Breakaway Brands of 2011

by Mich Bergesen
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September 2011

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Breakaway Brands of 2011

Many would say that millennials have their heads buried so deep in their own Facebook pages that it's no wonder they're moving back in droves to mom and dad's to blog about how harsh the real world is.

On the other side of the spectrum, the boomers—mom and dad to many millennials—preach the merits of a can-do attitude to their sponging offspring, and wonder when having a strong work ethic ceased to be valued as much as making a spectacle. Radicals in their younger years, the boomers also know what it means to stand for something and to create change through action. Now if they could just figure out what the heck the appeal of this whole "tweeter" thing is.

This year, our list of top Breakaway Brands® reflects these generational extremes, comprising both the contemporary and the classic. Some of the Breakaway Brands on our list are a blast from the past, yet they remain relevant in today's fast-moving world. The other brands are straight from the future and until recently were just young upstarts, but now they've become part of the new American brandscape.

The millennial brands

Like the millennials themselves, these brands are mostly dependent on technology—they're only possible in a digital world. We've watched many from this list grow over the years from young, trendy upstarts into mature brands that serve an imperative purpose in our modern lives. But beyond being more digital, or more social than their classic boomer counterparts, many from this list not only lead, they have shattered and redefined their categories—or built new ones altogether.

Some of the millennial brands, such as Apple and iTunes, defy conventional category definitions. Computers? Mobile phones? The replacement for disorganized drawers brimming with CDs and DVDs in cracked jewel cases? Apple has radically re-thought how we interact with technology and media. Never content to rest on success, Apple is constantly innovating new products and retiring those past their prime—with the recent release of the iPad fundamentally changing how we think about computing. Apple is an idea brand with a cultlike following, but its success can still be

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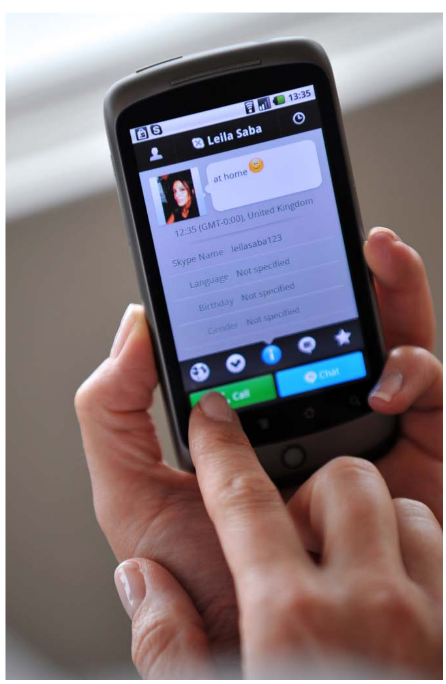
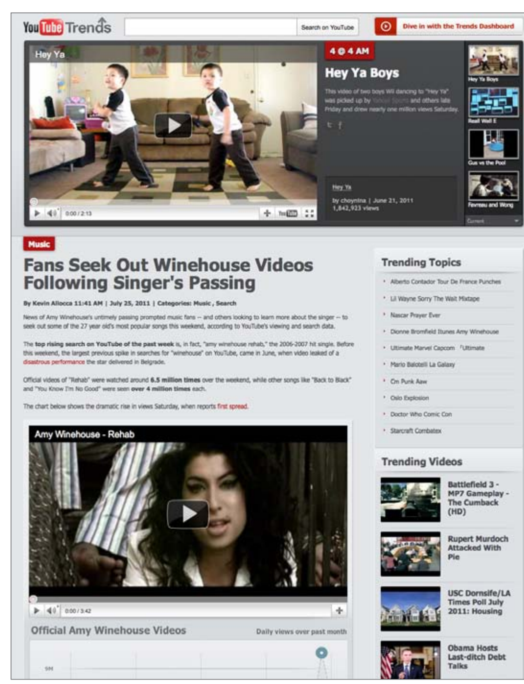
A slightly different version of this article was published on forbes.com (8 September 2011). forbes.com

ABOVE Apple may be an idea brand with a cultlike following, but its success can still be attributed to its prowess at consistent execution of its brand.

RIGHT Before YouTube was created, there was no easy way to share video online.

LEFT Skype is replacing AT&T's traditional phone service as we learn to expect free international calls and love to video chat.





The 2011 Breakaway Brands

BRAND	GROWTH IN BRAND STRENGTH 2007–2010
Facebook	195%
Skype	79%
YouTube	78%
Netflix	72%
Samsung	66%
Apple	51%
iTunes	50%
Amazon.com	44%
Reese’s	42%
National Guard	35%

Five brands to watch

The brands in this list exhibited significant upward momentum but didn’t make it into the top 10. We’re keeping our eye on them as potential future Breakaways.

BRAND	GROWTH IN BRAND STRENGTH 2007–2010
Firefox	126%
Wolfgang Puck	113%
Shout	68%
Michelin	58%
PayPal.com	34%

attributed to its ability to get the basics right and execute its brand consistently across every touchpoint.

Despite its seemingly restrictive name, iTunes is a platform for more than music. Apple’s media portal helps users organize their audio and video collections and enables them to buy more in moments. The market standard for digital media, iTunes is making physical copies of recorded music obsolete—at least for the younger generations, save for hipster vinyl aficionados and purist DJs—eclipsing Walmart in 2009 as top music sales retailer. iTunes’ revolutionary platform and its store’s 99-cent song offerings have permanently changed not just our consumption of media, but the entertainment industry—especially the way music is structured and acquired.

YouTube was created to fulfill an unmet market need. Before it was founded, there was no easy way to share video online. Now anyone can upload, comment on, and share videos easily. And Google’s purchase of the site underlines its legitimacy as an online video leader. YouTube continues to grow by adding features and making the site simpler to use with improvements often based on user recommendations. Like many of the other leaders on our list, YouTube’s value is greater than its function. Now, anyone with a camera and computer has the potential to captivate a global audience of billions.

Facebook destroyed Myspace, growing into the social networking leader as it repeatedly rebuilt the category’s definition—despite angering some with privacy-related missteps along the way. Now an all-purpose media portal for many members, Facebook has supplanted email in terms of user time spent online. Despite recent signs of slowing, member ranks continue to grow along with their engagement with the site: Users increased the amount of time spent on Facebook from two hours a month in 2007 to seven in 2010.

Like iTunes, Netflix has redefined the entertainment category, and like YouTube, it has set new standards for the way we view media. When you recommend a new release to a coworker over lunch, does he mention picking it up at the video store on the way home, or does he claim he’ll “add it to his queue”?

METHODOLOGY Landor studied approximately 2,500 brands in Young & Rubicam Brands’ BrandAsset® Valuator’s U.S. database, identifying those brands that exhibited the greatest increases in brand strength from 2007–2010. Growth in brand strength indicates how much the brand’s raw strength score has risen over the past three years, expressed in percentage terms.

Many brands from this list not only lead, they have shattered and redefined their categories—or built new ones altogether.

Netflix has not only shuttered storefront rental shops, it's reinvented the way we select (thanks to personalized recommendations and user reviews) and watch movies at home. Like others on our list, Netflix has not rested, but instead has evolved to keep up with customer expectations. In recent years, it's turned from lending DVDs to offering more streaming content.

In a page from Apple's playbook, Samsung innovated its way into Sony's space and its customers' hearts through smart product design and emotional appeal—the consumer electronics brand presents its gadgets as vehicles for self-expression. On the digital airwaves, Skype is replacing AT&T's traditional phone service as we learn to love video chatting and expect free international calls. In 2005, eBay bought Skype, further proving its worth, and Facebook recently announced its own Skype-powered video chat service.

PayPal has become the standard for online payments—so accepted, in fact, that two of the largest global consumer credit card companies, American Express and Visa, have developed their own online transaction services. And in another David and Goliath example, we see Firefox—the free web browser by the people, for the people—striving against Microsoft's Internet Explorer to become the preferred navigation tool. Firefox's strength is grounded in its open-source development model, delivering innovations that meet customers' needs faster and better than the big guy.

Amazon is a shopping mall the size of the Internet. In addition to providing instant access to almost anything through a few clicks and a credit card (or a PayPal account), Amazon encourages users to advise their peers' purchases by reviewing and rating products. Like Netflix, in addition to user reviews, Amazon offers algorithmic personalized recommendations that aggregate customers' purchases and browsing histories, effectively socializing online shopping in addition to making it more convenient.

The boomer brands

While the world spins faster, brighter, and bolder around us, we all still yearn for familiar comforts. In contrast to the technology leaders on our list, the other Breakaway Brands are decidedly old-school classics. Maybe it's precisely the fast, bright, boldness of the new American benchmarks that have us grasping for something more tangible, something tried and true. The boomer brands are comforting and familiar. But most importantly, they are authentic, and they are still relevant and distinctive even alongside the shiny and new.

For many, Reese's is an easy indulgence, reminiscent of happy childhood memories. The candy brand recently re-differentiated itself from competitors by eliminating the line extensions that had distracted from its popular peanut butter cup offering and diluted its image. When Reese's refocused its strategy, its marketing became simple: Ads featured the candy cup paired with catchy copy placed against an orange background. In the confectionary category where a constant stream

of new sweets to appease our picky palates was thought to be the only way to grow, Reese's went retro and won.

Wolfgang Puck stands for hospitality and an everyday passion for food: from a fine dinner at Spago to a gourmet frozen pizza heated at home to a meal handmade with branded cookware. Food should be an enjoyable occasion with family and friends. While criticized by some for diluting the premium value of its brand as a result of its rapid expansion in casual dining, cookware, and packaged food, Wolfgang Puck's wide accessibility has also made the company more relevant to a greater breadth of customers. Getting the brand back on track in recent years was a relatively simple fix: a return, similar to Reese's, to its core promise, inviting us to enjoy a good meal in great company by a chef we know and trust.

Since Michelin's classic ads featured a baby seated in a tire, the company has always stood for keeping families safe. Staying true to its core protection message but wanting to address modern woes about high gas prices, in recent years Michelin added tires that promise to improve vehicle fuel efficiency. Safety and saving money are about as practical as a brand can get, and Michelin's messaging communicates these promises, effectively selling tires at premium prices during a weak economy.

This year's Breakaways live in the laundry room as well as the garage: Shout has revitalized its brand and seen its products similarly embraced. Despite its premium pricing, customers have responded to the simple message that Shout fights stains better so their family's clothes last longer.

The National Guard is the ultimate American protection brand. In 2007, to combat recruiting challenges, the Guard doubled its ad spending and embarked on a diverse campaign that spanned traditional media (such as brochures that recruiters hand out) to social media, and more—like branded songs by Kid Rock. The Guard also went on a national tour to show its 18-to-24-year-old target group what real missions were like through a simulator. Throughout its efforts, the Guard was confidently honest about the realities of its brand, admitting it was primarily a service organization that would never be as "sexy" as the Air Force. And it worked: The Guard erased its recent recruiting deficits, not only attracting more recruits, but also better educated ones.

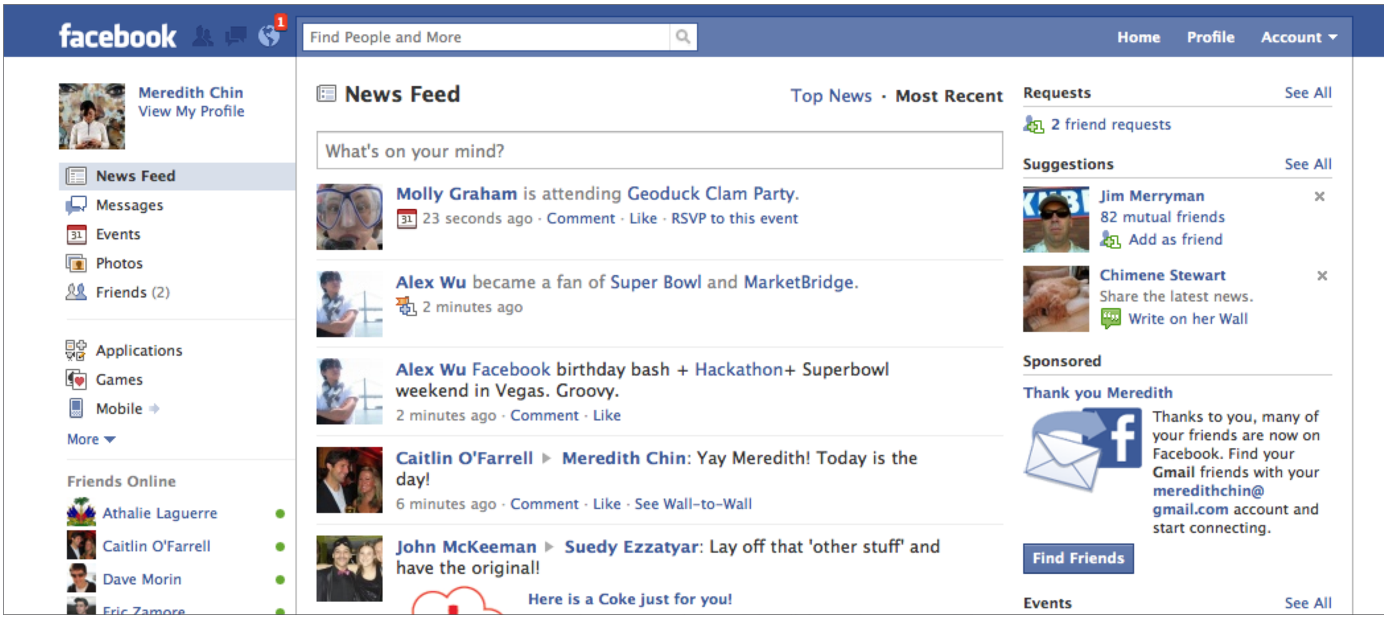
Yin and yang

In our hearts we've all got a little bit of that millennial attitude and some of those boomer values. If you look at their core attributes, the boomer and the millennial brands actually have a lot in common. Contemporary or classic, this year's Breakaway Brands share some common qualities. Whether they're brand building in cyberspace or on Main Street, all have succeeded in one way or another by being really good at using basic branding principles to stay relevant and differentiated. These old and new school brands should be seen not as oppositional but complementary: yin and yang, rather than adversaries.

Now just don't get us started on those crazy Gen X brands.

ABOVE Amazon provides instant access to almost anything through a few clicks and a credit card.

BELOW Wolfgang Puck's accessibility has made the company more relevant to a wider breadth of consumers.



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About Landor's Breakaway Brands study

First published in 2004, Landor's annual Breakaway Brands® study provides a unique look at brands that have exhibited sustained, quantifiable increases in brand strength over a three-year period.

Brand strength is determined using three years of consumer survey data from the BrandAsset® Valuator (BAV) U.S. database (we compared results from 2007 to 2010 for this study). Landor analyzed data for approximately 2,500 brands across industries, based on interviews with more than 15,000 consumers annually, evaluating against 48 different measures of brand health. By comparing brand performance on key measures that drive consumer preference and choice—specifically, the brand's differentiation (including its distinctiveness, innovation, and dynamism)—and the brand's relevance (how appropriate it is to a consumer's life), we identified those brands that increased their scores most dramatically. When a brand grew significantly on both measures (an indication of true brand strength) and these numbers were sustained over the three-year period, they became candidates for the Breakaway Brands list.

Later, Landor consultants partnered with students from Wake Forest University's Graduate School of Business to conduct secondary research on key actions undertaken by brand owners to enhance performance and identify the strategies and initiatives employed to sustain brand growth over three years. The selected finalists are therefore not necessarily the biggest brands, but brands that proactively built their brand strength most consistently over time.

With more than 18 years of consumer data, BAV is the world's largest and most enduring study of brands. Polling consumers in the United States on a quarterly basis for their perceptions of brands, it identifies and analyzes brand strength and trends based on four pillars of brand building: differentiation, relevance, esteem, and knowledge.

To date, BAV tracks brands in more than 40 countries, covers some 50,000 brands, has conducted interviews with more than 750,000 consumers, and includes dozens of brand metrics and attitudinal questions. BAV is part of Young & Rubicam Group, a partnership of companies that includes Landor.

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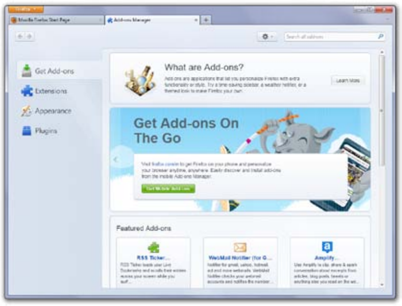
LEFT In recent years Michelin addressed modern woes about high gas prices, offering tires that also promise to improve fuel efficiency.

BELOW Firefox's strength is grounded in its open-source development model, delivering innovations faster and better than the big guy.



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