BREAKAWAY BRANDS

of

2012

Landor

by Mich Bergesen and Stephanie Simon
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Breakaway Brands of 2012

Despite the hills and valleys that Facebook's stock price has endured since it went public, there may still be reason to hold out hope for the world's social network. According to Landor's Breakaway Brands® study, which measures sustained growth in brand strength over a three-year period, Facebook was leading the pack as the most relevant and differentiated brand up until 2011. If it can thrive in a recession, will it be able to pull through a disastrous IPO? Or will it be unfriended for good? This year's Breakaway Brands study provides interesting insights into those brands that have sustained strong upward momentum since 2008, and the essential characteristics that have resonated most in trying times.

From tech brands that help people stay in touch globally while keeping the phone bill down, to packaged goods brands that offer healthy choices and convenient coffee breaks, this year's Breakaway list includes names that were singled out by consumers as those they turn to and rely on to make life better.

Notably, the recession has accelerated the long-observed shift away from pure name recognition in consumer relationships with brands toward far more pragmatic day-to-day concerns. Today, consumers expect brands to be companions: trusted entities that are constantly within reach, helping to make life easier.

Each of our Breakaway Brands has followed its own path to companionship status, and the benefits they deliver can be distilled into three areas:

1. Connection

The term "sharing" is no longer limited to merely making content available. From creating tutorial videos for YouTube to curating news on Facebook to designing power tools with the guidance of a favorite motor racing hero, users are drawn to brands that facilitate personal connection.

By linking individuals to organizations, celebrities, and bloggers, and making it all mobile in 2009, **Facebook** continues to integrate users' interests into its ever-innovating platform. From 2008 to

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The 2012 Breakaway Brands

BRAND	GROWTH IN BRAND STRENGTH 2008–2011
Facebook	206%
Keurig	79%
Skype	77%
Amazon.com	76%
Vizio	66%
Samsung	63%
YouTube	63%
Netflix	44%
USMC	43%
Apple	42%

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 2008–2011
Kobalt	85%
Foster Farms	71%
Norton	49%

METHODOLOGY Landor studied approximately 2,500 brands in Young & Rubicam Group's database, identifying those brands that exhibited the greatest increases in brand strength from 2008–2011. Growth in brand strength indicates how much the brand's raw strength score has risen over the past three years, expressed in percentage terms.

2011, along with more than a 300 percent increase in subscribers, total time spent on Facebook per month shot up from 33.9 billion minutes to 700 billion minutes—a growth rate of over 2,000 percent.[1] While the company has grown significantly in customer numbers, its more enduring success has been in customer engagement—creating more links and reasons to click.

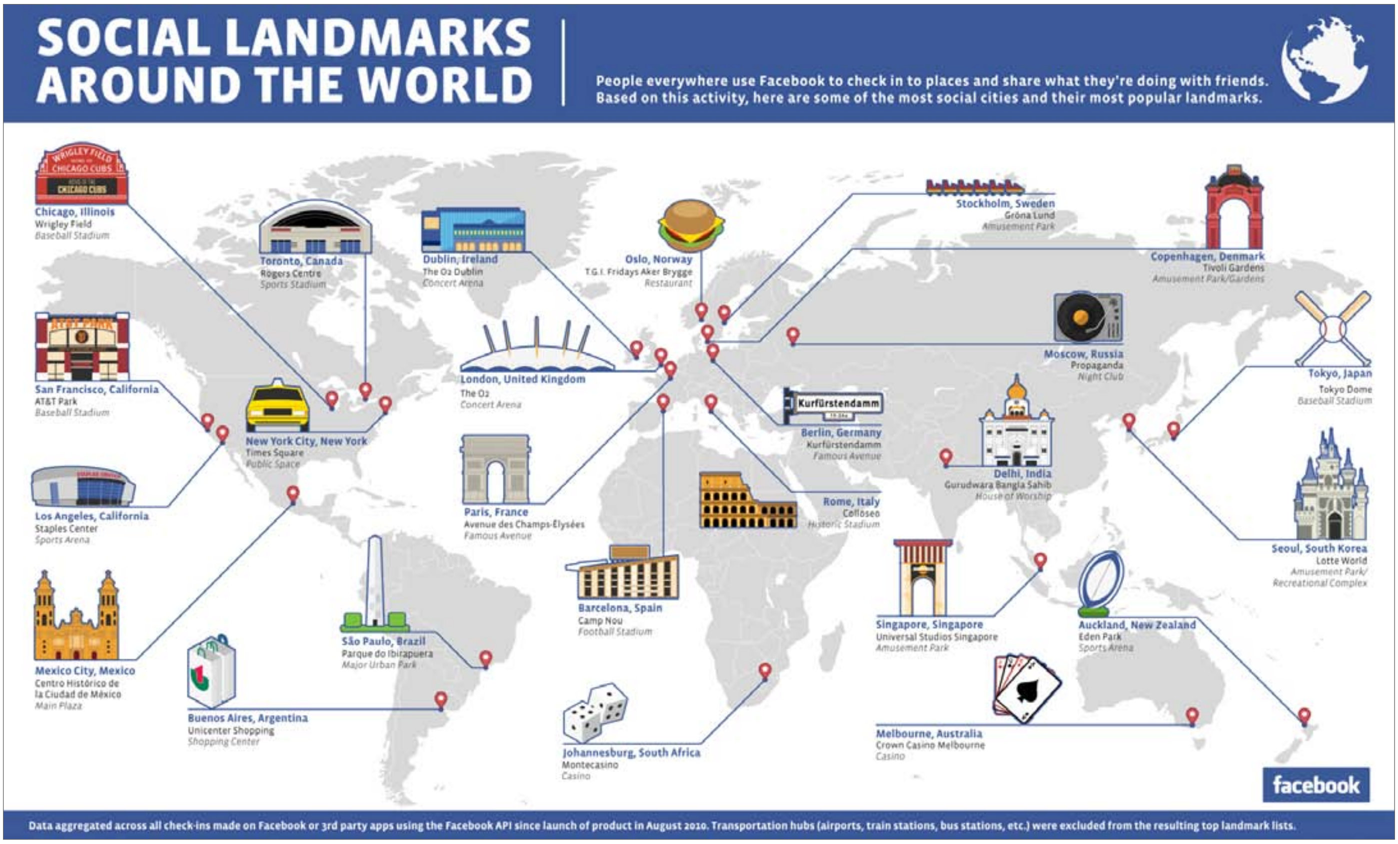
One of the reasons users spend more time on Facebook is to watch **YouTube** videos. In early 2011, 150 years of YouTube content was viewed daily via Facebook.[2] YouTube has seen major growth in social media use, with 100 million users liking, sharing, or commenting each week.[3] Thanks to the direction of its parent company Google, YouTube's increasing emphasis on social connectivity in the last few years has helped transition the video hosting site into a social network in its own right.

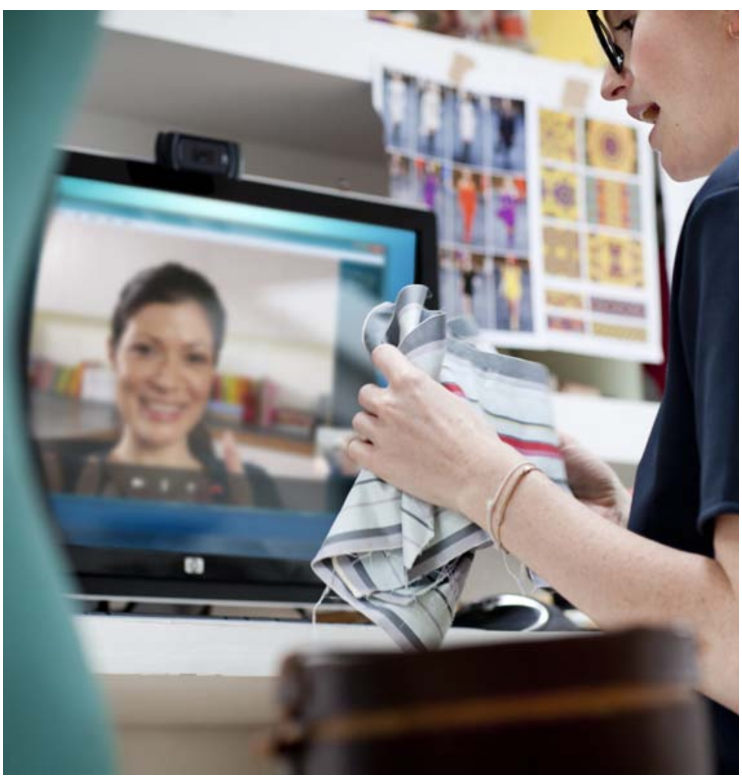
Moving beyond likes and posts, **Skype** has positioned itself as the site that gives a live face to the social experience. While it partnered with Facebook in 2011, Skype's ad campaign (pioneered by its parent company Microsoft) emphasized the impersonal nature of most social media, poking fun at Facebook and Twitter. With slogans such as "Upgrade from a Wall Post to a First Class Conversation," "140 Characters Doesn't Equal Staying in Touch," and "When Did LOL Replace the Sound of Laughter?," Skype announced that it's the human alternative to purely digital interaction.[4]

Sometimes a brand has to connect to consumers through one person. **Kobalt**, one of our brands to watch, has been able to involve its community with the strategic sponsorship of NASCAR driver Jimmie Johnson. As Johnson accumulated victories, and was voted Associated Press' Male Athlete of the Year in 2009, Kobalt gained increased visibility and positive associations. From sponsoring races to working with Johnson's team to design a line of tools, Kobalt's decisive partnership has allowed the brand to carve out a distinct identity.[5]

2. Convenience

In a world of overwhelming options, opinions, and flavors, brands that simplify consumer experience without sacrificing access for choice continue to win consumers' hearts. From offering clear





ABOVE Increasingly consolidating users' digital and physical lives, Facebook check-ins help people to share their experience.

LEFT Skype gives a face to social networking.

BELOW Created by YouTube and the Guggenheim Museum in collaboration with HP, YouTube Play showcases exceptional film in the developing realm of digital media.

ABOVE Vizio consistently delivers cutting-edge entertainment at a price everyone can enjoy.

BELOW Apple and Netflix set their sights on mobile devices.

and thoughtfully guided navigation through online shopping to creating the best mobile experience, these brands excel at making life a little less complicated.

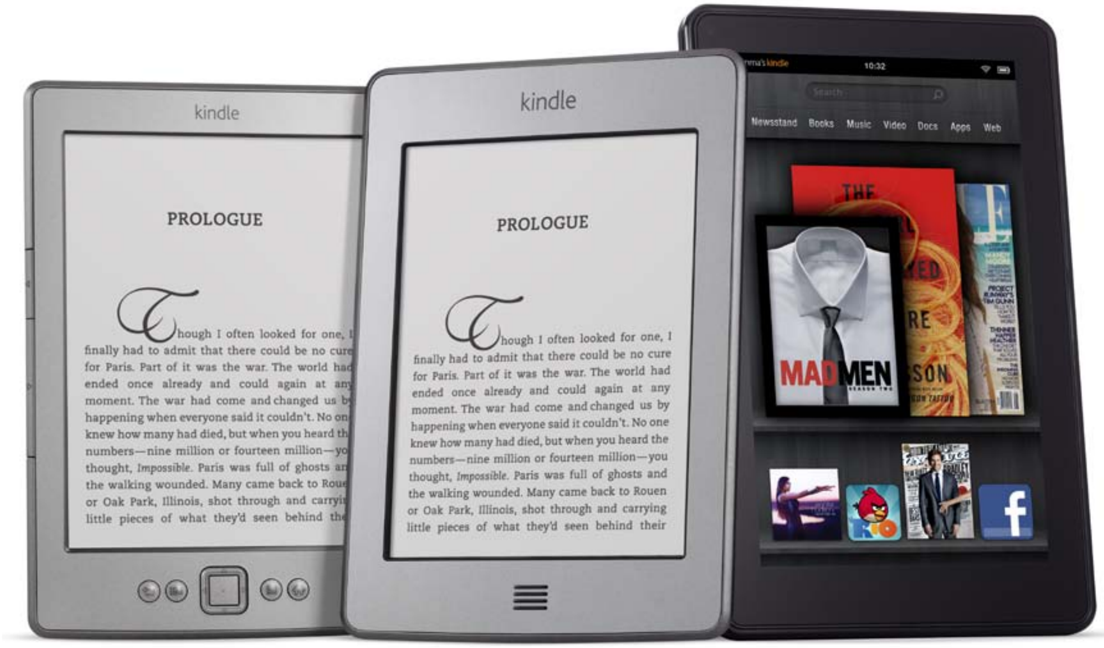
Amazon's marketplace is an extensive, yet intuitive one. With over 40 product categories from used books to gourmet food, it manages to offer customers selection and simplicity. In 2007, Amazon launched its MP3 store and released the first Kindle. In 2010, it was second only to iTunes (tied with Walmart) as the top U.S. music retailer, and its ebooks were outselling paperbacks in America.[6] By extending its straightforward design and markedly low price point, Amazon has been able to seamlessly add digital offerings for a holistic shopping experience.

On the other hand, **Netflix** has been proactive in ensuring a holistic entertainment experience for its customers: It's been a first mover in launching apps for both iOS and Android mobile operating systems (in 2010 and 2011, respectively).[7] It's available on more than 800 devices, and has contracts with a variety of manufacturers, including Microsoft, Nintendo, Panasonic, Sanyo, Sharp, and Toshiba.[8]

Netflix's quick move to apps and devices was prescient: In 2011, there was a 300 percent increase in viewing time spent on tablets, and Sony's PS3 accounted for more than 30 percent of all Netflix traffic.[9] Despite some pricing missteps in 2011, the inherent strength of this brand and its ready adaptability to multiple platforms and devices suggest it will remain a growth brand in a highly volatile category.

As the architect of multiple facets of the digital landscape, **Apple** expanded the definition of personal computer into the mobile realm with the iPhone and iPad. In 2010, Steve Jobs stated, "Apple is a mobile device company. This is what we do," cementing the company's mobile focus. However, as **Samsung** takes the lead as the largest smartphone distributor in the world (leaping from a 3 percent market share in 2008), it seems to also be setting its sights on mobile domination.[10] The race to own the mobile space is on.

While Apple and Samsung go head-to-head in the mobile melee, **Vizio** has leapt ahead in the HDTV market by staying put. At its founding, CEO William Wang envisioned a company that would succeed



by "delivering the latest technologies at the most affordable prices." Vizio shot from startup to HDTV market leader in less than a decade because it did not budge from that mission. Already at the forefront of the American HDTV market in 2008, Vizio positioned itself as the number one shipper of LCD HDTVs in the country in 2009.[11] By offering high-quality consumer electronics (multiple models were ranked Best of Consumer Electronics Show) at prices consistently lower than other top brands, Vizio delivers entertainment for everybody every day.[12]

In order to have an enduring impact, simple and affordable must also be sustainable. In caring for the health of customers and for the planet, both Keurig and Foster Farms have provided convenience with a conscience.

Keurig has differentiated itself with the concept of single-serve sustainability. The coffee brewer's one-use K-Cups are BPA free, with a recyclable filter and recyclable tea K-Cups. The company donates 5 percent of its pretax profits each year to support social and environmental causes, and in 2010 became the largest purchaser of fair trade certified coffee in the world.[13]

As one of our brands to watch, **Foster Farms** established itself as the leading brand of local, all-natural, hormone- and steroid-free fresh poultry in the Pacific Northwest. With campaigns such as Say No to Plumping (launched in 2009), the company has recently strengthened its alignment to healthy eating, community service, and environmental responsibility.[14] In the face of factory farming, Foster Farm's messaging reinforces the notion that poultry can be natural as well as provide added value and convenience with products like individually frozen chicken parts that don't require thawing before cooking.

3. Confidence

Connection and convenience mean nothing without security. At the simplest level, brands that deliver confidence in innovative ways empower people. In the case of our Breakaway Brands, this means embracing a new digital marketplace and a centuries-old military body.

Through investments in brand building and product expansion in recent years, Symantec's **Norton** brand has become synonymous with online security across platforms. The antivirus and security software company has led the way in protecting millions of consumers' computers from malicious activity and online theft. It also dominates the digital checkout line with a bold visual identity and a reputation for quality. "In a recent online consumer study, it was found that 94 percent of respondents were likely to continue an online purchase when they viewed the Norton Secured seal during checkout, more than any other seal displayed."[15]

At a national level, a decade of rising worldwide tension and conflict has elevated the brand profile of those tasked with defending the country: **The U.S. Marine Corps** (USMC), America's elite fighting forces. Not traditionally considered a consumer brand, this military institution has established a powerful identity with the U.S. public through nontraditional brand building. Founded in 1775,

ABOVE With its intuitive design and low price point, Amazon fluidly adds digital offerings.

BELOW In an unstable digital marketplace, the Norton Secured seal reassures customers that their purchase is safe.

BOTTOM Samsung quickly rises to dominate the smartphone space.

Norton by Symantec

ABOVE The U.S. Marine Corps, a two-centuries-old military body, now uses 21st century tactics to communicate its time-honored principles.

BELOW Keurig, the coffee brewer, serves convenience with a conscience.

OPPOSITE TOP Kobalt's committed partnership with NASCAR driver Jimmie Johnson impacts everything from its positioning to its product design.

OPPOSITE BOTTOM Foster Farms, the leading brand of fresh poultry in the Pacific Northwest, strengthens its commitment to natural products with witty campaigns, community service, and sustainability efforts.

and since its inception, the Corps has placed an unwavering emphasis on accomplishment, honor, and strength of body and character. Its tagline, *The Few. The Proud.* and signature motto Semper Fidelis are widely recognized and command instant respect. Initially shunning social media, the USMC began allowing it in 2010 and actively using it in 2011.[16] Today, the Corps embraces its online persona with Facebook, YouTube, Twitter, Flickr pages, and a blog, all communicating its longstanding ideals.

Can companions become best brand friends forever?

This year's Breakaway Brands list reveals a simple but powerful truth: To flourish in today's environment, brands must excel at being a trustworthy and helpful companion.

Connect people. Make their lives simpler. Give them a deep sense of confidence. Most importantly, don't squander that trust. For once it's gone, consumers will leave with it, and as the financial sector has discovered, are unlikely to look back.

As a cautionary example, Facebook showed the largest percentage gain in brand strength on this year's list, but its recent initial public offering (IPO) has highlighted the gap between upward brand momentum and the market's estimate of intrinsic value. Only time will tell whether the firm's lofty pre-IPO assessment of value will be realized, as management strives to maximize the brand's potential without breaching the very consumer trust its strength is built on.

More than ever, to demand brand loyalty requires that a brand is loyal to its own values and its customers.

After all, friendship is a two-way street. ■

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 2008 to 2011 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 19 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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