brand Ferragamo’s CSR program is called Responsible Passion, and it funds green projects, including promoting car-sharing among staff, along with providing education grants, sponsoring a running event and providing funds to the Uffizi gallery in Florence to allow more works to be displayed. Barilla also takes a broad approach to CSR, with a campaign that promotes the value of families eating together, plus sponsorship of Italy’s Paralympians in addition to its ‘Good for you, good for the planet, good for communities’ mission.

Show, don’t explain

Italians are sophisticated consumers who don’t want to hear a great deal of detail about the specifications of a product or service in brand communications or even necessarily at the shelf. They can look online for further information, but they’re looking for inspiration and entertainment from advertising rather than a list of facts. If price or a key technical function is a brand’s main selling point then of course it must be featured in communications, but a brand experience should focus more on the emotional or practical effect of having that feature in a more subtle and memorable way. Make it easy for people to find out more by inviting them online.

Move from interruption to relevance

This is something brands in developed, ad-savvy markets are adapting to around the world and Italy is no exception. Consumers here are increasingly intolerant of intrusive advertising messages and are either flicking through channels or installing ad blockers on their phones and computers. Kantar Millward Brown’s AdReaction study shows that 34 percent of internet users feel “stalked” by brands online, and half of millennials are using online ad blockers. Don’t try to beat them at their own game; instead, offer something that’s truly useful, funny, informative or entertaining that they want to engage with, whether that’s video content, a quiz, a real-world experience or something else. This might mean the brand has to take a backseat, presenting or sponsoring a piece of content rather than being the star of the show.

Mobile is a way to be part of important moments

As brands seek to be more relevant to consumers, they have to both use and respect the fact that the mobile phone is a highly intimate way of reaching someone, so the moment and the message had better be right. Comparisons done by the UK communications regulator, Ofcom, shows that across nine major world markets, Italians are the most likely to use their mobiles to book a hotel, book travel tickets and book a restaurant, and they are the biggest users of smart watches with 9 percent saying they have one, compared to just 5 percent in France and only 3 percent in Japan. This means that they’re more inclined to move from considering or browsing to actually buying without looking up from their screen, but only if the message and the moment are aligned.
While there is considerable — and justified — excitement about the marketing possibilities of the mobile screen, it’s the television screen that still attracts more consumer time each day. It accounts for half of all media investment in Italy, and not without good reason. For national reach, it is the obvious solution, with nationwide followings for sporting events, nightly news, soap operas and game shows. TV sets are frequently on in bars and restaurants, so there is shared, public viewing going on as well as people watching in their homes. The best campaigns use multiple media in a way that plays to the strengths of each one. When Coca-Cola sponsored the World Cup, they linked TV coverage with a Trophy Tour supported by social media with the hashtag #lacoppaditutti, making the brand the catalyst for the creation of a story built on Italians’ collective memories.

Love of all things Italian isn’t just the preserve of discerning international consumers; Italian buyers love home-grown brands for categories they feel have a strong Italian connection. So while they might buy a US brand of sports shoe, few would for a moment consider drinking a non-Italian wine. Buyers of food, drink and high-end fashion all show a local preference for local goods, and not just for Italian produce but the produce that comes from the region or city where someone has grown up. This is not parochialism; it’s pride. For a great many categories, however, consumers are open to global brands or those from neighboring markets, and getting a smart buy is often more important than buying local. NESPRESSO, for instance, is not Italian but has achieved significant market share in the land of coffee by reinventing the category and the coffee experience. To describe someone as “furbo” in Italy is to pay them a great compliment — it means cunning, but in a complimentary way more like being astute or clever. And a smart purchase outranks a local purchase.

As small Italian brands expand into new markets, they should carry with them their Italian heritage and the factors that have made them a success in their home market, but also be prepared to adapt to cater to the local needs and preferences of consumers in other markets. Some of the biggest global brands have expanded by maintaining their core values as they enter new markets, but also by tweaking their products and their communications as they go. Think of McDonald’s and Sunsilk. Adapting is not selling out; it’s selling in. The bakery brand Corsini, founded in a Tuscan village in 1921, is one Italian exemplar of the power of localization, having made untraditionally large cantuccini biscuits for Starbucks to go with their large portions of coffee. They also sell a range of flavored panettone through Harrods and Sainsbury’s stores in the UK.

BrandZ™ research over more than a decade consistently shows that the brands that consistently 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 rebounding, and the young people who might be unemployed and 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’ needs 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.
Investment moves online as Italians switch to social

The heart of the Italian home has long been not the dinner table but the television, and although digital media is enjoying a meteoric rise, it has not knocked TV out of prime position.

TV is still the medium to which people devote most of their time, and while advertiser interest in online has taken budgets away from radio, print and outdoor, TV has managed to hold its own. That’s in part thanks to growing viewership of multi-channel TV, which is helping TV spend overall stay broadly stable. Netflix launched in Italy in 2015 and has been producing original series in Italian as well as importing overseas hits.

All of this is keeping Italian TV viewers glued to the box for almost four hours a day, on average, although with mobile ownership high and smartphone penetration at 60 percent of all adults, many viewers are using several screens at once.

The most-watched program of the year in 2017 was the final of the Sanremo song contest, watched by 13.5 million Italians, and taking 58 percent share of the night’s viewing. Other TV hits include the X-Factor final, broadcast both on Sky and TV8 in December 2017, seen by 2.7 million people, and the Masterchef final, which has been increasing viewership year by year and in 2017 was watched by 1.5 million Italians.

Almost everyone with a smartphone is using social media, and the social app of choice in Italy is Facebook: an estimated 30 million Italians are on Facebook; 74 percent access it daily, and they spend an average of half an hour on it each day. In late 2016, when then-Prime Minister Matteo Renzi wanted to congratulate US President Barack Obama for his achievements while in office, he chose to do it in a public post on Facebook.

WhatsApp is actually more widely used than Facebook, but is used for less time each month. YouTube is also highly popular, with more than 15 million users. Video and social media advertising have been fuelling growth in online adspend of between 7 and 10 percent a year; by the end of 2017, digital was forecast to account for almost 26 percent of all advertising investment in Italy, up from 10 percent in 2010. Most of the biggest-spending brands on advertising in Italy combine TV with social media and online video.

Overall advertising investment was expected to grow by 1.4 per cent in 2017, driven mainly by rising spend online. Television was predicted to suffer somewhat due to the lack of major sporting fixtures in 2017; the UEFA Euro Cup was held in 2016, the next World Cup football finals are in 2018, and the next Olympic Games are in 2020.

Total media investment by advertisers in Italy was forecast to reach €7,746 billion in 2017, marking the third consecutive year of growth.
01 INTRODUCTION

MEDIA

Ad investment by media (%) – 10-year trend

- **NEWSPAPERS**: 2006: 52.6%, 2016: 50.5%
- **MAGAZINES**: 2006: 14.9%, 2016: 14.9%
- **CINEMA**: 2006: 0.8%, 2016: 0.8%
- **OUTDOOR**: 2006: 6.0%, 2016: 5.2%
- **INTERNET**: 2006: 3.6%, 2016: 24.5%

Source: GroupM

Fast Facts

- **91%**: PERSONALLY USE A MOBILE PHONE
- **75%**: LISTEN TO THE RADIO AT LEAST ONCE A WEEK
- **47%**: HAVE DOWNLOADED, RENTED OR PURCHASED VIDEO/FILMS
- **19%**: HAVE AN ULTRA-HD TV IN THE HOME

Source: OFCOM international survey

Ad investment by sector

- **FOOD**: 2016: 844, YOY: 1%
- **AUTOMOTIVE**: 2016: 638, YOY: 6%
- **RETAIL**: 2016: 392, YOY: 11%

Source: GroupM

Advertising investment

- **7,642**: MILLION EUROS IN 2016(F)
- **+3.4%**: ON 2015 SPENDING
- **32%**: 2016E VIDEO AD INVESTMENT OF ONLINE DISPLAY
- **27%**: 2016E AUTOMATED % OF ONLINE DISPLAY

Source: GroupM
Total media investment by advertisers in Italy was forecast to reach €7.746 billion in 2017, marking the third consecutive year of growth.
Theory in Action

Heineken was behind an award-winning campaign that told a compelling story and used social media and public relations to great effect. “The Dilemma” was inspired by the Italian tradition of football fans watching Champions League matches with friends. It tells the story of a keen fan who receives a VIP ticket to watch a game live, and is forced to decide whether to give up the chance to watch with his friends. The campaign had no media budget, but achieved more than 8 million views on Facebook and YouTube, and 140,000 shares, retweets and posts.

Ways to Win

Deploying compelling content across social media platforms is not just a smart way to achieve reach but also a way to build brand value and the strength of consumers’ relationships with brands – maybe even love.

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. Indeed, a look at the most popular brand Facebook pages in Italy shows that love is there, with much-loved Nutella right at the top.

The power of social media in Italy was evident in the Cannes Lions-shortlisted campaign “Censorship for Cancer”, which used content rules on Twitter images to draw attention to a serious message. Pictures of female breasts have, since 2014, been banned unless they use stickers or emojis to cover the nipple area; the national cancer foundation ANT Fondazione launched a campaign urging women to share images of themselves using a hand emoji to meet the censorship rules – and to draw attention to the need for regular breast checks. The campaign went viral and achieved 38 million impressions in 84 countries.

For most brands, the real power of social media is unleashed when it is used in combination with TV and other media. The Vodafone Amici campaign linked an interactive talent contest uniting Facebook and TV. Live chat streams featured on air, and the view came from studio audiences’ smartphones, there was exclusive video content available only through Facebook, and it led to 25 million Facebook interactions.
Sector giants come top of the table

The value of the BrandZ™ Top 30 Most Valuable Italian Brands 2018 is highly concentrated at the top of the ranking, with the number one brand alone – luxury legend Gucci – accounting for 19 percent of the total brand value of the leading 30 combined.

This is a pattern we see in other European markets; the sheer power of the leading Italian brands is even more accentuated than in the UK, Germany and France – fairly comparable economies – though the concentration is slightly higher in Spain. The top five Italian brands represent 17 percent or only a sixth of the places in the ranking but punch well above their weight, delivering more than half of the value of the Top 30 brands put together.

In other European markets, global household names – brands like Zara, SAP, Vodafone and HSBC – have come top of the national rankings. In Italy, there is more of a mix of internationally established brands, and strong names that lead in their field at home but are little-known abroad.

There is less concentration at the top of the Global Top 30 ranking because there are so many global mega brands, and their scale is more evenly matched.
Concentration of value at the top of the ranking

<table>
<thead>
<tr>
<th>Country</th>
<th>1st</th>
<th>TOP 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPAIN</td>
<td>24%</td>
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<tr>
<td>CHINA</td>
<td>22%</td>
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<tr>
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<tr>
<td>INDIA</td>
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<td>INDONESIA</td>
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</tr>
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<td>UK</td>
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<td>US</td>
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<tr>
<td>GLOBAL</td>
<td>10%</td>
<td>37%</td>
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</table>

Source: BrandZ™ / Kantar Millward Brown
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01 INTRODUCTION

BRAND VALUE

Categories and brands

With high-end Italian fashion brands dominating global catwalks and international shoppers’ wishlists, it’s no surprise that the luxury category is the most valuable in the BrandZ™ Italian Top 30 ranking.

Luxury brands account for more than a third of the total brand value of the entire Top 30 – something we have not seen in any other BrandZ™ country ranking aside from France – and a distinguishing feature of the Italian economy as well as the BrandZ™ list. Indeed, in the most recent BrandZ™ Global Top 100 ranking (launched in 2017), luxury only accounts for 1 percent of the Top 30 brands’ combined value.

Food and drink are among Italy’s other great exports, and this is another category that puts in a strong showing in the BrandZ™ ranking. Chocolate, coffee, pasta and aperitifs provide the flavor of Italy and contribute 15 percent of the Top 30’s value. It is a distinctly Italian feature of the ranking that brands as diverse as Ferrari, Ferrero, Fiat and Ferragamo make this inaugural Top 30.

Infrastructure brands that make the country tick – banks, insurers, energy brands and telecom providers – combine to contribute just over 30 percent of the ranking’s value. And while there is one retail brand in the Italian Top 30, the supermarket Esselunga, this is a relatively small showing from a category that tends to be a big player in European markets and in the Global BrandZ™ rankings. This perhaps reflects the retail market in Italy, which is still relatively diverse, especially outside major cities, and features many individually owned shops as well as regional and national chains.

Source: BrandZ™ / Kantar Millward Brown
01 INTRODUCTION

BRAND VALUE

Value of the Italian Top 30 by category

<table>
<thead>
<tr>
<th>Category</th>
<th>US$ Million</th>
</tr>
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<tbody>
<tr>
<td>LUXURY</td>
<td>28,906</td>
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<tr>
<td>FOOD &amp; DAIRY</td>
<td>13,087</td>
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<tr>
<td>TELECOM PROVIDERS</td>
<td>10,386</td>
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<td>ENERGY</td>
<td>8,405</td>
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<tr>
<td>BANKS</td>
<td>5,079</td>
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<td>CARS</td>
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<td>OIL &amp; GAS</td>
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<tr>
<td>ALCOHOLIC DRINKS</td>
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</table>

Source: BrandZ™ / Kantar Millward Brown

Moving with the times

It is rare for a tire brand to make the national BrandZ™ rankings of a country, but Pirelli has not just scale and financial strength on its side, it also has a strong image in the minds of consumers. It stands for something beyond the rubber between your car and the road; it stands for high-end styling, partly thanks to a close association with luxury Italian carmakers and with Formula 1 motor racing. The brand has also worked for decades on a reputation beyond its category, through other design-related products, and is known around the world for its annual Pirelli calendar. While the calendar began as a collection of swimsuit pinups for mechanics and petrol heads, albeit beautifully photographed, it has evolved into a statement of the times. The 2016 Annie Leibovitz–photographed series featured women celebrated for their accomplishments beyond their looks, and the 2018 edition features an all-black cast in a re-imagining of Alice in Wonderland. This reflects the brand’s desire to be associated not just with performance and innovation but also culture, creativity and design.
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.

Businesses that focus on brand development can supercharge their performance in the BrandZ™ rankings.

These efforts, combined form a sort of “special sauce” that adds real value 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.

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 Italian Top 30, the brands with a high Brand Contribution score (or four or five out of five), have an average Power score that’s more than 30 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 volume sales.

For example, Ferrari and Eni have quite similar brand values, and appear in sixth and seventh places in the Italian Top 30. But while Eni derives most of its brand value from its financial strength, its Brand Contribution score is quite low (one out of five). Ferrari 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, Eni is a much bigger business, but Ferrari beats it in the ranking thanks to its strong presence in the minds of consumers. Similarly, Barilla is a very strong brand in the mind of consumers, with a high Brand Contribution score, but is a much smaller business financially than either Ferrari or Eni, so scores further down the Top 30 ranking.

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.
High Brand Contribution scores don’t just come from the categories that might seem naturally more appealing to consumers – the sexy categories like fashion and fast cars, although there are strong performers in this area from these categories, too. A supermarket brand, soft drinks, pasta and breakfast spread are all in the Top 10 Italian brands in the 2018 ranking for Brand Contribution, proving that category boundaries are no barrier to building a strong brand.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Brand Contribution</th>
<th>Category</th>
<th>Brand Value 2018 $ Mil.</th>
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<tr>
<td>1</td>
<td>Barilla</td>
<td>5</td>
<td>Food &amp; Dairy</td>
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<td>Lavazza</td>
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<td>Soft Drinks</td>
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<td>Gucci</td>
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<td>6</td>
<td>Nutella</td>
<td>5</td>
<td>Food &amp; Dairy</td>
<td>2,840</td>
<td>8</td>
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<tr>
<td>7</td>
<td>Kinder</td>
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<td>Retail</td>
<td>477</td>
<td>30</td>
</tr>
</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).

Good as gold

The gold-wrapped balls of hazelnut chocolate that have become instantly recognizable as Ferrero Rocher have been made and packaged in the same way for nearly 40 years. But the brand is just as relevant to the shoppers of today as it was decades ago, and in fact now has widespread appeal to consumers across much of the world. It has strong associations with Christmas, gift-giving and travel – not to mention with ambassadors’ receptions, thanks to a high-impact ad campaign that began in the 1980s.

The range has grown to include the white chocolate Confetteria Raffaello and the dark chocolate Ferrero Rondnoir, but at its heart, Ferrero Rocher remains an indulgence and one of the best-known premium chocolate brands in the world.
Brand boosts the bottom line

Valuable brands deliver superior shareholder returns

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 185.3 percent between April 2006 and January 2018, outperforming both the S&P 500, which grew 116.1 percent, and the MSCI World Index, which grew 60.0 percent. (The MSCI World Index is a weighted index of global stocks.)

In concrete terms, $100 invested in 2006 would be worth $160 today based on the MSCI World Index growth rate, and $216 based on the S&P 500 growth rate. But that $100 invested in the BrandZ™ Strong Brand Portfolio would have almost tripled in value, to $285. 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.
How to give Italian brands an energy boost

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 95 or under means it’s time to call emergency services.

BrandZ™ Top 30 Most Valuable Italian Brands 2018

There’s a strong sense of brand purpose, so the brand makes people’s lives better.

Brands must be innovative, which means they’re seen as leading the way in their sector and shaking things up.

They must also have strong communications, with creative, powerful and memorable advertising.

They provide a great brand experience that meets consumers’ needs, and is available when and where consumers need it.

Over time, consumers come to love the brand, and that helps sustain the brand until the next innovation.
Healthier brands are worth more

Brands in the Italian Top 30 that have a vQ score of 110 or higher are, on average, worth almost double what those brands with a vQ of 99 or below are worth. This clearly demonstrates that 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.

How vQ scores relate to growth

Among 713 Italian brands assessed for vQ. The average score of all brands globally is 100 on each measure.

What’s the prognosis?

The healthiest brands in the Top 30 Most Valuable Italian Brands ranking are those that score well on all five of the key health indicators: purpose, innovation, communications, experience and love. 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 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.
# INTRODUCTION

## BRAND SUCCESS – THE VITALITY QUOTIENT

**Peak performance: the healthiest brands in Italy**

<table>
<thead>
<tr>
<th>Brand</th>
<th>VITALITY QUOTIENT SCORE</th>
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<tbody>
<tr>
<td>MSC</td>
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<td>Costa</td>
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<td>Rana</td>
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<td>CONAD</td>
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</tbody>
</table>

The foreign brands in Italy with the highest vQ scores are led by IKEA (which has a vQ score of 153 in Italy), Amazon (151), Apple iPhone (137), Nike (126) and Samsung (123). They are not eligible for inclusion in the Top 30 as they are not of Italian origin, but they are clearly making a deep impression on Italian consumers.

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.

The foreign brands in Italy with the highest vQ scores are led by IKEA (which has a vQ score of 153 in Italy), Amazon (151), Apple iPhone (137), Nike (126) and Samsung (123). They are not eligible for inclusion in the Top 30 as they are not of Italian origin, but they are clearly making a deep impression on Italian consumers.

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 Italian brands measure up

Brands that make the Top 30 ranking in Italy this year are significantly healthier than average brands in the country. This is to be expected, and underlines the role of brand vitality in driving higher brand value. While 43 percent of brands in the Top 30 are healthy, and only one brand (or 3 percent) is frail, it’s a less positive picture across the Italian brandscape. Only 9 percent of all Italian brands rank well enough on all five aspects of vitality to count as healthy and the vast majority – 59 percent – are just “OK”, while 32 percent are classed as frail. Among the Top 10 brands in the Italian BrandZ™ ranking for 2018, six are healthy, and none is frail.

Leading Italian 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, Italy’s brands are only a little way behind the leaders in the BrandZ™ Most Valuable Global Brands ranking on measures of vQ.
## BRAND SUCCESS – THE VITALITY QUOTIENT

### Average ‘vQ’ Score (Top 30 brands)

vQ scores from around the world show that the leading Italian brands compare favorably to the leading brands in other markets – and globally.

<table>
<thead>
<tr>
<th>Country</th>
<th>VITALITY QUOTIENT SCORE</th>
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</thead>
<tbody>
<tr>
<td>US</td>
<td>118</td>
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<td>GLOBAL</td>
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<td>CHINA</td>
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<td>SPAIN</td>
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<tr>
<td>UK</td>
<td>104</td>
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</tbody>
</table>

Average brand = 100

Source: BrandZ™ / Kantar Millward Brown
BRAND SUCCESS – THE VITALITY QUOTIENT

The route to better brand vitality

01 INTRODUCTION

Introducing: The Vitality Quotient

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 Italian Top 30 are worth more than double those with low purpose (US$2,867 million compared to $1,363 million).

Purpose

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 Italian Top 30 are worth more than double those with low purpose (US$2,867 million compared to $1,363 million).

Average Brand Purpose Score (Top 30 brands)

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

<table>
<thead>
<tr>
<th>Country</th>
<th>Brand Purpose Score</th>
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<tr>
<td>US</td>
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<tr>
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</table>

The average of all brands is a score of 100

Source: BrandZ™ / Kantar Millward Brown

Leading Brands in the Italian Top 30 for Purpose

<table>
<thead>
<tr>
<th>Brand</th>
<th>Brand Purpose Score</th>
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<tr>
<td>MSC Cruises</td>
<td>140</td>
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<tr>
<td>Costa Cruises</td>
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<td>Enel</td>
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<td>Barilla</td>
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</tbody>
</table>

Average brand = 100

Source: BrandZ™ / Kantar Millward Brown

Brand Purpose in Action

In addition to its mission to inspire great meals, Barilla has made public its desire to do “Good for you, good for the planet”, linked to the Sustainable Development Goals of the United Nations Agenda 2030. Barilla produces an extensive sustainability report, which is available online, and has been making change in its business and supply chains for the benefit of its consumers’ health, the environment and local communities.

Average Brand Purpose Score (Top 30 brands)

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The average of all brands is a score of 100

Source: BrandZ™ / Kantar Millward Brown

Leading Brands in the Italian Top 30 for Purpose

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</tbody>
</table>

Average brand = 100

Source: BrandZ™ / Kantar Millward Brown
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 Italian Top 30 are worth, on average, close to twice what low-innovation brands are (US$3,426 million versus $1,819 million).

Leading Brands in the Italian Top 30 for Innovation

<table>
<thead>
<tr>
<th>Brand</th>
<th>Brand Innovation Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Cruises</td>
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<tr>
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<td>Kinder</td>
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<td>Lavazza</td>
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</tbody>
</table>

Average Brand Innovation Score (Top 30 brands)

Italian brands are seen as lagging behind those in other large markets on innovation, but they still edge ahead of France, Spain and the UK. Globally, the US and fast-growing Asian markets have the edge on innovation in consumers’ minds.

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 around 50 percent more than poor communicators (US$2,777 million compared to $1,966 million).

Leading Brands in the Italian Top 30 for Communication

<table>
<thead>
<tr>
<th>Brand</th>
<th>Brand Communication Score</th>
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</thead>
<tbody>
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<td>Barilla</td>
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<td>Costa Cruises</td>
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<td>Pirelli</td>
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<td>Eni</td>
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</tbody>
</table>

Average Brand Communication Score (Top 30 brands)

This is a clear area of strength for Italian brands, which on average outperform their European neighbors for the effectiveness of their communications, with only US and Global brands slightly ahead.
INTRODUCTION

BRAND SUCCESS – THE VITALITY QUOTIENT

Experience

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 website, and every minute they spend waiting for help at a counter or on the phone. Providing a great brand experience cements the relationship between consumers and brands. Strong experience brands also tend to be worth more: brands with high experience scores are more than twice as valuable than poor performers in the Italian Top 30 (worth an average US$3,114 million, compared to $1,404 million).

<table>
<thead>
<tr>
<th>Brand</th>
<th>Experience Score</th>
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<tbody>
<tr>
<td>MSC Cruises</td>
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<td>Esselunga</td>
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</table>

Leading Brands in the Italian Top 30 for Experience

The most valuable Italian brands perform at the same level on experience as their counterparts from France and Germany, but they are slightly behind leading US and Asian brands.

Average Brand Experience Score (Top 30 brands)

<table>
<thead>
<tr>
<th>Region</th>
<th>Average Score</th>
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<tbody>
<tr>
<td>GLOBAL</td>
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<td>US</td>
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<td>FRANCE</td>
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<td>SPAIN</td>
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<tr>
<td>UK</td>
<td>104</td>
</tr>
</tbody>
</table>

Love

Some of the most loved brands in the world are also the most innovative – brands like Nike and Apple, for instance. Love in this context is the emotional affinity of a brand, and it’s something that can’t be bought or manufactured. However, the conditions in which love can flourish can be created. If brands take the time and care to invest in promoting a higher purpose, innovating, and delivering a consistently great experience, then love tends to happen naturally. The most loved Italian brands in the Top 30 are nearly 80 percent more valuable than those with low love scores (US$2,844 million compared to $1,645 million).

<table>
<thead>
<tr>
<th>Brand</th>
<th>Love Score</th>
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<tbody>
<tr>
<td>Lavazza</td>
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<td>Enel</td>
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<td>Nutella</td>
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<td>MSC Cruises</td>
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<td>Kinder</td>
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<td>TIM</td>
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<td>Armani</td>
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</tbody>
</table>

Leading Brands in the Italian Top 30 for Love

Italian brands are well placed compared to brands around the world for love, though they are beaten in Europe by German brands, which on average perform slightly better.

Average Brand Love Score (Top 30 brands)

<table>
<thead>
<tr>
<th>Region</th>
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<tbody>
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<td>SPAIN</td>
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<td>UK</td>
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</tr>
</tbody>
</table>

Source: BrandZ™ / Kantar Millward Brown
The value of trust — and a word of warning

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 leading Italian brands is they are more trusted than the average brand. The Top 10 most valuable brands in the ranking are seen as 10 percent more trustworthy than average, and across the whole Top 30, brands are an average of 9 percent more trusted than all brands.

<table>
<thead>
<tr>
<th>Brand</th>
<th>Trusted Brand Score</th>
</tr>
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<tbody>
<tr>
<td>MSC Cruises</td>
<td>136</td>
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<tr>
<td>Lavazza</td>
<td>129</td>
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<tr>
<td>Pirelli</td>
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<td>Costa Cruises</td>
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<td>Enel</td>
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<td>Barilla</td>
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<td>Esselunga</td>
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<td>Armani</td>
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<td>Generali</td>
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<td>TIM</td>
<td>113</td>
</tr>
</tbody>
</table>

The average of all brands is a score of 100

<table>
<thead>
<tr>
<th>Country</th>
<th>Average Brand Trust Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>118</td>
</tr>
<tr>
<td>US</td>
<td>118</td>
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<tr>
<td>China</td>
<td>114</td>
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<tr>
<td>Global</td>
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<tr>
<td>India</td>
<td>113</td>
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<tr>
<td>Indonesia</td>
<td>113</td>
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<tr>
<td>France</td>
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<tr>
<td>Italy</td>
<td>109</td>
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<tr>
<td>UK</td>
<td>107</td>
</tr>
<tr>
<td>Spain</td>
<td>105</td>
</tr>
</tbody>
</table>

Source: BrandZ™ / Kantar Millward Brown

The value of earning and retaining consumer trust is evident in that many of the most trusted brands in a country tend to be those 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.

The bad news is the Italian brands score relatively poorly compared to the top brands in other markets. In Germany, for example, the Top 30 most valuable brands are 18 percent more trusted than average brands, compared to just a 9 percent advantage in Italy.
85

Most Recommended Brands in Italian Top 30 2018

<table>
<thead>
<tr>
<th>Brand</th>
<th>Recommended Brand Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Esselunga</td>
<td>123</td>
</tr>
<tr>
<td>MSC Cruises</td>
<td>120</td>
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<tr>
<td>Nutella</td>
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<td>Nutella</td>
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<td>Pirelli</td>
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<td>Kinder</td>
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<td>Barilla</td>
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<td>Armani</td>
<td>113</td>
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<tr>
<td>Ferrero Rocher</td>
<td>112</td>
</tr>
<tr>
<td>Costa Cruises</td>
<td>112</td>
</tr>
</tbody>
</table>

Average brand = 100
Source: BrandZ™ / Kantar Millward Brown

When consumers are asked to think about the corporations behind the best-known brands in the country, trust is significantly lower than that for brands. Again, this is something we see in other markets, but the gap between brand and corporate trust is significant in Italy.

In fact, among the Top 10 Most Valuable Italian Brands in the BrandZ™ ranking, the average trust in the corporations behind them is lower than the average for all brands (99 versus 100), and the Top 30 fare only slightly better.

How is this divergence of trust possible? When the managers of a car company are caught up in a scandal over emissions, for instance, or a bank’s bosses come under suspicion for wrongdoing, 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, and their experience of services in their local bank branch. If those cars are just as safe and reliable as they were before the scandal broke, and their money is still safe in their account, 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 Italian brands that are almost indistinguishable from the corporations behind them—MSC Cruises and Lavazza—are the most trusted corporations in the Top 30 Most Valuable Italian Brands ranking.
THOUGHT LEADERSHIP
Pride of a nation

Brands are the often only asset that endures throughout the lifetime of a business.

It has been proven that strong brands drive more value for companies, are more resilient during hard times, and bounce back from adversity more quickly. This is especially true in Italy, where consumers are highly brand-aware.

For many Italian companies, operating in sectors as varied as engineering, electronics, furniture, fashion, luxury and food, their brand is one of the most important contributors to the value of their enterprise – if not the most important.

At WPP Italy, we are proud to see that the Top 30 Most Valuable Italian Brands features so many names that have not only been successful at home, they have also captured the hearts of millions of consumers around the world.

Many other Italian brands are quietly doing the same, though do not yet have the financial scale to qualify for the Top 30 ranking. They, too, deserve our compliments.

Together, they all contribute decisively and positively to the reputation of Italy on the world stage.

We are proud to note that many of these successful and valuable brands have collaborated with at least one WPP company as they have grown, and many are brands we continue to work with today.

What is exciting to note is that the Top 30 includes many “national champions”, each representing absolute entrepreneurial excellence in their industry, but some of which are yet to explore the full potential of their brand.

We hope that this study will help convince them of the importance of investing in brand to drive business.

In the Thought Leadership pieces ahead, we feature a sample of the expertise and insight that WPP companies offer in Italy. We have a team of over 2,400 professionals in WPP Italy, applying the most innovative resources and technologies to the challenges of our clients, as well as encouraging the best and most diverse talent in all aspects of communication.

With commitment and pride, I congratulate the Top 30 and invite you to enjoy our insights.

WPP

WPP is the world’s largest communications services group with billings of US$74 billion and revenues of over US$19 billion. Through its operating companies, the Group provides a comprehensive range of advertising and marketing services.

www.wpp.com
TOURISTS SEE ITALY AS CULTURALLY INFLUENTIAL, FRIENDLY AND RICH IN HERITAGE...

MORE THAN 50 MILLION INTERNATIONAL VISITORS ARRIVE EACH YEAR.
Post Millennial Marketing

Marketing is child’s play; you just have to give consumers what they want. What adds complexity to this is that you have to deliver it before your competitors, and in a surprisingly relevant way.

This is what the big brands have managed to do, and is the secret of the success of the big companies we all know. We call it “consumer insight”: the ability to capture that key element that motivates people to buy, driven by needs that are so strong, real and extraordinary that even consumers feel surprised that the brand has been able to discover them.

Coca-Cola offered happiness every time someone opened a bottle; Benetton made it easier for people to be different; Rolex provided status to an ambitious yuppie. None of the consumers of these brands bought a refreshing drink, a woolly jumper, or an accurate watch: they bought permission to satisfy their most intimate needs.

For decades, after brands identified an insight, they followed a linear process through several steps. We called it A.I.D.A. = Awareness, Interest, Desire, Action. But this process no longer works. It has become very hard to find new needs, reaching some audiences is complicated, and being relevant to everyone is close to impossible.

Now, four generations of people with very different values and different shopping and media preferences live alongside each other. The Baby Boomers, Generation X, Millennials, and Centennials are completely different from each other, making mass campaigns less and less effective.

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 provide inspirational insights and business strategies for clients globally.

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Today in Italy, millennials (aged 20-34) and centennials (born after mid-80s) include over 16 million individuals and represent a quarter of the population (16 percent millennials, 9 percent centennials). In 15 years’ time, what we call “new generations” will be half the population, rising to 73 percent by mid-century.

Millennials and centennials are creating new patterns of consumption, new patterns of choice, new ways of using media, and new ways of relating to brands and advertising that we can no longer underestimate. We have the future in front of us: in fact, millennials show us the next “new norm”. The younger generations tell us we must change and they can teach us how: they have a STYLE that will model tomorrow’s consumer value system. This stands for Social, Transparent, “Yes, now!”, Liberty and Experience.

Understanding these new generations, their values, their styles of communication, and their expectations of brands is therefore urgent if we are to truly embrace change and become effective once again.

The STYLE value system of millennials and post-millennials, their system of expectations, leads us to rethink the way we approach marketing. TV-centric marketing, focused on generating awareness and brand associations for consumers to remember until the moment of purchase, well represented by the AIDA model, cannot cope with the current level of complexity and opportunity. Instead, the Millennial Big Bang, transforming society’s system of values through its young people, involves the entire system of marketing planning and its goals, leading to a transformation that is much wider than just technological and digital.

The Post-Millennial Marketing Model stems from the STYLE values: it is a marketing planning framework that embodies emerging values in communication and brand-consumer relationships. It therefore adapts the principles of communication used by these new generations: it stimulates us to think and act like millennials, in a social, reactive way, focusing on the content, the service, the experience, and generating value for individuals and for others.

Post-Millennial Marketing is based on six pillars, which are not steps to be followed one after another, but activities to be conducted together: Post-Millennial Marketing is more than a process, it is almost a mantra.

» Listen to markets:
Pro-actively listening to the markets and consumers; seeking out consumers and their expressions in the myriad touchpoints available to them; switching from listening in order to reply, to listening in order to understand.

» Pop up in moments:
Identifying and taking part in important moments for the consumer, without shooting at random; recognizing the specific moments, situations and opportunities that will gain attention and will be relevant.

» Surprise with content:
Creating surprise, standing out from the crowd and helping the consumer see beyond suggested and pre-coded choices, combining engineering and creativity to deliver high-impact content.

» Facilitate action:
Making the objective of marketing activities explicit, helping the consumer, and being accessible and supportive whenever they need assistance.

» Enrich experience:
Amplifying the individual pre/post-purchase experience, using all the touchpoints capable of affecting satisfaction and reputation – and not stopping at the point of sale or the end of a campaign.

» Connect with brand purpose:
Reconnecting all the touchpoints and individual experiences with the brand’s universal values, its identity and the role it wants to play for the consumer, gaining strength from fragmentation thanks to the systematic uniqueness of the brand’s values.

The Post-Millennial Marketing model is a vision for the near future, an exhortation to take immediate steps towards more contemporary, relational, and more effective marketing. It is fair to say that technology today does not allow for the total application of the model, as it is now available for six-step execution almost exclusively in digital environments.

What we can do, however, is get to know our targets more accurately, going beyond stereotypes, and adapt the Post-Millennial model when planning, developing marketing strategy and designing its implementation.
Exploring the narrative structure of a brand

As we celebrate Italy’s most valuable brands, we also seek to understand the factors that determine the health of a brand. In essence, a brand’s strength is equal to the power of its meaning.

The 5 steps of storytelling

02 Thought Leadership

The answer becomes clear when we look at all great ideologies, whether political, religious or cultural. Their structure is always articulated in five key steps. The first one sets the founding values and principles of the ideology as handed down from the original narrations or myths. An example: the value of humility, celebrated in the ancient Greek myths of Prometheus and Icarus.

From myths and values come the second step: a specific empathy directed to specific segments of population. An example: the exploitation of the working class, according to Marxist ideology.

Empathy determines a request, a commitment, a promise of change, and this is the third fundamental step, the true meaning of every ideological narrative. A typical example is the self-determination of countries such as India, Ukraine and Croatia, each had great promises of transformation originating from nationalist ideologies, even though each had a different historical, cultural and religious matrix.

At this point, the change must become real, therefore tools for the fulfillment of the promise need to be conceived. This is the fourth step, the one that led the Enlightenment thinkers to create their 18th-century Encyclopedie, a practical and symbolic tool for the assertion of knowledge and rationality against the slavery of prejudice and superstition.

The fifth and last step sees the creation of effective organizational and productive processes. An example: the separation of powers in liberal democracies.

Now we just need to read between the lines of this narrative structure to understand the story of a great brand.

We all know that a sign acquires a meaning when it becomes the origin and fulcrum of a story. So, what kind of narration can make one brand greater than another? What is the structure, the narrative strategy of a great brand?

General Observations

In this sense, marketing can be defined as a battle between meanings. We all know that a sign acquires a meaning when it becomes the origin and fulcrum of a story. So, what kind of narration can make one brand greater than another? What is the structure, the narrative strategy of a great brand?

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Red Cell is an advertising agency - part of Young and Rubicam Group, and a member of WPP Group.
redcellgroup.it

BrandZ Top 30 Most Valuable Italian Brands 2018

TOP 30 MOST VALUABLE ITALIAN BRANDS 2018

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The opportunity for authenticity

The Cohn & Wolfe “Authentic Brands” study, now in its fourth edition, investigates the role of authenticity in the market and its impact on consumers.

In common parlance, the term “authenticity” implies qualities of genuineness and straightforwardness, as well as being open and corresponding to reality.

In addition to these meanings, the term authenticity is seen here as a set of brand values and corporate behavior aimed at guaranteeing pledges of quality, commitment, openness, and the ability to handle even the most difficult situations.

Our study of brand authenticity, over five years, has sought to answer some key questions:

» What does authenticity mean to consumers?
» Are big global brands authentic to consumers?
» Is it possible to draw up a framework for a diagnosis of the strengths and weaknesses of a brand on the basis of its authenticity?

The main and most immediate piece of evidence is the deep skepticism expressed by consumers in all markets: most of our interviewees believe that companies are not open and transparent, which reveals a huge credibility problem for brands in all sectors and in all countries. This cynical and distant attitude is even more marked in Western Europe (the lowest levels of brand credibility are found in Sweden, the UK, France, Germany, Spain, and Italy) while in developing countries (China, Indonesia, and India) greater authenticity is generally attributed to brands.

This deep “authenticity gap” presents a huge opportunity, since the study also highlighted increased customer propensity towards brands that prove to be authentic; the perception of authenticity does impact on consumer behavior and attitudes towards a brand. Brands perceived to be authentic generate word-of-mouth recommendation, inspire loyalty and are more likely to be regarded as an attractive workplace and even stand a higher chance of being considered for investment.

To seize this opportunity, we need to explore the drivers of consumer perception and act accordingly. The seven key attributes that describe the authenticity of a brand, in order of importance to consumers, are as follows:

» The brand delivers on promises
» It treats consumers well
» It protects consumer privacy and data
» It communicates honestly
» It is real and genuine, not artificial
» It offers high quality
» It always acts with integrity
The seven attributes can be grouped into three clusters, which constitute the key elements of authenticity: Reliability (quality and delivers promises) – Respect (treats consumers well and protects their privacy) – and Truth (communicates honestly, is genuine and acts with integrity).

The importance of these characteristics varies from country to country; in Italy for example, reliability is particularly important in the eyes of consumers, who seek quality and will not accept being disappointed by brand promises.

Company behavior as a subject in society is important but probably somewhat remote; consumers are more likely to see reliability, respect, and the truth of a brand as tangible proof of the seriousness and responsibility of a company. Consumers clearly need real, day-to-day evidence to convince them they can rely on brands. In defining authenticity, greater priority is given to quality, especially by Italians, and the ability to deliver on promises, than more value-related issues such as social and environmental responsibility.

Privacy and personal data handling, for example, are relatively recent concerns in the minds of consumers; not all brands may be fully aware of this issue or consider themselves influenced by it, though it is an issue that affects every company today, given the direct and constant interaction people are having with brands on social networks. It is patently clear to the consumer that the chance to interact with brands and companies directly brings with it great power, but also the risk of personal exposure and a certain vulnerability. It is not just companies operating in the sectors most sensitive to these issues (online services, e-commerce, banking, and insurance) who are, by definition, responsible for consumer data, that need to worry about this attention from customers. Ensuring privacy is respected is something consumers hold in high regard, globally. “Protecting customer data and their privacy” is the fourth most important attribute of authenticity. In Italy, and globally, brands score better for reliability and respect than they do for “truth”.

The Authentic Brands study, based on insights gained through several sources and bodies of data (which include BrandZ™’s Top 100 Most Valuable Global Brands and Y&R Group’s BrandAsset® Valuator BAV) is intended to be a diagnostic tool to enable work to be targeted on the strengths and weaknesses of what we have defined as authenticity. This is now seen as a system of key values for consumers looking for a clear and honest relationship with brands; consumers who want quality but above all credibility, and who prefer companies that show respect and will even admit their mistakes.

To sum up, authenticity is defined by consumers in a much more personal and pragmatic way than marketing and communication professionals may think; authenticity is not an abstract concept but it is substantiated in everyday interaction with brands. Efforts to bridge the credibility gap revealed by the study should therefore focus particularly on the day-to-day relationship between the brand and consumers.
Nothing has changed, but everything has changed

Until a few years ago, to speak about brand and digital communication meant having conversations that shared similar themes, but that were travelling on different tracks.

On one hand was the brand, evermore the heart and soul of marketing, linked to equity, image and consumer perception. On the other, the “brain”, the digital and technological part, with its tools and acronyms.

In a short time, however, these two ingredients have combined to become a unique flavor, changing all the time according to consumers’ tastes.

For creative agencies, this evolution has meant great changes in organization and methods, and it has happened at tremendous speed.

There still seems to be a fair amount of confusion around this subject; social networks are often considered the link between digital communications and brands, but there is more to it than that.

A social network is a channel, one of the many that make up the new system of integrated communication platforms where digital and brands meet.

Digital is the “new normal”, the market evolves, and sometimes the consumer is quicker than the space in which they find themselves. There is no need to ask if and how brands interact with digital tools, but the question is whether they are ready to embrace the required changes at great speed, utilizing their business partners, media tools, research, and creativity.

Let’s consider how classical marketing models are being changed by digital. Let’s take the traditional Four Ps.

Focus on the P for Product remains the same in the digital market, but it has been enhanced by customer experience. Customer experience works across price comparison websites, product description analysis, virtual fitting rooms and online assistance, as well as physical stores.

P for Promotion, the link between sales and marketing, may be the most utilized of the Four Ps. By using data and digital intelligence to understand purchasing behavior we are now able to approach communication one-to-one.

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Established over 30 years ago, Y&G is a global advertising agency that provides analytical knowledge and integrated marketing solutions to businesses.

www.yr.com
P for Place has become absolute in global amplification. Digital allows us to work from awareness to conversion, making the brand visible everywhere and all the time, thanks to search engine marketing and SEO strategies, social media presence, and performance investment.

P for Price may be perceived as having felt the impact of digitalization less. This is not true. The predominance of digital has introduced a new model of pricing. Continuous offers, discounts on multiple purchases, and comparison opportunities are all now commonplace for today’s consumer, who expects the very best prices on all products in the digital market.

It is evident that the evolution from analogue to digital has been orchestrated by data – accurate and timely information, no longer an idealistic proxy.

In this new environment, content and connection strategy are without any doubt the point around which the marketing and communication business revolves.

Content is the real tool we have to play with in creative agencies, and it remains absolutely timeless; regardless of how “digital” a consumer is. Social networks, brands, and people will always need great stories, full of emotion and desire.

Content lives on as a place of beginning and belonging. The real change now is in the mode and tone in which we communicate. Stories are no longer about addressing the public, “movie style”, but rather a way to interact, engage, get feedback and study. It is where dialogue is everlasting, always on, and is not limited by the length of a campaign. The story becomes part of something bigger, and all channels are used to spread the word.

Technology helps with storytelling. It multiplies and widens the possibilities of engagement with consumers. Technology gives communication a way to talk to the public, in a customized way and time, using tools and economies of scale.

Over 80 percent of marketers base their future strategy (directly or indirectly) on technology.

Last but not least, let’s consider the increasingly important role of engagement in the interaction between brands and digital.

Independent of the business sector a brand is in and the kind of consumer they are targeting, we find ourselves working on this subject daily.

This means using the right channels to talk about relevant subjects; being present, entertaining, and making business more human and social, but also presenting pertinent messages.

The subject of brands and digital could fill a vintage encyclopedia. In essence, though, nothing has changed, but everything has changed.
THE ITALIAN AESTHETIC EXTENDS BEYOND LUXURY FASHION AND ART TREASURES...

...MODERN ITALIAN ARCHITECTURE IS CUTTING EDGE.
The role of experience when AI makes our choices

Imagine a future in which machines take over all our repetitive tasks, whether they are physical or intellectual. Hold on a minute … that is not the future: this is today!

EUGENIO TAVOLARO
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Even though we love to say that we are living in the “Age of the connected consumer”, stressing human centricity in whatever happens around us, many of our actions and decisions are actually either run or aided by technology.

Think about the information we receive from our GPS while driving our car, geolocalized weather forecast services we receive while travelling, and the “you might also like” recommendations we receive as we shop online. The list goes on.

The future lies more and more in our virtual assistants taking over decision making and acting on our behalf. Google Assistant, Alexa, Siri, Cortana and several other AI-powered assistants are all live and learning what we do and what we like. There are also the numerous IBM Watson-based apps, including chatbots. They continuously learn from our personal databases of affinities and intents, which we feed through our Facebook and Google activity. They will soon know and predict our tastes and intentions better than we can do, to the point that we will delegate to them to make most of our purchasing decisions for us, to save ourselves the time and effort. Sounds scary? Actually, it is not, as long as marketers and consumers can clearly see how the AI algorithms these machines are implementing do their work. We need to see how are they trained and improved, and whether they can be held accountable for their mistakes. The European Union’s new General Data Protection Regulation, which is expected to take effect in 2018, will create a “right to explanation”, allowing consumers to object to any decision affecting them that has been made purely on an algorithmic basis.

In such a context it comes as no surprise that, in the BrandZ™ Top 100 Most Valuable Global Brands 2017, the top

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five spots are occupied by digital giants who are massively investing in AI and memorable customer experiences. They are Google, Apple, Microsoft, Amazon, and Facebook. But can non-digital brands – such as the 30 names that make this inaugural Italian BrandZ™ ranking – thrive in the age of algorithms? Make no mistake, the answer is: yes they can, by providing their customers with memorable brand experiences.

Here we come back to human centricity: putting consumers’ emotions at the center of a brand experience that is so distinctive, frictionless and emotionally sound that it generates preference, use and a “loyalty loop”. Nowadays, customer service is the new marketing, because a pleasant interaction with a human customer service rep - or even with an increasingly empathetic chatbot - in any “moment of truth” will subconsciously link a brand with positive associations in the mind of the consumer. At the next moment of need, the consumer’s brain will automatically activate its repurchasing cycle. And the more consumers engage positively with a brand – not only by consuming its products or services but also through being emotionally assisted at related touchpoints - the more this will happen. Whether it is the human brain or AI algorithms, or both working together, a database of affinities and intents will trigger purchase decisions along a hybrid machine-human customer journey.

But what will be the role of advertising in such a technology-driven context? Today’s mantra for most advertisers is to be “always on” and particularly to advertise – mainly through digital media – closer to the moment of purchase. However, research shows that “call to action” advertising at the point of purchase often makes people focus on price and compare product features. But as part of the overall brand experience, advertising can play a key role in building long-lasting memories, as well as sparking in-the-moment reactions. People feel less manipulated by advertising experienced far from the moment of purchase, and if they appreciate its content and creativity, this will build positive memories and impressions that will have an impact on their future purchasing decisions. The most effective ads are those that leave a lasting impression, which people want to engage with and share via social media.

In a future world where so many of our decisions will be automated, will there still be a place for “call to action” ad spots, typically addressed to human buyers? Probably not. Only memorable brand experiences, along with memorable and inspirational advertising based on remarkable, emotional and useful content, will generate our automated, AI-assisted loyalty.
It takes more than digital data to drive growth

Amazon Prime Day 2017 reached new heights, with year-on-year sales up 60 percent thanks to a record number of Prime members shopping across 13 countries.

Meanwhile, pure e-commerce companies are moving into the high street, as news of Amazon’s acquisition of Whole Foods leads to inevitable speculation that previously digital pure-plays will ultimately all open physical stores. In point of fact, China’s Alibaba has announced a physical store strategy.

Online retailers were once expected to destroy their bricks-and-mortar cousins. Instead, the two worlds have merged, and the reality is phygital. If shoppers are no longer thinking in terms of channels, why should stores and brands?

In this new phygital world, the traditional purchase decision journey (PDJ) is losing its relevance. The role of traditional demographics and attitudinal forecasting is slipping; just think about recent election results on both sides of the Atlantic.

Many consultancies continue to deliver analysis based on digital data via tech tools. I believe this is an easy sell that fails to dig deeply enough to deliver real insight into what drives purchase. True, digital plays an important role in our understanding, reducing errors that can arise when people incorrectly recall their own behaviour. But this is just one side of the coin. True purchase-decision insight comes from a blend of self-declaration and digital. By reading both, we can reduce the level of error almost to zero.

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Many consultancies continue to deliver analysis based on digital data via tech tools. I believe this is an easy sell that fails to dig deeply enough to deliver real insight into what drives purchase. True, digital plays an important role in our understanding, reducing errors that can arise when people incorrectly recall their own behaviour. But this is just one side of the coin. True purchase-decision insight comes from a blend of self-declaration and digital. By reading both, we can reduce the level of error almost to zero.
In my experience, if we ask hundreds of people about their buying behavior, we uncover a truth and convergence far richer than could be achieved simply from a journey through the digital world.

José Neves, founder, co-chairman and CEO of fashion e-commerce platform Farfetch, validates the need to think beyond digital data only: “How can you really be serious about data when 92 percent of the action is happening in stores and you are not collecting data in stores?” My view exactly. With the right tools, we can judge how a store visit has impacted an online purchase behavior – how the store manager has influenced the decision, and so on. This would not revealed in digital-only analysis.

The future of business acceleration is in a blended purchase decision journey. The methodology of many PDJs sits in mapping business against shopper expectations at one end, and creating a marketing map leading to the communications strategy at the other. My view is that the magic comes from a bridge between the two, which aligns a business to shopper understanding, assessing what the company has to offer and what the customer wants to buy. This blend of purchase decision journey insight is essential to business acceleration in a future where I see business models organized and innovating according to behavior – not product.

In the complex and highly complicated telecommunications sector, using this blended model, we have identified unique consumer segments with differentiated behaviors. These 14 segments spanning mobile and broadband use have allowed us to create a focused acquisition strategy for a brand in the sector. There is a tailored messaging strategy for each segment, which helps improve marketing budget efficiency, and is a completely new way to look at prepaid and post-paid segments. It provides a clear roadmap to accelerate significant customer conversion.

More recently, we have used this methodology to support a premium-service global airline that was being, challenged by low-cost carriers. We discovered that, faced with complicated and at times overwhelming choice, customers typically surrender to price-driven decisions, favoring low-cost carriers. Our recommended route to market was to shorten the journey travelers take when booking a flight, engage more during the inspiration phase when excitement for the travel-to-come is at its highest level, and, persuade them to go directly to booking options and seal the deal.

Customer behavior rather than product will drive business success. Customers will soon expect brands and retailers to know exactly who they are as soon as they make contact. And shopper knowledge is critical to help businesses accelerate performance through customer behavior rather than the product and service. That future is already here.
Are you ready for the ride?

The rise of ad-blocking software has forced many brands to reinvent their advertising efforts. More and more they are finding meaningful results with influence marketing. But it is a massive ecosystem.

Invasion of the influencers

Brands using celebrities to promote their services is hardly new. In fact, glamorous film stars from way back in the 1940s posed for cigarette ads and helped to usher in the modern age of advertising. But marketing has changed in ways that no one could have imagined back then.

Today, consumers are turning to independent sources rather than traditional marketing influencers. And they prefer to “pull” information of their choosing, rather than have it “pushed” and stuffed down their throats. It is a movement driven by online consumers who are empowered by social networks and digital devices.

To meet these new challenges, many brands are adding macro or mid-level influencers to their marketing mix. From affiliate programs and sponsored content, to guest blogging, events, and co-creation – there is a whole new realm of possibilities for brands to reach audiences in “contextual” and appropriate ways. In other words: Less noise and more love.

Influence marketing goes pro

With its meteoric rise to prominence, the influencer industry is constantly evolving and becoming more professional. Influencers are seeking out dedicated marketplaces and hiring influencer marketing agencies to help them better promote themselves. But professionalization and paid-for partnerships and placements are a risk. They can actually harm the authenticity and trustworthiness of the influencer. And that, ultimately, can lead to Branded Influencer Fatigue (BIF), which is just as bad as it sounds.
To combat BIF, brands have started shifting their focus to niche and micro-influencers. The prices are lower (or free), and audiences are more engaged. “… while you can give a piece of content to one global influencer with a million followers, the message is far more authentic if you give it to 500 kids, each with 2,000 followers.” – Florian Alt, Director, global brand communications, Adidas

While micro-influencers are a hot investment and will likely continue developing, they too run the risk of inducing influencer fatigue. After all, consumers (especially in the digital age) are not naïve. According to the latest Kantar Media “Dimension” study, most of the 5,000 surveyed consumers across five geographic regions said they were aware that controlled brand messages can be communicated in multiple ways beyond straight-forward advertising (via such techniques as native and influencer marketing).

The rise of the average Joes
It is no surprise that the biggest challenge brands face in the digital age is gaining and retaining trust. To meet the challenge, some brands are turning to “average Joes” instead of big-name celebrities.

“Beyond celebrities, beyond influencers, beyond the norms – we want YOU” – Lush, Instagram post

Emerald Nuts went so far as to use an Amazon customer review as its new tagline. And luxurious French department store Le Bon Marché launched a campaign asking its customers to submit appealing quotes heard while shopping in their store. Spotify stepped up and flashed its creativity as well; they reviewed their users’ data and promoted user-created playlists via out-of-home advertising.

The sooner brands build relationships through listening, the better. “User Generated Cultures” provide priceless insights into consumers’ desires and motivations. And it is valuable to incorporate those insights into your marketing plan.

The future is now … ready?
The key takeaway? We are entering the Trust Economy – a rapidly evolving economy fueled by reviews, ratings, and influence. Soon, people, like brands, will have scores or ratings attached to their identities based on any number of criteria.

The scores could be certified by independent companies, a bit like the service Trustpilot provides. From there, perhaps a bit of gamification could evolve, driven by dedicated and innovative reward programs.

It all has the makings of a science-fiction movie, except that it is unfolding in the real world, right now. Influence marketing is here! But what we call influence today will probably be something completely different tomorrow. It is vital to stay flexible and dialed-in to what is happening, so the rollercoaster does not leave without you. But don’t worry; we’ll be right there in the front row, charting the track ahead (and maybe waving our hands over our heads).
How brand can turn corporate culture on its head

It is clear that to activate your business vision and strategy, you need your people to be aligned and engaged in the culture of your company.

They also innovate 30 percent more, and have staff retention levels 40 percent above average. That is why we admire the corporate culture of companies like Starbucks, P&G, and Google.

Peter Drucker famously said that culture eats strategy for breakfast. So, the question is: what “eats” culture? We think it is the brand, and the correlation is clear: not by coincidence, many of BrandZ™ Top 100 Global Brands happen to be many of the same companies listed in Glassdoor’s Best Places to Work. Here is the opportunity.

A company’s brand reflects the essence of the organization at its best. If it could be used to align all the organization to its goals, and to inspire its leaders and employees as it inspires customers, achieving the company goals would come as a natural consequence. Employees would feel connected to a purpose, and customers would recognize this authenticity in their actual experience, rewarding it.

What we describe is not fantasy: it is a process called Culture Activation™, our latest approach to cultural change. It is born out of one crucial insight: if you change behaviors, you change thinking, and this is how, in turn, you forge a corporate culture. Remember what psychologists found many years ago about smiling? We smile because we feel happy, but we also feel happy when we mimic a smile. The causal link goes in both directions, and sometimes it can be useful to exploit this in business, too.

That is why we have turned the old corporate cultural model on its head. Until recently, the focus was on changing managers and employees’ thinking to induce desired behaviors. Experience has shown us that this approach takes time and that results...
of such efforts are uncertain today, managers and employees, especially the young, are more and more cynical about big corporate statements, and less responsive to traditional change-management programs.

For this reason, we decided to see whether a reverse model could lead to better and quicker results. We used the brand as a compass to guide us to brand-led behaviors that sparked change in the desired direction. We gave the brand the capability to leverage emotions, attitudes, and a sense of belonging through powerful symbols, stories, and rituals. And we found this was a good recipe for pushing the organization in the direction of desired change.

Today, companies deserve an agile, creative, and engaging approach to change management, whatever their needs are. They need to either reinforce change efforts already under way, or identify new and effective drivers of organizational change. In both cases, they must focus on simplicity, speed, and complete consistency with the brand promise.

A century ago, brands had the simple and crucial goal of driving profitable sales. Then brand equity became a crucial factor in the overall value of a business, making the brand a driver for strategic decisions. Now, we are entering a new phase in which brands can be used as platforms for internal and external action. Brand eats culture, and it is good news for change.
BEYOND THE NUMBERS

Building brands online is much more than clicks and views

This unprecedented opportunity has led to new media buying models based on performance measured rather than impressions delivered. Today, you can plan your campaign and pay only for the exact number of times your video is viewed or your banner is clicked.

That sounds great! And indeed it is if the goal of your campaign is to trigger a particular behavior at the same time the advertising is displayed – “download the coupon”, “register for a test drive”, “put the item in your basket”, “visit our website”, etc. – yet this is not always the case. Since the early stage of marketing history – and still today – advertising has played a key role in shaping people’s perceptions and opinions about a brand to generate a positive predisposition that will last until the moment of purchase – whenever that happens. That is true across platforms and media, online as well as offline.

In the lives of today’s connected consumer, digital is an integral part of people’s daily routine, with no clear distinction between online and offline. It is not about technology, it is all about engaging with your audience and delivering the intended impressions through the most appropriate channel in the most appropriate way. Advertising is a means of building brand value. And brand-building advertising needs more than clicks and views to prove it is effective at delivering the intended goal.

Clicks and views are not a substitute for brand-building performance. Advertising’s ability to impact on future shopping behavior and brand choice should be measured with different metrics. Technology has changed the way (and speed with which) people interact with brands, yet the motivations behind consumers’ choices have not changed so fast. People still want to buy brands that offer something meaningful and different. Successful campaigns are those that are able to keep the brand salient in consumers’ minds and create associations that predispose people to choose the brand – both now and in the future.

In this context, digital offers new opportunities to connect with consumers. It has multiplied the channels through which we can access our audiences; offering the opportunity to influence consumers in several places and at different moments across their decision-making process. Nonetheless, marketers must be conscious of the negative impact that bad practices in digital advertising can have on their target audience. Intrusive advertising and extremely high frequency of exposure driven by a poorly managed retargeting program can lead to the feeling of being stalked. That leads to people installing ad-blocking software and apps.

Today, consumers want to be in control of their digital experience and be respected by marketers. People are more likely to engage with formats that offer something in return – like access to premium content or extra “life” in a mobile game. Give consumers the opportunity to choose whether they watch or skip, or turn the interruption into something delightful and relevant to them.

In a context where marketing is highly fragmented and – especially in Italy – TV still plays a key role in reaching large audiences, digital must earn its place in the media mix of brand-building campaigns. It must gain consumers’ attention and initiate conversations on themes that matter to them.

Marketers have the opportunity to take advantage of the digital and social ecosystem, and use their brands’ properties – such as their Facebook page or Twitter account – to start a conversation or launch an event around a relevant topic designed to inspire their audience and initiate a debate people will join and share with others.

Traditional media and paid advertising activities are then used both to increase coverage and ensure conversations are leading in the intended directions.

This could be a powerful approach as long as the values portrayed in the campaign are effectively and concretely shared by the brand. Mellin’s campaign on “Family and adoption” and Indesit’s “#DoItTogether” campaigns fostering gender equality are just a couple of recent examples.

Even for this kind of campaign, shares, likes, clicks, or other behavioral metrics are available to tell part of the success of the story, yet the real and most relevant measure of campaign success in building brand value and equity has to be found in how it made people perceive the brand as meaningfully different and actively salient in consumers’ minds. Which is somewhere beyond clicks and views, hidden in their feelings and emotions.
ITALIANS ARE SWITCHING TO ONLINE SOURCES OF NEWS...

...YET NEWSPAPERS REMAIN RELEVANT AND ATTRACT 7.2% OF ADSPEND.
How design can fuel human-centric brand strategy

Today we live in the “Age of the Customer”. For centuries, both production and product information were under the control of manufacturers. Informal brand conversations are often seen as more credible than targeted advertising campaigns, and social circles have become a greater influence on consumer choice. This new era creates a crucial shift in the balance between a company and its customers’ power – and it is all in the customer’s favor.

Today, companies create their customers through product design and social media, customers create brands through purchase and advocacy, and brands support the company by fostering customer loyalty. We have shifted from a top-down dynamic to a horizontal approach.

In the Age of the Customer, companies and users co-create complex and meaningful experiences through a constant dialogue.

So, what does it mean to design brands in the Age of the Customer?

With the emergence of the disruptive power of mobile and connectivity, however, product and service information control is no longer the exclusive domain of companies.

Brand is shaping a strong identity: uncovering opportunities to define the purpose

Today, we are immersed in an unprecedented flow of information, and this inevitably creates a deafening noise. In a world where rational choice has become almost impossible, brands represent clarity, reassurance, consistency, status and membership. Successful brands have a strong and engaging identity that enables human beings to help define themselves in a changing environment.

Branding is building an engaging relationship: mapping out the strategy to shape the process

Technology is redefining the boundaries of all industries, enabling the emergence of new business models. These market movements contribute to great shifts in consumer expectations. We have become more aware and more demanding. The brands that win in this arena are those that can take into account our expectations as consumers, and build an engaging and horizontal relationship with us. Successful brands know how to talk and listen to us, and react promptly to our conversations.

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Branding is designing coherent interactions: bringing the concept to the market to frame the solution.

There are 7.5 billion mobile phones in the world, and the accessibility of distribution channels has not just multiplied touchpoints but also reduced barriers to entry in many industries. Nowadays, we estimate that about 7 billion brands worldwide can communicate with us through an average of six to eight touchpoints each. Consumers travel between platforms and channels, experiencing brands through different languages and spaces in a complex interactive stream. Successful brands are those that are able to best exploit each contact point, experimenting with the peculiarities of each channel and building a consistent and organic experience through each interaction.

How do brands design a strong identity, relationships and interactions?

We need an approach that helps us to put the consumer at the core of everything, drawing on the power of both strategic analysis and creative thinking to manage complex problems in a changing environment.

Business schools tend to focus on inductive thinking (based on directly observable facts) and deductive thinking (logic and analysis, typically based on previous evidence). These approaches have a limited effect, however, on stimulating creativity and innovation.

Design schools embrace abductive thinking, imagining what could be possible starting from a defined starting point.

Design Thinking as an approach to problem-solving can help us to shape meaningful and effective brand experiences.

How does it work?

Design Thinking, as a human-centered approach, puts unexpressed consumer needs at its core. To discover market opportunities and innovation spaces, we need to match these insights about the desirability of the brand offer with sustainable and scalable solutions for the company, in line with its vision and capabilities. Starting from there, taking an abductive approach, it helps also to make the key stakeholders part of the ideation process, stimulating co-creation thanks to an holistic view of the problems teams are seeking to solve.

Designing brand strategies today means shaping identities that can relate to users’ needs. It means building engaging business relationships and ensuring consistency in consumer–brand interactions across all channels. Design Thinking focuses on the user, and drives us to design innovative experiences by combining strategy and creativity.

It’s not a magic formula for innovation, but a strategic, human-centered approach to branding.
THE ITALIAN TOP 30
# BrandZ™

## Top 30 Most Valuable Italian Brands 2018

<table>
<thead>
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<th>Rank</th>
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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.
Design legend takes fresh approach to fashion

The Gucci brand was formed by Guccio Gucci, who became fascinated by the luxurious luggage used by upmarket travellers in the luxury hotels where he worked in Paris and London. He set about designing premium-quality luggage, other leather goods, fashion and accessories, and created what is now a truly global brand representing not just quality craftsmanship but also elegance, romance and eclectic influences. Gucci has around 300 directly operated stores around the world, and an increasing focus on online sales, which have become a growing part of the business. In 2015, a new creative director, Alessandro Michele, was appointed, with a new vision focused on innovation, digital communication and sales, and catering to millennial consumers. The brand has a rich heritage but also what it describes as a “wholly modern approach to fashion.” Under Michele, Gucci’s flagship store on Milan’s Via Montenapoleone has been completely refitted, and the brand has used Gucci.com and innovative partnerships on social media to make the brand relevant to new generations of consumers. Advertising focuses heavily on online, along with television, print and outdoor. Ads tend to have a dreamlike quality to them and close with a hashtag related to the product or season advertised rather than a brand tagline. The video ad for the 2017 launch of the Bloom fragrance, for instance, follows three young women as they drink tea in a room seemingly full of growing flowers, then swim fully clothed in a flower-filled lake in the rain. Since 1999, Gucci has been owned by the French luxury goods group Kering, which is listed on the Euronext Paris exchange.

COMPANY: Kering
BRAND VALUE: US$16.273 million
HEADQUARTER CITY: Scandicci, Florence
CATEGORY: Luxury
YEAR FORMED: 1921

Stars promote better connections, everywhere

TIM was founded as the mobile division of Telecom Italia, formerly the state-owned provider of telecommunications services. Telecom Italia Mobile became shortened to TIM, and now offers mobile and landline services, internet connections and television content under a single brand. It now has 30 percent of the mobile market, with 29.4 million active SIMs, and 11.2 million landline customers. TIM has always been known for providing specialist services aimed at the youth market, and for innovation. It was the first brand in the world to provide a “lost call alert” service, in 2002, showing users who they had missed calls from while offline. TIM rebranded in 2016, uniting Telecom Italia and TIM services under the TIM name with the promise: “Connessi alla vita. Sempre. Ovunque. Meglio.” (Connected to life. Always. Everywhere. Better.) The rebrand was supported by a huge campaign featuring Tim Berners-Lee, the inventor of the World Wide Web, and several Italian celebrities, who positioned TIM as a communications technology pioneer. In 2017, TIM relaunched its TV service TIMvision, and announced partnerships with Netflix and 20th Century Fox. In a recent TV and online campaign, TIM featured the YouTube dancer Sven Otten dancing with Spiderman to highlight the availability of services everywhere. TIM sponsors the Italian national soccer team, the Serie A soccer league and the Sanremo Music Festival. Telecom Italia is listed on the Borsa Italiana and the New York Stock Exchange.

COMPANY: Telecom Italia Spa
BRAND VALUE: US$9.259 million
HEADQUARTER CITY: Rome
CATEGORY: Telecom Providers
YEAR FORMED: 1995
Energy brand focuses on e-mobility

Enel is an Italian multinational producer and distributor of electricity and gas, operating in more than 30 countries and serving 64 million customers. Enel’s initials stand for Ente Nazionale per l’Energia Elettrica, or the National Electricity Board, which was a publicly owned body until privatization in 1999. Enel now operates in a highly competitive energy market, and differentiates itself by focusing on innovation and improving the lives of individuals and communities. Enel was an Official Global Partner of the Expo 2015 event Milan, investing €29 million to build a “smart city” over the entire Expo area, simulating a city of 100,000 inhabitants with a total energy consumption of 1,000,000 kWh per day. Electric-powered mobility is a key area of focus for Enel; the brand supports and sponsors the Formula E motor-racing championship, and has made significant investments in projects to encourage the use of electric cars, such as its e-Mobility and e-SmartLife programs. A new Enel logo was launched in 2016 featuring a cursor, which represents “open power”, followed by a colorful trail of energy. Advertising tends to be funny, and a recent campaign starred X Factor Italy host Alessandro Cattelan. In 2004, Enel was included in the Dow Jones Sustainability Index, a stock market index that evaluates the financial performance of companies based on economic, environmental and social performance. Enel has been listed on the Milan stock market since 1999 and the Italian government owns around 25 percent of shares. The company is a component of the Euro Stoxx 50 stock market index.

Chocolate gives kids little surprises

The Kinder brand covers a range of chocolate products aimed at children and their health-conscious parents; the original Kinder bar was developed to provide a sweet snack with high milk content in a small portion suitable for little hands. It was developed by entrepreneur Michele Ferrero in Alba, in the Piedmont region of northwest Italy. The brand has become most strongly associated with the Kinder Surprise, a chocolate egg with a surprise plastic toy inside. The distinctive orange and white packaging sets Kinder apart on the shelves, along with its small individually wrapped portions. The brand is well known across Europe and is expanding rapidly around the world, known for being a quality product with a wide range of variants, including cake-based chocolate snacks. Kinder and parent company Ferrero have been part of the debate in the food industry about the use of palm oil. Ferrero has committed to using only palm oil from sustainable sources, and has joined a movement to end deforestation and restore forest areas damaged by cocoa production. Kinder advertising has a playful theme and focuses on the happiness of children and their families. The brand has a strong connection with sport, and frequently feature athletes in its advertising. “Kinder+Sport” is an international program of social responsibility developed to promote active lifestyles among younger generations. Kinder parent company Ferrero is privately owned and is now based in Luxembourg.
Ferrari is a sports car manufacturer that has become a global brand synonymous with Italian styling, motor racing, speed, luxury and the color red. The brand was founded by Enzo Ferrari, whose first launch with a Ferrari badge was the 125 S sports-racing car. Throughout its history, the company has been noted for its involvement in motor racing, especially in Formula 1, its the most successful racing team in the event, winning the highest number of constructors’ championships (16) and having produced the highest number of winning drivers. In 1962, the Ferrari 250 GTO became the most expensive car in history, selling in a private transaction for US$38.1 million to American communications magnate Craig McCaw. Recent launches include the LaFerrari, the Portofino and the Superfast, all reflecting classic Ferrari styling with the latest technology under the hood. In 2017, Ferrari celebrated its 70-year anniversary. The famous symbol of Ferrari is the Cavallino Rampante (prancing horse). Cars are badged with a black stallion on a yellow shield, usually with the letters SF (for Scuderia Ferrari, or Ferrari stable), with the green, white and red of the Italian flag above it. Ferrari began as part of Alfa Romeo’s race division, and was acquired by Fiat SpA in 1969. Since 2014, Fiat Chrysler Automobiles has been restructuring to re-establish Ferrari as a separate entity, a process that was completed in early 2016. Ferrari is listed on the Milan and New York stock exchanges.

Prada was founded by brothers Mario and Martino Prada as a store selling high-end luggage, accessories, and other luxury goods from Milan’s prestigious Galleria Vittorio Emanuele II. Its goods became popular among the Italian aristocracy and European elite, and in 1919 Prada was made “Official Supplier of the Italian Royal Household”. Mario’s daughter Luisa ran the business for almost 20 years after the founders stepped aside, and Luisa’s daughter Miuccia took over in 1978. Prada is now a truly global brand, specializing in leather handbags, travel accessories, shoes, ready-to-wear fashion, perfumes, and other fashion accessories. Handbags and shoes are Prada’s mainstays, with the brand recognized for using fine materials and for its quality craftsmanship. In the late 2000s, Prada began producing mobile phones in collaboration with LG Electronics. The brand sees itself as an ambassador of culture, and the Prada Foundation was founded in 1993 to promote “the most radical of intellectual challenges in art and contemporary culture.” It organizes exhibitions and events that have received international acclaim and in 2015 opened Fondazione Prada, a large arts space in Milan. Prada’s 2017 holiday season advertising campaign delivered a series of short online films directed by acclaimed American filmmaker Autumn de Wilde, starring the iconic Prada Galleria bag and featuring the accessories collection. “The Postman’s Gifts”, running as online advertising and on the Prada website, was the second collaboration between Prada and de Wilde, the first being in 2015. The brand also uses TV, magazines, and outdoor advertising sites. Prada is listed on the Hong Kong Stock Exchange.
Fuel brand supports growth, innovation

Eni is involved in the exploration, processing and supply of oil, gas and electricity. It was established in Italy in 1953 as part of an existing company, Agip, which for decades had been involved in the exploration and commercialization of oil fields. Agip fuel stations in Italy are gradually being rebranded as Eni stations. Eni has had the same logo since it launched – a six-legged dog, symbolizing the sum of a car’s four wheels and the two legs of its driver. Advertising for the brand tends to have an institutional feel to it, reminding consumers of Eni’s role in supporting Italy’s progress and innovation over many years. Eni is an innovator itself, running a car-sharing service called Enjoy, allowing consumers in Milan, Turin, Rome, Florence and Catania to use a smartphone app to rent from a fleet of more than 1,500 Fiat 500s. Eni operates in 73 countries around the globe, employing around 33,000 people. It has been listed on the Milan and New York stock exchanges since 1995; the Italian government retains a 30 percent share in the company, which is a constituent stock of the Euro Stoxx 50 index.

Breakfast treat spreads the love

Nutella started as a clever solution to a shortage of cocoa and has come to represent an entire food category on its own. The premium hazelnut and chocolate spread has its origins in a sweet paste made by patissier Pietro Ferrero in 1946. He mixed hazelnuts, sugar and just a little cocoa, which was difficult to obtain after World War Two. The paste could be sliced to be served on bread; a softer, spreadable version was launched in 1954 as SuperCrema. The Nutella name and the distinctive wide Nutella jar were born in the mid-1960s. Nutella is now sold in supermarkets all over the world, and Ferrero says that you could circle the world 1.8 times with the jars of Nutella sold in one year. In May 2017, the world’s first Nutella Café opened in Chicago, serving a range of Nutella-based dishes, and since 2007, February 5 has been celebrated by Nutella lovers around the globe as World Nutella Day. The event was started by an Italian-American blogger and took off. The brand made it into the Guinness Book of Records in 2017 when 27,854 people gathered in the German city of Gelserkirchen for the largest ever continental breakfast with Nutella. Nutella advertising, primarily via television and online, focuses on the emotional connections people have with the product. In recent years, the packaging itself has become a brand-building tool, with consumers able to personalize the labels on their own jars of Nutella via an online customization platform. Nutella remains under Ferrero family ownership.
Insurer combines simplicity and invention

Generali has almost 200 years of history and in that time has grown to become the largest insurer in Italy and the third largest in the world. It is present in more than 60 countries, primarily in Europe, the Middle East and East Asia, and employs nearly 74,000 people. It focuses on life, property and business cover, often under specialized sub-brands. Generali positions itself as a global player at the cutting edge of innovation. It describes its mission as protecting and enhancing people’s lives, driven by a desire to simplify insurance using smart digital technology. This innovation includes having provided the first cyber insurance and malware policy, and cover for the first Italian astronaut to go into space. Generali communications tend to focus on sponsorship of initiatives and major cultural, social and sporting events in the communities where they operate. Since the launch of its Responsible Sports Charter in 2010, it has focused on promoting sport. It sponsors the historic Trieste Barcolana, the most crowded sailing regatta in the world, as well as France’s national volleyball team, the football federation in Croatia, the Austrian national soccer team and the Munich Marathon. The winged lion is Generali’s iconic logo, and links the brand with its origins in Venice. Assicurazioni Generali SpA is listed on the Milan Stock Exchange.

Fashion label expands into new categories

Armani is a fashion house founded by designer Giorgio Armani, famous for the design, manufacture, distribution and retailing of haute couture, ready-to-wear, leather goods, shoes, watches, jewelry, accessories, cosmetics and home interiors. The brand made its name globally in the 1970s as a highly influential luxury label, and in the 1980s began extending into new categories beyond fashion, including perfumes and eyewear. There is a range of sub-brands under the Armani banner, which enable the Armani name to extend to a highly diverse range of styles, price ranges and target audiences, without diluting the value of the Armani name. These include the top-end Giorgio Armani range, Emporio Armani for trendy modern ready-to-wear lines, Armani Junior, which offers designer clothes for children, and Armani Jeans, a more casual collection for adults. There are now more than 2,000 Armani stores around the world. In the late 1990s, Armani further extended the brand, moving into hotels, restaurants and resorts. The Armani Hotel Dubai has 160 rooms and suites in the iconic Burj Khalifa, and the Armani Hotel Milano, in the commercial capital’s couture district, has 95. In 2016, Armani announced it would stop using animal fur in all of its collections. Celebrities tend to feature in Armani advertising, the recent campaign for the fragrance Sì stars actor Cate Blanchett, directed by Matthew Frost. Armani is a privately owned company.
NATIONAL TV STILL HAS HUGE REACH AND INFLUENCE...

...THE TOP-RATING SHOW OF 2017 WAS SEEN BY 13.5 MILLION PEOPLE.
Digital disruption requires media agencies to take on a new role – as data managers and technology enablers – to allow their clients to truly and deeply know and relate to their consumers. New technologies and megatrends in consumer behavior are turning marketing communication into an ever-more-powerful strategic lever for brands. In this new scenario, access to a vast amount of data, and mastery of new technologies, is crucial to understanding and building stronger relationships with consumers.

Agencies need to combine hundreds of different sources of data, both online and offline, to be able to trace and reach the right target, at the right moment, across all media. They must provide a source of knowledge that, combined with machine learning, makes marketing both addressable and accountable.

GroupM’s recent launch of [m]PLATFORM is a powerful and effective way brands can access such a combination of data, technology, and expertise, enabling them to achieve global audience addressability and accountability across all media.

Data holds the key to understanding and connecting with consumers, but requires technology and expertise to be fully exploited.

Making data count

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Two is more than one – a call for synergy

It is easy to understand why brands might split their media budget across a multitude of channels with limited overlap and duplication, to maximize coverage and improve media effectiveness.

Yet efficiency is not the only reason to pursue a multimedia strategy. It has been clearly shown that repeated exposure to advertising on different channels can have a positive effect on overall campaign impact and advertising memorability. We call it synergy. But where does it come from?

Well, previous exposure to a campaign on one medium encourages people to notice differences and similarities when they see the same brand on a different medium. This results in a deeper engagement with the brand, and creates richer memories. Also, being exposed to the same campaign on different channels can make people think a brand is more popular and well known. This process is not fully automatic, though. For this to happen, a campaign must be built around a unique creative idea that is consistent across all channels, yet tailored to the strengths of each medium and the specific role each is expected to play in the overall plan.

It sounds easy, but the reality is that for a range of reasons – from lack of time to insufficient production budgets that over-emphasize a single medium – this is not always the case.
Chocolate signals good-taste celebrations

The Ferrero business that gave sweet lovers around the world Nutella hazelnut spread and Kinder milk and chocolate products created the individually wrapped Ferrero Rocher premium chocolate in 1982. The product was immediately distinctive, with a spherical shape, layered construction and instantly recognizable gold packaging that added to the premium feel of the brand. Its popularity quickly gained momentum across Europe, in part due to a highly successful series of print and television campaigns that positioned Ferrero Rocher as the chocolate to share at high-end dinner parties, where the idea of sharing, with the tagline “Sharing ideas”, its online advertising tends to be more light-hearted than the more traditional TV work. The brand sponsors the X-Factor talent program, and was a major sponsor of the Expo 2015 event. Banca Intesa has experienced growth in the international market, focused on Central and Eastern Europe, the Middle East and North Africa. The company is listed on the Milan Stock Exchange and is a component stock of the FTSE MIB and EuroStoxx 50 indices.

Models add elegance to fashion icon

Bottega Veneta was founded in the northeastern Italian city of Vicenza, and has become known worldwide for its high-quality leather goods. The brand was a favorite of global fashion icons in the 1970s and 80s, among them Jacqueline Kennedy Onassis, in 1989, Andy Warhol produced a short film dedicated to Bottega Veneta. The attention to detail that goes into Bottega Veneta goods has become the brand’s signature, along with its distinctive “intrecciato” leather weave, which is instantly recognizable as Bottega Veneta. The brand operates more than 250 boutiques worldwide, it recently opened its second Maison in Beverly Hills, and expanded its store in Shanghai’s Plaza 66. It enjoys success across Europe, Asia, Australia, South America, and North America. Products are available online through the brand’s own e-store, and through third-party premium online retailers such as YOOX.com. Bottega Veneta presented its first women's ready-to-wear runway show in February 2005 and a year later moved into menswear, then jewelry, interiors and furniture design. Advertising focuses on print, billboards, in-store imagery and the brand’s own catalogue. It features very simple imagery of products, often with well-known models, with an emphasis on simplicity and elegance. Eva Herzigova and Lauren Hutton have fronted recent campaigns. Since 2010, the brand has been owned by French luxury group Kering, which is listed on the Euronext Paris Exchange.

Cruise line promises happy holidays

Costa Crociere was founded as a cargo line taking olive oil and textiles between Sardinia and Liguria. A passenger service was introduced in 1947, and Costa now operates 15 cruise ships, which all sail under the Italian flag and provide cruise holidays in the Mediterranean, Northern Europe, the Caribbean, the Indian Ocean, the Middle East, South East Asia and South America. Costa Crociere is the only international cruise line operating under an Italian flag, and as one of the oldest cruise brands in the market, it is well known at home and abroad. An accident in 2012, in which its ship the Costa Concordia ran aground and capsized off the coast of Italy, resulted in 32 deaths. The tragedy and the subsequent trial of the ship’s captain meant Costa Crociere was in the news for months. In its brand communications, Costa makes extensive use of TV, print, direct email, online and social, with social media used more heavily after the Costa Concordia disaster. The tone of communications is quite traditional, focusing on the features of the ships and the on-ship experience, but also light-hearted. Chef Barbieri, from the TV program Masterchef, promotes on-board dining options, and there are references to popular Italian TV programs to promote the entertainment. Pop singer Shakira features in the current campaign, launched in 2016, under the banner “Benvenuto alla Felicita” or “Welcome to happiness, squared”. Footballer Gerard Piqué has also appeared in Costa ads. Costa Cruises, which owns the German travel brand AIDA Kreuzfahrten, was acquired by Carnival Corporation in 2000. Carnival Corporation & Plc is listed on the New York and London Stock Exchange with capital.
UniCredit is an Italian-founded global banking and financial services brand. It is one of the largest banks in Italy, formed by the merger of several other banks, including Unicredito and Credito Italiano, in 1998. There are more than 4,000 UniCredit branches in Italy, and the bank operates in 22 countries, serving 40 million clients worldwide. UniCredit is a significant investor in advertising, which tends to position the brand as an innovator in the sector. The focus of their communications is primarily on the emotional benefits of being a UniCredit customer, with the tagline “Benvenuto in UniCredit”, which means “Welcome to UniCredit”. Since 2012, the brand’s headquarters has been the UniCredit Tower in Milan, which at 231 meters high is the tallest building in Italy. It has redefined the skyline at Milan and is now an icon of the city. Lights on the spire are lit up at night, often with colors to reflect the seasons or events in the news. The colors of the Italian flag feature frequently, though were replaced with the colors of the French flag after terrorist attacks in Paris, and with rainbow colors after a nightclub shooting in Orlando. UniCredit is the largest Italian-founded global banking and financial services brand.

Salvatore Ferragamo has established a reputation as a maker of high-end shoes that makes creative use of design and materials. The founder and namesake of the brand emigrated from southern Italy to Boston and then moved to California in 1914. He opened the Hollywood Boot Shop in 1923, and made shoes for movie stars including Joan Crawford and Gloria Swanson, as well as for films such as Cecil B. DeMille’s The Ten Commandments. He returned to Italy and set up a shoe shop in 1927 in Florence, where the business is still based. The business regards its launch date as 1928, so the brand will officially turn 90 this year. After Salvatore’s death in 1960, his widow, Wanda, took over the running of the business and expanded its operations to include eyewear, perfume, belts, scarves, bags, watches, and a ready-to-wear clothing line. The brand is now present in over 90 countries via a network of over 680 single-brand stores managed directly; goods are also available through third-party stores, with wholesale sales accounting for just over one-third of revenue. The brand is strongly associated with the color red, and with its iconic “Gancino” clasp, which is used on clothing, accessories and jewelry. It is also known for its 1950s “Rainbow” shoe, combining cork, colored suede and gold leather, an early example of Ferragamo’s combination of architectural shapes, strong colors and craftsmanship. The recent “Ferragamo and I” campaign highlights creativity and elegance, and consumers’ emotional connections with Ferragamo products. The company has been listed on the Milan Stock Exchange since 2011, and the family owns just over half of Ferragamo shares.

RAI is the Italian national state-owned public broadcaster and is the largest TV and radio broadcaster in the country in terms of the number of services offered and audience shares. Its first TV channel launched in 1954, and now spans 15 TV and seven radio networks nationwide. RAI was established to provide a public service to the Italian people, featuring news and cultural programming. The organization is half-funded by licence fees paid by the Italian public, and the rest of RAI’s funds is generated by advertising. The first advertising on RAI was aired in 1957 during a highly popular comedy show “Carosello”. RAI channels now average more than 35 percent audience share on TV, with “Festival della Canzone Italiana di Sanremo”, or “Italian song festival of Sanremo”, its most popular show. The show’s final reached more than 12 million people. RAI broadcasts are received in neighboring countries, including Albania, Bosnia and Herzegovina, Croatia, Malta, Monaco, Montenegro, San Marino, Slovenia, Vatican City, Switzerland, and Tunisia, and in other markets on cable and satellite services. In 2016, RAI launched “RaPlay”, a free on-demand service accessible via mobile and PC. The organization remains state owned.

MSC Cruises is a global cruise line that was founded in Naples as Lauro Lines, but has been known as MSC since a rebrand in 1999. It has 15 ships, and seven more are due to launch by 2020, sailing the Mediterranean, Caribbean, Asia, Africa and South America. The brand stands for Italian styling and a premium experience; it advertises with the promise “Not an ordinary cruise” to underline its premium offering, which includes partnerships with other high-end brands on board. These include having Technogym equipment in the fitness centers, and names such as Cirque du Soleil as part of the on-board entertainment line-up. The on-board experience is usually at the heart of communications, along with their range of exotic destinations and high-quality service. Celebrity chef Carlo Cracco appears in ads to promote the quality of cuisine available to passengers, and price promotions also feature in MSC advertising. In 2014-2015 the company completely renewed the four ships in its Liner line under its “Renaisance project”, which extended the ships’ length by 24 meters. MSC Cruises is the world’s largest privately owned cruise company, employing around 15,500 people worldwide with offices in 45 countries. It is Swiss-owned but remains under Italian management.
Luxury legend pushes category norms

Fendi is a luxury fashion house whose specialties include fur, ready-to-wear clothing, leather bags and accessories, shoes, fragrances, eyewear and timepieces. It is best known for its use of fur and for its iconic Baguette and Peekaboo handbags. Since 1997, 1,000 versions of the Baguette have been produced. Fendi was founded by Adele and Edoardo Fendi in 1925 in Rome. In the 1940s, their five daughters became involved, bringing new creativity to the business, and a granddaughter of the founders, Silvio Venturini Fendi, is now creative director for accessories and menswear. Designer Karl Lagerfeld joined Fendi in 1965 and was creative director for fur and later ready-to-wear fashion. Fendi now sells through more than 240 stores around the world, and its double-F logo, developed in the 1960s, is widely recognized. Fendi is famous for outstanding fashion events; in 1987 by former Italian prime minister Silvio Berlusconi. Now the largest commercial broadcaster in the country, it is still controlled by Berlusconi’s family holding company Fininvest. The group competes primarily against the public broadcaster RAI, the privately owned La7 and Sky Pic’s Sky Italia. There are 11 French terrestrial TV channels, including the general entertainment channel Canal+ 5, the youth-oriented Italia 1, and Retelit, which targets a more mature viewer. In 2005, the group launched Mediaset Premium, a pay digital terrestrial television service offering live Serie A football, with a pre-paid card and without a subscription. Mediaset Premium also has a pay-per-view offer including films, theater and live events. In 2008, Mediaset launched Europe’s first digital terrestrial mobile TV network using DVB-H (Digital Video Broadcast Handheld) technology. One-third of Mediaset programming is internally produced, and Mediaset channels on average generate 30 to 35 percent of daily TV viewing. Mediaset advertising promotes new content and its pay TV offer. French media group Vivendi has been buying Mediaset shares in the past year and there has been talk of a hostile takeover. Shares are listed on the Milan Stock Exchange, and are a component stock of the FTSE MIB index.

Focus on exclusive content for TV provider

Mediaset is a television-broadcasting brand founded in 1987 by former Italian prime minister Silvio Berlusconi. Now the largest commercial broadcaster in the country, it is still controlled by Berlusconi’s family holding company Fininvest. The group competes primarily against the public broadcaster RAI, the privately owned La7 and Sky Pic’s Sky Italia. There are 11 French terrestrial TV channels, including the general entertainment channel Canal+ 5, the youth-oriented Italia 1, and Retelit, which targets a more mature viewer. In 2005, the group launched Mediaset Premium, a pay digital terrestrial television service offering live Serie A football, with a pre-paid card and without a subscription. Mediaset Premium also has a pay-per-view offer including films, theater and live events. In 2008, Mediaset launched Europe’s first digital terrestrial mobile TV network using DVB-H (Digital Video Broadcast Handheld) technology. One-third of Mediaset programming is internally produced, and Mediaset channels on average generate 30 to 35 percent of daily TV viewing. Mediaset advertising promotes new content and its pay TV offer. French media group Vivendi has been buying Mediaset shares in the past year and there has been talk of a hostile takeover. Shares are listed on the Milan Stock Exchange, and are a component stock of the FTSE MIB index.

Fresh look at classic models fuels car icon

Fiat was the first Italian car manufacturer to launch, and quickly became part of the history of Italian mobility and the national economy. It is widely recognized at home and abroad as the car of Italian people, offering a wide range of vehicles but with a specialist focus on the compact category. The first model produced was the 3½ HP, produced in 1899 by 150 people working at Fiat’s Turin factory. Just 24 were made. Fiat played a significant role in Italy’s economic recovery following World War Two, employing more than 85,000 people. The company remains one of the country’s biggest employers. Since the year 2000, under the guidance of CEO Sergio Marchionne, the Fiat brand has undergone a revival following a period of stagnation. The focus is on leveraging the history of the brand and the affection people have for its classic models, but reinventing it in a modern way. In 2007, a fresh version of the iconic Fiat 500, which first appeared in 1957, marked a turning point for Fiat. Since then there have been relaunches of other classic models, including the Abarth 500, the 500L, the 500X and most recently the Fiat 124 Spider, which first launched in 1966. Advertising focuses on the latest-release models, highlighting style and sporty features, in a light-hearted way. The Fiat 500X commercial aired during the Super Bowl 2015, for instance, and introduced the all-new crossover as a version of the successful 500 powered up by a “blue pill” accidently dropped into the open gas tank. Parent company Fiat Chrysler Automobiles is listed on the New York Stock Exchange and the Borsa Italiana in Milan.
Newspapers are not just a sheet of paper or a relic of the past. GroupM Italy research into the role of newspapers in the digital era shows that a newspaper is seen by consumers as much more than simply the printed product. Although printed newspapers are under pressure in terms of circulation and advertising revenues, their digital offerings are reaching more people than ever before. It is time to update our view of newspapers and think of them as “NewsBrands” rather than newspapers. They are multi-platform brands that combine both digital and print. They are a safe environment in which brands can have a presence, they can deliver large, attractive audiences, they can build strong relationships with their users, and they can offer innovative solutions for brands.

Defending brands against fake news

From the agora of Ancient Greece, where public information was shared in the course of human interaction, we have moved to a world in which the agora is represented by the online world, in particular by social media. In this context, people and brands are less protected from a wider phenomenon: fake news. Everyone can write or share an article or comment, true or false, regarding a product or a brand. This can spread quickly both online and offline, without regard for whether or not it’s true.

Creating emotional connections and brand trust is therefore vital in order to protect brands from fake news that might undermine brand reputation and, ultimately, people’s buying habits. Driving affinity towards a brand is one of the key elements of building brand trust. To do so, a brand has to build a 360-degree brand experience, delivering not only functional or sensorial satisfaction, but also a strong brand image around values and associations that are close to consumers. Building a meaningfully different brand using the leverage of affinity is a great defence against fake news.

Expert Insights

Does advertising work?

A sizeable fraction in the marketing community thinks that advertising is no longer as effective as it used to be. I am sure you have heard this many times, and we tend to respect this view as being based on long-term market observation. It is true that price and promo are eroding baseline sales in many categories, but at the same time, advertising remains the strongest weapon brands have to announce, involve, differentiate, and create strong brand equity.

At the end of the day, measurement is the ultimate answer to the question of advertising effectiveness, and our measuring experience gives us the permission to consider that the notion of declining effectiveness is wrong. Measurement in FMCG shows what’s possible, the availability of sales data and weekly detailed marketing mix variables allow us to build up very accurate and insightful econometric models. In the last two years, we have measured more than 1,36 different products in more than 30 different categories. The results are robust and clear: in those two years, the average media return on investment for FMCG brands rose 6.3 percent for TV and 8.5 percent for online video. The effectiveness of TV is still superior to online due to the age of the Italian population and the fact that web penetration is yet to reach its full potential. That being said, web ROI is growing faster, and the gap between TV and online is virtually nil when we eliminate campaigns in which the creative was not aligned to short-term sales. In 2017, it is possible to use quantitative and observational research to identify and suggest creative triggers that maximize viewability and sales. This can multiply the impact of advertising by a factor of seven, we have found. Put simply: great advertising does work.
Let’s make a deal

There was a time when brands were fully focused on grabbing everything they could from consumers: their attention, money, consideration, preference, time, and data. Those days are gone, as the contemporary consumer, empowered by the digital world – so more aware, more conscious, and more selective – is no longer willing to give without receiving. Value has become the “new black” for those who lived through the economic downturn; many Italian consumers are still living through tough and uncertain times.

Today, it is imperative for brands to offer a crystal-clear “give and take” pact when they seek to relate to consumers – so that the terms of exchange are transparent. They must also ask themselves the question: why should consumers care about the brand? Brands must apply these two golden rules if they are to truly connect with people today.

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The era of speed: opportunities and dangers

Our species has never lived through so many changes, and such a pace of change, as we are right now. Speed could be considered the most characteristic element of the current historical period. In the marketing world, this can be the cause of extreme danger and at the same time, it can provide fresh opportunities that are ripe to be seized.

One of these opportunities lies in our shifting nutritional habits and trends. Short-term diets for drastic weight loss (a cyclical phenomenon that is managed by the slimming sector) leave space for the development of an alternative – a lifestyle oriented towards wellbeing and health-maintenance. This trend is spreading through all Western countries with the speed and power of a real tsunami, with devastating consequences for many sectors, such as dairy and meat.

Two Italian brands owned by Colussi Group have used this shift in habits to boost their position in the market. The Colussi cookies line and Misura breakfast range have had new packaging and new communication strategies that link to the benefits of nutritional change. The results don’t need explanation: a 40 percent increase in sales volume for Misura and 300 percent growth in market share for Colussi, in just six months.
Energy brand has eye on the future

A2A is the largest multi-service energy company in Italy, serving consumers with electricity, gas, heating services and environmental services. The brand was formed by the merger of two independent energy companies in 2007: AEM (Azienda Energetica Municipale) of Milan and ASM Brescia (Azienda dei Servizi Municipalizzati) from the northern city of Brescia. The brand’s tagline in communications is “A2A – Present in the Future”, and advertising has a serious yet warm style. The brand is not a prominent advertiser, however, and focuses instead on below-the-line communications. A2A is seen as an innovator in the use of biomass to provide heat energy or “termoriscaldamento urbano”; since 1998, it has used biomass and solid waste to fuel the city of Brescia. The A2A “cogeneration” plant meets 40 percent of the entire city’s demands for heating, and reaches 70 percent of homes in the city via a 650km distribution network. A2A SpA is listed on the Milan Stock Exchange and is a constituent stock of the FTSE MIB index. The brand is also present in Spain, France, the UK, Montenegro and Greece.

Founder’s family builds bank ‘around you’

Banca Mediolanum provides consumer banking, insurance and asset-management services to more than 1.2 million customers in Italy. It was founded as Programma Italia SpA in 1982 by Ennio Doris, the current chairman, and became known as Banca Mediolanum in 1997. The brand’s mission is to provide “Freedom in Banking”, and it positions itself as an innovator, providing personalized services adapted to consumers’ needs. Online advice is available, as well as through a network of 4,300 affiliated advisers around Italy known as “family bankers”. The brand is active online and on television, and ads have for many years featured Ennio Doris. In recent time, Ennio has appeared alongside his son, Massimo, who is CEO of Banca Mediolanum, and now Massimo features in advertisements alone. Ads always follow a similar format with a very clear explanation of the services available and end with the message: “Occhiuta Intorno a Te”, which means “Built around You”. The company operates in Monaco as Bankhaus August Lenz & Co. and in Spain as Banca Mèxic. Fininvest owns just over 30 percent of shares; Ennio Doris has a similar stake. Shares are traded on the Milan Stock Exchange and are part of the FTSE MIB index.

Pasta maker urges health for people and planet

Barilla pasta was first sold by Pietro Barilla in 1877 from a bakery in Parma, and has since grown to become the best-known pasta brand in the world, with over 160 shapes and sizes sold in more than 100 countries. Its distinctive blue packaging is instantly recognizable, and the Barilla name has come to be associated with Italian cuisine and know-how, both at home and abroad. The brand’s communications in Italy for many years featured the tagline “Dove c’è Barilla, c’è casa” (“Where there’s Barilla, it’s home”), and internationally Barilla is advertised as the choice of Italians. In France, for instance, it is promoted as “Les pâtes préférées des Italiens”; the pasta preferred by Italians. In 2017, a campaign focused on the quality of ingredients and production was launched with the tagline “Guarda tu stesso” (“Look after yourself”); starring Paralympic champion wheelchair fencer Bebe Vio. Barilla launched a gluten-free range in 2014 to meet consumers’ changing needs; and organic pasta in 2016. In 2017, the brand celebrated 140 years of history, focusing on its passion for pasta – from the wheat field to the table – and a commitment to quality, great dining experiences, and doing good for the environment. Barilla’s “Good for you, good for the planet” mantra underpins its communications, community and environmental projects, and is behind its openness regarding supply chains and production. Barilla is in its fourth generation of Barilla family ownership and is controlled by three brothers, chairman Guido Barilla, and vice-chairmen Luca Barilla and Paolo Barilla.

Colored jewels the mark of luxury

Bulgari (written as Bvlgari) is a luxury name in jewelry, watches, fragrances, accessories and hotels. It was founded by Sotirios Boulgaris, a Greek jeweller who moved to Naples and later Rome, where in 1884 he opened a store in Via Sistina. This was replaced by the current flagship store in Via dei Condotti in 1905 with the help of his two sons. The name has come to be associated with Italian style, quality and authenticity. Bulgari watches have a unique serial number that is registered with the company. The design of Bulgari jewelry is distinctive and often imitated, featuring colored gemstones, especially sapphires. Advertising is print heavy, with artistic images focusing on the jewelry and perfume products in the range, often with celebrity endorsements from stars of cinema and fashion. The brand is now global, distributed through around 350 stores, many of them located in the most exclusive shopping areas in the world. The largest Bulgari store in the world is the 10-story Bulgari Grand Tour in Tokyo, which includes a restaurant and lounge bar. In 2003, Bulgari formed a joint venture with hotel company Luxury Group to launch a new luxury hotel brand Bulgari Hotels & Resorts. The first Bulgari hotel opened in Milan in 2004. Since 2011, Bulgari has been majority-owned by French luxury group LVMH Moët Hennessy Louis Vuitton SA, with remaining shares held by the founder’s family.
Tire pioneer offers power and control

Pirelli has become one of the biggest names in tires in the world, sold in more than 160 countries through a network of around 2,500 distributors and retailers. It is a premium brand known for its long history and reliability, and as the inventor of the wide radial tire back in 1974 when the Lancia rally racing team needed a tire strong enough to withstand the power of the new Lancia Stratos. The brand is also known for its long association with motorsports. Pirelli is the exclusive tire supplier to the Formula 1 championship between 2011 and 2019 and to the FIM World Superbike Championship. Sporting legends tend to feature in Pirelli advertising, and Ronaldo and Carl Lewis both appeared in what became internationally famous ads with the tagline “Power is nothing without control”. The Pirelli Calendar has been published since 1964, and “The Cat” that began as a corporate gift for Pirelli partners quickly evolved into something the brand positions as an artistic cultural statement featuring works by some of the world’s most famous photographers. The 2018 calendar features an all-black cast of models in scenes from Alice in Wonderland. Pirelli sponsors Inter Milan football team, is the title sponsor of the Spanish and Hungarian Grand Prix, and supports sailing, young rally drivers and winter sports. In 2015, Chern China, Camfin and LTI acquired Pirelli for €7.1 billion and its shares were delisted from the Milan Stock Exchange, though a rivaling of 45 percent of the equity in the company is anticipated.

Unique blends promise cup of paradise

Luigi Lavazza founded the Lavazza coffee business from a small grocery store in central Turin in 1895, and the name has grown to be one of the best-known coffee brands in the world. Lavazza sells loose ground coffee and individual portions or pods, both through bars and coffee shops as well as directly to consumers. It has four production sites in Italy and two abroad, and its products are sold in more than 90 countries. Lavazza claims to have invented the art of blending coffees from different growing areas to achieve a superior flavor. It works with universities and research centers on the science of coffee, and in 1979 established the Luigi Lavazza Center, a research center “devoted to the study of espresso”. This has evolved into the Lavazza Training Center, an international network of over 50 coffee schools training 30,000 people in the art of coffee each year. In Italy, Lavazza is considered a mass-market brand but around the world’s more of a premium product, and this difference is reflected in the brand’s advertising. At home, TV ads focus on funny stories featuring famous actors as the protagonists, often focused on the idea of Lavazza delivering paradise in a cup. International advertising focuses more on the Italian heritage of the brand. Since 1991 the now-famous annual Lavazza Calendar has featured fashion imagery from some of the world’s leading photographers, including Annie Leibovitz and Eugenio Recuenco. The Lavazza Foundation, established in 2010, works with the Rainforest Alliance on the Tierra project which researches ways of improving the quality of coffee with a focus on the living conditions of people in coffee-producing countries.

Cocktail favorite powered by red passion

Campari is an alcoholic spirit mainly used as a mixer, and is best known for its dark red colour and its unique bitter taste. It is an essential ingredient in the classic Negroni cocktail, the Garibaldi, the Americans, and the spritz, an extremely popular aperitif in northern Italy. The secret recipe has remained unchanged since its creation in 1860 by Gaspare Campari. Production moved up a gear in 1904 with the opening of a production plant in Sesto San Giovanni, just outside Milan, and the company began to export the brand overseas. This same site remains Campari’s headquarters today, as well as housing exhibition areas for events and parties. The location has also been used in several Campari advertisements. Today the Campari brand is distributed in over 190 countries. Advertising for Campari positions the brand as refined and luxurious, with a dreamlike aesthetic focused on the color red. Campari’s tagline has been many years been “Red Passion”. The 2017 Campari TV campaign was directed by Paolo Sorrentino, whose credits include “La Grande Bellezza” and “Youth”. He previously directed the Campari online short movie campaign “Killer in Red”, featuring actor Clive Owen. Campari produces a well-known photographic calendar each year, which in 2018 includes celebrities such as Clive Owen, Kate Hudson, Eva Green, Uma Thurman and Penelope Cruz. Campari’s parent company is listed on the Milan Stock Exchange.
HEALTHY FOODS ARE INCREASINGLY IN DEMAND...

...SALES OF ORGANIC AND GLUTEN-FREE GOODS ARE ON THE RISE.
From target to audience

Digital culture has upturned the traditional ways in which brands and their agencies reached consumers. There was a time we took consumers in our sights, and fired our messages at them. Now, consumers have their own media spaces, and we need not just to direct them to the point of purchase, but engage them in conversation.

Instead of taking aim at a target, let’s think about involving an audience. This gives the thrust of our efforts a completely different focus. We ask the public for a round of applause, this signifies consensus, and that means we gradually build a brand’s reputation. Reputation then builds trust, which not only drives purchase but makes a brand part of someone’s life. In order to choose a brand, we have to know its story, its values, and the force that motivates it to stay in the market.

Socially respectful and respectfully social

Oh yes, we love to chat, communicate and network. Digital is therefore a sort of promised land for us: we embrace everything digital, to such an extent that in Italy, smartphone penetration is even higher than TV. We read news online more than offline, and social media has become a daily habit for most of us.

At the same time, TV is still an important medium, where Italians expect brands to do their storytelling and are accustomed and open to it. TV still captures the strongest share of communication budgets.

Still, while consumers accept brands on TV to speak to the masses, they have different expectations in terms of both content and form when it comes to digital. It is key for brands to offer relevant and interesting content in a way that hooks consumers from the very beginning, so they do not skip (a common habit for most, and the rule for younger people) or simply look away. How do you do that?

Successful digital campaigns in Italy all have powerful and unique messages that create an impression of the brand in an emotional - and, ideally, fun - way. In any case, consumers need to feel respected by brands, whose messages should be delivered in the most natural way and at the most appropriate time and place: receptivity is key.
BRAND ITALY
It is possible not only to measure the value of Italian brands, but also to assess the strength of Brand Italy 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.
Cultural heritage, fashion and fun at heart of country’s global image

In the 2018 Best Countries ranking, Italy ranks 15th out of 80 major markets around the world across all measures. Italy stands out for being culturally influential, rich in heritage, friendly, and scenic – building perceptions of Italy as the perfect place for an adventure.

Italy has a prominent role on the world stage and a place in the hearts of many consumers. Its reputation has been built on its enduring cultural influence, its rich heritage, and the sense of fun and adventure it projects. Italy also ranks high on being connected to the rest of the world, having an educated population, being safe, and promoting gender equality. These are attributes that contribute to “soft power” – an increasingly important source of international influence. Italy also fares well on more traditional measures of power.

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 to be 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 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, Italy ranks 15th out of 80 major markets around the world across all measures. Italy stands out for being culturally influential, rich in heritage, friendly, and scenic – building perceptions of Italy as the perfect place for an adventure.
The virtuous cycle every brand hopes for

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 Germany and BMW; France and Chanel or Louis Vuitton; Japan and Sony. In each case, the brand and the country are part of a virtuous cycle, a symbiotic relationship. In fact, Italy is great exemplar of the power of brands to influence the brand of a country, and vice versa. Names like Gucci, Prada and Ferrari have all shaped and been shaped by the beauty and prestige that consumers around the world associate with Italy itself.

These associations can evolve over time. Japan in the 1970s, for example, 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.

In Europe, Ireland has rapidly gone from being viewed as a center of agriculture and a huge exporter of its talent, to being seen as a young and vibrant nation with a thriving tech and creative scene that attracts global investment.
How to measure a country

The Best Countries ranking incorporates the views of more than 21,000 individuals surveyed in 36 countries in four regions: the Americas, Asia, Europe, and the Middle East and Africa.

State of a nation – the 8 elements of a country’s brand

- **Adventure**: A country is seen as friendly, fun, has a pleasant climate, and is 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.
- **Heritage**: The country is culturally accessible, has a rich history, great food, and many cultural attractions.
- **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.
- **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’s economically and politically stable, family-friendly, safe, has good income equality, and well-developed public education and health systems.

These people include 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.

Respondents are asked about the 80 countries that feature in the 2018 ranking; between them, these countries account for about 95 percent of global Gross Domestic Product and represent more than 80 percent of the world’s population.

People surveyed for Best Countries are asked how closely they associate 65 attributes with a range of countries. These attributes are then grouped into eight categories that are used to calculate the Best Countries ranking.
The weight of each category in the final index is determined by the strength of its correlation to per capita GDP (at purchasing power parity). As seen in the nearby chart, 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
GREAT VALUE FOR MONEY IS TO BE PRIZED...

...BEING A CANNY SHOPPER ISN'T BEING CHEAP, IT'S BEING SMART.
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. 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 Italy

Italy is consistently a top player in the rankings of the 80 Best Countries, and has continued its rise up the table in the past year, from 16th in 2017 to 15th in 2018. Scores below are out of a possible 10, and rankings show Italy’s place on each attribute out of 80 countries.
# BEST COUNTRIES

Best countries for:

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<th>Cultural Influence</th>
<th>Heritage</th>
<th>Education</th>
<th>Being ‘Open for Business’</th>
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# TOP 30 MOST VALUABLE ITALIAN BRANDS 2018
Keeping up with the neighbors?

Italy’s Best Countries profile is similar to those of its nearest neighbors; its attributes correlate 89 percent with those of Spain, 69 percent with Greece, and 66 percent with France. But while these markets have much in common with one another in the eyes of global consumers, Italy is seen as different in subtle ways. For instance, it is seen as more prestigious, powerful, scenic, and trendy than Spain.

Both Italy and Spain have a strong international range of high-performing fashion brands, but those from Italy tend to be at the luxury end of the market, while Spain’s fashion leaders provide more affordable trends. Italy beats Greece for political influence and international alliances. Compared to France, Italy is seen as a happier, friendlier, and a more fun country, with a greater spirit of adventure. Italy also beats France to top spot in the Best Countries ranking for who has the greatest cuisine. Internationally successful food brands from Italy, such as Ferrero, Barilla and Lavazza, help promote the country’s culinary credentials.
Italy is well placed among large economies both in Europe and farther afield on key attributes. It performs consistently well on factors that are likely to affect the desirability of its brands and products.

Among consumers around the world, Italy is the preferred country of origin of products for 70 percent of people, and a further 22 percent say they would happily buy “Made in Italy” if there was no other option. This is about the same as levels registered for the UK and France; enthusiasm for “Made in Germany” and “Made in the US” was slightly stronger.

Business decision makers are less keen on Italy than consumers, with only 26 percent saying it is their preferred place to do business – well below other major European markets – though a further 39 percent say it’s one of several places they would do business in or with.

Crunching the numbers

Italy has many strengths, but it also has key areas of weakness when it comes to credibility as a business destination, and this is an area ripe with opportunity to improve. It has one of the least-favorable tax regimes in the world, ranking 77 out of 80 countries in the Best Countries ranking. It’s also seen as an expansive manufacturing center, though this plays well with Italy’s reputation for quality craftsmanship, which no one expects to come cheaply. The job market does not compare well to the rest of the world in the eyes of Best Countries respondents; with Italy ranking 34 out of 80. Economic and political stability are also found to be lacking, with Italy ranked 27 and 26 respectively on these measures. And while startups are a growing part of the Italian economy, this message is yet to have a strong impact abroad; Italy ranks only 21 for entrepreneurship, and 45 for being “open for business”.

Brand building on the move

Travel to a country is an important way people become aware of a market and the brands it produces. It is not just that when travellers use services or buy products they remember them. A visitor’s entire experience of a country will be reflected in the brands that country produces, even if the traveller encounters these brands many years later. So, while tourism campaigns might not have an immediate effect on demand for or appreciation of a country’s brands, there is a gradual impact on perceptions over time, and tourism campaigns can often be the starting point of an international consumer’s relationship with a country and its brands.

Italy has for many years been one of the top five countries in the world for the number of tourists it attracts; close to 51 million in 2015, according to the World Tourism Organization. More than 20 million people visited the 2015 Milan Expo, a fair designed to showcase the country’s economic and cultural capital as the gateway to the nation. Yet this is a highly diverse destination, with Milan and its people quite different to those of other cities and regions. Sicily and the far south of the Italian mainland are a long way from Milan, and have a very different vibe.

Messaging and imagery around fashion, culture, family, fun and food all resonate with what people already feel about the country, and what people who have visited Italy will feel rings true.

A word of caution. There are other countries that also have strengths in the areas that Italy is famous for, and Italy needs to nurture its international reputation. France, for instance, has much in common with Italy in the eyes of global consumers, and in the past two years the two have battled for the crown for being the most culturally influential country in the world. Both countries marry culture, history and prestige with international influence.
Challenges for Italian brands

Brands can best leverage their country of origin when they align with the 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 different 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 Italian brands:

- Brand Italy is strongly associated with fashion, modern design and style, and these strengths can be applied to categories beyond apparel and accessories for which looking good is an advantage.
- It's not just looking great that reflects well on Italy and its brands, but also the know-how that goes into style and design. These are strengths that other industries can leverage.
- Italy is seen as a cultural capital of the world, and associations with iconic cultural centers – both historic and modern – reinforce the way global consumers already feel about Italy and its brands.
- Prestige and luxury are powerful drivers of both purchase and premium pricing. Few international consumers would expect Italian brands to be the cheapest option, but they are open to being convinced that they are “worth it”, and link “Made in Italy” with high-quality, long-lasting craftsmanship.
- Italy and its people are strongly associated with adventure and passion – not just romantic passion but also a deep love for the things in life they really care about. This care and focus can reflect well on aspects of craftsmanship that are beneficial to Italian brands.
- Italy stands out in Europe for being perceived as a fun, friendly place that's great for families and wonderful food. While other countries in the region have similar associations with prestige and culture, Italy's culture is seen as more widely accessible. Brands that adopt a warm, fun, and friendly tone will feel authentic to consumers around the world.
IN CITIES, FEWER PEOPLE ARE DRIVING CARS...

...ENVIRONMENTAL CONCERNS AND NEW SHARING SERVICES ARE CHANGING BEHAVIOR.
Attributes reflect strengths of modern Italy

BAV Group Consulting has created a research tool—Cultural Rankings—to capture a snapshot of the mindset of consumers regarding markets across categories. The Cultural Rankings measure brands on key dimensions that matter, from trust to innovation to social responsibility. The importance of the attributes varies in relevance 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 Italy indicates that the country’s greatest strengths are its beauty and cultural heritage, so it’s no surprise that some of the most iconic Italian brands have a distinct charm.

In BAV, the attribute “charming” drives perceptions of authenticity and originality in Italy, which earns brands higher consumer preference than their peers.

But charm alone is not enough—brands also need to have additional energy that helps them stay up to date and relevant in an ever-changing market. In Italy, brands that are seen as dynamic tend to get credit for being visionary and trendy, which are gauges of future momentum in BAV.

Brands that score in the top quarter of all brands on charm and dynamism tend to be seen as 2.5 times more “differentiated” and 1.5 times more “esteemed” than average. These are the two leading indicators of positive brand health in BAV. As a result, brands that are both charming and dynamic command 52 percent higher pricing power than their peers, on average.
Charm and dynamism in action

Brands in highly varied categories can reflect Italian charm and modern dynamism in combination. As a result, they can command attention from consumers and a premium to other brands. They also perform an ambassadorial role for other Italian brands. Here are two examples that show the ingenuity of Italian branding, as well as BAV’s Top 10 charming and dynamic brands in Italy.

With its distinctive, innovative, fun and friendly persona, Fiat embodies the dynamic and charming identity of Italy at its best. Founded in 1899, Fiat has a long-standing history as an ambassador for brand Italy domestically and abroad. Though its merger with Chrysler in 2014 added new brands to the company’s portfolio, Fiat Chrysler Automobiles (FCA) Italy has remained its own entity and continues to be distinctly Italian, spreading “Italian-ness” globally.

In an increasingly globalized market, the ability to achieve economies of scale is a necessary adaptation for survival. In this climate, however, Fiat in 2014 recommitted to making Italy the base for building its premium cars for export. Fiat is Italy’s largest private employer and this is an immense source of national pride. Fiat defines “Made it Italy” at a time when the “Made in Italy” label has room for improvement in how it is perceived abroad.

In the United States for example, while “Made in Italy” currently ranks in the bottom 30 percent of all “Made in” brands for charm, fun, distinction, and innovation, Fiat ranks in top 20 percent on all those attributes. Leveraging Fiat’s perceptions among consumers globally can help solidify the “Made in Italy” label in a way that helps other Italian brands globally, too.
Geox has long been associated with everyday innovation, right down to its name. The word Geox derives its meaning from the word “geo” (earth) and “x”, referring to technology. With over 60 patented technologies, Geox brings inventive energy to the footwear and apparel categories through its cutting-edge developments, which enable products to be both breathable and waterproof. Today, Geox continues to invest in developing and refining breathable technology through its research and development lab.

Although Geox has a forward-thinking, innovative spirit, the brand is rooted in its cultural charm. Geox originated in Treviso, northern Italy, as a side business for a man working in his family’s winery. The idea for Geox’s technology came to founder Mario Moretti Polegato on a business trip to the US; he cut holes in the soles of his sports shoes to release heat while he was running. A family-owned leather company helped to bring the product to fruition, and Geox later launched as an independent shoe business with five employees. Today, those five employees continue to work at Geox, demonstrating a continued connection to the brand’s small business charm, despite Geox’s rapid growth and globalization.

While most Italian shoe brands have focused on style, Geox has created a unique brand position by focusing on human-centered technology. Through its historic and continued dedication to developing everyday technology, Geox showcases the charm and dynamism that consumers value in Italian products.
MAKE IN ITALY

Build a movement, beyond a campaign

Over the last 30 years, Italy has lived under 20 different governments. Demographically, we are the oldest country in Europe with 21.4 percent of our citizens aged over 65. In fact, the only country with an older population is Japan.

Yet the label “Made in Italy” continues to pull our economy forward. It is a brand in itself, thanks to its strong economic value as well as the iconic and evocative meaning it represents. But the real question: what is the role for brands in Italy and what are the challenges that they have to face in the complex Italian environment?

Surprisingly, the low level of trust in government, the uncertain and wobbly social-economic situation and general corporate scepticism hides a huge opportunity for brands. This confidence gap is an important cultural challenge and a gap that brands in Italy can truly step into. There is space to reclaim institutional roles, to move beyond being a commercial player and to become social and cultural champions for the Italian system as a whole.

The challenge is to move beyond traditional market principles and actually create the market, not just having a point of view but being a point of reference within reality. Not settling for production, distribution and communication of products, but standing for the production, distribution and communication of ideas that have real impact and a strong connection with cultural, social and local dynamics.

The aim is not to gain a new space within Corporate Social Responsibility, nor is it to find more original storytelling for the brand’s ethical dimension. The challenge is not to choose whether to put money into an institutional campaign to increase the brand’s equity and symbolic meaning or not. The challenge is turning brands into economic makers, digital makers, cultural makers – game changers. And this will require investment.

“Make in Italy” can bring about a strong competitive advantage in the gaining of new relevance for brands in Italy. But what does it mean, in practical terms?

Here are two examples where actions spoke louder than words:

GREY

Grey Worldwide provides highly creative services including brand ideas and strategies, brand planning, creative development and production.

grey.com/italy
Fighting the digital divide: 
Vodafone as a maker

The digital divide in Italy is both a technological and cultural issue. Four out of 10 Italians don’t have access to the internet, and more than half of all Italian grandparents are unable to have a conversation with their grandchildren as they aren’t able to utilize the digital channels that this generation prefers.

Vodafone took on the problem, being a story-maker rather than a story-teller and pressing beyond their role as a simple telecom provider. They made huge investments to bring broadband to over 1,000 Italian cities and towns, with support for people aged 55+ taking the form of bespoke training materials and content delivered by hundreds of young university students.

Real-world action spoke louder than any words or marketing. We saw a brand move beyond a basic commercial role to enable genuine connection and communication – thus enabling people to write their own stories.

Creating a cultural movement: 
Sky as a maker

The football industry in Italy is going through some fundamental changes in order to keep up with more competitive countries in Europe such as Spain, England and Germany.

As the most followed and played sport in the country, football can be a major means to convey positive behavioral examples to new generations. Football can influence people’s mood and dreams beyond the sporting discipline itself.

In this context, Sky is not only enhancing sporting entertainment but it is also bringing a new movement to life as it leads the new Italian football renaissance. How? By shining a light on young emerging talent and investing into the improvement of sports practice at its very core – in suburban playgrounds.

Renovating football fields in city suburbs where children play and dream for the first time reaches into the heart of the sport. This cultural movement draws attention not just to the brand as a commercial leader but also as a guide for the socio-economic development of the country through sport.
ITALIAN PRODUCERS ARE INCREASINGLY LOOKING ABOARD AND ONLINE FOR OPPORTUNITIES...

HERITAGE BRANDS ARE APPRECIATED AS OLD, BUT NOT SEEN AS OLD-FASHIONED.
GETTING CLOSER TO CONSUMERS

How brand PR can make it personal

Among the hot topics of brand communication, one of the most challenging to me is the evidence that today’s consumers expect companies and brands to relate to them as individuals.

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There is a feeling now that technology is setting a new agenda that brand communication is struggling to address.

Here are six points that consumer PR professionals in Italy are most likely facing (or they should start to) in the effort to get their brands closer to consumers.

Data and insights
Brands must get smarter and smarter in getting closer to consumers. Today, smart data (turning meaningless numbers into actionable insights) are brands’ most precious resource. Truly robust PR strategies are not only insight- and data-driven, but also use data to measure impact. It is mandatory that PR not be cut off from the increasingly engineered communication arena.

Consumers as individuals
People’s needs are changing as a result of digitalization, the empowerment of women, economic and social instability and changing levels of education. This creates a complex range of needs for each individual, and demands horizontal relationships between brands and consumers. PR teams need to have the right mindset to find insights that are personal and relevant to consumers in order to generate real one-to-one conversations.

Digital habits
In the digital era, successful brands address consumers’ new needs. Digital experiences influence consumers’ expectations in the offline world, with a growing request for products and services that are highly personalized, that are free or are perceived as such, and that are immediately easy to use. Brand communication is no exception – these same expectations apply.

Creativity
Creativity requires boldness, first in finding it and then in honestly evaluating it. A WPP P&G Creative Scale defines levels of creativity that go from “craft” to “crap.” PR expertise often teaches us to be cautious and foresee negative outcomes. Yet, this should not prevent us from elevating the craft of our creativity, and using our critical mind as a strength.

Retail platforms
As the consumer journey changes, communication plays with new rules to generate preference and sales. Brands have to make their conversations relevant and available through all possible touchpoints. Retailers are transforming sales models and ways of addressing consumers, with Amazon leading the way. Smart PR people are working to include the new consumer journey and new retail platforms into their plans.

While sharing my experience, I am really looking forward to seeing how brand PR will face this new consumer challenge and the opportunities that this will unlock for our industry in the near future.
How brands can have one-to-one conversations

Chatbots are conversational platforms, based on AI technology, that are able to simulate a conversation with users via messaging platforms. They represent one of the best examples of the computing revolution that is now under way.

WANT TO CHAT?

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Computers are no longer just supposed to support us in the search for information. They are now programmed also to learn from our actions and anticipate our needs.

They represent a cultural revolution in terms of new ways to use the web, mobile devices and applications, and they also bring opportunities for brands to interact with customers and create a direct relationship with them.

But how does a chatbot work? It can run on a messaging platform, like Facebook Messenger, or it can run within a mobile app, specifically created for the brand.

If I want to know, for instance, which shampoo within a specific brand’s range best suits my type of hair, all I have to do is search for the company on Messenger, type the question and wait for the answer, which usually comes in a very short time. Bots are based on a set of defined questions and answers.

Conversation after conversation, chatbots store information, and learn how to better customize their answers based on users’ needs.

Chatbots enable companies to:
» Smooth the customer journey, supplying useful content and information
» Deliver news or information based on selected interests
» Create a valuable link with users, strengthening brand image and loyalty

According to eMarketer, people use chatbots to resolve an issue as they would use customer support (67 percent), to have fun (30 percent), to find/purchase products (25 percent), and to increase productivity (14 percent) as with a calendar or personal assistant.
Their success is due to several factors, including the fact that the use of messaging platforms in 2016 overtook the use of social networks. We also have to consider the evolution of technologies related to artificial intelligence, and three main properties that have made them a winning model:

1. **Usability:** They are introduced in platforms already used by consumers.
2. **Frictionless:** They can help satisfy several needs but all look the same in terms of interface, making dialogue fast and easy.
3. **Customization:** Living inside an existing ecosystem, they are able to start a dialogue straight away, absorbing pre-existing data; this way, the customer experience is quickly customized.

This last feature above all opens a world of possibility for brands. And so it happens that the fragrance startup Spring turned its chatbot into a personal shopping assistant, Huffington Post allows users to search for news by topic and suggests articles based on interests, and the Italian Farmaciebot uses geolocation of smartphones to suggest a list of pharmacies available close to the user’s position.

Brands have available to them a powerful new tool, if they follow a few easy rules:

- **Set objectives and measurement metrics:** Chatbots’ tasks must be very clear to the company and at the same time, they must be clearly communicated to customers so that they are perfectly aware of what they can use them for. If a brand wants to position itself as dynamic and sensitive to customers’ needs, a chatbot can improve customer service and support e-shoppers through “conversational commerce”.

- **Identify the target:** This step is crucial to determining the channel on which it will be used, the tone of voice it should adopt, and also the set of questions it will be equipped to answer.

- **Ensure the chatbot is “human”:** It’s not about pretending that there is a real person on the other side instead of a robot, but the added value of this kind of interaction is the customization of the answers and a brand’s ability to get to know its users, not just provide automatic answers. For this, some brands – including Facebook’s own M personal assistant chatbot – alternate automatic responses with sessions with real people, to deal with questions or colloquial forms not yet learned by the algorithms.

Since April 2016, when Facebook opened Messenger to chatbots, the number of chatbots has been rising by 130 every day, and millions of people are already using them. The trend is growing, and by some estimates, the global chatbot market will reach almost US $1 billion worth of investment by 2024.

In Italy, chatbots are mainly used to provide information, and many newspapers use chatbots in Telegram or Facebook to send push notifications. They’re also used in e-commerce, to speed up the link to a product page, and, above all, for customer care. There is great enthusiasm around this technology, though few companies understand perfectly how to use chatbots as a marketing tool to improve the relationship with customers. We are still in the experimental phase, and there is a lot of potential to explore.
SMARTPHONE PENETRATION IS HIGH ACROSS ITALY...

AROUND 30 MILLION ITALIANS ARE ON FACEBOOK ALONE.
Earning trust in tumultuous times

Terrorism alerts, migration emergencies, Brexit, the election of Donald Trump: today in Italy, we are experiencing the repercussions of major large-scale changes that have taken place around the world in the past year.

Generally speaking, a rampant sense of injustice, intolerance and impatience prevails over optimism and hope. A feeling of widespread distrust is reflected in people’s daily lives. So, how can a brand working within this framework break through and establish trust? From the consumer’s point of view, what inspires trust and leads to a “circle of trust”? Here are five expressions of consumer sentiment that can determine whether or not a brand is trusted.

1. “I trust those who are like me.”
   We believe in our peers or equals – those who spontaneously share their experiences online. When it comes to brand communication, we are more likely to believe people who seem to be like us or reflect an aspect of our lives; not a celebrity, but someone who looks like me, speaks like me, or feels the same emotions I do. Brands showing they understand this include Diesel, which celebrates the imperfection of the human being in their new campaign “Go With The Flaw”, and Dove, in its “Real Beauty” campaigns showing a range of body types in its selection of models.

Keywords: credibility, authenticity, human, empathy, understatement

2. “I trust those who understand me.”
   There is the feeling of closeness, and therefore trust, towards a brand that can offer tailored products and services that individuals feel are really meeting their daily needs. To some extent, the brand is truly useful and somehow “simplifies my life”. It does this by communicating in a direct and real way, without flights of fancy. Food delivery services that allow consumers to have a restaurant meal in their own home appreciate this – brands like Deliveroo, and Italian brands Foodora and Foodinho.

Keywords: focus, effectiveness, personalization, “my moment”

3. “I trust those who involve me.”
   The brand that opens its doors and lets us spy on the world, showing it to us without deception, is one that invites scrutiny and therefore trust. This takes courage and reflects humility and a sincere desire for the consumer not only to be a spectator, but also a co-author or collaborator, with a clear benefit for the participant in return. The Italian beer brand Ceres shows how this is done, by involving the audience in conversations through social networks.

Keywords: transparency, generosity, engagement, collaboration, participation, inclusion, reward
"I trust those who prove they deserve it."

The expert we look to for reassurance is often someone prominent in social media discussions around a specific audience segment or product category. With more perceived integrity than a brand’s own expert, this is the ordinary person who becomes a personality or influencer, thanks to the credibility they have built up in a certain area. It is a meritocracy democratically decreed by the number of followers signing up. Salvatore Aranzulla is an IT expert who has become an online star by creating YouTube tech tutorials. This is a great way to earn trust.

Keywords: spontaneity, horizontality, truth

"I trust those who are serious."

Brands that turn their promises into concrete action through real “tests” win trust. They promote positive actions that give an advantage not only to the individual consumer, but also to the extended community. They become models and guarantees of seriousness from an ethical viewpoint as well. Warby Parker, the international eyewear retailer, exemplifies this with their “Buy A Pair, Give A Pair” campaign, which donates a pair of glasses to someone in the developing world for every pair bought online. In Italy, the supermarket chain Carrefour invited the public to vote online for the non-profit organization that the brand should support, and made a donation of €500,000.

Keywords: responsibility, ethics, values, pragmatism, experience

In practice, there are several clear ways that brands can establish and nurture trust:

- Respect the security of people’s personal data;
- Reward trust with dedicated events, personalized discounts and free gifts;
- Engage people, perhaps through contests and gamification, in order to create a community, which can spontaneously become a real “tribe.”

In communication, it is important to tell a brand’s story and talk about its plans, from its origins to its future intentions, honestly and transparently. It should not be forgotten that each message should be relevant, engaging and significant for consumers. It’s still the case that content is king when it comes to winning the distracted consumer’s attention.
RESOURCES
The brands that appear in this report are the most valuable in Italy. They were selected for inclusion in the BrandZ™ Top 30 Most Valuable Italian Brands 2018 based on the unique and objective BrandZ™ brand valuation methodology, which combines extensive and on-going consumer insights with rigorous financial analysis.

Globally, our research covers 3.6 million consumer interviews and more than 120,000 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 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 these 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 brand alone contributes to corporate value. This core, what we call Brand Contribution, differentiates BrandZ™.
Step 1: Calculating Financial Value

Part A
We start with the corporation. In some cases, a corporation owns only one brand. All Corporate Earnings come from that brand. In other cases, a corporation owns many brands, and we need to apportion the earnings of the corporation across a portfolio of brands.

To make sure we attribute the correct portion of Corporate Earnings to each brand, we analyze financial information from annual reports and other sources, such as Kantar Retail and Kantar Worldpanel. This analysis yields a metric we call the Attribution Rate. We multiply Corporate Earnings by the Attribution Rate to arrive at Branded Earnings, the amount of Corporate Earnings attributable to a particular brand. If the Attribution Rate of a brand is 50 percent, for example, then half the Corporate Earnings are identified as coming from that brand.

Part B
What happened in the past – or even what’s happening today – is less important than prospects for future earnings. Predicting future earnings requires adding another component to our BrandZ™ formula. This component assesses future earnings prospects as a multiple of current earnings. We call this component the Brand Multiple. It’s similar to the calculation used by financial analysts to determine the market value of stocks (Example: 6X earnings or 2X earnings). Information supplied by Bloomberg data helps us calculate a Brand Multiple. We take the Branded Earnings and multiply that number by the Brand Multiple to arrive at what we call Financial Value.

Step 2: Calculating Brand Contribution

So now we have got from the total value of the corporation to the part that is the branded value of the business. But this branded business value is still not quite the core that we are after. To arrive at Brand Value, we need to peel away a few more layers, such as the in-market and logistical factors that influence the value of the branded business, for example, price, availability and distribution.

What we are after is the value of the intangible asset of the brand itself that exists in the minds of consumers. That means we have to assess the ability of brand associations in consumers’ minds to deliver sales by predisposing consumers to choose the brand or pay more for it.

We focus on the three aspects of brands that we know make people buy more and pay more for brands: being Meaningful (a combination of emotional and rational affinity), being Different (or at least feeling that way to consumers), and being Salient (coming to mind quickly and easily as the answer when people are making category purchases). 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 200,000 different brands in over 50 markets.

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.

Eligibility Criteria
Each of the brands included in the BrandZ™ Top 30 Most Valuable Italian Brands 2018 must meet the following criteria:

- The brand originated in Italy.
- And is owned by a publicly listed company traded on a credible stock exchange, or its financials are available in the public domain.

Why BrandZ™ is the definitive Brand valuation methodology

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.
One of mankind’s greatest recent achievements was successfully sequencing our own genome in 2003, revealing the key building blocks of what makes us human.

Now BrandZ™ gives you the ability to do the same for your brand of choice.

The BrandZ™ Brand Genome visualizes your brand’s ‘genome’ on a page, with all the genome sequence measures providing an instant overview of your brand.

The ultimate tool for a new business pitch and a lot more.

Brand Genome is a unique BrandZ™ tool, exclusive to WPP. It’s free, available 24/7 and takes just seconds to create.

Visit http://genome-measures.wppbrandz.com/ where you will be able to find out about each of the BrandZ™ measures, what they are, how they are calculated and how you can access a report which contains the measure.

To download a sample genome map visit http://wppwrap.com/bg.pdf
BrandZ™ Brand Building Tools and Personalized Publications

Only available via your WPP Agency

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 BrandZ™ metric called TrustR.

Vitality Quotient (vQ)
vQ introduces a new framework to effectively diagnose a brand’s health. A high vQ score has a direct relationship with a brand’s performance and its ability to grow its brand value. vQ looks at five key areas of a brand’s health: Purpose, Innovation, Communication, Brand Experience and Love. Ideal for new business pitches, brainstorming sessions and creative development. See how your brand performs against its competitors.

RepZ
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.

InnovationZ
Discover real-time innovation and start up ideas sourced via the exclusive Springwise global network of 20,000 spotters.
InnovationZ packages provide real-time access to the latest innovation and startup ideas and inspiration from across the globe to ensure you are up-to-date and ahead of your competition.

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.

PitchDoctor
Everything you need to know about your brand on one page.
Ever wished that you could instantly analyze every one of the 5.1 billion individual data points included in BrandZ™? All the brand metrics, interrelationships, including TrustR, ValueD and then seamlessly use this to pinpoint an individual brands Strengths, Weaknesses, Opportunities and Threats in one easy to digest page? Well now you can.

StoryTeller
An interactive data visualization tool to allow anyone to build story-led insights.
Its intuitive interactive nature means that you can see as little or as much of the detail as you wish and navigate seamlessly to content of interest.

SocialZ
See the real-time social landscape of brands, instantly.
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.

WebZ
A 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.

Loyalty
Growth Potential

Prepared for Travyn Rhall October 2015
Test Data: 33057 en 271
Going Global?

We wrote the book.

BrandZ™ The Ultimate Resource for Brand Knowledge and Insight

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.
Looking East
In-depth brand-building intelligence about today’s China

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.

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.

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.

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.

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.

The BrandZ™ China Insights Reports

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Unmasking the Individual Chinese Investor
brandz.com/article/unmasking-the-individual-chinese-investor-report

The Power and Potential of the Chinese Dream
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brandz.com/article/chinese-new-year-report

brandz.com/region/china
These companies contributed knowledge, expertise, and perspective to the report.

**BAV Consulting**

BAV Consulting helps businesses assess, grow, and direct their brands as strategic corporate assets by using the proprietary BrandAsset Valuator (BAV) models and metrics. The agency’s brand measurement combines the emotional aspects of brands with the quantitative measures of finances. BAV Consulting has been measuring brands for nearly 25 years, and today over 45,000 brands have been evaluated on 75 metrics, among 900,000 respondents in over 45 countries.

Website: [www.bavconsulting.com](http://www.bavconsulting.com)

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**CBA Design**

CBA designs brand identities and experiences, combining strategic analysis and creative vision, thanks to a human-centered approach. We partner with ambitious clients who want to reach new targets, to create innovative and effective products and services, to maintain a relevant positioning or to boost their premiumness. Successful brands add value to people’s life.

Founded in 1982 in Paris, CBA has 13 offices all over the world, with more than 300 consultants, offering a multicultural and global perspective.

Website: [www.cba-design.it](http://www.cba-design.it)

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**Cohn & Wolfe**

Cohn & Wolfe is a global communications agency, building brands and corporate reputations through an uncompromising commitment to creativity. Our strategic approach is to provide unique insights leading to communication solutions that deliver measurable business success. Cohn & Wolfe has been operating for more than 45 years and has more than 50 offices across Asia, EMEA, Latin America and North America. It has been named Agency of the Year by The Holmes Report and ICO, as well as a Best Place to Work by The Holmes Report, PRWeek and PRNews.

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**Geometry Global**

Geometry Global Intelligence is the strategic consultancy arm of Geometry Global, placing brand conversion at the core of the business.

Geometry Global Intelligence was named Agency of the Year by Holmes Report and Ad Age, as well as Agency of the Year 2018. It offers insights and design strategies that optimize efficiency and effectiveness in an increasingly fragmented media and channel landscape.

Website: [www.geometry.com](http://www.geometry.com)

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**Grey**

Grey ranks among the world’s top marketing and advertising organizations. Grey operates in 96 countries and serves one-fifth of the FORTUNE 500. Under the banner of “Grey Famously Effective Since 1917,” the company serves a blue chip client roster of many of the world’s best-known companies: Procter & Gamble, GlaxoSmithKline, Darden Restaurants, Pfizer, Canon, NFL, Boehringer-Ingelheim, Marriott Hotels & Resorts, Estée Lauder, Walgreens Boots, Ally Financial and Kellogg’s. Grey was recently named Adweek’s “Global Agency of the Year” and Ad Age’s “Agency of the Year.”

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**GroupM**

GroupM is the leading global media investment management company for WPP’s media agencies including Mindshare, MediaCom, Wavemaker, Essence and m/SIX, and the outcomes-driven programmatic audience company, Xaxis.

Responsible for more than US $108B in annual media investment by some of the world’s largest advertisers, GroupM agencies deliver an advantage to clients with unrivaled insights into media marketplaces and consumer audiences. GroupM enables its agencies and clients with trading expertise, data, technology and an array of specialty services including addressable TV, content and sports.

GroupM works closely with WPP’s data investment management group, Kantar, and together they account for almost 50 percent of WPP’s group revenues of more than US $19B.

GroupM delivers unrivaled marketplace advantage to its clients, stakeholders and people.

Website: [www.groupm.com](http://www.groupm.com)

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These companies contributed knowledge, expertise, and perspective to the report.

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**Hill+Knowlton Strategies**

Established close to 90 years ago, the company emphasizes factoring the public into decision making at highest levels of leadership for achieving future growth. Hill and Knowlton Strategies is part of WPP, and one of the world’s largest communications services group. The company’s clients represent almost 50 percent of global Fortune 500 companies.

[www.hkstrategies.com](http://www.hkstrategies.com)

**J. Walter Thompson Worldwide**

J. Walter Thompson Worldwide is a global marketing communications company that specializes in providing brand building strategies for businesses. The company was established nearly 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.

[www.jwt.com](http://www.jwt.com)

**Landor**

Landor is one of the global leaders in brand consulting and design, and specializes in creating agile brands that thrive in today’s dynamic, disruptive marketplace. Landor’s branding services include strategy and positioning, identity and design, brand architecture, innovation, naming and verbal branding, research and analytics, environments and experience, engagement and activation, and digital and social media. Founded by Walter Landor in 1941, Landor pioneered many of the research, design, and consulting methods that are now standard in the branding industry.

Today, Landor has 26 offices in 19 countries, working with a broad spectrum of world-famous brands.

[www.landor.com](http://www.landor.com)

**MediaCom**

MediaCom is “The Content + Connections Agency”, working on behalf of its clients to leverage their brands’ entire system of communications across paid, owned and earned channels to deliver a step change in their business outcomes. MediaCom is one of the world’s leading media communications specialists employing 7,000 people in 125 offices across 100 countries. Its global client roster includes: Dell, Coca-Cola, Mars, NBC Universal, P&G, PSA, Sony, Shell and Richemont. The agency was recently named Global Agency of the Year at the 2017 M&M Awards and FOM Global Agency Network of the Year in 2017, winning an unprecedented 18 awards.

[www.mediacom.com](http://www.mediacom.com)

**Mindshare**

Mindshare is a global media company with 116 offices across 86 countries, and more than 7,000 employees. The agency specializes in providing a competitive marketing advantage for businesses and their brands based on the values of speed, team work and provocation. Mindshare has offices in Milan and Rome, and is part of GroupM, which oversees the media investment management sector for WPP, the world’s leading communications services group.

[www.mindshare.it](http://www.mindshare.it)

**Ogilvy**

Ogilvy and Mather is an advertising and marketing agency that offer integrated marketing solutions with measurable results to clients. The agency uses 360 Degree Brand Stewardship® on both local and global scale, which incorporates a mixture of tools and techniques to understand, develop and enhance the relationship between a consumer and a brand. The local 360 Degree Brand Stewardship® keeps the agency fully rooted in the marketplace, attracting top local clients and the best people to work on them, whilst the global method combines local knowledge with a worldwide network capable of articulating brands as they cross borders.

[www.ogilvy.com](http://www.ogilvy.com)
These companies contributed knowledge, expertise, and perspective to the report

**OgilvyOne**

OgilvyOne Worldwide is The Customer Agency. It makes brands more valuable to customers and customers more valuable to brands by combining data and creativity to unlock Total Customer Value.

With more than 5,000 employees in 100 offices across 68 cities, OgilvyOne leverages ideas, knowledge, data, content, and technology to deliver customer engagement solutions that help clients grow their businesses and strengthen relationships with their customers. Employing the unique DAVE methodology, OgilvyOne develops successful, digitally- and data-driven customer engagement solutions for clients.

www.ogilvyone.com

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**Red Cell**

The more complicated the world gets, the more the world needs a guide. Red Cell is that guide for clients in the increasingly complex world of communication.

To do this, the agency combines a consultant organizational model with a strategic owned tool called brand narrative strategy.

redcellgroup.it

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**Wavemaker**

Wavemaker is a next generation agency, born from the merger of MEC and Maxus, which sits at the intersection of media, content and technology. We are powered by our obsession with the customer’s purchase journey, the direct link between our mission and our client’s business challenges, and with WM Momentum, the world’s most comprehensive study into how people make purchase decisions.

Our understanding of consumers is unprecedented. Our aim is to make the future of the market, turning this knowledge into actionable business solutions.

We are leaders in Italy and part of a 8,500-person global network spread across 90 countries.

www.wavemakerglobal.com

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**Y&R**

Y&R is a global advertising and communications 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.

www.yr.com

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**Young & Rubicam Group**

Young & Rubicam Group is a global, collaborative network comprising some of the most powerful brands in marketing communications. We share a commitment to working together to build our clients’ Brands creatively and effectively. We believe in thoroughly dissecting the brand challenge so that we can bring precision to our diagnoses and our solutions: the right people and the right resources collaborate to create precisely the right communications.

www.yrgrp.com

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In Italy, more than 350 Kantar employees offer expert service to clients through specialized brands including Kantar Millward Brown, Kantar Health, Kantar Media, Kantar Retail and Kantar TNS. With offices across Italy and a global network, we serve local, regional, and multinational clients.

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 Italy, and globally through our portal:

www.kantar.com

Kantar Consulting is a specialist growth consultancy. With over 1,000 analysts, thought leaders, software developers and expert consultants, we help clients develop and execute brand, marketing, retail, sales, and shopper strategies to deliver growth. We own market-leading assets including PoweRanking, GrowthFinder, Global Monitor, Marketing, Insights and Purpose 2020, Retail IQ, Rich-Mix, XTEL. Based in Bologna, Italy Trade Optimisation’s suite of solutions, XTEL, is the Kantar Consulting practice dedicated to providing leading sales automation solutions for the consumer goods industry. Kantar Consulting is part of Kantar, the data investment management division of WPP.

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Kantar Media is a global leader in media intelligence, providing clients with the data they need to make informed decisions on all aspects of media measurement, monitoring and selection. Some of our solutions include: advertising, monitoring and evaluation; audience measurement; social media intelligence, reputation, PR, monitoring and evaluation; and insight solutions. Part of Kantar, the data investment management arm of WPP, Kantar Media provides the most comprehensive and accurate intelligence on media consumption, performance and value.

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Kantar Millward Brown is one of the leading global research agencies, specializing in advertising effectiveness, strategic communication, media, digital and brand equity research. The agency’s expertise includes 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.

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Kantar TNS is one of the world’s largest research agencies, with experts in over 90 countries. With expertise in innovation, brand and communication, shopper activation and customer relationships we help our clients identify, optimize and activate the moments that matter to drive growth for their business. We are part of Kantar, one of the world’s leading data, insights and consultancy companies.

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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 100 countries. Kantar is part of WPP and its services are employed by over half of the Fortune Top 500 companies.

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.

www.lightspeedresearch.com
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WPP in Italy

We help build valuable brands

WPP is the world’s largest communications services group, with billings of US$74 billion and revenues of over US$19 billion. Through its operating companies, the Group provides a comprehensive range of advertising and marketing services including advertising & media investment management; data investment management; public relations & public affairs; branding & identity; healthcare communications; digital, e-commerce and shopper marketing and specialist communications. The company employs over 200,000 people (including associates) in over 3,000 offices across 113 countries.

WPP was named Holding Company of the Year at the 2017 Cannes Lions International Festival of Creativity for the seventh year running. WPP was also named, for the sixth consecutive year, the World’s Most Effective Holding Company in the 2017 Effie Effectiveness Index, which recognizes the effectiveness of marketing communications. In 2017 WPP was recognized by Warc 100 as the World’s Top Holding Company (third year running).

WPP and its companies have been engaged in Italy for more than 30 years. Today over 2,500 people (including associates) work in offices around Italy, in Milan, Rome, Bologna, Treviso and other cities, providing advertising and marketing services necessary to understand the Italian market, and to build and sustain brand value. To learn more about how to apply this expertise to benefit your brand and grow your business, please get in touch with any of the WPP companies that contributed to this report, or contact:

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Visit us at www.brandz.com

RoZie is here to answer all your questions about brands, brand value, client leaders and brand growth.

You can ask RoZie questions about the most valuable global brands from the BrandZ™ Global Top 100 2017 report and RoZie will be able to answer them for you, in an instant, by using Artificial Intelligence.

Unlike most chatbots, which are either text-based or voice-based, RoZie can do both.

To find out more about RoZie, please visit rozie.wppbrandz.com where you will be able to access:

» The recently launched RoZie text-based chatbot
» A full list of FAQs, hints & tips and other resources
» RoZie for Amazon Echo / Dot download instructions
» Current information about the latest updates

Hi,
I’m RoZie, the BrandZ™ Chatbot.
Ask me about brands. I can answer your questions—quickly.

The TEXT-BASED ROZIE can be accessed via rozie.wppbrandz.com, where you will be able to type a question to get a response.

What is Amazon’s performance this year?

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

The VOICE-BASED ROZIE can be accessed by downloading the Alexa skill for your Amazon Echo / Dot device. You will be able to ask a question to get your answer.

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 BRANDZ™ BRAND VALUATION CONTACTS

The brand valuations in the BrandZ™ Top 30 Most Valuable Italian Brands 2018 are produced by Kantar Millward Brown using market data from Kantar Retail and Kantar Worldpanel, along with Bloomberg.

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 3.6 million consumer interviews about more than 120,000 different brands in over 50 markets.

For further information about BrandZ™ contact any WPP Group company or:

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