

TENET

2020 Top 100 Most Powerful Brands

# THE ESSENTIAL BRAND RISES

Adapting to core consumer needs



# HELLO.

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## A MESSAGE FROM OUR CEO



Hampton Bridwell  
CEO

### WELCOME TO TENET'S 2020 TOP 100 MOST POWERFUL BRANDS REPORT.

Few moments in our lives, careers and even mankind's past are truly remarkable. The 2020 pandemic is our moment. Disease and uncertainty have halted life in every corner of society, reshaping and reorganizing economies and ecosystems over one of the shortest periods in history. Each shift profoundly impacts us all. This report, while looking back into 2019 and early 2020, aims to help leaders consider the changes that will impact their companies, specifically the corporate brands.

For over 25 years, Tenet has tracked corporate brands through the longest longitudinal study of its kind. This body of work drives the only exchange traded fund that seeks unrealized value in corporate brands, guides CMOs, CEOs and boards, and helps brand managers understand how communication investments impact company value.

This year's report, and the supplemental report coming later this year, have special importance to our team. For 2019 and Q1 of 2020 leading into the pandemic, corporate brands were at their highest BrandPower and brand valuations in our research's history. Apple, Microsoft, Amazon and others achieved enterprise valuations that seemed impossible a decade ago, lifting many boats with them. With few exceptions, brands have enjoyed a robust time of growth.

Today, we see vast swaths of winners and losers in the pandemic. What is interesting, and unique in modern history, is witnessing many industries face dramatic headwinds while others rise to newfound dominance. It may take years to close the divides between the haves and have nots, if it's even possible.

Pre-pandemic, consumers had settled into strong B2C and B2B brand relationships. And, in a heartbeat, those relationships shifted. What was essential, was no longer. What is essential now, is redefining our take on companies and their existence. Many consumers are choosing new brands as essential to their lives in this moment. And, craving ones that they have been forced to put aside. Lastly, they've deemed new brands as essential to them going forward. The essential brand is the essence of this year's report. We hope that no matter where you are on the continuum of being essential, that these strategies can help all companies create sustainable competitive advantage and resiliency.

This report is a pre-pandemic snapshot — our follow-up later this year will look toward the other side of the recovery. Both reports will provide CMOs and brand leaders sound guidance to re-center and move forward.

Hampton Bridwell  
CEO, Tenet Partners

# A TIME FOR BRAVE BRANDS

When the future offers incredible uncertainty, it offers incredible opportunity as well. Some might even say uncertainty is the foundation of opportunity. Today the opportunity for many brands begins with answering the question, what matters now? To consumers? Investors? The C-suite?

The pandemic has caused many to reset their expectations for what normal means. We haven't yet entered "end times," but radical societal and economic shifts are forcing consumers to reevaluate what they absolutely need. Just as businesses are rethinking operations, communications and strategy, people are asking, what core products must I have in my home? What entertainment earns a spot on my queue? What services should I spend my money on today if I might lose my job tomorrow? Consumers will gravitate toward essential brands.

What is an essential brand, and how can a brand become essential? As the crisis unfolds and life metamorphosizes through confusion, fear, optimism, determination and rebirth, clear indicators of *essentialness* appear.



## BRANDS NEED CONSUMERS TO NEED THEM

At a basic level, *essential* is different than too-big-to-fail. When comparing this economic uncertainty to the 2008 financial collapse, this time around consumers and business customers alone will choose which brands survive the recession. Because even if propped up by government support or private cash infusions, some organizations may not weather temporary or prolonged disruption without significant contraction or transformation. Take the cruise industry—while Carnival (#85 on the Tenet 100 Most Powerful Brands) and Norwegian have taken on billions in debt to withstand whatever adversity a dark 2020 brings, it won't matter if adequate numbers of travelers don't have the confidence to set sail. No, an essential brand needs more than cash. They require one, a deep understanding of what matters emotionally and functionally to consumers and two, the ability to activate that understanding.

## BRANDS IN ACTION

Essential brands create societal impact beyond their product or service, offering comfort and clarity amidst confusion, and solving critical needs. They deliver authentic and unequivocal care for their workforce, and expand sales even as sectors contract.

These actions, hallmarks of successful organizations in good times, become more important in uncertain times when many organizations wait for the future to wash over them. Essential brands mobilize quicker to outside stimuli. As uncertainty around the pandemic gained momentum, essential brands immediately assessed and adapted. On March 21, Best Buy, a new entrant for 2020 at #69 on the Tenet 100 Most Powerful Brands, shifted to “enhanced curbside service” to protect workers and customers. For reference, only California, Illinois and New York had enacted stay-at-home orders at that point. This helped the retailer maintain 70% of its monthly retail sales YOY, though it still had to furlough 51,000 workers in April.

Microsoft, a top 10 innovator on the Tenet 100, deserves mention for continual investment in its cloud capacity *before* coronavirus took hold. This allowed for mostly disruption-free access to Teams, even as daily “minutes-in-meetings” tripled in March YOY. The fact that Microsoft still had capacity to offer free trials is a testament to its foresight.

The 10 Most Powerful Brands represent the following sectors:

- Information Technology (3 brands)
- Consumer Staples (3 brands)
- Financials (2 brands)
- Health Care (1 brand)
- Communication Services (1 brand)





**#28**  
McDonald's



**#12**  
Amazon

**#21**  
Harley-Davidson

What if your business model doesn't allow planning ahead? Wendy's promises fresh, never frozen beef. But as meat production slowed due to plant closures, Wendy's temporarily suspended burger sales at thousands of locations. Around the same time, McDonald's (#28 on the Tenet 100) announced it was boosting marketing spend by \$100 million, no doubt enticing some of Wendy's customers to make the switch. Two lessons: adaptability grows more important as the landscape becomes less forgiving and increased marketing spend during crises positions brands to leverage unforeseen opportunity.

Like Wendy's, Amazon (#12) was also forced to temporarily reduce product availability as it prioritized deliveries of medical supplies and household staples. The difference between the two scenarios is that Amazon has made its service so essential over the years that it was unable to meet consumer demand — a victim of success rather than poor planning. In fact, as companies were shedding millions of jobs, Amazon, with sales up 30% in Q1, added 175,000 workers in March and April. Walmart (#54) filled more than 150,000 openings in under a month.

As essential brands rapidly adapt their “what” in the crisis, some are reevaluating their “why.” This is the highest level of adaption, to question one's role in consumers' lives. It is far more difficult (and risky) than donating to a worthy cause, running an empathetic

Two lessons: **adaptability** grows more important as the landscape becomes less forgiving and **increased marketing spend** during crises positions brands to leverage unforeseen opportunity.

TV spot or temporarily producing personal protection equipment or hand sanitizer. However, reprioritizing brand values can generate incredible new energy internally and externally, attract new buyers and create deeper loyalty among existing ones.

## HOW TO MATTER MORE: INNOVATE AND ADAPT

The path to essentialness requires innovation, an attribute ranked in the annual Tenet 100 brand report. Innovation during crisis could be game-changing new products or services, rapidly developed digital-first or digital-only business models, proactive steps to safeguard the safety and confidence of your human capital, or low-tech solutions like Best Buy's curbside pickup or Harley-Davidson's (#21) limited-time home delivery.

Number 7 on the Most Innovative list for 2020, Walt Disney was forced to push back many movie releases. But it quickly organized to televise star-studded sing-alongs, an unexpected treat for families spending many hours together at home. Today, there's also great value in delivering *expected* experiences, consistently and without compromise — no matter the state of the world. Colgate-Palmolive (#18) put flexible supply-chain contingencies into action within a day of coronavirus hitting Asia, increasing production in Latin America to back up China, Europe, and the U.S. as the crisis spread. Wall Street took notice of this agility with the corporate brand's stock dropping only 3.5% in a two-month period when the S&P 500 fell by 18%.

Innovation can be reformulating products for longer shelf life, or adopting subscription or allocation models that assure product availability. Service providers that want to become essential will instill customer confidence by finding ways to safely perform services in their homes. Going forward, essentialness will be the mother of invention.

## NEVER WASTE A GOOD CRISIS

Sometimes, opportunity arrives unannounced and vanishes unnoticed except by an observant few. Then, there are instances when opportunity arrives like a crack of lightning. This is one of those moments in which the brave will venture out into the storm, survey the damage and prepare for brighter days.

### The 10 Most Innovative Brands:

1. Google-Alphabet
2. Amazon
3. Apple
4. International Business Machines
5. Microsoft
6. Facebook
7. Walt Disney
8. Coca-Cola
9. Pfizer
10. PepsiCo



# THE COREBRAND INDEX

## How we determine BrandPower

The CoreBrand Index represents comprehensive annual research that looks at all S&P 500 companies, across 50 industries. We use the index and data gathered in the previous calendar year as the foundation for each year's Top 100 report.

Tenet Partners' 2020 Top 100 Most Powerful Corporate Brands highlights the strongest brands tracked throughout 2019. The companies that make our list have captured high awareness and positive brand perception in the marketplace.

Quantitative research from 10,000 consumers and business decision makers measures brand awareness (Familiarity) and perception (Favorability) for each company in the index, which is then combined to calculate the company's brand strength. These metrics indicate a company's management effectiveness and the impact the brand has on corporate value.

Brand Power as measured by the CoreBrand methodology is not a monetary-based value ranking at its heart. Though brand valuation is a critical metric and output of the analysis, this single number is static and cannot illustrate the effectiveness of brand management. In addition, brand valuation can become disconnected from a company's value due to any number of economic factors. The current crisis is a good example of why brand strength is a far more predictive metric for corporate brand investment decisions.

### THE COREBRAND INDEX® (CBI)

- Over 25 years of continuous tracking — the longest-running look at the vitality of corporate brands
- Tracks degree of awareness and underlying perceptions for each brand
- Based on annual surveys of thousands of key stakeholders
- Nearly 500 companies in 50 industries
- Objective, quantitative benchmark research — validated by the Marketing Accountability Standards Board (MASB)

### WHAT IS BRANDPOWER?

- A single indicator of brand strength and its ability to impact business results
- Weighted composite of Favorability and Familiarity perception metrics
- Driven by CoreBrand® Analytics

The CoreBrand Index Survey Audience

## AS BUSINESS DECISION MAKERS

### Executives at companies with revenue of \$50 million to several billion

- 90% determine purchase needs
- 72% select specific companies to work with

### Operate in the business-to-consumer and business-to-business markets

- 43% have both B2C and B2B products and services
- 40% are primarily B2C

## AS INFLUENTIAL CONSUMERS

### Well-educated and affluent

- 84% are age 35 or older
- 75% have at least a bachelor's degree; 10% have postgraduate degrees
- 72% regularly read business publications to stay informed
- 62% earn \$100,000 or more in household income per year
- 38% have children under the age of 18 living at home

### Brand plays an important role

- 94% say a company's corporate brand influences purchase decisions
- 91% are more willing to work for a company with a positive brand image
- 90% are more willing to invest in a company with a favorable brand image

### Actively engaged

- 89% share their opinions with friends and colleagues
- 79% are involved in service to their communities
- 76% are knowledgeable about government and politics

### Financially savvy

- 89% make investment decisions with 76% investing in stocks or funds
- 33% have influence over investment portfolios other than their own

**2020**

**TOP 100 MOST  
POWERFUL  
BRANDS**

## 2020 TOP 100 RANKED BY BRANDPOWER

All ranked companies must be:

- A corporate brand (not a product or divisional brand)
- Publicly traded in the United States
- Tracked by The CoreBrand Index (CBI) for 3+ years

COMPANY	2020 RANK	INDUSTRY
Coca-Cola	1	Consumer Staples
Apple	2	Information Technology
Walt Disney	3	Communication Services
PepsiCo	4	Consumer Staples
Microsoft	5	Information Technology
Google-Alphabet	6	Communication Services
Johnson & Johnson	7	Health Care
The Hershey Company	8	Consumer Staples
American Express	9	Financials
International Business Machines	10	Information Technology
Facebook	11	Communication Services
Amazon	12	Consumer Discretionary
Visa	13	Information Technology
Mastercard	14	Information Technology
General Mills	15	Consumer Staples
Kellogg's	16	Consumer Staples
Campbell's Soup	17	Consumer Staples
Colgate-Palmolive	18	Consumer Staples
Twitter	19	Communication Services
eBay	20	Consumer Discretionary
Harley-Davidson	21	Consumer Discretionary
Morgan Stanley	22	Financials
ExxonMobil	23	Energy
Bank of America	24	Financials
Hilton	25	Consumer Discretionary
Nike	26	Consumer Discretionary
Bristol Myers Squibb	27	Health Care
McDonald's	28	Consumer Discretionary
General Electric	29	Industrials
Clorox	30	Consumer Staples

### APPLE

BrandPower is up from #10 in 2014.



### AMERICAN EXPRESS

Most recognize brand followed by Facebook, Coca-Cola, Visa and Walt Disney.



### MORGAN STANLEY

Best managed brand followed by PepsiCo, Apple, Coca-Cola and Walt Disney.



## 2020 TOP 100 RANKED BY BRANDPOWER

COMPANY	2020 RANK	INDUSTRY
Whirlpool	31	Consumer Discretionary
AT&T	32	Communication Services
Starbucks	33	Consumer Discretionary
Estée Lauder	34	Consumer Staples
Ford	35	Consumer Discretionary
Procter & Gamble	36	Consumer Staples
Pfizer	37	Health Care
Mattel	38	Consumer Discretionary
Capital One Financial	39	Financials
J.M. Smucker	40	Consumer Staples
Hewlett Packard Enterprise	41	Information Technology
JPMorgan Chase	42	Financials
DuPont	43	Materials
CBS	44	Communication Services
General Motors	45	Consumer Discretionary
FedEx	46	Industrials
Chevron	47	Energy
Intel	48	Information Technology
Netflix	49	Communication Services
American Airlines	50	Industrials
Kraft Heinz	51	Consumer Staples
Target	52	Consumer Discretionary
United Parcel Service	53	Industrials
Walmart	54	Consumer Staples
Charles Schwab	55	Financials
Marriott	56	Consumer Discretionary
Gap	57	Consumer Discretionary
Royal Caribbean Cruises	58	Consumer Discretionary
Ralph Lauren	59	Consumer Discretionary
Home Depot	60	Consumer Discretionary
Verizon Communications	61	Communication Services
HP	62	Information Technology
Lowe's	63	Consumer Discretionary
Boeing	64	Industrials
Walgreens	65	Consumer Staples

### FORD



At #35, Ford trails General Motors #45 on Familiarity but leads across all dimensions of Favorability.

### FEDEX



FedEx #46 edges out United Parcel Service at #53. The companies have very similar scores with FedEx leading in BrandPower, Familiarity, Favorability and Overall Reputation. UPS leads on Perception of Management, Investment Potential and Culture of Innovation.

### LOWE'S



Despite trailing Home Depot #60, Lowe's #63 has a stronger Perception of Management and much higher Culture of Innovation.

## 2020 TOP 100 RANKED BY BRANDPOWER

COMPANY	2020 RANK	INDUSTRY
Sherwin-Williams	66	Materials
Macy's	67	Consumer Discretionary
Hanesbrands	68	Consumer Discretionary
Best Buy	69	Consumer Discretionary
Delta Air Lines	70	Industrials
Tiffany & Co.	71	Consumer Discretionary
Stanley Black & Decker	72	Industrials
Kohl's	73	Consumer Discretionary
Tyson Foods	74	Consumer Staples
Western Union	75	Information Technology
Costco Wholesale	76	Consumer Staples
Wells Fargo	77	Financials
Foot Locker	78	Consumer Discretionary
CVS Health	79	Health Care
Allstate	80	Financials
McCormick & Company	81	Consumer Staples
Xerox	82	Information Technology
Dollar General	83	Consumer Discretionary
Carnival	84	Consumer Discretionary
Lockheed Martin	85	Industrials
Southwest Airlines	86	Industrials
Chipotle Mexican Grill	87	Consumer Discretionary
United Technologies	88	Industrials
Dollar Tree	89	Consumer Discretionary
Molson Coors Brewing Company	90	Consumer Staples
Comcast	91	Communication Services
Citigroup	92	Financials
Ulta Beauty	93	Consumer Discretionary
Dish Network	94	Communication Services
Goldman Sachs	95	Financials
Newell Brands	96	Consumer Discretionary
PayPal	97	Information Technology
Anthem	98	Health Care
MetLife	99	Financials
Discover Financial Services	100	Financials

### BEST BUY



Most adaptable. Best Buy, a new entrant for the Tenet 100 Most Powerful Brands, shifted to “enhanced curbside service” to protect workers and customers.

### DOLLAR TREE



Least innovative, along with Dollar General, H&R Block, Autozone and Monster Beverage.

# PRE-COVID BENCHMARKS

The Top 2020 Most Powerful Brands by Value have leaped to their highest brand valuation in the history of the CoreBrand research. Notably, Microsoft assumes the top position with a corporate brand value of \$142.9 billion dollars. In the year ahead, our analyst expects brand values to dramatically fluctuate as global markets recover from the impact of the pandemic.

## BRAND EQUITY VALUATION

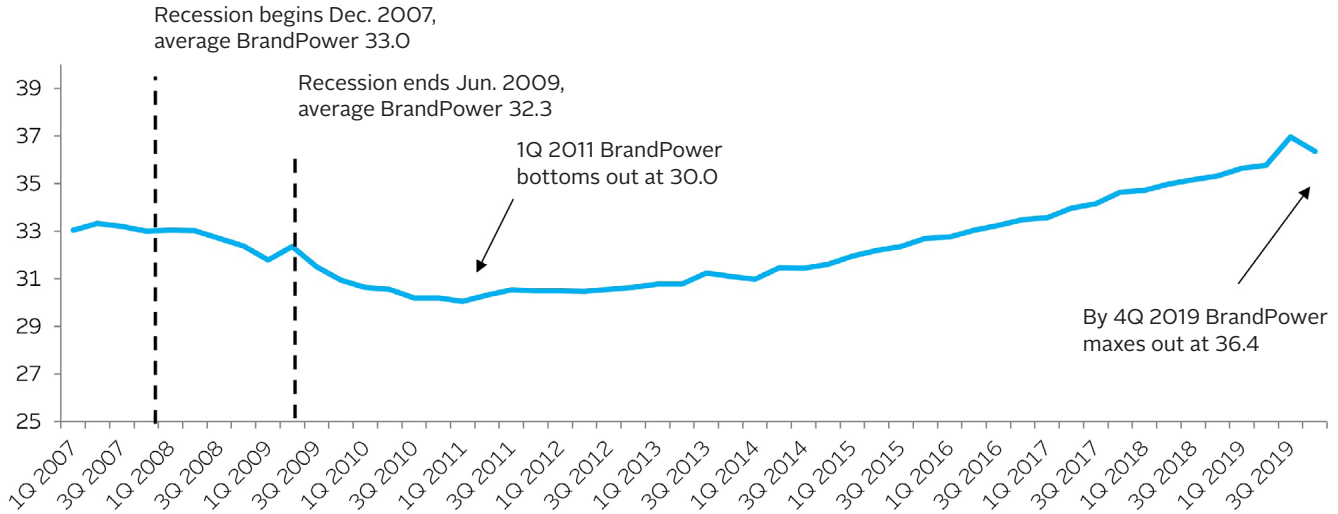
Tenet Partners' CoreBrand Brand Equity Valuation model specifically isolates and quantifies the financial impact that the brand, as a strategic asset, brings to the enterprise. Tenet Partners' methodology has been independently validated by the Marketing Accountability Standards Board (MASB).

## TOP 2020 MOST POWERFUL BRANDS BY BRAND VALUE

2020 RANK	COMPANY	JANUARY 2, 2020		MARCH 31, 2020		BRAND VALUE CHANGE, \$BIL.
		Brand Value, \$Bil.	Brand Value % of market cap	Brand Value, \$Bil.	Brand Value % of market cap	
1	Apple	236.4	18.4	201.2	18.5	-35.2
2	Microsoft	222.1	18.3	218.7	18.3	-3.4
3	Amazon	162.4	17.2	166.7	17.1	4.3
4	Facebook	93.9	18.7	74.9	18.7	-19.0
5	Google-Alphabet	77.1	18.8	65.6	18.8	-11.5
6	Johnson & Johnson	70.7	18.6	64.0	18.6	-6.7
7	Visa	70.1	19.2	59.3	19.2	-10.7
8	Mastercard	58.1	19.3	46.5	19.4	-11.7
9	Walt Disney	52.4	19.6	34.4	19.8	-18.1
10	Bank of America	51.5	16.7	31.6	17.2	-19.8

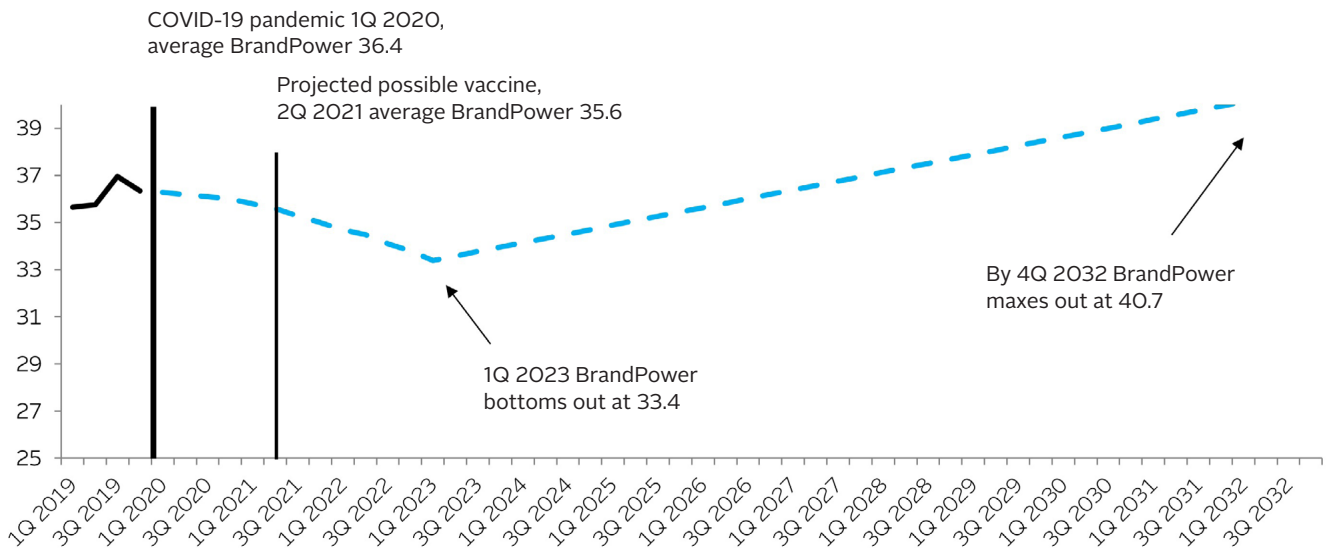
**The impact of the 2008 Recession on the average brand was initially negligible, but grew until recovery was fully under way**

As the economy soared, BrandPower scores climbed



**Based on the 2008 Recession, if a vaccine is found and the economy recovers rapidly, brands should see initial declines but rebound strongly**

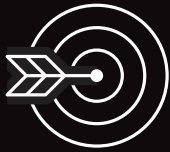
This projection assumes a vaccine in 2Q 2021, followed by a strong economic recovery





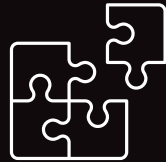
# ADVICE TO CMOs

CMOs field guide to operating in a pandemic



## STRATEGIC

- Do not live in your fears
- Do not disappear by going quiet and leaving your corporate brand to the whims of the market
- Understand your role in the economy and how you can have a positive impact
- Do not be afraid to tout your contributions and actions to help
- Communicate aggressively, do not leave your audience in the dark
- Corporate brands are the culmination of perceptions, impressions can be made quickly but perceptions change slowly over time



## TACTICAL

- Make sure all departments are in alignment with the overall goals and game plan
- The best time to get the most value from advertising is when everyone else is pulling back
- The companies that communicate successfully will shorten and decrease the negative impacts on their corporate brands
- Corporate brands are resilient resources that move slowly, they can be boosted to retain value, but value lost will also recover slowly — work hard to retain value



## ACTIONS

- Review your corporate vision and mission because these are the center of your brand
- Reassess your core values to be certain they are in alignment with today's changing needs
- Develop real-time insights capability using text analytics and build predictive forecasting models
- Identify the issues you are hearing from your employees and customers
- Develop a communications plan that provides a consistent message to all constituencies
- Establish short-term and long-term goals for the campaign, the coronavirus won't last forever so plan for the business trending back to normal

# ABOUT TENET PARTNERS

Tenet Partners is a brand innovation firm that transforms organizations through a blend of research, strategy, design and technology. Our mission is to help companies create brand value and unlock real-time solutions and possibilities in today's digital-driven, customer-focused world.

**TENETPARTNERS.COM**

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