BRANDZ™ TOP 75 MOST VALUABLE GLOBAL RETAIL BRANDS 2020

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CONTENTS

A show of strength and courage in the most challenging of times

Welcome to the latest edition of the BrandZ™ Top 75 Most Valuable Retail Brands ranking, which I had hoped to launch with many of you in person at the now-postponed World Retail Congress in Rome.

I'd like to express my deepest sympathies to those people hardest hit by the coronavirus outbreak. And I know that in the retail business, many people whose health has not been affected are feeling the pain in other ways.

This is, without doubt, the biggest challenge the sector has faced in living memory.

But the way that the retail business has responded to such a vast global emergency should be the source of tremendous pride.

After all, many retailers have taken smart, timely and generous strategic decisions that have made a genuine difference to people's lives.

And in stores, warehouses and beyond, millions of retail workers have continued to stack shelves, scan barcodes, pack bags and deliver parcels, quite literally keeping the rest of us going.

It's those unsung heroes keeping the wheels of retail turning who have been keeping society both functioning and fed.

Without them, an already-bleak picture would have rapidly become more desperate.

Retail has for centuries been at the heart of communities, and the current response of many retailers and their dedicated teams of people serves as a sobering reminder of that.

The shock of the current crisis will leave a deep impression on consumers' psyche.

They will not readily forget which friends and neighbors offered comfort and assistance, nor the brands that provided genuine help in their time of need.

So, as you browse this report, I'd urge you to reflect on the amazing work that's been taking place in retail, in the most extraordinarily challenging circumstances.

And I encourage you to look ahead, to how the retail industry will rebuild when the virus passes, as it inevitably will, hopefully in the not-too-distant future.

Of course, virus-related interruptions to supply chains, drastically reduced shopper footfall, staff absenteeism and the like have thrown many of the best-laid plans off course, and these plans are now being redrawn.

But we know from experience of other crises, from the SARS outbreak to the 2008 financial meltdown, that recovery can happen fast, especially for the strongest of brands.

And we should draw strength from the fact that in China, where the outbreak began, retailers are now beginning to make early steps towards what is approaching normality.

When the virus passes, some consumers will splash out on a treat for themselves.

For others, there will be a deeper appreciation of how valuable little luxuries can be; a night at the cinema, a post-work trip to the gym, or a meal shared with friends and family.

Few people will simply do the same as they did before.

Just the other day, the CEO of a European retail brand told me what a great sense of honor he felt at being involved in retail right now, at a time when he could do so much more than run a successful business, and have a much greater impact on society.

Retail brands can be part of the way people realign their lives with their changing values as they create for themselves a new normal.

Before then, there will no doubt be times of immense difficulty. I am certain that they will continue to bring out the very best in the people who power this great industry.

So from me, a very heartfelt thank-you.

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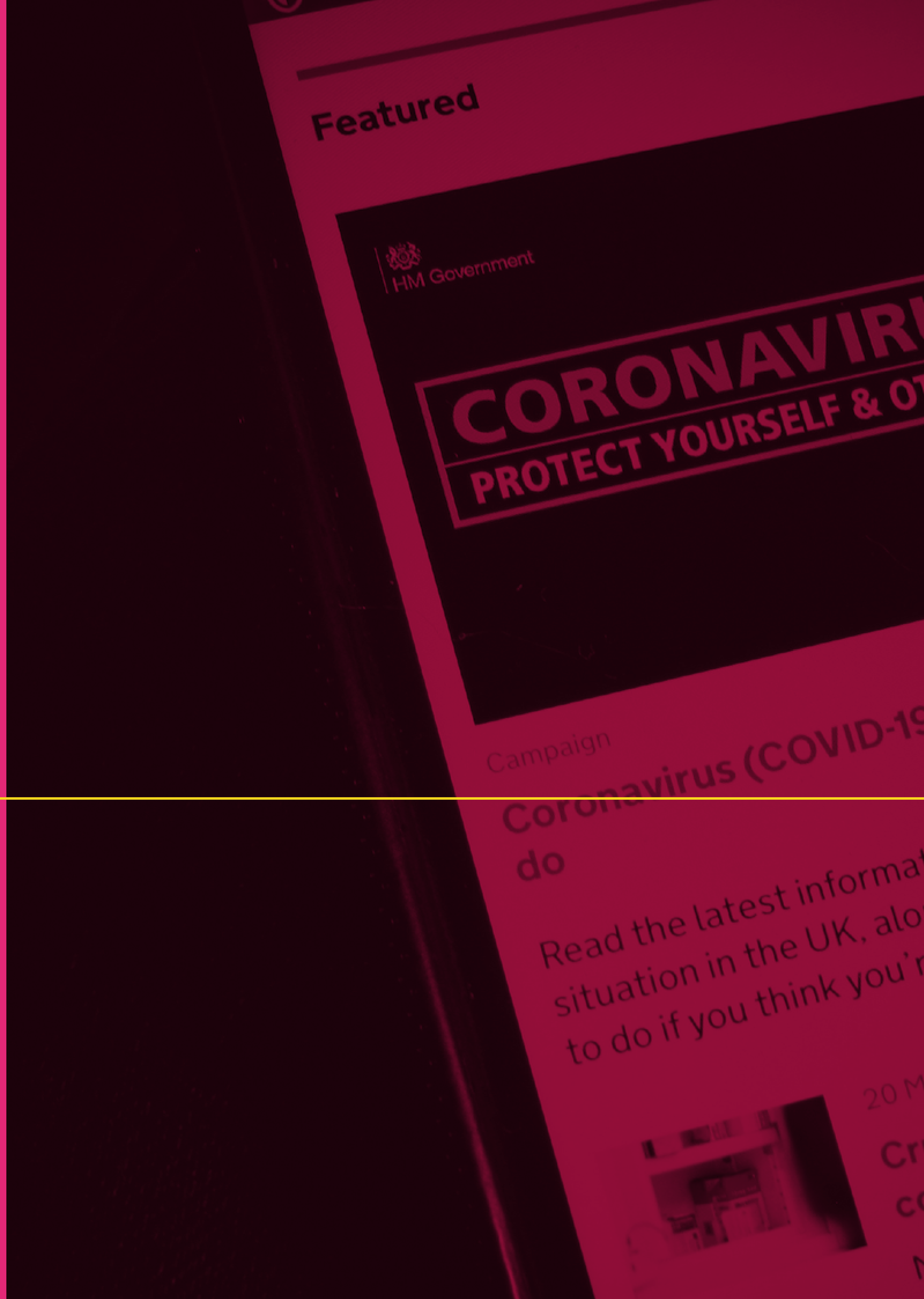
SECTION 1

RETAIL & COVID-19



TSUNAMI IN A SEA OF CHANGE

In the retail industry, we've grown used to seeing change happen fast – but never as quickly as it has as a result of the coronavirus outbreak.

We are living through historic times, facing unprecedented challenges to our economies, businesses and our daily lives. Things we took for granted, like joining friends for dinner, sending our children to school, heading out to work, and looking forward to a holiday, have all suddenly gone.

For many, of course, the virus has brought illness and grief; and many who have been less seriously affected, or have escaped infection altogether, still face extreme hardship. Jobs have been lost and many businesses have had to close their doors for good.

The retail sector has been one of the most intensely challenged. The sudden drop-off in footfall to physical stores – and the fact that travel has come to a standstill – has hit luxury, apparel, and dining outlets hardest.

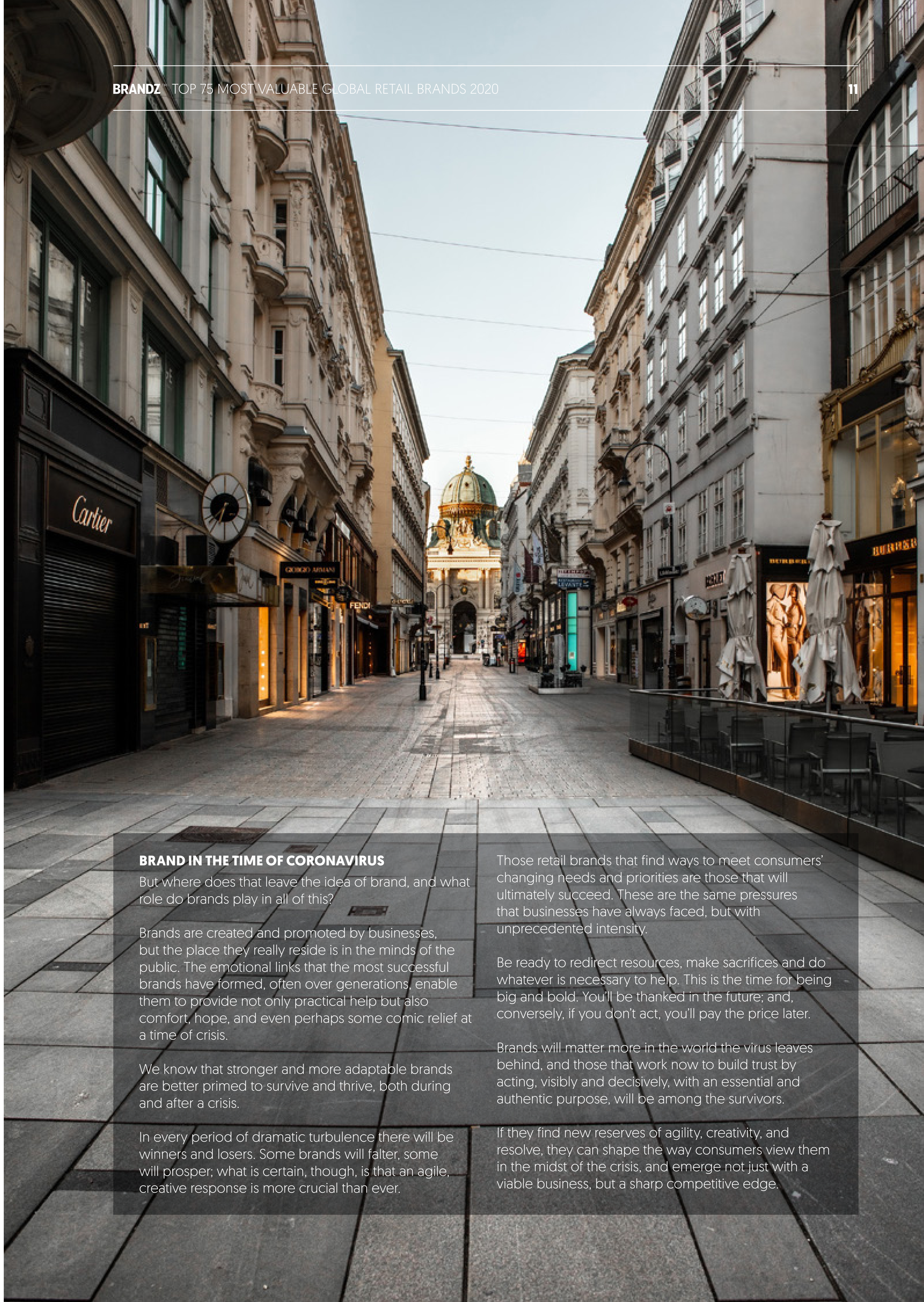
And, while grocery retailers have seen a boom in demand as people scramble to stock up, they have often struggled to cope with the spike in demand, while also having to manage social distancing in stores, disruptions to supply chains, and heavily overstretched online systems.

Yet throughout the pandemic we have seen amazing stories of people connecting, governments offering support, and businesses showing the incredible things they are capable of when the pressure is on.

While the magnitude of this crisis is unprecedented, there are still valuable learnings we can draw on from the past. Events like the outbreaks of SARS and MERS, and the 2008 economic crisis, provide some lessons in how people's behavior changes in the moment, and how habits and opinions are formed for the longer term.

And, given that the spread of coronavirus has been gradual, hitting different countries in waves, we can also learn from the experiences of other markets, even if they are only a few weeks ahead. The most notable example is China, which at the time of writing had started to relax restrictions on movement and social gatherings.

Much of the guidance and observations that follow are practical – things that retail businesses could and should be doing now, both to ride out the worst of the storm, and to be ready for recovery as it happens.



BRAND IN THE TIME OF CORONAVIRUS

But where does that leave the idea of brand, and what role do brands play in all of this?

Brands are created and promoted by businesses, but the place they really reside is in the minds of the public. The emotional links that the most successful brands have formed, often over generations, enable them to provide not only practical help but also comfort, hope, and even perhaps some comic relief at a time of crisis.

We know that stronger and more adaptable brands are better primed to survive and thrive, both during and after a crisis.

In every period of dramatic turbulence there will be winners and losers. Some brands will falter, some will prosper; what is certain, though, is that an agile, creative response is more crucial than ever.

Those retail brands that find ways to meet consumers' changing needs and priorities are those that will ultimately succeed. These are the same pressures that businesses have always faced, but with unprecedented intensity.

Be ready to redirect resources, make sacrifices and do whatever is necessary to help. This is the time for being big and bold. You'll be thanked in the future; and, conversely, if you don't act, you'll pay the price later.

Brands will matter more in the world the virus leaves behind, and those that work now to build trust by acting, visibly and decisively, with an essential and authentic purpose, will be among the survivors.

If they find new reserves of agility, creativity, and resolve, they can shape the way consumers view them in the midst of the crisis, and emerge not just with a viable business, but a sharp competitive edge.

Responding to a crisis as complex as this requires a different approach at different stages. Here we break down the curve of the outbreak into three broad time periods.

1

THE EYE OF THE STORM

Cities that are used to seeing queues for limited-edition designer bags have instead seen long lines for face masks and hand sanitizer – the new luxury must-haves.

Confined to their homes, people's lives, routines and priorities have been utterly transformed. Many are now trying to juggle not just the practicalities of sourcing food and other essentials without exposing themselves to the virus, they are also working from home and home-schooling their children.

While for some this forced "shutdown" is an opportunity to take stock, have some much-needed down time and even learn a new skill, for others, just coping with daily life has become significantly harder.

Panic buying has added to the problem in many markets, whether that's for pasta, fresh vegetables or, in many markets, toilet paper.

Concerned about their health, consumers have been spending more on cleaning products, vitamins and other items people associate with hygiene and wellbeing – yoga mats and hand weights, for instance – and much less on clothing, make-up and luxury items. Obviously, travel and dining outside the home have been reduced to almost nil.

The shift from shopping offline to online has been the biggest change in the way consumers interact with retailers. Even in highly digital markets where e-commerce penetration was already high, there has been a surge. In Asia-Pacific, there was a 32 percent rise in e-commerce in the space of just two months; in Korea, the rise was 41 percent, with the greatest growth in online grocery and food delivery.

People have also been seeking new ways to get their work done, occupy their children, and have a bit of fun.

The most agile and innovative retail brands have been aligning their response to the crisis with this range of consumer needs, and have contributed in a positive way to improving people's lives.

Those brands able to have a direct impact on the fight to beat the virus have moved fast to flex their capabilities. Alibaba Cloud's AI computing power has helped medics in China shorten the diagnosis time for coronavirus from two hours to 20 seconds, with higher levels of accuracy than before.

French luxury holding company LVMH has turned production lines over to hand sanitizer, making the change in just 72 hours. And in the UK before a "stay at home" order was made, the personal care brand Lush was inviting people to use its sinks and soaps for free to encourage frequent hand-washing.

The sporting goods retailer Decathlon teamed up with engineers to adapt its $25 snorkel masks into breathing aids. H&M and Inditex, Zara's parent company, have both committed to producing medical supplies such as face masks. Gap is producing masks, and Gucci is aiming to make and donate 1.1 million masks and 55,000 sets of medical overalls to authorities in virus-hit Italy.

JD.com used its vast logistics network to distribute 15,000 tonnes of medical supplies around China, as well as 220 million items of food. It also deployed autonomous ground robots for last-mile delivery of supplies in Wuhan hospitals.

Meanwhile Alibaba's logistics arm, Cainiao, and partners launched a "Green Channel" initiative for extra fast and safe delivery of medical supplies from around the world to affected areas.

The response of many retail brands in China was a lesson in agility. Convenience stores stayed open longer, adjusted their range to include more fresh food, enabled online ordering for collection and quickly developed contact-free collection systems. The ties being formed between consumers and their nearest stores will surely endure.

Ties are also being strengthened between retailers and other stakeholders, including business partners and staff.

Many supermarkets are working closely with their suppliers to slim down their range of products in order to get more items on shelves. In India,

online supermarket BigBasket has teamed up with Uber to get more deliveries out.

Some brands have focused on ways they can help healthcare workers, be it with free footwear (Crocs), hot drinks (Costa Coffee) or hospital pick-up points for grocery orders (Jumbo, Netherlands).

Beyond grocery, Zalando, eBay, Pinduoduo and Brazil's Magazine Luiza are among the retail brands launching schemes to help small businesses carry on selling and stay solvent.

As well as providing protective equipment and changing systems to ensure staff are working safely, several retail brands have been promising bonuses to thank their staff for working so hard during times of intense demand.

Even for those brands that have seen consumer demand plummet, it's still proved possible to look after staff. KFC in China closed around 3,000 stores at the height of the outbreak, but managed not to lay off anyone. Instead, there was a huge shift into contactless delivery services, which enabled people to keep working.

Not all retail brands are providing essential services, but that has not prevented them from adapting in ways that are useful, and that will be remembered.

Sometimes, it's a small adjustment that can make a big difference. In Australia, for instance, McDonald's drive-thru outlets have been selling bread and milk.

Retail brands have also been able to help people adjust to life in lockdown. Alibaba's DingTalk service is allowing over 200 million people in China to work remotely. DingTalk is also the place where 120 million students and 140,000 schools are holding online classes.

To meet needs of a different kind, JD.com and Chinese music label Taihe Music Group have partnered to create an online clubbing experience, working with the likes of Budweiser, Rémy Martin, Carlsberg and Pernod Ricard to deliver the drinks for people's big nights in.

Nike has launched free online workouts, and Levi's has launched an online concert series, "501 Live", to provide live entertainment to people social distancing at home.

KEEP TALKING, BUT CHANGE THE CONVERSATION

Creative ways to entertain and support consumers can be linked with more traditional forms of communication.

In a time of crisis, the strong temptation is to cut back on advertising investment and lie low until it's over, especially for those brands that have seen sales tank.

But this short-term saving is likely to be costly in the long term; "out of sight" means "out of mind".

Smart brands and retailers have also been adapting their marketing – not just the media mix they use – to take into account that people are spending far more time stuck indoors; and they have also paid attention to the tone of voice they adopt.

IKEA Taiwan, for instance, leveraged its cheeky persona and brand promise of "bringing joy into the home" to bring light relief to all those forced to spend Valentine's Day quarantined at home.

And Nike's "Just Do It" message appeared on digital ads alongside a slipper rather than an athletic shoe. In the US, the brand urged social distancing with the message: "If you ever dreamed of playing for millions around the world, now is your chance. Play inside, play for the world."

Again, there are lessons from China, where those brands that "went dark" in the depths of the crisis were hit twice: once when demand was on the way down, and again during the early stages of recovery as consumers opted for brands that had been demonstrably supportive.

Having a presence in the places where people have gravitated while in isolation is important, and provides opportunities, be they aligned to online gaming, social networking, online learning or video conferencing.

Chipotle UK created "Chipotle Together" lunchtime hangouts on Zoom, featuring celebrity guests, as a way of coping with social distancing.

And in China, the natural skincare brand Forest Cabin shifted from store-based selling to sales via online streams, with their sales assistants doing the streaming on Taobao from the safety of their homes. They managed not just to avert probable bankruptcy, but actually achieve 45 percent year-on-year growth.

Similarly, Max Mara in China has used its sales assistants' existing connections with customers on WeChat to share product pictures, styles and advice. This enabled brand fans to continue ordering, and maintained staff members' ability to earn sales commissions by being supportive and helpful.

THE RECOVERY PERIOD

This phase is likely to last several months, and the time it begins will vary not just by market but also by people's location within their country, and their own confidence that the risk to them is bearable.

Someone in a rural area that has been virus-free for some time might feel happy to head out as soon as they are allowed to. Others in more crowded places, where case numbers have been higher, will not be comfortable with the risk being "statistically low".

At the time of writing, there were fireworks in Wuhan, the original epicenter of the outbreak, to mark the lifting of the tightest lockdown conditions, but life was far from normal for most people in those early days.

This "in-between" time is important for brands, because while people are re-adjusting their lives and routines, they are looking for new ways of doing things, and seeing old situations with fresh eyes.

Researchers at University College London have found that most new habits take an average of 66 days to form, which means that for many people in quarantine, practices they have adopted will be with them for some time.

With the ability to meet with friends, work in your office, travel and see family returning slowly, consumers will gradually blend their new habits with old routines.

For brands that have worked hard to stay alongside consumers during the heat of the crisis, this is the time to strengthen the relationships that have been built.

BrandZ™ and other data consistently shows that when brands maintain their visibility in a relevant, sensitive way throughout a crisis, they not only increase their market share at the time, but also rebound faster and stronger than those that took their foot off the gas.

The challenge now is to be seen as more than just a friend in a time of crisis; there must be clear relevance to consumers' lives as they start to get back to normal. A usefulness is required.

For any brands that failed to optimize their response in the eye of the storm, now is the time to act. People will in many ways be relearning how to go about their lives. There will be roles for brands that can help consumers form new habits, and for those that can amaze, delight and reassure consumers with new services and experiences.

It is essential that brands listen closely to what their consumers are saying; understanding changes in preferences and priorities will be key to providing the right services and communication that matches the prevailing mood. In a category as focused on physical experiences as so much of the retail sector has been, this is especially important.

Are people ready to return to stores en masse, or attend special events? If they are, think about how your brand can deliver a multi-sensory, memorable experience that celebrates togetherness. If they're not yet ready for that, explore ways to build excitement and nurture loyalty, without being seen to push people beyond where they feel comfortable.

This is an important time to review how attitudes to specific brands and segments have shifted, even temporarily. What once was a fashion must-have might have seemed frivolous during a lockdown. The pendulum won't instantly swing back, so brands need to listen to the mood music and show they are paying attention.

Social networks will continue to be a powerful way of engaging with consumers, and smart brands will be offering content and experiences, not just offers of discounts.

3

THE NEW 'NORMAL'

It's difficult to picture it now, but there will be a future in which people no longer cross the street to avoid being close to their neighbors. They will eventually delight in the possibilities of traveling, shopping and dining out, and feel confident enough to make long-term plans.

But when we emerge from this fog of danger and anxiety and feel ready to resume normal life, we will be different people.

There will be a strong sense, for a while at least, that "life's too short" for many of the things people worried about before.

Some people will quit the job they have realized they hate. They'll buy that pair of shoes they've always wanted. They'll put aside a grudge with a colleague, and maybe they'll be a little kinder to the staff they encounter in shops.

But at the same time as they reach out for the pleasures of life they have missed, many people will find they long for different things.

And some who used to aspire to own a certain car, a dress, bag or pair of sneakers with a particular label will now start to wonder whether these material things are still meaningful.

People are likely to pay more attention to things that cannot be bought with money, such as spending more time with family and friends, and pursuits that help them feel spiritually fulfilled.

This does not mean they won't still enjoy shopping, nor that they will become anti-brand. In fact, there will be considerable pent-up demand that will need satisfying, but it will vary significantly between different parts of the retail industry.

And in markets where people tend to have little savings, months of reduced or no income will mean even those who aspire to buy might not be able to.

Among those people who feel ready to spend, there will be contradictions in the way they make decisions as they seek to establish some kind of equilibrium between being daring and fearful; between "why not?" and "why would I?".

People who can afford to will start buying clothes again, buying personal care products and services, electronics and items for their homes.

But they won't necessarily return to the brands they bought before this all began.

They will be looking to brands that they trust. Those that do right by their customers, their staff and their other stakeholders. To those that have a purpose beyond making money, and which have used their resources to ensure that purpose is not PR puff, but a trigger for meaningful action.

CHANGING CHOICES

Health and hygiene will remain top of mind long after the immediate concern about contracting the virus has passed. Exercise, mental wellbeing and nutrition will be big consumer priorities.

In the beauty sector, for instance, people will still want products that make them feel confident, especially as they start going out again. But they may find a more natural image appealing, one that exudes health rather than glamor.

The future of the luxury sector is perhaps hardest to predict. During the SARS outbreak of 2003, consumption levels dropped by 5 percent globally but recovered within a year.

How it recovers this time will be as much about how brands respond as about whether consumers decide to spend again. Luxury won't necessarily mean what it did, and brands need to adapt to that.

Jing Daily, which tracks the luxury industry in China, reports that the aspirational middle-class consumer will still go in for conspicuous consumption, but high-net-worth individuals have been looking for alternatives for a while, certainly since before the pandemic struck.

They were already replacing investments in what they see as impractical luxury goods with activities that build knowledge and soft skills or safeguard their health, and the COVID-19 outbreak has only accelerated that process. Retirement plans, private healthcare and aids to a healthy lifestyle are the super-rich's new luxuries.

Along with high standards of product quality, consumers of luxury consumers everywhere increasingly expect high ethical standards – fair recompense for those in their supply chain, respect for the environment, and support for the arts and culture.

Luxury brands will need to stress ethical fashion and sustainable design to attract HNWIs in future, and, in the post-COVID-19 world, more luxury brands will be emphasizing sustainable storytelling and ethical marketing.

CHANGING CHANNELS

Changes in the way retailers moved products from manufacturer to customer happened fast during the height of the outbreak; longer-term adjustments will inevitably follow.

Many retail brands will be rethinking the sustainability of complex international supply chains and looking for alternatives closer to home – or closer to end consumers in various markets if they operate globally.

At the same time, many of those consumers who did their first ever online grocery shop during lockdown will decide they're going to stick with it, at least some of the time.

Shoppers who were already comfortable with e-commerce may have tried buying from new categories online, and while some will still prefer to buy face-to-face, others will keep buying online.

Smart retailers will have their finger on the pulse of changing channel preferences and make the right adjustments, both to operations and their communications. They will also focus on customer retention, keen to turn new customers into loyal ones.

During the pandemic, the value of unmanned supermarkets and smaller stores became clear: not just a high-tech novelty, but a safer option for customers and staff. The same applies to vending machines, which in many countries are still under-utilized as a sales channel.

This all amounts to retail brands needing to continue innovating as they reassess the most efficient, dependable and desired routes to market.

The digital transformation that was already imperative for retail brands is being accelerated by current events. In the post-COVID period, brands will be under increasing pressure to invest in digitally enabled products and services.

Photo courtesy of www.amazon.com

UNDERLYING FORCES MAINTAIN ABILITY TO RESHAPE RETAIL

Even before the virus struck, there were sizable dynamics at work on the retail industry. These will not go away when 'normality' resumes. In some cases, they will have even more momentum behind them. Here we highlight some of the biggest:

1

RETAILING HAS A CHANCE TO MOVE FROM COMMERCE TO CULTURE

It's become clear that retailers need to add value to the shopping experience beyond putting products on shelves, and we're starting to see the smartest among them experiment with new definitions of what shopping can be.

We see that the opportunity to buy a product will become a gradually smaller part of what retailers do (and charge for), and stores will become centers for cultural exchange as well as hubs of commerce.

How this materializes will differ depending on brand and location; Shanghai shoppers have much more in common with those in Manhattan than they do in many other parts of China, for instance, so it makes sense to develop different formats and models for different types of people and places.

While Londoners might be ordering meals to be delivered several times a week, and shopping entirely from convenience stores for their groceries, outside major cities like this, a big weekly shop is still the norm for many households. One solution for both of these different worlds is not going to work.

Add into the mix the fact that brands are increasingly going direct to consumers rather than via retailer intermediaries, and there's an even stronger need to do something different with retail space.

Personal service with expertise that can't be found elsewhere is one way of doing that; strong private labels are another. "Meet the farmer" nights in some UK supermarkets have proved a novel way to build bonds between discerning shoppers and the products on the shelves.

An after-sales service is another way for retailers to offer more than just products, and to distinguish themselves from each other.

But these are all offerings around the sale, and the truly innovative are moving beyond that, establishing a new role in communities and in people's lives. They're also looking at different ways to make money, rather than the difference between the wholesale price and the retail price.

"Market by Macy's" is a new concept store that encourages people to linger, have a meal, find a space to get some work done, and explore the merchandise in new ways. In the café, for instance, you can have a snack, catch up on emails and then buy the crockery your meal was served on, or the chairs you've been sitting on. Beauty is arranged not by brand but by different needs, and the range in all categories is pared back, chosen specifically for the local audience the store serves, and there are daily events, like book clubs and yoga classes. The store is a blend of retail, hospitality, events and a community service.

B8ta is another take on more experience-focused retail, promoting what it calls "retail as a service", encouraging hands-on testing of the most innovative products available online. All products can be held and used in stores, and brands that want to be exhibited there pay to have a presence, opening up an alternative revenue. Similarly, Showfields, in Manhattan, describes itself as "the most interesting store in the world"; it serves as a physical gallery for digital-native brands.

Stores that break the mold for what we think of as retailers – either by focusing on something new or by generating revenue in new ways – won't be right for every brand or location, but will be an increasingly important part of the mix.

2

ENVIRONMENTAL WORRIES HAVE REACHED A TIPPING POINT

Concerns about the environment generally and plastic packaging in particular have been gathering pace for some time, but we sense that demand for retailers and manufacturers to "do the right thing" more broadly is now at a tipping point.

A desire to reduce waste and think more about the entire life cycle of products (and the packaging they come in) has been bolstered by the work of Sir David Attenborough, Greta Thunberg and others, and has moved from a fairly fringe concern among "do-gooders" to a wider community of people who want to do good.

The fact that air and road traffic have been drastically reduced as a result of the outbreak has had something of a silver lining for the environment. Skies have cleared over many cities usually shrouded in pollution, from Delhi to Los Angeles, laying bare the links between human activity and the state of the world we live in.

While the coronavirus outbreak has temporarily increased demand for disposable items like gloves and masks, and has forced coffee shops, for instance, to stop accepting customers' own reusable cups for take-aways, we believe thinking green is still deeply important to people. We will just have to find new ways around the need to balance hygiene with reducing plastic.

Retailers in Europe in particular have been experimenting with "unwrapped" stores, asking shoppers to use refillable containers they bring from home rather than buy goods in packs, bottles or boxes. Some have started offering fruit and vegetables without the usual plastic wraps. Others have been highlighting their systems for ensuring food is always sold or given away if necessary, to avoid it being dumped on its use-by date. Personal care items are increasingly being made without microplastics, which have been linked to the pollution of waterways.

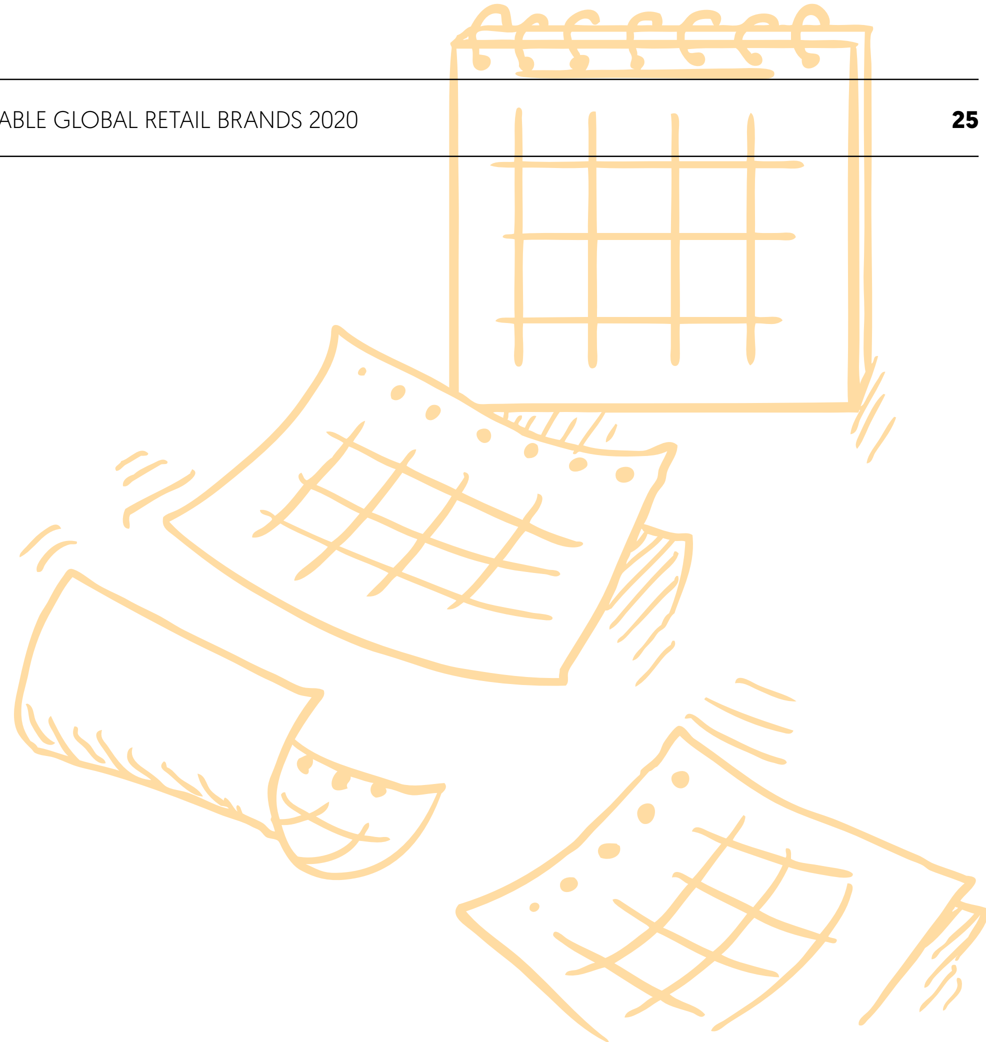
Responding to concerns about the environment is a multifaceted challenge. It involves product formulations, packaging, the energy needed to transport goods around the world, and a look at how products are disposed of when they're no longer useful.

A rethink on packaging in particular will raise significant challenges for brands that have relied on attractive and informative packaging to build and maintain a relationship with consumers. Beyond the ability of packaging to catch someone's eye at the shelf, think of all those breakfast moments with a branded cereal box on the table, and how that reinforces the name that springs to mind when you're stocking up next time.

Consumers who are keenest on going green will be open to new providers of goods and services, and will look for quick ways of identifying which brands reflect their views. Businesses with "B Corporation" certification, for instance, have been graded on their social and environmental performance and have achieved a certain minimum level. They include Natura and Patagonia.

The momentum behind this movement is such that we expect retailers and manufacturer brands will soon be appointing Chief Sustainability Officers in the same way that businesses quickly adapted to tech shifts with Chief Technology Officers. A decade from now, every big business will have one.

The downside to all this for business is that heightened demand for green behavior doesn't come with a willingness to pay a premium for it. This is unlike the early days of Whole Foods, when those people who wanted organic self-selected and fully expected to pay more. Now that being green is in the back of people's minds whether they shop at Waitrose or Sainsbury's, Walmart or Macy's, brands and retailers must consider "doing the right thing" as a basic requirement rather than an optional extra.



3

THE NEW RETAIL CALENDAR IS DRIVING DEMAND IN CREATIVE WAYS

In many parts of the retail sector, it's become a challenge to stimulate shopper interest; many people already have most things they really need. The old-fashioned way of convincing people to shop, by promoting big discounts, is not sufficiently interesting any more, nor does it contribute to business sustainability.

This all explains the rise in special shopping days, which are gradually transforming the traditional retail calendar. Fading into insignificance are Boxing Day sales and "Back to School" specials. On the rise are events like Black Friday, which used to be a US-only event but is increasingly widespread across European markets. And there's the 11/11 festival, formerly a one-day discount day for single people in China, and now a near-global consumption and experience extravaganza. Add to that Amazon's Prime Day and JD.com's 6/18 festival, and that's a lot of new dates for the diary, each spanning several days or even weeks.

For retailers and brands these events are a necessary evil; they need to take part, but if they don't do it right, they risk ending up with big sales but no profit. The same applies to other events created by individual retailers – such as eBay's focus on spring shopping last year.

Success, it seems, comes from ensuring that the event is as much about the experience as the prices, and tailoring the event for the market – a stadium spectacular goes down a storm in some countries but would flop in others. What matters is that however the event unfolds, there's a sense of excitement for shoppers in being part of something special.

Many brands use the 11/11 festival to launch or trial new product variants, or create limited-edition products that attract premium pricing. And, in common with Prime Day, it's a unique combination of shopping opportunities linked with celebrity endorsements and entertainment, and only-available-here media content. It's not just a lot of stuff going cheap.

That thrill of engagement can also be created in other ways, like pop-up shops offering limited-edition items, where only those "in the know" thanks to the right social media connections can get to the right place in time to snap up the goods. The appeal of exclusivity helps shift stock on the day and rewards the most loyal brand fans, and provides an opportunity to take orders for similar items from customers who missed out.

4

PARTNERSHIPS OFFER AN OPPORTUNITY TO GO 'OMNIBUSINESS'

First you had to have great stores, then a great web site, then both had to work together, and now everything a business does needs to flex in a way that meets the customer's needs all the time. This isn't omnichannel – it's what we might now call "omnibusiness".

The new world of consumer-driven commerce is about negotiating the tension people have between wanting optimal convenience on some occasions, and a deeper or more personalized, immersive or human experience at other times. So, while one-click ordering is perfect for someone who knows exactly what they want, and checkout-free payment in a convenience store is ideal for a shopper in a hurry, it takes something quite different to provide what we used to call "retail therapy" – that feelgood sensation of discovering something that's just right, in an environment that feels fun, luxurious or whatever the consumer is seeking at that moment.

Smart algorithms powered by rich data seams can help brands offer "anticipatory" shopping – suggesting or even sending out goods that an individual is likely to need, before they even notice they need it. That's super-convenience. The ability to buy seamlessly through Instagram is another way of providing the ease that shoppers now crave. No one will tolerate a 12-step buying process now.

New business partnerships and approaches are helping retailers get closer to being an omnibusiness. Inserting a digital ordering and collection point in physical stores is one way of doing this, as well as providing digital services within a physical store to provide greater ease or enjoyment – think of wayfinding solutions that guide a shopper to exactly the right place and suggest other items that might be of interest along the route.

Retailers with strengths in one area can partner with those with complementary offerings, in order to be close to consumers and meet their needs quickly, whether they're browsing online, buying offline or some mixture of the two. For retailers with spare floor space, this is a great way to generate value from it, and give customers another reason to visit and be satisfied.

Alibaba's Hema/Freshippo stores provide a great template, offering digital content to inform shoppers about every item they browse in stores, and the ability to take home what they buy, have it cooked for them on the spot, or have it delivered either as the raw ingredients or finished meal. Stores also serve as Alibaba logistics hubs, their neighborhood locations ensuring speedy delivery.

The other element of being an omnibusiness is one that technology can help, but can't replace. That's the human face of the brand – the knowledgeable staff who can make or break someone's experience. The ability to consult, to be cared for and to have someone curate products and experiences just for you is something that – time permitting – is still so much better in the flesh.

Not all stores in a chain need to be all these things; cookie-cutter formats are probably best dispensed with, and a more localized approach taken to the blend of services required.

SECTION 2
RETAIL ANALYSIS

Highlights from the BrandZ™ Retail Top 75 2020

Brand value and categories

Movers and shakers

Newcomers

Want a recipe for growth? There's more than one

Modern retail – it's not just for young brands

HIGHLIGHTS FROM THE BRANDZ™ RETAIL TOP 75 2020

Our findings show that before the COVID-19 outbreak began, strong brands in the sector were adapting to changing conditions and, as a result, were not just managing but in many cases thriving.

Brands like Target, Walmart and adidas, which built their reputation in bricks and mortar, are now successfully balancing multiple platforms.

Our Top 75 for 2020 uses the financial value of brands as of mid-April, so takes into account the early effects of the virus outbreak.

It shows a sector in which strong brands are managing the strain and looking for new ways to be meaningful and relevant.

TOP 75 WORTH OVER US $1.5 TRILLION

The combined value of the BrandZ™ Top 75 Most Valuable Retail Brands has risen by 12 percent in the past year, to $1.514 trillion. These brands come from four sub-categories: Pure Retail, Fast Food, Apparel and Luxury, and they are growing despite – and in some cases as a result of – severe disruption in the market. Of the 75 brands in the ranking, 34 increased in value this year, showing that when businesses observe, anticipate and adapt, they can retain an important place in people's lives. While the pace of growth overall has slowed since last year, when the Top 75's value soared by 33 percent, the ranking is still worth $158 billion more than it was a year ago.

THE STRONGEST GET EVEN STRONGER

The Top 10 brands in the ranking have outpaced the growth seen across the sector this year, posting an average rise in brand value of 16.4 percent. Amazon remains the undisputed king of the retail jungle, topping the Top 75 once again with a brand value in 2020 of almost $416 billion, up 32 percent on last year. Amazon alone accounts for 27 percent of the Top 75's total brand value. Strong growth by others in the Top 10 – including second-placed Alibaba – shows that faced with intense pressure, strong brands can do more than just get by; they can redefine what's possible.

SECTOR LEADERS CONTINUE TO DOMINATE

McDonald's is by far the most valuable Fast Food brand in the world, although others in the sector are adapting by expanding delivery options and other service innovations. Under the golden arches, self-order kiosks and other "Experience of the Future" features in restaurants – including AI-powered suggestions at drive-throughs – are driving sales and satisfaction, and delivery partnerships are behind incremental orders. In Luxury, Louis Vuitton is the most valuable brand, with a new global flagship store in Seoul, and creative partnerships with world-renowned artists on collaborative pieces and collections. Nike leads the Apparel category, with e-commerce, product customization and collaborations driving strong sales globally.

5 NEW ENTRANTS MAKE THEIR TOP 75 DEBUT

The ferocity of competition in the sector means that there are inevitably some losers as well as success stories. The rising value of the Top 75 means it is now 1 percent more difficult to make the 2020 ranking than the 2019 one, and five big retail brands have lost their places. New entrants come from a range of countries and sub-sectors, and they reflect the changing nature of the retail industry and the business models that underpin it. China's Pinduoduo is the highest new entrant, at number 26, enjoying huge success with its online group buying model. Not all the new entrants are new to business, though. The other debutantes in the Top 75 are ZOZOTOWN, Aeon, Bunnings and FamilyMart. What unites them is clarity of purpose, and qualities that stand out in people's minds and help make their lives better, even in small ways.

ZOZOTOWN
拼多多 Pinduoduo
BUNNINGS warehouse
ÆON
FamilyMart

SERVICE AND INNOVATION DRIVING GROWTH

Strong performances by many brands we might call "traditional" retailers show that physical retailing is far from dead – but it does need to be different. The strongest players in this year's ranking, both young and old, stand out for focusing on the customer experience, whether that's online, offline or a combination of the two. E-commerce natives continue to cause deep disruption in the market, and have been especially successful this year during times when people haven't been able to shop in physical stores as they might have wished. But any format can win, if it justifies its pricing, is distinctive, and works in ways that consumers find useful and interesting.

BRAND VALUE AND CATEGORIES

Supermarkets, convenience stores, department stores, e-commerce specialists and hardware stores are those we call Pure Retail, and they account for the majority of places in the 2020 ranking, as well as the majority of the ranking's total value.

These brands have grown in value by 20.4 percent, and occupy 45 places in the Top 75. It is not just the digital-native retail brands – the likes of Amazon, Alibaba and JD – that are seeing growth. Legends of physical retail such as Walmart, Target and Sam's Club are adapting and thriving.

Specialist Apparel, Fast Food and Luxury brands are almost equally represented according to the number of brands in the Top 75.

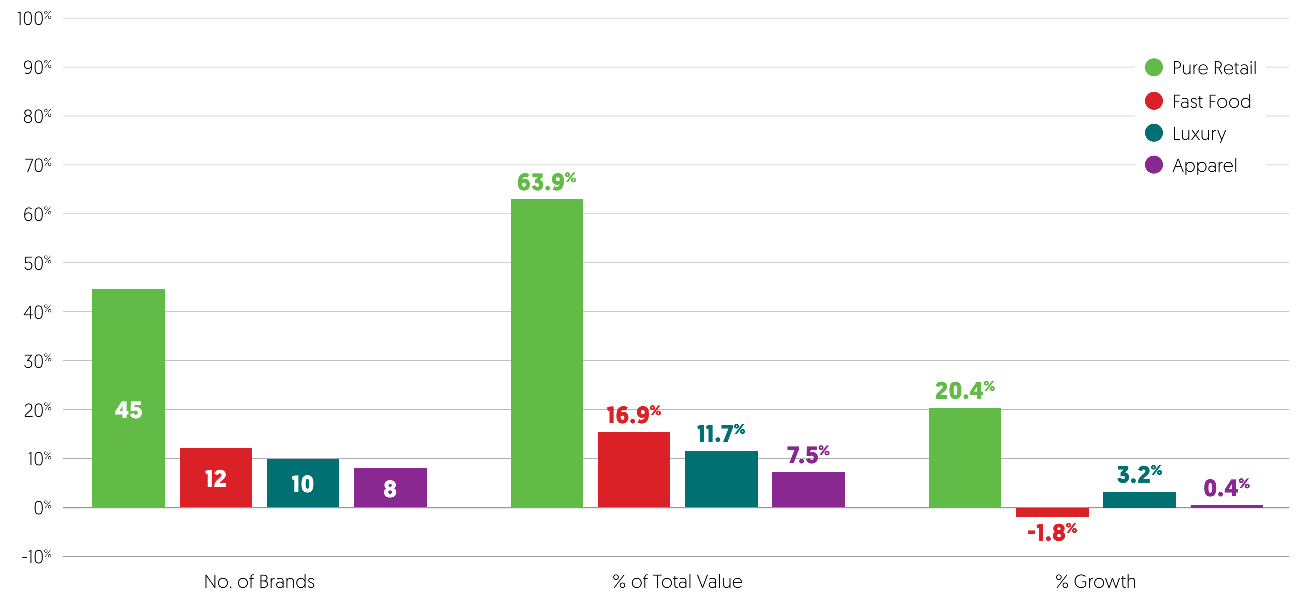
Partnerships with technology platforms and delivery services have been among the innovations driving Fast Food brands in the past year. The category is led by McDonald's, which has made adjustments to its menu and renewed its focus on the provenance of ingredients, as well as developing new technology in drive-throughs and restaurants that makes choosing easier and more efficient.

Starbucks retains seventh position in the Top 75. The rollout of hundreds of new stores in China is part of its success, along with new product innovation, mobile ordering, delivery, celebrity communications and personalized offers through the brand's loyalty scheme. KFC and Subway are the next most valuable brands in the Fast Food category. Most brands in this category have been hard hit by the COVID-19 pandemic, with many branches having to close or switch to delivery-only.

After a bumper year of growth among Luxury brands last year – those in the Top 75 increased in value by 25 percent in 2019 – this year has seen considerably slower growth, of 3.2 percent. There are still 10 luxury brands in the Retail Top 75, led by Louis Vuitton, Chanel and Hermes. Louis Vuitton has continued to expand globally, has opened its latest flagship store in Seoul's trendy Gangnam district, and has been integrating classic and cutting-edge designs into its men's and women's ranges, frequently in collaboration with cutting-edge artists. Italy's leading brand in the ranking, Gucci, has been enjoying strong growth in Asian markets, and is teaming up with tech giant Tencent to further tap the Chinese market in data-driven ways. The most successful luxury brands are balancing the depth of their heritage with partnerships that show they are as relevant to consumers today as they have ever been.

The Apparel sub-category is led by sportswear and footwear giant Nike, which continues to drive growth through product innovation, digital developments in its stores, and a highly personalized loyalty program. Lululemon and adidas are also enjoying growth thanks to regularly updated product lines and a worldwide surge in interest around fitness, wellness, and casual sportswear. Fast fashion brands such as Zara, Zalando and H&M are finding the going tougher, and have suffered as a result of virus-related store closures and a drop-off in footfall to stores and malls generally. The Apparel category overall posted 0.4 percent growth in brand value this year.

SHAPE OF THE TOP 75



Source: BrandZ™ / Kantar

CATEGORY LEADERS 2020

Pure Retail Top 5

Rank 2020	Brand	Brand Value 2020 $M	Brand Value % Change 2020 vs. 2019
1	amazon	415,855	+32%
2	Alibaba Group 阿里巴巴集团	152,525	+16%
4	The Home Depot	57,585	+8%
8	Walmart	45,783	+24%
11	Costco Wholesale	28,677	+35%

Fast Food Top 5

Rank 2020	Brand	Brand Value 2020 $M	Brand Value % Change 2020 vs. 2019
3	McDonald's	129,321	-1%
7	Starbucks	47,753	+4%
16	KFC	16,584	-4%
19	Subway	13,768	-20%
22	Domino's	10,743	+12%

Luxury Top 5

Rank 2020	Brand	Brand Value 2020 $M	Brand Value % Change 2020 vs. 2019
5	LOUIS VUITTON	51,777	+10%
9	CHANEL	36,120	-2%
10	HERMÈS PARIS	33,008	+7%
12	GUCCI	27,238	+8%
33	ROLEX	7,433	-11%

Apparel Top 5

Rank 2020	Brand	Brand Value 2020 $M	Brand Value % Change 2020 vs. 2019
6	Nike	49,962	+5%
14	ZARA	21,268	-6%
18	adidas	14,812	+11%
25	lululemon	9,669	+40%
30	UNIQLO	8,217	-16%

Source: BrandZ™ / Kantar

MOVERS AND SHAKERS

When we look at the fastest-growing brands in the Top 75, that usually means throwing a spotlight on what has come to be known as "new retail" – digital-focused platforms that have usurped their long-standing bricks-and-mortar rivals with a winning combination of keen prices, speedy service and unbeatable convenience. But that's not the case this year.

Make no mistake, the digital innovators continue to shake up this sector, but the brands enjoying the strongest surge in brand value include several of those that, just a few years ago, we might have expected to be struggling. Yet they are ably demonstrating that while big-box physical retail might be going out of fashion, brands that can move with the times and provide services that make a meaningful difference to people's lives are always in demand.

The fastest-growing brand this year is activewear brand Lululemon, posting growth of 40 percent since 2019. Lululemon also led the fastest risers last year and has enjoyed success again as a result of the consumer appetite for health and fitness, especially among the young. The brand has improved its online experience, allows click and collect from stores within one hour, is expanding into new categories such as outerwear, and is building communities around yoga classes and community events.

Costco has been expanding its network in its home market, the US, as well as internationally, having opened its first warehouse in China. It is also improving the customer experience by offering self-checkout for a speedy exit, improved e-commerce options, and an expanded selection of goods from big-name brands such as Apple, Sony and Weber. Costco's growth in brand value puts it ahead of Amazon this year, a business that has benefited from the shift to e-commerce in countries where there have been restrictions on movement. Amazon was already gaining in value thanks to increasing take-up of its Prime membership offer, and rising sales of its Alexa-powered voice devices.

At a time when other general retailers are struggling to sell clothing, Target (up 27 percent this year) is succeeding thanks largely to the success of its newly launched in-house apparel brands. It's also reaping the rewards of a partnership with delivery service Shipt, and its same-day fulfillment offer for online orders collected in store. In fact, its physical store network – expanding with new smaller, urban branches – has given Target a closeness to consumers that has helped it compete against purely online rivals.

Walmart and stablemate Sam's Club are both among the fast-growing heritage retailers that are setting new standards for online-offline consumer experiences. Walmart has grown 24 percent this year, due to strong growth internationally, particularly in China, and innovation in its home market, the US. The brand has been remodelling stores to improve omnichannel integration, and offering grocery delivery into people's homes.

WHAT'S INSIDE THE (BIG) BOX?

BrandZ™ analysis of fast-growing brands Target and Sam's Club shows they both have strong personality traits that give them distinct positioning in the market.

Target is perceived as being significantly more fun and playful that other brands in the general retail category, and it maintains this image through consistent, memorable communications. Target's BrandZ™ score on the strength of its communication is 122, compared to an average for the sector of 100.

This ensures that Target has strong Salience, a measure of how readily a brand springs to mind when a consumer has a need or thinks of a category. But, just as importantly, Target also performs well on the BrandZ™ measure of being Meaningful (scoring 134 compared to an average score of 100). It meets people's needs in a functional way but also provides a sense of emotional closeness.

SAM'S CLUB

Sam's Club has been improving its private label assortment and offering a growing range of healthcare services at its clubs, as well as experimenting with technology like in-club wayfinding and mobile checkout powered by computer vision.

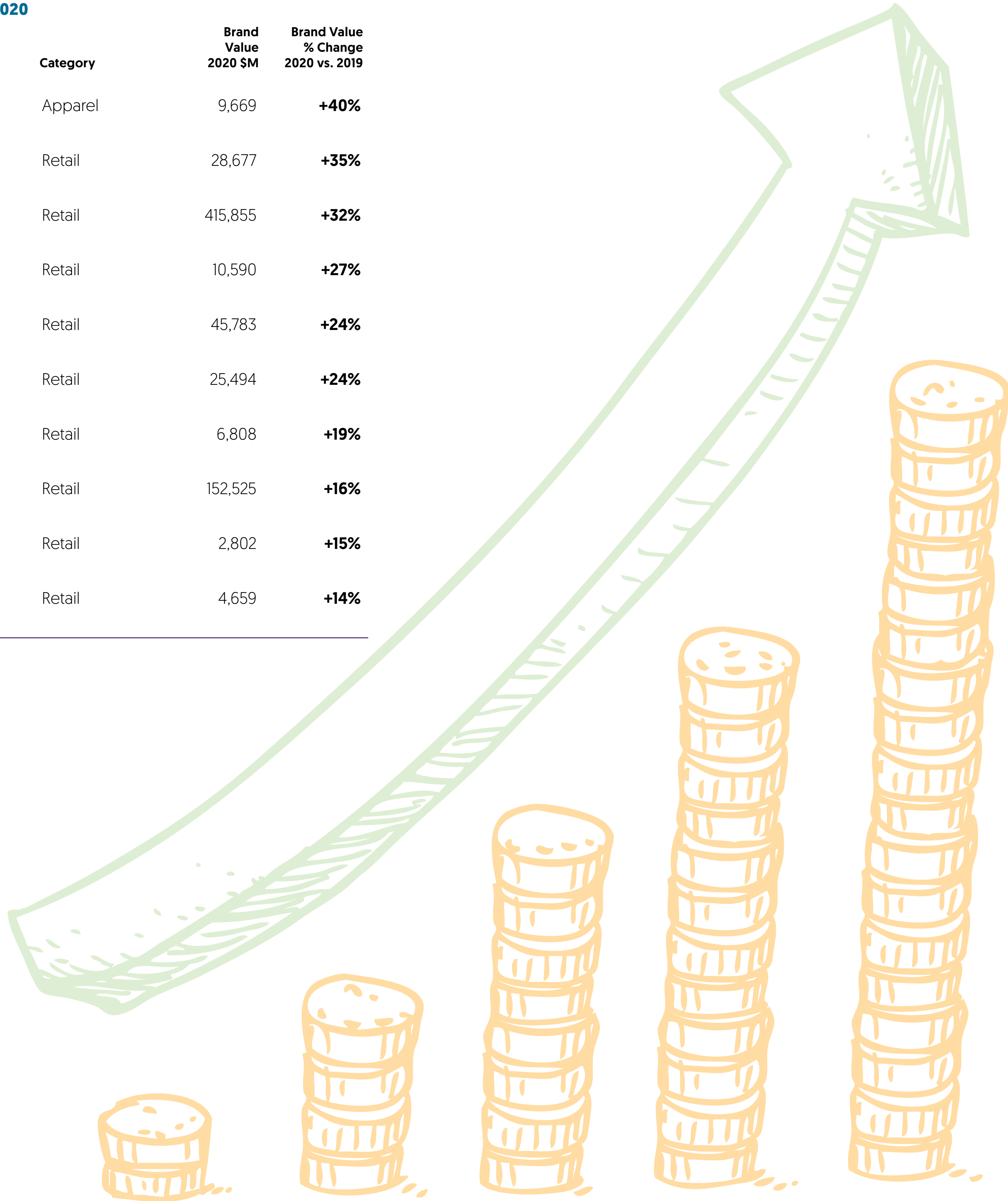
BrandZ™ data shows the brand has improved its index scores Sam's Club now scores 109 for "having a great range". It has an index score of 105 for "shaking things up" and 105 for "being well-designed". The average in the category is 100 on all measures, and Sam's Club was scoring well below average on all three of these metrics just a year ago.

Brand Power is the BrandZ™ measure of consumers' predisposition to choose one brand over another. It correlates with both sales and growth in brand value, and on this key metric, Sam's Club has raised its score from a below-average index score of 97 to a well-above-average 114.

TOP 10 FASTEST-GROWING BRANDS 2020

	Brand	Category	Brand Value 2020 $M	Brand Value % Change 2020 vs. 2019
1	lululemon	Apparel	9,669	+40%
2	Costco Wholesale	Retail	28,677	+35%
3	amazon	Retail	415,855	+32%
4	Target	Retail	10,590	+27%
5	Walmart	Retail	45,783	+24%
6	JD.COM	Retail	25,494	+24%
7	sam's club	Retail	6,808	+19%
8	Alibaba Group 阿里巴巴集团	Retail	152,525	+16%
9	Tanishq	Retail	2,802	+15%
10	Flipkart	Retail	4,659	+14%

Source: BrandZ™ / Kantar



FOOD FOR THOUGHT

Fast food brands have suffered as a result of enforced restaurant closures in some markets, and a reluctance to dine out in others. Brand values have therefore gone down this year, despite many brands refreshing their menus to chime with changing public priorities, especially around health and freshness. Prior to the COVID-19 outbreak, they had also been using mobile and in-restaurant technology to improve the diner experience, as well as making crucial partnerships with delivery brands, ticking boxes for consumers seeking greater convenience than ever.

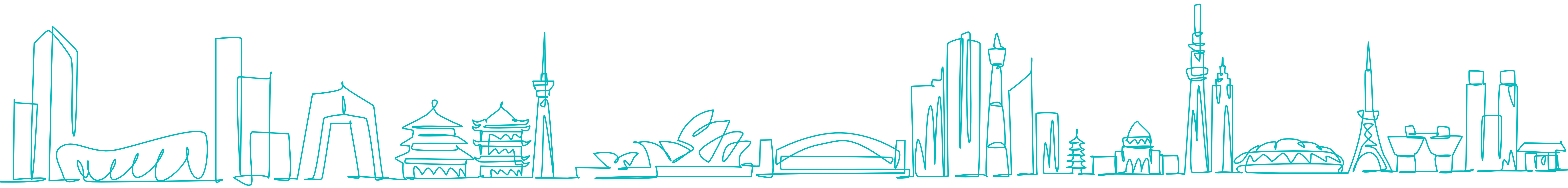
Domino's Pizza is the fastest-growing brand in the category this year. It has been improving its Meaningfulness in its home market in the past decade, though is challenged by the success of other fast food brands and their ability to use delivery partnerships to offer the convenience that used to be one of its own key points of difference. It has developed a popular loyalty program, Piece of the Pie, which it uses to maintain engagement with existing customers, and is experimenting with voice-activated ordering and self-driving delivery vehicles. The business is also expanding internationally, particularly in Asia.

On the BrandZ™ Brand Power metric, which gauges consumers' predisposition to choose one brand over another, it performs well above the category average (100) in many of its international markets. In the UK it scores 105, in Spain 112, Australia 130, Mexico 154 and India an outstanding 256.

Chipotle's value has risen 6 percent in this year's Top 75 ranking, and our data shows that its unique positioning – it has a Difference index score of 131, compared to an average of 100 – allows it to sustain a higher premium than its direct competitors. A partnership with delivery service DoorDash a year ago is behind much of its momentum, along with the popularity of its Chipotle Rewards loyalty scheme. Digital marketing has emphasized the fresh ingredients and skilful preparation in Chipotle kitchens, feeding the consumer appetite for transparency around food provenance.

NEWCOMERS

The five new entries in the Retail Top 75 this year come from across the spectrum of what we now call retailing.



The highest new entry is China-based Pinduoduo. It makes a bold debut in 26th place in the ranking, ahead of long-standing mega brands like Tesco, 7-Eleven and Rolex. Pinduoduo is a digital collective buying marketplace that is only just approaching its fifth birthday but that is now China's third-biggest e-commerce site by size. The fun element of collective buying among friends on social platforms was initially targeted at third and fourth-tier cities and below, but now it enjoys huge popularity across all consumer groups.

There are three new Japanese brands in the Top 75 this year, led by the e-commerce fashion retailer ZOZOTOWN. The site is closely linked to the rock-star personality of its founder, Yusaku Maezawa, as well as its drive to revolutionize fashion, in part by providing customers with free bodysuits that allowed them to upload their measurements for customized clothing that would fit perfectly. Expansion internationally had to be scaled back when the business found itself overstretched, but ZOZOTOWN was recently bought by Yahoo! Japan, so there is the possibility of a combined news, commerce and entertainment offering.

In contrast to these digital specialists is Bunnings, an Australian DIY retailer using old-fashioned values to drive its brand. Bunnings enters the Top 75 in 69th place. The brand is known as a trusted source of hardware and gardening supplies, but also as a reliable place for a sausage sandwich, thanks to the regular "sausage sizzles" outside its stores, which raise money for local causes. The brand evokes strong feelings of trust, and is widely perceived as being friendly and meaningful.

Aeon is the second Japanese newcomer to the ranking, and operates shopping malls, hypermarkets, supermarkets, minimarts and general merchandise stores in 11 markets around the Asia-Pacific region. This is a traditional retailer that has struggled to grow at a time when digital competitors have been winning market share, but it is now investing in improving its digital credentials, and is partnering with UK online grocer Ocado Solutions on automated warehouses and systems. Aeon is also adapting stores to make them more comfortable for older shoppers, and is boosting its private label offering in future..

Japan is home to the fifth and final new entrant to the Top 75 this year, with convenience store chain Family Mart entering the ranking in 75th place. The brand is well known for its collaborations with other popular brands, such as Muji, as well as innovations including low-priced children's meals and a new gym concept.

What these newcomer brands have in common is a well-communicated point of difference compared to competitors in their category. Whether through their product range, services or the way they make people feel, these brands stand out in a way that consumers appreciate and that in some small way makes their lives better.

NEWCOMER BRANDS IN THE TOP 75 2020

Rank 2020	Brand	Brand Value 2020 $M
26	拼多多 Pinduoduo	9,394
52	ZOZOTOWN	4,509
64	AEON	2,932
69	BUNNINGS warehouse	2,740
75	FamilyMart	2,424

Source: BrandZ™ / Kantar

WANT A RECIPE FOR GROWTH? THERE'S MORE THAN ONE

If you're a brand looking for guidance on how to engineer retailing success, there isn't just one direction you can travel in, there are several options:

1

VALUE

Analysis of the data behind this year's Top 75 reveals that providing outstanding value is one way of super-charging growth, as long as it's not all a brand has to offer. Alibaba, for instance, is perceived as being especially good at "charging fair prices" – its index score on this measure is 138, compared to an industry average of 100. But as we know, Alibaba has much more than fair pricing as a selling point – special events, exclusive products, celebrity endorsements and convenience – but it is one of many growing brands that performs well on a value proposition. In fact, growing brands in the ranking have an index score of 113 on charging fair prices, 6 points higher than stable and declining brands.

2

UNIQUENESS

Growing brands in our ranking are much more likely to be seen as standing for something distinctive than those brands that are just treading water or are seeing their value decline. Those making their way up the Top 75 average an index score of 110 on this metric, compared to 104 for the flat or falling brands, and an average of 100 for all brands. IKEA is a great example of a brand that is seen as unique, scoring 139 for "standing for something unique".

There are several ways in which brands can carve out a point of difference – having provenance from a particular place is one way, and those retail brands in our ranking that are growing are more likely than the others to have this as a differentiating strength. McDonald's performs well on this measure, scoring 120 for provenance compared to an average of 100.

There is also the possibility of being seen as a specialist, which is something many more rising than falling brands have in common. Consider Lululemon, the yoga-focused athleticswear brand, which has an index score of 142 (the average is 100) on being a specialist.

3

PREMIUM

This is not about charging more money in order to appear more valuable. In the BrandZ™ analysis, a brand has a strong premium score if it is perceived as being worth more than is charged, because its price and margin is justified.

Growing brands in the 2020 ranking have a premium score five points higher than the stable or declining brands; this does not mean that luxury brands are rising and discounters lose. In fact, inexpensive brands can have strong premium scores if they are seen as being well worth the money they're charging. Having said that, brands associated with hefty price tags can also score well on the premium index, as Hermès does, with a score of 116 compared to an average across all brands of 100.

Further analysis of those brands that have increased their value over the past year, and a comparison with those that have declined or stayed at the same level, shows there are other significant patterns. Growing brands have significantly stronger levels of Salience, which means they spring readily to mind when a consumer thinks of a category. They also provide experiences that consumers love, and they are far more distinctive in people's minds than other brands in their category.

THE WINNING NUMBERS

The average of all brands is 100

	Growing Brands	Stable / Declining
Exposure: Salience Index	125	108
Experience: vQ Brand Experience Index	110	105
Distinctiveness: Difference Index	120	105

Source: BrandZ™ / Kantar

MODERN RETAIL – IT'S NOT JUST FOR YOUNG BRANDS

There is considerable and entirely understandable excitement about the way that new entrants to the business of retailing have been shaking up the sector. But BrandZ™ research shows that there's still plenty of room for long-established brands, provided they move with the times.

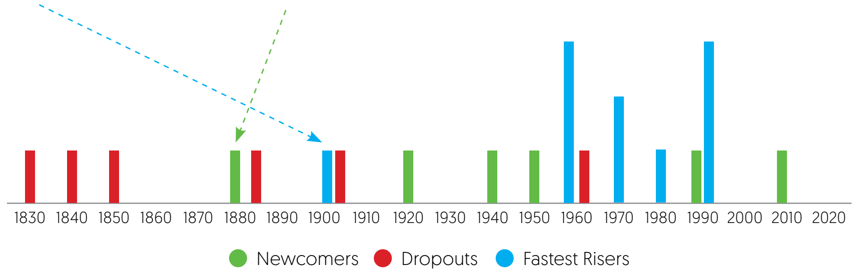
The newcomers to the Top 75 ranking this year range in age from just five (Pinduoduo, launched in 2015) to 133 years (Bunnings, launched in 1887), with the others spread fairly evenly between these two extremes.

Among the fastest-risers this year, there's a similar range of ages, from Target – which has over a century of heritage – to Lululemon, which is only 22 this year.

A look at the age of brands that are new to the ranking this year, alongside those that dropped out and those that rose the fastest shows that the oldest have tended to be most vulnerable. But heritage brands can still be just as relevant to today's consumers as they were to their very first customers, as the Top 75 shows.

OUT WITH THE OLD? NOT ALWAYS

Below is a timeline of newcomers, dropouts and fastest risers in the Top 75 2020. The oldest brands are most likely to drop out...but old brands can still be revived, like **Bunnings** in Australia or **Target** in the US.



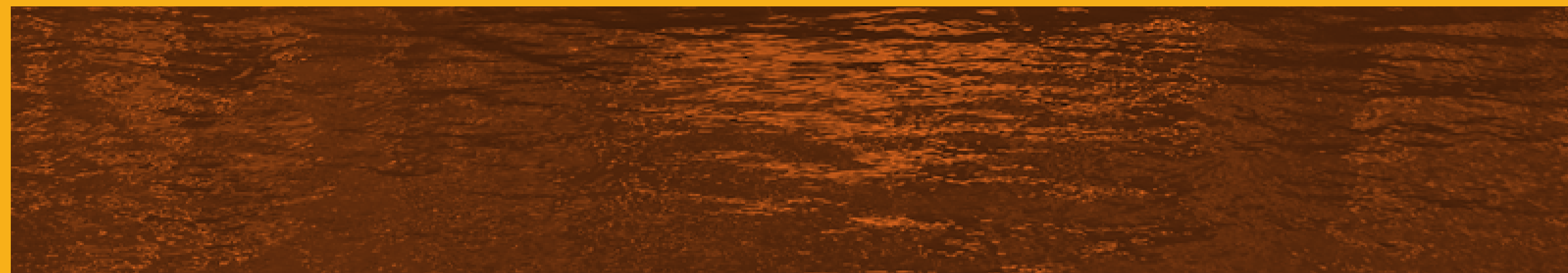
Source: BrandZ™ / Kantar

SECTION 3
THE TALK AT THE TOP

EXCLUSIVE INTERVIEWS AND INSIGHTS FROM GLOBAL LEADERS IN RETAIL – AND A PRIME MINISTER WHO SHOPS!

Some of the brightest lights in the global retail business gathered in Amsterdam for the World Retail Congress 2019, which focused on the theme "High Velocity Retail". David Roth, CEO of The Store WPP (EMEA and Asia) went backstage and interviewed some of the event's most prominent and influential guest speakers, including the Prime Minister of the Netherlands. Here we present highlights from some of those interviews.

To watch them in full, visit
https://world-retail-congress-2019.tswpp.com



To watch the full interview, visit:
http://bit.ly/39b82hD

SHARED VALUES AND A MISSION TO DELIVER

In the old days, Rodney McMullen and Tim Steiner would have been sworn rivals. But in today's fast-changing world of retail, they are business partners. McMullen is CEO of Kroger, and Steiner, CEO of Ocado.

The two companies joined forces in 2018, with an agreement by Ocado to supply its technology exclusively to Kroger in the US market. Kroger has taken a 5 percent stake in Ocado.

At just 20 years old, Ocado is 137 years behind Kroger in terms of retail experience, but has the sharp technological expertise in selling groceries online that Kroger lacks. A partnership, McMullen, simply makes good sense.

"When I look at Tim and the talent that Tim has, and the team, and the drive, and the ecosystem they have in terms of getting the best-in-class ideas across the whole world, that's an ecosystem that we wouldn't be able to do on our own," he says.

"Ocado has been on the journey for basically 20 years now ... at best it would be five years for us to catch up to where Ocado is today, much less where Ocado's going to be in five years."

Ocado is just one of several new partnerships for Kroger; others include Walgreens, Microsoft, and Nuro, a partner that handles self-driving delivery vehicles. The Kroger deal, similarly, is one of several for Ocado, which is also teaming up with Aeon in Japan, among other retailers around the world.

"Everything that we're doing is what helps the customer get what they want," McMullen says.

"That's all that matters at the end of the day, and how you get there as quick as you can. Obviously we have incredible connections with our associates and our customers, but there are other things that we need to move faster on, and that's really when we decided we needed to partner with other people."

For Steiner, international expansion is a long way from the early days of Ocado and the sceptics who said the online delivery service would never work without physical retail stores.

"For many years, people thought e-commerce was going to be a very small part of the market, that it was best to do it from your existing store based assets and the idea of automation, centralization, of building all this software was completely redundant; and slowly but surely, we won people over.

"Now we're working in seven countries with multiple clients and hopefully the learnings that we'll get from the different markets that we're in, in France or in Australia or in Sweden, will end up in Florida or Cincinnati or wherever we're trading. Our clients have customers who can benefit from those worldwide learnings and the resources that we can put in the innovation."

The relationship between Kroger and Ocado means shared success and failure, and shared learnings. McMullen says the relationship works because it's built on shared brand values.

"We knew that we could trust Tim, we could trust his team, the values they had, the way the approached the business, the focus on the customer and all of those things, so those were the first pieces, and then it really was trying to identify, can we take 1+1 and equal 5 or 10."

Steiner recalls watching a video about the history of Kroger. "It started with a focus on the customer, and we started with a focus on the customer, so every time we look at a challenge, we don't say 'what's the cheapest way to do it?', we say 'what's the best way to do it?'. I think we share a view of if we do the best job for the end customer, as long as we do that in a smart and intelligent way and apply whatever technology we can to it, the end result will be the right one."

To watch the full interview, visit:
http://bit.ly/31wf5yQ

THE (ALLEN) KEY TO SUCCESS IN A WORLD WHERE 1+1 = 3

Data and technology will not only transform the way businesses are run, they'll also make it easier to turn a house into a home.

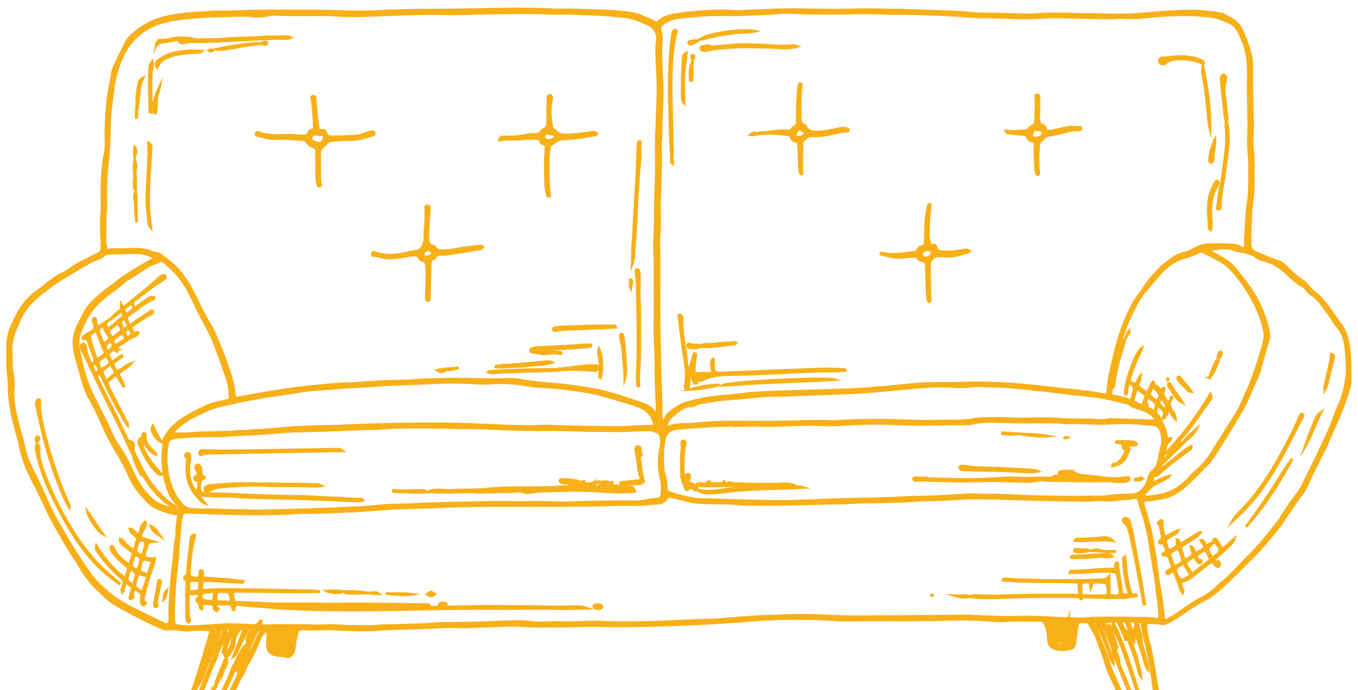
Barbara Martin Coppola, Chief Digital Officer at Ingka Group, the holding group behind IKEA, says that for companies to thrive in today's "high-velocity world", they need to combine the latest tech and data with a strong sense of brand identity, values and purpose. When that happens, the results can be greater than the sum of the individual elements.

"Technology can help accelerate pretty much everything, and so when the values are in the right place and the vision is clear - to better the world around us - then tech is invaluable to do that."

Coppola says the technological breakthroughs that power big businesses like IKEA can come from much smaller partners.

"I really believe in this notion of open innovation," she says. "I think that brilliant minds are everywhere in the world, and that IKEA needs to be open to all these minds and whatever they are bringing to the table, so forming an ecosystem of innovation is a principle of openness that IKEA has embraced."

Coppola sees artificial intelligence as a "tsunami" that can be used as a force for good to improve people's lives, societies and the planet.



"It is absolutely part of IKEA, I am personally extremely excited, it's almost limitless – everything that you can do with AI, from supply chain, to serving consumers better, to the circular economy – so when put in the hands of people who know how to manage it, I think it's a force for good."

One of the manifestations of AI in the IKEA shopping experience is helping householders visualize the rooms in their home as they would look with selected new pieces of furniture.

"A lot of consumers have a bit of 'white page anxiety', feeling like 'oh my god, how am I going to furnish my living room?'. It's scary ... so technology comes to the rescue here with AI," Coppola says.

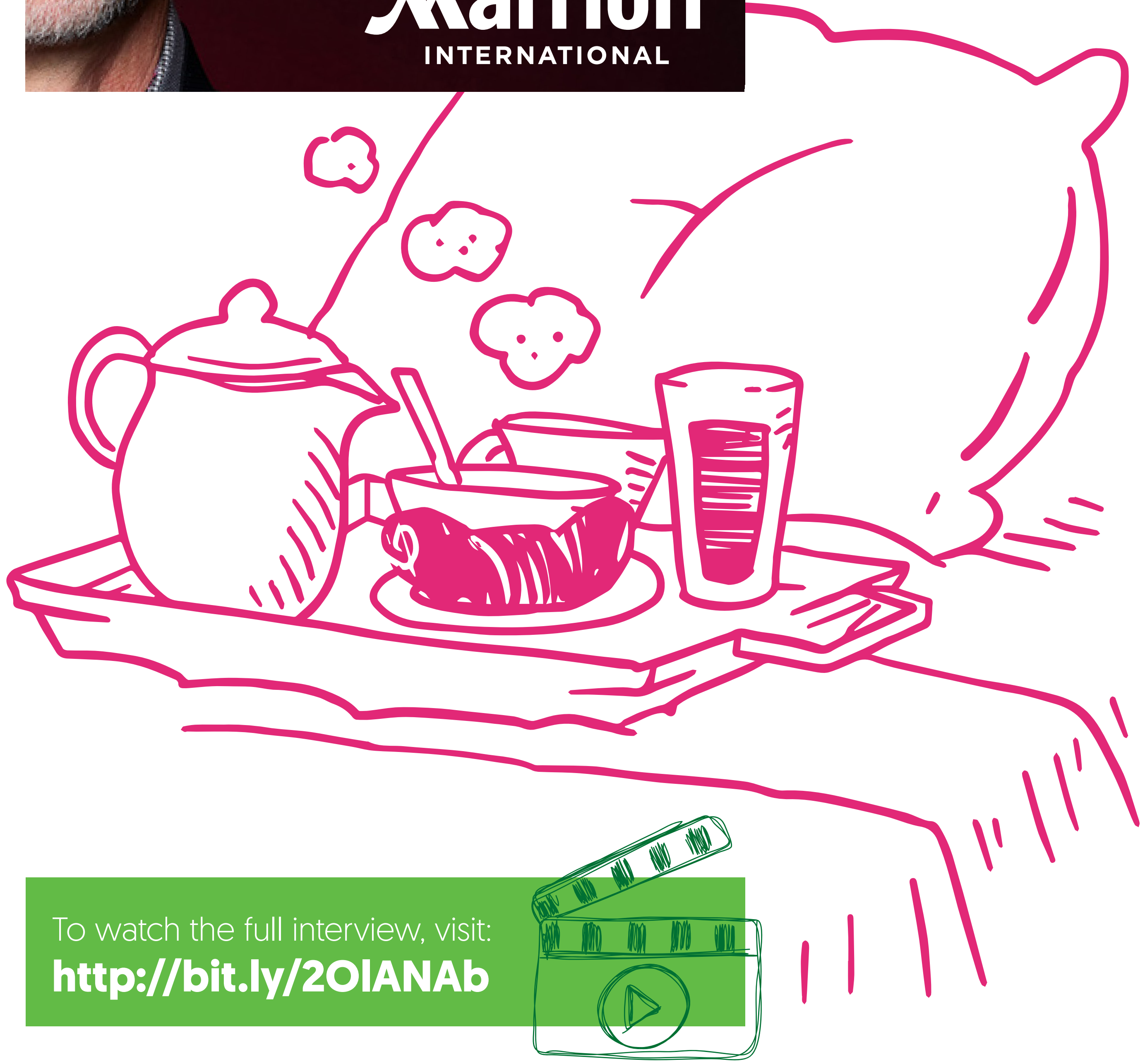
"It's understanding you and your preferences, and actually generating a pretty realistic view of that living room, with [the ability] to swap and customize to one's liking. That is AI and 3D imagery combined, and it's solving a big issue for people."

As the Internet of Things becomes a reality, Coppola foresees IKEA potentially being the hub of connected homes – provided the proposition is both simple and subtle for the consumer.

"We definitely are the 'life at home' leader in 30 countries, so we have a very, very important role to play in that space ... but for this to really take off it needs to be simple. And it needs to be a feeling that data isn't taking over my life, and it isn't taking over my home, which is the most precious and intimate setting of all of us."

The prevalence of digital technology, but with a very human and human-friendly interface, will be at the heart of homes of the future, Coppola says.

"I believe that digital is at the service of human beings ... it shouldn't be in your face, it should be in the background to actually allow people to have better experiences. I like talking about 'phygital' - physical and digital together. How to actually nail that space is going to be fantastic to watch in the years to come."



To watch the full interview, visit:
http://bit.ly/2OlANAb

WHY THERE'S MORE TO ENJOYING YOUR STAY THAN THE STAY ITSELF

The changing expectations of travelers are challenging hotel brands, which are redefining what they offer in light of new technology and new opportunities to deliver the sorts of emotional interactions that create powerful memories.

David Kepron, Vice-President, Global Design Strategies, Marriott International, says the group used to think about being the world's largest hospitality company, providing hotels, restaurants and a good night's sleep. Now, it aims to be the world's favorite travel company.

"That opens up a world of possibilities that recognizes that travel isn't just about the hotel stay: it's about everything you decide to do, from the moment you decide to get on your way to the hotel. It's the things that happen after the hotel ... how that experience unfolds."

Marriott Hotels' recent advertising campaign reflects this new approach with the tagline: "It's not only about where you're staying. It's about where you're going. Marriott, Travel Brilliantly."

Marriott International has 30 hotel brands and around 7,000 properties worldwide; they include Marriott Hotels, Westin, Ritz-Carlton, W, St. Regis and Sheraton.

Kepron's design team works across all of them, taking a bird's eye view of everything from architecture to operations, food and beverage and IT, to determine how each brand can create a unified and seamless experience for their guests.

"As an architect, I'm schooled to believe that architecture is what really matters and the rest of it could probably go away and people would be moved and transcend experiences simply through architecture," Kepron says.

"But the reality is it doesn't matter how good the stuff is if the interaction with the associates doesn't work well. Those personal relationships are critical."

As elements of the hotel experience become more digital – think of mobile check-in and keyless entry – there is a danger that, while guests benefit from more efficient processes, what's lost is an opportunity for someone to make eye contact, to smile, remember the guest's name, and set the tone of the entire hotel experience.

For Marriott International, the task is about striking the right balance between the human interactions that make properties in the group feel to guests like a home from home – and keeping pace with new technology and changing attitudes to travel and experiences.

Kepron acknowledges that when properties are built to last – at least for the few years between renovations – trying to play catch-up with consumers and their use of technology is bound to be a losing game.

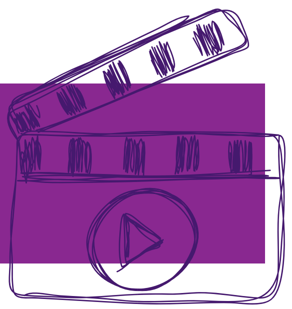
"You can argue that digital is disconnecting and there's lots of research to suggest that it is, but there's an argument to suggest that we can use digitally mediated experiences, immersive digital, to create sensory-based experiences that really are what people want in the end anyway."

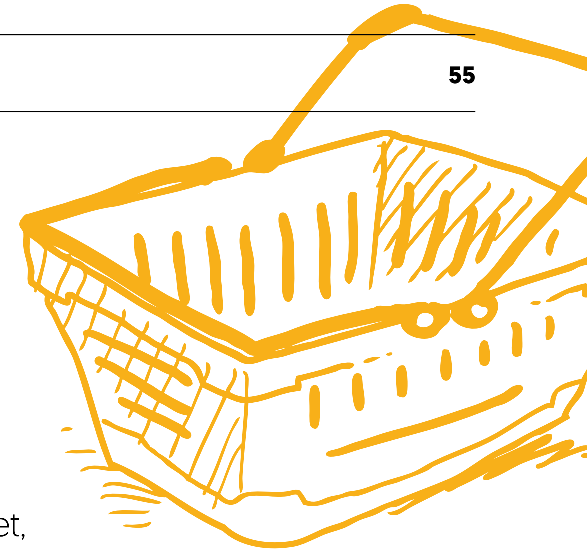
Kepron sees potential in augmented reality and virtual reality to help hotels provide the experiences that create special memories, particularly for a younger generation of travelers.

The attitude he says used to prevail in retail and hospitality was "here's the product - hope you like it". Now, younger consumers expect an opportunity to help narrate their experience with a brand. No longer just buyers and users of a thing or service, they are participants, and that leads to a much deeper and more memorable experience.

"One key thing that I talk a lot about is the idea of 'technempathy'," Kepron says. "The idea ... that if you're using technology to get closer to guests, then it's very useful; if you're not doing that then its effect is sort of suspect and will not last for a long time."

To watch the full interview, visit:
http://bit.ly/2RXx7qD





TELLING IT STRAIGHT: WHY THERE'S STILL A FUTURE IN STORES

For someone at the helm of an online-only supermarket, Lord Stuart Rose is perhaps surprisingly bullish about the importance of physical stores in consumers' lives.

"People are going to have a slightly doomsday view about retail today ... I love the idea, if I'm a bit short of time that I can sit on my mobile phone and order my groceries from Ocado ... tonight and get them by 7am tomorrow," he says.

"Equally, I get just as much pleasure, if not more, being able to say 'I fancy a nice piece of cheese, I'll go down to Marylebone High Street and spend half an hour choosing it'. Nobody wants to sit looking at a screen all day."

Lord Rose is now Chairman of Ocado and has around half a century of experience in retail. He was executive chairman of Marks & Spencer until 2010, having joined the business in the early 1970s as a management trainee.

He is optimistic about the future of retailers – provided they understand that it's their job to surprise and delight customers every day. Offer great products, a great environment and great service, and they'll love it, Lord Rose says.

"It's no different to you or me going to a restaurant; we know exactly when we had good service. You can't go back to a place you had bad service and a bad meal."

To keep pace with changing expectations and retail environments, Lord Rose says leaders need to listen carefully, and find the right partners.

"They need to have a finger on the pulse, antenna tuned into every change, every nuance, every change in behavior, every change in trend, every demand ... react to that, anticipate those needs, and deliver those requirements and you'll survive.

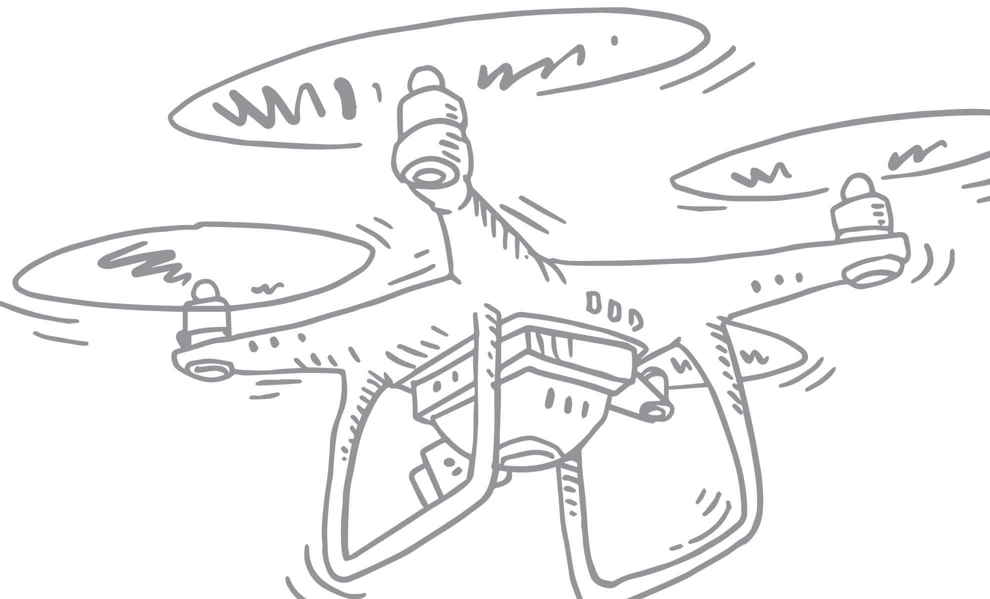
"But you cannot expect one company or one person to have the answer to every question. Companies have got to realize that they have to reach out and collaborate, and they have to put the best possible teams together, because it's only teams that make great businesses."

Lord Rose says the role of retailers in economies and societies has generally gone without the gratitude from governments that it deserves.

"Retailers are remarkably efficient, they're remarkably innovative, they're ingenious at being able to deal with difficulties ... and if you look at the cost of electronics and clothing and food, in real terms, over the last 50 years, they've gone down. We've kept inflation down, we've given customers better choice, better quality, better standards; we've employed more people, and I think we've enriched societies as a result."

At age 70, Lord Rose is realistic about the length of time he is likely to be playing a role in future retailing, and has even given thought to his obituary.

"What I'd like them to say about me – forgetting my retail career – is that 'actually he was a straight-talking, straight bloke'. Nothing would give me greater pleasure. I've spent my life dealing in consumer industries, and for me the most important thing is for people to recognize that everybody's got a role to play. Everybody is exactly the same – it doesn't matter if you're a chief executive, or the guy operating the baler at the back of the store – you're all vital to the organization."



To watch the full interview, visit:
http://bit.ly/36SgMrb

INNOVATION THE KEY TO WINNING LOVE AND LOYALTY

Experimentation and adaptation are the keys to ensuring long-established retail brands are just as relevant now as when they were founded decades ago, says Wouter Kolk, CEO of Ahold Delhaize, Europe and Indonesia.

Kolk says the DNA of the business is to help and serve customers; that just needs to happen in a different way today than it used to, so relies on diverse teams of staff generating new ideas and quickly testing them in the market.

Ahold Delhaize operates 35 retail brands in markets including the US, Belgium, the Netherlands, the Czech Republic, Serbia, Romania and Indonesia. They include Albert Heijn, Etos, Food Lion, Peapod, Tempo and Albert. Albert Heijn is the market leader in the Netherlands.

"If you looked at our physical stores only four years ago, we had a lot of non-food in them, and hardly any food services. We've now put the non-food on Bol.com, which is our non-food online player, we've moved space around in our store, we have more 'food for now', we have sushi corners, we have more space for fresh, for bakeries, for delis," Kolk says.

"We are also completely overhauling [things] and becoming more digital, so there are more digital experiences in the store. We've made the shopping experience easier, you can pay with your card, you don't have to stand in line.

"We still believe [in the value of physical retail] as the store is instant gratification: you go in and you go out, and you get your hot coffee or your groceries or whatever you need. We have very convenient locations ... and we are constantly investing and changing our stores to be more adaptive for what is necessary."

As a business that caters to older, loyal consumers as well as digital-savvy and highly demanding millennials, Kolk says it is important to employ a diverse range of people and let them amplify the voices of consumers.

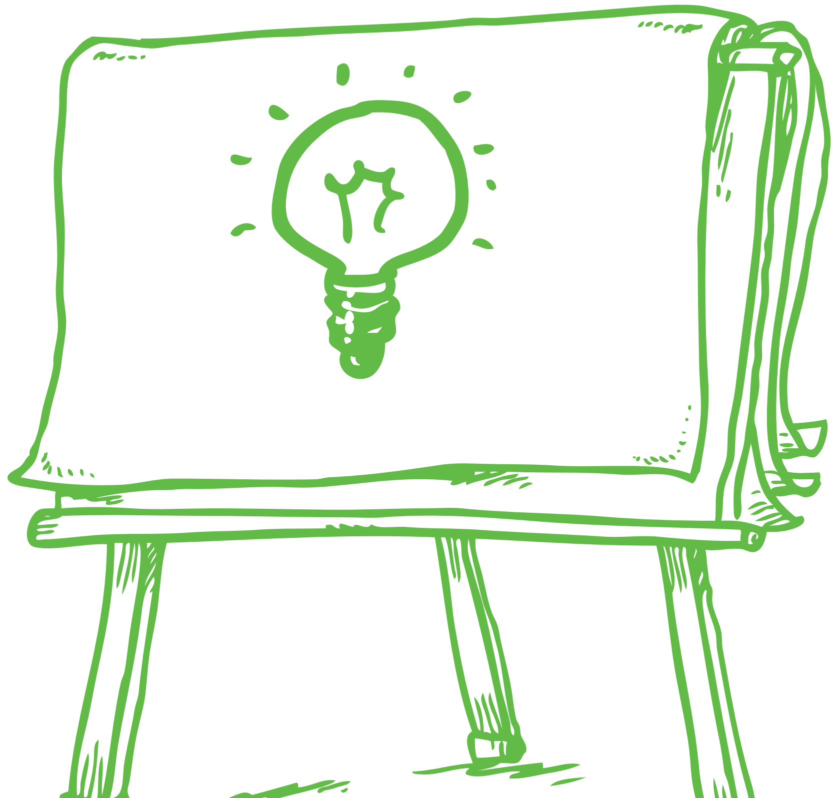
Ahold Delhaize is the Netherlands' biggest employer of millennials, so when the business wants to know what millennials want, it asks them.

"We also have a lot of elderly people who like to go to the store, who like to be serviced, and they are as big a population as the millennials are. The fun part is that we employ people who are 60+ and have worked here for 40 years, and we have people who are 20 who've been working for two years, but we sometimes put them in a room together, and we find a solution."

The business is also learning from fast-growing, highly digitized markets such as Indonesia, where Ahold Delhaize has been operating for around 20 years.

"Because they're highly urbanized areas, the store also has a different role – it also has a role for last-mile delivery, for 'food for now', so we can experiment a lot with local players, like [delivery service] GoJek ... it's a very interesting learning ground. We can also give our talent an opportunity to work there."

Kolk says these are super-exciting times to be in retail. "I always look at it from a positive point of view, because you can sometimes wake up in the morning and think 'oh my god, how are we going to do this?', but it is exciting."



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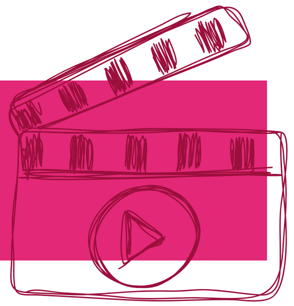


THE SHOPPING EXPERIENCE SECOND ONLY TO ROYALTY

High-end retailing has much to learn from the tourism and hospitality industry, as it seeks to offer a memorable, shareable experience as well as an opportunity to buy.

That's the view of Sylvie Freud-Pickavance, Strategy & Business Development Director, at Value Retail, which operates the Bicester Village Shopping Collection, a range of 11 luxury outlet destinations in Europe and China.

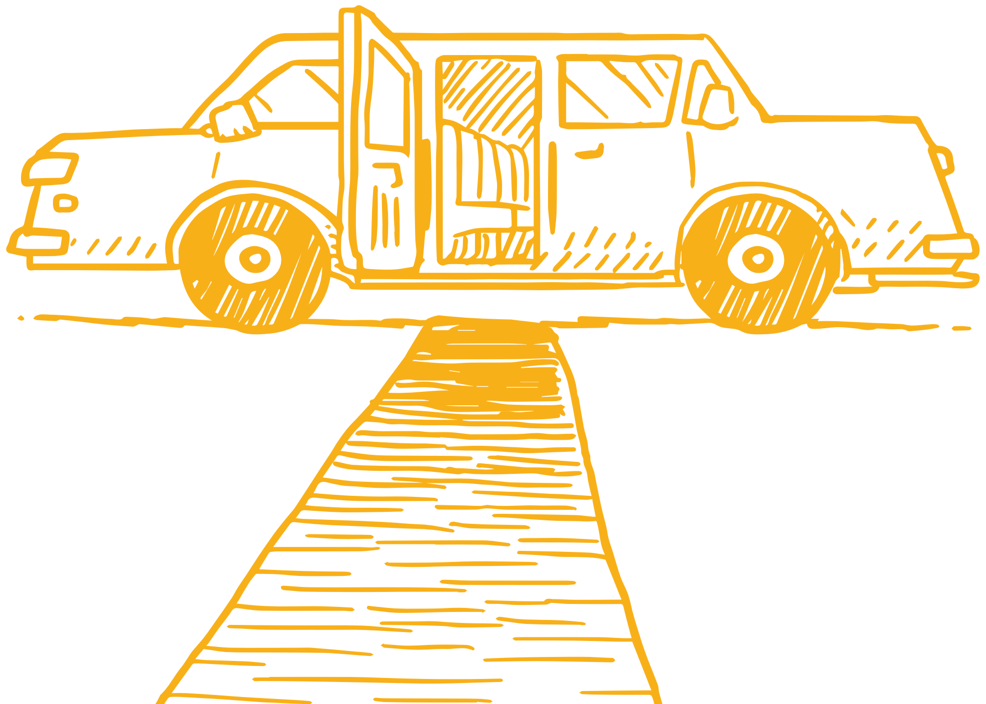
"Our product is the experience, and so we have always focused on it," she says.

But the current focus on experience across the retail sector comes as a result of the rise of e-commerce.

"The digitization of the world is fantastic, but it comes also with certain side effects," says Freud-Pickavance. "Emotional content becomes more critical and one of the ways we've been trying to respond to that augmented pressure is to bring [expertise] from the hospitality industry into what we do and how we work."

Services are centered on improving the wellbeing of shoppers, rather than just on selling additional products, using hospitality-trained staff to provide a concierge-style service, in tandem with digital touchpoints.

Value Retail shopping villages are designed with bargain-hunting luxury shoppers in mind – particularly those from mainland China who are increasingly traveling abroad.



"It's no secret that for luxury businesses, the Chinese consumer is an incredibly important customer, not just because of how much they buy domestically and internationally, but also how they influence the world with their consumer behaviour," Freud-Pickavance says.

Bicester Village in the UK attracts two out of every three Chinese visitors to the country. Such is its popularity that Bicester is the most-visited attraction in the UK after Buckingham Palace, and that's why the global collection of Value Retail shopping villages takes the Bicester name, even though each one is adapted to be locally relevant.

"It's not a cookie-cutter experience from Bicester, but it's so well-known and it also defines a certain promise. It's very important to have local authenticity, but people recognize [common] traits in all the properties we have."

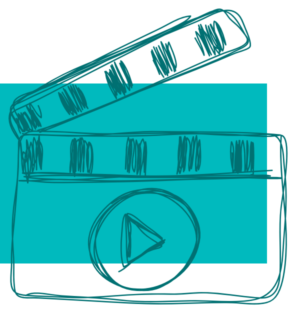
The delivery of luxury brands and experiences in a setting where shoppers know to expect great value unites both ends of the market in a way that even Freud-Pickavance says doesn't add up on paper – yet does work in reality.

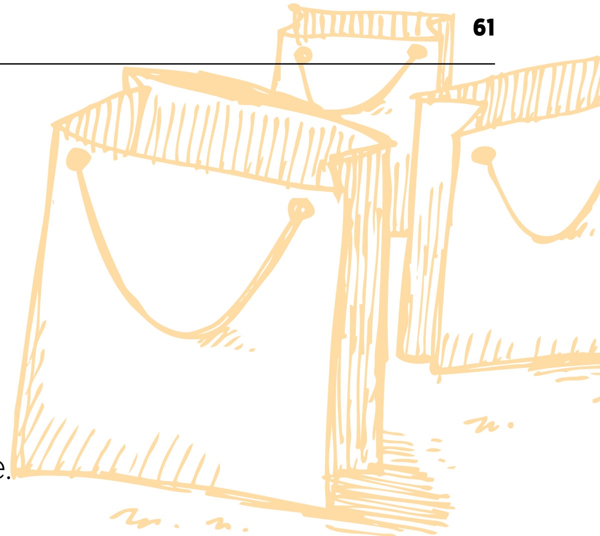
"A lot of people talk about luxury evolving from being very exclusive, and now the new buzzword is 'inclusive'," she says. "This is something we've grown up trying to do ... we're always challenging ourselves to find new ways to do it – to make people feel special when they come to us, and feel that they are in a special environment.

"Our brand partners perceive that that we are a flagship physical retail experience ... part of luxury is experiential and enriching yourself. Growing yourself as a person through art, through discovery, through surprise, enhances your emotional connection with the brand."

MARK RUTTE
Prime Minister
of the Netherlands

To watch the full interview, visit:
http://bit.ly/31pbltc





UNEXPECTED ITEM IN BAGGING AREA

If you shop in the Netherlands and think there's someone familiar pushing the supermarket trolley next to you, it might well be Prime Minister Mark Rutte.

The former Unilever executive turned politician has been Prime Minister since 2010 – and yet he still does his own food shopping.

"Otherwise I would die from hunger, and nobody else wants to do it," he says. "It's also great fun – there's a nice shop around the corner and nice people there."

On a bigger scale, Rutte is enthusiastic about the retail sector for less personal reasons.

"It's the biggest employer in the Netherlands; 900,000 people are somehow connected to the retail sector, so its economic impact is huge.

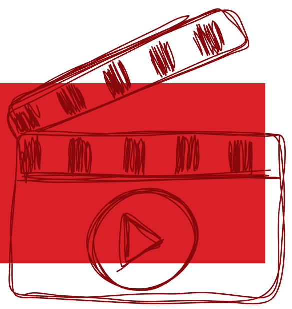
"In many cases, young people start their working life experiences in the retail sector. It's also a place where you can learn how to be more entrepreneurial, and it's a sector in our economy which is very much focused on innovation.

"Disruptive innovation is very much connected to the modern economy, to the internet, to online shopping, so there are so many positives. [Retail is] also a place where people come together … people drink a cup of coffee, meet friends, and then buy some stuff, so it has many, many impacts on society."

Rutte says that in the fast-changing, high-pressure world of retail, there's much to be celebrated.

"You are in a fascinating sector, so enjoy what you are doing. We live only once; this is the real thing, so you have to make the best of it, and there are so many opportunities for good salespeople, for good businessmen and women to make use of all those opportunities which are out there. Do realize that you play a very important part in societies."

To watch the full interview, visit:
http://bit.ly/2OrUBSr



THE HOTTEST PART OF CHINESE RETAIL? IT'S NOT WHERE YOU THINK

The scale and speed of online shopping in China is dazzling, but there's another aspect of the country's retail sector that is equally alluring.

Jose Blanco, CEO Greater China of GUESS, says that despite the connectivity of urban Chinese consumers, and their love of highly efficient shopping apps and portals, the offline shopping world remains a crucial part of the brand experience.

"You can see all these omnichannel new retailers moving from online to offline ... because they realize that it's very close to the limit now. They have the whole [online] customer base already," he says.

"So, offline is a must, and it's not only because it's 80 percent of the market. It's because this is where the customer is going to see you. China is a culture driven by experience, and you have to interact with [consumers] both online and offline."

In a market as furiously competitive as China, where there are strong global brands and growing local challengers, Blanco says it's essential that physical stores reflect a brand's DNA in a way that would still be clear to shoppers even if the store's logo was removed from the entrance.

He says international brands need to do two key things to distinguish themselves and be relevant to Chinese consumers. The first is be consistent in their online and offline communication about what the brand represents, and what it offers as a global brand that isn't available from local alternatives.

Then they have to ensure they are highly relevant to local consumers. "It's very important, in order to compete with the local market and local brands, to ensure they are looking at you as someone executing the brand locally, with a local team. If you have both things, then it's going to work."

Local engagement for GUESS means using communications developed globally in combination with those specifically created for China – including partnerships with local online influencers, who have the attention and the trust of legions of loyal followers.

Choosing the right influencers for the brand is about finding a good match – and one that's within budget. The effectiveness of video bloggers, for instance, is so powerful in China that the most influential are able to charge increasingly high fees.

"It's a conversation," says Blanco. "You have to find the one who is connecting with your customer profile, the one who is representing your brand DNA, and of course, in our case, it's about looking for who is going to be the next supermodel or the next big influencer. In China, the key is you talk through them more than through yourself; the brand is introduced to the customers through these influencers."

Blanco is keenly aware that in China, today's hot brands and trends are likely to be fleeting. This presents huge challenges for brands investing in the country, which need to exercise agility like nowhere else.

"You have to keep working and working and working," he says. "The big difference here is that stores never close. No matter if it's online [or] offline, it's seven days per week. As soon as you take a rest, as soon as you stop for a break, you will be out of the business."

Change is not just happening fast, it's happening in multiple dimensions – in terms of the competitive landscape, consumer habits, and the most effective media channels.

"Five years ago they were saying we have a lack of shopping malls; now they are saying we have too many shopping malls, so everything happens very, very fast."

YOU'VE READ ABOUT THE BRANDS, NOW HERE'S A LOOK AT SOME RETAIL HISTORY

From the abacus to Alexa, retailers have consistently embraced technology to make their businesses more efficient and provide unique customer experiences.

The WPP and Intel publication–The History of Retail in 100 Objects–illustrates how retail has always played a vital part in the fabric of our lives.

Colorful, surprising, entertaining and informative, The History of Retail in 100 Objects is a must-read for anyone involved in the world of retail. Available now at Amazon.com.

The history of retailing is one of constant evolution. This should be no surprise since it is a truism that successful retailing must always mirror the society it serves. Indeed, to know retailing is to understand how societies around the world have themselves evolved.

Every social and commercial development, discovery and invention, both incremental and revolutionary, historical and contemporary has contributed to this evolutionary process, for shopping simply reflects us, as we would be–from caveman to internet consumer.

The Galleria Vittorio Emanuele II is the oldest shopping mall in Italy, housed in a four storey building in Milan.

Designed in 1861, and built between 1865 and 1877, the Galleria is named after Vittorio Emanuele II, the first King of the Kingdom of Italy. It's been nicknamed 'Milan's drawing room'.

The roof is a magnificent glass and cast iron octagon, covering the street below, and it was the prototype for today's modern glazed enclosed shopping malls, many of which are also called galleria. Today, the shops sell luxury goods, haute couture, jewelry, books and paintings, and it is home to many bars, cafes and restaurants too.

Excerpt from The History of Retail and 100 Objects
www.retail100objects.com

SECTION 4

BEHIND THE BAMBOO CURTAIN

SAMARKAND GLOBAL

HOW TO GO DIRECT TO CHINA'S VAST MARKET OF E-SHOPPERS

POST COVID-19 CHINESE CONSUMERS

HOW DIFFERENT ARE THEY?

DAVID ROTH
CEO, The Store WPP, EMEA & Asia,
Chairman, BrandZ™ And BAV Group
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GORDON ORR
Chairman, Westchel,
Former Head of McKinsey China and Asia,
Non-executive board member of
Hong Kong-listed Swire Pacific,
Meituan and Lenovo

What does a post COVID-19 world mean for Chinese consumers? For what they consume and for how they consume?

Will their behaviors largely just revert to the patterns that held pre COVID-19 or will this prove to be a fundamental disruptor of Chinese consumer behavior?

And will this mean that consumer-focused companies operating in China need a new playbook?

FORCES FOR BUSINESS AS USUAL

The most powerful force driving a return to business is usual is cash. Companies, with Chinese companies usually fastest off the mark, are deluging their customers with time-limited discount coupons for everything from white goods to meals in restaurants. It's the "you never forget how to ride a bike" logic, get consumers back in their old pattern of behavior as quickly as possible, make that deferred consumption – for a mobile phone, for a birthday celebration – happen, and people will just continue as before. Even Apple, traditionally reluctant to offer discounts, has lowered the prices of iPhone 11 models in China as its shops reopen.

Governments are leaning into this mindset also. Subsidies for purchasing electric vehicles which were due to expire have been extended for another two years. Some local governments are issuing coupons redeemable at small local service businesses. Guangzhou has increased the monthly quota for new car purchases from 4,000 to 10,000 per month, with local subsidies piled on top of the national subsidy program for buying low-emission vehicles.

The return to work in late March and the return to school in April bring back well-worn patterns of how time and money is spent, buying breakfast on the way to work, ordering in lunch from Meituan, stopping in at the convenience store on the way home consumption of daily items is likely to pick up largely where it was pre COVID-19.

But it won't be business as usual.

We are entering a new normal, which will have significance for Chinese companies operating in China, international companies currently doing business in China or those thinking about a China market entry strategy either physically or virtually.

So, what macro changes should you be aware of?

FORCES FOR CHANGE

Chinese consumers have always had a heightened awareness of health and safety issues, and with good reason. From tainted baby milk powder through to out-of-date goods being recycled, and adulterated cooking oil and fake pharmaceuticals being sold online, Chinese media is awash with examples sufficient to scare consumers away from products they don't know the full provenance of. Over the years this has benefited many multinational brands, with products imported into China generating perceptions of greater quality. COVID-19 has raised this consumer sensitivity to new heights and extended its focus beyond products into services. Is the hygiene in this restaurant, on this bike, in this nail salon, in this ride share what I want it to be? How can I tell? Do I trust the brand providing me this service?

> *"Chinese consumers have always had a heightened awareness of health and safety issues, and with good reason."*

"There are opportunities now for brands to really break away from competition with true, visible, provable differentiation."

We envisage large private-sector service aggregators such as Meituan and Alibaba augmenting their brand promise to consumers in a highly significant business and brand value-building way.

We believe that they will take on the role of "inspector", issuing their own branded seal of approval to establishments and service providers that excel on health and safety.

They have an opportunity to ratchet up the trust consumers and manufacturers alike have in their brand significantly if they invest well behind this. And such is their market power that a service provider could not afford to be removed from their platform or to be continuously rated "poor" by the platform or customers on health and hygiene. Executed in a highly strategic way this has the potential of adding significant value to a brand's psychological contract with its consumers, enabling it to further distance itself from the competitors who do not have the scale to execute an all-embracing strategy.

Moreover, this crisis has made much clearer the risk of going to hospitals during a virus crisis – there is arguably a greater chance of catching the virus there given the concentration of sick people than anywhere else. In a society where many regard mask wearing in public as a normal precaution, even socially polite, this could cause a massive and permanent change in behavior.

Chinese consumers will still want access to the best doctors, who remain concentrated in the leading hospitals, but they won't want and won't believe they have to show up in person every time to get that expert and valued advice. Consumers will now embrace digital health at scale not seen anywhere else – via online video consultations, health monitoring tech, self-testing and more. Hospitals should also embrace this – it's more time efficient, it's less costly, it takes pressure off their physical infrastructure. And insurers love the additional data it provides, creating the possibility of better outcomes at lower cost.

A trifecta of forces that will be hard to resist.

New services, new products, new brand value-creating opportunities.

Knowing where food comes from and how it has been handled through the chain rises in importance post COVID-19. The same applies to pharmaceuticals. This will drive multiple changes. More direct delivery of food from the brand owner to the consumer, never touching retail or third-party warehouses. If there was ever a time to use blockchain to be able to see exactly when food was harvested, where it was stored (and the hygiene rating of the store), where it was processed/packaged (and its hygiene rating) – it is now. Will this finally kill wet markets? Probably only aggressively enforced regulation can do that fast, but post COVID-19 consumer needs will certainly accelerate their demise.

For online purchasing, COVID-19 has created what will be a sustained step change in two ways. First, sustainably penetrating food and grocery for many families that while already buying many goods online had held back from buying food that way. That it was convenient and cost effective was not a surprise; that quality could be delivered? Perhaps. Ordering food to be delivered home as you are leaving the office and have it be there when you get home is a great time saver and if quality is the same as picking it for yourself, why not?

The step change is among older consumers. Forced to buy online for the first time as a result of being confined to their homes, they have become more confident in doing so over the last two months. They will now continue to buy this way.

The crisis has shown that innovative ideas can come from anywhere in an organization and that local, on-the-ground knowledge and insights can drive a fast response, extraordinary customer service and experience, and compelling benefits. So, make sure that you empower everyone in the organization to continue to use their creativity, and give them the space and freedom to act.

IMPLICATIONS FOR BUSINESS

Beyond reestablishing connections to consumers that may have become much looser during the lockdown, companies need to look hard at whether their brand is communicating the attributes needed in a post COVID-19 world. Does it contain the needed elements of trust on health, hygiene, and overall safety? Does it help the consumer feel they are taking back more control of their lives, something they lost during the height of the pandemic and now strive to regain? Not just reassurance on "not getting sick" but to the positive "our products and services are demonstrably better for you and our brand acts as a guarantee that it does" – the ingredients, the materials used, the packaging, the practices that our workers use. What can you assert and what will be believed? What do you have to show and prove? Can you use blockchain? Can you put a video of your processing facilities online 24/7? What else can you do? There are opportunities now for brands to really break away from the competition with true, visible, provable differentiation on these dimensions.

Put digital strategies at the core of what you are and what you do. Accelerate the pace of digital transformation and the relationship between what is done physically and digitally and the interrelationship between the two.

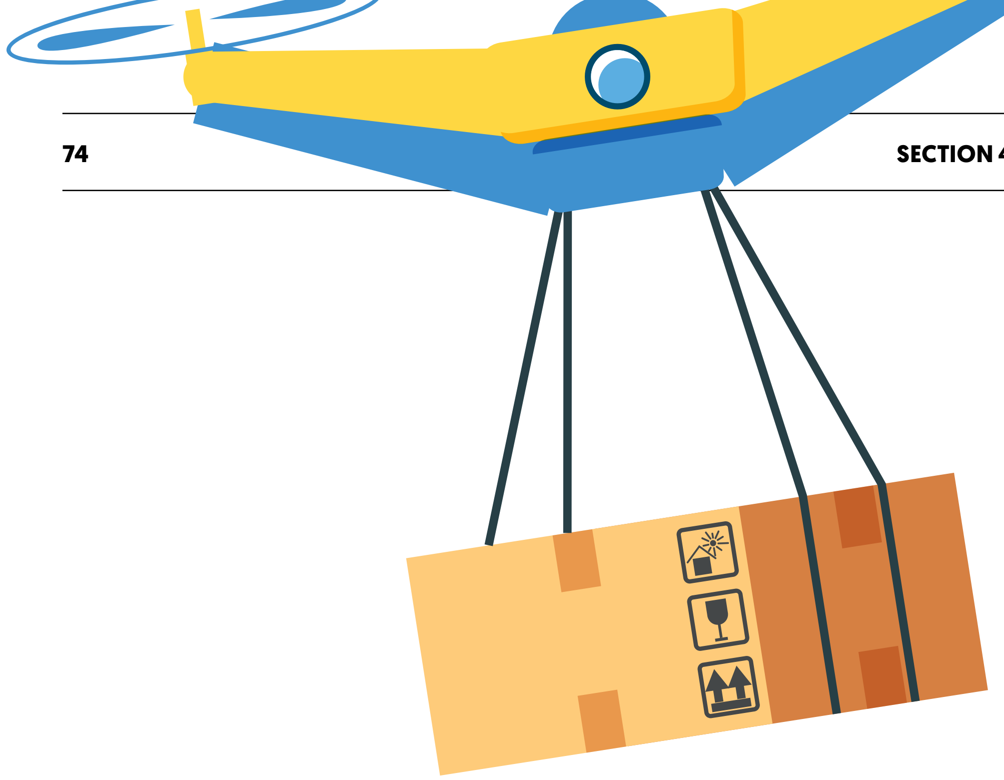
The crisis has shown that innovative ideas can come from anywhere in an organization and that local, on-the-ground knowledge and insights can drive a fast response, extraordinary customer service and experience, and compelling benefits. So, make sure that you empower everyone in the organization to continue to use their creativity, and give them the space and freedom to act.

Bankruptcies will hit smaller companies, especially service providers, hardest. They ran out of funds during the crisis, they weren't able to sustain connections to their customers as they had little or no online presence. The growth of chains, many working through franchises, in the service sector will accelerate as a result of this.

New regulations after a crisis such as this are always going to impose greater burdens on businesses, to ensure they have high hygiene standards and to demonstrate this to inspectors. The marginal small business may find this all too much, given the higher costs and limited access to finance.

Good times will not return quickly for business but those who can be agile and serve changed consumer demands will grow faster.

Good times will not return quickly for business but those who can be agile and serve changed consumer demands will grow faster.



The appeal of a market with 1.4 billion consumers is obvious, but less obvious is the route to reaching this vast audience for international brands — particularly smaller brands that lack the resources to open stores in China, or to find a local partner to do it for them.

The challenges of operating in China are significant. There's not just a different language and cultural mores to get to grips with. There are also tight customs regulations, and a retail and digital ecosystem that's unlike any other in the world.

But there are, increasingly, ways for small brands to succeed in this big market. And it's simpler than you might think.

Nearly
2 trillion
US dollars spent each year on e-commerce around the country

144 billion
US dollars cross-border e-commerce sales in 2019

A BIG NUT TO CRACK

Make no mistake, consumers in China are spending a lot of money online. In fact, nearly US$2 trillion is spent each year on e-commerce around the country. That makes the Chinese e-commerce market worth more than twice that of the US, UK, German and Japanese e-commerce markets combined.

But that's only part of the picture. The number of people shopping online is growing all the time. Close to half the population is still yet to get connected to the internet, and those who are already shopping online are spending more money — in more categories — each year. There remains huge untapped potential.

As more consumers have more money available to spend, they're also broadening their horizons when it comes to what they buy and from where. Increasingly, they're looking internationally for new products and brands.

This surge in demand has caused headaches for Chinese authorities, who have battled against smugglers seeking to fill the gaps that local retailers and e-commerce platforms have been unable to fill.

That's why in 2014, Beijing's response was to encourage a legitimate "Cross-Border E-commerce" trade to flourish — one that could be regulated and, crucially, taxed. It set up a series of free-trade zones where products in prescribed categories could be legally imported for sale online, with reduced rates of sales tax applied.

The move chimed with a national strategy to have the economy evolve away from a reliance on "Made in China" towards being fueled by "Bought in China".

Cross-border e-commerce now accounts for between 15 and 20 percent of total online sales in China. In turn, online sales are around 25 to 30 percent of all retail sales. To put a dollar figure on that, cross-border e-commerce sales in 2019 were worth around $144 billion, and are forecast to rise to $164 billion in 2020.

THEY WANT IT ALL, AND THEY WANT IT NOW

China is home to some of the most extensive and dynamic online shopping platforms in the world; Alibaba has a whole suite of business and consumer-facing platforms, then there's JD.com, group buying site Pinduoduo, recommendation site Xiaohongshu [Little Red Book], and buying options through the one-stop-does-everything app WeChat. Between them, these digital giants have loyal users in the hundreds of millions.

These platforms offer seemingly endless listings, and use cutting-edge technology to make sharply personalized recommendations. So, you might reasonably wonder what else consumers there could possibly want, especially from a fairly small foreign brand.

But Chinese consumers are increasingly looking for exactly that: small and foreign, according to Sam Deacon, Chief Commercial Officer at Samarkand, a WPP business helping international brands reach Chinese audiences.

He says that as disposable incomes rise, so too do aspirations and the ability to pursue them. There's still badge value in wearing or carrying an item from a universally known luxury brand, but being "in the know" about a more niche brand increasingly carries cachet, particularly if you can be the first to share it with friends on social media.

Deacon explains that "hero" products from global brands — things like a Burberry coat or Louis Vuitton handbag — are always going to be desirable, but the strongest growth is coming from a appetite for brands that tell a rich and meaningful story, often one linked to a place or time that just can't be replicated in China. Think of century-old French brands, or brands associated with 1960s London.

There are also key product categories in which people are willing to pay a premium and wait longer for delivery, because they believe foreign brands offer superior quality and more dependable standards of product safety. This is important to consumers who have seen several product safety scandals, including one in 2008 involving tainted infant milk formula that led to the deaths of six babies and the hospitalization of thousands.

Mother and baby items, food and drink, personal care, health, luxury and skincare products from international brands are therefore all highly prized. Deacon says this can even apply to brands whose products are manufactured in China.

> *There's a perception that international brands will hold manufacturers to a higher standard; that they've been made to comply with international regulations, and that's reassuring*
>
> Sam Deacon, Chief Commercial Officer at Samarkand

THE BRAKES ARE COMING OFF

Growth in cross-border e-commerce is being supercharged by changes to the regulations around it, making it easier for customers to buy and international brands to sell into China.

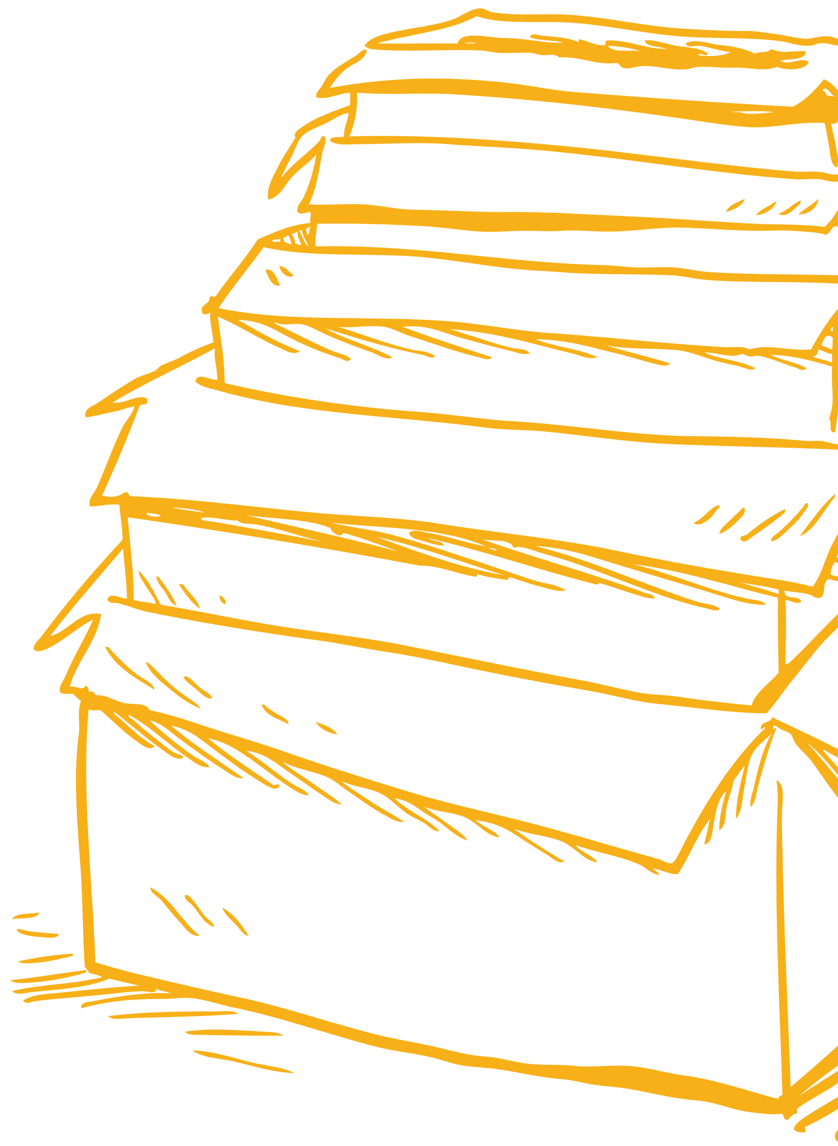
The number of Cross Border E-Commerce zones is rising; the first was launched in Shanghai in 2014, and they now number over 30 around the country.

In 2019, Beijing lowered some key barriers to entry for international brands. While before, products sold via e-commerce had to comply with all Chinese consumer regulations — which in the case of cosmetics included testing on animals — this no longer applies. Products simply have to comply with the consumer safety regulations in force in their country of origin.

The government has also provided a catalyst for growth in demand for international goods, by raising the annual spending limit for individual consumers via cross-border e-commerce. The previous limit was RMB2,000 [about US$280], and in 2019 was raised to RMB5,000 [$700], providing higher-end brands with a greater opportunity to sell in China.

The cross-border e-commerce market is tipped to approach the $200 billion a year mark by 2022.

This a world away from the way international brands used to have to approach the Chinese market, which were complex, expensive and potentially risky, given that they required a partnership with a Chinese service provider whose priorities might not always have been aligned with their own.



POP IT IN THE POST? NOT SO FAST

While aspects of cross-border trade into China have become simpler and more appealing, there remain some significant challenges, not least in relation to actually getting parcels into the country.

Sending parcels into China has always been something of a hit-and-miss affair; plenty seemed to go astray, and, anecdotally, it seemed that about 1 percent were held up in Customs for checks.

In 2019, under a new national e-commerce law, it has become more complicated to get parcels into the country. This arose due to government concerns that so many products were being imported without the relevant taxes being paid, and that counterfeit goods were too easily slipping in.

Now, every parcel needs to be labeled with three key pieces of data: details of the e-commerce platform on which goods have been purchased; details of the payment platform being used, such as Alipay; and details of the logistics partner that will be handling local delivery. These need to be presented in a standard format that is integrated with the IT systems of the local Customs department at the point of entry.

The result is that when parcels haven't had these procedures lined up in advance, they are far more likely to be stopped and checked — and therefore delayed — than before. Around 10 percent are now being intercepted, prompting some international brands to simply stop allowing buyers in China to make a purchase on their websites.

IS IT ALL TOO HARD?

Even before the entry regulations for international parcels changed, doing business in China already seemed like hard work to many brands outside the country.

A survey by Frost & Sullivan in 2019 found that despite the evident scale of the opportunity, many international brands have been hesitant to attempt to sell in China, fearing they will struggle to be profitable and may lose control of their brand.

Around 30 percent of businesses surveyed said they were deterred by the apparent complexity of regulations they faced, and 21 percent said the level of investment required to get started was prohibitively high.

There's also an entirely different commerce, communications and payment infrastructure to understand. So, while it's relatively easy for a brand to expand from the UK to Europe, or from Europe to the US and vice versa, China is a whole different ball game.

It's not simply a matter of switching from Google, Amazon, Facebook and Instagram to the local Chinese equivalents — because there are no equivalents.

And it's not just that people shop online from different sites, it's that customer acquisition is completely different, too. Key Opinion Leaders (online influencers), hold huge sway here, and it's not uncommon for shoppers to buy direct via a video livestream. Social networking and shopping are far more closely linked than they are in the West.

NEW SILK ROAD? AN EASIER ROUTE TO CHINESE CUSTOMERS

Navigating the lucrative but challenging China e-commerce market — and getting parcels to the people expecting them — is a complex business. But there are ways in which the process can be simplified.

Samarkand is a business established to give international brands a simple way of tapping into Chinese consumer demand, without having to take big risks or recruit staff with local market knowledge.

The business, named after the Uzbek city that was a major trading post along the ancient Silk Road linking Europe and China, serves as a gateway between Western brands and Chinese e-commerce.

Its Nomad technology enables brands to list on any or all of the major Chinese e-commerce platforms, to promote themselves in ways they can see are working, and to make logistics hassle-free.

Partner brands ship to a Samarkand fulfilment center in the UK with plans to open more in continental Europe and the US – and parcels are re-labeled with Chinese Customs requirements and customers' addresses. Parcels are usually in the hands of their Chinese buyers in between five and eight days — usually seven.

Shipping can be by the pallet to a B2B seller such as JD.com, or individual units can be sent direct to individual Chinese consumers.

Sellers see a sales dashboard of the style they're familiar with, a little like Google Analytics, enabling them to see where demand is and, crucially, what kind of activity triggers sales, from a price adjustment to promotional online video or WeChat article.

Samarkand CEO David Hampstead says the system gives international brands the transparency and control over their China operations that many have felt is lacking if they simply ship inventory to a Chinese partner who then promotes and sells as they wish.

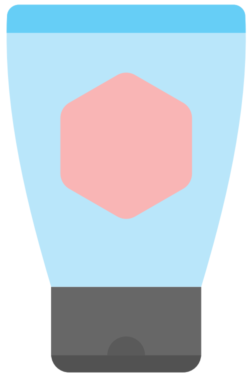
This way, they can use real-time data to inform their communications strategy and new product development.

He says that even though consumers are growing used to same-day delivery from local selling platforms, when they are buying from overseas brands, they feel it's worth the extra wait. And, if demand proves to be strong and consistent, brands can ship bigger volumes to warehouses in a free-trade zone, so delivery times are reduced by several days.

Samarkand became part of the WPP family in 2019, when retail solutions provider Smollan became an investor in the business. It has offices in London, Hong Kong and Shanghai, and handles over 10,000 parcels a month destined for China. Clients include Zita West, BarryM, Probio7, Tateossian, Shay & Blue and Temple Spa.

For brands that aren't yet ready for the full Nomad service, starting in Q1 2020 it will be possible to add a "checkout for China" function to an existing brand.com, so that if a shopper logs on from China, Chinese payment and logistics solutions are automatically offered. The checkout plugin will be integrated with all major website platforms including Shopify, Magento and WooCommerce.

THEORY IN ACTION



CASE STUDY 1

A premium skincare brand that in 2018 was selling only via its own website and the Harrods store in central London is now also a hit in China. The brand started out in early 2019 selling via specialty skincare retailers on Taobao, one of Alibaba's platforms, and has since expanded into channels led by KOLs (key opinion leaders) such as BuyBuyBuy. There are plans to develop four direct-to-consumer stores for the China market. Sales have gone from £3,000 in 2018 to over £250,000 in 2019.

CASE STUDY 2

A natural and organic retailer specializing in food and wellbeing products has successfully made the leap from its London base, where it has several shops, into China, where it served over 34,000 customers in 2019. In the two years since it launched in China, starting on the e-commerce platform OMall and managed by Samarkand, sales revenue has soared from £3,000 in the first year to around £550,000 in 2019.

SAMARKAND GLOBAL

Samarkand Global provides the gateway connecting Western brands and retailers with the enormous and rapidly growing Chinese e-commerce market. A solution to fit businesses of any size and at any point of their journey in China. We work closely with our clients to create the right solution based on their needs and ambitions in China.

DAVID HAMPSTEAD
CEO
Samarkand Global
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David began his career in software engineering at large blue-chip firms such as Hewlett Packard and Vodafone before moving to a mobile technology startup leading a team of engineers building software for mobile phone companies across EMEA and Asia. In 2008 he founded QuickThink Media, a digital marketing company focused on Facebook which later listed on AIM. In 2016, combining his experience in digital marketing and background in software and technology he co-founded Samarkand Global to give Western brands a new route to the Chinese e-commerce market not previously available. Based in the UK, David splits his time between Europe and China.

SECTION 5
THOUGHT LEADERSHIP

LET'S GO SHOPPING!

From Canada to China, the UK to Indonesia, WPP is on top of the latest shifts in shopper behavior, media development and retail innovation. The pages ahead present a sample of the expertise our companies have on the ground in markets all over the world. So, join us on an express tour!

RISE OF DIGITAL-NATIVE BRANDS ADDS INTENSITY TO COMPETITION

Winning in e-commerce requires the right skills, data, and partners

WUNDERMAN THOMPSON

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I was speaking recently with a client about the rise of digital native brands on marketplaces like Amazon. This gentleman leads global e-commerce for the brand, and happens to be from South Africa. He remarked, "There's an old African proverb that speaks to how major global brands are being affected by the rise of digital natives: 'A flea can trouble a lion more than a lion can trouble a flea'."

This strikes at the heart of what is happening right now on the world e-commerce stage. While cross-border e-commerce has been around for more than a decade, Amazon's entrance triggered a step change.

Amazon infused trade with trust through their "A-to-Z Guarantee", which protects shoppers buying from third-party sellers. And their super-fast Prime shipping in markets including North America and many European countries has transformed expectations of what's possible. Suddenly, disruption was and is everywhere, from Anker in consumer electronics, to Zinus in mattresses and Zhou Pharmaceuticals in supplements. Even more intriguing is that Amazon's CEO has admitted the growth is clobbering retail: "Third-party sellers are kicking our first-party butts, badly." Amazon's third-party platform and easy global distribution has unleashed what some of us refer to as a "dragon".

This begs the question, then: Is this the end of traditional brands? Hardly. Innovation and nimble evolution are popping up everywhere. Just a few months ago, "charcoal toothpaste" emerged as a hot new search term, with third-party brands as the only sellers. Now, though, I see products from category leaders like Colgate showing up in digital first. These are early forays, for sure, but brands clearly understand how to address this type of challenge head on. At WPP's newly launched Center of Excellence for Amazon, a cross-agency consultancy focused on pulling together the strategies and people from across WPP to support clients, I've partnered with some amazing teams to launch strategies aimed at recovering share lost to newcomer brands. There are some common threads to these successes that other brands can use, not just to defend their share, but to win:

1 TAKE DIGITAL NATIVES SERIOUSLY

Many brands still ask us to suppress digital natives (brands available only online) when we report on their competitive set, arguing that they aren't representative of "real" challengers. This is a mistake. These brands are real competitors and, with more than 90 percent of shoppers telling us they check reviews on Amazon regardless of where they are shopping, including in-aisle, most brands can't afford to ignore anyone showing in the top five to 10 search results, let alone someone standing in front of their premier product.

2 ORGANIZE FOR E-COMMERCE

The skills needed to win in e-commerce are different even to those among top-flight marketing teams. Our partners CRC recently asked retailers which skills they were looking to hire in the coming year; "data analysts" were named by 47 percent; higher than the figure for any other kind of expertise. Our recommendation is to build a diverse e-commerce team reflecting the unique nature of the digital challenge, comprising:

- **A strong, connected manager or senior manager with good analytical skills**
- **Data analysts and site hygiene specialists**
- **A supply chain / forecasting lead**
- **A content / marketing lead**
- **Product information leads**
- **Brand and category leads**
- **Promotions analysts**

3 DEMOCRATIZE YOUR DATA

Imagine what you would have paid just a decade or two ago for data showing what every customer thought of your product. What about every term used to find your product (or your competitor's) when customers walked into a shop? Today, we get that in real time. Yet so many brands still view that as "just e-commerce data", when in fact this data is critical to disseminate throughout the organization. While it is undoubtedly important that e-commerce teams act on it, is it also going to product development? What about brand teams?

Finally, it is important to have the right partner. Working with Amazon, Alibaba and other marketplaces requires a unique skill set and approach. For this reason, WPP has established the cross-agency Amazon Center of Excellence (ACE) team out of Seattle, specifically focused on building and supporting brands in this space. ACE experts can work in collaboration with any agency team to provide both strategy and execution advice for even the most complex global engagement. Ask yourself: is your brand the lion or the flea?

NEW RETAIL PRESENTS BRANDS WITH OPPORTUNITIES AND COMPLEXITY

Added competition and social commerce accelerate change

geometry

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The term entered the retail lexicon in 2017, introduced by Alibaba founder Jack Ma. It described an historic, transformative shift from the reliance on physical locations to distribute merchandise to a consumer-data-driven system that integrates all retail functions to distribute merchandise with a seamless online or offline shopping experience and efficient delivery.

New Retail enables brands to expand their reach, consumers to access more brands, and retailers and brands to more efficiently manage inventory. Speed is fundamental to New Retail. Not surprisingly, New Retail has changed rapidly in just the two years since the phenomenon received a name.

Added to China's retail lexicon is the abbreviation ATJ, which stands for the key players: Alibaba, of course, and the alliance of Tencent, China's leading online platform, and JD, Alibaba's main rival and a logistics leader in China. These New Retail players have evolved differently, and those differences affect how brands can most effectively understand China's changing consumers and expand market share.

Alibaba tends to centralize all its web traffic into Alibaba. In contrast, Tencent acts as an enabler, decentralizing its operation and typically using its WeChat social platform to direct customer traffic to its partners. Both organizations have recently made important strategic investments to strengthen their competitive standing by expanding their ecosystems and adding more presence in the physical world, Alibaba through acquisition and Tencent with alliances.

Alibaba has a major stake in Suning, the electronics mass marketer, and it owns Hema, the supermarket known for the freshness of its products, especially seafood. Alibaba also purchased a controlling position Ele.me, the food delivery operation. Tencent entered into alliances with retailers, including Walmart, Carrefour, and Yonghui Superstores. It also aligned with the rapidly expanding e-commerce site Pinduoduo. To strengthen delivery, Tencent aligned with Meituan.

Despite their operational differences, Alibaba and Tencent-JD share a strategic priority: the customer. Customer expectations vary, however, depending on where the consumer lives. In higher-tier cities, customers can shop in a luxurious shopping mall and visit the physical stores of just about any Chinese or international brand. In lower-tier cities, gratification is not quite as immediate, but customer access to brands is greatly expanded by the combination of shopping online—on Alibaba's Taobao or Tencent's WeChat—and having purchases delivered.

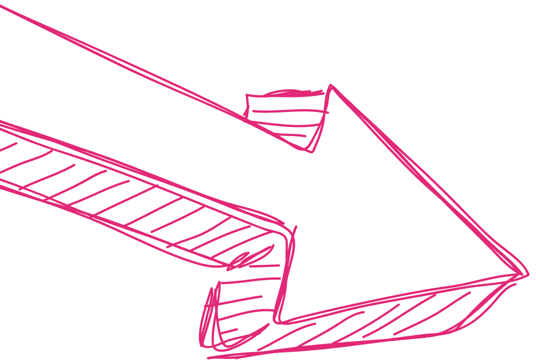
CHOOSING AN ECOSYSTEM

Given how rapidly New Retail is evolving, brands have little choice about participating. Whether to participate on one ecosystem or the other, or on both, depends on the ambitions of the brand. Brands will often join Alibaba to reach 700+ million customers within China, as well as to access Alibaba's global marketplace. A smaller competitor whose priority is deeper penetration into the Chinese market might work with WeChat and Taobao. Brand owners often sell their products and services on both sites. Retail brands need to align with just one of the ecosystems.

WeChat clearly demonstrates differences between the Alibaba and Tencent-JD models in how customer data is gathered and shared. WeChat has a mini program within its app that serves as a kind of shopping mall of third-party apps from retailers and brands. It extends the customer-centric ethos of New Retail by enabling a customer to shop conveniently at a variety of sites without having to move from app to app.

The advantages for the retailer or brand are: (1) the ability to reach the consumer with the least number of clicks; and (2) access to all the customer data for Customer Relationship Management. It is also possible to gain a wider view of a customer's shopping behavior through Tencent.

Access to customer data becomes ever more important



in the New Retail world, where sustaining a brand depends on cultivating customer relationships and providing personalized experiences. Some brands are reluctant to build their own apps and then pay WeChat for space on the WeChat app. Data is available through Alibaba as well, but in that ecosystem, the brand partners own their data and consumer insights, and Alibaba offers additional, aggregate-level market information and insights to help them expand part of its business model.

Advertising is also an important component of the Alibaba model because it can deliver large audiences. Traditionally reluctant to monetize its social media site, WeChat recently has opened up possibilities for brand advertising as Tencent seeks to compensate for a decline in gaming revenue after the government objected to certain content.

SOCIAL COMMERCE ACCELERATES CHANGE

Meanwhile, social commerce is accelerating the rise of New Retail and making it more complicated, as illustrated by the emergence of e-commerce site Pinduoduo, which in just two years reached a level of general merchandise transactions that Alibaba took five years to achieve, and JD 10 years.

Pinduoduo is similar to Groupon. Shoppers earn discounts when they increase their order by inviting friends to purchase together. The higher volume purchases enable Pinduoduo to beat the prices of most other sites. The lower prices, the browsing possibilities, and the social experience make Pinduoduo popular, especially in lower-tier cities. Shoppers typically access Pinduoduo on WeChat.

To compete in such a rapidly changing environment, both Alibaba and Tencent are looking to both enhance and streamline their ecosystems. Alibaba's Taobao recently integrated within its site user reviews from Little Red Book, which is a community of people interested in personal care and makeup. This addition means that shoppers see not only peer reviews but also comments from people who are beauty industry professionals in the field.

Alibaba announced it would merge its two food delivery services, Ele. me and Koubei. This development echoes the earlier combining of Tencent-backed Meituan with Dianping, to become a super platform for a wide range of services, including entertainment ticketing, travel reservations, and food delivery.

THE IMPACT ON TRADITIONAL RETAILING

For almost 40 years, from the period of opening up the Chinese market in the late 1970s, two imperatives drove retail: entering the market and building scale. The objective of traditional retailers in China, like retailers in other parts of the world, was to get the customer into the physical store with advertisements, promotions, and other persuasive communication. With New Retail, the imperative has changed to getting the customer to transact online.

Traditional retailers are aligning with e-commerce giants and adopting the relevant shopping technology. The possibility of transforming excess retail space into a distribution location provides an opportunity for hypermarkets and other big-surface stores to reinvent themselves in ways that better serve how people shop today, with more frequency and a higher priority placed on convenience. RT Mart, part of Alibaba, adopted the logistics system of Hema, which synchronizes in-store and online orders, using the store as both a retail outlet and a distribution center.

Although seamless online and offline purchasing is a worldwide phenomenon, the way it is expressed as New Retail seems particular to China because of a variety of intersecting factors, including the availability of low-cost labor to provide delivery, and the influence of government policies that are favorable to driving consumption, and advancing digitization.

New Retail thrives in China in part because of the almost ubiquitous use of mobile devices. Not only is the future potential of internet penetration substantial, China already leads the world in absolute numbers, with a staggering 802 million people using the internet, 98 percent accessing it with mobile devices.

BRAND ACTIONS FOR SUCCESS IN NEW RETAIL

1

BE THERE

Brands need to be a part of New Retail. The only question is how they should participate.

2

LEARN

Each ecosystem offers unique strengths. Study what each ecosystem is doing and how it fits best into the brand's business objectives. Alibaba offers the potential of high-profile, even overseas exposure. Tencent's WeChat creates a social context for the brand. The best way to understand which approach works best for the brand is to take a test drive.

3

BE EFFICIENT

Go where the market is growing, which is the lower-tier cities. It is possible to reach the shoppers in lower-tier cities using mobile, which is much more efficient and cost-effective than building physical assets

4

EXPERIMENT

Once a brand selects an ecosystem, or ecosystems, it is important to experiment, to get to know the potential of the ecosystem and how it can help the brand advance its objectives.

5

MOVE QUICKLY

Chinese consumers prefer speed over perfection. In China's rapidly changing market, it is easier to correct a mistake than to make up for lost time.

ELITISM IS NOT COOL, AS YOUNG PEOPLE CHANGE CULTURAL VALUES

Product exclusivity can be effective, if matched with brand inclusivity

Perhaps since its inception, fashion has thrived off of exclusivity. The fashion industry, and luxury brands in particular, have been built around the notion that we always want what we cannot have. And, in alignment with the business tactic of strategic scarcity, the brand worlds created around these companies have long subscribed to entrenched codes of cultural exclusivity—advertisements featuring only certain privileged demographics, product presentation that discourages

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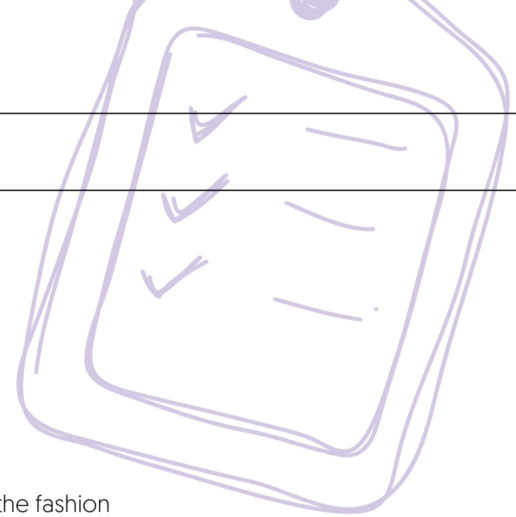

interaction, and salespeople with purposefully aloof demeanor. But what happens when the concept of exclusivity becomes culturally uncool?

Younger generations of consumers are actively rejecting conventional codes of exclusivity that convey an elitism that is at odds with their deeply held values. Today's purveyors of cool are instead embracing inclusivity as both a core belief and a form of cultural capital. From racial inclusivity to gender inclusivity and everything in between, the most influential young people today are supporting each other, standing up for one another, elevating companies that align with their values, and calling out corporations that act problematically. The most successful brands among centennials have embraced this sense of inclusivity, while those that have been slow to adapt are facing rapidly declining sales.

These consumer behaviors are well documented and widely discussed. And yet, established fashion and luxury brands have largely lagged behind other players, avoiding confronting the issues at hand and seemingly hesitant to take any action in this regard—perhaps trying to wait out the trend. However, this is not a trend. This is a fundamental cultural shift in what drives desire among consumers; and fashion and luxury brands are not exempt from this cultural shift. To survive in a retail climate that continues to move at an unprecedented pace, these companies must ensure that they are keeping pace with the evolving mindset of new consumers, or risk outmoding themselves. The concept of inclusive luxury is here to stay.

As an established brand in the fashion or luxury space, the premise of attempting to change a fundamentally exclusive proposition into an inclusive one is understandably vexing. It is crucial to note that inclusive luxury is not akin to affordable luxury. The concept of affordable luxury defines a wave in the late 2000s, with brands that actually capitalized on conventional codes of cultural exclusivity while offering diluted quality product for lower prices. Instead, inclusive luxury speaks to bringing a sense of cultural inclusivity to the brand identity, communication, voice, and visuals—all while retaining product exclusivity as is core to the business strategy.

Essentially, the key to this issue is simply that product exclusivity does not necessitate brand exclusivity; and that in fact product exclusivity in the context of brand inclusivity can be a winning combination.

The clearest example of this strategy being executed effectively is seen with Gucci's recent success. Over the past few years, the brand has seen double-digit growth far beyond its competitors, and half the brand's sales now come from millennials. These results can be directly traced to the initiatives CEO Marco Bizzarri, who told FastCompany that, since his appointment in 2015, he actively sought to "move the company to be more inclusive." This has manifested in some of the industry's most diverse casting of models on runways and in campaigns, hiring of emerging and outspoken young female photographers like Coco Capitan and Petra Collins, taking a strong stance on gun control, and collaborating with previously disenfranchized individuals like Dapper Dan. Bizzarri's strategy also informed the overall attitude of the brand: "We needed to start seeing luxury as creating beautiful, unique products. It doesn't mean that when you enter a shop, the shop assistant looks you up and down to see whether you are able to afford our bags. The approach should be welcoming and smiling in a genuine way that is not forced, because this is the way to be inclusive in the end."

Gucci has undoubtedly made significant strides in evolving its brand, and this is arguably seen most clearly in its response to inevitable critical call-outs and consumer backlash. Instead of issuing specious PR apologies, the brand is transparent with consumers about its mistakes and takes concrete actions to correct its behavior. In this type of response, we see proof of a brand that is working to integrate inclusivity at a foundational level. This level of accountability is arguably the most vital element in creating a truly inclusive brand, and perhaps the most challenging. Before embarking on a journey to evolve a brand to be more inclusive, it is imperative that the company is prepared to engage fully with the sociocultural issues and values of its consumers, or otherwise risk falling prey to call-out culture and being ostracized by the very consumers it sought to connect with. It is essential to understand that inclusivity cannot work as a superficial business strategy, and instead requires a fundamental cultural shift. This is certainly not an easy shift, but Gucci's path offers evidence of the lucrative unlocked potential behind the concept of inclusive luxury.

SHAKE OFF THE DUST

The importance of the brand in e-commerce

geometry

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I'm no guru, and I usually spend more time reading interesting articles than trying to write them, but I can say I was just 12 years old when I made my first purchase from Teletienda, the Antena3 shopping channel. The "Static Duster" cost me 3,450 pesetas (the old Spanish coins), and even now, I still don't fully understand why I was so struck by it.

However, I so loved the experience that I quickly followed up this purchase, buying a music compilation: "90 from the 90s", with hits like "Informer", "All that she wants", "What is love?" ... and 87 more that I won't list here. A string of other orders followed, and my parcels took "only" about a month and a half to be delivered. Teletienda was my first contact with an e-commerce channel.

Well, perhaps I should call it "t-commerce".

FROM STORY TO EXPERIENCE

When I ordered the duster, I was too young to know what marketing was. I don't know if I was shopping brand or product, and I'm certain that no one had explained "user experience" to me. What I do know is that Teletienda or, rather, the brands that were sold there, offered me something I couldn't find in a physical store: a story. And I bought the lot. The story, that is, not Teletienda!

As human beings, we are programmed to listen, analyze and understand stories as they gradually unfold. And what stories Teletienda told! Plenty of happy people enjoying miracle products. A seamless story; nothing could fail. Irrationally, these stories captivate us, draw us in, and we try to live them. It is at this point when a story ceases to be such, and becomes an experience. When consumers want to give up their passive role and assume an active role in the brand-person relationship, that's when the real challenge begins for advertisers. And this is especially the case when we talk about e-commerce.

THE BRAND AND ITS E-VOLUTION

Nowadays the "experience" is the protagonist in any meeting or presentation. Everyone strives to offer the perfect experience to their consumers. But what role does the brand play?

If we pay attention to the data, brand is also the key to success in e-commerce, in any of its formats. It does not matter whether it is your own shop, drop-shipping or a marketplace: the brand reflects notoriety. The more famous the brand, the less investment is necessary in search engine marketing.

But brands no longer have to be simply one brand and have a single identity. The behavior of the brand in the e-commerce environment, as well as the experiences it generates, must change and evolve, at the same pace as consumers themselves evolve. And that is not simple.

> If we pay attention to the data, brand is also the key to success in e-commerce, in any of its formats.

The channels and possibilities have multiplied and sophisticated with e-commerce, and brands that have proven to be able to generate emotions in people, and to win a place in their lives, should take advantage of the opportunity, technology and a new language that e-commerce offers. Brands must avoid making the mistake of simply replicating their real-world retail model in the virtual environment.

And the most important step may seem obvious: they must offer a truly different experience, but one that chimes with the history of the brand, so that the consumer wants to live their story ... no matter what the barriers are.

There is much distrust around e-commerce, so please, brands, tell the truth. We are too used to hearing things like: "An experience as real as life itself, but from your sofa". Sorry, but no. The consumer has already assumed that, if they want to see and touch a product, they must go to another channel because the sensation will never be the same online. And I do not speak of "better" or "worse"; it will simply be a different story and experience.

For this reason, a large part of the success or otherwise of brands lies in how quickly they accept the existence of barriers in certain channels, and focus on finding and taking advantage of the opportunities offered by other channels and options. Successful brands find new stories and new experiences that define their personality in the virtual environment. Only in this way will brands live beyond the current generation of consumers, and today's consumers will not only survive all their contact with brands, but thrive as a result of it.

As Charles Darwin said, "It is not the strongest of the species that survives, nor is it the most intelligent that survives. It is the one that is most adaptable to change."

If you're in any doubt, remember the brands I bought from Teletienda. I was interested in their stories, and again and again I was convinced to repeat the experience. I took the cordless phone, which hopefully had battery, called the number that appeared in the ad (fast, very fast, to catch the special offer available only to the first 10 callers), then waited 84 days, five hours and 21 minutes for the postman to knock on the door ... and opened the box to find my "Butterfly Pillow".

One fine day, I stopped buying from Teletienda. I'm sorry, but they forgot to dust themselves off and move with the times. Long live the "Static Duster"!

REBALANCING THE SCALES

The Effects of Media on Retail

Two words say it all: "over-pivot" and "underestimate." Retail brands have recently been chasing clicks and attribution in the performance marketing world. As a result, they over-pivoted their media spend into digital channels and underestimated the importance of brand. This initially made sense, as over the past two years the retail industry was preparing for an explosion of e-commerce set to occur in 2020. But these decisions were overzealous, and too many retailers have abandoned and ultimately weakened their brands.

The good news? Our Mindshare Retail in Canada Study shows that Canadians love to shop at Canadian brands. They are not jumping into the Amazon Prime world and continue to be loyal to their favorite retailers. Trust, reputation, and a "name I know" continue to be major factors in why Canadians shop where they do.

Our research also shows that while digital has a massive influence on the shopping journey, Canadians still like their bricks-and-mortar experience and expect the two to work together. The e-commerce presence and physical store design need to make sense together and work to exemplify the very best of a brand.

It is true that digital is powerful, but it needs to serve the brand experience, not dominate it. Its creative needs to be relevant, and marketers should take great care as to how a brand shows up in these channels. We need to move from "we must be there" to "how we can be there in an effective, relevant way." As much as marketers are trying to capitalize on impulse, our research shows that Canadians are budget-minded and considered in making their purchases.

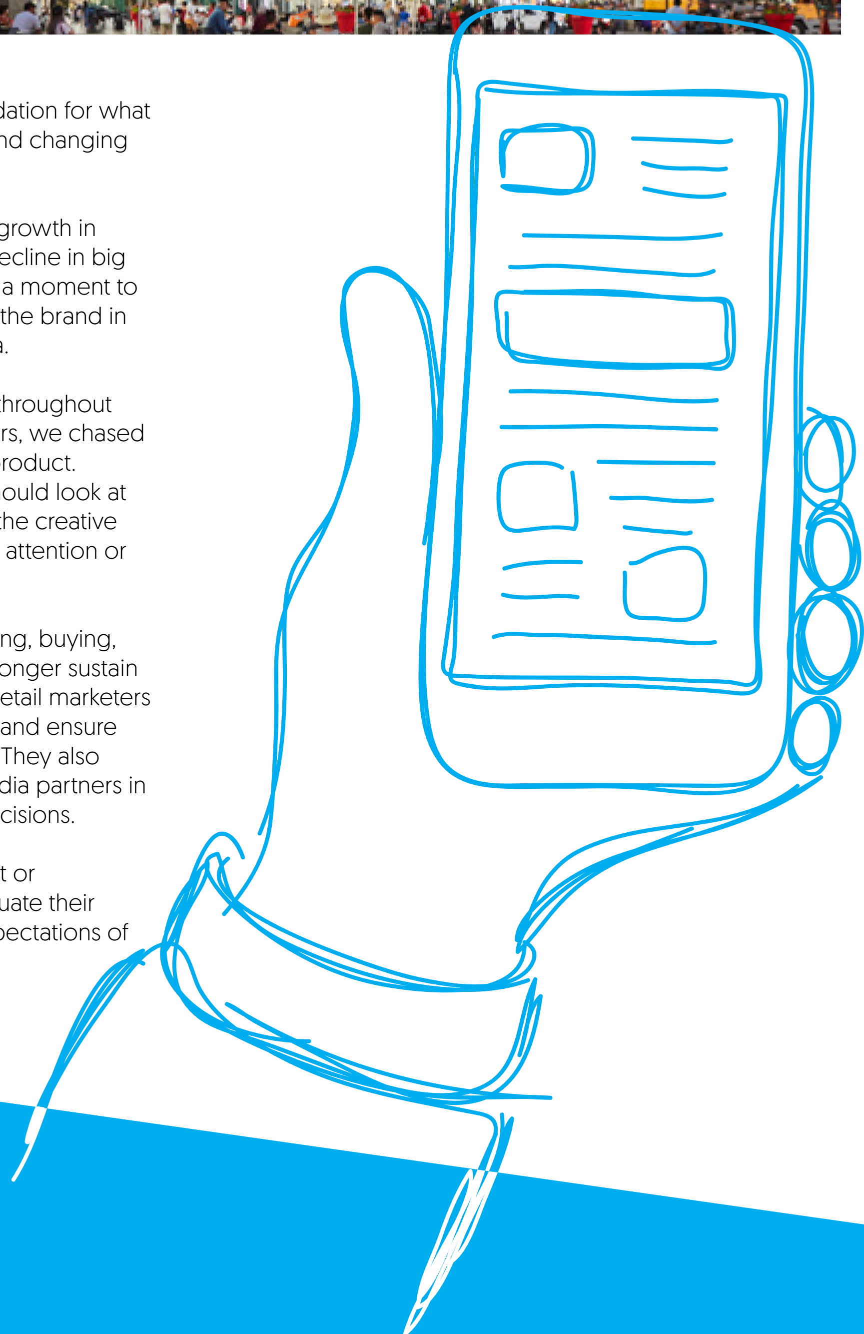
We are at a moment when personalization should not be uncanny, and convenience needs to be considered throughout the entire customer journey. We are on the precipice of a world in which data overwhelms decisions instead of empowering them. For instance, a great data lake driven by a team seeking insights should help all retailers take pause and ask who they think their customers are or could be. It is important to challenge assumptions, seek new opinions, and build a solid foundation for what is to come in the competitive landscape and changing behaviours of Canadian shoppers.

Before we embark on the biggest year of growth in e-commerce in our history and a steady decline in big box stores across Canada, we should take a moment to reflect on branding and the personality of the brand in the complete experience, including media.

Brand experience needs to be consistent throughout the entire media experience. In recent years, we chased abandoned carts with more of the same product. Instead, when creating media plans, we should look at where things like video can live, and how the creative intersects with the audience to either grab attention or create fatigue.

What is clear is that the approach to planning, buying, and optimizing media for retailers can no longer sustain brands in siloed media channels. Instead, retail marketers must consider the experience they create and ensure that it exemplifies the best of their brands. They also must consider how sales data flows to media partners in order to help drive the best investment decisions.

Now isn't the time for retailers to over-pivot or underestimate. It's time for them to re-evaluate their media strategies to embrace the rising expectations of Canadians in their shopping experiences.



MINDSHARE

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LEARNING FROM A DECADE OF DIGITAL

A guide to avoiding e-commerce traps

E-commerce sales in Southeast Asia soared from $50 million in 2017 to $72 billion in 2018, and we are now at a turning point. Marketplaces are expanding their ambition; along with striving to acquire users and be the #1 national player, they are also starting to build lifetime customer value, and serving second-tier and rural areas.

A decade ago, we were at a similar inflection point in the development of social media in Indonesia. Since that time, we have seen the emergence of "The Brand". Social media allowed brands from across categories to get closer to consumers' lives and address topics never seen before. However, these victories were accompanied by mistakes and misconceptions around the role of social media in consumers' lives.

While brands from the fashion and technology categories were early adopters, we are now seeing even the mainstream fast-moving consumer goods brands testing the waters with e-commerce in Indonesia.

E-commerce is not just about the shopping cart.

Here are five pitfalls to avoid in your e-commerce strategy:

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> *The sooner we drop the e out of 'e-commerce' and just call it commerce, the better*
>
> Former Best Buy International CEO Bob Willett

1 ASSUMING YOUR CUSTOMERS KNOW THAT YOU ARE AVAILABLE ON E-COMMERCE

These days, it's a no-brainer to match your social media campaign with a robust media budget. However, a decade ago many marketeers were hesitant to spend on digital advertising. Hence, while brands were creating content for social media, seldom was any of it promoted to reach a wider audience.

KNOW

Ensure that you are helping consumers continue along their path to purchase by employing full-funnel marketing strategies leading to e-commerce.

2 ASSUMING THOSE ALREADY ON E-COMMERCE PLATFORMS WILL FIND YOUR PRODUCT

A classic mistake made by marketeers with social media was to slavishly follow last-click attribution – many marketeers had almost obsessive tendencies to attribute all their success to the last ad unit that delivered conversion. This led to many marketeers ignoring the importance of email and search.

FIND

Ensure that you have a competent search engine optimization strategy to ensure that your product listing stays on top.

3

ASSUMING THAT CUSTOMERS WILL CLICK THE "BUY NOW" BUTTON ON SEEING YOUR PRODUCT

We've seen brands raising their profile on Facebook, Twitter, Instagram, LINE and other networks. However, many brands have merely duplicated the same content on all platforms and expected their consumer to engage. Consumers use different platforms to fulfil different needs, so it's necessary to develop an ecosystem strategy while creating value at every touchpoint.

SHOP

Ensure that you are creating an attractive value proposition that enriches the shopping experience in your official store.

4

ASSUMING THAT ONCE A PURCHASE IS MADE, YOUR RELATIONSHIP WITH THE CUSTOMER IS OVER

Social media has given rise to a "call-out" culture among consumers. This is where consumers take it upon themselves to highlight and amplify what they perceive as brands' bad behavior on social media. Over time, brands have started to develop expertise in ensuring a consistently positive brand experience.

FULFIL

Ensure that your e-commerce strategy includes ways to always deliver your product in pristine condition and on time, while also being ready to help consumers at every touchpoint.

5

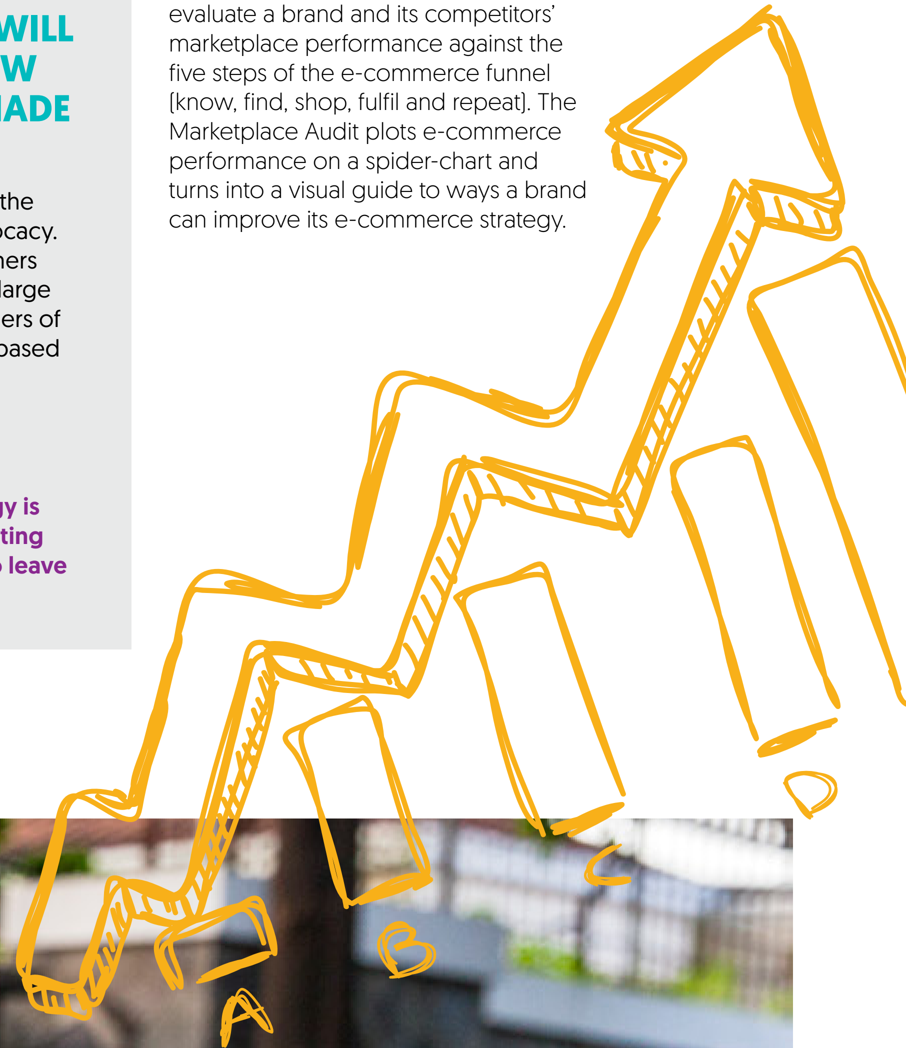
ASSUMING CONSUMERS WILL LEAVE A POSITIVE REVIEW BEHIND IF THEY HAVE A MADE A PURCHASE

Social media marketing has revealed the hierarchy of brand love and brand advocacy. While there is a percentage of customers who will post reviews about brands, a large percentage choose to be silent consumers of content unless offered a relevant, time-based incentive.

REPEAT

Ensure that your e-commerce strategy is leveraging the power of email marketing and surveys to encourage customers to leave behind a positive review.

To help brands develop well-rounded e-commerce strategies, Ogilvy has developed "The Marketplace Audit". This is a proprietary methodology to evaluate a brand and its competitors' marketplace performance against the five steps of the e-commerce funnel [know, find, shop, fulfil and repeat]. The Marketplace Audit plots e-commerce performance on a spider-chart and turns into a visual guide to ways a brand can improve its e-commerce strategy.



FOOD FOR THOUGHT

How a dining destination can become an icon in post-COVID times

cba

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We tend to express our identity not only through our opinions, but also through our behaviors, which are largely influenced by the perceptions of others.

This self-image is built in three phases: first of all, we try to imagine how we appear, by referring to the people we get to engage with during our daily life. Then, we imagine how these people might judge us. Lastly, we build and adapt our image according to the evaluations others make of us.

Every brand and product we buy is therefore related to the image we are trying to project. The same is true for the food we consume and the places we choose to hang out.

In these terrible COVID times we are experiencing right now, people are forced to lock themselves in; restaurants and chains are striving to survive. Yet, the future we face will be even more challenging.

Choosing a place to hang out with friends, a restaurant to celebrate the most important moments, or a pizzeria for a quick dinner, will go beyond fulfilling a functional need, and will embrace more than ever emotional needs and values. The choice will be, in short, an important way to define and express one's identity.

Not every restaurant will therefore survive and only those who are aligned to the right demographics in terms of offer and values will have a chance. We will be experiencing new consumer behavior, where loyalty will be pivotal and a different sense of belonging towards restaurant

brands will rise. Customers will tend to support their lovebrand, to help them get to recover from these hard times and grow again.

THE RESTAURANT BECOMES AN ICONIC PLACE

During this unpredictable period, understanding that a place has a role in the definition of the individual self is an important take-away for a food service brand. Next must come a strategy to turn an ordinary place into something that becomes iconic for some consumers.

A place has to have a distinctive proposition for a specific target: its values need to be the mirror of the target's beliefs. But in order to become iconic, more specific ingredients have to be combined in the storytelling: a place needs a hero, a few myths to shape the storytelling, the rituals to reinforce the value proposition, and the symbols to strengthen the values.

If we consider some examples of iconic places, we indeed can find this pattern.

Let's consider the case of Pescaria, a popular Italian casual restaurant. The proposition is built around a hero, its chef, who tells the story of the preparation behind every gourmet burger and at the same time emphasizes his personal branding.

Pescaria relates to myths, such as the celebration of Italian region of Apulia, when it talks about the origins of its products and the place where Pescaria was born, Polignano a Mare, one of the main draws of Apulia.

It uses rituals, such as the preparation of the daily gourmet burger, which every day emphasizes experiments and unusual combinations. It also relies on symbols, such as the logo and the burger itself, remodelling them to become a piece of distinctive communication content, in order to strengthen the values around being pugliese: abundance, creativity, sharing.

Generally speaking, it's essential to figure out how heroes, symbols, rituals and myths orbit around the entire restaurant value chain: are the staff a hero or a symbol? Do the raw materials and the products offered strengthen the story? And how do they enhance the brand's values? In what way does the brand image feed its unique value proposition? Which rituals are repeated in order to emphasize the meaning of the place in consumers' lives?

Only by working on a consistent story drawing on all of these elements can we eventually gather all the ingredients needed to turn a great place for a meal into an iconic and unforgettable destination, that consumers want to stand for.

FROM AN ICONIC PLACE TO A SOCIAL PHENOMENON

Having all those elements aligned and consistent, a place can reach a higher level, by standing up to take a position on something or have an impact on society in a way that resonates with consumers.

In recent times, we have seen how consumers appreciate the generosity and care shown by brands.

Having a clear and authentic purpose has been a necessity for years for many brands (from fashion to FMCG), but right now no one is exempted. Restaurant brands will need to find their role in the community and stand for something that's relevant to their audience if they want their pre-COVID consumers to cheer for them in the post-COVID times that will follow.

RATIONAL SHOPPERS TRADE UP OR DOWN, DECIDING TO SPEND ACCORDING TO NEED

KANTAR

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Brands must revise their understanding of consumers and channels

The once-prevailing belief in "consumption upgrading" or "premiumization" has recently been questioned. It had been assumed that Chinese consumers would now buy better products/services for higher quality and no longer care too much about prices. Shaking this belief is the quick rise of so-called "consumption downgrading" apps and brands.

The bellwether of these apps and brands is the social group shopping/discount app Pinduoduo. Pinduoduo enables consumers to buy small-brand (or even copycat-brand) products at very low prices and achieve even deeper discounts if they invite WeChat friends to buy together. Pinduoduo went public on Nasdaq only three years after its founding and has more than 300 million users.

Netease Yeation, the e-commerce platform that Chinese internet portal Netease founded in 2016, offers consumers mostly white label products. Using the slogan "The good life is not that expensive," Netease Yeation has become one of the mainstream e-commerce shopping channels among young urban consumers. The key question is: Does the strong growth of these new apps/brands indicate that Chinese consumers are downgrading?

The answer is no, according to Worldpanel data coming from Kantar's consumer panel that tracks FMGG purchases. Total fast-moving consumer goods sales in China is still growing. The annual growth rate has rebounded since 2016. In the 12 months ending in June 2018, the FMCG growth rate was 4.5 percent higher than a year earlier, faster than the full-year pace of 2017.

These data confirm that consumption upgrading is still continuing and expanding. Our data show that price continues to expand its contribution to the total FMCG sales growth: from 42 percent in the 12 months ending in June 2017, to 64 percent in the 12 months ending in June 2018.

From a channel perspective, online is still the fastest-growing sector: its growth rate in the 12 months ending in June 2018 was 30.3 percent, six times that of the total FMCG growth rate. With online accounting for an increasingly big share of total sales, omnichannel shopping is becoming mainstream. From June 2017 to June 2018, 57 percent of urban families were buying FMCG from both online and offline sources.

UNDERSTANDING THE NEW SHOPPING ERA

Chinese consumers buy a lot of premium goods online, and this strongly supports the premiumization of online shopping. With Chinese consumers entering a new era of shopping, brands need to understand shoppers even better. We believe that consumer needs in the near future will grow around three themes: health, instant satisfaction, and personalization.

Health
Consumers are demanding that brands offer healthier products/services. The concept of health needs to start from the foundation of brand offers. Only brands with truly healthy ingredients can convince increasingly sophisticated consumers. Soybean milk, for example, has promoted itself as a "non-additive" drink, and the category sales in the 12 months ending in June 2018 were 87 percent higher than a year earlier. Soda water, which is alkalescent and sugar free, increased its sales by 37 percent during the same period.

Instant Satisfaction
Instant satisfaction and efficiency have become a major competitive edge for many new products, such as washing capsules (annual sales growth of 34 percent) and high-end instant noodles (annual average sales growth of 20 percent). These innovative products have won over new shoppers because of their convenience in usage.

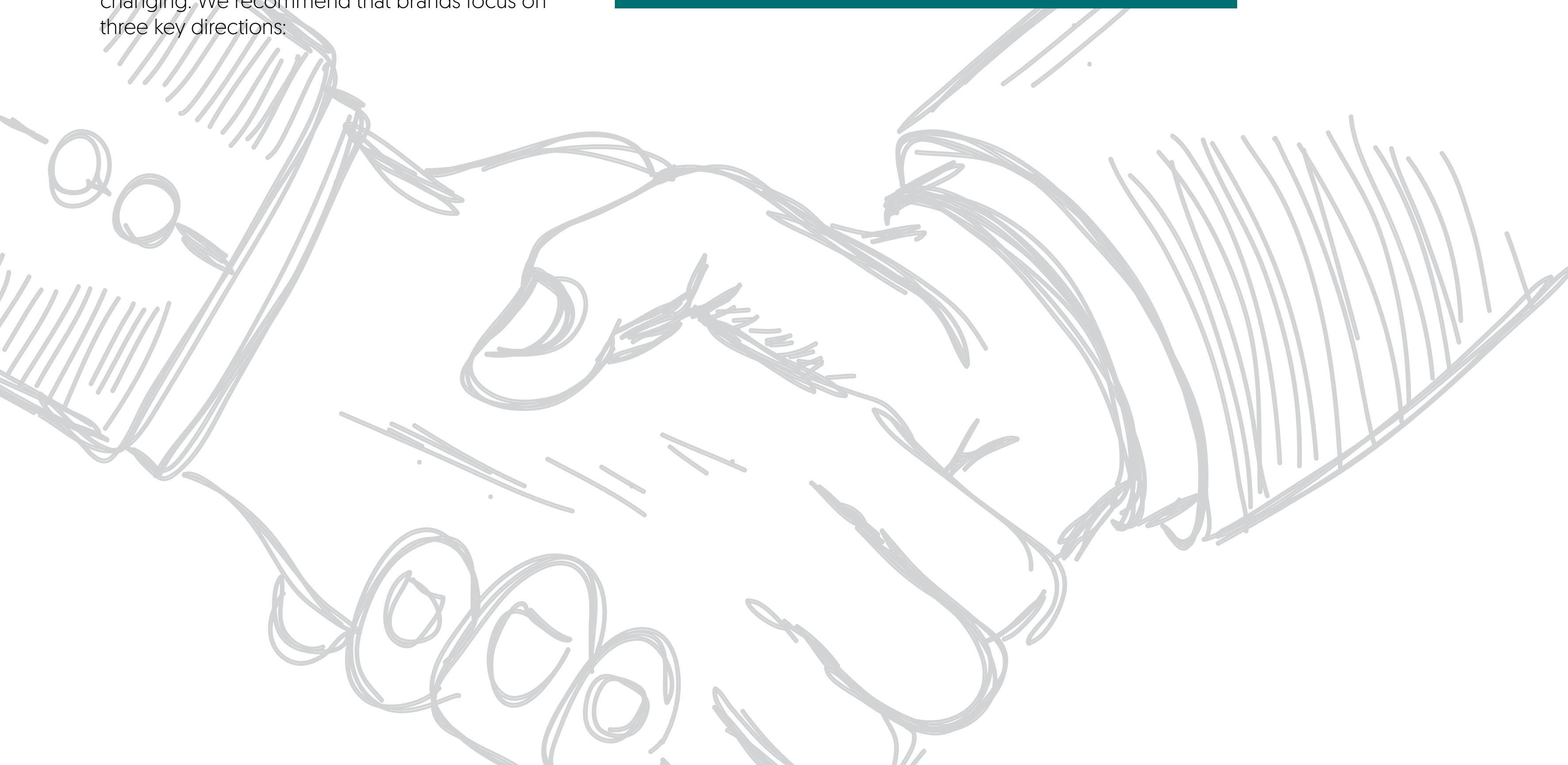
Among cosmetics, products packaged in ampoules can help improve skin condition quickly and hence achieved great growth. They have increased 81 percent. Similarly, sales of concealers have increased 92 percent. In terms of channels, small supermarkets and vending machines offer quick buying solutions and have become more popular. Shopper visits to small supermarkets have grown 5 percent and use of vending machines has grown 26 percent, according to Kantar's Out-of-Home Panel.

Personalization

Last but not least, brands that offer personalized services and fun can stand out. Jo Malone London invites consumers to create their individual scents. "Cross-category joint marketing" is another trend. Popular milk tea brand HEYTEA worked with L'Oréal Paris to launch a lipstick gift package. Japanese brand Nissin launched cup noodles with flavors that had appeared in the series "Ms. Koizumi Loves Ramen Noodles", which was hosted on Bilibili, a leading online entertainment platform for young people. The brand showed TV commercials at the end of each episode. It has successfully raised brand awareness among young audiences.

KEY STRATEGIC CONSIDERATIONS

As China's consumption landscape keeps evolving, brands have to explore and constantly add new paths to reach the consumer. That requires understanding of how Chinese consumers and social and purchasing channels are rapidly changing. We recommend that brands focus on three key directions:



1

REDEFINE THE RELATIONSHIP BETWEEN BRAND AND CONSUMERS

Brands are trying to make breakthroughs in their relationships with consumers. International brands continue to build their image among young consumers. High-end cosmetics brand Estée Lauder has invested heavily to attract young consumers, especially those younger than 25. The strategy has paid off, as in the past 12 months 50 percent of sales growth have come from this group.

At the same time, brands also need to leverage the power of Key Opinion Leaders (KOLs) and celebrities. Compared with celebrities, KOLs are closer to consumers and are more trusted by them. They are very effective at influencing the behavior of young consumers.

Brands can also benefit from celebrities' halo effect through partnership on content marketing platforms. Social shopping platform RED has invited many female celebrities to open accounts to share their experiences of using inexpensive products. On the one hand, it gives celebrities an opportunity to show the "real me" side. On the other hand, it is impactful in creating consumers' interests in those products and eventually buying from RED's e-commerce platform.

2

REDEFINE THE RELATIONSHIP BETWEEN SOCIAL AND PURCHASING

WeChat and social shopping app Pinduoduo have demonstrated the sales-driving power of social media. Our data has shown that 20 percent of urban Chinese families have purchased FMCG through WeChat. Consumers proactively show off what they've bought on their WeChat Moments feed, which is invaluable "earned media" for brands.

Pinduoduo invites its users to form "buying groups" through the WeChat platform to earn deeper discounts. The app successfully leverages the close connections established on WeChat, supplemented by the much cheaper unit price of goods on its platform compared with other channels, to earn more than 300 million shoppers within three years of its launch.

3

REDEFINE THE BOUNDARIES AND MISSIONS OF CHANNELS

As online and offline retail channels keep merging, the boundaries and missions of different channels are being redefined. Previously, each channel had a clear and distinctive positioning: hypermarkets like Walmart stood for value-for-money shopping; e-commerce retailers, such as Taobao, meant endless options; convenience stores, like FamilyMart, meant easy and quick shopping.

Now, with technologies empowering everyone, the boundaries are blurring. Consumers can buy from Walmart's website or app to get goods not only at reasonable prices but also with convenience. People can order food from popular restaurants through take-away apps without queueing for a table for hours anymore. Channels have also become media because they also publish contents to engage consumers. These blurred boundaries will have profound impacts on reshaping the future marketing landscape.

FROM ‘OWN LABEL’ TO ‘EXCLUSIVE BRAND’

The implications of a shopping revolution

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As a result of the current extremely challenging consumer environment, there has been an inescapably huge impact on shopping behavior for a variety of reasons, both good and ill. Whether people have been stockpiling “essentials”, shopping for others less able to, ordering online as a default, visiting physical stores less often or buying products and brands purely based on availability rather than choice; everyone has been affected in some way.

But the inevitable $64 million (and a lot more!) question is: “Will this period have a lasting effect on what we continue to put in our trolleys, either physically or virtually?”

The answer depends on many factors but mainly on the length of the global recession we seen certain to tip into, which will affect jobs, salaries and disposable incomes all over the world. If the downturn is indeed protracted, then one trend we can be certain will continue is the move away from “traditional” brands toward cheaper “equivalent” versions. What was already much more than an inconvenience for category incumbents may yet prove to be the tip of the iceberg. The return of choice might well provide an even greater acceleration.

Whatever you call them – private label, own label or own brand – such products have been a mainstay of the UK grocery scene for more than a quarter of a century, and almost all UK households purchase private label (PL) products of some kind. But the influence of PL on the UK grocery landscape is now deepening.

Since 2015, sales of PL products within fast-moving consumer goods (FMCG) categories have grown 14.3 percent in value, and 15.8 percent in volume, far outstripping the performance of branded products, which have grown just 3.5 percent in volume and have actually declined 3.7 percent in value terms*.

The sharp growth of PL reflects both retailer push and consumer pull. Economic austerity has affected household budgets and consumer attitudes to spending and, at the same time, discount grocers ALDI and Lidl have expanded, and together account for 68 percent of PL value growth since 2015*. This has happened alongside growing investment in PL by the UK’s “Big Four” UK supermarkets (Tesco, Sainsbury’s, ASDA and Morrisons).

The average UK household now buys a PL product 187 times per year, a 6 percent increase on 2015, meaning that for most households, between 40 and 70 percent of all the groceries they buy are PL**.

THE REAL DEAL

As consumers have added more and more PL products to their trolleys, supermarkets have not only built sales, they have built powerful new brands. Consumers are beginning to view what were once “just own brand” ranges, selected purely on price, as genuinely desirable brands. As a result, PL growth is outpacing brands in four out of 10 categories where brands hold the dominant share**.

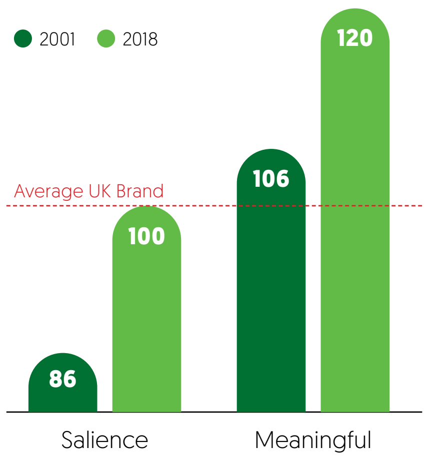
The “Exclusively at Tesco” range, launched in early 2018, is a good example of an evolved “brand-led” PL range. To shoppers, these products look and feel like genuine brands, and are marketed as such, though at a lower price point than the competing brand equivalents. The range is now worth £545 million, is purchased by 62 percent of all UK households, and features in one in five Tesco baskets*.

Analysis of the BrandZ™ database from 2011-2018, across seven FMCG categories from water and oral care to detergents and male grooming, further highlights the success of the PL branding revolution and the resultant change in attitude among UK consumers.

Firstly, typical PL Brand Power, a measure of the volume a brand commands based on brand equity, has grown so much in the past decade that it now indexes higher than what we might call “real” brands.

PL ranges still generally lack perceived difference in the minds of consumers (scoring just 49 versus an average of 100); yet the drivers of the overall increase in their brand equity are twofold. PL brands are now better known to shoppers and spring to mind when they shop (we call this “salience”), and they increasingly meet consumers’ evolving needs and make an emotional connection (they are “meaningful”).

PRIVATE LABEL BRAND EQUITY

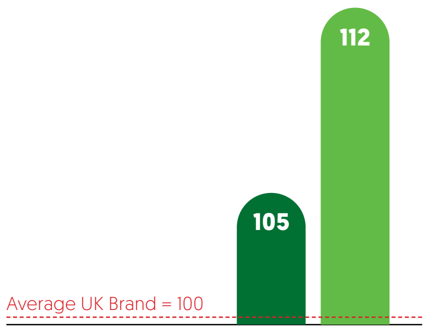


Source: BrandZ™ / Kantar

In essence, shoppers feel differently about PL brands, which have shaken off negative associations and are now seen as being straightforward, generous and approachable.

PRIVATE LABEL BRAND PERSONALITY

Positive personality



*Straightforward, Generous, Friendly and Fun

Source: BrandZ™ / Kantar

PRIVATE LABEL BRAND PERSONALITY

Several retailers have sought to humanize their PL offer with communications that add fun and playfulness to everyday scenarios using real people. ALDI's "Like brands only cheaper" slogan and campaign plays on the similarity of product capabilities while seeking to differentiate on price.

WHAT NOW FOR OTHER BRANDS?

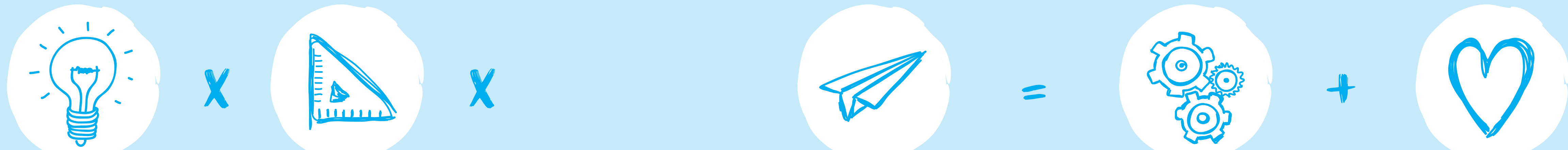
The future looks bright for PL, with much improved advocacy levels suggesting a step change in perceived and actual quality. But what about the "real" grocery brands struggling to navigate this new landscape?

There's little doubt that the best response will be to capitalize on PL's lack of differentiation, and use the power of brand to make shoppers think twice about what they put in their baskets.

BrandZ™ data suggests that brands can use innovation, design and communication in combination to project a sense of expertise and create desire at levels that command a price premium to PL alternatives.

A WINNING FORMULA TO COMBAT PRIVATE LABEL BRANDS

Areas of comparitive weakness for PL brands



INNOVATION

Shaking things up	**93**
Leading the way	**91**
Creative	**88**

DESIGN

Distinctive appearance	**90**
Well designed	**89**

COMMUNICATIONS

Great advertising	**91**
Better online content	**93**
Follow on social media	**92**

EXPERTISE

Reccomend	**95**
Wise	**94**
Work better	**91**

DESIRE

Proud to be seen using	**94**
Sexy	**93**
Desirable	**90**

Source: BrandZ™ / Kantar

Indeed, the tactics deployed to combat PL by some of the leading UK grocery brands already draw on aspects of this formula – particularly investment in innovation to drive differentiation. Brands such as Lurpak and Persil are positioned as being "the best", while Walkers have targeted a new consumption occasions with their "Max Strong" range, as have Maltesers with Maltesers Buttons. Halo Top ice-cream and Elvive Dream Lengths hair products meet a previously unmet and emerging need.

These are the smart ones. What lies ahead for the others? Brands unwilling or unable to invest in underlining their point of difference will face further erosion of sales and will drift towards irrelevance. Our message to them is clear: differentiate or die.

*12 months to June 2019 vs 12 months to June 2015 – Kantar, Worldpanel FMCG
**12 months to Dec 2018 vs 12 months to Dec 2017 – Kantar, Worldpanel FMCG

SECTION 6

THE BRANDZ™ RETAIL TOP 75

THE BRANDZ™ TOP 75 GLOBAL RETAIL BRANDS 2020

Rank	Brand	Category	Brand Value 2020 $M	Brand Value 2019 $M	Brand Value % Change 2020 vs. 2019	Brand Contribution Index
1	amazon	Retail	**415,855**	315,505	+32%	4
2	Alibaba Group 阿里巴巴集团	Retail	**152,525**	131,246	+16%	2
3	McDonald's	Fast Food	**129,321**	130,368	-1%	3
4	THE HOME DEPOT	Retail	**57,585**	53,507	+8%	1
5	LOUIS VUITTON	Luxury	**51,777**	47,214	+10%	4
6		Apparel	**49,962**	47,360	+5%	3
7		Fast Food	**47,753**	45,884	+4%	4
8	Walmart	Retail	**45,783**	36,801	+24%	1
9	CHANEL	Luxury	**36,120**	37,006	-2%	5
10	HERMÈS PARIS	Luxury	**33,008**	30,966	+7%	5
11	COSTCO WHOLESALE	Retail	**28,677**	21,282	+35%	1
12	GUCCI	Luxury	**27,238**	25,274	+8%	5
13	JD.COM	Retail	**25,494**	20,609	+24%	3
14	ZARA	Apparel	**21,286**	22,581	-6%	2
15	IKEA	Retail	**18,017**	18,949	-5%	2
16	KFC	Fast Food	**16,584**	17,205	-4%	3
17	ALDI	Retail	**15,927**	14,692	+8%	1
18	adidas	Apparel	**14,812**	13,355	+11%	3
19	SUBWAY	Fast Food	**13,768**	17,124	-20%	3
20	LOWE'S	Retail	**13,717**	14,964	-8%	1

Rank	Brand	Category	Brand Value 2020 $M	Brand Value 2019 $M	Brand Value % Change 2020 vs. 2019	Brand Contribution Index
21	ebay	Retail	**11,767**	11,511	+2%	2
22	Domino's	Fast Food	**10,743**	9,570	+12%	1
23	TARGET	Retail	**10,590**	8,337	+27%	2
24	LIDL	Retail	**9,780**	8,847	+11%	1
25	lululemon	Apparel	**9,669**	6,921	+40%	3
26	拼多多 Pinduoduo	Retail	**9,394**	**NEW**		1
27	WHOLE FOODS MARKET	Retail	**9,051**	9,101	-1%	3
28	CVS pharmacy	Retail	**8,727**	8,759	0%	2
29	TESCO	Retail	**8,491**	9,157	-7%	4
30	ユニクロ UNIQLO	Apparel	**8,217**	9,828	-16%	1
31	7-ELEVEN	Retail	**8,059**	9,318	-14%	3
32	Woolworths	Retail	**7,668**	7,045	+9%	3
33	ROLEX	Luxury	**7,433**	8,389	-11%	5
34	Pizza Hut	Fast Food	**7,341**	7,580	-3%	2
35	Walgreens Trusted since 1901	Retail	**6,815**	9,220	-26%	1
36	sam's club	Retail	**6,808**	5,724	+19%	1
37	CHIPOTLE MEXICAN GRILL	Fast Food	**6,603**	6,201	+6%	3
38	Carrefour	Retail	**6,483**	6,128	+6%	3
39	BURGER KING	Fast Food	**6,368**	7,063	-10%	1
40	TACO BELL	Fast Food	**5,928**	6,182	-4%	2

Source: BrandZ™ / Kantar (including data from Bloomberg)
Brand contribution measures the influence of brand alone on financial value, on a scale of 1 to 5, 5 being the highest.

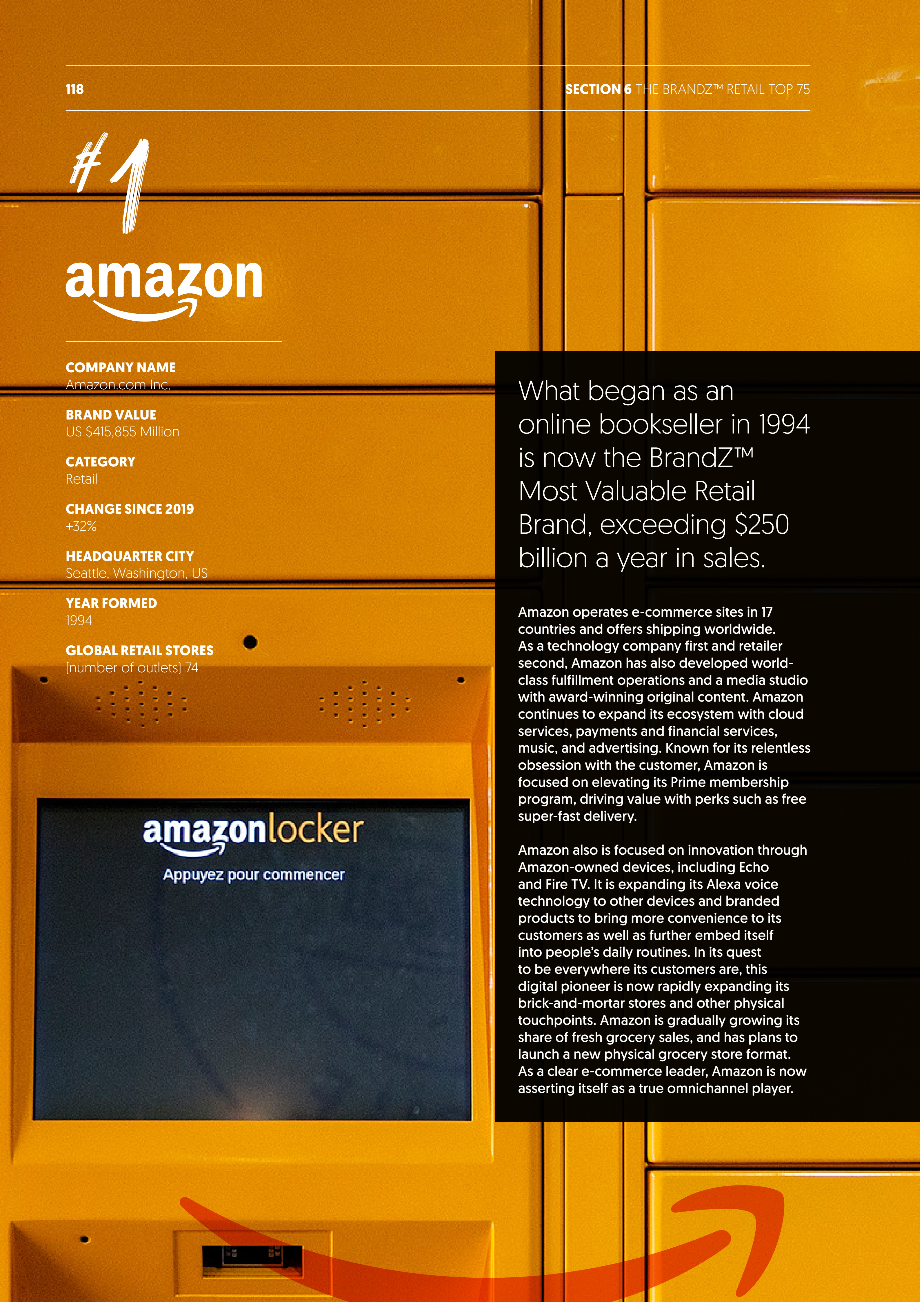
THE BRANDZ™ TOP 75

Rank	Brand	Category	Brand Value 2020 $M	Brand Value 2019 $M	Brand Value % Change 2020 vs. 2019	Brand Contribution Index
41	T.J.maxx	Retail	**5,749**	6,010	-4%	1
42	Bodega Aurrera	Retail	**5,419**	5,419	0%	1
43	Tim Hortons	Fast Food	**5,353**	6,680	-20%	4
44	Kroger	Retail	**5,289**	4,748	+11%	2
45	Cartier	Luxury	**5,214**	5,998	-13%	4
46	falabella.	Retail	**5,187**	5,187	0%	5
47	DIOR	Luxury	**5,117**	4,658	+10%	2
48	Auchan	Retail	**4,833**	4,719	+2%	3
49	coles	Retail	**4,694**	5,207	-10%	3
50	H&M	Apparel	**4,662**	6,380	-27%	1
51	Flipkart	Retail	**4,659**	4,086	+14%	3
52	ZOZOTOWN	Retail	**4,509**	**NEW**		4
53	Publix	Retail	**4,449**	4,759	-7%	3
54	Wendy's	Fast Food	**4,086**	4,343	-6%	2
55	ULTA BEAUTY	Retail	**4,050**	3,843	+5%	2
56	SAINT LAURENT YvesSaintLaurent	Luxury	**3,972**	3,572	+11%	2
57	BURBERRY LONDON ENGLAND	Luxury	**3,847**	4,698	-18%	5
58	苏宁易购 suning.com	Retail	**3,763**	3,763	0%	1
59	BEST BUY	Retail	**3,703**	3,963	-7%	2
60	SODIMAC	Retail	**3,180**	3,180	0%	2

GLOBAL RETAIL BRANDS 2020

Rank	Brand	Category	Brand Value 2020 $M	Brand Value 2019 $M	Brand Value % Change 2020 vs. 2019	Brand Contribution Index
61	lider	Retail	**3,155**	3,155	0%	5
62	zalando	Retail	**3,115**	3,079	+1%	3
63	PRADA	Luxury	**3,059**	3,504	-13%	4
64	ÆON	Retail	**2,932**	**NEW**		1
65	next	Retail	**2,814**	2,709	+4%	2
66	ASDA	Retail	**2,808**	2,590	+8%	1
67	TANISHQ	Retail	**2,802**	2,426	+15%	3
68	Sainsbury's	Retail	**2,772**	2,658	+4%	4
69	BUNNINGS warehouse	Retail	**2,740**	**NEW**		1
70	EDEKA	Retail	**2,616**	2,534	+3%	4
71	UNDER ARMOUR	Apparel	**2,598**	3,938	-34%	3
72	M&S EST. 1884	Retail	**2,456**	2,980	-18%	3
73	THE NORTH FACE	Apparel	**2,449**	2,861	-14%	3
74	DUNKIN'	Fast Food	**2,441**	2,876	-15%	2
75	FamilyMart	Retail	**2,424**	**NEW**		2

Source: BrandZ™ / Kantar (including data from Bloomberg)
Brand contribution measures the influence of brand alone on financial value, on a scale of 1 to 5, 5 being the highest.



#1

amazon

COMPANY NAME
Amazon.com Inc.

BRAND VALUE
US $415,855 Million

CATEGORY
Retail

CHANGE SINCE 2019
+32%

HEADQUARTER CITY
Seattle, Washington, US

YEAR FORMED
1994

GLOBAL RETAIL STORES
[number of outlets] 74

What began as an online bookseller in 1994 is now the BrandZ™ Most Valuable Retail Brand, exceeding $250 billion a year in sales.

Amazon operates e-commerce sites in 17 countries and offers shipping worldwide. As a technology company first and retailer second, Amazon has also developed world-class fulfillment operations and a media studio with award-winning original content. Amazon continues to expand its ecosystem with cloud services, payments and financial services, music, and advertising. Known for its relentless obsession with the customer, Amazon is focused on elevating its Prime membership program, driving value with perks such as free super-fast delivery.

Amazon also is focused on innovation through Amazon-owned devices, including Echo and Fire TV. It is expanding its Alexa voice technology to other devices and branded products to bring more convenience to its customers as well as further embed itself into people's daily routines. In its quest to be everywhere its customers are, this digital pioneer is now rapidly expanding its brick-and-mortar stores and other physical touchpoints. Amazon is gradually growing its share of fresh grocery sales, and has plans to launch a new physical grocery store format. As a clear e-commerce leader, Amazon is now asserting itself as a true omnichannel player.

#2

Alibaba Group 阿里巴巴集团

COMPANY NAME
Alibaba Group Holding Ltd

BRAND VALUE
US $152,525 Million

CATEGORY
Retail

CHANGE SINCE 2019
+16%

HEADQUARTER CITY
Hangzhou, China

YEAR FORMED
1999

GLOBAL RETAIL STORES
Over 200

Alibaba is the first name in Chinese e-commerce, though most of its revenue comes from marketing activities, not directly from marketplace sales.

Its technology controls the entire conversation around how shoppers discover, buy and receive items. It operates multiple consumer-facing ecommerce platforms, including the Taobao consumer-to-consumer platform and Tmall, for businesses selling to consumers. Alibaba drives and retains shoppers through a strong media and entertainment offering, with the entire ecosystem hosted on Alibaba Cloud tech infrastructure, with payments processed by Alipay, and logistics handled by Alibaba company Cainiao.

Alibaba is best known for its annual "11/11" shopping event, which was formerly known as "Singles Day" but is now an event spanning days and even weeks for some of its partner brands. Held every 11 November, it is the biggest shopping festival in the world, with 2019 11/11 sales hitting US$38 billion and over 20,000 brands taking part.

Alibaba actively works alongside partner brands, offering data and marketing expertise drawn from its vast digital ecosystem to develop new products. Its Tmall Global platform offers brands a way into China through cross-border ecommerce. It is also a pioneer in what its founder Jack Ma dubbed "New Retail", in which physical stores are transformed by digitalization. Its 197 Hema [aka Freshippo] supermarkets serve as high-tech stores as well as hubs for delivering online orders.

Alibaba's reach is rapidly extending beyond China; its Lazada platform covers most of Southeast Asia, while its global BC2 platform AliExpress is gaining ground in Europe, particularly in Russia. Cainiao is opening up faster shipping worldwide and this is powering not just Alibaba's consumer-facing offer, but also its huge business-to-business operation.

#3

McDonald's

McDonald's is a fast food chain known worldwide for its trademark Golden Arches, speedy service, and diverse menu.

COMPANY NAME
McDonald's Corporation

BRAND VALUE
US $129,321 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
-1%

HEADQUARTER CITY
Oak Brook, Illinois, US

YEAR FORMED
1955

GLOBAL RETAIL STORES
38,298

The brand traces its roots back to a barbecue restaurant opened in 1940 by Richard and Maurice McDonald. In 1948, they changed to hamburgers and assembly-line production and in 1955 McDonald's was reinvented as a franchise company by Ray Kroc. While it has traditionally been a burgers-and-fries destination, McDonald's has responded to changing public tastes by promoting healthier items, such as salads and oatmeal, as well as sourcing fresher ingredients.

In 2019, McDonald's expanded its technological capabilities by creating "MCD Tech Labs" and acquiring technology companies DynamicYield and Apprente. It remains focused on delivering long-term growth through system-wide execution of its customer-centric growth strategy, to drive sustainable comparable sales and guest-count growth.

It plans to convert all US restaurants to its EOTF (Experience of the Future) format by the end of 2020, featuring touchscreen ordering and an enhanced service proposition. For 2020, McDonald's plan for the US division is focused on three key areas: improving the food offer, improving the customer experience and being competitive on value. As part of its global "Better M" program, McDonald's is trialing sustainable packaging and aims to source all packaging from recyclable or renewable sources by 2025.

#4

The Home Depot is the world's largest home improvement superstore chain, and its warehouse-style stores sell everything from tools and paint to garden furniture and pool supplies.

COMPANY NAME
The Home Depot, Inc.

BRAND VALUE
US $57,585 Million

CATEGORY
Retail

CHANGE SINCE 2019
+8%

HEADQUARTER CITY
Atlanta, Georgia, US

YEAR FORMED
1978

GLOBAL RETAIL STORES
2,290

In operation since 1978, the chain has 1,984 stores in the United States. Home Depot continued positive momentum in 2018 and 2019, with online sales growing especially rapidly. Online sales rose more than 26 percent in fiscal 2018, and now comprise 7.9 percent of total sales.

The business is focusing on its "One Home Depot" strategy aimed at creating a multiplatform, seamless shopping experience through store renovations and continued development of in-store and digital offers. Home Depot serves both DIY shoppers and professional contractors. To make shopping easier, Home Depot gives customers and store associates access to in-store digital mapping, inventory levels, product information, online ordering, faster delivery and locker pickup. To address specific DIY shopper needs, Home Depot ensures associates are equipped with product and industry knowledge, posts how-to videos on Home Depot's website, and hosts in-store home improvement training. Home Depot increasingly emphasizes the importance of the pro shopper, who make up 45 percent of sales, as an opportunity for growth . To broaden its home improvement offer, Home Depot has also begun expanding into design services with its new Home Depot Design Centers.

#5

LOUIS VUITTON

COMPANY NAME
LVMH Moet Hennessy Louis Vuitton SE

BRAND VALUE
US $51,777 Million

CATEGORY
Luxury

CHANGE SINCE 2019
+10 %

HEADQUARTER CITY
Paris, France

YEAR FORMED
1854

GLOBAL RETAIL STORES
460

Louis Vuitton is one of the world's leading international fashion brands.

It was founded in 1854 by Louis Vuitton and the brand's initials now have an iconic status that signals quality and desirability to global consumers. It sells its products through standalone boutiques, franchises and high-end department stores, as well as online through various websites. The travel trunks that launched the brand are still at the heart of the range, although the LV label also extends to fashion and fragrance as well as leather bags, watches, jewelry and accessories. Asian markets, particularly China and Japan, have been instrumental in the brand's growth over the past decade. The Louis Vuitton brand cultivates a celebrity following and frequently uses famous models, musicians and actors in its advertising. Global ambassadors include actresses Léa Seydoux, Deepika Padukone and Sophie Turner.

In the past year, Louis Vuitton's expansion strategy has included opening a major new flagship store in Osaka, Japan, which houses the very first LV café, and the introduction of apparel lines to India, where it previously only had accessories. The brand is also working harder to capture the interests of Chinese centennials and millennials, sponsoring eSports tournaments with video gaming site Bilibili. More broadly, video marketing has become a bigger priority for the brand, especially in the Far East and emerging markets such as North Africa. Its latest SS20 menswear video campaign was created by Moroccan director Hicham Lasri.

#6

COMPANY NAME
Nike, Inc.

BRAND VALUE
US $49,962 Million

CATEGORY
Apparel

CHANGE SINCE 2019
+5%

HEADQUARTER CITY
Beaverton, Oregon, US

YEAR FORMED
1964

GLOBAL RETAIL STORES
Over 1,100

Nike is the world's leading designer, marketer and distributor of athletic footwear, apparel, equipment and accessories for a wide variety of sports and fitness activities.

Founded as Blue Ribbon Sports by Bill Bowerman and Phil Knight, it became Nike in 1971. Nike markets its products under its own brand, as well as Nike Golf, Nike Pro, Nike+, Air Jordan, Nike Blazers and other brands. Nike operates its own stores as well as having stores within department stores. Over the past two years, Nike has introduced several performance innovations into the running category.

In 2019, Nike acquired Celect, a cloud-based predictive analytics platform, to develop unique algorithms to better predict demand and consumer trends. It has ended its partnership with Amazon.com to sell its sneakers and apparel directly on Amazon's website, ending a pilot program that began in 2017. However, it continues to use Amazon's cloud computing unit, Amazon Web Services, for its apps and Nike.com services. Looking forward, Nike plans to introduce new products to coincide with the Tokyo 2020 games and Euro football championships. It will also ramp up products in the women's category and introduce more products across a range of price points, led by seasonal capsules and collections.

#7

COMPANY NAME
Starbucks Corporation

BRAND VALUE
US $47,753 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
+4%

HEADQUARTER CITY
Seattle, Washington, US

YEAR FORMED
1971

GLOBAL RETAIL STORES
31,256

Founded in 1971 and self-styled as its customers' "third home", after their actual home and their workplace, Starbucks has become a leading chain of coffee shops around the world and operates 31,256 stores globally.

Starbucks has relied more on its products, stores, and services than on advertising to build its business. It has also invested heavily in beverage and digital innovation, to deliver a distinctive Starbucks experience. In the US in 2019, Starbucks invested in increasing store-level training, allocating additional store labor and in-store technology initiatives. At the end of Q4 2019, US Starbucks Rewards had grown to 17.6 million active members, a 15 percent increase year-on-year.

Starbucks has aggressively targeted expansion in China in recent years and opened over 600 new stores last year to cross the 4,000-store mark. It also opened a new express store format, Starbucks Now, in Beijing to enhance the mobile order and pay service and the Starbucks Delivers customer experience. It has partnered closely with Chinese e-commerce giant Alibaba on initiatives like express delivery and voice-enabled ordering by smart speaker.

As part of its Global Coffee Alliance with Nestlé, Starbucks has launched three new platforms to extend its brand reach globally. It has also launched a new product category, Starbucks Creamers, in North America, and entered China's at-home and food service segments. In fiscal 2020, it plans to increase its presence to 50 global markets and open new Starbucks Now stores in China's top-tier cities.

#8

Walmart

Walmart is a global retailer offering a broad range of products from grocery and clothing to electronics and baby goods.

COMPANY NAME
Walmart Inc.

BRAND VALUE
US $45,783 Million

CATEGORY
Retail

CHANGE SINCE 2019
+24%

HEADQUARTER CITY
Bentonville, Arkansas, US

YEAR FORMED
1962

GLOBAL RETAIL STORES
11,423

While the brand has traditionally had been associated with affordability, it is focused on improving its image and broadening its value proposition with shoppers, particularly in digital. Walmart now operates hypermarkets, discount department stores and smaller grocery stores around the world, both under the Walmart banner and the brand names of businesses it has acquired. It is the largest grocery retailer in the US, and generates 62 percent of sales from its home market.

Greg Foran departed the role of Walmart US CEO and was replaced by then Sam's Club CEO John Furner in late 2019. Though its stores are the profit driver of the company, Walmart is investing heavily in e-commerce. In late 2016, Walmart acquired Jet.com, a US-based e-commerce retailer, and installed Jet founder Marc Lore as Walmart's e-commerce leader in the US. It has since acquired other e-commerce companies though has offloaded several as it seeks a balance between its historical growth model and tech-focused innovation. Walmart is adding more organic private label and developing smart shopping solutions to improve the overall store experience. It has been remodelling hundreds of stores to improve navigation, assortment, and in-store omnichannel integration. Online pickup of online orders is widely available and delivery is expanding. Walmart has invested heavily in providing new services for members such as private label credit cards and health options. Walmart's revenue in FY19 reached $510.3 billion, making it the largest company in the world by revenue.

Photo courtesy of www.walmart.com

#9

CHANEL

COMPANY NAME
Chanel Limited

BRAND VALUE
US $36,120 Million

CATEGORY
Luxury

CHANGE SINCE 2019
-2%

HEADQUARTER CITY
Neuilly-sur-Seine, France

YEAR FORMED
1909

GLOBAL RETAIL STORES
310

Chanel is a classic French luxury brand with a range spanning high-end fashion, fragrance, cosmetics and accessories.

Founded by Gabrielle "Coco" Chanel in 1909, the design house is behind what is probably the world's most well-known perfume, Chanel No 5. Other signature products include Coco Mademoiselle perfume and the Chanel 2.55 handbag. In clothing, Chanel is famous for revolutionizing tailored style for women, with the Bouclé jacket remaining one of its most iconic pieces.

In 2019, Virginie Viard succeeded the late Karl Lagerfeld as creative director of the fashion house. While her first collection provided a degree of continuity, the designer is now coming into her own, taking inspiration from the pared-back roots of the Chanel label. The brand's SS20 collection revisited the childhood memories of Coco Chanel, including the abbey of Aubazine, the orphanage where Coco Chanel lived for six years after the death of her mother. In its communicatios, Chanel is now prioritizing social media and influencer marketing, Actress Kristen Stewart leads its latest campaign, while celebrity influencers have been enlisted for the brand's eyewear campaign, including Margaret Qualley, Pharrell Williams, Isabelle Adjani, Belgian singer Angèle and French singer-songwriter Sébastien Tellier. The brand is also pushing the boundaries on messaging around gender norms. For example, Pharrell Williams became the first male ambassador to front the brand's handbag campaign, going on to collaborate with the house on a capsule collection.

HERMÈS

#10

HERMÈS
PARIS

COMPANY NAME
Hermès International

BRAND VALUE
US $33,008 Million

CATEGORY
Luxury

CHANGE SINCE 2019
+7%

HEADQUARTER CITY
Paris, France

YEAR FORMED
1837

GLOBAL RETAIL STORES
307

Founded originally as a harness and bridle workshop in Paris by Thierry Hermès, Hermès is now an iconic luxury brand best known for its silk scarves and leather handbags, along with home furnishings, perfume, jewelry and ready-to-wear clothing.

Once one of the most exclusive luxury accessories labels in France, Hermès is now focused on increasing production to reduce waiting times for its most sought-after items, and has opened two new workshops in France. Its most coveted designs include the iconic Birkin bag (named for Jane Birkin) and the Kelly (named for Grace Kelly).

Since the beginning of 2019, the brand has reopened three renovated stores in Moscow, Marbella and Amsterdam, and launched new stores in Orlando, Phuket, New York and China. It has 307 stores in total worldwide. In its most recent results, Hermès announced that revenue increased by 15.4 percent over 12 months, with the greatest growth coming from Asia, especially China.

New initiatives have been launched to attract younger urban audiences, including a hip new concept store in New York's Meatpacking District that features a relaxed service style–employees wear sneakers. Other recent initiatives include taking over a record store and combining music, art and silk scarves in its Silk Mix concept. The brand also hosts periodic open-house workshops where shoppers can come and meet the artisans. It has a podcast series in which people associated with the brand share their stories.

#11

COSTCO WHOLESALE

Costco is a retail club that offers access to its club buildings to members who pay an annual fee.

COMPANY NAME
Costco Wholesale Corp.

BRAND VALUE
US $28,677 Million

CATEGORY
Retail

CHANGE SINCE 2019
+35%

HEADQUARTER CITY
Washington, US

YEAR FORMED
1976

GLOBAL RETAIL STORES
785

Warehouse-style clubs offer bulk groceries as well as competitively priced electronics, furniture, toys and jewelry. The range is highly regionalized and frequently updated, and offers shoppers a "treasure hunt" experience. The number of cardholders worldwide reached 98.5 million in fiscal 2019. There are tiers of membership, with the higher level providing access to a greater range of services. Demonstrating value through price, exclusivity, and rotation has been a big part of Costco's promise; the club experience, its trusted Kirkland Signature private label, and its strong member advocacy differentiates the brand from other retailers.

Costco has been investing in its digital capabilities; e-commerce is growing at almost 20 percent a year. Two-day delivery of non-perishable grocery has proved popular, online ordering and club pickup is available on selected categories, and Costco has extended its relationship with Instacart so that same-day alcohol and prescription delivery is available in selected markets. Costco has been expanding its range of organic and healthy foods, which account for more than US$6 billion in sales. The business is expanding globally and is present in the US, Canada, Mexico, Australia, the UK, Spain, France, Iceland, Taiwan, South Korea, and Japan. Costco opened its first club in China, in Shanghai, in August 2019 to massive crowds and success. It has plans to gradually ramp up its China presence in coming years.

#12

GUCCI

The Gucci brand was launched by Guccio Gucci, who designed premium-quality luggage, other leather goods, fashion and accessories. Home décor has recently been added to the range.

COMPANY NAME
Kering SA

BRAND VALUE
US $27,238 Million

CATEGORY
Luxury

CHANGE SINCE 2019
+8%

HEADQUARTER CITY
Scandicci, Italy

YEAR FORMED
1921

GLOBAL RETAIL STORES
300+

The Gucci name stands for quality craftsmanship, elegance, romance and eclectic influences. Gucci has around 300 directly operated stores around the world, and several others under franchise. It is also focused on increasing online sales. The brand has banned the use of natural furs in its products and works with Panthera, a non-profit organization for the protection of tigers. Owned by luxury conglomerate Kering, Gucci has pledged its commitment to sustainability and transparency by launching Gucci Equilibrium, an online platform "designed to connect people, planet and purpose". It has also stated its goal to have 70 percent of the energy it uses come from renewable sources by 2020. The brand's 13,000 staff are encouraged to dedicate one percent of their working time to volunteering in local communities.

Gucci's creative director has been Alessandro Michele since 2015. A prolific creative, Michele has taken Gucci into unlikely territory over the years, including streetwear and 70s-inspired chic. The designer has collaborated frequently with external artists and often invites followers of the brand to understand the creative journey, with initiatives like Gucci Places, which digitally showcases places that have inspired different collections.

#13

JD.COM

COMPANY NAME
JD.com

BRAND VALUE
US $25,494 Million

CATEGORY
Retail

CHANGE SINCE 2019
+24%

HEADQUARTER CITY
Beijing, China

YEAR FORMED
1998

GLOBAL RETAIL STORES
N/A

JD.com is a leading player in China's vibrant e-commerce landscape.

Beginning life in 1998 as a Beijing-based consumer electronics store, it went online in 2004 and has since developed into a vast online entity selling a huge range of goods from luxury fashion to everyday groceries. Its biggest strength is its self-owned fulfillment network, JD Logistics, which has 650 warehouses across China plus an army of uniformed couriers ensuring it consistently wins on speed and quality of shopper service. It claims to have 99 percent coverage in China and has pioneered the use of autonomous vehicles and drones.

Operating a mix of first- and third-party e-commerce, unlike its rival Alibaba's pure marketplace model, JD.com describes itself as "China's largest retailer". It attracts higher-end shoppers with its strong emphasis on product quality and enjoys good penetration in megacities, and though it often struggles to compete with Alibaba in securing brand exclusivity for its platform, has forged firm ties with many leading global brands.

JD.com has powerful allies, with Tencent, Walmart and Google all major investors. This allows it to leverage Tencent's hugely influential WeChat social ecosystem, which has over 1 billion daily users. Through this, it operates express grocery service Dada-JD Daojia, which operates fulfillment for numerous supermarket chains across China. Retail services are a key focus for the company and, like rival Alibaba, JD.com has ventured offline to create hi-tech convenience, supermarket and specialty store concepts. Its overseas presence is growing steadily and it is eyeing Southeast Asia and Europe for future growth.

#14

ZARA

COMPANY NAME
Industria de Diseno Textil SA

BRAND VALUE
US $21,286 Million

CATEGORY
Apparel

CHANGE SINCE 2019
-6%

HEADQUARTER CITY
Arteixo, Spain

YEAR FORMED
1974

GLOBAL RETAIL STORES
2,862

Zara began as a single clothing store in the Spanish region of Galicia, and has since taken "fast fashion" to the world.

The brand operates in 96 markets and has an online platform in 202. Recent markets for online launches include Brazil, the UAE, Lebanon, Egypt, Morocco, Indonesia, Israel, South Africa, Ukraine, the Philippines and Colombia. The essence of the Zara business model is to maintain flexibility, enabling the range to reflect fast-changing trends, offering up-to-the-minute fashion at affordable prices. The fast turnover of stock keeps customers coming back regularly, and has proved highly efficient, with minimal leftover stock. The Zara range caters primarily to women, but there are also men's and children's collections, as well as Zara Home, which is being integrated into more stores. A recently announced collaboration with well-known fragrance creator Jo Malone will strengthen Zara's cosmetics line.

Flagship stores include Hudson Yards and Fifth Avenue in New York, London's Oxford Street, Ginza in Tokyo and the Calle Serrano in Madrid. In the past year, Zara has launched a global online store, and has been promoting its e-commerce platform and experimenting with new technology, particularly automated in-store pick-up machines. The focus has been less on new store openings, especially in Europe, but expansion of the physical store footprint has continued in fast-growing markets and the US. The brand does not do traditional advertising but is highly active on YouTube, where it works with acclaimed photographers and models to create films that are watched through the Zara channel and are promoted on third-party fashion blogs.

#16

IKEA

COMPANY NAME
Ingka Holding BV

BRAND VALUE
US $18,017 Million

CATEGORY
Retail

CHANGE SINCE 2019
-5%

HEADQUARTER CITY
Leiden, Netherlands

YEAR FORMED
1943

GLOBAL RETAIL STORES
433

IKEA is the world's largest furniture retail brand and is famous for its flat-pack, ready-to-assemble beds, chairs, desks and home accessories.

Founded in Sweden in 1943, IKEA stores are now present in 52 countries. Stores are largely big-box, out-of-town warehouses featuring the blue and yellow of the Swedish flag. Most include restaurants, for which IKEA's Swedish meatballs have become world-renowned. IKEA had 1 billion store visitors and 2.8 billion visits to its websites in the year to October 2019.

Aware of the consumer shift away from out-of-town stores and the desire for smaller urban shopping experiences, IKEA has been looking at smaller-format, order-and-collect options targeting high-footfall urban locations. Copenhagen's first city-center IKEA store is due to open in 2020 and will serve as a flagship development for the city's sustainability agenda. The 37,000 square meter store includes recreational areas on its "green roof", while IKEA is working to achieve BREEAM environmental certification for the building. IKEA has pledged to lead on circular economy initiatives and be a truly green business. IKEA is also continuing to extend and improve its online offering, particularly in its biggest markets, as part of an ongoing focus on e-commerce, which has seen sales rise by 50 percent in the past year alone. Smart homes and products are another area of focus.

Photo courtesy of www.ikea.com

#16

KFC

COMPANY NAME
Yum! Brands Inc.

BRAND VALUE
US $16,584 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
-4%

HEADQUARTER CITY
Louisville, Kentucky, US

YEAR FORMED
1930

GLOBAL RETAIL STORES
23,435

KFC traces its roots to 1930, when Colonel Harland Sanders (the title is honorary, conferred by the state of Kentucky) opened a fried chicken and smoked meats stand in Louisville.

For much of its early history, KFC was known as Kentucky Fried Chicken, but changed its name in 1991 in response to health concerns over the effects of eating fried food.

Throughout 2019, KFC rolled out several initiatives such as facial-recognition payment technology in China, while in Australia, it developed its first drive-thru-only KFC. In India, a new Alexa skill enabled consumers to be informed of promotional offers. KFC Canada partnered with Lightlife, a plant-based protein brand, to launch KFC Plant-Based Fried Chicken. It plans to roll out Plant-Based Fried Chicken options across Canada in 2020.

KFC opened its largest-ever (1,849 square-meter) restaurant in China, in Shenzhen, as part of a renewed drive to pursue growth in the market via the Yum China division, which was spun off from the main corporate entity in 2016.

In the US, it continues to partner with Grubhub to add locations for delivery and click-and-collect. There are now 2,700 KFCs offering delivery and 3,700 restaurants available for click-and-collect. The brand also officially launched online ordering at kfc.com in October 2019. The company recently announced a new global sustainability plan to make all plastic-based, consumer-facing packaging reusable by 2025.

#17

ALDI is one of the world's original discount supermarkets and has been a leader in taking the concept beyond Europe to the rest of the world.

COMPANY NAME
ALDI Group

BRAND VALUE
US $15,927 Million

CATEGORY
Retail

CHANGE SINCE 2019
+8%

HEADQUARTER CITY
Essen and Mülheim, Germany

YEAR FORMED
1913

GLOBAL RETAIL STORES
11,882

The business has its origins in a store in Essen founded by the mother of brothers Karl and Theo Albrecht. The brothers took over the family business and in the 1960s introduced the ALDI name, and divided the business in two, ALDI Nord and ALDI Süd.

ALDI has been in the US since the 1970s with Süd launching in the Chicago suburbs and expanding nationally, while Nord invested in California's Trader Joe's and grew from there. ALDI opened in China two years ago, initially via e-commerce and, since mid-2019, physical stores. To customers, the stores operated by the two divisions of ALDI are indistinguishable; ALDI buys in large volumes, which enables it to pass on sizable discounts to customers. More than 90 percent of products sold are ALDI-exclusive brand products, and each week, ALDI stores offer a changing range of special food and nonfood promotional items, known as "ALDI Finds." ALDI is reinventing formats and improving the in-store experience. In communications, it is shifting the conversation beyond price to true value, to include responsible sourcing and healthier eating. Recently, ALDI launched a "Simply Better Living" campaign promoting healthy and nutritious food, and pledged to cut approximately 6,000 tons of salt and sugar from around 860 own-brand items, including bakery, cereal, soft drinks, dairy, and children's lines.

#18

adidas is a German-founded global sportswear brand and footwear company.

COMPANY NAME
adidas AG

BRAND VALUE
US $14,812 Million

CATEGORY
Apparel

CHANGE SINCE 2019
+11%

HEADQUARTER CITY
Herzogenaurach, Germany

YEAR FORMED
1949

GLOBAL RETAIL STORES
1,194

The adidas brand is instantly recognizable by the triple stripes on its footwear and the "trefoil" adidas logo, which the company calls "The Badge of Sport". adidas collaborates with prominent people outside the sporting industry and has worked with Porsche Design and designers such as Stella McCartney and Raf Simons.

In 2019, adidas used its Speedfactory technologies, a concept created by the company to concentrate the sneaker-production process in a single space, and in the market where the shoes are sold, to produce athletic footwear at two of its suppliers in Asia. This resulted in better utilization of existing production capacity and more flexibility in product design. In the future, adidas plans to focus on modernizing its suppliers and using 4D technology in footwear production. adidas recently opened a new flagship store in London's Oxford Street featuring over 100 digital touchpoints and bespoke innovations in the adidas app, including a "Bring It to Me" feature, and in-store experts. The brand also launched FUTURECRAFT.LOOP, a 100 percent-recyclable performance running shoe. adidas also finalized the expansion of its 52,000 square meter "World of Sports" in Herzogenaurach, Germany.

#19

SUBWAY

COMPANY NAME
Doctor's Associates Inc.

BRAND VALUE
US $13,768 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
–20%

HEADQUARTER CITY
Milford, Connecticut, US

YEAR FORMED
1965

GLOBAL RETAIL STORES
more than 44,000

Subway is the world's largest restaurant chain by numbers of stores, serving a variety of sandwiches to customers in over 100 countries.

The privately held business operates franchises that are instantly recognizable in countless corners of the world. Over half its locations are in the US.

In 2019, Subway announced the expansion of its Global Food Innovation Partnership with Tastemade, to launch its first "Inspired by Tastemade" offering. Subway also hired John Chidsey, former chairman and CEO of Burger King Holdings, as CEO, to fill a position that hadn't had a permanent occupant since summer 2018. Last year saw Subway enter into a partnership with plant-based meat substitute manufacturer Beyond Meat to test a Beyond Meatball Marinara sub, at 685 participating restaurants across the US and Canada. Also in Canada, it partnered with Martha Stewart to launch new plant-based "Beyond Meatball" subs.

Subway is remodeling more than 10,000 US stores and rolling out home delivery across the nation. In a bid to return to growth, Subway is enforcing 20-year franchise agreements for the first time to stem store closures. The company now also requires franchisees who choose not to renew their five-year leases to help secure a replacement for the location.

#20

LOWE'S

COMPANY NAME
Lowe's Companies, Inc.

BRAND VALUE
US $13,717 Million

CATEGORY
Retail

CHANGE SINCE 2019
-8%

HEADQUARTER CITY
Mooresville, North Carolina, US

YEAR FORMED
1946

GLOBAL RETAIL STORES
2,004

Lowe's is a home improvement chain with stores in the United States and Canada that welcome more than 18 million customers per week.

Lowe's scaled back its international operations in 2019 by exiting the Mexican market and closing 34 Canadian locations. These closures came on the heels of Lowe's shuttering its Lowe's Orchard Supply Hardware locations. Lowe's sales were $71.3 million in fiscal 2018, with over 92 percent associated with US operations. In fiscal 2019, Lowe's anticipates a 2 percent increase in total sales and 3 percent increase in comparative sales.

Lowe's is leveraging external partnerships and overhauling internal operations to drive growth and efficiencies. Historically, Lowe's as focused its efforts on its DIY shopper segment. It employs specialist staff to provide tailored advice in-store, hosts home improvement workshops and offers online resources, including how-to videos and articles, buying guides, project calculators, and other resources. More recently, Lowe's has identified professional customers, who account for approximately 25 percent of total sales, as a key area of focus and growth opportunity. The Lowe's for Pros division has expanded its services to include dedicated pro desks and associates, and deepened its relationship with property management software business Yardi, enabling Yardi's professional users to purchase Lowe's products directly from the Yardi app. There are plans for a national launch of the pro loyalty program in 2020. In addition to efforts surrounding customer-centric services, Lowe's has committed to rationalizing its assortment, increasing employee retention and industry knowledge, and modernizing its digital capabilities and investments in technology.

Photo courtesy of www.lowes.com

#21

ebay

COMPANY NAME
eBay Inc.

BRAND VALUE
US $11,767 Million

CATEGORY
Retail

CHANGE SINCE 2019
+2%

HEADQUARTER CITY
San Jose, California, US

YEAR FORMED
1995

GLOBAL RETAIL STORES
N/A

eBay, one of the first major online marketplaces, serves as both an e-commerce and auction platform and attracts a wide variety of B2C and C2C sellers.

It has over $10 billion in revenue and 183 million active buyers worldwide. Because of its broad offering and unique product selection, eBay reaches a variety of demographic groups and geographic areas. eBay has been working to shed its used-item auction house reputation and reposition its brand, striving to attract business sellers and manufacturers of all sizes to expand its offering of new items. It also houses a charity arm, eBay for Charity, with the eBay community generating more than $1 billion for global charities.

The retailer has made major investments in structured data, curation, and AI-driven image search to elevate its platform and make product discovery easier. eBay looks to an enhanced shopper experience to help its continued efforts at repositioning the brand and regaining relevance among shoppers, particularly as major competitors' marketplaces – such as Amazon, Walmart and Alibaba – continue to see huge growth.

#22

Domino's

COMPANY NAME
Domino's Pizza, Inc.

BRAND VALUE
US $10,743 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
+12%

HEADQUARTER CITY
Michigan, US

YEAR FORMED
1960

GLOBAL RETAIL STORES
16,528

Domino's Pizza was founded in 1960 and has become famous as the brand that delivers pizzas within 30 minutes.

It operates a network of company-owned and franchise-operated restaurants in the United States and around the world, primarily targeting young adults, college students and millennials. As of Q3 2019, there were 5,652 franchise stores and 333 company-owned stores in the United States, and 10,543 branches in over 85 international markets.

Focusing on digital technology, Domino's is among the most digitally enabled fast food brands, allowing customers to order via Facebook Messenger, Amazon Alexa, and even by tweeting a pizza emoji. Domino's offers mobile payments and loyalty rewards, and is partnering with Samsung to allow direct ordering using internet-connected TVs. In recent years, Domino's has taken steps to expand its non-US network, buying the Hallo pizza chain in Germany in 2018, rapidly increasing the number of outlets in Sweden, and opening many new branches in both Malaysia and India.

#23

TARGET

COMPANY NAME
Target Corp.

BRAND VALUE
US $10,590 Million

CATEGORY
Retail

CHANGE SINCE 2019
+27%

HEADQUARTER CITY
Minneapolis, Minnesota, US

YEAR FORMED
1902

GLOBAL RETAIL STORES
1,868

Target is the United States' second-largest general merchandise retailer, behind Walmart.

It has long been known for its middle market approach, appealing to younger, image-conscious shoppers with fashionable product lines. Target generates a similar proportion of sales from each of the following categories: apparel, home, household essentials and beauty, food and beverage, and "hardlines" or non-personal items. It currently has 1,868 stores across the United States.

After a disappointing 2016, Target decided to invest $7 billion in its stores and supply chain. Over the course of 2018 and 2019, it launched 20 new owned brands, hoping to deliver on its "Expect More. Pay Less." promise through a renewed focus on style. Target's investments have paid off. Target has seen 12 quarters of growth through a mix of increased store traffic and online sales. Target is also improving its digital offering and expanding its fulfillment capabilities; in late 2017, it acquired same-day delivery service Shipt for $550 million and has continued to roll out drive-up and pick-up capabilities. Target is also updating its stores, remodeling 300 branches in each of 2019 and 2020, including more attractive displays in key categories to inspire shoppers. The business is opening smaller stores in urban centers and college campuses to appeal to young, hard-to-reach shoppers.

Photo courtesy of www.corporate.lidl.co.uk

#24

COMPANY NAME
Lidl Stiftung & Co KG

BRAND VALUE
US $9,780 Million

CATEGORY
Retail

CHANGE SINCE 2019
+11%

HEADQUARTER CITY
Neckarsulm, Germany

YEAR FORMED
1973

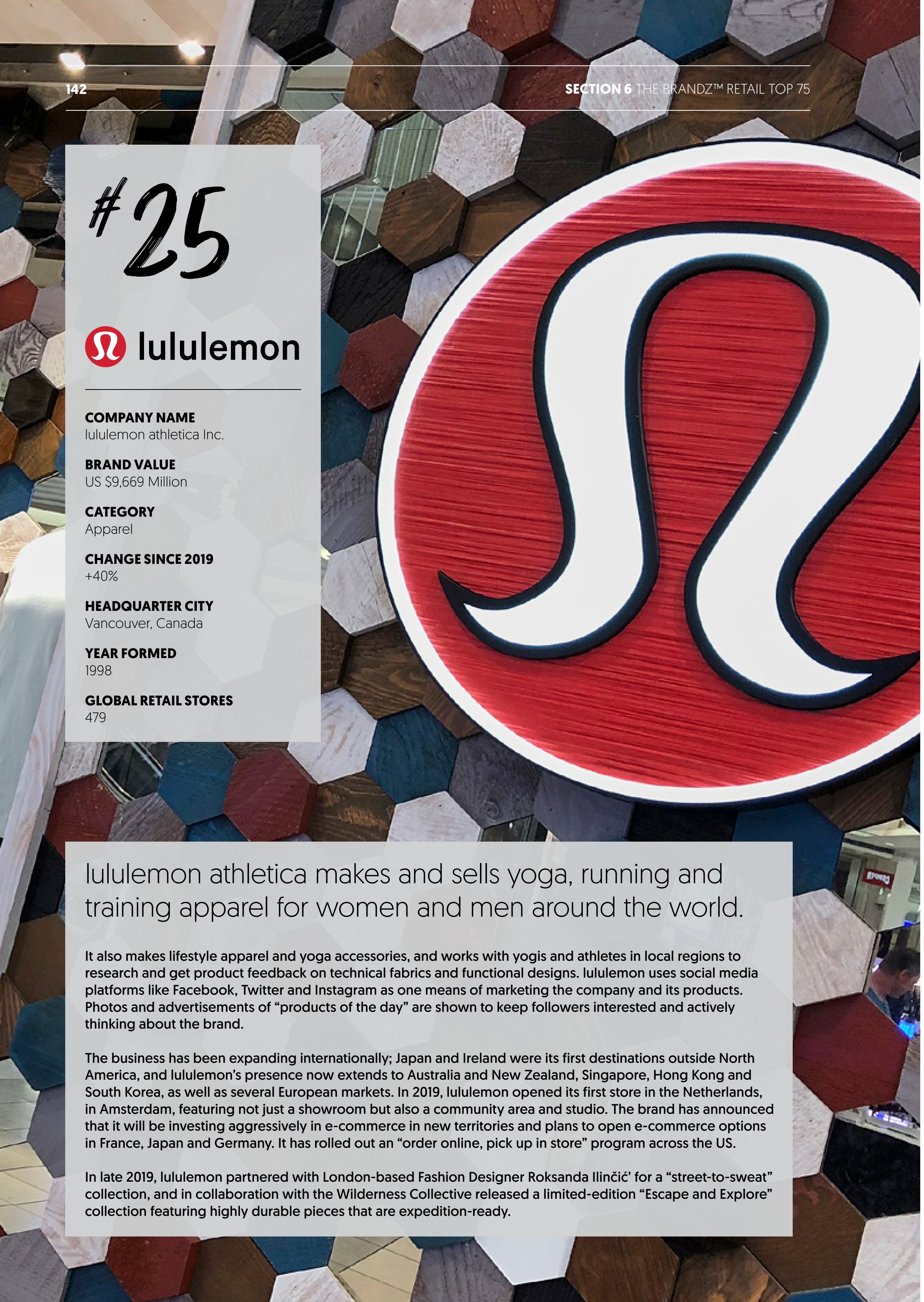
GLOBAL RETAIL STORES
11,059

The discount supermarket chain Lidl launched in 1973 in Germany based on the no-frills model pioneered by ALDI.

It expanded rapidly across Europe fuelled by an aggressive store rollout, everyday low prices and a focus on private label goods. Lidl's primary focus is on everyday food items but also a range of themed weekly promotions featuring sports goods, homewares and other categories. Private label products account for most of the Lidl range, but the premium private label line has been expanding in all markets, and Lidl does list well-known brands, often at promotional prices. The discounter is seeing rising sales of more health-focused products as it expands its organic and bio ranges. Lidl is seen as something of a rule breaker and innovator in the discounter channel, and it continues to generate excitement around weekly specials and themes.

Lidl now has a presence in more than 25 countries, with over 11,000 stores globally; large capital investments are still crucial to its strategy, often focusing on upgrades and new store openings. However, Lidl is also embarking on something of a digital transformation, trialing new fulfillment options and opening more e-commerce sites as well as testing electronic shelf labels in six markets in a bid to improve efficiency.

Lidl still invests heavily in marketing to convince consumers that low prices don't have to mean compromising on quality. It also promotes a very local message, focusing on the provenance of products and often emphasizing fresh food and the treasure hunt aspect of browsing general merchandise at Lidl.



#25

lululemon

COMPANY NAME
lululemon athletica Inc.

BRAND VALUE
US $9,669 Million

CATEGORY
Apparel

CHANGE SINCE 2019
+40%

HEADQUARTER CITY
Vancouver, Canada

YEAR FORMED
1998

GLOBAL RETAIL STORES
479

lululemon athletica makes and sells yoga, running and training apparel for women and men around the world.

It also makes lifestyle apparel and yoga accessories, and works with yogis and athletes in local regions to research and get product feedback on technical fabrics and functional designs. lululemon uses social media platforms like Facebook, Twitter and Instagram as one means of marketing the company and its products. Photos and advertisements of "products of the day" are shown to keep followers interested and actively thinking about the brand.

The business has been expanding internationally; Japan and Ireland were its first destinations outside North America, and lululemon's presence now extends to Australia and New Zealand, Singapore, Hong Kong and South Korea, as well as several European markets. In 2019, lululemon opened its first store in the Netherlands, in Amsterdam, featuring not just a showroom but also a community area and studio. The brand has announced that it will be investing aggressively in e-commerce in new territories and plans to open e-commerce options in France, Japan and Germany. It has rolled out an "order online, pick up in store" program across the US.

In late 2019, lululemon partnered with London-based Fashion Designer Roksanda Ilinčić' for a "street-to-sweat" collection, and in collaboration with the Wilderness Collective released a limited-edition "Escape and Explore" collection featuring highly durable pieces that are expedition-ready.

#26

拼多多

COMPANY NAME
Pinduoduo Inc.

BRAND VALUE
US $9,394 Million

CATEGORY
Retail

CHANGE SINCE 2019
NEW ENTRY!

HEADQUARTER CITY
Shanghai, China

YEAR FORMED
2015

GLOBAL RETAIL STORES
N/A

Founded in September 2015, Pinduoduo quickly became the fastest-growing e-commerce startup in China, amassing 300 million users in less than three years.

It was among the first of the online players to succeed in leveraging social platforms, particularly WeChat and QQ, for its marketing efforts. Pinduoduo's model became known as "group buying" and, in simple terms, works on the premise that shoppers banding together as a team can buy at a lower price. A shopper viewing a product can initiate a team purchase, then share item information among their social contacts to obtain a lower price by volume purchasing.

Pinduoduo's standout strategy was how it grasped that the mass popularity of social media could be weaponized to reach new shopper groups. Notably, it was poorer shoppers in China's third and fourth-tier cities and below who most enthusiastically embraced its social-powered and value-oriented offer.

Such was its success that, by July 2018, Pinduoduo listed on the Nasdaq, raising US$1.63 billion in the process. Since then, it has continued to grow. Pinduoduo is now China's third-ranked e-commerce site by size and continues to gain users, who enjoy its gamification of the purchase process. Since its IPO, it has been keen to present itself as a responsible business, distancing itself from the early days when counterfeit goods regularly plagued its platform. Its most recent results somewhat ironically show its growth now coming from tier-one and two cities, as sophisticated metropolitan shoppers warm to its approach.

WPP COMPANY EXPERT INSIGHTS

RETAILER BRANDS CONNECT QUALITY AND AFFORDABILITY

Own-label brands indicate a larger trend among retailers who decided to make something that was both affordable and beautiful. They're saying it will feel like luxury. We've gotten rid of the middleman, and we're going to send this product directly to you, with this brand experience that you'll fall in love with. The Tesco's of the world are trying to use design to say that the products may be cheap, but they're good. Brands like Warby Parker and The Ordinary are saying you don't need to choose anymore between cheap and luxury. IKEA makes a related point. IKEA has always been a democratic brand. Regardless of income level you could have access to furniture and we will actually guide you and give you a related experience. With its design store, IKEA is creating a democratic access point. Design consultation is now for the many, not just the wealthy few.

FITCH

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EFFICIENCY STILL KEY TO SATISFACTION

Efficiency remains very important. Even though ALDI and Lidl are nimble and run slim ranges, they've got consistency both in layout and design across their stores and are merchandised in a way that makes things efficient for shoppers and staff alike. Regardless of how much floor space a store has, it's important not to confuse customers or make their shopping experience laborious. We're increasingly busier, time-poor people, and the concept of hypermarkets and big stores have fallen out of favor, compared with smaller stores that are more time-efficient and offer a better experience. We love shopping, but how many people want to spend multiple hours in a supermarket, over more enjoyable social activities?

KANTAR

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RETAILERS RACE TO WIN GLOBAL SOURCING CROWN

Digital retailers grab attention for their innovative approach to promotions, be that Alibaba's Singles' Day or Amazon Prime's incentives. These activities conceal the upheaval sweeping across global sourcing where smart manufacturing connected to consumer demand will determine winners and losers. This upheaval can be seen by looking at the failed merger of UK supermarkets Asda and Sainsbury. This merger had a global dimension harking back to Walmart, which purchased Asda over two decades ago. Walmart has been trying to make a big play to revolutionize global sourcing and logistics in an era where speedy order and delivery models are gaining consumers and investors. A global race is developing between Walmart, the world's largest global sourcing specialist, and newcomers, including Amazon and Alibaba. Had the Sainsbury's merger been approved by authorities, Walmart would have gained some advantage in connecting local consumers to global sourcing in this revolution. The takeaway? We're now in a global race where giants are revolutionizing their capabilities on sourcing products from anywhere and then being as efficient as possible in getting those products to consumers everywhere.

KANTAR

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RESPONSIBILITY ENHANCES APPEAL TO CONSUMERS

We are going to see more expressions of social responsibility by luxury brands. Consumer brands are getting hammered with the need to show their green credentials. The luxury brands will communicate more about all aspects of their businesses from how they make their products to how they run their offices. People purchasing luxury items and spending a lot of money on themselves would like to know that the brands they're buying are putting money into good causes. It makes the customer feel better about buying, owning, and using a luxury product.

HOGARTH

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#27

WHOLE FOODS MARKET

Whole Foods was a pioneer in the organic and health food market when it launched in 1980, presenting discerning shoppers with an unmatched range of organic goods, specialist healthy ingredients and high-end, ready-to-eat meals.

COMPANY NAME
Amazon.com, Inc.

BRAND VALUE
US $9,051 Million

CATEGORY
Retail

CHANGE SINCE 2019
–1%

HEADQUARTER CITY
Austin, Texas, US

YEAR FORMED
1980

GLOBAL RETAIL STORES
510

The brand has traditionally attracted an affluent customer base willing to pay a high premium for organic, sustainable products. As Whole Foods expanded, it rode the wave of growing consumer interest in organic and healthy living, and was able to charge a significant premium, leading to the somewhat unflattering nickname "Whole Pay Check". It came under pressure in the post-recession period as more mainstream supermarkets embraced organic and healthy lines and offered them at a much lower price.

Following Whole Foods' acquisition by Amazon in 2017, the retail offering and brand have evolved. Whole Foods has reduced prices on key items and started emphasizing value more strongly. In an effort to cross-shop customers between the brands, the company offers Whole Foods' 365 private label products on Amazon's website, the Whole Foods loyalty program switched to Amazon Prime, and the company started selling its popular Echo products in Whole Foods stores. Many Whole Foods stores now house lockers for Amazon order collection, and there have been a series of Prime-exclusive price deals at Whole Foods.

#28

CVS pharmacy®

CVS Health is the largest US pharmacy based on total prescription revenue.

COMPANY NAME
CVS Health Corporation

BRAND VALUE
US $8,727 Million

CATEGORY
Retail

CHANGE SINCE 2019
+0%

HEADQUARTER CITY
Woonsocket, Rhode Island, US

YEAR FORMED
1963

GLOBAL RETAIL STORES
9,846

It has more than 9,700 retail pharmacies across the country, as well as more than 1,100 walk-in medical clinics. Stores sell prescription drugs and a wide assortment of nationally advertised brand name and private label merchandise including over-the-counter drugs, beauty products and cosmetics, photo services, seasonal merchandise, gift items, and convenience food. CVS's acquisition in 2015 of Omnicare, a provider of pharmacy services to the long-term, care market, added 100 million prescriptions for the business, serving two million patients, and is geared toward catering for older consumers who have long-term, ongoing healthcare needs. More recently, CVS Health merged with insurance company Aetna in a $69 billion deal, providing CVS with the potential to use big data analytics to optimize the customer experience and reduce costs.

The core of CVS's retail strategy is its new HealthHub format, which focuses on health services and products to address common chronic conditions. Beyond the HealthHub, CVS has launched store remodels over the past year to make them less of a shop and more a health and wellness destination. It has expanded the range of better-for-you food and beauty options; trans fats have been removed from all private label food products, and harmful chemicals removed from all private label health, beauty and care items. Personalization and the integration of online and offline services are a high priority.

#29

TESCO

COMPANY NAME
Tesco Plc

BRAND VALUE
US $8,491 Million

CATEGORY
Retail

CHANGE SINCE 2019
-7%

HEADQUARTER CITY
Welwyn Garden City, UK

YEAR FORMED
1919

GLOBAL RETAIL STORES
12,837 (incl. franchises)

Tesco is Britain's biggest supermarket brand, with around 27 percent market share and more than 3,900 stores in the UK and Ireland.

Stores range from large hypermarkets to Tesco Express convenience stores. The international business includes Central Europe and Southeast Asia, although recent struggles have led to speculation over their long-term future.

Tesco boasts several key private label ranges, including its high-end Finest selection in grocery and the F&F clothing range. It has embraced the trend towards vegan and now boasts the largest plant-based range among UK retailers. This chimes with its sustainability goals, which see it partner with the WWF and spearhead several initiatives around plastic reduction and the circular economy.

This year will see a leadership change with Dave Lewis, who has transformed the business since taking over in 2014, replaced by former Boots executive Ken Murphy. Murphy's tasks will include creating greater synergies with Booker, the UK wholesaler acquired in 2017, and deciding the role of its hard discount Jack's format. Small-store growth is also in focus, with the Express and One Stop franchise chain expanding. Tesco enjoys huge brand recognition in the UK, with its "Every Little Helps" motto widely known, and 16 million users of its Clubcard loyalty program. In the past year, Tesco has launched a Clubcard Plus subscription plan, offering greater rewards for shopper loyalty around using its many extra services, from banking and telecoms to grocery e-commerce.

Photo courtesy of Tesco

#30

UNIQLO

COMPANY NAME
Fast Retailing Co., Ltd.

BRAND VALUE
US $8,217 Million

CATEGORY
Apparel

CHANGE SINCE 2019
-16%

HEADQUARTER CITY
Tokyo, Japan

YEAR FORMED
1949

GLOBAL RETAIL STORES
2,196

Uniqlo is a Japanese lifestyle and fashion brand, which promotes traditional values and quality in its range of casual wear.

The brand has been expanding around the world for some years; it is one of the most well-known specialty store chains in Japan, and has more than 2,000 stores in 24 countries. Globally, brand sales increased 7.8 percent 2019 with the strongest growth coming from China, Southeast Asia and Oceania. The brand opened its first store in New Delhi, India, in late 2019, and is expanding its European presence with a new store in Italy. The brand recently signed a strategic global partnership agreement with Mujin of Japan and France's Exotec Solutions for automating its warehouse operations.

During the past year, Uniqlo has launched a Hawaii-themed collection featuring Aloha printed shirts and dresses. In addition, it launched its own Fortnite UT collection in 2019. Uniqlo plans to expand its store base in the Greater China and Southeast Asia and Oceania regions during 2020. Revenues from Greater China alone are expected to reach one trillion yen by 2022.

#31

7-ELEVEn®

COMPANY NAME
Seven & I Holdings Co. Ltd.

BRAND VALUE
US $8,059 Million

CATEGORY
Retail

CHANGE SINCE 2019
–14%

HEADQUARTER CITY
Tokyo, Japan

YEAR FORMED
1927

GLOBAL RETAIL STORES
63,855

7-Eleven began with a single store in Dallas, Texas, which started by selling ice in the days before refrigerators and expanded into everyday staples.

It is now the world's largest convenience store brand, with more than 63,000 stores in 20 countries. In the US, home to around 10,500 7-Eleven stores, the brand is synonymous with the Slurpee frozen drink range and Big Gulp large soft drinks. 7-Eleven became the first convenience store chain allowing Amazon Cash as payments for online orders and is rolling out a range of digital payment capabilities globally, including opening its first cashless, cardless store in Australia. Central to the 7-Eleven brand identity is its popular 7-Select private label. As 7-Select continues to drive loyalty in food and beverage categories, the company has launched the 24/7 LIFE non-food label, which spans health and beauty and electronic accessories.

7-Eleven's scale gives it a competitive advantage and allows it to experiment with innovation. In March 2019, 7-Eleven opened its first lab store in Dallas. The lab was built to test concepts such as a craft beer and wine cellar and outdoor patio space for a full-service taqueria. These limited-time offerings will change as 7-Eleven trials a range of services to help it stand out in the highly competitive convenience market. The brand has been majority Japanese-owned since 1991, and is expanding through franchisee and license agreements and by acquiring whole chains. 7-Eleven opened its first store in India in mid-2019, and continues to expand in Japan.

#32

Woolworths

Woolworths is an Australian retail brand that began as a single discount grocer and general store in Sydney in 1924, and is now one of the biggest businesses in Australia and New Zealand.

COMPANY NAME
Woolworths Group Ltd

BRAND VALUE
US $7,668 Million

CATEGORY
Retail

CHANGE SINCE 2019
+9%

HEADQUARTER CITY
Bella Vista, Australia

YEAR FORMED
1924

GLOBAL RETAIL STORES
3,292

There are Woolworths supermarkets, Big W discount department stores, the Endeavour Drinks group of liquor outlets, and Woolworths Money financial services. The parent company also operates hotels.

Since 2016, the business has undergone a major restructuring to deal with a changing marketplace where it faces new challenges from discounters like ALDI and e-commerce giant Amazon. It is focusing on refurbishment of existing outlets, enhancing customer service and the in-store experience, and has invested heavily in private label and digital and online initiatives. In March 2019, Woolworths launched Cartology, a new retail media business offering digital screens to advertisers in stores, and performance tracking to measure effectiveness.

With online traffic of 16 million visits per month, Woolworths is moving fast to lead in Australian grocery e-commerce. It has launched a two-hour subscription delivery program along with several other fulfillment models to offer shoppers easier, faster and more convenient options, such as automated in-store "micro-warehouses" that can quickly process online orders.

Format innovation is also ongoing, with Woolworths steadily expanding its Metro urban convenience format.

#33

ROLEX

COMPANY NAME
Rolex SA

BRAND VALUE
US $7,433 Million

CATEGORY
Luxury

CHANGE SINCE 2019
-11%

HEADQUARTER CITY
Geneva, Switzerland

YEAR FORMED
1905

GLOBAL RETAIL STORES
Over 400

Rolex is a Swiss luxury watchmaker.

The brand is an innovator in watchmaking, known for its technical excellence and for being the first to launch waterproof, airtight and dustproof watches. Rolex was the first watchmaker to receive the Swiss Certificate of Chronometric Precision, granted by the Official Watch Rating Centre in Bienne. Every year the brand participates in the Baselworld exhibition, presenting new models and revived retro pieces. The brand remains entirely loyal to mechanical and automatic movements; it has not followed the lead of other watchmakers that have moved into making smartwatches. Rolex's website does not have an e-commerce element, though it allows browsers to customize products, check prices, and find their nearest retailer. The brand is one of the best known in its category and is Switzerland's best-selling brand by revenue. However, its coveted status means that it is also one of the most frequently counterfeited watch brands.

Communications focus on social media, especially in Asia, and the sponsorship of sporting events. Rolex supports sailing, tennis and golf events, as well as individual athletes. One of its bigger campaigns over the last few years has been its mentor programme, as part of the Arts Initiative that launched in 2002. This sees Rolex pair internationally recognized entertainment artists and creatives with young, emerging talent. It reinforces Rolex's commitment to craftsmanship, and underlines its association with the arts, which is supported by sponsorship of high-profile events such as the Oscars.

Photo courtesy of www.rolex.com

Photo courtesy of www.pizzahut.com

#34

COMPANY NAME
Yum! Brands

BRAND VALUE
US $7,341 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
-3%

HEADQUARTER CITY
Plano, Texas, US

YEAR FORMED
1958

GLOBAL RETAIL STORES
18,532

Founded in Wichita, Kansas, Pizza Hut serves pizza on every continent except Antarctica.

Pizza Hut has traditionally focused on its restaurants trying to provide a superior product and a wider selection of menu items than rival chains and was a pioneer in the launch of home delivery services many years ago. In recent years, Pizza Hut has faced a challenging environment in its biggest market, the US, as digitally enabled and delivery-focused rivals have taken share in a market increasingly driven by convenience. In response, parent company Yum! Brands has invested in a rebranding effort, introduced a generous new rewards program, and has moved to meet customer demands for faster delivery.

Menu changes in 2019 designed to boost franchisee margins in the US backfired and sales dropped 3 percent in comparable branches; 98 locations were closed while 39 new ones opened. Pizza Hut expects to temporarily close as many as 500 underperforming units in the US in the next 24 months, remodel them and reopen them with a focus on takeaways and delivery. As part of its technology initiatives, Pizza Hut is testing a cubby system for takeout orders in a Los Angeles store and has introduced several apps to support its mobile ordering system. It also continues to expand Grubhub, Yum!'s own delivery network, which is now active in 700 restaurants. The brand is in its second year as a sponsor of the US National Football League.

#35

Walgreens
Trusted since 1901™

Walgreens Boots Alliance (WBA) is a global health and wellness network operating across 25 countries.

COMPANY NAME
Walgreens Boots Alliance, Inc.

BRAND VALUE
US $6,815 Million

CATEGORY
Retail

CHANGE SINCE 2019
−26%

HEADQUARTER CITY
Deerfield, Illinois, US

YEAR FORMED
1901

GLOBAL RETAIL STORES
13,800

More than 60 percent of its stores are in the US, with the remainder in the UK, other European markets, Latin America, and Asia. In the US, Walgreens stores provide shoppers with convenient omnichannel access to goods and services aimed at improving health outcomes for patients and managing costs for payers. Walgreens also provides specialty pharmacy services and manages healthcare clinics in partnership with local healthcare providers. Sales come from pharmacy and sales of healthcare and retail products including nonprescription drugs, beauty, toiletries, and general merchandise. In 2018, the company acquired 1,932 Rite Aid stores, concentrated mostly on the east coast of the US.

Following a weak 2019, Walgreens is focused on simplifying its offering and improving operational performance, cutting costs, rationalizing assortments and highlighting its private label beauty brands. Digital investment is a top priority for 2020: In 2017, FedEx pickup/drop-off services were incorporated in Walgreens stores nationwide in the US. In 2019, it began operating several Kroger Express formats, leasing out parts of its stores for a greater focus on food – in partnership with grocery giant Kroger – and, in December 2019, Walgreens formed a retail procurement alliance with Kroger. The international arm of the Walgreens business spans eight countries, and includes Boots in several markets, Benavides in Mexico and Ahumada in Chile. Boots launched in South Korea in 2017, and WBA acquired a 40 percent stake in GuoDa, China's leading pharmacy chain, in 2018.

Photo courtesy of www.corporatesamsclub.com

#36

sam's club

Sam's Club is a US-based chain of members-only retail warehouse clubs offering access to low-cost bulk grocery and general merchandise – ranging from fresh food to jewelry and flowers – in return for an annual membership fee.

COMPANY NAME
Walmart Inc.

BRAND VALUE
US $6,808 Million

CATEGORY
Retail

CHANGE SINCE 2019
+19%

HEADQUARTER CITY
Bentonville, Arkansas, US

YEAR FORMED
1983

GLOBAL RETAIL STORES
804

Members also have access to a range of other services including pharmacy, optical, photographic and some financial services such as insurance. The brand is owned by Walmart and named after its founder, Sam Walton. Around three-quarters of branches are in the US.

Sam's Club is focused on improving the productivity of its existing club footprint, with more efficient operating procedures and higher quality merchandise in fresh produce and beyond – to grow the brand's appeal among more affluent shoppers. Sam's Club aims to maintain higher levels of growth under new CEO Kathryn McLay, who replaced John Furner in late 2019. Sam's Club has rapidly improved its Member's Mark private label assortment and positions its clubs as health destinations, with pharmacies, self-screening health kiosks, and even basic health plans available. Its Sam's Club Now test-and-learn location in Dallas, Texas, is a club where new ideas and technologies – such as computer-vision-enabled mobile checkout and in-club wayfinding – are piloted before more widespread introduction. Four of the top 10 biggest-selling Sam's Club outlets are in China.

#37

COMPANY NAME
Chipotle Mexican Grill, Inc.

BRAND VALUE
US $6,603 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
+6%

HEADQUARTER CITY
Newport Beach, California, US

YEAR FORMED
1993

GLOBAL RETAIL STORES
2,544

Chipotle was the first American fast casual restaurant chain specializing in a Mexican-inspired menu of tacos and burritos.

Founded by a graduate of the French Culinary Institute, Steve Ells, the brand distinguished itself early on by presenting "food with integrity". As of Q3 2019, Chipotle operated 2,505 restaurants in the United States as well as 39 international Chipotle restaurants.

The brand has suffered as a result of several widely publicized outbreaks of food-borne illnesses. It has responded by focusing on catering, digital ordering, new menu items, and advertising—something it has not traditionally done. Its "As real as it gets" campaign, for example, highlights its small, quality ingredient list when compared with competitors. The brand has also launched a mobile app. Chipotle has appointed Brian Niccol as its new CEO; Steve Ells has stepped aside to become executive chairman.

Chipotle is testing a new restaurant design to better support its billion-dollar digital business; new in-restaurant features are installed to help reduce friction and increase convenience for customers and delivery drivers alike.

#38

Carrefour

COMPANY NAME
Carrefour S.A.

BRAND VALUE
US $6,483 Million

CATEGORY
Retail

CHANGE SINCE 2019
+6%

HEADQUARTER CITY
Boulogne-Billancourt, France

YEAR FORMED
1959

GLOBAL RETAIL STORES
12,111

French hypermarket pioneer Carrefour has more than 5,600 stores across France in a range of formats, including hypermarkets, supermarkets, convenience stores and cash-and-carry outlets.

The group is highly active across Europe and Latin America, particularly Brazil, and operates 12,111 stores globally. The brand also has a presence in the Middle East and Africa via franchise operations. In 2019, it sold 80 percent of its China business to local player Suning.com.

Carrefour is currently mid-way through a five-year transformation process which includes a focus on grocery e-commerce, organic products and food quality. Its brand communication emphasizes its credentials in provenance, ethics and transparency throughout the retail chain. The business is using high-tech solutions like blockchain to track its own-brand lines and those of its brand partners.

The business is challenged by its exposure to hypermarkets, a format that has stagnated in recent years. To counter this, Carrefour is rapidly expanding in smaller formats and looking to be active where its shoppers are. This involves sizeable investment in convenience and in e-commerce, not least its domestic Drive pick-up business along with other online-to-offline initiatives like walk-up collection locations and express home delivery. It is even testing an unmanned automated micro-store in Poland.

The need to sustain its value offer is exemplified by its exploration of concepts like its Brazilian banner Atacadão, a cross-format concept between hypermarket and wholesale that has resonated strongly with local shoppers. Carrefour is now looking to bring similar soft-discount formats to Europe.

#39

BURGER KING

COMPANY NAME
Restaurant Brands International Inc.

BRAND VALUE
US $6,368 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
-10%

HEADQUARTER CITY
Miami, Florida, US

YEAR FORMED
1953

GLOBAL RETAIL STORES
17,796

Burger King is an international fast food chain best known for its signature Whopper hamburger.

The brand's primary point of distinction is a diverse menu that includes flame-grilled hamburgers, hotdogs, french fries, sodas, milkshakes, and less common items, such as onion rings, veggie burgers, chicken fries, soft drinks, other specialty sandwiches and affordably priced food items customized to the individual customer's preferences.

As measured by the total number of restaurants, Burger King is currently the world's second-largest fast food hamburger restaurant chain. Through much of the early 2000s, the brand sought to reach a young, male audience with items like bacon-topped burgers, but it has recently focused more on fresher ingredients to appeal to women and customers over 50. Today, there are close to 18,000 Burger King restaurants in 100 countries; the majority are privately owned under franchise.

The brand is strengthening its position in Southeast Asia, Sub-Saharan Africa and the United Kingdom. Burger King has signed master franchise agreements with local partners, has made executive appointments in the UK, and plans to focus on personalization of digital-out-of-home campaigns and dynamic marketing. This comes in light of fierce competition from other fast food chains. The operator of Burger King in Brazil has signed a franchise agreement for the Popeyes chicken restaurant chain and has begun opening stores there.

#40

TACO BELL

COMPANY NAME
Yum! Brands, Inc.

BRAND VALUE
US $5,928 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
-4%

HEADQUARTER CITY
Irvine, California, US

YEAR FORMED
1962

GLOBAL RETAIL STORES
7,363

Taco Bell is a global fast food chain specializing in affordable Mexican-inspired food with bold flavors.

With a strong, working-class brand positioning, Taco Bell appeals primarily to a younger audience, but ironically not to those who identify as Hispanic, who rarely buy the brand. Customers can also access Taco Bell through mobile app, online via Ta.co, and can have meals delivered through a partnership with Grubhub.

The brand is known for its large and eclectic menu, regularly launching PR-friendly items that capture the public imagination. It has recently added vegetarian and vegan menu options and is now exploring plant-based meat substitutes for its signature tacos and burritos. Sustainability is also on its agenda, with a pledge to make all its packaging recyclable, compostable, or reusable by 2025.

Internationally, Taco Bell operates franchised businesses in numerous markets as diverse as the Netherlands, Sri Lanka and Thailand. Its parent Yum! Brands plans to have 9,000 Taco Bell restaurants worldwide by 2022. As part of this aim, it has revealed an ambitious strategy for India via master franchise partner Burman Hospitality with a goal of opening 600 outlets by 2029. The brand provides educational opportunities and other benefits through the Taco Bell Foundation, Live Más scholarship, and Feed the Beat programs.

Photo courtesy of www.tacobell.com

#41

T·J·maxx

COMPANY NAME
TJX Companies, Inc.

BRAND VALUE
US $5,749 Million

CATEGORY
Retail

CHANGE SINCE 2019
-4%

HEADQUARTER CITY
Framingham, Massachusetts, US

YEAR FORMED
1976

GLOBAL RETAIL STORES
1,919

T.J. Maxx is one of the largest US clothing retailers, operating off-price stores and selling online.

It sources high-quality, branded inventory from more than 21,000 vendors in more than 100 countries. Merchandise is generally offered at discounts 20 to 60 percent below prices at department stores and specialty apparel retailers. Rapidly changing stock, value prices and discovery-focused messaging generates strong appeal among shoppers seeking a "treasure hunt" shopping experience. Consequently, it attracts both everyday bargain hunters as well as more affluent shoppers who don't want to pay full price. Around two-thirds of T.J. Maxx/T.K. Maxx stores are in the US; the T.J. Maxx banner operates only in the US.

The brand introduced the term "Maxximizing" in its marketing and other messaging in early 2019 to signal to shoppers that they don't have to sacrifice quality or fashion to get value-priced goods. The term figured prominently in an initiative that leveraged pop-up stores, fashion and beauty celebrities and bloggers, and an Instagram contest to promote T.J. Maxx value. While apparel continues to be the primary trip driver for shoppers, beauty, food, and homewares are growing. These categories, especially food, are positioned as basket-building "surprises" in stores and enhance the treasure hunt environment. Selected stores feature The Runway, a store-within-a-store featuring European, contemporary, and couture fashion. T.J. Maxx was included in a 2019 holiday advertising campaign featuring some of the other banners operated by parent company TJX (including Marshalls and HomeGoods) with the tagline, "Spend Less. Gift Better." to highlight the retailers as gift destinations with value-priced options.

#42

BodegaAurrera
La campeona de los precios bajos

COMPANY NAME
Walmart de México y Centroamérica

BRAND VALUE
US $5,419 Million

CATEGORY
Retail

CHANGE SINCE 2019
+0%

HEADQUARTER CITY
Mexico City, Mexico

YEAR FORMED
1958

GLOBAL RETAIL STORES
2,008

Bodega Aurrera is a Mexican discount-store chain that operates under three main banners: Bodega Aurrera, with stores ranging from small grocery outlets to mid-sized hypermarts, Mi Bodega Aurrera (local supermarkets), and Bodega Aurrera Express, a small neighborhood pantry.

The brand's strategy is to distribute leading brands and parent company Walmart's own brands at the lowest possible prices. Depending on the size of the store, the assortment can range from perishables and packaged goods to apparel, cleaning, household items and general merchandise.

Bodega Aurrera has followed the shift of Mexican shoppers into the middle class by greatly improving the store experience via merchandising, services, and an evolving product selection. At the same time, it has been seeking to win share from small mom-and-pop stores that target low-income shoppers with its "Moralla" campaign, focusing on goods priced between 5 and 20 pesos. Bodega Aurrera also offers financial services through cash cards and co-branded credit cards. Aurrera was founded in 1958 as a general store and expanded into supermarket formats (Superama), a department store chain (Suburbia), and the discount chain Bodega Aurrera by 1970. A controlling share of the company was bought by Walmart in 2001.

#43

Tim Hortons

COMPANY NAME
Restaurant Brands International Inc.

BRAND VALUE
US $5,353 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
-20%

HEADQUARTER CITY
Oakville, Ontario, US

YEAR FORMED
1964

GLOBAL RETAIL STORES
4,887

Tim Hortons is the largest quick-service restaurant chain in Canada. Popularly known as "Timmies", it specializes in fresh coffee, baked goods and home-style lunches.

In July 2019, Tim Hortons celebrated the 20th anniversary of its favorite iced beverage, the Iced Capp.

In 1995, Tim Hortons merged with Wendy's International Inc., leading to its expansion in the US market. The brand also operates in the Middle East, the Philippines, the UK and Mexico. In late 2019, Tim Hortons partnered with the Spanish fuel retailer Cepsa on a pilot project to include its coffee shops at filling stations in Spain. In June 2019, as a part of broader global growth strategy, Tim Hortons, working with WeEat Company, part of the Wattanavekin family group of companies, launched its brand in Thailand with an offering based on hot and cold beverages.

Tim Hortons has opened an innovation café below its head office in Toronto, where it will test new menu items and technology initiatives. Also in Toronto, it is working with delivery network SkipTheDishes to provide meals delivered to selected parts of the city. The brand recently announced a partnership with Hockey Canada under which it will be a premier marketing partner and presenting sponsor of the Centennial Cup.

#44

Kroger

COMPANY NAME
The Kroger Co.

BRAND VALUE
US $5,289 Million

CATEGORY
Retail

CHANGE SINCE 2019
+11%

HEADQUARTER CITY
Cincinnati, Ohio, US

YEAR FORMED
1883

GLOBAL RETAIL STORES
2,760

Kroger is the largest United States supermarket chain by revenue and its second-largest retailer behind Walmart.

With 2,760 grocery stores in 35 states, as well as over 256 fine jewelry stores, the brand targets a mass-market audience with a fresh-focused grocery offer. Through a clear focus on its customers' needs, Kroger is working to transform itself in a highly competitive grocery market. The company operates 36 food production plants, supporting several multi-billion-dollar private brands, which account for close to 30 percent of total annual unit sales across grocery and general merchandise departments. These brands range from budget basics to its Simple Truth organics line and Private Selection gourmet foods.

Amazon's growing food business has created added pressure and concern from investors. However, the brand has the highest rates of loyalty of any US supermarket, and Kroger has invested heavily in developing its digital communication and e-commerce offering. Kroger's primary approach for rejuvenating its business is the "Restock Kroger" plan, which focuses on digital and technological expansion, a more integrated approach to data analytics, and renewed focus on fresh, foodservice, and sustainability.

#45

Cartier

COMPANY NAME
Compagnie Financière Richemont SA

BRAND VALUE
US $5,214 Million

CATEGORY
Luxury

CHANGE SINCE 2019
-13%

HEADQUARTER CITY
Paris, France

YEAR FORMED
1847

GLOBAL RETAIL STORES
267

Cartier was launched in a Paris workshop 170 years ago and has gradually grown into a global brand renowned for its high-end jewelry and watches.

The brand is owned by luxury goods company Richemont, which has taken a stake in YOOX Net-a-Porter, the online luxury multi-brand retailer, which will help online sales and distribution of brands such as Cartier. Globally, Cartier has 267 stores.

Several of Cartier's designs have been produced for decades, including its Tank and Santos watches. The Panthère de Cartier is one of the brand's most iconic designs, and is applied to rings, bracelets, necklaces and watches. In recent years, the brand has switched its focus from more mature customers to millennials, developing dynamic new collections such as "Coloratura de Cartier" – a high-end jewelry collection, and "Guirlande de Cartier", a handbag based on the Maison's emblematic red box. Cartier has also partnered with China's Alibaba Tmall Luxury Pavilion to launch a flagship store, in order to reach the Chinese luxury consumer more effectively.

Most recently, Cartier appointed German film maker Jonas Lindstroem to create the brand's Panthère de Cartier global campaign, with shades of red throughout giving a nod to the iconic red box. The brand continues to make significant efforts at a local level, such as the "Clash de Cartier" immersive pop-up in Singapore, complete with Cartier café and inspiration chambers.

#46

falabella.

COMPANY NAME
Walmart Inc.

BRAND VALUE
US $5,187 Million

CATEGORY
Retail

CHANGE SINCE 2019
+0%

HEADQUARTER CITY
Santiago, Chile

YEAR FORMED
1889

GLOBAL RETAIL STORES
504

Falabella is a multinational chain of department stores founded as a tailoring shop by Salvatore Falabella, an Italian Chilean, in 1889.

The company is headquartered in Santiago, Chile, and owned by Chilean multinational company S.A.C.I. Falabella. It has grown to become the largest South American department store chain. Falabella's operations include department stores, supermarkets, home improvement centers, malls and financial services, and the brand operates in Argentina, Brazil, Chile, Colombia, Peru and Uruguay.

Expansion began in the 1960s, with the first Falabella store launching outside of Santiago, in Concepción, southwest of the capital. In 1980 Falabella created CMR, a credit card with 5.5 million customers, and in the 1990s began its process of internationalization, expanding into Argentina, Peru and Colombia, in the 2000s. Some of the celebrities who have appeared in ads are Cecilia Bolocco, Valeria Mazza, Juanes, Kate Moss, Gisele Bündchen and Ricky Martin. The company announced in early 2019 that it plans to invest US$4.2 billion between 2019 and 2022 to expand its operations across the region, opening 95 new stores and five shopping malls.

#47

DIOR

The Dior brand was created by designer and couturier Christian Dior. Having launched his "New Look" in 1947, the designer revolutionized high fashion after World War Two by reintroducing wasp waists and frills.

COMPANY NAME
LVMH Moet Hennessy Louis Vuitton SE

BRAND VALUE
US $5,117 Million

CATEGORY
Luxury

CHANGE SINCE 2019
+10%

HEADQUARTER CITY
Paris, France

YEAR FORMED
1946

GLOBAL RETAIL STORES
228

The range of women's wear designs quickly expanded into cosmetics, leather goods, jewelry and watches. Fragrance was considered the ultimate final touch. Dior is one of France's best-known luxury brands around the world. Dior is part of the wider Christian Dior holding company, which includes other luxury brands such as Givenchy, Kenzo, and Berluti. In early 2018, former Fendi CEO Pietro Beccari replaced Sidney Toledano as CEO of Christian Dior Couture.

One of the brand's most iconic products is Miss Dior perfume, launched in 1947, and the Dior J'adore fragrance, fronted by actress Charlize Theron. Digital commerce is taking precedence in the brand's channel marketing strategy, especially in the Far East, where it was one of the first global luxury brands to sell via social media platform WeChat. A succession of high-profile designers and creative directors has steered the brand over the years, including Yves Saint Laurent, Marc Bohan, Gianfranco Ferré, John Galliano, Hedi Slimane and Raf Simons. Maria Grazia Chiuri has held the reins since 2016, while Kim Jones leads as the men's artistic director. Chiuri is known for her advocacy of feminism and political fashion statements. In the latest showcase for Dior, the designer sent models down the runway under neon signs reading "Consent" and "Patriarchy = C02".

#48

Auchan

Auchan is a privately held France-based supermarket and hypermarket retailer with operations in 15 countries.

COMPANY NAME
Auchan Holding SA

BRAND VALUE
US $4,833 Million

CATEGORY
Retail

CHANGE SINCE 2019
+2%

HEADQUARTER CITY
Croix, France

YEAR FORMED
1961

GLOBAL RETAIL STORES
3,968

It operates over 600 hypermarkets and close to 3,000 supermarkets worldwide. After France, its key markets are in Iberia and Eastern Europe, and it is one of the few Western retailers with a large presence in Russia. In China, it operates a joint venture with Alibaba called Sun Art Retail that operates 525 outlets.

Primarily a hypermarket operator, it is known for its wide assortment and competitive prices aided by a broad three-tier private label offer. The company has been pursuing a "good, healthy and local" ethos in recent years, promoting sustainable consumption and healthier eating. The local pillar of its strategy is reflected in the MyAuchan urban convenience banner, now seeing an accelerated roll-out in many markets as Auchan looks to reduce its over-dependence on big-box retail.

Auchan faces significant pressures at home and overseas. It exited Italy in 2019 and faces challenges from better-positioned rivals in other key countries like Spain and Russia. This has meant many ambitious projects have been downsized due to an urgent need to control costs. Auchan believes tech can help and is exploring innovations like blockchain and automated micro-stores as a way of injecting greater efficiencies into the business. It also continues to pursue online-to-offline initiatives in what it calls "phygital" (physical+digital) retail. As part of the bigger Mulliez group of companies, it is teaming up with sister retailers such as Decathlon and Boulanger to give its hypermarkets extra destination appeal.

#49

coles

COMPANY NAME
Coles Group Limited

BRAND VALUE
US $4,694 Million

CATEGORY
Retail

CHANGE SINCE 2019
–10%

HEADQUARTER CITY
Melbourne, Australia

YEAR FORMED
1914

GLOBAL RETAIL STORES
2,445

Coles Group is one of Australia's biggest supermarket chains, formed in 1914 and spun off from Wesfarmers in November 2018.

Coles operates 821 supermarkets, 910 liquor stores, 714 convenience stores and 87 hotels around Australia. Coles follows an "Australia-first" sourcing strategy.

In 2019, the company made a massive investment in e-commerce through a deal with Ocado Solutions that will see it build two automated Customer Fulfillment Centers to drive its online offer and maximize digital efficiencies. It also signed a long-term agreement with Microsoft as it works to future-proof its operations through cloud, AI and systems upgrades. At the same time, Coles is reconfiguring store operations to enable better-defined shopper targeting, be that a premium, affordable or convenience-oriented demographic.

CSR activities include the Coles Nurture Fund, an initiative to help small to medium Australian producers, farmers and manufacturers to innovate and grow their businesses. It also collaborates with SecondBite, which donates surplus healthy, fresh produce to community food programmes to support disadvantaged Australians. Coles own brand products are positioned as a smart buy for consumers, as well as being a strategic part of the business, helping it to reduce gross costs by AUS1 billion across the business by 2023.

#50

H&M

COMPANY NAME
H&M Hennes & Mauritz AB

BRAND VALUE
US $4,662 Million

CATEGORY
Apparel

CHANGE SINCE 2019
-27%

HEADQUARTER CITY
Stockholm, Sweden

YEAR FORMED
1947

GLOBAL RETAIL STORES
5,076

H&M is a multinational apparel retailer operating physical stores in 74 markets, some under franchise.

It also has a significant online presence, offering e-commerce in 51 markets. H&M is the first among a growing family of fashion brands including COS, Monki Arket, Weekday, & Other Stories, Afound and Cheap Monday. H&M focuses on continued investments in its technology infrastructure and digitization to provide a hassle-free, omnichannel shopping experience. Image-recognition product search is now available in 31 markets and is gradually being expanded to more countries. H&M has extended its partnership with China-based digital retailer Alibaba and launched on the Tmall sales platform in spring 2018. It has announced plans to extend online operations to Australia and to launch on the e-commerce platform SSG.COM in South Korea in 2020. H&M has expanded its global footprint, with new stores in Bosnia-Herzegovina, Belarus and Tunisia in the past year and there are plans to open in Panama through a franchise partner.

H&M has been working to improve its sustainability credentials, with initiatives to source organic materials, reduce use of chemically treated materials, and experiment with new environmentally friendly materials. It is also trialing a clothing rental and resale service. There will be change at the top of the business this year, with CEO Karl-Johan Persson taking over as chairman in May from his father, Stefan Persson, who has been in the role for over 20 years. Current COO Helena Helmersson is due to become the group's new CEO following the May AGM.

WPP COMPANY EXPERT INSIGHTS

DISRUPTION IMPROVES COMPETITION

The twin challenges for grocery retailing continue to be the rise of online and, more fundamentally, the rise of discounters. They have an impact in many markets. In the UK, for example, they have disrupted higher-margin competitors and tripled their market share in the last 10 years. The response of retailers has been to get a lot sharper on price. The discounters also changed the notion that you either had cheap or you had quality. Discounters have been able to offer low price and high quality. And that has resulted in higher quality, better merchandised, own-branded products from other grocery retailers. Retailer own-label allows the grocery chains to express more of their individual personality.

KANTAR

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NEW RETAIL DATA ATTRACTS OLD SUPPLIERS

Amid the disruptive trends impacting the retail category, we're also seeing manufacturers trying to become retailers themselves. One example is Coca-Cola buying Costa, the UK chain of coffee shops; another is Pepsi buying SodaStream. Of course, Pepsi owning a device for making carbonated beverages at home cuts back on packaging and advances sustainability. But these acquisitions also relate to New Retail and the need to own the end-to-end experience and have data on the customers and sell them stuff directly. And they are part of a shift from transactional value to customer lifetime value.

GREY

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MISUNDERSTOOD: CONVENIENCE AND SHOPPING

Convenience is an interesting word. The mental leap everyone makes is that convenience is about time. That it's about the fastest shopping experience. If that were true, 7-Eleven would be the world's strongest retail brand. So, what's missing from that equation? Everyone thinks that people spend two things on a shopping trip: money and time. Our research says they spend three things: money, time, and energy. Convenience, defined by the ability to do it now, will increasingly be table stakes. "Now" is not the issue. We can get things done "now." The issue is how much energy it takes. The problem Amazon has solved is not about money or time. It's about energy. Consider the two-income household with a mother, in her 40s, who had children later in life. It's 9:30 at night. She's worked all day and just put the kids to bed. She may zone out on the couch in front of the TV, but knows she needs to do the family shopping. Taking out her smartphone, she grocery shops on Amazon. In creating this low-energy, friction-free shopping experience, Amazon has solved the energy crisis. And it has raised the bar for retailers. In a world of Amazon and Alibaba, retailers cannot create friction and succeed.

KANTAR

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MUST-HAVE PRODUCTS DRAW CONSUMERS

There's a difference between how people look at luxury brands overall and how they look at one specific luxury product that really takes off. People are saving for that product. That's the inclusivity part of luxury. It could be the Gucci backless loafer or a particular YSL lipstick that sold out after it was used on a show in Korea. There's something interesting about looking at a particular product. We're finding that in beauty, showing products drives higher click-through rates than tutorials.

Ogilvy

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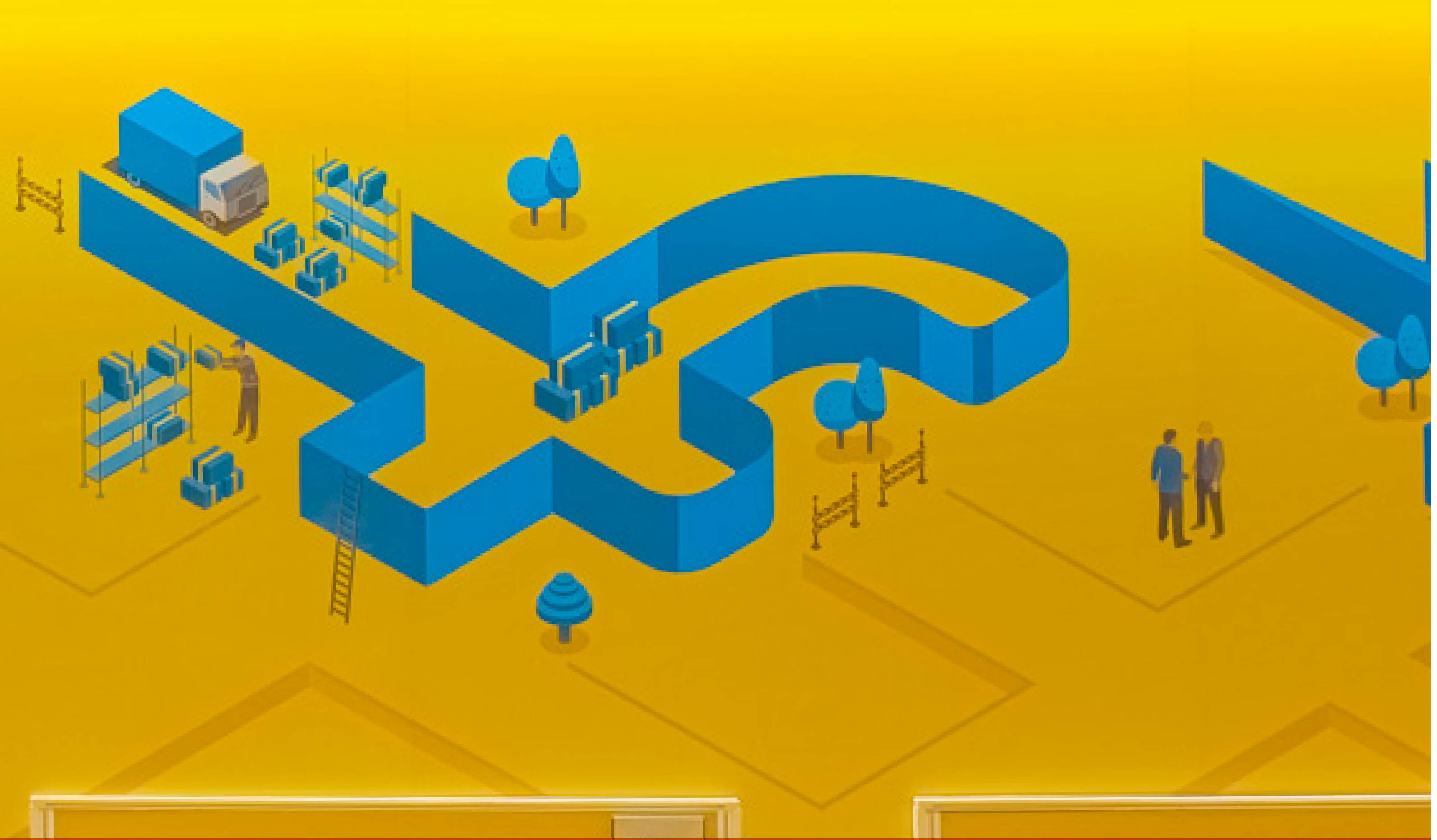


#51

Flipkart

COMPANY NAME
Walmart Inc.

BRAND VALUE
US $4,659 Million

CATEGORY
Retail

CHANGE SINCE 2019
+14%

HEADQUARTER CITY
Bangalore, India

YEAR FORMED
2007

GLOBAL RETAIL STORES
N/A

Flipkart, a leading Indian e-commerce platform, was founded by Sachin and Binny Bansal in 2007.

The range of goods is extensive, spanning consumer electronics, fashion, home essentials and grocery and lifestyle products. In 2018, Flipkart was acquired by US retail giant Walmart for US$16 billion. Flipkart's strength in the apparel category has come mainly as a result of the business acquiring existing clothing specialist businesses – Myntra, which it bought in 2014, and Jabong.com in 2016. Post-acquisition, Walmart merged Jabong into the Myntra fashion unit to create a single apparel entity.

In 2019, Walmart said Flipkart had over 1 billion visitors a month, with the number of monthly active users growing 45 percent during the year. During the year, Flipkart invested US$200 million into its wholesale division to help it compete against Amazon, and upgraded its warehouse with robotics to boost logistics capabilities. Flipkart has also launched its first Supermart, an online grocery store, delivering to addresses in Mumbai, and an offline furniture store in Bengaluru.

To widen its ecosystem, Flipkart has ventured into video-on-demand services and has funded its proprietary digital payment system, PhonePe, to the tune of US$88 million to compete in the hotly contested Indian e-payments space. Sales events like its Big Billion Days festival are a key driver of revenue, but its discounting and brand-exclusivity practices have attracted significant criticism from India's millions of small independent traders. Flipkart, along with biggest rival Amazon India, continue to face repeated scrutiny from regulatory authorities.

Photo courtesy of www.walmart.com

#52

ZOZOTOWN

COMPANY NAME
ZOZO Inc

BRAND VALUE
US $4,509 Million

CATEGORY
Retail

CHANGE SINCE 2019
NEW ENTRY!

HEADQUARTER CITY
Chiba, Japan

YEAR FORMED
1998

GLOBAL RETAIL STORES
N/A

Beginning life as a mail-order music business, ZOZOTOWN went online in 2000 as STM online, before venturing into fashion the same year via an offshoot called Eproze.

ZOZOTOWN emerged in 2004, offering items from 17 clothing retailers, and has since grown to become Japan's leading online fashion platform, renowned for its fun and innovative approach to the e-commerce experience.

ZOZO Group mainly operates two businesses, the principal arm being ZOZOTOWN, which operates the ZOZOTOWN fashion e-commerce site and a business-to-business division, which supports the management of brand's own e-commerce sites. In addition, it also operates a fashion media subsidiary called "WEAR". Prior to 2019, its ambitions included an advertising business around both ZOZOTOWN and WEAR, and a launch of a ZOZO private label range.

However, its direction changed when, in April 2019, it abruptly closed down its global shopfront, which had served 72 markets across the Americas, Europe, Asia Pacific and the Middle East. By September, CEO Yusaku Maezawa had stepped down and the ZOZOTOWN business had been sold to online operator Yahoo Japan, which gained a 50.1 percent controlling interest. Yahoo, which is seeking to firm up its position in the Asian online space against more powerful and agile rivals, views the acquisition of the ZOZOTOWN brand as essential in establishing credibility with younger shoppers, who comprise most of its fanbase.

ZOZOTOWN

#53

Publix

Publix is an employee-owned supermarket chain, operating throughout the southeastern region of the United States, with locations in Florida, Georgia, Alabama, South Carolina, Tennessee, North Carolina, and Virginia.

COMPANY NAME
Publix Super Markets, Inc.

BRAND VALUE
US $4,449 Million

CATEGORY
Retail

CHANGE SINCE 2019
–7%

HEADQUARTER CITY
Lakeland, Florida, US

YEAR FORMED
1930

GLOBAL RETAIL STORES
1,239

It operates two grocery formats: its conventional Publix supermarket and its GreenWise specialty natural/organic assortment store. The retailer's growth strategy includes focusing on high levels of quality and service, creating an excellent in-store experience, offering compelling value, maintaining shopper relevance, and expanding northward. Publix operates "Aprons" cooking schools, which offer cooking demonstrations and event planning services. It also offers in-store BayCare medical services as well as a digital coupon program that allows shoppers access to 150+ digital coupons.

Publix's delivery service is powered by Instacart and is available in areas surrounding all stores. Expansion of the GreenWise format has allowed Publix to reach a new shopper base as it continues to strengthen and build on its core market. In addition to growing its shopper base with GreenWise, Publix continues to expand northward, reaching new shoppers in mid-Atlantic states. Pete Mowitt, Publix's VP of product business development for bakery and meat, will retire at the end of April 2020 after 44 years of service. Norman Badger, regional director of the Charlotte division, will replace him.

#54

The Wendy's Company is an American international fast food restaurant chain founded by Dave Thomas on November 15, 1969, in Columbus, Ohio.

COMPANY NAME
The Wendy's Company

BRAND VALUE
US $4,086 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
-6%

HEADQUARTER CITY
Dublin, Ohio, US

YEAR FORMED
1969

GLOBAL RETAIL STORES
6,700

The company moved its headquarters to Dublin, Ohio in 2006. In 2008, it merged with Triarc Companies Inc., a publicly traded company and the parent company of Arby's, a quick-service sandwich restaurant chain. The company operates a network of over 6,700 owned and franchised restaurants, of which more than 93 percent are in the US. The Wendy's menu consists primarily of hamburgers, chicken sandwiches, French fries and beverages, including the signature Frosty, which is a soft-serve frozen dairy dessert.

Wendy's plans to launch a breakfast menu in 2020 across all of its US outlets; it had previously been available only in around 300. A major investment in breakfast is designed to broaden the offering and increase footfall to restaurants. Wendy's also plans to invest an additional $13 million to $15 million in technology in 2020, to improve restaurant efficiency.

Photo courtesy of www.wendys.com

#55

ULTA BEAUTY

COMPANY NAME
Ulta Beauty Inc.

BRAND VALUE
US $4,050 Million

CATEGORY
Retail

CHANGE SINCE 2019
+5%

HEADQUARTER CITY
Romeoville, Illinois, US

YEAR FORMED
1990

GLOBAL RETAIL STORES
1,241

Ulta is the largest specialty beauty retailer in the US, with a national footprint across all 50 states.

Ulta's strengths include its extensive selection of beauty-related in-store services (focused primarily on hair, skin, and eyebrows) and its ability to support newness and shopper excitement through a constant flow of new brands and products in its assortment. The brand is particularly focused on engaging its most loyal shoppers and tailoring personalized offers for them through its leading loyalty program, Ultamate Rewards. Ulta refers to itself as "channel agnostic," investing in new digital touchpoints that help bridge the physical and digital shopping experiences.

#56

SAINT LAURENT

YVES SAINT LAURENT

COMPANY NAME
Kering SA

BRAND VALUE
US $3,972 Million

CATEGORY
Luxury

CHANGE SINCE 2019
+11%

HEADQUARTER CITY
Paris, France

YEAR FORMED
1961

GLOBAL RETAIL STORES
over 220

YSL is the eponymous luxury label founded by late couturier Yves Saint Laurent (1936-2008). Saint Laurent began his career as the protégé of Christian Dior, taking over the House of Dior after the founder's death aged just 21.

He subsequently founded the YSL brand in 1961 with partner Pierre Bergé and became the first French couturier to create a ready-to-wear line. Throughout the 1970s, the brand expanded from apparel to fragrances and cosmetics. The company was acquired by pharmaceutical company Sanofi in 1991, then by PPR (now Kering) in 1999, with the cosmetics branch of the business being divested by licence to L'Oréal group following the death of Saint Laurent in 2008.

Today the business spans luxury apparel and ready-to-wear, as well as accessories, footwear and cosmetics. In 2016, Hedi Slimane was replaced by Anthony Vaccarello as creative director. Vaccarello's tenure at YSL has seen the brand pursue a more avant-garde approach, bringing latex looks to the catwalks and creating activations such as beauty pop-ups at music festival Coachella. Since taking over the creative leadership of the fashion house, Vaccarello has seen YSL's sales soar past €2 billion. The luxury atelier's biggest moves over the past year have included the expansion of its fragrance line, introducing the new Libre perfume last summer with singer Dua Lipa as the face.

#57

BURBERRY

LONDON ENGLAND

COMPANY NAME
Burberry Group Plc

BRAND VALUE
US $3,847 Million

CATEGORY
Luxury

CHANGE SINCE 2019
-18%

HEADQUARTER CITY
London, UK

YEAR FORMED
1856

GLOBAL RETAIL STORES
469

Burberry is a luxury British fashion brand best known for its iconic gabardine trench coats and signature check lining, created by founder Thomas Burberry.

The coats – and Burberry trademark check – are still synonymous with the brand. Burberry has a beauty partnership with Coty, and eyewear is manufactured under licence by Luxoticca. Burberry's fashion ranges and accessories and are now sold in 50 countries around the world, though the brand has announced plans to close one in 10 stores as part of an overhaul designed to take the luxury fashion brand more upmarket.

In 2018, Riccardo Tisco replaced Christopher Bailey as Creative Director, while Marco Gobetti joined as CEO in 2017. The brand retains a reputation for quality, design and craftsmanship, but is investing heavily in digital innovation to stay current; it launched a Facebook Messenger chatbot for customer service in 2016,and has since added a combination of AI and live customer service options on the WeChat, Line and Kakao chat platforms, as well as via the Burberry app. For Lunar New Year, the brand released an online game called "Ratberry", following the launch of its first online game, "B Bounce", in October 2019 as it seeks to engage with a younger audience. Burberry has announced a new partnership with Chinese tech company Tencent to develop social retail in China, offering "unique experiences" linking consumers' online lives to physical environments.

Celebrities have featured heavily in Burberry advertising for many years; British model Kate Moss has had a long association with Burberry. Kendall Jenner and the Hadid sisters are more recent ambassadors.

#58

苏宁易购 suning.com

COMPANY NAME
Suning.com Co Ltd

BRAND VALUE
US $3,763 Million

CATEGORY
Retail

CHANGE SINCE 2019
+0%

HEADQUARTER CITY
Nanjing, Jiangsu Province, China

YEAR FORMED
1990

GLOBAL RETAIL STORES
12,329

Suning.com describes itself as an "online-to-offline smart retail company" and operates a range of physical formats under different names, including Suning Retail Cloud Store (household/electricals), SuFresh supermarkets and Suning Xiaodian convenience outlets.

The Suning.com e-commerce platform has the third-biggest market share in China's business-to-consumer market. Suning has its own annual "818" shopping festival on August 18, the anniversary of its founding.

Suning has emerged as a major player in Chinese retail and saw its profile increase significantly in 2019 when it bought 80 percent of Carrefour China in a US$670 million deal. This highlighted what has been a rapid and highly ambitious domestic expansion drive, both organic and via buyouts, that has seen the parent company leverage all its verticals to support retail growth; 2019 saw it add a new FMCG sub-division to support its determination to win in grocery.

Its 2020 plans call for a US$6 billion investment in 10,000 new stores and its retail infrastructure, including integrated logistics warehouses and technology for an enhanced consumer experience. It is also heavily invested in "smart commercial complexes" across China's biggest cities. These malls are anchored by Suning Plaza department stores, offering a tech-enabled, high-end experience coupled with digital commerce services like express delivery. These reflect a core company ethos of embedding its offer within its immediate catchment, either as recreation destinations (under the Plaza banner) or as local community hubs (Xiaodian).

#59

BEST BUY

COMPANY NAME
Best Buy Co., Inc

BRAND VALUE
US $3,703 Million

CATEGORY
Retail

CHANGE SINCE 2019
–7%

HEADQUARTER CITY
Richfield, Minnesota, US

YEAR FORMED
1966

GLOBAL RETAIL STORES
1,221

The consumer electronics retailer Best Buy made its name in the big-box retail era, housing a vast array of products in its large stores, which currently number more than 1,200 across North America.

Over the last 10 years, growing competition online, and declining shopper interest in big-box shopping could have knocked Best Buy off course, but the brand has retained consumer interest by reshaping the in-store experience and promoting the expertise of its staff. Best Buy has acquired the high-end Pacific Kitchen & Home and Magnolia brands, and opened stores-within-a store for both in selected locations. Stores include branded zones for Samsung, Microsoft, AT&T, and Verizon, among others, and there are smaller brand "islands" that showcase the breadth of the range and create more engaging and interactive experiences for shoppers. The company has been a leader in tools and services for older shoppers to live comfortably in their homes, and the executive in charge of those developments, Corie Barry, became CEO in mid-2019.

All Best Buy stores are fulfillment centers for online orders, and Best Buy has improved its mobile app to make it easier for shoppers to find information they need to make a purchase, including easier access to product reviews. Best Buy's famous "Blue Shirt" employees are now receiving more intensive training to run demos and inform shoppers about the assortment, particularly for more complicated products such as voice-activated technology and smart home equipment. Best Buy's well-known Geek Squad service providers are offering more on-demand programs for technical emergencies. And the retailer has launched in-home consultation services to advise shoppers.

#60

SODIMAC

COMPANY NAME
S.A.C.I. Falabella

BRAND VALUE
US $3,180 Million

CATEGORY
Retail

CHANGE SINCE 2019
+0%

HEADQUARTER CITY
Santiago, Chile

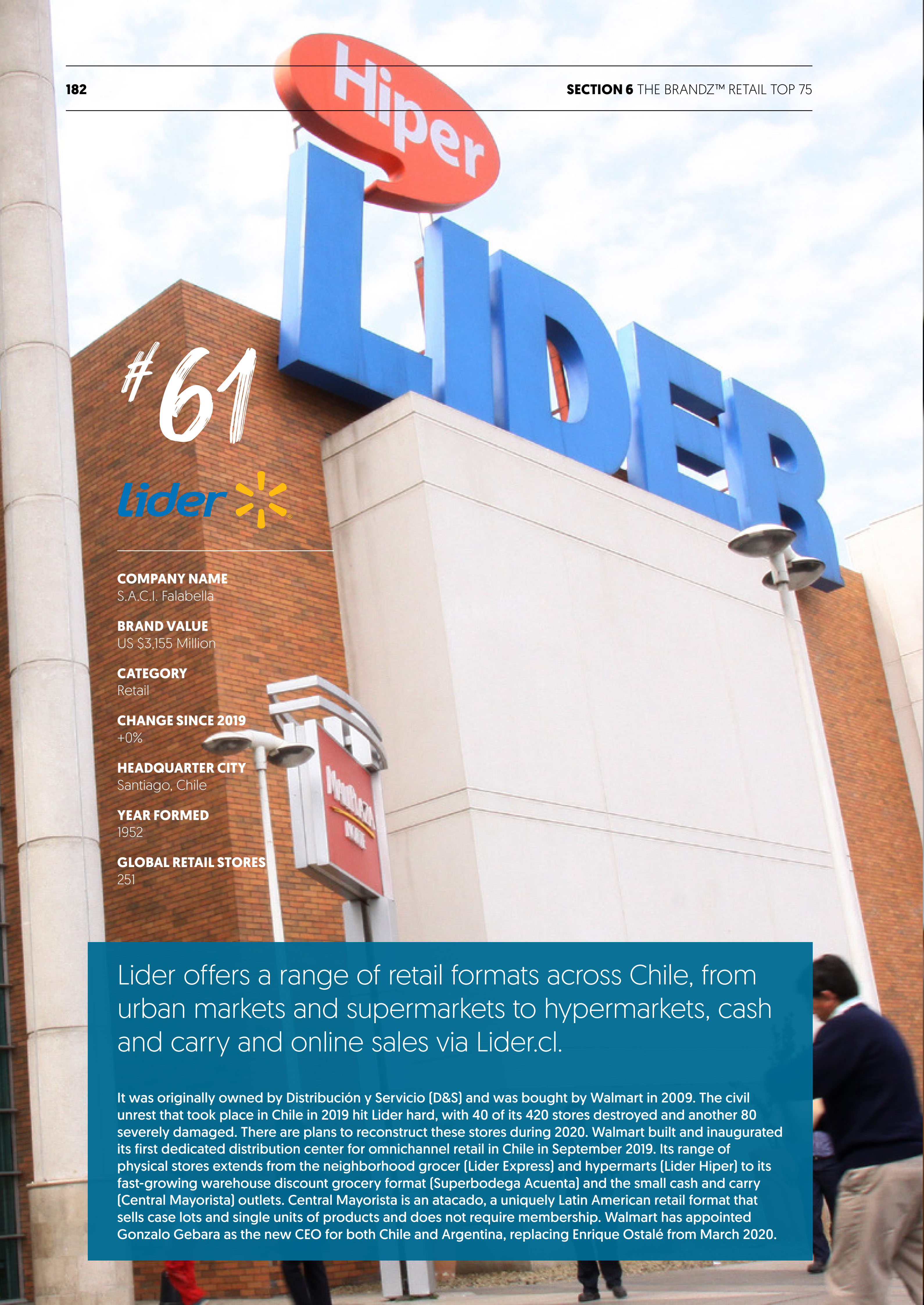
YEAR FORMED
1952

GLOBAL RETAIL STORES
251

Sodimac operates retail and wholesale home improvement chains and has become a leader in the sector in its home market, Chile, as well as having a strong presence in Peru, Colombia, Argentina, Brazil and Uruguay.

The chain currently has plans to expand into Mexico. The brand promises to cater to customers' construction, home improvement and decorating needs, with excellent service and a strong commitment to local communities. Sodimac has implemented a successful market-segmentation strategy, based on different sales formats and complementary services offered to its customers. These include Sodimac Homecenters, stores offering a wide range of products and services to help families renovate, decorate and improve their homes. Sodimac Constructor stores focus on professionals and contractors looking for value construction materials. Imperial outlets specialize in furniture and wood items, and Homy stores recreate home interiors to help inspire householders to design and decorate.

In most of the markets in which it operates, Sodimac offers e-commerce options and click-and-collect services in stores. An online store was recently launched in Uruguay. In stores, self-checkout tills are being rolled out, and environmental measures are being implemented. Sodimac is investing in solar panels and more sustainable stores, as well as reducing the use of plastic bags to reduce the chain's environmental footprint. Sodimac is expanding in Mexico in cooperation with the department store chain Falabella. The brands have the same parent company and are working together on expansion across Latin America.



#61

Lider

COMPANY NAME
S.A.C.I. Falabella

BRAND VALUE
US $3,155 Million

CATEGORY
Retail

CHANGE SINCE 2019
+0%

HEADQUARTER CITY
Santiago, Chile

YEAR FORMED
1952

GLOBAL RETAIL STORES
251

Lider offers a range of retail formats across Chile, from urban markets and supermarkets to hypermarkets, cash and carry and online sales via Lider.cl.

It was originally owned by Distribución y Servicio (D&S) and was bought by Walmart in 2009. The civil unrest that took place in Chile in 2019 hit Lider hard, with 40 of its 420 stores destroyed and another 80 severely damaged. There are plans to reconstruct these stores during 2020. Walmart built and inaugurated its first dedicated distribution center for omnichannel retail in Chile in September 2019. Its range of physical stores extends from the neighborhood grocer (Lider Express) and hypermarts (Lider Hiper) to its fast-growing warehouse discount grocery format (Superbodega Acuenta) and the small cash and carry (Central Mayorista) outlets. Central Mayorista is an atacado, a uniquely Latin American retail format that sells case lots and single units of products and does not require membership. Walmart has appointed Gonzalo Gebara as the new CEO for both Chile and Argentina, replacing Enrique Ostalé from March 2020.

#62

zalando

COMPANY NAME
Zalando SE

BRAND VALUE
US $3,115 Million

CATEGORY
Retail

CHANGE SINCE 2019
+1%

HEADQUARTER CITY
Berlin, Germany

YEAR FORMED
2008

GLOBAL RETAIL STORES
8

Zalando is a Frankfurt-listed, pan-European online fashion platform operating in 17 markets.

It has almost 30 million active users throughout the continent, 80 percent of whom access the platform via mobile. It began as a Berlin-based shoe store and has since expanded across Europe with a platform that allows partner brands and retailers to control their own storefront to reach shoppers. Its current brand messaging is "Zalando. Free To Be".

Along with its 2,000 partner brands, Zalando has strong and growing alliances with physical retailers, with 70,000 collaborations targeted by 2024. Zalando's Plus membership program and "Zalando Lounge" shopping club give added convenience, perks and exclusive discounts to users.

Zalando has invested heavily in its European logistics network, and recently opened new hubs in Italy, Poland and Sweden. This has been important as it has expanded into new categories like beauty. Same-day delivery is available in several markets, and Zalando works with numerous local retail, courier and intermediary operators to execute fast fulfillment at low cost, and recently partnered with Dutch grocery delivery service Picnic to use its empty returning delivery trucks to transport returned goods.

The company has pledged to make sustainability central to its future and has committed to use only 100 percent sustainable packaging by the end of this year. It has introduced a paper-based alternative to plastic shipping packaging for its cosmetics lines and intends to also use this for shipping clothing in the near future.

#63

PRADA

COMPANY NAME
Prada SpA

BRAND VALUE
US $3,059 Million

CATEGORY
Luxury

CHANGE SINCE 2019
–13%

HEADQUARTER CITY
Milan, Italy

YEAR FORMED
1913

GLOBAL RETAIL STORES
637

Prada is a global high-end fashion brand specializing in leather handbags, travel accessories, shoes, ready-to-wear fashion, perfumes and accessories.

It originally focused only on women, but a men's range was launched in 1993. Handbags and shoes are Prada's mainstays, with the brand recognized for using fine materials and quality craftsmanship. The brand also operates a pastry shop, Marchesi, in Milan's Galleria Vittorio Emanuele. Prada has announced that, from 2020, it will have eliminated furs from its collections; by the end of 2021, it also plans to use only recycled Econyl nylon in its clothing and accessories, including the iconic Prada nylon bags. Prada is a supporting partner of the FashionTech business accelerator for startups, a role that will see it involved in the selection and support of 30 outstanding fashion industry startups. 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".

Prada is undergoing considerable change, having just appointed Raf Simons as co-creative director alongside Miuccia Prada, granddaughter of the brand's founder. The pair will unveil their first collaborative collection in September 2020. The brand has also experimented with streetwear and athleisure, releasing a sneaker collaboration with adidas. The brand is also focusing more on the Chinese market, where it was late to adapt to the rising appetite for luxury.

#64

ÆON

COMPANY NAME
ÆON Retail Co., Ltd

BRAND VALUE
US $2,932 Million

CATEGORY
Retail

CHANGE SINCE 2019
NEW ENTRY!

HEADQUARTER CITY
Chiba, Japan

YEAR FORMED
1926

GLOBAL RETAIL STORES
2,749

ÆON claims a history dating as far back as 1758, but the modern-day entity came into being with the merger of three businesses in 1926 to form JUSCO Co., Ltd.

In 2001, this became ÆON Co., Ltd. A further change of corporate structure saw this become the holding company for the group with ÆON Retail Co., Ltd born in 2008. Today, this is one of Asia's largest retail groups, operating across multiple markets and in a wide range of formats.

Japan remains its biggest market, but ÆON has significant subsidiaries in China, Malaysia and elsewhere in Southeast Asia. It operates 315 shopping malls and is leading modern retail development in emerging Asian markets like Myanmar and Cambodia through construction of large-scale centers in major cities. Hypermarkets, supermarkets and minimarts make up the bulk of its store portfolio, with 2,166 outlets under its supermarkets division. General merchandise stores comprise the remainder of its fleet.

ÆON has been challenged in recent years by the shift to online shopping in several key markets, meaning many stores have lost relevance with shoppers, particularly in its China business. Prolonged stagnant growth in its core home market has also been problematic. However, the company now has embarked on a determined push to upscale its online shortcomings, notably through a deal with UK grocery e-commerce specialist Ocado Solutions that will see it build automated warehouses in Japan to radically improve its online grocery capabilities. It is also pushing to scale up its online-to-offline retail capabilities in China, with an online grocery launch scheduled for 2020.

Next is a UK-based store chain offering fashionable and affordable clothing and homeware.

Since launching as a mid-market womenswear specialist, Next has gradually expanded into men's, children's, shoes, accessories, and home. It became famous in the mid-1980s for its Next Directory, a glossy and extensive catalogue that enabled shoppers to order by phone or mail and have goods home-delivered.

Retailing is through two main channels. Next Retail has 510 stores in the UK and Ireland and over 200 international stores, while Next Directory has become primarily an e-commerce venture, serving over 70 countries and more than 5 million active customers.

Online is growing in importance for Next, and in 2019 it leveraged its strong brand perception among UK shoppers to create LABEL, a third-party platform that allows a variety of brands to access its customer base through its logistics network. LABEL has quickly grown to comprise nearly 10 percent of the group's revenue and has proven successful in attracting non-UK fashion brands keen to find new shoppers through cross-border e-commerce, as well as local brands like Tesco's F&F value offer.

Its large UK store base makes it ideal for online fulfillment and it recently capitalized on its extensive high street presence to partner with Amazon as a location for Amazon Hub collection points.

#65

next

COMPANY NAME
Next plc

BRAND VALUE
US $2,814 Million

CATEGORY
Apparel

CHANGE SINCE 2019
+4%

HEADQUARTER CITY
Leicester, UK

YEAR FORMED
1982

GLOBAL RETAIL STORES
499

#66

ASDA

COMPANY NAME
Walmart

BRAND VALUE
US $2,808 Million

CATEGORY
Retail

CHANGE SINCE 2019
+8%

HEADQUARTER CITY
Leeds, UK

YEAR FORMED
1949

GLOBAL RETAIL STORES
655

Asda is third-ranked among the UK's "Big Four" grocers, and in early 2020 had around 15 percent market share.

Formed as Associated Dairies and Farm Stores Limited in 1949, it was acquired by US grocery giant Walmart in 1999. It primarily operates hypermarkets, with a strong regional focus in the north of England. The UK is its only operational market.

Asda prides itself on everyday low prices and its broad offer across grocery, home goods and its George clothing brand. Its ethos is summed up in its longstanding brand motto: "Save Money. Live Better". The rise of discounters in the UK in recent years has exerted intense price pressure on Asda, leading parent Walmart to seek an exit from the business as part of a wider global refocus. An attempted merger with Sainsbury's in 2019 failed and Walmart is now preparing Asda for a separate public listing within the next few years. After several years of declines, extensive restructuring has brought Asda back to positive, if not exceptional, performance. With new store projects on hold, it is looking to maximize its existing estate and recently entered the wholesale space with a Sam's Club-style warehouse club experiment attached to a big-box location in Bristol. Online grocery is another focus area, with efforts to provide faster fulfillment via intermediaries seeing it enter new spaces, like pizza delivery as part of an assortment revamp that includes a new vegan range and the substitution of serviced counters for an expanded grab-and-go food option.

#67

TANISHQ

Tanishq is a leading chain of jewelry retail stores in India that began life selling gold watches primarily for export and subsequently grew into a popular manufacturer and retailer of gold and diamond jewelry in its home market.

COMPANY NAME
Titan Company Limited

BRAND VALUE
US $2,802 Million

CATEGORY
Retail

CHANGE SINCE 2019
+15%

HEADQUARTER CITY
Bengaluru, India

YEAR FORMED
1994

GLOBAL RETAIL STORES
300

It is owned by Titan Co. and is backed by the powerful conglomerate Tata Group.

Tanishq boasts several sub-brands catering to different shopper segments such as Mia for workwear, Rivaah for weddings, Mirayah for younger women, and a men's brand called Aveer. Tanishq is also known for its "Gold Harvest Scheme", a jewelry purchase scheme that allows shoppers to put monthly sums on deposit, which can be used to make purchases at a subsidized rate.

For 2020, Tanishq plans to open 54 new stores, mostly in towns and small cities to extend its reach beyond India's larger metros. Having ventured unsuccessfully into the US and Middle East in the early 2000s, the brand is also looking to expand into overseas markets with large Indian diaspora populations, like Dubai and Singapore.

#68

Sainsbury's

Sainsbury's is the number two UK supermarket operator, behind Tesco, with around 16 percent market share.

COMPANY NAME
J Sainsbury Plc

BRAND VALUE
US $2,772 Million

CATEGORY
Retail

CHANGE SINCE 2019
+4%

HEADQUARTER CITY
London, UK

YEAR FORMED
1869

GLOBAL RETAIL STORES
2,009

There are now 608 Sainsbury's supermarkets and 820 Sainsbury's Local convenience stores, plus the Argos estate. Quality, low-priced groceries are the core of Sainsbury's business, but it also has a clothing line, TU, and sells homewares, financial services and energy services. The parent company's 2016 buyout of Home Retail Group added popular general merchandise chain Argos to the family, greatly expanding its reach in e-commerce.

Management is undergoing change, with extensive restructuring and the exit of CEO Mike Coupe scheduled for mid-2020. This followed a drawn-out attempt to merge with close competitor Asda, which eventually fell foul of competition law. Sainsbury's sees discounters, e-commerce and digitization as its biggest challenges, with its largest stores most threatened.

Its strategy is to concentrate on convenience formats that cater to specific missions like food-to-go, along with a roll-out of digital solutions like its SmartShop mobile scan-and-pay system. The latter is linked with Sainsbury's Nectar loyalty program, one of the UK's biggest, which allows users to redeem points in-store or with retail or service partners.

The retailer has also introduced new big-box concepts, such as dedicated staffed departments for categories like beauty and wellness, and areas showcasing startup brands. It has also revamped its private label offer, axing its "Basics" entry-level range in favor of new private label brands. Standalone Argos inserts are now a feature of many Sainsbury's supermarkets, offering "endless aisle" shopping and click-and-collect services. E-commerce growth remains a focus, with several initiatives under trial, including food delivery via Deliveroo and one-hour or faster fulfillment options.

Photo courtesy of www.sainsburys.co.uk

#69

BUNNINGS warehouse

COMPANY NAME
Wesfarmers Limited

BRAND VALUE
US $2,740 Million

CATEGORY
Retail

CHANGE SINCE 2019
NEW ENTRY!

HEADQUARTER CITY
Melbourne, Australia

YEAR FORMED
1887

GLOBAL RETAIL STORES
378

Bunnings is an Australian chain of household hardware goods stores that operates in Australia and New Zealand.

It is part of the Wesfarmers conglomerate, a leading retail and industrial group. Attempts to expand into Europe via a foray into the UK DIY market proved a costly failure for Bunnings, leading to a loss in 2018 of around AU$1 billion.

Bunnings' main format is its Bunnings Warehouse big-box stores, of which 273 currently operate in Australia and New Zealand. It also has smaller-format stores closer to urban locations and a limited business-to-business operation.

In its home market, it has become as well known in the community for its weekend charity sausage sizzles as for its large, warehouse-style stores full of home-improvement and gardening supplies. The sausage sizzles fund Bunnings workshops for children and adults in hospitals and nursing homes, as well as community activities and initiatives. In early 2019, that included support for the "Buy a Bale" campaign to help farmers affected by fires and flooding. Bunnings sausage sizzles also made headlines, however, for a directive from head office that onions should go on the bun before the sausage to prevent slipping hazards – a diktat widely ridiculed by a rule-weary Australian public.

Bunnings reports that continued enthusiasm for home renovation means stores are busy, but consumers are trading down to cheaper products as property values dip. The business is a latecomer to e-commerce, but plans to make its entire inventory available online within two years.

#70

EDEKA

Founded in 1898 as a cooperative alliance of independent merchants, EDEKA is Germany's leading grocery retail group, with over 11,300 stores operating across a range of store formats and sub-brands.

COMPANY NAME
Edeka Zentrale AG & Co KG

BRAND VALUE
US $2,616 Million

CATEGORY
Retail

CHANGE SINCE 2019
+3%

HEADQUARTER CITY
Hamburg, Germany

YEAR FORMED
1898

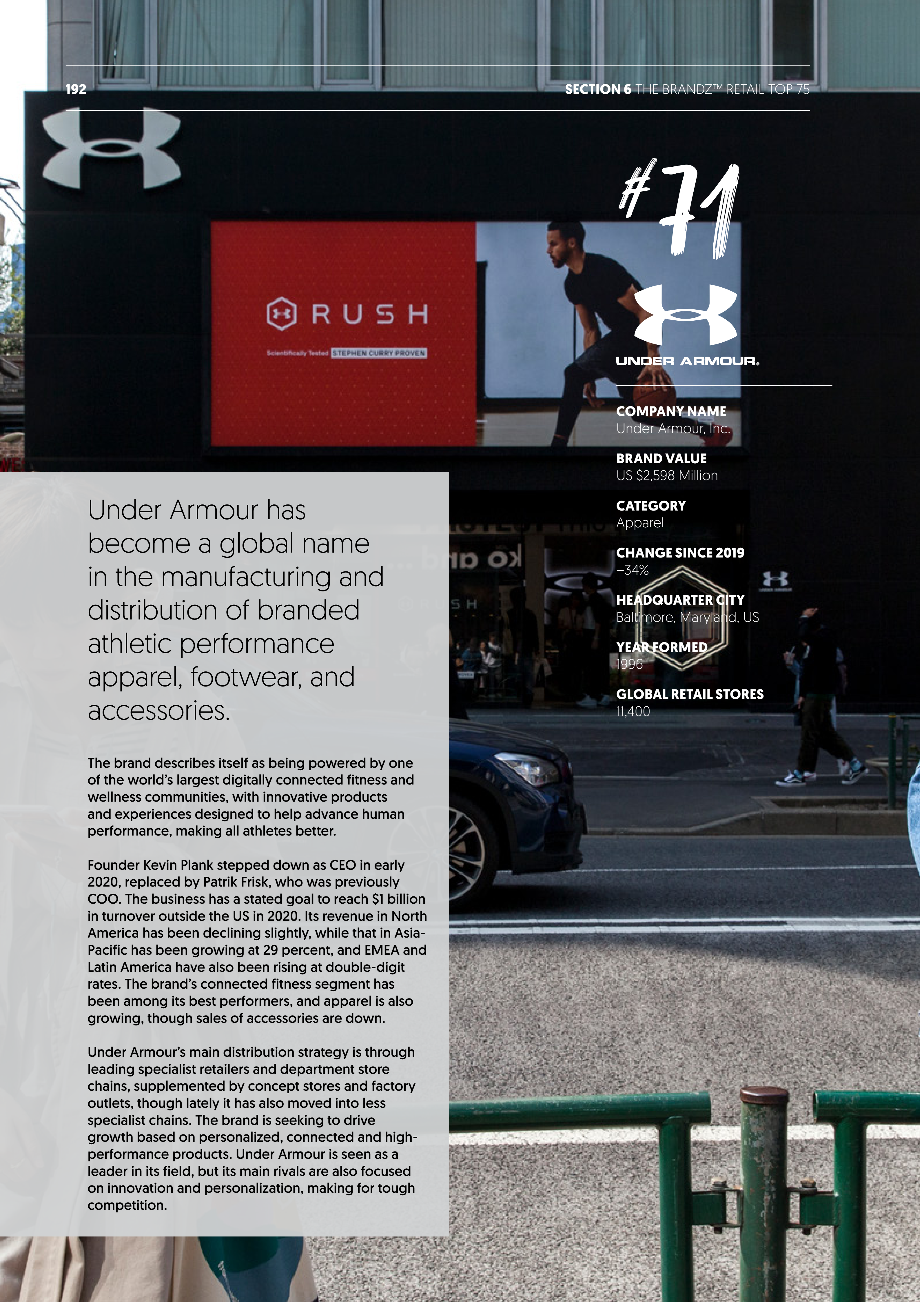
GLOBAL RETAIL STORES
11,308

It promotes a positive shopping experience in a pleasant environment, with a format, location and range to suit consumers' needs within easy reach.

Its estate includes EDEKA Center hypermarkets, which offer more non-food products, and EDEKA markets and supermarkets, which frequently feature specialist serviced counters run by independent merchants. EDEKA offers a wide private label goods in food and non-food categories such as beauty. These range from the economical Gut und Günstig lines, to higher-priced international specialty foods. It has also forged an alliance with drugstore operator Budni.

EDEKA opened its first organic store under the Naturkind banner in October 2019. It has launched its own organic laundry detergent and cleaning brand RESPEKT, and a health food brand called Jochen Schweizer. EDEKA has a stated commitment to offering sustainable and organic products and has partnered with WWF for more than 10 years on several initiatives, which include sustainable agriculture and procurement models.

EDEKA is testing cashless checkouts, and is looking to digitize the in-store shopper experience by linking payment and loyalty programs in an integrated app.



#71

UNDER ARMOUR.

COMPANY NAME
Under Armour, Inc.

BRAND VALUE
US $2,598 Million

CATEGORY
Apparel

CHANGE SINCE 2019
–34%

HEADQUARTER CITY
Baltimore, Maryland, US

YEAR FORMED
1996

GLOBAL RETAIL STORES
11,400

Under Armour has become a global name in the manufacturing and distribution of branded athletic performance apparel, footwear, and accessories.

The brand describes itself as being powered by one of the world's largest digitally connected fitness and wellness communities, with innovative products and experiences designed to help advance human performance, making all athletes better.

Founder Kevin Plank stepped down as CEO in early 2020, replaced by Patrik Frisk, who was previously COO. The business has a stated goal to reach $1 billion in turnover outside the US in 2020. Its revenue in North America has been declining slightly, while that in Asia-Pacific has been growing at 29 percent, and EMEA and Latin America have also been rising at double-digit rates. The brand's connected fitness segment has been among its best performers, and apparel is also growing, though sales of accessories are down.

Under Armour's main distribution strategy is through leading specialist retailers and department store chains, supplemented by concept stores and factory outlets, though lately it has also moved into less specialist chains. The brand is seeking to drive growth based on personalized, connected and high-performance products. Under Armour is seen as a leader in its field, but its main rivals are also focused on innovation and personalization, making for tough competition.

#72

M&S
EST. 1884

COMPANY NAME
Marks & Spencer Group Plc

BRAND VALUE
US $2,456 million

CATEGORY
Retail

CHANGE SINCE 2019
-18%

HEADQUARTER CITY
London, United Kingdom

YEAR FORMED
1884

GLOBAL RETAIL STORES
1,423

Marks & Spencer (usually referred to as M&S) is a UK-based retailer regarded as a high street institution in its home market. It specializes in own-brand clothing, homeware and food, with a focus on durability and quality.

In apparel, M&S is perhaps most famous for its underwear. The food side of the business has been driving growth for several years now, with its standalone "Simply Food" small-supermarket outlets popular in high-traffic locations. Marketing around the food offering promotes quality, innovation, taste and product novelty.

The clothing and home part of the business has been struggling, with underperformance and changing management a regular staple of business pages. This has led to M&S making its most dramatic and high-risk shift in years, with a US$950 million deal for a 50 percent stake in online grocer Ocado, effective from September 2020. The agreement will instantly make M&S a real force in UK grocery e-commerce, an area in which it had previously had no presence.

Simultaneously, M&S is repurposing many stores and closing unprofitable ones. The revamped stores are more like full-range supermarkets than the department store style of old, and early concepts indicate that experience and stylish merchandising will feature strongly. M&S is also allocating sizeable funding to technology to upgrade its operations.

Photo courtesy of www.marksandspencer.com

#73

THE NORTH FACE

COMPANY NAME
VF Corp.

BRAND VALUE
US $2,449 Million

CATEGORY
Apparel

CHANGE SINCE 2019
-14%

HEADQUARTER CITY
Alameda, California, US

YEAR FORMED
1966

GLOBAL RETAIL STORES
2,235

The North Face was founded in 1966 with the goal of preparing outdoor athletes for the rigors of their next adventure.

The North Face was acquired by VF Corporation in 2000. As part of its mission to start a global movement of outdoor exploration, The North Face introduced the Explore Fund in 2010.

The North Face products are marketed globally, primarily through specialty outdoor and premium sporting goods stores, independent distributors, independently operated partnership stores, concession retail stores, over 200 VF-operated stores, on brand websites with strategic digital partners and online at www.thenorthface.com. Today the retailer operates 2,235 stores globally. The North Face is committed to refreshing the majority of its stores by the end of 2024.

The North Face recently expanded its Climate Beneficial Wool collection, launched in 2017. These products are made in the US from sustainable farms. The brand has also launched a Renewed collection, selling previously owned, damaged-and-repaired and used products.

Photo courtesy of www.dunkindonuts.com

#74

DUNKIN'

COMPANY NAME
Dunkin' Brands Group Inc

BRAND VALUE
US $2,441 Million

CATEGORY
Fast Food

CHANGE SINCE 2019
-15%

HEADQUARTER CITY
Canton, Massachusetts, US

YEAR FORMED
1950

GLOBAL RETAIL STORES
11,300

Dunkin Donuts is an American-founded destination for coffee and baked goods. Launched in 1950, it promised to "make and serve the freshest, most delicious coffee and donuts" with quick service in modern and well-merchandised stores.

It is renowned for its hot regular, decaffeinated and flavored coffee, iced coffee, donuts, bagels and muffins. The brand still uses the original propriety coffee blend recipe developed by its founder, Bill Rosenberg. Dunkin Donuts now has 11,300 stores present in over 36 countries and accounts for more than 75 percent of its parent company's revenues. The chain sells more than 3 billion donuts globally each year, and more than 3 billion cups of hot and iced coffee.

A "next-generation concept store" in Quincy, Massachusetts, is used to test new offerings related to ordering, payment, signage and branding before a wider rollout.

Innovations include a specialized drive-thru lane for customers on the go, and digital ordering kiosks. A 24-hour store has opened in Hayward, California. Dunkin Donuts stores are also receiving a facelift, with a more open layout and new uniforms for staff featuring inspiring messages like "Fuelled by Positive Energy" and "Drink Coffee. Be Awesome". Trials also include an upgraded menu, with no artificial colorings and with more natural ingredients.

In late 2019, Dunkin Brands announced Scott Murphy as the new president for Dunkin Americas, with Dana Reid, who was senior director of field marketing, promoted to vice-president of Dunkin Americas.

#75

FamilyMart is Japan's second-largest convenience store chain, with some 17,000 stores in its home markets, and more than 7,000 overseas.

FamilyMart

COMPANY NAME
FamilyMart UNY Holdings Co. Ltd

BRAND VALUE
US $2,424 Million

CATEGORY
Retail

CHANGE SINCE 2019
NEW ENTRY!

HEADQUARTER CITY
Tokyo, Japan

YEAR FORMED
1973

GLOBAL RETAIL STORES
Around 24,000

The brand is in a period of consolidation and growth, having converted Circle K Sunkus stores in Japan to FamilyMarts. The brand is known for its brand collaborations and limited-edition styles, and among convenience stores is the exclusive seller of brands such as Muji and Media. In Japan, FamilyMart recently launched its first vegetarian version of the donburi rice dish, called the Vegiberg-don, in light of growing numbers of consumers going meat-free.

FamilyMart has also developed low-priced meals for children, a new gym concept, and has partnered with Panasonic to use AI and automation to alleviate efficiency problems caused by labor shortages. More recent moves include the unveiling of a vending machine-based store in Thailand, launched in response to the COVID-19 outbreak, and a delivery service in Taiwan achieved through a partnership with food delivery platform Foodpanda.

WPP COMPANY EXPERT INSIGHTS

TODAY'S LUXURY COMES IN RENTAL, RESALE, AND NEW

Before the global financial crash, people talked about style tribes, which were more exclusive. Now, because of social media, people think in terms of style communities, which are more inclusive and intersectional. People can move around based on their values, their moods—and are more open to trying different brands, different philosophies. New operations like The Real Real and Rent The Runway are thriving because today's customer often is comfortable with rental, resale, and new. That's a different behavior. This not a customer who is looking for something cheap; it is a person who will pay full price for an exclusive Gucci loafer, but buy vintage Valentino, and happily rent Prabal Gurung on subscription.

VMLY&R

STEPHANIE RICKARDS
Strategy Director
VMLY&R
Stephanie.Rickards@yr.com

LUXURY BRAND RELATIONSHIPS ARE OPEN TO ALL

Enabled by social media, your product may not be for everyone, but your brand may be. Everyone can have a relationship with a brand on Facebook or Instagram without owning one item from the brand. To reach people who can own luxury products, it is important for brands to resolve any disconnect between what the brand believes its stands for and how people experience the brand online. That requires moving the high-touch experience from instore to online, making it easy to get help, check out, and return merchandise.

KANTAR

WHITNEY KRAUSE JAMES
Partner, Analytics Practice
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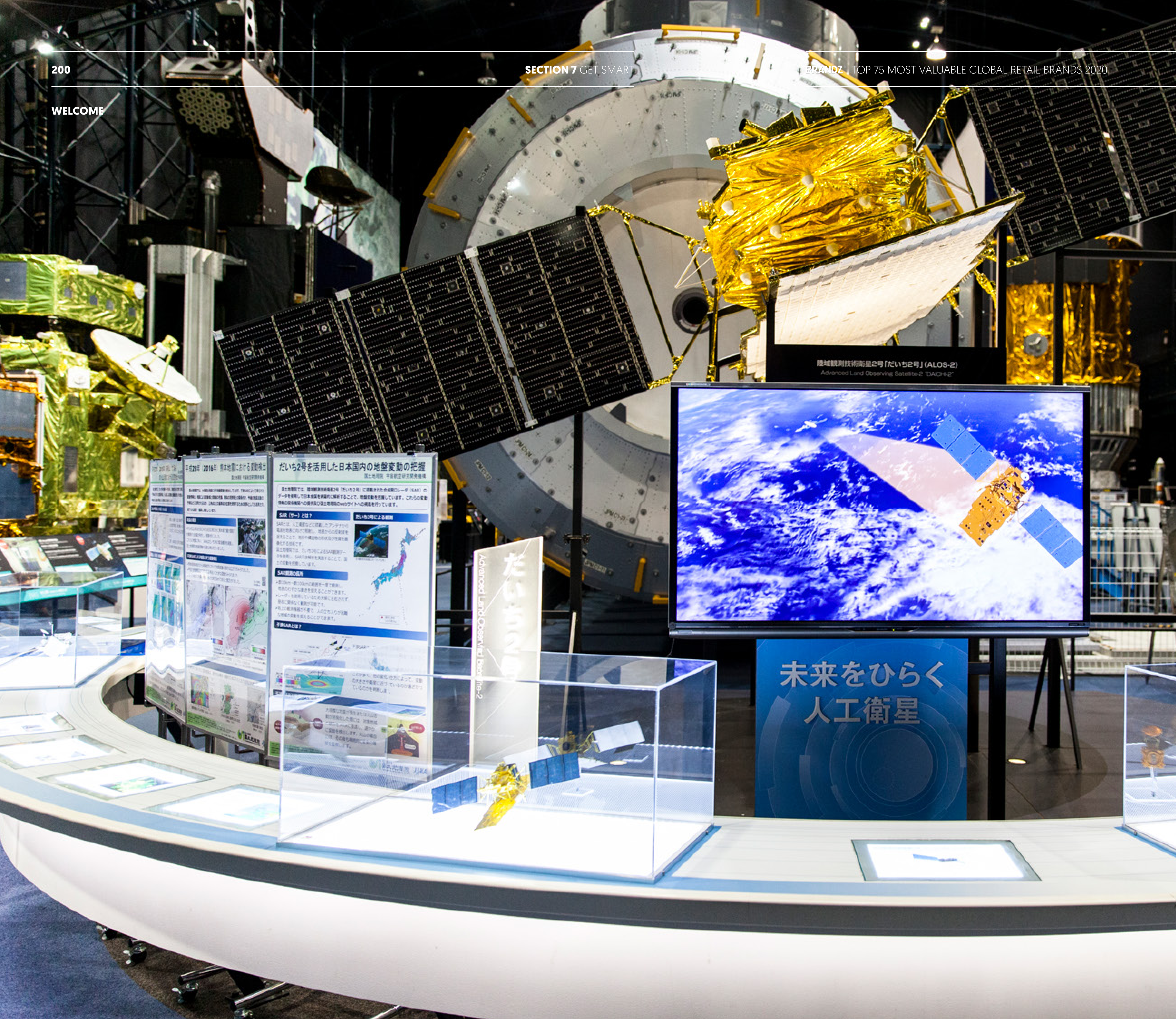
SECTION 7
GET SMART

HOW NEXT GEN SCREENS
WILL POWER CONNECTED
LIVES AND FUTURE CITIES

WELCOME



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Retail, Banking, Hospitality, and
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WELCOME

Welcome to what we hope will be both an exciting window on the future, and a tool in the strategic armory of your business.

A convergence of technological advances is taking place at the same time as everything about the urban landscape as we know it is being reimagined and reshaped.

As cities and citizens become ever-more digitally connected, fresh and exciting opportunities are emerging for businesses to get closer to consumers, providing the services, structures, information and entertainment they demand.

We see smart digital screens being at the core of this new interface between people, places, products and experiences. Spaces that for decades we thought of simply as sites for static advertisements – something to distract people from what they're doing – can now become exciting, innovative urban touchpoints.

Sensors, cameras, 5G connectivity, Artificial Intelligence and faster, cheaper processing power mean we must rethink what a "screen" is. Screens will be things to interact with, both publicly, on the big screen, and privately, via connections to people's mobile phones. There will be seamless interaction between these public and personal screens; data will be able to flow between them as consumers wish, enabling deeper connections and more convenient commerce.

The emergence of smart screens in smart, connected cities will mean at least as big a transformation as the advent of the mobile phone.

If this sounds like a bold claim, think how different the world was just 10 years ago. True technophiles had the first iPhones, but most tech-savvy businesspeople were still sending Blackberry messages.

Now imagine that pace of change, but in fast-forward, and throw into the mix lightning-fast connectivity and Artificial Intelligence. The change can we expect in the next 10 years promises to be spectacular.

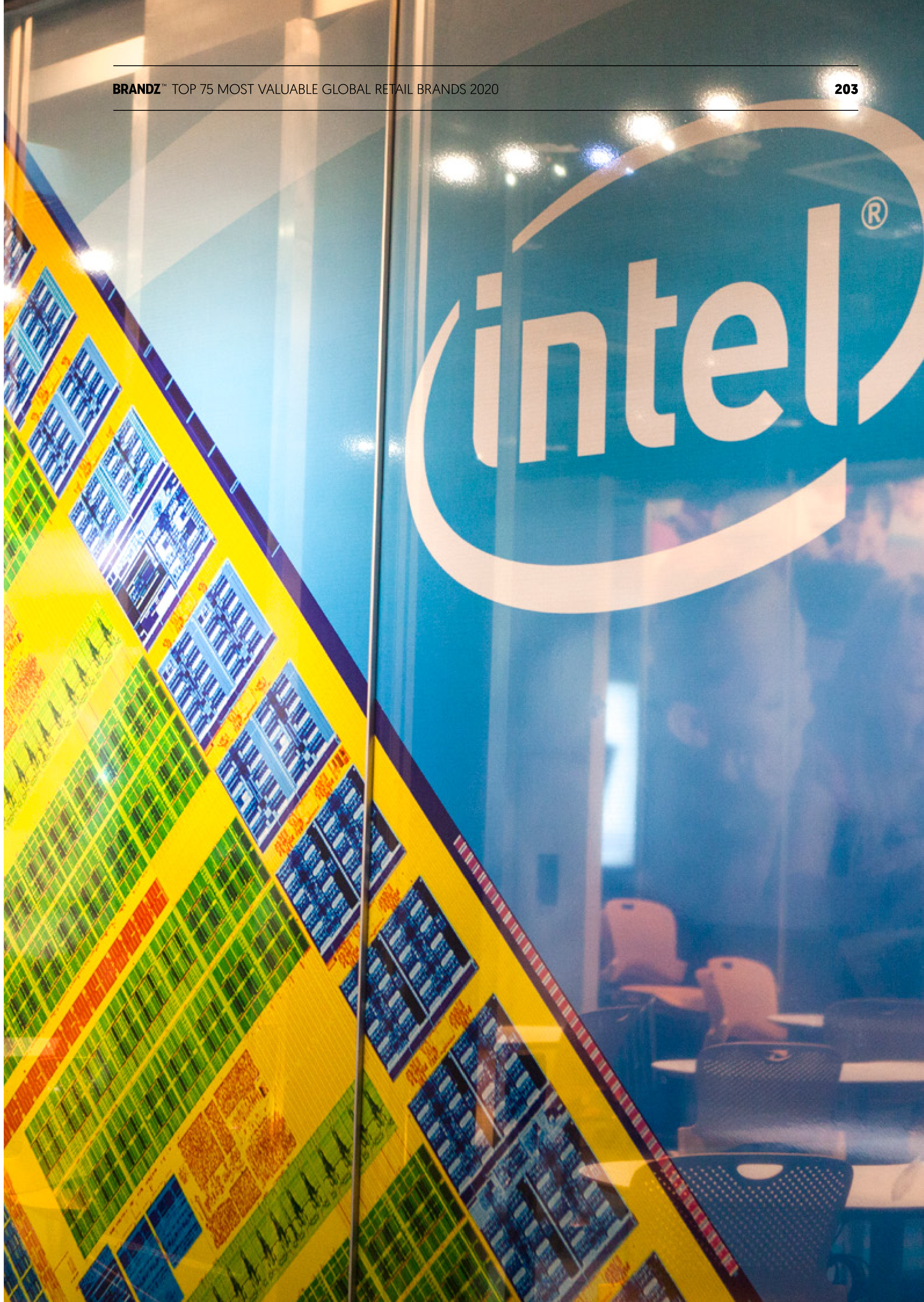
While the distant future is far from certain, we use a focus on the middle distance to see where we're likely to be heading, in order for businesses to be able to make strategic decisions about how and where to invest – and how not to get left behind.

WPP and Intel have a good track record for getting things like this right. Back in 2014, we painted a picture of a "Second Era of Digital Retail", looking at how wearables, smart shelves, drones and robots would change the way people browse and shop. Many of our predictions have since become reality.

If screen technology is even part of the way your business works, it's essential that the investments you make now ensure you have the capacity you're going to need a decade or less from now.

The future is in our hands, and we offer this publication to you as a guide, both to the direction in which we're all travelling, and where, with the right decisions, we could soon find ourselves. Join us on this exciting journey!

> *"The pace of change has never been this fast, yet it will never be this slow again."*
>
> Justin Trudeau, Prime Minister of Canada



WHAT'S THE VISION?

To look at the future of screens in isolation would be to miss the point about how the world is going to change.

Urbanization is taking place at an unprecedented rate, and is compelling cities to completely rethink how they equip themselves for the future. Around half of the world's population currently lives in densely populated areas, and that figure is expected to reach 68 percent by 2050.

There is a growing chorus of voices, from city authorities and citizens, scientists and technocrats, who believe that digitally connected "smart" cities have the potential to offer both economic growth and a healthier, better way of living.

But what has all this got to do with screens, you might reasonably be wondering? And what is a "screen" anyway?

We're using the term "screen" because this is the word ordinary people use to mean everything from digital billboards to screens in taxis.

In the media industry, we tend to talk about Digital Out of Home (DOOH), used as a vehicle for advertising. When we say "screens" in this report, we mean the same thing.

But we're convinced that, just as a mobile "phone" is today so much more than what we used to think of as a phone, "screens" will be vastly different to what we now think of as a screen.

There are two key ways that these new screens can be part of smart cities.

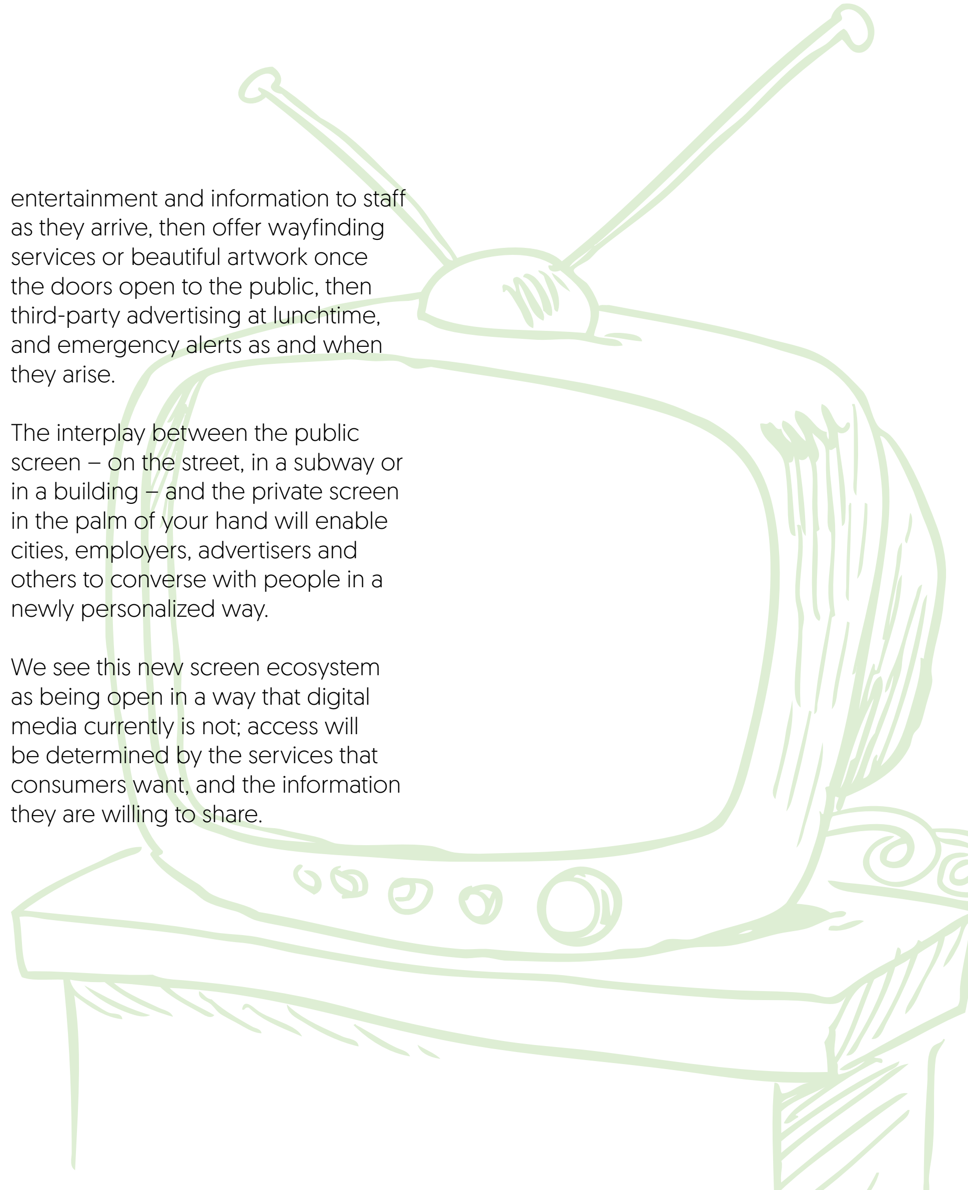
First and simplest is by funding the kind of systems that city authorities want to introduce – but just don't have the money to buy. Screens can provide a revenue stream for media owners, who pay cities for the right to install and run them.

The second way is by providing useful or entertaining content that's relevant to the people near them. In this way, they have the potential to be an integral part of the transformation in the way we work, live, shop and get around.

Imagine how different the coronavirus outbreak might have been if we were all living in smart cities, where office buildings could check people's temperature before they entered to help with early diagnosis. It would even be possible for algorithms to tell an individual whether it's safe to go to work today – based on their route to the office and who else is there.

In a smart city of the future, people will travel in new and different ways – driverless taxis and buses, perhaps.

> *Millennials and Gen Z are not as fixated on having things as they are on doing things. That plays into the strengths of out of home.*
>
> Dan Hight, Founder, DH Advisors



Screens inside these vehicles can provide on-the-go entertainment supported by advertising. Vehicles could become mobile teleconferencing centers, funded either by the user or by commercial messaging.

And rather than have consumers travel to all the places they traditionally go to for services – like getting a haircut, buying milk or seeing a movie – what if they could summon a mobile service, equipped with screens inside, offering the same thing?

Smart cities will be a platform for entirely new business models to develop.

Screens can be digital concierges that switch their function at different times of the day and as circumstances change. An office block might want screens in its foyer to provide entertainment and information to staff as they arrive, then offer wayfinding services or beautiful artwork once the doors open to the public, then third-party advertising at lunchtime, and emergency alerts as and when they arise.

The interplay between the public screen – on the street, in a subway or in a building – and the private screen in the palm of your hand will enable cities, employers, advertisers and others to converse with people in a newly personalized way.

We see this new screen ecosystem as being open in a way that digital media currently is not; access will be determined by the services that consumers want, and the information they are willing to share.

HOW WILL IT HAPPEN?

The digital world is becoming increasingly connected with the physical world. That's not new.

What's really new is that a bunch of game-changing technologies are all becoming more mature, and in the next decade, they collectively will create stronger and more intimate connections between the physical and digital worlds.

As "The Bald Futurist" Steve Brown says, that means industries not yet reshaped by digital will be increasingly automated and transformed by technology.

"Longer term, be thinking about the fact that your displays might start to become virtual. And if AR takes off, as I think it will, it will be like when the very first smartphones came out. People were like 'yeah, we'll see how that goes', and suddenly this is the primary device – the remote control of modern life. This eventually will take over from the cellphone. The phone will still be there the same way the PC is still there, but this will be the new world you'll be faced with five to 10 years from now, it's going to disrupt the industry."

Steve Brown, The Bald Futurist

WHAT'S NEW?

- **5G**
  5G is up to 100 times faster than 4G, as well as more reliable and with almost no pause between an instruction being given and the requested action happening. Screens can be powered by 5G and they can share it, with brands sponsoring free connectivity and content.
- **Autonomous Machines**
  Changes to mobility will be a big part of what makes cities smart; more people will see transport as a service they can access on demand rather than as a product they buy and own. Self-driving vehicles will free up drivers to become passengers, allowing them to be entertained or informed in a more immersive way as they travel.
- **Internet of Things**
  The integration of the Internet of Things into screens, buildings and vehicles will allow the digital world to understand the physical world. Temperature sensors, cameras, microphones, accelerometers and the like can all be integrated into screens.
- **Artificial Intelligence**
  It will take Artificial Intelligence to make sense of the data generated by all those sensors, and to identify insights that humans can't see on their own.
- **Augmented Reality**
  Augmented reality blends digital content with physical reality. This technology will allow information to be superimposed over buildings as people pass.
- **Blockchain**
  The technology that was originally created to support cryptocurrencies has some broader benefits in the smart city. When linked with screens, this can offer brands new ways to not only provide information, but also tell compelling stories that explain where a product came from and what it took to make it.
- **New Commerce**
  In smart cities, screens will allow people to shop with a tap or perhaps even a nod or a wink at a public screen.
- **Edge Computing**
  The use of servers that are close to the location of a digital task being carried out, rather than centralized servers or the cloud, shrinks lag times to almost zero, allowing automation of many services.

The industry is consolidating and there is not such a long tail of ownership as there used to be. That plays into how advertisers like to buy. The challenge (for brands) in reaching consumers on the go was traditionally a lack of standards, hardware and connections. All three of these things are being solved at the same time. It's like the perfect storm.

Dan Hight, Founder, DH Advisors

My belief is that the screen is irrelevant to the smart city. It's a subset of what's more important, and that's the devices, the sensors, the other bits. A smart city will be smart because it's got lots of sensors. The screens might be the way to pay for it. If you want to fund it, you might want advertisers.

James Brenner, Managing Director, Esprit Digital

PLANNING FOR TOMORROW, TODAY

What we now call digital screens will become truly smart. They'll have to be equipped to handle more data from more sources, and in a shorter time. We will still talk about "screens", but they will be so much more than a screen, in the same way as a mobile phone is less about the "phone" element than everything else it can do.

Being able to carry out complex tasks simultaneously, rather than one at a time, as now, is going to take far higher processing power than is needed today – and some long-term planning on the part of businesses that aim to make screens a part of their future.

Smart screens are not cheap, but that doesn't make them a cost center. The ability of smart screens to provide more efficient advertising – and to generate rich streams of valuable data – means that they can also generate new streams of revenue.

Because of the costs involved, screen technology is usually a 10-year investment. We see huge change happening within even the next five years, so it's vital that businesses plan now in order to be ready to seize future revenue opportunities.

The creators of electric cars could take on the role currently played by out-of-home media owners, providing signage for sale both inside and outside vehicles, complete with sensors capturing data that will also be for sale. The developers of other infrastructure, from bridges to rubbish bins, could adopt a similar role – offering a public benefit in return for the right to build a relationship with consumers.

A KEY QUESTION TO CONSIDER:

- **How does living in a 5G, AI world change the game for your industry – and businesses in adjacent sectors?**

WINNERS ALL ROUND – WHO STANDS TO GAIN FROM NEXT-GEN SCREENS?

Ultimately, consumers will be – indeed, must be – the big winners in all of this. If the possibilities of smart screens are to benefit other stakeholders, they must first focus on how they improve people's lives.

New approaches need to find a sweet spot where an unmet (and possibly so-far unidentified) consumer need is met – resolved in a technologically advanced but unobtrusive way.

A KEY QUESTION TO CONSIDER:

What would you do for consumers if it was technically possible? How might smart screens help you make that wish a reality?

BRANDS

For brands seeking not just to be noticed by consumers, but to actually engage them, smart screens will provide a considerable range of new opportunities. The original one-to-many communications channel will give brands a greater creative canvas than they have ever been able to access before. Even more importantly, this creative opportunity comes along with the attribution and accountability that means the effect of every penny invested is measurable.

"For the advertiser, there will be more relevant advertising, better targeted advertising, and more efficient advertising. And they have a new opportunity – to paint more creative ads on an entirely new canvas."

Barry Frey, President, Digital Place Based Advertising Association (DPAA)

- **Reach**
  Smart screens offer the ability to show video-based content in wholly new locations; in supermarket shopping carts, on shelves, and on ceilings and floors in places like leisure centers.
- **Agility**
  Smart screens allow advertisers to change content in real time in response to things like the weather, local events and even the type of people nearby (more on that later).
- **Targeting**
  Brands can link screen locations with the location and habits of individuals – as determined by their phone activity – to serve up more relevant messages than ever.
- **Testing**
  Smart screens allow brands to do A-B testing of different ads in out-of-home settings, measuring how long people stop, where they look, whether they smile, and whether they then visit a nearby store.
- **Research**
  By using anonymized data, sensors and cameras in screens can provide amazing insight into where people hang out and when; what they are eating and drinking; what people wear in different parts of town; and which brands and colours are "of the moment".
- **Interactivity**
  A consumer who interacts with advertising on a screen could be rewarded with a digital discount via their phone.
- **The tide is turning**
  The possibilities for brands offered by the next generation of screens are already starting to reshape many brands' advertising budgets. Last year saw the biggest global adspend on OOH since 1999, and digital screens already account for $16 billion in annual spending – a figure predicted to more than double within five years.

> *Lots of marketers have focused just on the data, but combining what we do on the data side with real-time signals, with creative, makes for a great consumer experience and that's very, very effective.*

James Brenner, Managing Director, Esprit Digital

GET WITH THE PROGRAM

Out-of-home media ownership has always been a highly fragmented business; the company that owns the bus shelters isn't necessarily the one that has the taxi tops, the metro station walls or the roadside signage. Until all these options are offered as a package, then out-of-home will struggle to reach its full potential.

The industry recognizes this challenge, and through consolidation and the rise of digital buying and selling platforms, it is starting to make the offering far more accessible. When inventory is available in a similar way to TV airtime and online ad space, brands and their agencies can simply pick and choose the spaces and sites that work best for them.

BRINGING THEORY TO LIFE

Smart screens are far more efficient than "dumb screens" because they allow targeting of the right consumer at the right time. They also enable brands to draw on a new generation of image quality and use sensors, cameras and connectivity to deliver something that can – with the right creative – entertain, inform and inspire.

Some of the best work we've seen so far includes a campaign by Spanish optometrist chain Federópticos, using smart screens fitted with distance sensors to determine which passers-by needed their eyes testing, and directing them to a branch.

Several brands are changing on-screen content as nearby environmental conditions change. In Mexico City, Pacífico beer offered discounts at beachside bars when wave heights made surfing unsafe.

And smart screens promoting Renault in Bucharest dropped the price of a new electric Renault as air pollution levels rose. Passers-by could follow a link using their mobile to claim the price they saw displayed.

> *A more connected ecosystem could allow advertisers to be more thoughtful in how they message consumers; you don't have to beat them over the head with one medium or try and consume all of their attention through one outlet.*

Dan Silver, Vice-President of Marketing, GroundTruth

RETAILERS

The way people shop has already changed profoundly as a result of digitization, but more is to come. The best aspects of physical shopping will be amplified: the fun, social aspect of it, linked with dining and entertainment. Physical shopping will increasingly become augmented by digital, and that's where smart screens come in.

- **Driving footfall**
  Smart screens can be used in creative ways to entice people to enter a store and even to buy specific items – and their effectiveness tracked to measure ROI.

- **Way finding**
  Smart screens can help direct shoppers in a very human way to the products and services they're looking for.

- **Targeting**
  Screens in public places can be used to bring existing shoppers – or at least browsers – back into stores, reminding people of current stock or offering special deals.

- **Adding services, boosting sales**
  Radio frequency ID (RFID) tags on items of clothing can be linked to smart screens in changing rooms, so if you pick up a shirt, a screen can suggest matching trousers in your size. Movement-activated screens at shelves can give supply chain or product care information, and retailers can link smart screens with real-time inventory; if the red boots aren't selling, a discount can be launched.

  Some stores are already using smart mirrors – essentially smart screens – to enable people to "try on" items in changing rooms without having to actually put on the physical product. And, of course, there'll be the ability to buy directly via the screen.

- **New opportunities**
  The ability to deploy bigger, better and smarter screens means retailers and malls can think about new services, monetized by the use of smart screens and advertising. A bag-carrying robot that takes your shopping to your car, for instance, could be funded via sponsorship.

- **Mobile commerce – but not as you imagine**
  This is where stores come to people, not the other way around. Already, smart Mobymart stores are operating around Shanghai.

- **Would you like personalization with that?**
  McDonald's has acquired a digital personalization business, Israeli startup Dynamic Yield, to create screen-based menus for its drive-through services that can be tailored to things like the weather, current restaurant traffic, and trending menu items.

- **Smart solutions for social good**
  Location targeting was used to help restaurant chains support the No Kid Hungry program in the US, which provides needy children with meals. Mobile phones that had visited participating restaurants' branches in the past 90 days were served with an ad when the phone was next near a branch, requesting a donation in return for a discount. Four restaurant chains in the project generated 129,000 extra visits to branches and raised over $1 million for No Kid Hungry.

> *If we can better serve not only the business but also the consumer, then we can provide a more valuable experience at a local level which is really relevant.*
>
> Dan Silver, Vice-President of Marketing, GroundTruth

MEDIA OWNERS

WPP media agency Xaxis predicts that digital out-of-home media will generate over $34 billion in revenue in 2025 – that's 250 percent more than 2016 earnings. It will achieve this is three ways: digitization of screens, automation of the buying process, and attracting new clients as a result of better measurement.

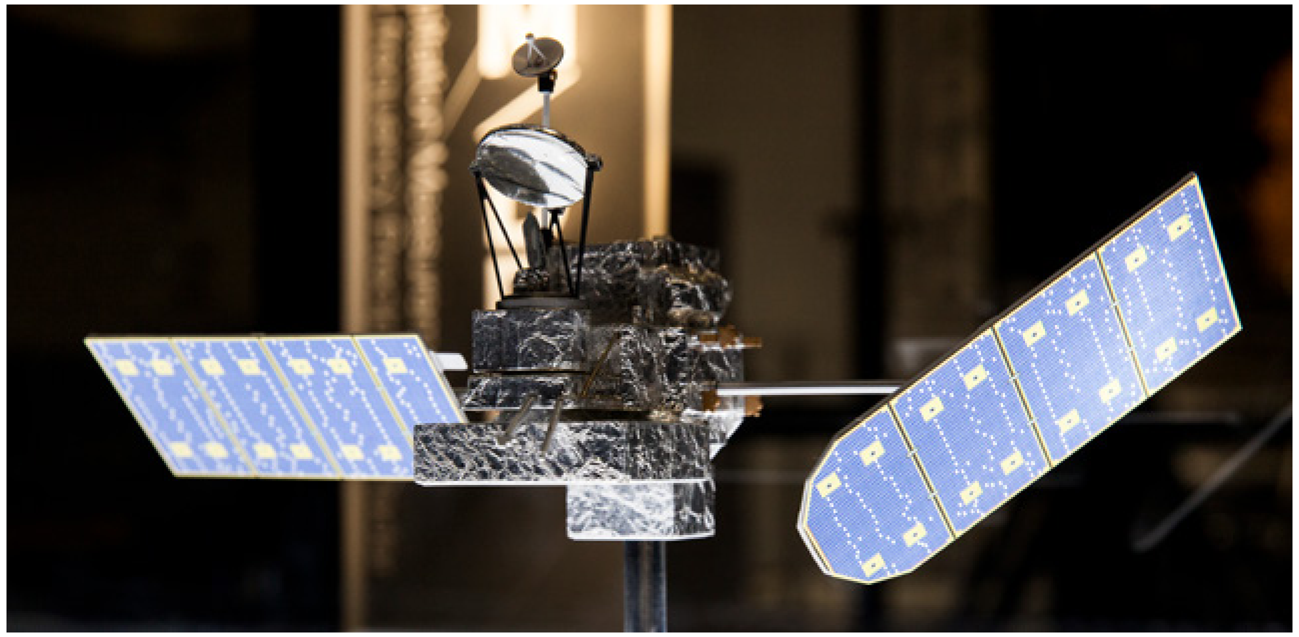
Yet even this bold prediction could understate the enormous potential for media owners, because it is based on screens doing essentially what they do now – just doing it better. The other big opportunity is to tap into new revenue streams. As part of smart city infrastructure, media owners will be able to offer new services to brands – they can be market research tools for brands, providers of entertainment and information services to consumers, as well as providers of public services, such as by sharing real-time weather or security alerts.

> I think it's one of the most massive opportunities in the media and technology landscape – how we transform the physical world. The media industry is now worth $240 billion in the US. The real estate industry is trillions of dollars. There will be lots of winners.
>
> Dan Hight, Founder, DH Advisors

LESSONS FROM ONLINE

Think about the boom in the use of online advertising: when the cost of hardware came down and processing power went up, connectivity was suddenly everywhere, and advertisers were attracted by the allure of being able to reach so many eyeballs. But what happened in parallel was that it became easy to buy new media, thanks to industry-wide standards on advertising formats, publishers working through software systems to make their inventory available and, crucially, real-time measurement providing proof of performance. GroupM data shows that online media is now over one-third of total media spend.

> I see the OOH industry reaching the beginnings of an exponential revenue scalability curve. Don't look too far for benchmarks, just focus on the internet, PC, and mobile ad industries. For OOH, the pieces of the puzzle are finally coming together.
>
> Rodolfo Saccoman, CEO/Co-Founder, AdMobilize



PROVING VALUE, JUSTIFYING SPEND

Sales of OOH media have traditionally been based on the exposure a site claims it can achieve.

Smart screens can track how many people actually passed by a site, the busiest times and, using crowd analytics, determine what proportion were men versus women, their average age and even their mood, based on facial expressions. They can already do this with over 95 percent accuracy, and in a way that protects individuals' privacy. People are analyzed but not recognized.

A BIGGER SLICE OF THE PIE

By forming relationships with others in the advertising ecosystem, OOH media owners stand to gain even more from the digitization of screen technology.

If they consider a mobile phone screen as a complementary out-of-home screen, then coordinated content can be used to great effect.

And if media owners are willing to share the information generated by their smart screens, allowing brands and agencies to buy space programmatically, bundled according to the results they want rather than the sites owned by a particular media owner, they stand to liberate the entire sector.

The DPAA (Digital Place-Based Advertising Association) has been promoting the concept of "frenemies" among its members – the idea that by cooperating with businesses that have traditionally been rivals, they can all benefit.

> *For the media owners, probably one of the most important aspects of this is that before, they were working largely in out-of-home budgets. Now they're able to generate revenue from video, from digital budgets, from TV budgets, from mobile budgets as well as location ad budgets.*
>
> Barry Frey, President, Digital Place Based Advertising Association (DPAA)

ANOTHER REASON TO RIDE THIS WAVE

Just as cheaper and more technologically capable screens are a boon for existing media owners, they also lower the barriers to entry for other businesses that might want a share of the action. Newcomers to the industry will spring up, and established businesses from other sectors will start to move into this newly attractive arena.

The lesson here is: if you can't provide the next-gen services that your partners need, someone else will step in.

But this disruption goes two ways.

Just as entrepreneurs from outside the existing DOOH industry can become media owners, those within the current DOOH sector can look for new opportunities beyond traditional boundaries.

One shining example of screens being used in non-traditional ways is at the San Francisco Museum of Modern Art (SFMOMA), where a massive LED display serves as a state-of-the-art canvas for a celebration of the city's diverse population, by installation artist JR.

CITY MANAGERS AND PUBLIC AUTHORITIES

Smart cities, in essence, make life easier, safer and more enjoyable for residents and visitors. They have the potential to be healthier places to live, as more efficient transport systems promise to reduce pollution and create community spaces in place of areas currently used for driving and parking.

Smart cities can reduce the amount of energy they use and they can allocate resources based on actual need. Rubbish collection can be triggered when trash cans are full, and emergencies can be responded to more quickly.

Smart signage can help residents and tourists with directions augmented with useful and entertaining content. Ask the way to a nearby art gallery, and get directions as well as an e-voucher for lunch, and reviews of the current visiting collection.

When there is an urgent need to share information – about an imminent blizzard or a security alert – networks of smart screens can be deployed at a moment's notice.

Smart city technology requires big investment, and city authorities can work with media owners and other organizations to use smart screens as a funding program. Great public services can be indirectly paid for via advertising revenue, in a fresh approach to city taxation that benefits customers.

TICKET TO RIDE?

The US-born business Freebee operates vehicles that take passengers short distances within the heart of the city. Taking people from A to B is only one aspect of Freebee's function; they are essentially mobile billboards, so advertising funds a portion of the cost of the service. The city pays for the rest, and the cost to passengers is zero. Some routes are entirely advertiser-funded

> *"Cities must spearhead efforts to put technology and data at the service of the citizens in order to tackle big social and environmental challenges, such as feminism, affordable housing, climate change and the energy transition. We are committed to being part of this global endeavor to build a digital society that puts citizens first and preserves their fundamental rights."*

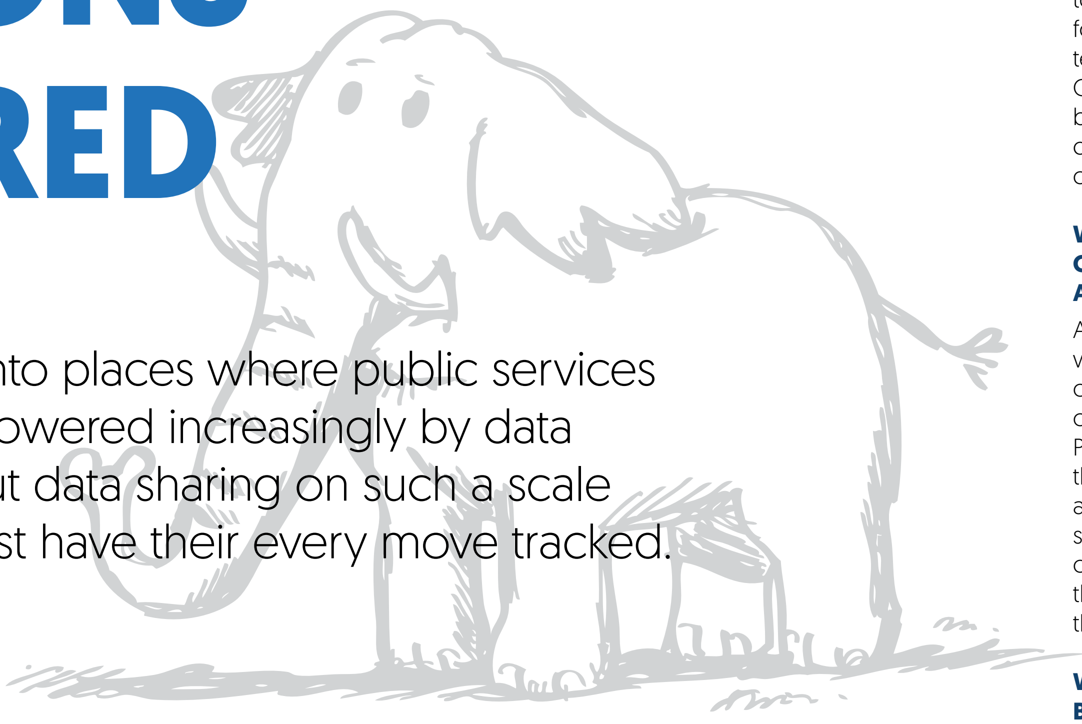
Ada Colau, Mayor of Barcelona

KEY QUESTIONS TO CONSIDER:

- **What new revenues and partnerships can you create by offering new services and demonstrating valuable returns to your partners?**
- **Where is consolidation taking place and how can you use that to your advantage?**

THE ELEPHANT IN THE ROOM – YOUR PRIVACY QUESTIONS ANSWERED

The transformation of cities into places where public services and private businesses are powered increasingly by data is not without controversy. But data sharing on such a scale doesn't mean individuals must have their every move tracked.



Here is a quick-fire Q&A addressing some of the biggest privacy issues as they relate to smart screens and smart cities.

ISN'T THIS LIKE BIG BROTHER – ALWAYS WATCHING?

Smart screens can do all the clever things we've been talking about without capturing personally identifiable information, or PII. They generate a lot of information about "what" is going on, but can steer clear of the "who".

LOTS OF TECHNOLOGY IN CHINA IS USED TO TRACK INDIVIDUALS. WHY WOULD IT BE DIFFERENT ANYWHERE ELSE?

Most leaps in technology throw up ethical dilemmas. What's important is that there is a robust public debate about how technology is used for the greater good, and that this is done regularly, as technology and people's priorities evolve.

It is important we maximize the benefit and minimize the risk of smart city technology so all of society can benefit, not the few.

Børge Brende, President of the World Economic Forum

WHO'S ENSURING THAT THE PUBLIC IS PROTECTED?

It's in everyone's interests to ensure that businesses and governments are transparent about what's being collected, why, and how consumers benefit. But just to make sure, a new global organization has been formed to universal norms and guidelines for implementation of smart city technology. The G20 Global Smart Cities Alliance was formed in mid-2019 by the World Economic Forum, in collaboration with Japan's presidency of the G20.

WHAT ABOUT GDPR AND THE CALIFORNIAN CONSUMER PRIVACY ACT?

Anonymization of any data collected would keep the operators and users of smart screens on the right side of GDPR. The California Consumer Privacy Act is an opt-out rule rather than opt-in, which means consumers are assumed to be consenting to sharing their information unless they object. In both cases, it's important that businesses know their partners in the supply chain are compliant.

WON'T THERE BE A CONSUMER BACKLASH?

The out-of-home industry can learn from the lessons provided by the development of online advertising when it comes to getting the balance right on data collection and the provision of services. Consumers are likely to agree to share their information if they feel they're getting something equally valuable in return – and there's absolute clarity about how data is collected and protected.

We're 100% against recognition, which means that none of our engineering pipelines, none of our machinery, is capable of recognition. It's anonymous computer vision. This is very different to what, say, security companies might be doing with recognition, and this distinction is very important.

Rodolfo Saccoman, CEO/Co-Founder, AdMobilize

Putting aside the statutes and regulations, I always try to condition clients on it being a social contract. Nobody likes to be taken advantage of, and nobody likes what we can call that 'creepiness factor'. That makes how you approach privacy a little bit more digestible.

In the old days of media we always said there's got to be a quid pro quo, where the consumer would be willing to give something up in return for something. When it comes to digital out of home and smart cities, that theme has carried through. The deal just has to be good enough.

Ronald Camhi, Michelman & Robinson, LLP

KEY QUESTIONS TO CONSIDER:

- How do you balance what's technically possible with what's right or desirable?
- What are the new challenges of protecting customers' data?

8 KEY TAKEAWAYS

1

LOOK FURTHER THAN YOU CAN SEE.

The future always changes faster that we imagine it will. Smart technology might seem niche for now, but the gap between niche and mainstream is likely to be small.

2

THINK BIGGER THAN YOUR BUSINESS CATEGORY.

Smart screens and sensors enable media owners, brands and retailers to become transport providers, market researchers and even crimefighters. The connected world is your business opportunity.

3

CHEAP ISN'T GOOD VALUE.

Opting for base-level, low-cost screen technology that does what you need it to right now is potentially a costly decision.

4

FOCUS ON CONSUMER BENEFITS,

and the privacy concerns (almost) take care of themselves. Being on the right side of the law is essential, of course, but so is being on the right side of individuals.

5

USE YOUR IMAGINATION.

Technology and data will make smart cities work, but it's human creativity that will bring them to life.

6

KEEP YOUR DOOR OPEN.

Smart screens in isolation will be smart in name only. True smartness comes from the links between public and private data sets, infrastructure and systems.

7

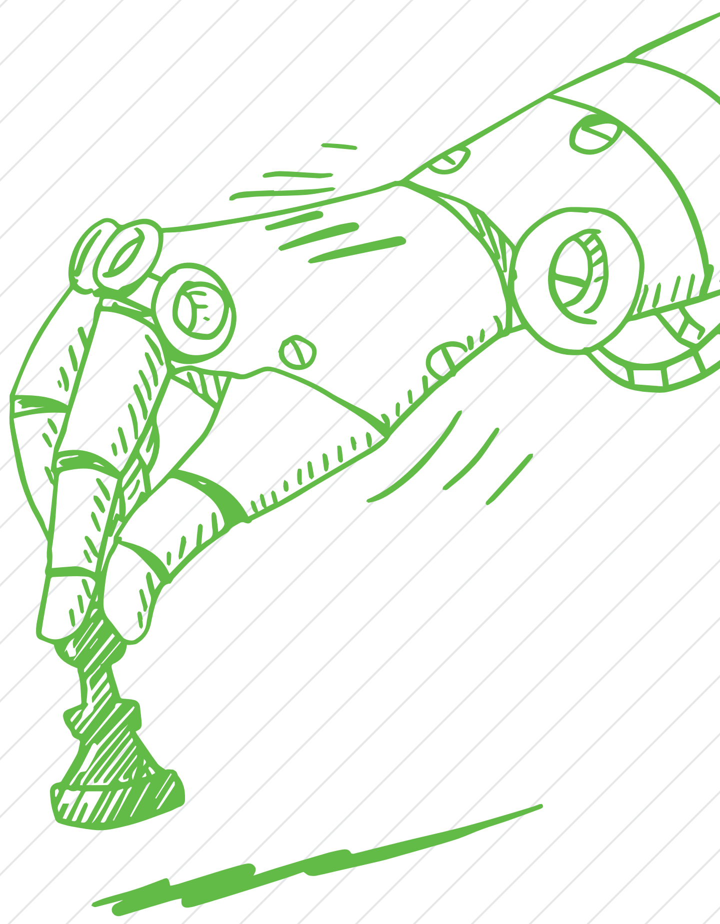
WATCH THIS SPACE.

The screen has the potential to become the trading floor of the smart city – the way services of value to consumers are created and disseminated, and the way they're funded. It's still early days for programmatic buying and the ability to buy out-of-home media as simply as it is to buy TV or online space, but be sure – it's coming.

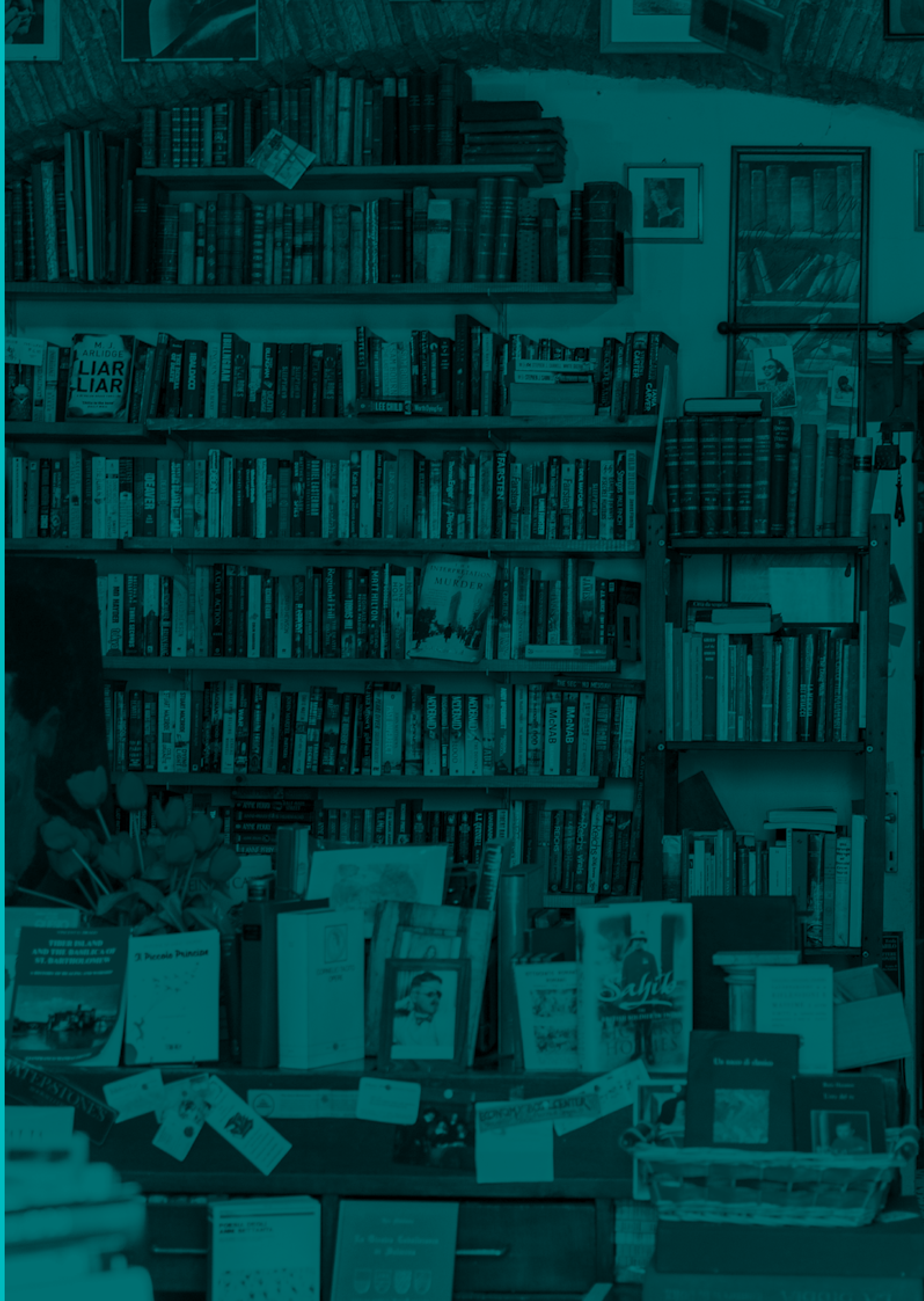
8

BE THERE OR SOMEONE ELSE WILL.

The services that smart cities can offer with smart screens can be provided by a whole range of companies that are primarily in the business of doing something else right now, like selling groceries or running a search engine. The value of the service is what will mark out the winners.



SECTION 8
RESOURCES



WE'RE HERE TO HELP

Understanding what's necessary and what's possible in this climate requires the kind of extensive global knowledge across sectors, markets and communications disciplines that WPP offers.

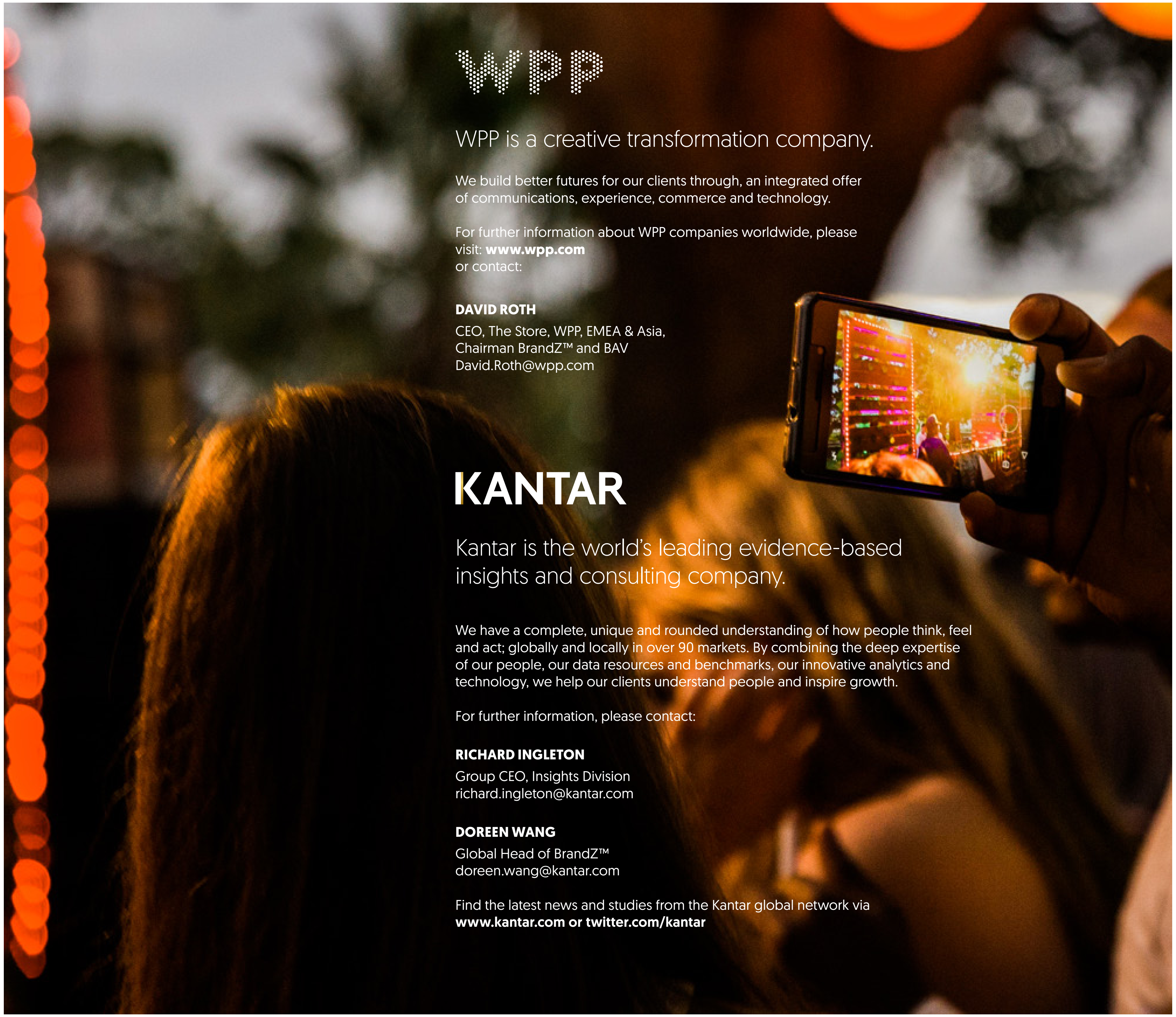
We have offices in 112 countries and a retail practice across our operating companies that extends from insight to activation. Our expertise includes research, advertising, marketing, digital, communications planning and media, PR, shopper marketing and retail.

This report draws on that expertise. Kantar provided the valuations based on the WPP's proprietary BrandZ™ research, the world's largest and most comprehensive brand equity tool. Over 3 million consumers and B2B customers across 51 countries have shared their opinions about thousands of brands.

Kantar has interpreted key retail brand developments and, in this report, has provided insights into competitive advantages and challenges. WPP companies from around the world have added their commentary to the report.

I invite you to contact me directly with any questions, or to learn more about how WPP can help you better compete in the fast-changing world of retailing and shopper marketing.

David Roth
CEO, The Store WPP, EMEA & Asia,
Chairman, BrandZ™ and BAV Group



WPP

WPP is a creative transformation company.

We build better futures for our clients through, an integrated offer of communications, experience, commerce and technology.

For further information about WPP companies worldwide, please visit: **www.wpp.com**
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KANTAR

Kantar is the world's leading evidence-based insights and consulting company.

We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks, our innovative analytics and technology, we help our clients understand people and inspire growth.

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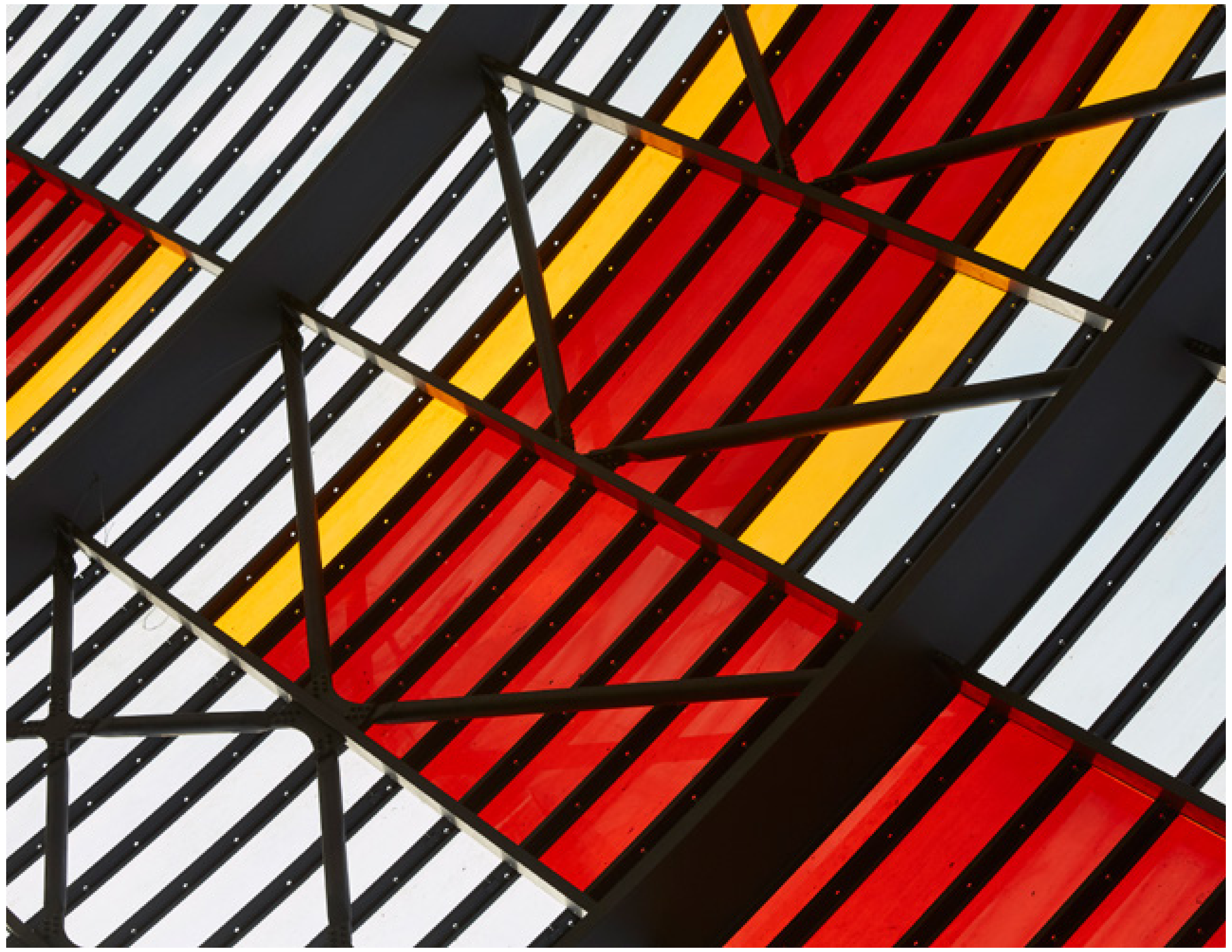
BRANDZ™ BRAND VALUATION METHODOLOGY



Introduction

A BrandZ™ ranking of brand valuations lists the brands making the largest absolute $ contribution to the total value of their respective parent companies, considering both current and projected performance.

This is the true value of brand building and we want to isolate and reward the brands making the largest contributions to the success of their parent companies.

A company may have huge overall business value but the absolute $ contribution made by the relevant brand(s) that the company owns may not be a comparatively large figure – at least not a large enough figure to qualify for the given BrandZ™ ranking of brand values.

The brands that appear in this report are the most valuable brands in the world. They were selected for inclusion in the BrandZ™ Top 75 Most Valuable Global Retail Brands 2020 based on the unique and objective BrandZ™ brand valuation methodology that combines extensive and on-going consumer insights with rigorous financial analysis.

The BrandZ™ valuation methodology can be uniquely distinguished from its competitors by the way we use consumer viewpoints to assess brand equity, as we strongly believe that how consumers perceive and feel about a brand determines its success and failure. We conduct worldwide, on-going, in-depth quantitative consumer research, and build up a global picture of brands on a category-by-category and market-by-market basis.

Globally, our research covers over 3.7 million consumer interviews and more than 165,000 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 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™.

The Valuation Process

BrandZ™ valuations isolate the value generated by the strength of the brand alone in the minds of consumers i.e. with all other elements removed.

To achieve this, we calculate and combine two important elements: Financial Value and Brand Contribution

- **Financial Value –** the proportion of the total $ value of the parent company that can be attributed to the brand in question, considering both current and projected performance.
- **Brand Contribution –** quantifies the proportion of this Financial Value that is directly driven by a brand's equity. i.e. the ability of the brand to deliver value to the company by predisposing consumers to choose the brand over others or pay more for it, based purely on perceptions.

Note: this does not include the proportion of consumers who choose the brand for reasons other than this predisposition e.g. those attracted by price promotions, a particularly prominent display etc. Such purchases are not due to the brand's equity and so are removed as part of the process.

PART 1 – CALCULATING FINANCIAL VALUE

Calculating Financial Value is a three-step process:

Step 1
We begin with the brand's parent company, which generates earnings from:

- **Tangible assets –** (assets with a physical form, which include fixed assets - e.g. buildings, machinery, land & current assets e.g. cash and inventory)
- **Intangible assets** (such as patents, trademarks and brands)

Example - 'Volkswagen AG' is a parent company that generates earnings from tangible assets like its manufacturing plants and equipment, as well as its intangible assets - the brand names under which the cars are sold – Volkswagen, Audi, SEAT etc.

To determine the proportion of earnings directly derived from the company's intangible assets we begin with Corporate Earnings - sourced from Bloomberg, which represent the latest annual earnings reported by the parent company. Then by using other financial data from the same source, we calculate and apply a metric called the Intangible Ratio.

By multiplying Corporate Earnings by the Intangible Ratio, we are left with Intangible Earnings, which represent earnings derived from intangible assets.

Step 2
Next, we need to determine the proportion of these Intangible Earnings that are directly attributable to the brand we want to value.

To do this we take the Intangible Earnings identified in Step 1 and apply the Attribution Rate, which literally attributes a proportion of the parent company's Intangible Earnings to the brand we want to value.

The Attribution Rate is determined by analysis of brand level financial information from the parent company's published financial reports and other credible sources, such as data from Kantar's Consulting and Worldpanel Divisions.

Once the Attribution Rate is applied to Intangible Earnings, we are left with Branded Intangible Earnings i.e. the proportion of the parent company's Intangible Earnings that can be attributed to the specific brand in question e.g. this step would attribute a proportion of Volkswagen AG's Intangible Earnings to Volkswagen, Audi, SEAT etc.

Step 3
The final step is to consider the projected earnings of the brand in question, which measures the brand's ability to generate earnings in the future and requires the addition of a final component – the Brand Multiple, which is also calculated from financial data sourced from Bloomberg. It's similar to the calculation used by financial analysts to determine the market value of stocks (Example: 6X earnings or 12X earnings).

When we multiply the Branded Intangible Earnings from Step 2 by the Brand Multiple, we reach the brand's true Financial Value – i.e. the proportion of the parent company's $ value that can be attributed to the brand in question accounting for current and projected performance.

PART 2 – DETERMINING BRAND CONTRIBUTION

To arrive at the true value of the brand (i.e. the asset in the minds of consumers) we need to quantify its strength relative to competitors i.e. to isolate the Financial Value that is directly driven by its BRAND EQUITY.

This allows us to understand the proportion of the Financial Value that is explained by the brand alone and hence the total $ value of the brand itself.

A brand's equity can impact consumer behaviour and contribute value to a corporation in three ways:

- **Current demand –** based on the strength of its equity alone a brand can influence consumers to choose it over others in the present – generating volume share.
- **Price premium –** based on the strength of its equity alone a brand can influence consumers to be willing to pay more for it over others – generating value share and profit.
- **Future demand and price –** based on the strength of its equity alone a brand can influence consumers to buy the brand more in future or to buy it for the first time at the desired price – increasing volume and value share in future.

Using BrandZ's unique survey based brand equity model (The Meaningfully Different Framework) we are able to quantify a brand's abilities in each of these three areas relative to competitors, with a survey based measure:

- Current demand = **Power**
- Price Premium = **Premium**
- Future demand and price = **Potential**

Each of these measures contributes to the proportion of the company's total value accounted for by the brand's equity alone – i.e. the BRAND CONTRIBUTION

PART 3 – CALCULATING BRAND VALUE

Brand Value is the $ amount that the brand contributes to overall business value of the parent company.

BRAND VALUE =
FINANCIAL VALUE X BRAND CONTRIBUTION

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 employees 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 3.7 million consumers and more than 165,000 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 fuelling business growth. Since we have been using the same framework to measure these insights, this enables historical and cross-category comparisons.

BRANDZ™ GENOME MAPPING – THE SCIENCE BEHIND OUR ART

One of humanity's greatest recent achievements was successfully sequencing our own genome in 2003, revealing the key building blocks of what makes us each unique.

NOW BRANDZ™ GIVES YOU THE ABILITY TO DO THE SAME FOR YOUR BRAND OF CHOICE

- BRAND EQUITY
- BRAND EQUITY BUILDING BLOCKS
- BRAND STORIES
- DIGITAL FOOTPRINT
- BRAND VALUATIONS
- BEST COUNTRY RANKINGS
- POWERED BY BRANDZ ™

25 Gl GLOBAL (100)

- 25 – BRANDZ™ Genome Product Number
- Gl – BRANDZ™ Genome Symbol
- GLOBAL – Name
- (100) – Number of Brands Ranked

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**

1 Pw POWER	2 Pp PRICE PREMIUM	3 Pt POTENTIAL	4 Vq VITALITY QUOTIENT			
5 Me MEANINGFUL	6 Di DIFFERENT	7 Sa SALIENT	8 Rz CORPORATE REPUTATION	9 Tr TRUST AND ADVOCACY	10 Iz INNOVATION	11 Mz MUSIC
12 Cz PERSONALITY	13 Bt BRAND TYPOLOGY	14 Pu BRAND PURPOSE	15 In INNOVATION	16 Cm COMMUNICATION	17 Ex BRAND EXPERIENCE	18 Lo LOVE
19 Pd PITCH DOCTOR	20 St STORYTELLER	47 Bs BRAND STORIES		21 Sz SOCIAL	22 Wz WEB TRAFFIC	23 Fz SOCIAL INFLUENCER
24 Re RETAIL (75)	25 Gl GLOBAL (100)	26 La LATAM (50)	27 Ar ARGENTINA (5)	28 Br BRAZIL (60)	29 Ce CHILE (15)	30 Ca COLOMBIA (20)
31 Mx MEXICO (30)	32 Pe PERU (20)	33 Ch CHINA (100)	34 Ia INDIA (75)	35 Id INDONESIA (50)	37 Es SPAIN (30)	38 Uk UK (75)
39 It ITALY (30)	40 Fr FRANCE (50)	41 Us US (100)	42 De GERMANY (50)	48 Au AUSTRALIA (40)	49 Af SOUTH AFRICA (30)	50 Ne NETHERLANDS (30)
51 Ja JAPAN (50)	52 Cn CANADA (40)		43 Bc BEST COUNTRIES (80)	GROUP XP 44 Ei EXPERIENCE INDEX (30)	Google 45 Cb CHINA GLOBAL BRAND BUILDERS (50)	

BRANDZ™ BRAND BUILDING TOOLS AND PERSONALIZED PUBLICATIONS

BUILDING BRAND EQUITY

BrandZ™ tools diagnose brand strengths and weaknesses

Based on unique insights derived from our proprietary BrandZ™ database, we have created an ever-expanding library of tools for building and sustaining valuable brands. These tools are only available via your WPP agency.

VITALITY QUOTIENT (VQ)

Diagnose a brand's health based on five elements that are proven to grow brand value: purpose, innovation, communication, brand experience, and love.

REPZ

Maximize brand and corporate integrity using four key factors to drive reputation: success, fairness, responsibility and trust.

TRUSTR

Consumer trust and advocacy are both important for brand growth but the combination of the two is the real sweet spot. TrustR examines this relationship in detail.

INNOVATIONZ

Evaluate a brand's perceived innovative power, what drives it and why it's important. Discover sector-relevant real-time innovation and startup ideas, sourced via the exclusive Springwise global network of spotters.

CHARACTERZ

This innovative deck allows you to diagnose brand character and delve into the dynamics, clarity and consistency of a brand's personality.

PITCHDOCTOR

Everything you need to know about your brand's strengths, weaknesses, opportunities and threats in one easy-to-digest page.

STORYTELLER

An interactive data-visualization tool to allow anyone to create story-led insights on how to build and maintain brand equity.

SOCIALZ

A real-time social media analytics dashboard that allows you to take a deep dive into the world of consumer sentiment around the world.

WEBZ

Analyze how traffic is driven to a brand's website, understand audience demographics and gain insights into viewer trends.

BRANDZ™ BRAND BUILDING TOOLS AND PERSONALIZED PUBLICATIONS

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.

Re 24 RETAIL (75)

BRANDZ™ TOP 75 GLOBAL RETAIL BRANDS 2020

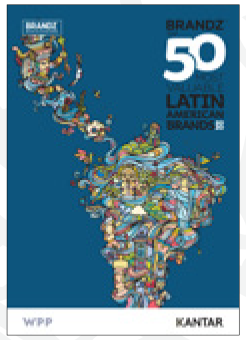
brandz.com/region/retail

Gl 25 GLOBAL (100)

BRANDZ™ TOP 100 GLOBAL BRANDS 2019

brandz.com/region/global

La 26 LATAM (50)



BRANDZ™ TOP 50 LATIN AMERICAN BRANDS 2020

brandz.com/report/latin-america/2020

Ia 34 INDIA (75)

BRANDZ™ TOP 75 INDIAN BRANDS 2019

brandz.com/report/india/2019

Id 35 INDONESIA (50)

BRANDZ™ TOP 50 INDONESIAN BRANDS 2019

brandz.com/region/indonesia

Es 37 SPAIN (30)

BRANDZ™ TOP 30 SPANISH BRANDS 2019

brandz.com/report/spain/2019

Au 48 AUSTRALIA (40)

BRANDZ™ TOP 40 AUSTRALIAN BRANDS 2019

brandz.com/region/australia

Uk 38 UK (75)

BRANDZ™ TOP 75 UK BRANDS 2019

brandz.com/region/uk

It 39 ITALY (30)

BRANDZ™ TOP 30 ITALIAN BRANDS 2020

brandz.com/region/italy

Fr 40 FRANCE (50)

BRANDZ™ TOP 50 FRENCH BRANDS 2020

brandz.com/region/france

Us 41 US (100)

BRANDZ™ TOP 100 US BRANDS 2020

brandz.com/region/us

De 42 GERMANY (50)

BRANDZ™ TOP 50 GERMAN BRANDS 2020

brandz.com/region/germany

Af 49 SOUTH AFRICA (30)

BRANDZ™ TOP 30 SOUTH AFRICAN BRANDS 2019

brandz.com/region/south-africa

Ne 50 NETHERLANDS (30)

BRANDZ™ TOP 30 DUTCH BRANDS 2020

brandz.com/region/netherlands

Ja 51 JAPAN (50)

BRANDZ™ TOP 50 JAPANESE BRANDS 2020

brandz.com/region/japan

Cn 52 CANADA (40)

BRANDZ™ TOP 40 CANADIAN BRANDS 2019

brandz.com/region/canada

BRANDZ™ BRAND BUILDING TOOLS AND PERSONALIZED PUBLICATIONS

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.

BRANDZ™ TOP 100 MOST VALUABLE CHINESE BRANDS 2019

brandz.com/region/china

BRANDZ™ TOP 50 CHINESE GLOBAL BRAND BUILDERS 2019

brandz.com/article/just-launched-brandz—chinese-global-brand-builders-download-the-full-report-now

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 report provides the first detailed examination of Chinese investors, what they think about risk, reward and the brands they buy and sell. This will help brand owners worldwide understand market dynamics and help build sustainable value.

brandz.com/article/unmasking-theindividual-chinese-investor-report

THE POWER AND POTENTIAL OF THE CHINESE DREAM

"The Power and Potential of the Chinese Dream" is rich with knowledge and insight, and forms part of a growing library of WPP reports about China. It explores the meaning and significance of the "Chinese Dream" for Chinese consumers, as well as its potential impact on brands.

brandz.com/article/chinese-dream-report

THE CHINESE GOLDEN WEEKS IN FAST GROWTH CITIES

Using research and case studies, the report examines the shopping attitudes and habits of China's rising middle class and explores opportunities for brands in many categories.

brandz.com/article/Chinese-golden-weeks-report

For the iPad magazine, search Golden Weeks on iTunes.

THE CHINESE NEW YEAR IN NEXT GROWTH CITIES

The report explores how Chinese families celebrate this ancient festival and describes how the holiday unlocks year-round opportunities for brands and retailers, especially in China's lower-tier cities.

brandz.com/article/chinese-new-year-report

For the iPad magazine, search for Chinese New Year on iTunes.

WPP COMPANY CONTRIBUTORS

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

cba

CBA designs brand identities and experiences, combining strategic analysis and a creative vision.

As branding consultants, we partner with companies to manage business challenges in a changing environment, shaping brand experiences to leave a positive impact on people's lives and businesses. Our branding includes research, brand strategy, brand identity, brand environment and experience, activation and digital.

WWW.CBA-DESIGN.COM

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FITCH

FITCH is the world's leading retail and brand consultancy. Designing the Future. Online, offline and in person. We don't predict the future, we design it. Whenever and wherever your customer meets your brand.

With 400 people in 15 offices and eight countries, we possess a deep understanding of consumer behavior across all categories and geographies. Our expertise includes: consumer insights, mission analysis, customer experience innovation, brand experience strategy and design, environmental design, graphic design, UX/UI design, and architecture.

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geometry

Geometry is a global brand experience agency operating in 56 markets around the world. We help brands thrive in an omnichannel world by shaping and changing people's behavior at pivotal moments along the Purchase Decision Journey. Geometry has expertise in physical retail, e-commerce, experiential, branding and design and consultancy.

WWW.GEOMETRY.COM

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GREY

Grey is one of the 10 largest advertising agencies in the world, with offices in over 83 countries. It has one overriding focus: to produce truly great creative work, to produce work that soars, makes us proud and fosters the brand relationship with consumers—work that helps our clients prosper. Grey Worldwide provides highly creative services including brand ideas and strategies, brand planning, creative development and production. Our agency is organized into four geographical units: North America; Europe, Middle East and Africa (EMEA), Asia-Pacific, and Latin America.

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HOGARTH

We produce advertising and other marketing communications for our clients across all media and all languages. Our production expertise coupled with our powerful workflow and asset management technology delivers quality, control and savings for global brands.

We believe that the production, adaptation and supply of advertising materials is a specialist activity that should be carried out by a company that focuses solely on this discipline. We work alongside creative and media agencies to deliver advertising into market efficiently and cost effectively – with quality enhanced and with all language and cultural challenges managed by experts.

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MINDSHARE

We were born in Asia in 1997, a WPP start up with a desire to change the media world. Now we are a global network with 116 offices in 86 countries and billings of $16.5bn. We are the largest agency in GroupM, WPP's Media Investment Management arm, which is the #1 media holding group globally with billings of $45.1bn (Source: COMvergence 2018). We aim to be our clients' lead business partner, to grow their business and drive profitability through adaptive and inventive marketing. We do this through speed, teamwork and provocation because in today's world everything begins and ends in media. We create new things and have fun doing it.

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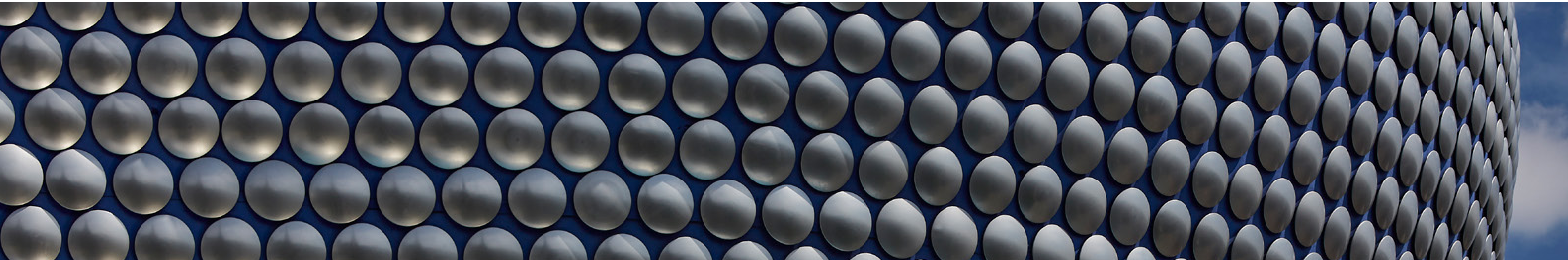

WPP COMPANY CONTRIBUTORS

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

Ogilvy is an award-winning integrated creative network that makes brands matter for Fortune Global 500 companies as well as local businesses across 132 offices in 83 countries. The company creates experiences, design and communications that shape every aspect of a brand's needs through six core capabilities: Brand Strategy, Advertising, Customer Engagement and Commerce, PR and Influence, Digital Transformation, and Partnerships.

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Smollan is a retail solutions company, delivering growth for retailers and brand owners across five continents. We cover every aspect of how brands are managed in retail environments through the creation and execution of leading solutions in field sales, retail execution, activation, information and technology. Internationally recognised for our exceptional human platform of over 60 000 people and our sophisticated systems, we drive sales and create brilliant shopper experiences for some of the world's most loved brands.

WWW.SMOLLAN.COM

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VMLY&R is a global marketing agency with more than 7,000 employees worldwide with principal of offices in Kansas City, London, New York, São Paulo, Shanghai, Singapore and Sydney. VMLY&R works with client partners including Colgate-Palmolive, Danone, Dell, Ford, Office Depot, PepsiCo, Pfizer and Wendy's.

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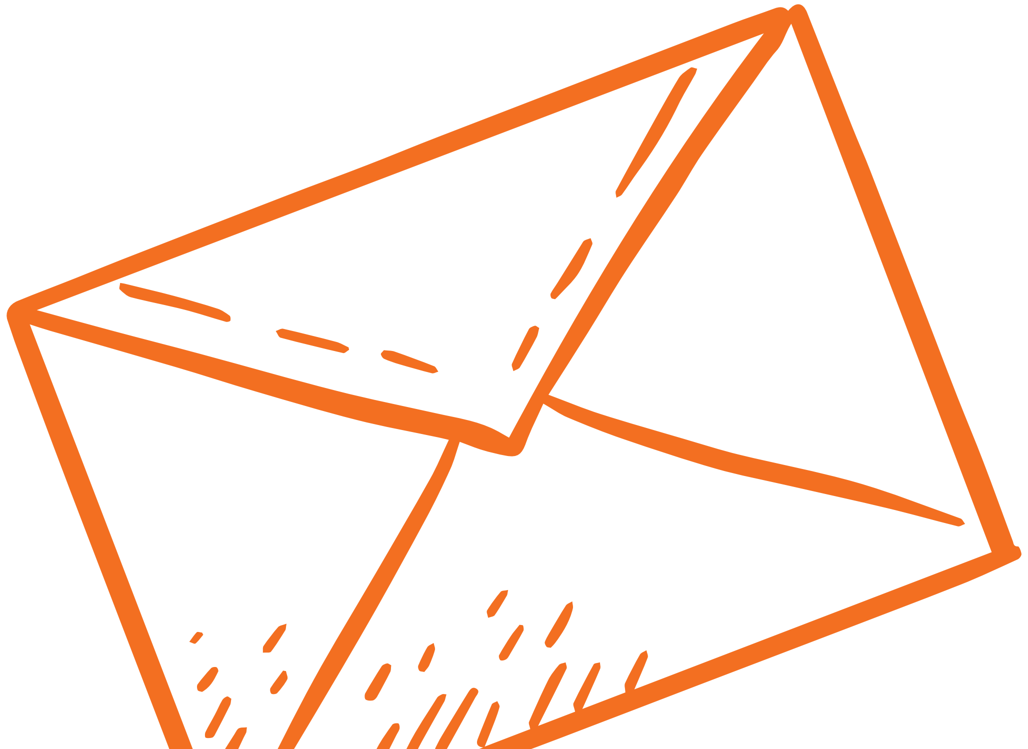

Wunderman Thompson is a creative, data and technology agency built to inspire growth for its clients. Headquartered in New York, the agency provides end-to-end solutions through creative, data, commerce, consulting and technology services at a global scale. Wunderman Thompson brings together over 20,000 creatives, data scientists, strategists and technologists in 90 markets.

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The BrandZ™ Retail Team. These individuals created the report, providing research, valuations, analysis and insight, editorial, photography, production, marketing and communications.

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Nikhil Banga is a BrandZ™ Valuation Senior Manager for Kantar. He looks after Brand Valuation projects in BrandZ™ for various countries.

JO BOWMAN

A journalist for 20 years, Jo Bowman worked for newspapers in Australia before moving to Hong Kong to specialize in business writing with a focus on Asian branding and marketing. She has since worked in Italy and the UK, as a writer and editorial consultant.

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Halina Bromberg is BrandZ™ Marketing Director at Kantar, Insights Division, where she is responsible for the PR, marketing and communications on the BrandZ™ projects.

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Elspeth Cheung is the Global Head of Valuations for BrandZ™ at Kantar. She is responsible for valuation, analysis, client management and external communication for the BrandZ™ rankings and other ad hoc brand valuation projects.

BETHAN DAVIES

Bethan Davies is part of The Store WPP's EMEA and Asia team, and manages worldwide projects, digital and online initiatives for BrandZ™ and The Store WPP.

RAY GAUL

Ray is SVP Retail Insights for Kantar Retail IQ where he oversees the insights gathered for leading retailers around the world.

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Karolina is Global Data Manager for Kantar Retail IQ. Karolina is responsible for managing retail data and insight for BrandZ™ Top 75 Global Retail Brands report.

ZACH LOUW

Zach is an experienced photographer and marketer by trade from Cape Town, South Africa. His photographs have been exhibited in Berlin, Tokyo, Johannesburg and Los Angeles. In 2016, Zach embarked on a joint photographic venture called Everyday Education, celebrating leaders and learners along the Sub-Saharan eastern corridor of Africa. www.zachlouw.com

CECILIE ØSTERGREN

Cecilie Østergren is a professional photographer based in Denmark, who has worked worked closely with WPP agencies since 2009. Cecilie specializes in documentary, consumer insight and portraits. She has traveled extensively in China, Brazil and other locations to photograph images for the BrandZ™ reports.

PAUL REIFFER

Paul is a multi-award-winning British photographer, who has traveled the world capturing people, commercial images and limited-edition fine art landscape photography www.paulreiffer.com

DAVID ROTH

David Roth is the CEO of the Store WPP for Europe, the Middle East, Africa and Asia, Chairman of BrandZ™ and BAV Group, and leads the BrandZ™ worldwide project. Prior to joining WPP, David was main Board Director of the international retailer B&Q.

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Graham Staplehurst has over 30 years' research experience in Kantar, specializing in brand and communications strategy. He is global director for strategy on BrandZ™.

DOREEN WANG

Doreen Wang is the Global Head of BrandZ™ and Country Head for China at Kantar. A seasoned executive, she has over 19 years' experience providing outstanding market research and strategic consulting for senior executives in Fortune 500 companies in both the US and China.

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THE BRANDZ™ BRAND VALUATION CONTACT DETAILS

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The brand valuations in the BrandZ™ Top 75 Most Valuable Global Retail Brands 2020 are produced by Kantar using market data from Kantar, 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 3.7 million consumer interviews about more than 165,000 different brands in over 50 markets.

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BRANDZ™ TOP 75 MOST VALUABLE GLOBAL RETAIL BRANDS 2020

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