

The CoreBrand Top 100 BrandPower Rankings 2012

Poised for an upturn

Potential for a recovery is strong,
but the key for brands is to
reconnect with customers in a
meaningful way.

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Executive summary

This report explores The CoreBrand Top 100 BrandPower Rankings for 2012. For over 20 years CoreBrand has continuously conducted a benchmark tracking survey and maintained corporate media and financial data for 1,000 publicly-traded companies across 54 industries in our Corporate Branding Index[®] (CBI). We research brand Familiarity and Favorability and then combine them to develop a single indicator of brand strength for each tracked company called BrandPower. The Top 100 BrandPower Rankings highlights and showcases the very best and strongest corporate brands. The companies on this list benefit from both high awareness (Familiarity) and positive brand perceptions (Favorability).

This is CoreBrand's 6th annual publication of the most powerful brands. But, the rankings are about much more than just seeing which companies top the list. The real insight comes from understanding the trends in how BrandPower changed over the short and long term, for individual companies, for different sectors, industries and for the database as a whole.

This year, we have identified several key trends and insights:

- The weakened economy continues to impact corporate brands, as evidenced by a five-year decline in BrandPower on average for both the Top 100 as well as across all companies in the CBI.
- The primary driver of the downward trend has been a decrease in Favorability, indicating that companies need to focus on the way they do business in the marketplace. This means they need to build trust through their business processes, their culture and behavior as well as through their communications.
- The ability of the corporate brand to buoy a company in tough economic times is clearly demonstrated by the fact that BrandPower declined at a markedly slower rate for the Top 100 than the average decline across all 1,000 tracked companies. Strong brands held up better under tough market pressures.
- The power of the corporate brand is poised for a comeback. We now see there was an inflection point for the Top 100 in 2010, where the downward trend of BrandPower bottomed out. No longer decreasing, it is either holding steady or even beginning a recovery for some brands.
- Technology companies were among the top gainers in BrandPower and the financial services sector suffered the worst from lack of trust.

This report contains high-level insight into the strongest companies and industries from a corporate brand perspective. Detailed analysis of sectors, industries and individual companies—as well as the translation of this BrandPower into brand value and brand equity—are available separately from CoreBrand.

Why BrandPower matters

BrandPower is a single score that represents both the size (Familiarity) and quality (Favorability) of a brand. In one metric, we capture the breadth of and sentiment toward a corporate brand.

Both Familiarity and Favorability must be strong to place in the Top 100 BrandPower Rankings, meaning the company has both high awareness and is favorably perceived. If a corporate brand has high Familiarity but low Favorability it will not show up in the Top 100 rankings. The same holds true for niche players who have low Familiarity but high Favorability – they will not appear either.

Having a single score is incredibly helpful in evaluating the performance of a corporate brand. It allows companies to see the affects of their brand investment by tracking their own score over time. It enables easy comparison among competitors, against industry averages and against world-class-brands. It also allows us to contrast multiple industries to better understand the market dynamics that impact brand.

Ultimately, a company's BrandPower score can be modeled against its financial performance to reveal the impact brand has on business results. It is commonly accepted that a strong brand is a powerful asset for a company and our research proves it. Across our entire database, the corporate brand directly contributes an average of 5-7% of market cap, with some companies receiving as much as a 20% premium for managing a strong brand. The effect of BrandPower on market capitalization depends on the Familiarity/Favorability mix. Stronger brands generate a higher impact on equity. Increasing BrandPower improves the brand's ability to drive premium value for the company.

In the CoreBrand Top 100 BrandPower Rankings, we celebrate the companies tracked in the CBI who have achieved a high BrandPower score and are most effectively using their corporate brands to improve business performance.

Familiarity and Favorability

BrandPower is a combination of a corporate brand's Familiarity and Favorability.

Familiarity

The Familiarity component of BrandPower is a weighted percentage of survey respondents who are familiar with the brand being evaluated. Familiarity is rated on a five-point scale. Respondents are considered to be familiar with a brand if they state that they know more than the company name only (a score of 3 or higher.)

Favorability

Those familiar with a corporation are then asked favorability dimensions:

- Overall Reputation
- Perception of Management
- Investment Potential

Rated on a four-point scale, they are combined into a single Favorability score.

Rankings by the numbers

In this report:

- 9 out of 10 tracked sectors
- 32 out of 54 industries
- 100 out of 1,000 companies

Most represented:

- Consumer cyclicals sector with 35 companies
- Food, retail industry with 11 companies each

Top movers

1 year

17

Tyson moved up 17 ranks

CBS dropped 15 ranks

15

Top movers

5 years

93

Google moved up 93 ranks

Xerox dropped 59 ranks

59

2012 BrandPower Top 100

List criteria

The brands listed on the CoreBrand Top 100 BrandPower Rankings must meet several criteria to be considered for the Rankings.

They must be a corporate brand (not a product or divisional brand), publicly traded for 5+ years and tracked by CoreBrand for 5+ years.

Company	2012 rank	2011 rank	One year variation	2007 rank	Five year variation	Industry
Coca-Cola	1	1	0	1	0	Beverages
Hershey	2	2	0	3	1	Food
Harley-Davidson	3	3	0	4	1	Hotel & Entertainment
Bayer	4	7	3	23	19	Chemicals
Kellogg	5	5	0	13	8	Food
Johnson & Johnson	6	6	0	2	-4	Medical Supplies & Services
Campbell Soup	7	4	-3	5	-2	Food
PepsiCo	8	10	2	10	2	Beverages
Walt Disney	9	13	4	24	15	Hotel & Entertainment
American Express	10	11	1	11	1	Diversified Financial
UPS	11	8	-3	6	-5	Transportation
Wal-Mart	12	14	2	27	15	Retailers
Colgate-Palmolive	13	9	-4	8	-5	Toiletries, Household Products
McDonald's	14	16	2	44	30	Restaurants
FedEx	15	12	-3	7	-8	Transportation
Apple	16	29	13	93	77	Computers & Peripherals
Visa	17	19	2	31	14	Diversified Financial
MasterCard	18	18	0	37	19	Diversified Financial
BMW	19	15	-4	14	-5	Motor Vehicles
Microsoft	20	24	4	45	25	Computer Software
General Mills	21	22	1	19	-2	Food
General Electric	22	21	-1	15	-7	Electronics, Electrical Equipment
Starbucks	23	26	3	9	-14	Restaurants
Volkswagen	24	23	-1	20	-4	Motor Vehicles
Revlon	25	20	-5	33	8	Toiletries, Household Products
Honda	26	17	-9	17	-9	Motor Vehicles
Estee Lauder	27	25	-2	34	7	Toiletries, Household Products
Volvo	28	27	-1	26	-2	Motor Vehicles
AT&T	29	34	5	79	50	Telecommunications
Avon Products	30	35	5	87	57	Toiletries, Household Products
Yahoo	31	38	7	82	51	Internet
Sony	32	28	-4	18	-14	Electronics, Electrical

The CoreBrand Top 100 BrandPower Rankings 2012

Company	2012 rank	2011 rank	One year variation	2007 rank	Five year variation	Industry
Del Monte Foods	33	32	-1	30	-3	Food
Barnes & Noble	34	31	-3	28	-6	Retailers
Toyota	35	33	-2	12	-23	Motor Vehicles
Mattel	36	36	0	32	-4	Hotel & Entertainment
Lowe's	37	30	-7	36	-1	Retailers
Target	38	37	-1	29	-9	Retailers
Nestlé	39	40	1	59	20	Food
Exxon Mobil	40	46	6	53	13	Petroleum Refining
Eastman Kodak	41	39	-2	63	22	Scient, Photo, Cntr Eq
American Greetings	42	43	1	68	26	Packaging
Google	43	58	15	136	93	Internet
Sara Lee	44	49	5	69	25	Food
L'Oréal	45	41	-4	51	6	Toiletries, Household Products
Kraft Foods	46	51	5	61	15	Food
Dell	47	47	0	103	56	Computers & Peripherals
Home Depot	48	42	-6	42	-6	Retailers
Gap	49	50	1	54	5	Retailers
Wendy's	50	52	2	41	-9	Restaurants
Whirlpool	51	57	6	56	5	Home Appliances
Nike	52	53	1	48	-4	Apparel, Shoes
Sunoco	53	64	11	85	32	Petroleum Refining
Bed Bath & Beyond	54	48	-6	35	-19	Retailers
Boeing	55	45	-10	52	-3	Aerospace
Ford Motor	56	54	-2	49	-7	Motor Vehicles
Chevron	57	65	8	74	17	Petroleum Refining
Samsung	58	66	8	107	49	Semiconductors
CBS	59	44	-15	22	-37	Hotel & Entertainment
Liz Claiborne	60	61	1	86	26	Apparel, Shoes
Procter & Gamble	61	56	-5	25	-36	Toiletries, Household Products
Yamaha	62	59	-3	50	-12	Electronics, Electrical Equipment
Sharp	63	67	4	100	37	Electronics, Electrical Equipment
New York Times	64	62	-2	70	6	Publishing & Printing
IBM	65	55	-10	16	-49	Computers & Peripherals
Polo Ralph Lauren	66	69	3	62	-4	Apparel, Shoes
eBay	67	73	6	126	59	Internet
Tyson Foods	68	85	17	129	61	Food
Kohl's	69	70	1	95	26	Retailers
Verizon	70	68	-2	67	-3	Telecommunications
General Motors	71	87	16	21	-50	Motor Vehicles
Walgreen	72	76	4	84	12	Pharmacy Services
Nissan Motor	73	63	-10	47	-26	Motor Vehicles

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Company	2012 rank	2011 rank	One year variation	2007 rank	Five year variation	Industry
J.C. Penney	74	75	1	92	18	Retailers
La-Z-Boy	75	81	6	90	15	Furniture
Sherwin-Williams	76	71	-5	81	5	Chemicals
Clorox	77	92	15	123	46	Toiletries, Household Products
Allstate	78	79	1	105	27	Insurance
Marriott	79	72	-7	39	-40	Hotel & Entertainment
Goodyear Tire & Rubber	80	74	-6	72	-8	Rubber & Plastics
Motorola	81	83	2	71	-10	Semiconductors
Charles Schwab	82	77	-5	43	-39	Brokerage
Hewlett-Packard	83	93	10	96	13	Computers & Peripherals
Morgan Stanley	84	94	10	58	-26	Brokerage
Bristol-Myers Squibb	85	91	6	73	-12	Pharmaceuticals
DuPont	86	82	-4	80	-6	Chemicals
Bank of America	87	96	9	108	21	Commercial Banks
Michelin	88	80	-8	46	-42	Rubber & Plastics
Hormel Foods	89	90	1	98	9	Food
Chiquita	90	100	10	141	51	Food
Mitsubishi	91	86	-5	75	-16	Motor Vehicles
Nokia	92	97	5	125	33	Telecommunications
Nintendo	93	98	5	127	34	Electronics, Electrical Equipment
Mazda Motor	94	95	1	109	15	Motor Vehicles
Saab AB	95	89	-6	65	-30	Aerospace
Xerox	96	88	-8	38	-58	Office Equipment
J.P. Morgan Chase	97	105	8	77	-20	Commercial Banks
Rite Aid	98	102	4	119	21	Pharmacy Services
Tiffany & Co	99	103	4	94	-5	Retailers
Costco Wholesale	100	115	5	140	40	Retailers

The Corporate Branding Index®

The Corporate Branding Index® (CBI) was created to solve the challenge of measuring and quantifying the impact of the corporate brand. Without understanding the value of the corporate brand and knowing how it performs against peers and the industry at large, companies were struggling to know how much and where to invest to build corporate reputation. While many companies like General Electric were adopting master brand communications strategies, they were only able to fully measure success and hold brand accountable at the product/offering level. What about investment in the corporate/master brand? Seeing the huge opportunity, CoreBrand harnessed our research prowess and passion for branding and built the CBI, allowing us to represent the corporate brand as a quantitative variable on a larger scale than ever had been done before.

Since 1990, we have been conducting this continuous quantitative research survey to collect corporate brand image and perception data from the Business Decision Maker (BDM) audience and modeling it against financial performance and communications spend data. Today, we track approximately 1,000 companies in 54 industries that span 10 sectors. Our research has unearthed and underlined the powerful connection between the strength of a corporate brand and business performance.

Our audience

We have very carefully chosen the audience we survey to assess the BrandPower of companies in our database. The Business Decision Maker (BDM) audience is a neutral audience that represents the investment community, potential business partners and business customers. This single audience embodies many facets that drive today's economy: business acumen, consumer perspective and investment savvy.

Top executives (typically Vice President level or above) at the top 20% of corporations in the United States based on revenue, BDMs understand how businesses operate and are, themselves, consumers. An important additional characteristic for which they are screened is their understanding and familiarity with investing. One-third of our respondents indicate that they influence investment portfolios other than their own personal portfolios.

Business Decision Makers

- Executives at companies with sales revenue greater than \$50 million
- 80% involved in B2B purchase decisions
 - 90% determine purchase needs
 - 72% select specific companies partners
 - 68% authorize purchases
- High-level consumers
- Valuable demographics
 - 72% ages 35+
 - 83% HH size 2 or more
 - 87% college degrees
 - 74% above \$75K HHI

About the Top 100

The CoreBrand Top 100 BrandPower Rankings is a showcase for the brand image data we have been continuously collecting for decades. We use a full calendar year of data to support our rankings, which includes over 10,000 phone interviews with BDMs.

BrandPower rankings compare the size and quality of a brand to all other brands in the CBI. The Top 100 BrandPower Rankings provide a market-view evaluation of brand strength regardless of industry affiliation.

While it is interesting to see who has moved versus the prior year and which companies have suddenly overtaken their fiercest competition, the real value lies in the trends that come from watching BrandPower change over time. The depth of the data contained in the CBI allows us to peer into historical trends that reveal the impact of external events on corporate brands and identify potential momentum for the future. It allows us to pinpoint the results of economic highs and lows as well as company-specific changes or crises. Furthermore, the CBI has become a branding laboratory of sorts, allowing us to recognize and predict future shifts in the data based on trends and movements of the brand attributes.

Key trends and insights

The weakened economy continues to affect the corporate brand

Looking at the five-year BrandPower trend from 2007-2012, there has been a consistent decline across the entire database as well as for the Top 100 brands. In the current economic climate, respondents are evaluating companies and their corporate brands more harshly. Consumer sentiment and confidence has been steadily eroding since 2008. At the same time, the opportunities for audiences to hear criticisms of brands have increased with the proliferation of social media and 24-hour news cycles. The amount of conscious effort required of senior management to maintain or improve a corporate brand in this environment is considerably greater in the face of this negative pressure.

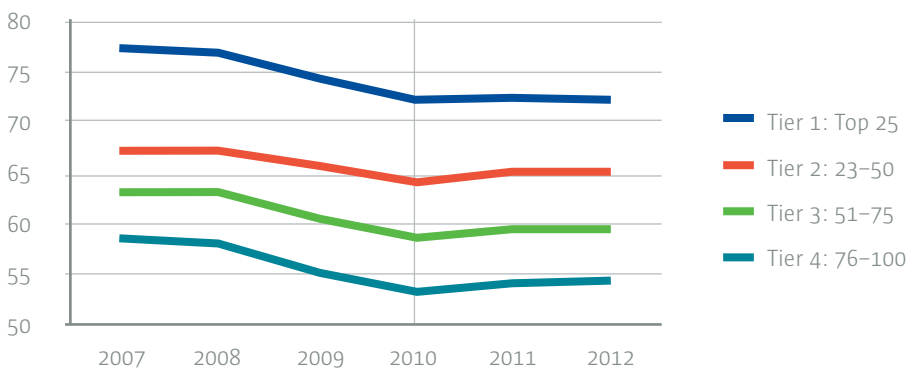
A strong brand is a powerful shield against tough market pressures

In this period of economic decline, the Top 100 brands experienced less of a loss in BrandPower than the average company in CoreBrand's database. These top brands lost only 5.7% of their total BrandPower compared to a 9.6% loss on average for the entire 1,000 companies tracked in the Corporate Branding Index®. The strongest brands are under pressure but have greater resiliency than the average brand. This clearly demonstrates once again that strong brands help companies to weather any crisis better than their weaker counterparts.

The corporate brand is poised for a rebound

When you take a closer look, the decline in BrandPower for the entire database and The Top 100 brands appear to have a distinct bottom in 2010, setting the stage for future brand growth. This indicates that 2010 may be the low-point in the wake of the financial crisis of 2008 and that brands are ready to turn towards positive growth.

BrandPower for the Top 100 brands



When you focus on the Top 100 brands, the inflection point in 2010 is clearly visible. The financial crisis negatively impacted brands, but the damage is done and brands are poised for recovery.

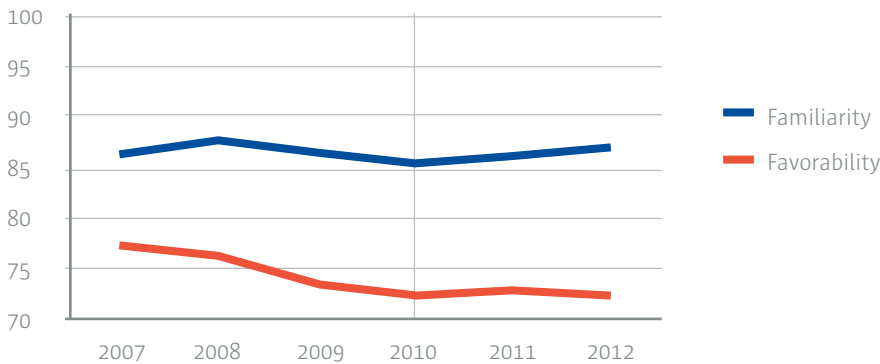
Key insights, continued

Now is the time to adjust brand messaging and rebuild trust

The primary driver in the loss of BrandPower has been a steep decline in Favorability. Respondents are not becoming less aware of brands; however their perception of brands has declined. This supports the need to carefully manage the messages about your corporate brand in the marketplace. As awareness levels have held up, it is time to refine and focus on the quality and resonance of your brand to build trust throughout the entire brand experience.

Since the data point to a potential resurgence in the strength of corporate brands, this is the best time to take action to reap the most positive benefit from brand building activities. The companies that are able to take advantage earlier may reap the greatest rewards.

Top 100 Familiarity and Favorability



Brand awareness has essentially held steady for the Top 100 while sentiment towards brands has plummeted. Adjusting marketing messages and managing the brand experience to rebuild trust will be critical moving forward.

Key insights, continued

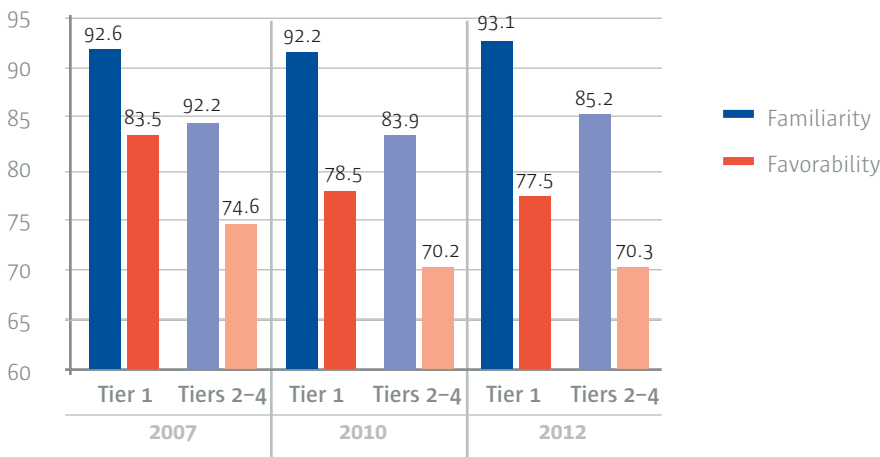
The strongest brands are taking the biggest brunt

Peering further into the dynamics within the Top 100, we see a separation of the elite Top 25 brands from the rest of the group. In 2012 the top tier continued to decline, while the three lower tiers, representing the 26th – 100th ranked brands, all stabilized. The very top brands are facing the strongest category pressure of the Top 100 brands.

This elite tier of brands may be receiving a disproportionate share of the blame for the current economic conditions. Because they are the ones with the most salient brands, they are also the easiest targets for criticism. To maintain their leadership and elite status, these companies should consider becoming more aggressive in their brand management and corporate communications.

Familiarity and Favorability

Top 25 versus remainder of Top 100



The 5-year trend shows a decline in Favorability for both the elite Top 25 and the rest of the Top 100. However, in the past 3 years the lower tiers seem to have begun their recovery while the Top 25 continues to struggle.

Industry observations

Technology companies represent the biggest gainers

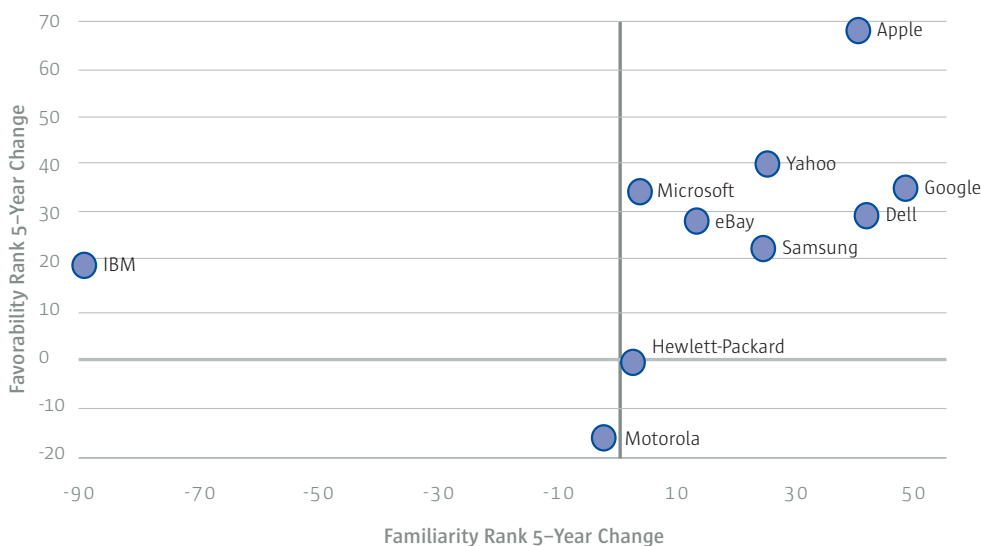
Technology companies appear to be leading the brand resurgence with 5 of the top 10 gainers since 2007 being tech companies. Google and Yahoo! were among the top gainers of the BrandPower Top 100 for this 5-year trend. Google is the biggest mover, up from #136 to #43. But, it is interesting to note that Yahoo! still ranks above them, having moved from a rank of 82 to 31. Over that same period, Apple gained from #93 to #16, Dell grew from #103 to #47, and Samsung grew from #107 to #58.

It is also noteworthy that Apple overtook rival Microsoft in BrandPower score and ranks. Once you take a closer look, the difference in their actual BrandPower scores is minimal. The four-rank separation equates to a difference of just 0.4 in BrandPower score, far from the threshold for statistical significance. Not to diminish Apple's spotlight, but it'll take another few years of continued growth for the Apple brand to significantly out-distance itself from the legacy strength of Microsoft. And, it will be especially interesting to see how the BrandPower Rankings change now that Apple has lost one-third of its market cap in recent months.

Consumer-oriented companies top the list

Fifty-five of the Top 100 brands represent companies in either Consumer Cyclical (35) or Consumer Staple (20) sectors. Of the Top 100, no Utilities sector companies appeared. While it is always interesting to note the most represented sectors, it's not surprising that more consumer facing brands will have a higher score. Utilities are generally regional monopolies and as such have low Familiarity with our national audience, resulting in low BrandPower.

Technology Sector Familiarity / Favorability Ranks: 5-Year Change



When looking at the separate components of BrandPower, the upward movement within the tech sector is clear. IBM in an outlier position shows us that they have not yet completed their transition from being known as a hardware manufacturer to a technology consulting firm. Audiences know them, but are less familiar with the services they offer. At the same time peers are becoming more well-known, causing a shift in relative rankings. We suspect with well-managed outreach, IBM will get back on track soon.

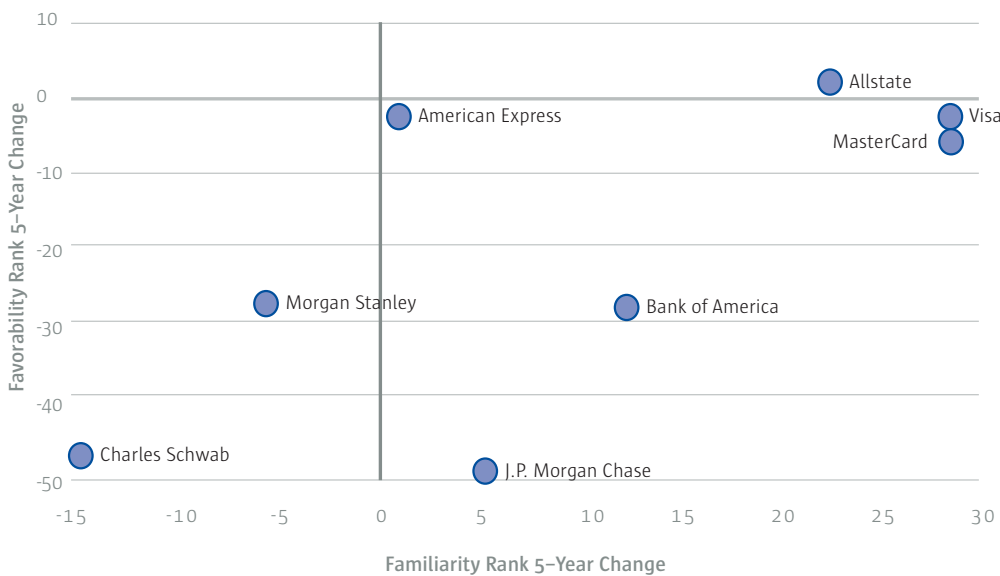
Industry observations, continued

Financial services companies see some ups but mostly downs

Overall, the Financial Services sector was a mixed bag, with some gaining in BrandPower and some continuing to drop. But, it's important to note that the biggest losers in BrandPower rank came from the Financial Services sector. Charles Schwab and Morgan Stanley both fell by significant amounts since 2007 and were among the largest decliners: Charles Schwab from #43 to #82 and Morgan Stanley from #58 to #84. JP Morgan Chase & Co. also lost 21 positions falling from #77 to #98 but was not among the top 10 declining companies. These companies are almost certainly still paying the price for the weak economy.

Another rival rank-swap occurred in the Financial Services sector, between Visa and MasterCard. Visa rose one rank ahead of MasterCard, but again, the actual score differential is actually statistically insignificant. Adding to that, Visa didn't rise in BrandPower score over the past year, it held steady, whereas MasterCard dipped just enough that Visa could slip ahead. It's possible that this power struggle could flip back and forth over the next few years, but for the time being these brands are essentially equals. Add American Express to that mix with its steady decline, and this might soon become a three-way financial services war. With all three companies potentially ending up neck-and-neck, the one who best manages and grows their brand will surely pull out a leadership position.

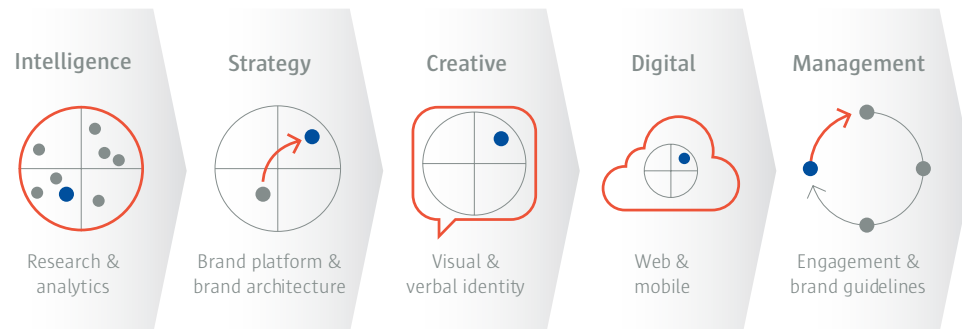
Finance Sector Familiarity/Favorability Ranks: 5-Year Change



Separating Familiarity and Favorability highlights the plummeting consumer confidence for the financial services firms in the Top 100. As media attention has turned the spotlight on these companies, Familiarity has risen as Favorability has declined. This is a clear example of a brand crisis.

About CoreBrand

CoreBrand is a full-service brand consultancy that helps organizations understand, define, express and leverage their brands for measurable results. For 40 years, we have been fueled by fact-based branding, driven by a curiosity to understand how brand can help clients achieve their goals. Whether delivering research, strategy, creative expression or ongoing brand management, our sole focus is to help clients use their brands to make a measurable difference in business results.



CoreBrand is the only firm that correlates the corporate brand with financial performance and has the quantified data to support our findings. We have proprietary analytic tools that measure the impact brand has on business, including the effectiveness of branding campaigns, their influence on financial performance (both revenue and stock) and the resulting return for communications investment.

Built from a mission to create a truly unbiased look at the corporate brand's impact on the overall value of a company, our database and brand valuation algorithm have been independently audited and validated by the Marketing Accountability Standards Board (MASB).

How we can help you

CoreBrand valuation data and proprietary modeling are used to guide strategic brand decisions and track progress including:

- Brand strategy refinement
- Optimizing communication spend (stock sensitivity)
- Marketing mix optimization
- Campaign effectiveness
- CSR and social media measurement
- Mergers and acquisitions
- Co-branding and partnership negotiations

For more information

Methodology

www.corebrand.com/brandpower/methodology

All tracked companies

www.corebrand.com/brandpower/tracked-companies

The Top 100 BrandPower Rankings

www.corebrand.com/brandpower2012

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