

BrandZ Top 50 Most Valuable Chinese Brands Announced

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China Mobile at Number One, Tencent Leads Tech Category Top 50 Brands Valued at US\$280 Billion

Millward Brown today announced the inaugural BrandZ Top 50 Most Valuable Chinese Brands, with banking, technology, retailers, and food/beverage all making a strong showing in the ranking.

The BrandZ Top 50 Most Valuable Chinese Brands span 19 different categories, reflecting the diversity of leading brands in the Chinese economy, and represent a total value of US\$280 billion, equivalent to just over 5 percent of the Chinese economy.

Commissioned by WPP, the BrandZ Top 50 Most Valuable Chinese Brands is the only valuation in the world that combines financial data with consumer opinions on brands and represents this as a dollar value.

The views of more than 35,000 Chinese consumers are contained in the BrandZ database, while financial and market information is drawn from Bloomberg and DataMonitor.

Commenting on the rankings, Eileen Campbell, Global CEO, Millward Brown said
 “Our launch of the Most Valuable Chinese Brands ranking is a clear reflection of just how important the Chinese market is to us and to WPP.”

Adrian Gonzalez, Head of Millward Brown Greater China, said,
 “Chinese companies in the BrandZ Top 50 have demonstrated their ability to build strong domestic brands, with a number of them earning a deep sense of loyalty and engagement among Chinese consumers.”

Gonzalez added,
 “China’s economy is now at a tipping point – consumers have an increasing number of brands to choose from, and therefore are becoming more sophisticated in their choices. This research, we believe, can help Chinese companies understand that good brand building is a powerful way to develop and maintain a competitive edge in a market evolving as quickly as China’s.”

Key Findings

China Mobile, the country’s dominant mobile phone carrier with more than 500 million subscribers, leads the ranking at No 1. It was also named among Millward Brown’s BrandZ Global Top 100 Most Valuable Brands for the past five years.

The telecom brand is closely followed by the nation’s “Big Four” banks – Industrial and Commercial Bank of China (Bank of China (No 3), China Construction Bank (No 4), and Agricultural Bank of China (No 6). State-owned enterprises in general have done well in the Top 50 ranking, benefiting from the government’s strong support and relatively fewer competitors.

Notably, consumer-facing technology brands Tencent and Baidu rank highly at No 8 and 9, respectively. These enterprises have succeeded due to their innovative offerings and strong consumer ties.

In the Top 50 ranking, brands tend to fall into one of three groups:

The Giants

* State-owned enterprises dominate the Top 50 ranking, benefiting from strong government support, relatively fewer competitors, and a growing commitment to brand building.

* Some SOEs, such as China Mobile, have taken advantage of favorable market conditions to adopt sophisticated brand strategies and market segmentation approaches. These steps should position these brands well as they are expected to face increased competition in the future.

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Conclusion:

In future rankings, we expect to follow these SOE brands closely to see whether they can maintain their position as growing competition unfolds in their sectors.

The Innovators

* Innovator brands have developed great products and great product experiences. The technology sector ranked highly, with online entertainment platform Tencent ranked at No 8, and search engine Baidu close behind at No 9.

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* Other brands have also demonstrated high levels of innovation: China Merchants Bank (No 11), which has invested heavily in branding and rolling out new customer offerings; domestic automotive manufacturer BYD (No 19), known for its electric car designs and green technology; and Haier (No 29), recognized for its energy-efficient product designs and consistent branding.

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Conclusion:

To maintain their competitive edge, these brands should continue to provide innovative products and services, while also strengthening their brands and deepening consumer bonding.

The Image Builders

* Brands in the packaged goods, beverages and retail categories operate in extremely crowded spaces, where brand building can play a critical role in differentiation. In this group, trust and product performance are key factors in successful branding.

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* Wine and beer brands Changyu (No 22), Tsingtao (No 35) and Great Wall (No 50) all recorded strong brand contribution. COFCO's Fulinmen food brand also claimed a spot at No 49.

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* Retail/sportswear/clothing brands also stand out, with Li Ning (No 24), Metersbonwe (No 31), Anta (No 43) and 361 Degrees (No 44) placing in the Top 50.

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Conclusion:

The brands in this group are proving to be adept brand builders. They should continue to maintain strong relevancy and develop closer ties to consumers, working to meet consumer expectations and generate trust.

Other Findings

Consumer Bonding – Building A Key Competitive Advantage

One key metric in the Brand value equation is Brand Contribution. Brand Contribution is the proportion of financial value that is driven purely by brand equity, revealing how effectively and closely the brand has connected with its customers.

* Across all three groups, brands can be found with extremely high levels of brand contribution.

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* Baidu, Great Wall, Tsingtao, Tencent and others have achieved particularly strong bonds with their consumers, and thus have high brand contributions.

Conclusion:

Looking forward, we expect these brands to outperform their peers in future rankings due to their strong consumer relationships.

Background and Methodology

Developed for WPP's operating companies by Millward Brown, the BrandZ Top 50 Most Valuable Chinese Brands ranking is the only study to combine measures of brand equity based on interviews with over 35,000 consumers in China with a rigorous analysis of the financial and business performance of each company (using data from Bloomberg and Datamonitor) to separate the value that brand plays in driving business revenue and market capitalization.

Criteria for selecting Chinese brands for inclusion in the Top 50 ranking were:

1. Brand must originally have been created by a mainland Chinese enterprise

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2. Brand must be owned by a publicly-traded enterprise

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3. The publicly-traded enterprise must report positive earnings

Consumer perception of a brand is a key input in determining brand value because brands are a combination of business performance, product delivery, clarity of positioning, and leadership.

The methodology mirrors that used to calculate the annual BrandZ Top 100 Most Valuable Global Brands, now in its fifth year.

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