

BRANDZ™
TOP 25
MOST VALUABLE
GLOBAL
RETAIL
BRANDS 2016/2017





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David Roth, CEO,
The Store WPP, EMEA & Asia

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WELCOME

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WELCOME TO

TOP TWO RETAIL BRANDS ARE E-COMMERCE BUSINESSES

THREE DIGITAL-FIRST BRANDS IN THE TOP 10

THE NEW E-RA

Welcome, and thank you for your interest in the BrandZ™ Most Valuable Global Retail Brands 2016/2017 study.

In the 11 years that we at WPP have been valuing brands, never have we known a time of such rapid and dramatic change. And, in retailing, it seems the pressures affecting all business sectors are especially intense.

It was only four years ago that Amazon took top spot in the retail brand rankings from Walmart, a brand with immense scale and more than 50 years' experience in the sector.

In the 2016/2017 rankings, the top two retail brands are both e-commerce businesses, and there are three digital-first brands in the top 10.

These three brands – Amazon, Alibaba and eBay – together account for 40 percent of the total brand value of the top 25 global retail brands. We are seeing that it's difficult to overstate the significance of what this says about the way the world is being transformed.

Never have challenges come from so many directions. But then, neither have opportunities.

Consumer loyalty is now that much harder to win, but with new ways of reaching people, and the ability to not only meet their needs but to anticipate them, the prize is potentially that much greater.

As you will see in this report, the most valuable retail brands are adapting their services - and entire business models - to the fast-changing landscape in which they find themselves.

Understanding what's necessary and what's possible requires the kind of extensive global knowledge across sectors, markets and communications disciplines that WPP offers.

We have offices in more than 112 countries and a retail practice across our operating companies that extends from insight to activation. It includes research, advertising, marketing, digital, communications planning and media, PR, shopper marketing and retail.

This study draws on that expertise. Kantar Millward Brown provided the valuations based on the WPP's proprietary BrandZ™ research, the world's largest and most comprehensive brand equity tool. Over

2 million consumers and B2B customers across more than 30 countries have shared their opinions about thousands of brands.

Kantar Retail has interpreted key retail brand developments and in this report provide their insights into competitive advantages and challenges.

This year, several other WPP companies have added commentary on the impact on retail brands of omni-channel shopping, changing consumer paths to purchase and the potential of the Internet-of-Things to automate shopping. These companies include: FITCH, Salmon, Mindshare, Labstore and Kantar Worldpanel.

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 and Asia

01

Introduction

OVERVIEW

ALL CHANGE AS CONSUMERS SEEK BRANDS THAT ALLOW THEM NOT JUST TO BUY, BUT TO BE



AS CONSUMERS RETHINK NOT JUST THE THINGS THEY BUY BUT THE LIVES THEY LEAD, SO TOO HAVE RETAIL BRANDS BEEN RE-EVALUATING THE ROLE THEY PLAY IN THOSE LIVES, AND THE WAY IN WHICH THEY DO IT.

THE FORCES OF CHANGE ARE HUGE, AND THE EFFECT ON ALL BUSINESSES – NOT JUST THOSE IN RETAIL – ARE SIMILARLY VAST.

What BrandZ™ data on brand value shows, however, is that many retailers are weathering the storm. The value of retail brands rose 7 percent between 2015 and 2016, and four of the Top 10 fastest-rising brands across all categories in the Top 100 Most Valuable Global Brands were e-commerce brands, including the number one riser, Amazon.

Analysis by Kantar Retail, WPP's global retail and shopper consultancy, shows that retailers are investing in optimizing productivity, improving the retail experience and increasing shopper engagement. General retailers are enhancing cross-merchandising and adding in-store delivery options for online orders in an effort to improve convenience in big box stores originally intended as dense, self-service environments.

Many are reducing store footprints and repurposing space as they reassess the role of physical retail in an increasingly omni-channel world. No longer is retail space simply a place to maximize the number of SKUs. The gradual slide of Walmart – pioneer of the 'Everyday low prices' approach to sales – from first to fourth place in the BrandZ™ ranking of the most valuable global retail brands in just four years is symptomatic of this.

Space is being reconfigured; unproductive space is being disposed of as many shoppers switch from big shopping trips to a focus on frequent quick trips and e-commerce. Kantar Worldpanel data shows that in the 12 months to June 2016, while FMCG sales globally grew by just 1.6 percent, grocery e-commerce sales were up 15 percent. Kantar Worldpanel predicts that by 2025, online will account for 9 percent of all FMCG sales, up from 4 percent now.

In other cases, space is being turned over from a place for stacking stock into somewhere that can offer services or create an experience that enables brands to connect with shoppers in richer, more interesting ways. Consumers are beginning to look at retailers as places not just for buying, but for being.

This change applies to digital retail brands as well; Amazon is a dominant force in categories well beyond retailing, capturing not only a share of sales but also a growing share of people's lives.

The retail brands with the fastest growing brand value are those that are reading the signs and responding – or anticipating – accordingly.

The most valuable brand in the sector, Amazon, posted 59 percent brand value growth in 2016, further extending its lead in the rankings. The brand is significant not just for consistently setting new standards for the industry in terms of service, but also for elevating consumers' expectations of choice, price and fulfilment. JD.com, China's second-largest e-commerce specialist, also outperformed the market with 37 percent growth in brand value in 2016.

But the rankings also show that nimble retail brands with a heritage in physical stores can grow in this market. Home Depot, the DIY retailer, and Costco, the warehouse club, posted 32 percent and 29 percent increases in brand value respectively.

OVERVIEW

AISLE BE BACK

THE MOST EFFICIENT RETAILERS ARE THOSE THAT FOCUS ON THE FASTEST-SELLING PRODUCTS THAT JUSTIFY THE SPACE THEY OCCUPY. SLOWER MOVERS, AND THE ITEMS CONSUMERS ARE HAPPY TO ORDER WITHOUT SEEING THEM FIRST IN THE FLESH, CAN SOMETIMES BE DELIVERED MORE EFFICIENTLY THROUGH E-COMMERCE.

What that means is that stores have an opportunity to become places of retail theatre; destinations for immersion in the brand, something brands such as Apple have become expert in. The idea of the physical store design serving as a lasting monument is disappearing, as is the idea that all stores serve the same function. There is a difference in consumers' minds – and increasingly in the retail world – between the everyday and the iconic. And, just as consumers expect their mobile apps to get updated regularly, they expect physical stores to offer something new or to reconfigure the experience they provide on a regular basis.

Shoppers are now comfortable moving seamlessly between media and marketplaces that are online and offline, using both to achieve their twin goals of

browsing and buying. Too many retail brands are still trapped in separate channels or streams for online and offline, and this distinction jars with consumers for whom the difference is no longer relevant. Presenting omni-channel buying options is one thing for a retail brand, but omni-channel thinking is quite another.

At the moment, the Internet is an excellent destination for the act of buying. Sites and cookies know the shopper, their preferences, their credit card details, and where to send their stuff. The process is becoming frictionless. And yet, the Internet remains a frustrating place for browsing and discovery.

Well-executed physical stores, on the other hand, enable shoppers to readily seek and find new things, to have an

experience, to seek help and confirmation from an expert, to taste something, to touch it, to try it on. It is a superior venue for the act of browsing and comparing. It can often, however, be a time-consuming and unpleasant way to actually make a transaction.

This is the challenge for brands in the future: to improve the shopping online, and the buying in-store, and coordinate both of them as seamlessly as possible. The answer – at least for those retailers not entirely operating online - is a true omni-channel approach. Done well, this combines the pleasure of browsing, exploring and discovering that tends to come from physical retail with the convenience of e-commerce. Omni-channel retailing allows the consumer to use both store and screen as they wish.



OVERVIEW

A YEAR IN THE BUSINESS OF RETAIL

The BrandZ™ retail category includes physical and digital distribution channels in grocery and department stores and specialists in drug, electrical, DIY and home furnishings. Brand value growth between 2015 and 2016 varied significantly, not only by retail channel, category and geography, but also within sectors, as brands responded differently to the conditions they face.

Never before has brand been such an important differentiator between retailers; we see many cases in which stores carrying similar goods in a similar format fare very differently in terms of brand value growth. This is because the experience of shopping is about so much more than the goods in the basket; it is about the overall proposition for consumers – a combination of range, value, experience and the meaning of a retail brand to the individual.

FOOD RETAILERS

Food retailers in the past year have expanded offerings of fresh and organic food, and increased pick-up and delivery options. Kroger, a US grocery chain with more than 3,700 stores, is a stand-out example of this trend in action. Kroger, which is also a significant investor in data analytics, this year enters the BrandZ™ Retail Top 25 for the first time.



Never before has brand been such an important differentiator between retailers

DEPARTMENT STORES

Department stores faced falling traffic at mall locations, but fared better with their flagship stores, where a more immersive brand experience is possible.



ONLINE TO OFFLINE

Online brands moved offline, with Amazon opening a bookstore near Seattle and making plans for a second in California, while Alibaba opened its first physical store in Tianjin, in northern China.

URBAN STORES

Urban stores are growing in number. Localized selections of goods at inner-city locations are finding a ready market of millennial consumers. Tesco and Carrefour are among the leading supermarket and hypermarket brands to be highly focused on small urban stores with an assortment that varies significantly by location. IKEA is opening inner-city pick-up outlets, and organic food specialist Whole Foods has also launched a pared-down version of its larger stores, with a customized assortment and lower prices, called 365 by Whole Foods Market.

CROSSING BOUNDARIES

Boundaries are being crossed. Kroger has opened a new concept store with a wine bar and craft beer assortment and a limited apparel offering, and discount supermarkets Lidl and Aldi have broadened their non-food assortment.

SHRINKING STORES

Stores continued to shrink, reflecting consumers' changing shopping habits, but many offered more services, such as click-and-collect. Walmart was among the big-box retail brands that has closed some of its larger stores and expanded its online offering, and has launched its hugely popular store pick-up service, modelled on similar services operated by European hypermarket and supermarket chains.

GROWING SERVICES

Selling is only part of the equation. Services are a growing part of the retail brand offering. Drugstore chain CVS, for instance, is growing the number of in-store clinics it operates, while Amazon and Alibaba are expanding their 'share of life' with cloud computing services and, in the case of Amazon, voice-controlled search devices and the Dash automated ordering system.



The BrandZ™

Global Retail

Top 25

02

THE BRANDZ™ TOP 25 MOST VALUABLE GLOBAL RETAIL BRANDS 2016/17

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

#1

amazon

Brand Value

\$98,988 mil.

Brand Value Change

+59%

Brand Contribution 3

#2


Alibaba Group
阿里巴巴集团

Brand Value

\$49,298 mil.

Brand Value Change

-26%

Brand Contribution 2

#3



Brand Value

\$36,440 mil.

Brand Value Change

+32%

Brand Contribution 2

#4

Walmart 

Brand Value

\$27,275 mil.

Brand Value Change

-23%

Brand Contribution 2

#5



Brand Value

\$18,082 mil.

Brand Value Change

+6%

Brand Contribution 3

#6



Brand Value

\$14,461 mil.

Brand Value Change

+29%

Brand Contribution 2

#7



Brand Value

\$13,001 mil.

Brand Value Change

+21%

Brand Contribution 2

#8



Brand Value

\$12,077 mil.

Brand Value Change

+4%

Brand Contribution 2

#9



Brand Value

\$12,074 mil.

Brand Value Change

+17%

Brand Contribution 3

#10



Brand Value

\$11,509 mil.

Brand Value Change

-19%

Brand Contribution 2

#11



Brand Value

\$10,496 mil.

Brand Value Change

+37%

Brand Contribution 2

#12



Brand Value

\$10,364 mil.

Brand Value Change

+22%

Brand Contribution 3

#18



Brand Value

\$7,459 mil.

Brand Value Change

-37%

Brand Contribution 3

#19



Brand Value

\$6,846 mil.

Brand Value Change

+14%

Brand Contribution 2

#20



Brand Value

\$5,419 mil.

Brand Value Change

-24%

Brand Contribution 3

#13



Brand Value

\$9,360 mil.

Brand Value Change

+25%

Brand Contribution 3

THE BRANDZ™ TOP 25 MOST VALUABLE GLOBAL RETAIL BRANDS 2016/17

#14



Brand Value

\$9,301 mil.

Brand Value Change

+11%

Brand Contribution 2

#21



Brand Value

\$5,372 mil.

Brand Value Change

-23%

Brand Contribution 4

THE BRANDZ™ TOP 25 MOST VALUABLE GLOBAL RETAIL BRANDS 2016/17

#22

NORDSTROM

Brand Value

\$5,305 mil.

Brand Value Change

-10%

Brand Contribution 4

#15



Brand Value

\$8,923 mil.

Brand Value Change

-5%

Brand Contribution 3

#16



Brand Value

\$7,905 mil.

Brand Value Change

New Entrant

Brand Contribution 3

#17



Brand Value

\$7,736 mil.

Brand Value Change

-3%

Brand Contribution 3

#23



Brand Value

\$5,086 mil.

Brand Value Change

-11%

Brand Contribution 3

#24



EST. 1884

Brand Value

\$4,790 mil.

Brand Value Change

-10%

Brand Contribution 3

#25



Brand Value

\$4,575 mil.

Brand Value Change

-2%

Brand Contribution 2

1

ONLINE INNOVATOR TOPS TABLE AGAIN



BRAND VALUE: **\$98,988 million**
 % CHANGE YOY: **+59%**
 GLOBAL RETAIL SALES: **\$104,060 million**
 GLOBAL RETAIL SALES GROWTH YOY: **29.0%**
 GLOBAL RETAIL STORES: **1 bookstore and approx. 30 pop-ups**

Source: BrandZ™/Kantar Retail (including data from Bloomberg)

WHAT BEGAN AS AN ONLINE BOOKSELLER IN 1994 IS NOW THE BRANDZ™ MOST VALUABLE RETAIL BRAND, MAKING MORE THAN \$100 BILLION A YEAR IN SALES AND SERVING 300 MILLION CUSTOMERS AROUND THE WORLD.

AS ITS INVENTORY AND SUPPLIER LIST HAVE GROWN, SO TOO HAS THE LIST OF MARKETS IT COVERS, THE CONVENIENCE-DRIVEN SERVICES IT OFFERS, AND THE TECHNOLOGY-BASED INNOVATIONS IT PRESENTS.



The Amazon ecosystem covers logistics, music, film and television production as well as the grocery market. The business is now as much a technology and media company as it is a retailer; it offers music streaming by subscription, was behind 16 Emmy nominations for original content in 2016, and Amazon Studios has released its first Original Movie *Chi-Raq*, directed by Spike Lee. CFO Bryan Olsavsky said in 2016 the company was “nearly doubling our content spend in the second half of this year versus 2015. And we’re nearly tripling our number of new Amazon Original shows – TV shows and movies compared with the second half of last year.”

Amazon has experimented with physical retail stores, opening its first bookshop in Seattle, the city where the business is headquartered, and has been launching a range of subscription and delivery packages which promise next-day, same-day and even two-hour delivery slots in selected areas. These innovations typically launch in the US and then are rolled out to other major markets. In 2015, worldwide paid Prime memberships increased 51 percent – 47 percent in the US and even faster in other markets.

In August 2016, Amazon launched its Dash Button scheme in the US, UK and parts of Europe, allowing Prime customers – subscribers who pay for delivery privileges and access to online content – to place orders for dozens of brands at the touch of a button. Amazon’s Alexa digital hands-free personal assistant is launched in the UK in late 2016 after huge success in the US. On Prime Day 2016, a one-day global shopping event giving Prime members exclusive deals and discounts, more than 85,000 items were sold in the US through Alexa voice-activation alone. Subscriptions taken out on Prime Day in 2016 were up more than 30 percent over 2015.

Amazon has launched country-specific sites in large markets; these include

Germany, Japan, France, Italy, Brazil, Australia and Canada. Its most recent international launch was in India in 2013, where it has rapidly become the most popular e-commerce company in the country, against strong local competition and against Chinese rival Alibaba, which bought local brand Flipkart. China is one of the few markets where Amazon is not the e-commerce leader; Alibaba and JD.Com dominate here. Amazon in mid-2016 announced a US\$3 billion investment in India on top of \$2 billion it allocated in 2014.

Grocery, an area in which for years observers doubted Amazon could succeed, is now a growing part of the business, particularly in cities where the company can offer fast delivery. In areas where Prime Now is available, products are delivered within an hour of ordering. Since launching in 2014, Prime Now has grown to cover more than 25 metropolitan areas across the US, the UK, Italy and Japan.

As it moves into territory previously held by supermarkets, Amazon is also expanding into the lucrative world of private label for food and household supplies. Private label names include Happy Belly, for food, Wickedly Prime snacks and Mama Bear baby items.

Amazon reported lower-than-expected profits in Q3 2016 after three previous quarters of record gains, but it is seeing growing margins from its web services, which are a growing proportion of profits. These services capitalize on the technological infrastructure has created for its e-commerce network, and repurpose that capability for business and consumer use. Amazon Business serves more than 200,000 small and large companies, including Fortune 500 companies. Amazon WorkMail offers email and calendar services, and Amazon Web Services’ cloud computing is now available in 12 markets and is due for rollout to a further five by the end of 2016.

INSIGHTS & IMPLICATIONS

Amazon continues to look to new geographies and new categories in which to trade. Its scale and its strong reputation for customer service and fulfilment make it a serious player in all aspects of retailing, including fresh grocery.

While it is known as an e-commerce site, at its heart Amazon is a technology business. It is now disrupting the entertainment and IT sectors in the way it disrupted physical retail stores a decade ago.

As Amazon moves into business services, private-label grocery, electronics, FMCGs and the Internet of Things, it is difficult to imagine a business sector in which Amazon could not find a place. Watch for Amazon to continue to march into the order-by-voice ecosystem pushing Echo and the smaller Dot version deeper into household penetration.

2



Alibaba Group
阿里巴巴集团

BRAND VALUE: **\$49,298 million**
% CHANGE YOY: **-26%**
GLOBAL RETAIL SALES: **\$454,949 million**
GLOBAL RETAIL SALES GROWTH YOY: **29.0%**
GLOBAL RETAIL STORES: **0**
Source: BrandZ™/Kantar Retail (including data from Bloomberg)

AD FOCUS DRIVES CHINA'S BIGGEST E-TAILER

ALIBABA IS UNIQUE AMONG THE WORLD'S BIGGEST RETAIL BRANDS IN THAT IT GENERATES ITS PROFITS NOT FROM MARGIN ON TRANSACTIONS BUT PRIMARILY FROM ADVERTISING AROUND E-COMMERCE.

THE BUSINESS, FOUNDED IN 1999 BY FORMER TEACHER JACK MA IN THE EASTERN CHINESE CITY OF HANGZHOU, OPERATES AS A SERIES OF CONCENTRIC CIRCLES, WITH ONLINE PRODUCTS THAT SERVE NOT JUST TO CONNECT BUYERS AND SELLERS BUT, INCREASINGLY, PROVIDE A BROADER RANGE OF CONSUMER AND BUSINESS SERVICES.



Photograph courtesy of Alibabagroup.com

The e-commerce company has no physical stores, but provides digital portals for B2B, B2C and C2C services through Alibaba.com and its Tmall.com and Taobao Marketplace sites. These sites are all supported by Alipay, the fee-free online payment platform it launched in 2004, which now accounts for half of all online payments made in China.

The brand is the force that has taken 'Singles Day', which began as a small movement in a Chinese university, and turned it into the biggest single shopping day in the world and a national shopping frenzy. On Singles Day 2016 – it is always on November 11 (11/11) – Alibaba generated sales of \$14.3 billion on that one day, a 60 percent increase over 2015. High-profile marketing around the day included a three-hour TV special on the eve of the sale, featuring Hollywood big hitters such as Kevin Spacey, Daniel Craig and a host of prominent Chinese entertainers.

Alibaba has given Chinese consumers beyond the tier-one major cities a choice of brands that physical retail has never offered. In remote cities and towns, now they have millions of options.

What sets Alibaba apart from other retail brands – aside from its sheer scale and the range of sectors in which it operates – is that profits come not from margin or commission on the sale of goods through its sites, but rather from advertising around the sale content. The sites attract huge volumes of traffic – in Q2 2016, 434 million people had used Alibaba sites in the past 12 months – and that traffic is monetized through ads. It offers travel, health, insurance and entertainment content online, all of which generates more web traffic and, in turn, ad sales.

Investment in content creation and distribution has been an Alibaba focus in the past two years and includes the Xiami music streaming service, which allows shoppers to listen to music while they browse. More sizeable investments include the purchase of the Hong Kong-based South China Morning Post newspaper group in late 2015, and the establishment of film production and distribution company Alibaba Pictures. In mid-2016, Alibaba created a 'smart car', integrating its own digital operating system into a Roewe brand compact SUV, so the car could automatically pay for fuel, parking and road tolls.

The digital infrastructure that has allowed Alibaba and its many offshoots to flourish is itself now a source of revenue, with the Alibaba Cloud hosting and data processing service sold to individuals and small businesses. This is a growing area for Alibaba; in its Q1 2016 results, cloud computing accounted for only 4 percent of total revenue, but was the fastest-growing element, up 175 percent over the previous year.

Alibaba began as a way to connect overseas businesses with Chinese product suppliers, and its Tmall platform is a place for global brands and Chinese consumers to interact. But by far the bulk of e-commerce revenue has been generated in China (8 percent in Q1 2016). Founder Jack Ma has stated an intention to generate half of revenue from outside China, and in April 2016 the company took a \$1 billion step into Southeast Asia. Its investment in the Singapore-based Lazada e-commerce group gives it coverage in Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. India is another key growth market for Alibaba; it has taken a stake in Indian e-commerce company Snapdeal, as well as a payments business, Paytm.

INSIGHTS & IMPLICATIONS

Alibaba has always looked beyond the transactional element of retail to raise revenue. The value of strong content as a driver of traffic has been at the heart of business growth.

Much of what shoppers love about Alibaba's sites is the sense of excitement around great deals and being part of a shared experience. Shoppers may be alone with their smartphone, but they feel part of something much bigger.

From the beginning, Alibaba has worked to take out the pain points of e-commerce by providing solutions of its own. Payment and logistics services have all come from a focus on the total customer experience.

3

DIGITAL PUSH PAYING OFF FOR DIY CHAIN



BRAND VALUE: **\$36,440 million**
 % CHANGE YOY: **+32%**
 GLOBAL RETAIL SALES: **\$88,621 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+6.5%**
 GLOBAL RETAIL STORES: **2,274**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

THE HOME DEPOT IS THE WORLD'S LARGEST HOME-IMPROVEMENT RETAILER, AND ITS WAREHOUSE-STYLE STORES SELL EVERYTHING FROM TOOLS AND PAINT TO GARDEN FURNITURE AND POOL SUPPLIES.

SINCE 1978 THE CHAIN HAS ESTABLISHED A STRONG RELATIONSHIP NOT ONLY WITH HOUSEHOLD CONSUMERS BUT ALSO PROFESSIONALS WORKING IN THE BUILDING TRADE, WHO ACCOUNT FOR AROUND 35 TO 40 PERCENT OF TOTAL SALES.



Sales have been strong in the past year – the company reported a 4.7 percent increase in sales in Q2 2016 in comparable stores – largely due to a recovering US housing market and growing homeowner confidence. Consumers in a rising market tend to feel encouraged to invest in improving their homes, and this growth is being seen across the home-improvement sector. Home Depot reports especially strong growth in the past year in sales of big-ticket items such as appliances, roofing, and heating and cooling systems.

The business is driven by what Home Depot describes as its 'three-legged stool' strategy, through which value is created by providing: a strong customer experience, authority on products, and efficient capital allocation, linked together by an 'interconnecting retail' strategy aiming for seamless omni-channel experiences.

The 'customer experience' and 'interconnecting retail' pieces of the stool have been particular areas of focus in the past year, with digital technology creating a true omni-channel experience that is not just making shopping simpler, it's also bringing in the next generation of home improvers. Home Depot's mobile app allows users to take a photo of, say, a feature at a friend's house; the app will find a match from the online database of more than one million items for sale. The matching item can be superimposed on an image of the customer's own home, using augmented reality, so they can see how their friend's French doors would look in their home, for instance. If the shopper then visits a store, digital mapping will direct them to the exact place in that particular outlet where they'll find the item.

Online, there are chat portals through which consumers can seek advice, along with detailed product information and

reviews. In stores, there has been a shift towards presenting home-improvement solutions and inspiration rather than simply an extensive range of products. Displays often resemble vignettes of family life, with collections of goods curated in each department, to show what can be achieved, not just what is for sale. Creating a seamless link between online and offline is especially important in this sector, where consumers want to do in-depth research before they set foot in a store, but, especially when they're investing a lot of money, also want to see and feel the real thing before they buy. Home Depot's digital push helps extend the brand to a younger audience of first-time homeowners who often lack knowledge about home improvement and are seeking guidance and reassurance. About half of Home Depot's online traffic comes via mobile devices.

In mid-2015, Home Depot extended its reach to more pro contractor shoppers through the \$1.6 billion acquisition of Interline Brands, a wholesale distributor of products such as security supplies, plumbing equipment and heating and cooling systems. The retailer has strong brand equity with the pro contractor shopper base.

In its push for operational efficiency, in the US Home Depot has not been opening new stores but rather focusing on its existing real estate. It has been expanding in Canada, however, where it now has 182 stores, and in Mexico, where it has 115 and is growing fast as demand there for home improvement soars. The brand has dabbled in other markets, most notably in China, which it entered in 2006 through acquiring a local retailer; it struggled to convince Chinese consumers to take up DIY and has closed all of its big-box stores there, but retains a decorating center and a paint and flooring store. Expansion into Chile and Argentina in the late 1990s was short-lived and unprofitable.

INSIGHTS & IMPLICATIONS

Investment in digital technology is targeted and truly useful to shoppers. Online content helps people make informed decisions, and digitization in-store makes big stores and huge ranges more navigable. Augmented reality lends a cool factor.

At a time when many big-box retailers are shutting or shrinking stores, Home Depot is rethinking the value of the showroom, and how it can work in a real omni-channel offering.

Home Depot's push for younger shoppers is likely to bring not just sales in the short term but build valuable long-term loyalty. That will pay dividends as today's young shoppers later buy their second or third homes, and extend and adapt homes to changing family circumstances.

4

STORE GIANT FOCUSES ON HIGH-PROFIT SECTORS

Walmart 

BRAND VALUE: **\$27,275 million**
 % CHANGE YOY: **-23%**
 GLOBAL RETAIL SALES: **\$434,158 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+3.9%**
 GLOBAL RETAIL STORES: **10,761**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

WALMART IS THE ORIGINAL 'EVERYDAY LOW PRICE' RETAILER, FOCUSING ON EVERY DAY LOW PRICES AND LARGE VOLUME SALES TO BUILD A REPUTATION FOR VARIETY AND VALUE.

IT NOW OPERATES HYPERMARKETS, DISCOUNT DEPARTMENT STORES AND SMALLER NEIGHBORHOOD 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 WORLDWIDE SALES FROM ITS HOME MARKET. THE COMPANY WAS FOUNDED IN 1962 BY THE LEGENDARY SAM WALTON AND THE WALTON FAMILY BEHIND THAT LAUNCH STILL CONTROLS 50 PERCENT OF THE BUSINESS.



President and CEO Doug McMillon took up his post in 2014, at a time when Walmart was coming under increasing pressure from Amazon and from discounters and chains of smaller stores in the US, and from discounters competing in other key markets such as the UK, home to its Asda stores. Under his leadership, the company has pursued a focus on the most profitable parts of the business and has shut down non-performing areas, such as many in-store restaurants and specialist apparel sections. Private label, which provides higher margins, is gaining prominence in the US in particular.

In February 2016, Walmart took the unprecedented step of closing 154 stores in the US and 269 worldwide as it reappraised its offering. It has also diversified the portfolio, especially in the US, with stores of different sizes and formats to cater to a range of shopping trips – not just the big weekly or fortnightly visit but also top-up trips. The business has also been focusing on the most profitable geographies; rather than being big everywhere, it has been focusing on the US, China, Canada, Mexico and the UK.

In the US, the Walmart slogan has long been 'Save money. Live better', and while everyday low prices remain key to the offer to consumers, the emphasis is shifting towards the 'Live better' part of the promise. Smart shopping solutions are being introduced to help busy families, so baby and fresh food sections are being redesigned, and groups of products that would normally be placed around a

store, such as 'everything you need for a barbecue', can now be found in one display. Deli produce and prepared food is being improved, stores are being made easier to navigate, and services such as click-and-collect are proving highly popular for the convenience they offer, particularly to people with children.

Under McMillon, Walmart has raised staff wages in the US with the intention of improving service, and announced in 2015 that Walmart would invest more than US\$1 billion in the coming year in developing its e-commerce capabilities. The company operates e-commerce web sites in 10 countries; the largest, Walmart.com, gets 80 million visits per month and is still growing. Mobile apps cater to shoppers on the move, and there is a range of delivery and pick-up options. The seriousness with which Walmart regards e-commerce is evident in the August 2016 announcement that it would acquire Jet.com, a young, US-based e-commerce company, for \$3.3 billion. This gives the company not just added online capabilities but also brings in high-tech talent to guide expansion.

Because many of Walmart's market entries were through acquisitions, it continues to enjoy operational efficiencies as inventory and supply chain systems become integrated, a process recently completed in Brazil. As the retailer continues to mature in e-commerce, it is strategically choosing its market approaches, such as through its partnership with JD.com in China, and the expansion of third-party marketplaces. Walmart's International segment is the world's second-largest retailer in the world by sales.

INSIGHTS & IMPLICATIONS

The company has been focusing on what's profitable, whether that's business divisions or geographical markets, and being ruthless about making cuts where the long-term health of the business is at stake.

Walmart is behind in e-commerce and is investing heavily in improving its offering and capability in this key area, launching click-and-collect from its physical store network, and in-store lockers for collection.

Keen to give shoppers a reason to visit, Walmart and its other brands have been working on improving the in-store experience, considering solutions that meet consumer needs as well as clusters of ingredients by type. Shoppers visit to prepare for the ideal family picnic or great day out at the baseball field; they don't want to have to walk down every aisle of the store to meet those needs.

5

GLOBAL GROWTH FOR FIRST NAME IN FLAT-PACK



BRAND VALUE: **\$18,082 million**
 % CHANGE YOY: **+6%**
 GLOBAL RETAIL SALES: **\$42,839 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+9.3%**
 GLOBAL RETAIL STORES: **376**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

IKEA IS THE WORLD'S LARGEST FURNITURE RETAIL BRAND AND IS FAMOUS FOR ITS FLAT-PACKED, READY-TO-ASSEMBLE BEDS, CHAIRS, DESKS AND HOME ACCESSORIES.

FOUNDED IN SWEDEN IN 1943, THE IKEA BRAND IS KNOWN FOR DEMOCRATIZING STYLE AND DESIGN, AND IS NOW PRESENT IN 48 COUNTRIES AROUND THE WORLD; STORES ARE LARGELY BIG-BOX, OUT-OF-TOWN WAREHOUSES FEATURING THE BLUE AND YELLOW OF THE SWEDISH FLAG, AND MOST INCLUDE RESTAURANTS FOR WHICH IKEA'S SWEDISH MEATBALLS HAVE BECOME WORLD-RENOWNED.

IKEA HAD 783 MILLION VISITS TO ITS STORES IN THE YEAR TO AUGUST 2016. IN FY 2014/15 IT HAD 1.9 BILLION VISITS TO ITS WEB SITES AND 771 MILLION STORE VISITS.



The businesses behind the IKEA brand are multiple and inter-connected. In September 2016, the business structure changed to create a simplified and improved franchise system under a new Inter IKEA Group. The group said the new structure enabled the brand to more readily focus on consumers' needs, and help position IKEA for further growth and expansion.

The restructuring came as a result of a 2011 consultancy study done for Inter IKEA that said the previous organizational system made it more difficult for IKEA than its competitors to adapt to changing market conditions. IKEA has been outperforming the market in terms of margin for many years – margins have typically been over 14 percent for the past five years, compared to other DIY groups which tend to be under 5 percent. IKEA reported a 5.5 percent increase in net profit in 2015, and an 11.2 percent jump in sales value.

But IKEA is wary of the consumer shift away from out-of-town stores and the desire for smaller, urban shopping experiences. Convenience-focused retailers such as Amazon, with same-day home delivery and click-and-collect

solutions, stand to gain if IKEA doesn't adapt the model. In the UK, IKEA has been looking at opening a smaller-format order-and-collect store in London's prestigious Oxford Street, and has opened a click-and-collect point in the eastern city of Norwich that it has described as bridging the gap between online and in-store shopping. A pop-up store that functions as private dining room has also been deployed.

IKEA executives say the new formats will enable the business to improve its online offering, an area in which the brand has lagged other retail brands because it has been uncertain about how to achieve online the same strong impulse buys that a visit to the physical store delivers. China is home to eight of IKEA's 10 largest stores, and the rise of the middle classes has fuelled strong growth there. Australia, Canada and Poland continue to be the fastest-growing markets for IKEA, while Germany, closely followed by the US, are the largest and continue to post strong growth. The first IKEA stores in India and Serbia are due to open in 2016-17. To celebrate the brand's heritage, an IKEA Museum opened in June 2016 on the site of the very first IKEA store in Älmhult; it contains 20,000 objects, temporary exhibitions and, naturally, a shop.

INSIGHTS & IMPLICATIONS

IKEA has for years been a leader in demonstrating to shoppers not just the products it sells but the rooms that those products can help create.

Growth is coming from emerging markets where urbanization and growing middle classes are fuelling demand, and from more affluent markets where IKEA represents affordable style.

Experimentation has begun with smaller formats, a digitally enabled path to purchase and direct fulfilment – a significant departure from the huge IKEA warehouses with which the brand has become synonymous.

The History of Retail in 100 Objects

The definitive history of retail through the eyes of the objects that have defined it.

From the very first transaction, retail has always played a vital part in the fabric of life. The history of retail and social developments are inextricably linked.

We have defined the key objects that have had a profound impact on the development of retail and detailing their contribution to retail history.

In conjunction with our partners on this project, Intel, we also looked into the future to try to define which objects, not yet invented, will have a considerable impact on retailing in the future.

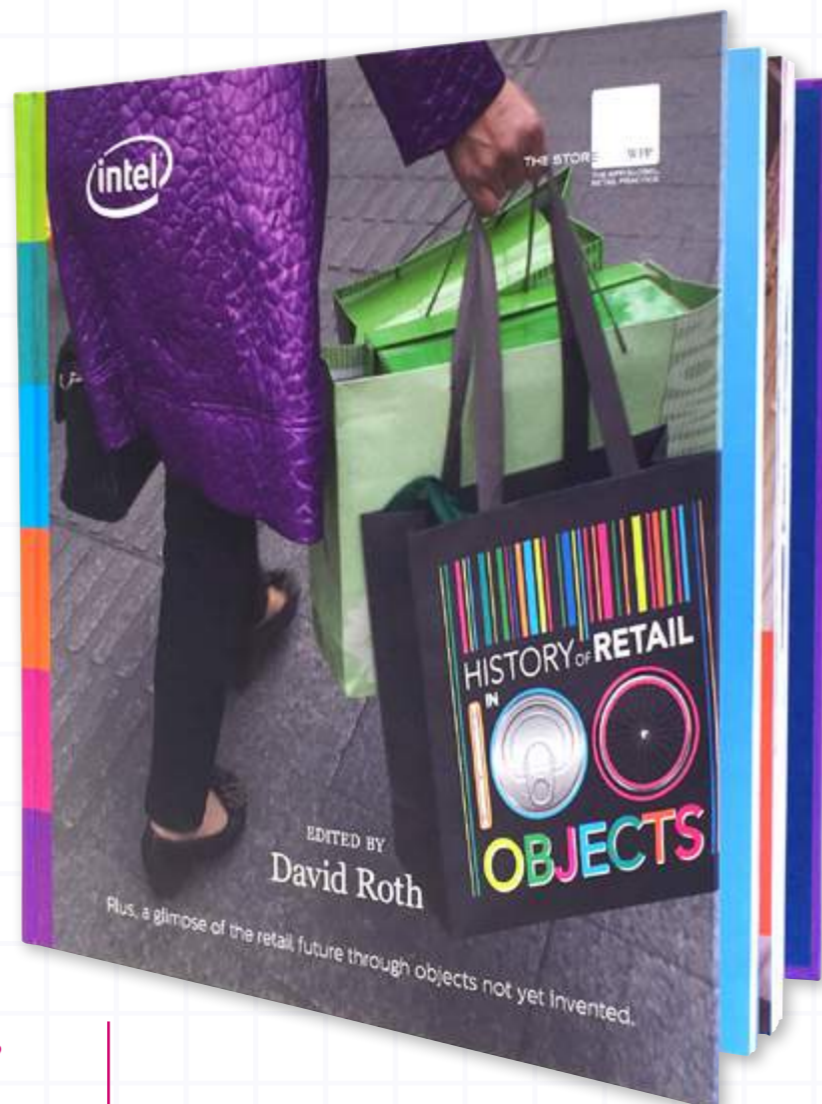
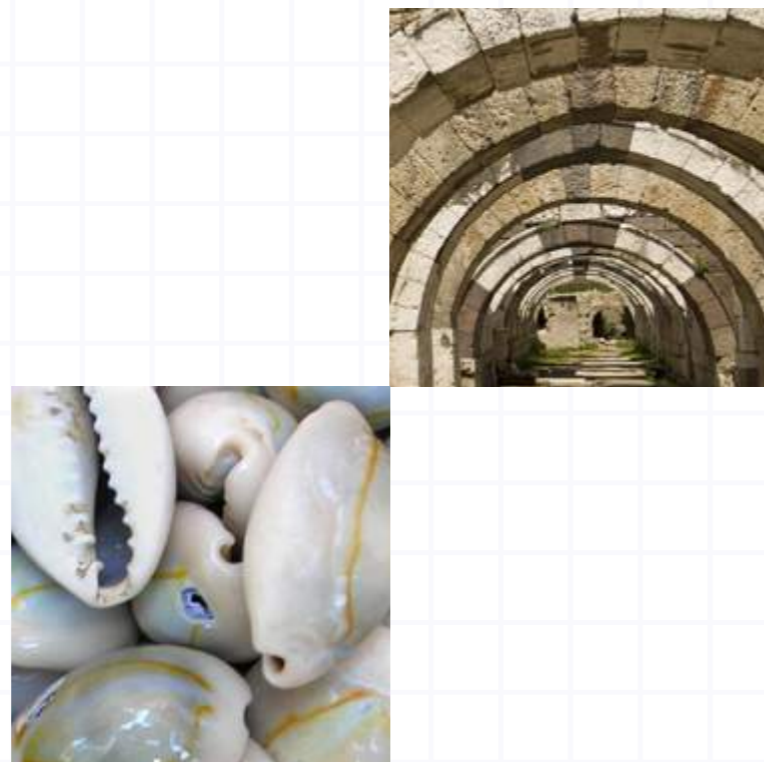


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6

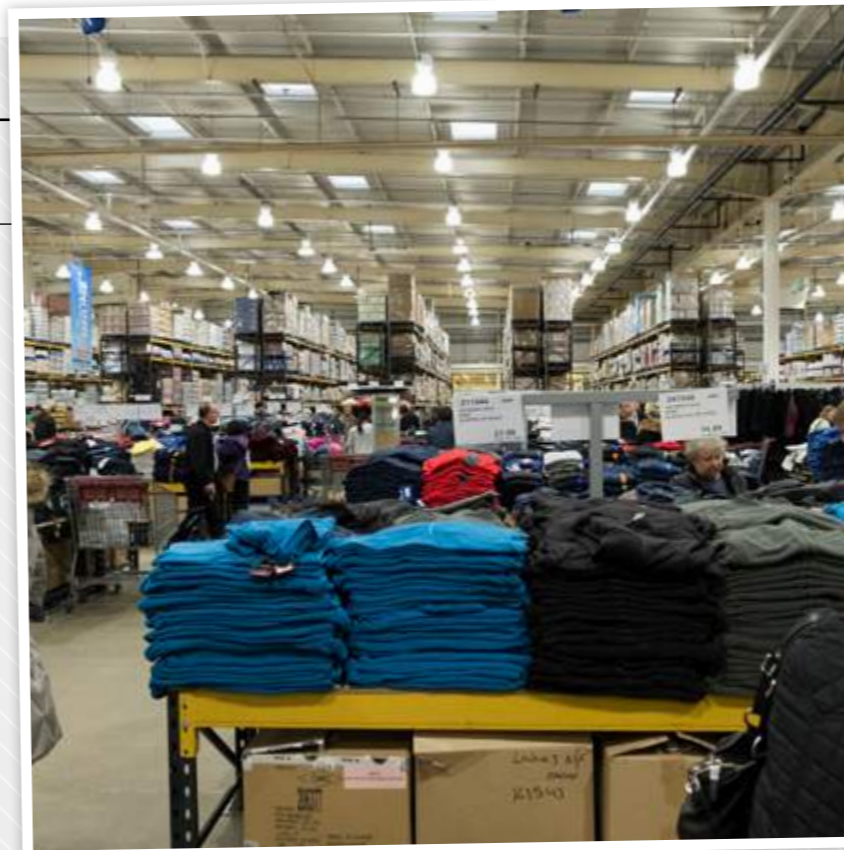


BRAND VALUE: **\$14,461 million**
 % CHANGE YOY: **+29%**
 GLOBAL RETAIL SALES: **\$116,366 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+3.2%**
 GLOBAL RETAIL STORES: **686**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

RETAIL CLUB PROMISES VALUE AND VARIETY

THE COSTCO CHAIN IS A MEMBERS-ONLY RETAIL CLUB THAT OFFERS ACCESS TO ITS BUILDINGS – IT DOESN'T CALL THEM STORES – FOR DEFINED CUSTOMER SEGMENTS WHO PAY AN ANNUAL FEE.

WAREHOUSE-STYLE CLUBS OFFER BULK GROCERIES AS WELL AS ELECTRONICS, FURNITURE, TOYS AND JEWELRY; THE RANGE TENDS TO BE SMALL COMPARED TO OTHER BIG-BOX RETAILERS, WITH ABOUT 3,700 ITEMS ON AVERAGE, AND THE SELECTION IS HIGHLY LOCALIZED. THIS GIVES COSTCO SHOPPING A "TREASURE HUNT" FEEL, FAMOUSLY OFFERING SHOPPERS THE CHANCE TO PUT A HUGE JAR OF MAYONNAISE AND A DIAMOND RING IN THE SAME TROLLEY.



The membership scheme works on a tiered basis, which gives users access and discounts for a range of benefits beyond the box. These include payroll services and online financial management for business customers, and for individuals there are discounts on insurance premiums and phone services. Membership worldwide reached 81.3 million total cardholders in fiscal 2015, up 6 percent in 12 months. The top 'executive' tier of members accounts for one-third of the membership but more than two-thirds of sales.

Revenue generated from membership fees supports Costco's ability to offer great value for money, particularly in terms of price per unit. Rather than achieve profit from margin, it demands low margin from suppliers to achieve some of the fastest-selling SKUs in US retail. This pressure on suppliers has led to popular brands – including Coca-Cola and Apple - falling out of distribution from Costco from time to time, in some cases with signs on the steel suggesting that the brand could not offer the value the customer deserves. In this way, Costco has established a reputation as the 'Robin Hood of retail' and a strong advocate for its members.

Costco is expanding its presence globally and the membership model is proving successful; it is now present in the United

States, Canada, Mexico, Australia, the UK, Spain, Taiwan, South Korea, Japan and, through a two-year-old partnership with Alibaba's T-Mall, mainland China. There are plans to launch in Iceland and France in 2016-17, and to launch a physical presence in mainland China over the longer term. Non-US markets in 2015 accounted for 27 percent of sales, having risen steadily from 23 percent in 2010.

The business began as Price Club in 1976 and has traded under the Costco banner since 1983. While the business model has been unchanged for decades, the brand is seen as an innovator. It has been a leader among mainstream retailers in expanding its range of organic and healthy foods, a growing area of interest for Costco shoppers, and in developing services in its clubs and online to drive member value. In-club cafes are well known for their value meal deals, gas stations offer low-cost fuel, and the brand often works with local providers like solar panel contractors to add to the local feel that the assortment in each club helps create. In the past year, Costco has been extending its ecommerce offering; in the UK, it offers an online-only membership option. In the US, Costco is working with Google Express, Instacart and is selling through Jet.com and Boxed, giving digital shoppers low prices and fast delivery.

INSIGHTS & IMPLICATIONS

Consistency of brand mission and a message targeted toward a specific segment of shoppers over many years means consumers are in no doubt as to what Costco stands for and provides, even as the assortment and services change.

Good timing has been part of Costco's success – entering new markets during uncertain economic times with a unique and appealing value proposition, and being content to 'wait and see' at other times. Being first isn't top priority but the membership mission always is.

Demonstrating value through price, exclusivity, and rotation has been a big part of Costco's promise, as has being agile when it comes to trying new things. If a new inclusion in the assortment doesn't sell, it's quickly dropped.

The club experience coupled with strong member advocacy serve Costco well and differentiate it within the increasingly competitive and disruptive retail landscape.

7



BRAND VALUE: **\$13,001 million**
 % CHANGE YOY: **+21%**
 GLOBAL RETAIL SALES: **\$59,051 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+5.1%**
 GLOBAL RETAIL STORES: **1,857**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

TECH DRIVE APPEALS TO FIRST-TIME DIY-ERS

LOWE'S IS THE SECOND-LARGEST HOME IMPROVEMENT RETAILER IN THE WORLD, AFTER HOME DEPOT, AND HAS A NETWORK OF WAREHOUSE-STYLE STORES WITH A RANGE SPANNING PATIO FURNITURE TO PLUMBING SUPPLIES.

ITS HOME MARKET, THE US, ACCOUNTS FOR 97 PERCENT OF SALES, THOUGH THE BRAND IS INCREASINGLY LOOKING TO INTERNATIONAL MARKETS FOR GROWTH, AND IS EXPANDING IN CANADA AND MEXICO.



The brand is seen as highly innovative and very user friendly, particularly for non-expert consumers who are seeking reassurance and guidance as they undertake their first home-improvement projects. Lowe's has specialist staff who can visit a customer's home and provide tailored advice on the products best suited to their particular project, and stores create scenes or vignettes that show ideas in action rather than just presenting a range of products.

Lowe's has been investing in digital and social-media tools that help consumers see projects through from idea to completion. Its Vine campaign #FixIn6 provides home-help advice in six seconds, and the Made in a Minute campaign launched in August 2016 uses 360-degree videos on Facebook to give step-by-step instructions on popular projects. Viewers can click through to buy related products.

Lowe's Innovation Labs experiment with ideas for the home-improvement experience of the future, and ideas to emerge so far include in-store robots and the Holoroom, a 3D virtual-reality experience enabling customers to see what their finished bathrooms and kitchens will look like. Holorooms are available in 20 stores and are being installed in more stores in 2016-17. The business is also growing its 3D printing capabilities, allowing customers to print items in plastic and metal to personalize their projects.

The business is benefiting from growing consumer confidence and rising house prices in the US, which is encouraging more home-owners to invest in upgrading their homes. This is a trend seen across the home-improvement sector, which tends to rise and fall with the housing market.

Although Lowe's had a head start on Home Depot, launching its first stores in 1946 as timber merchants, nearly 30 years before Home Depot, its sites tend to be a little further out of town and it has fewer branches. Recent sales growth has been robust, though less strong at Lowe's than at rival Home Depot in Q2 2016, with sales at stores open at least a year up 2.0 percent in this period compared to a 4.7 percent rise at Home Depot. This is thought to be because cold weather in May affected garden sales, an area in which Lowe's is especially strong, Lowe's has less presence in the west of the US, where demand has been strongest, and because Lowe's is more of a direct-to-consumer retailer, while Home Depot has a greater emphasis on trade buyers, who have been behind strong growth in the sector recently. That said, the Lowe's for Pros division targets building professionals with special payment terms and bulk items; sales to the trade account for close to 30 per cent of the total.

Lowe's is experimenting with smaller-format, urban stores to attract city-dwelling and often younger consumers. Two Lowe's City Center stores have so far opened in New York City. The company has also been opening more stores under the Orchard Supply Hardware banner, a then-failing small-store chain it took over in 2013. These neighborhood stores are smaller than Lowe's, at about 36,000 square feet, and carry a localized range of tools and decorating supplies.

The bulk of sales come from Lowe's US stores, but the retailer has a growing presence in Canada through its purchase of the almost 500-store RONA hardware chain in early 2016, which gives it a presence in Quebec for the first time.

INSIGHTS & IMPLICATIONS


Lowe's is using digital media content to guide and reassure, which is especially important for young consumers who are new to the world of home improvement.

At a time when products are so readily available online, Lowe's has made its personal service a key point of difference. Home visits by specialist staff create loyalty.

Lowe's seems to understand that people don't shop there because they want to; what they want is a remodelled kitchen or a garden where they can entertain. Online and offline, Lowe's focuses on the goal and how to get there – and the crucial finishing touches.

8

DISCOUNT PIONEER LOOKS TO GLOBAL GROWTH



BRAND VALUE: **\$12,077 million**
 % CHANGE YOY: **+4%**
 GLOBAL RETAIL SALES: **\$99,514 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+7.8%**
 GLOBAL RETAIL STORES: **10,863**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

ALDI IS EUROPE'S ORIGINAL DISCOUNTER, AND ITS PIONEERING LOW-OVERHEADS, LOW-PRICES MODEL HAS BEEN AN EXEMPLAR FOR THE SECTOR AROUND THE WORLD.

THE BUSINESS GREW OUT OF A SINGLE, FAMILY-RUN STORE IN ESSEN, GERMANY, WHICH OPENED IN 1913, BUT THE ALDI BRAND WAS LAUNCHED IN 1962 AND HAS SINCE BECOME A HOUSEHOLD NAME, NOT JUST IN GERMANY BUT ACROSS EUROPE, THE US AND AUSTRALIA.



As Aldi has expanded into markets unused to the discount model, it has had to invest in marketing to convince consumers that low prices don't have to mean quality is lacking.

The UK has been a key growth market for both Aldi and its closest rival, Lidl. Aldi launched in this market in 1990 and has been posting high double-digit growth, particularly in the past five years. It has 500 stores and plans to extend the UK network to 1,000.

Stores have traditionally operated with only two or three staff members each to keep costs low, and there's a no-frills feel to stores, with products stacked on easy-to-move pallets that are quick to replenish and replace when there are new items or weekly specials. Stock tends to consist of about 1,300 SKUs; this compares to a typical supermarket range of between 30,000 and 60,000. In each category, there are only one or two choices. This means Aldi can stock a significant range of categories but also keep store sizes small. Private label accounts for about 90 percent of all available products, though some stores, especially those in areas with a younger target audience, are offering an increased proportion of branded goods.

The warehouse-style, highly functional feel that stores had a decade ago is gradually being changed, as Aldi realizes that to compete with more mainstream supermarket brands, it must offer not just low prices but also a more pleasant shopping experience. New stores now have an in-store bakery, which shoppers have come to expect from supermarkets,

but true to Aldi strategy, these are largely automated to keep down operating costs. In the past, Aldi had cash-only tills to keep costs down, but has moved to modern payment systems in most markets, even testing mobile payment in Switzerland through Apple Pay in July 2016.

Aldi's attention is moving toward multi-channel investment. While many large supermarkets are looking to downsize, Aldi is opening larger stores to offer a wider range and present a less utilitarian feel to stores, with expanded fresh food zones to draw in shoppers for a full weekly shop. Aldi is opening in new locations with new store types; smaller, urban formats are a key strategic area of growth for Aldi. These stores are more sophisticated than regular Aldi stores, with an emphasis on food-to-go, differentiated pack sizes, new checkouts and a stronger presence from brands.

Aldi launched its first online store in the UK in 2016, in a way that complements rather than replicates the physical shopping experience. Non-food specials drive heavy traffic to stores on particular days. By selling its non-food offers online, Aldi is able to spread demand throughout the week and prevent overcrowding in carparks and in store. An online liquor store in Australia, which helped the company work around strict laws on the sale of alcohol in physical stores, was closed in early 2016 as the company said it wanted to focus instead on its supermarkets there. In the US, Aldi operates more than 1,400 stores, and owns the Trader Joe's supermarket chain.

INSIGHTS & IMPLICATIONS

Having achieved saturation in its home market, Germany, and in many other European countries, Aldi is looking to the US and Australia for growth.

Aldi has shown willingness to innovate and move away from its one-size-fits-all store format, depending on the needs of local shoppers.

The company has focused on developing 'hero categories' that drive traffic. Aldi's baby section is highly regarded in the UK, for instance, and its fresh produce section has been revamped to attract families for a full weekly shop rather than an occasional or top-up visit.

9



BRAND VALUE: **\$12,074 million**
% CHANGE YOY: **+17%**
GLOBAL RETAIL SALES: **\$73,348 million**
GLOBAL RETAIL SALES GROWTH YOY: **+6.3%**
GLOBAL RETAIL STORES: **9,730**
Source: BrandZ™/Kantar Retail (including data from Bloomberg)

COMMUNITY ROLE AT HEART OF PHARMACY NETWORK

CVS IS A HEALTH AND PHARMACY CHAIN AND IS ONE OF THE TWO LARGEST DRUGSTORE NETWORKS IN THE UNITED STATES. ITS MISSION IS TO MAKE QUALITY HEALTHCARE “MORE AFFORDABLE, MORE ACCESSIBLE, AND MORE SUSTAINABLE”.

WITH 9,500 RETAIL PHARMACIES ACROSS THE US, 76 PERCENT OF THE US POPULATION LIVES WITHIN FIVE MILES OF A CVS PHARMACY; THERE ARE ALSO 1,100 CVS WALK-IN CLINICS AROUND THE COUNTRY.



The business rebranded as CVS Health in 2014, and announced that it would stop selling cigarettes and other tobacco products in its stores. This was a first for the sector in the US, and meant forgoing more than \$1 billion a year in sales, but was “the right thing to do”, its CEO said. Other programs to promote corporate social responsibility include public health awareness campaigns on subjects including the effect of second-hand smoke on children, and a reshaping of CVS’s food and drinks range in 2016 with a focus on health. A 500-store pilot program in 2015 added ‘better-for-you’ products to make healthy eating on the go more convenient and affordable. The program was being extended to more than 2,900 stores in 2016. CVS has plans to open 1,700 in-store clinics by 2017 as it works to become a destination for all of consumers’ health needs.

CVS’s pharmacy services business accounts for two-thirds of total revenue; its in-house Personal Benefit Manager brand, CVS Caremark, serves employers, insurance companies, unions and other health benefit plan providers, as well as individuals.

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 towards catering for older consumers who have long-term, on-going healthcare

needs. The core pharmacy business was also extended in late 2015 through the acquisition of more than 1,670 pharmacies and nearly 80 retail clinics from the department store chain Target Corporation. These outlets add to the CVS pharmacy count by 20 percent, and sit within or alongside Target stores so benefit from their passing traffic.

While rival Walgreens has been extending its international footprint, CVS is focusing heavily on its home market, though it does have a small presence in Brazil. The drugstore sector has been growing in the US as the aging population drives up demand for medicine and healthcare products and services more broadly, and as a greater number of people enter insurance for the first time under the Obamacare program.

CVS’s loyalty card scheme, ExtraCare, has 70 million active users, including 17 million BeautyClub members, who benefit from additional rewards on beauty-related purchases. The scheme provides members with personalized offers and rewards, and can be accessed via the CVS app. Personalization and the integration of online and offline services are a core part of CVS’s growth strategy. It has been rolling out services to improve the shopping experience, with kerb-side collection now available, and since August 2016 a new end-to-end mobile payment service called CVS Pay, which is part of the app.

INSIGHTS & IMPLICATIONS

CVS has identified its core strengths and is focused on developing those, building its health products and services and extending its footprint of in-store clinics. It localizes its assortment and services to match the needs of local communities, and personalizes offers through its loyalty scheme.

A focus on ‘doing the right thing’ has become an important point of difference between CVS and its competitors. CSR is not a marketing message but a driver of business decisions.

Convenience both in-store and online has been improving. Kerb-side collection of prescriptions and a link between the ExtraCare loyalty scheme and the mobile app show progress in this area as the brand seeks to provide access anytime, anywhere.

10

AUCTION GIANT LOOKS TO BRING IN MILLENNIALS

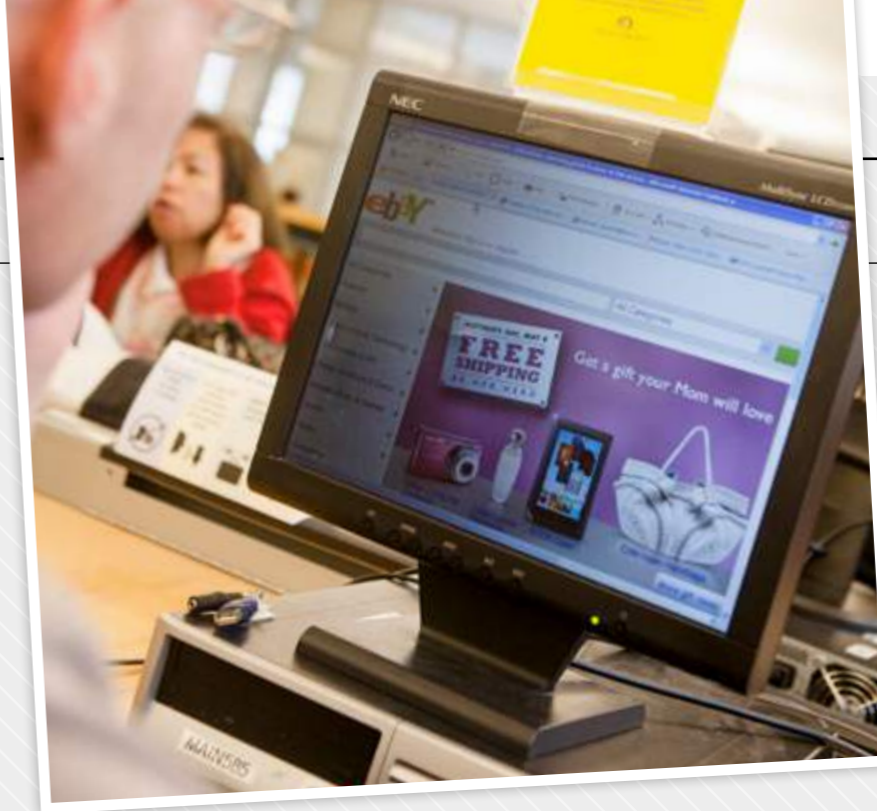


BRAND VALUE: **\$11,509 million**
 % CHANGE YOY: **-19%**
 GLOBAL RETAIL SALES: **\$81,673 million**
 GLOBAL RETAIL SALES GROWTH YOY: **-1.3%**
 GLOBAL RETAIL STORES: **0**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

EBAY MADE ITS NAME IN THE E-COMMERCE WORLD AT THE TIME OF THE 1990S DOTCOM BOOM, GROWING FROM A PEER-TO-PEER AUCTION SITE INTO A VAST GLOBAL B2C AND C2C SHOPPING PLATFORM.

THE COMPANY OWNS NONE OF ITS OWN INVENTORY AND DOES NOT CONTROL SHIPPING; IT GENERATES REVENUE FROM FEES ON LISTINGS AND SALES, AND FROM ADVERTISING ON THE PLATFORM.

IN RECENT YEARS, THE POPULARITY OF AUCTION SELLING, FOR WHICH EBAY BECAME FAMOUS, HAS BEEN DECLINING, BUT THE EFFICIENCY OF THE MARKETPLACE AND ABILITY TO CONNECT BUYERS AND SELLERS ALL OVER THE WORLD IN A TRUSTED SETTING HAS MADE IT A DESTINATION FOR SHOPPERS SEEKING FIXED-PRICE GOODS AS WELL AS ITEMS FOR AUCTION, AND OFTEN HARD-TO-FIND ITEMS FROM SPECIALIST SELLERS.



In mid-2015, eBay spun off its highly successful payments platform, PayPal, into a separate, Nasdaq-listed company, and has since focused on improving the shopping experience, particularly via mobile, for consumers. It positions itself as a destination for bargains, and is making it easier for people to quickly find what they are looking for and to discover things they hadn't specifically been seeking but that match their browsing profile. In mid-2016, eBay reported having 164 million active users, up from 162 million three months earlier.

In 2016, eBay reported two consecutive quarters of sales growth and a 6 percent lift in its share price, returning it to pre-spin-off levels, and for the first time, eBay crossed the one billion live listings mark. Recent growth has been driven by the success of its event ticket reseller StubHub, which saw revenues rise 40 percent in Q2 2016; StubHub bought Spanish rival TicketBis and the ticket seller software business Ticket Utilis, which helps sellers manage their inventory. Classifieds have also been strong, up 15 percent in Q2 2016, particularly in automotive and property verticals in Germany and Canada.

President and CEO Devin Wenig has stated his intention to be a clear alternative to Amazon, with a particular

focus on millennials. The two companies can both succeed in parallel, he has said. As Amazon has grown its platform for third-party sellers, eBay has been under pressure to adapt, and the company has entered partnerships with other retail brands to offer convenience to shoppers. In the UK, eBay has extended its Click and Collect partnership with the catalogue-based department store chain Argos, recently acquired by UK grocery retailer Sainsbury's, which enables shoppers to pick up or send eBay purchases at times that suit them. It has also rolled out collection points in 200 Sainsbury's supermarkets. Linked with eBay's Global Shipping Program, this means consumers can use these stores to send a parcel to more than 100 countries around the world.

In Australia, eBay has in 2016 announced a partnership with the bricks-and-mortar department store chain Myer to create what they are billing as the world's first virtual reality department store. The two companies have made 15,000 virtual reality viewing sets available, which enable shoppers to check product range, prices and availability in real time, and to select items to examine and add to their basket by fixing their gaze on them. eBay Sight Search makes selected items appear to float towards the shopper to be examined more closely.

INSIGHTS & IMPLICATIONS

A focus on the user experience online is making shopping and discovery quicker and easier.

Strategic partnerships are enabling eBay to provide consumers with delivery options, without having to invest in the logistics infrastructure itself.

Experimentation with new technology such as virtual reality keeps eBay in the public eye and builds the brand's reputation as an innovator.

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11

JD. 京东 .COM

BRAND VALUE: **\$10,496 million**

% CHANGE YOY: **+37%**

GLOBAL RETAIL SALES: **\$68,900 million**

GLOBAL RETAIL SALES GROWTH YOY: **+76.4%**

GLOBAL RETAIL STORES: **0**

Source: BrandZ™/Kantar Retail (including data from Bloomberg)

CHINA E-TAILER PURSUES GLOBAL EXPANSION

JD.com is China's second largest e-commerce company, providing B2B and direct-to-consumer retail services, selling everything from books and electronics to fashion and, more recently, grocery. With 30 million online visitors a day and 40 million products and services available, it has become one of the fastest-growing retail brands not just in China and the region but the world. For the past four years, gross merchandise value has grown at an average of 96 percent per year in local currency. Flexible payment options, including cash on delivery, have helped it overcome consumer reluctance to pay online in advance and, by using its own delivery network, including 45,000 people on tricycles, it has been able to reduce delivery times to under three hours in some locations.

JD.com has global aspirations and in 2012 launched an English-language site enabling global suppliers to reach Chinese consumers. A Russian version went live in 2015. The company has a strategy of focusing on fast-growth or emerging markets as it expands.

In 2016, the business sought to tap into the vast and largely unexplored rural Chinese market for e-commerce, which has been overlooked due to poor road systems and the difficulty making home deliveries. JD.com is trialling autonomous drones for distribution in Suqian city, Jiangsu province. The drones are not delivering parcels direct to consumers' homes but to a neighborhood distribution center where local teams distribute parcels, though testing has begun on direct-to-consumer drone delivery. The business is also tapping into its wealth of consumer spending and browsing data to develop new products, such as loans.

In June 2016, JD.com and Walmart announced a strategic partnership relating to the Yihaodian grocery e-commerce business, which Walmart has sold to JD.com in return for a stake in the business. The partnership will allow JD.com to leverage Yihaodian's brand strength, especially in south-east China, giving shoppers opportunity to access high-quality groceries and imported goods. In turn, Yihaodian will benefit from JD.com's traffic.

12

Walgreens

BRAND VALUE: **\$10,364 million**
 % CHANGE YOY: **+22%**
 GLOBAL RETAIL SALES: **\$92,670 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+5.4%**
 GLOBAL RETAIL STORES: **13,513**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

ACQUISITION ADDS TO US AND WORLDWIDE FOOTPRINT

Walgreens is a drugstore chain that is primarily focused on the US market but which operates in more than 25 countries through the Walgreen Boots alliance. It has a network of 13,100 stores worldwide; 8,600 of them are in the US, and the remainder are in the UK, other European markets, Latin America and Asia. Walgreens is known for offering convenience both online and offline, and in-store services often include clinics and beauty zones.

In the US, which accounts for 70 percent of revenue, the drugstore sector is benefiting from the aging population in the US and an increase in the number of people with health insurance under

Obamacare. Two-thirds of Walgreens revenue comes from pharmacy sales, and Walgreens has been building relationships with Pharmacy Benefit Managers, the intermediaries between people who require prescription drugs and the insurers who ultimately pay for them.

The company's acquisition of Rite Aid drugstores, to be completed in Q3 2016, will make Walgreens the largest drugstore chain in the US, ahead of its biggest rival, CVS, though Rite Aid is expected to continue trading under its own brand name, at least in the short term. Rite Aid tends to have a loyal customer base of older consumers, and its Wellness Plus loyalty program makes a strong addition to the Walgreens portfolio.

In the US, the brand has been investing in online and mobile health content as well as opportunities for consumers to buy online. In mid-2016, it announced it would close the drugstore.com and beauty.com sites bought five years ago to focus on Walgreens.com as its central online brand in the US. It reports about two million visits per day to its digital properties.



13



BRAND VALUE: **\$9,360 million**
 % CHANGE YOY: **+25%**
 GLOBAL RETAIL SALES: **\$93,1089 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+4.1%**
 GLOBAL RETAIL STORES: **31,176**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

CONVENIENCE KING ROLLS OUT DELIVERY OPTIONS

The global 7-Eleven chain is the largest convenience store network in the world, spanning 18 countries and operating, franchising and licensing more than 60,000 stores. A new outlet is opened somewhere in the world every 3.5 hours. While the name originally referred to the 7am to 11pm operating hours of stores, many outlets are now open 24 hours.

In the US, home to nearly 10,500 7-Eleven stores, the brand is synonymous with the Slurpee frozen drink range and Big Gulp large portions of soft drinks.

In 2015, the 7-Eleven format entered Vietnam for the first time, marking the first new Asia-Pacific market in the network since launching in Indonesia in 2009.

7-Eleven is negotiating growing demand both for indulgent treats and healthier options with two private-label lines launched in 2015, Go!Yum and Go!Smart. It is also rolling out a range of home-delivery options, linking with the DoorDash app and web site in major US cities, and with Postmates in other areas. To mark the chain's 89th birthday, 7-Eleven in July 2016 made its first home delivery by autonomous drone. Other new ventures include a partnership with car-sharing network Zipcar, to place Zipcars outside selected 7-Eleven stores.



14

GEN Y FOCUS BEHIND IMPROVED STORE EXPERIENCE



BRAND VALUE: **\$9,301 million**
 % CHANGE YOY: **+11%**
 GLOBAL RETAIL SALES: **\$73,785 million**
 GLOBAL RETAIL SALES GROWTH YOY: **-1.0%**
 GLOBAL RETAIL STORES: **1,792**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

Target has been a retailing fixture in the US for over 50 years, and invites its customers to “Expect More, Pay Less”. Target generates a little under half of sales from grocery, and the majority from general merchandise, primarily apparel and homeware. The company sold its in-store pharmacy network to CVS in late 2015; it no longer runs the pharmacy counters but benefits from the store footfall they generate.

As Target focuses on winning over Generation Y consumers, it is improving its digital offering, which includes a

shopping app and the brand’s own popular coupon app, Cartwheel. It is also reorganizing merchandise with a greater emphasis on supplies for babies and children, style for consumers and their homes, and wellness, with more organic and healthy food products. Smaller stores in urban centers are being opened to appeal to young, affluent city-dwellers.

In 2016, Target appointed its first chief digital officer, and hired a former Nordstrom executive, known for improving private-label sales, to the post of chief merchandising officer.



15

UK SUPERMARKET LEADER RETURNS TO CORE BUSINESS



BRAND VALUE: **\$8,923 million**
 % CHANGE YOY: **-5%**
 GLOBAL RETAIL SALES: **\$91,682 million**
 GLOBAL RETAIL SALES GROWTH YOY: **-9.0%**
 GLOBAL RETAIL STORES: **7,052**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

Tesco is the UK’s biggest supermarket chain, with 28 percent share of this highly competitive market (Kantar Worldpanel August 2016). Since former Unilever executive Dave Lewis took over as CEO in 2014, the business has refocused its priorities to arrest a dip in market share and falling profitability across the organization.

Tesco had been expanding into new territories and verticals, selling not just groceries but also insurance, banking and their own electronic tablet. But strong pressure on prices brought about

by the rise of discounters meant Tesco was losing share, down from roughly 33 percent just three years prior.

Tesco pulled out of China in 2013 and under Lewis, has sold its operations in the US, Turkey and South Korea. In mid-2016 it sold its Giraffe restaurants, Harris + Hoole coffee shops and Dobbies garden centres to focus on its core business: grocery in the UK and Ireland. Like-for-like sales in remaining stores have shown signs of improvement, with Tesco’s decline in market share having slowed in 2016.

In common with many other ‘big box’ retailers, Tesco has focused on expanding its convenience and e-commerce operations, which together now account for roughly 21 percent of sales. It has also refurbished larger stores, making them easier to navigate, and is investing in improved customer service.



16

CARING REPUTATION APPEALS TO DISCERNING SHOPPERS



BRAND VALUE: **\$7,905 million**
 % CHANGE YOY: **NEW**
 GLOBAL RETAIL SALES: **\$103,887 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+0.8%**
 GLOBAL RETAIL STORES: **3,741**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

Kroger supermarkets have expanded to cater to most of the United States during more than a century of growth, primarily achieved through acquisitions. Its target audience is a slightly upscale mainstream consumer, and its long-held philosophy of caring for the consumer, community and environment sits well with shoppers increasingly turning to organic and healthy foods and brands that promote sustainability.

Kroger has been an innovator in the US supermarket sector, investing heavily in data analytics, using loyalty card, shopper and sales data to help it tailor the selection of food and general merchandise in each store to local shoppers. It has a strong focus on the user experience, has been rolling out in-

store bars and restaurants, and has used shopper-tracking technology to reduce average check-out waiting times to 30 seconds. Kroger has taken learnings from its acquisitions and applied them to the network, most notably the ClickList click-and-collect service.

Kroger is one of the world's largest grocery retailers, and in addition to Kroger-branded supermarkets, the Kroger company operates retail chains under more than 20 brand names, spanning department stores, convenience and jewelry stores. The diversity of its portfolio is widely seen as one of the secrets to its success. One of its most recent acquisitions was the Roundy's supermarket chain, which has given the business a foothold in Chicago.

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This report captures the most salient points, curious facts and thought-provoking comments from the seminar. There are links throughout to videos of each session, which can all be viewed at www.internetofthingsage.com.

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A vision for the future of shopping and the smart shelf.

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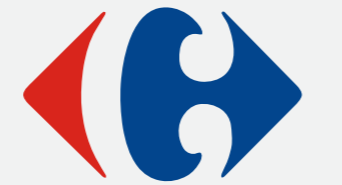


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17

NEW FORMATS AND FEATURES FOR HYPERMARKET GIANT



Carrefour

BRAND VALUE: **\$7,736 million**
 % CHANGE YOY: **-3%**
 GLOBAL RETAIL SALES: **\$118,705 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+3.2%**
 GLOBAL RETAIL STORES: **13,401**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

French-based Carrefour opened Europe's first hypermarket, near Paris, in 1963, and has since expanded its "affordable premium" offering to more than 30 countries in Europe, the Americas, Asia and the Americas.

Carrefour offers everyday low prices on staple grocery items but does not position itself as the cheapest player, rather as one that delivers a superior shopping experience.

As hypermarkets – which account for more than half of Carrefour's global sales – fall out of favor among shoppers, the brand has responded by revamping its biggest stores to improve the shopper

experience; in-store sushi bars have been installed in some stores, along with a new marketplace layout, with shopping zones for different types of products. Under CEO George Plassat, in place since 2012, Carrefour has sold some of its non-performing hypermarkets, acquired physical and online stores, and has expanded into convenience stores in urban centers. New formats include Gourmet in Italy and 5 Minutos in Argentina. The recent acquisitions of Eroski hypermarkets in Spain and Billa supermarkets in Romania have extended the small-store footprint.

As it defends its strong position in physical retailing, in the past year, Carrefour has also invested heavily in information technology and logistics to improve online shopping. New online shopping platforms have been developed in each market, and there has been significant spending in the back end of online retailing, particularly in China, where Carrefour now handles its own logistics.



18



BRAND VALUE: **\$7,459 million**
 % CHANGE YOY: **-37%**
 GLOBAL RETAIL SALES: **\$54,706 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+7.2%**
 GLOBAL RETAIL STORES: **1,875**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

RESTRUCTURING UNDER AUSSIE CHAIN'S NEW CEO

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. There are Woolworths supermarkets and petrol stations, BigW discount department stores, the Endeavour Drinks group of liquor outlets, the EziBuy clothing catalogue sales business and Woolworths Money financial services. The parent company also operates hotels.

Under new CEO Brad Banducci, appointed in early 2016, the business has been restructuring to deal with a changing and increasingly competitive marketplace. It is slowing the rollout of new stores and

focusing on refurbishment of existing outlets, improving customer service and the in-store experience, investing in own-label food, and has opened a Food Innovators Center in Sydney, where customers can take part in new product development and testing of own-brand products.

The business is revamping BigW, which has suffered as a result of falling sales and heavy discounting. And in August 2016, Woolworths announced its exit strategy from the Masters home improvement chain it has operated in a joint venture with the US chain Lowe's. Masters will close all stores by the end of 2016.

19



BRAND VALUE: **\$6,846 million**
 % CHANGE YOY: **+14%**
 GLOBAL RETAIL SALES: **\$87,950 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+11.7%**
 GLOBAL RETAIL STORES: **10,635**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

NO-FRILLS SUPERMARKET EYES 'STORE OF THE FUTURE'

The discount supermarket chain Lidl launched in 1973 in Germany based on the no-frills model pioneered by Aldi. It has expanded across Europe into 27 markets, where its growth has been fuelled by an aggressive store roll-out, everyday low prices and a focus on private-label goods. Lidl has low overheads and invests in marketing to convince consumers that low prices don't have to mean a compromise on quality.

Lidl is one of the biggest investors in advertising relative to its size among all supermarkets. As well as promoting a localized message – it uses the tagline #lidsurprises in the UK - and locally sourced products, it seeks to turn cynics into converts and ambassadors for the brand. The brand is seen as something

of a rule breaker and innovator in the discounter channel, and it continues to generate excitement around weekly specials and limited-time themes, which range from 'XXL Week' to food-oriented 'Polish Week'. Lidl is unusual among grocers for using social media not just as 'push' media but also as a forum to give customers a voice, encouraging them to join votes and discussions. It was the first European retailer to reach 10 million Facebook likes.

There are very few European countries without a Lidl presence; expansion into Serbia is planned for 2017-18, and a launch into the US market is scheduled for 2018. The UK has been one of its strongest markets for the past five years; it launched in the UK in 1994 to a consumer market

hungry for better value for money, and plans to continuing growing from the current 650-plus stores to 1,500. Lidl's strategy is becoming harder to predict, as it takes bolder steps to strengthen its brand and reinforce its quality credentials. Lidl is refurbishing and extending traditional stores as well as rolling out its "Store of the future" model, aimed at improving the shopper experience and widening the assortment.

20



BRAND VALUE: **\$5,419 million**
 % CHANGE YOY: **-24%**
 GLOBAL RETAIL SALES: **\$27,079 million**
 GLOBAL RETAIL SALES GROWTH YOY: **-3.7%**
 GLOBAL RETAIL STORES: **871**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

EXCLUSIVE BRANDS MAKE FOR DESTINATION SHOPPING

The mid-range department store chain Macy's has been in business for more than 150 years, and its flagship store in Herald Square, Midtown Manhattan, is world famous both for its size and for being the end point of the annual Macy's Thanksgiving Day Parade. The chain has more than 700 outlets around the US and in Puerto Rico and Guam, and plans to open a store in Dubai in 2018.

Macy's has been closing poorly performing stores and has announced plans to shut a further 100 stores in the coming year, as it adjusts to consumers' increasingly digital shopping habits and focuses on the more profitable parts of the business. Macy's President Jeff Gennette says the company is "building

a vibrant omni-channel brand experience ... (and) a more energized shopping experience in our remaining stores".

About 20 percent of sales comes from private label goods, particularly in apparel, and the brand has been investing in these as they provide shoppers with "exclusive to Macy's" products and reasons to make Macy's a shopping destination. The business recently acquired the Bluemercury beauty brand, an upmarket name that will help Macy's compete against rivals' revamped beauty departments and give stores a more premium feel. In 2015, it also launched its own off-price banner called Macy's Backstage, to help it compete in the highly competitive off-price sector.



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21



BRAND VALUE: **\$5,372 million**
 % CHANGE YOY: **-23%**
 GLOBAL RETAIL SALES: **\$15,343 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+8.8%**
 GLOBAL RETAIL STORES: **430**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

NEW URBAN FORMAT EXPANDS TO SERVE MILLENNIALS

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. The brand also has an environmental mission; it was an early mover on reducing plastic packaging, uses green power in its stores, and insists suppliers meet strict standards on quality and environmental measures.

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 has come under

pressure in the post-recession period as more mainstream supermarkets have embraced organic and healthy lines and offered them at a much lower price. Whole Foods has slowed the pace of its growth as a result; 127 stores opened between 2011 and 2016, and 94 are due to launch by 2021. It has also redoubled its efforts to provide a premium shopping experience that is tailored to local tastes. Some stores have live music and a café feel; others have a bar, offer yoga classes or guitar lessons, and in LA, there is a free work space for aspiring entrepreneurs. Whole Foods also offers two-hour home delivery on digital orders in some parts of the country through its partnership with Instacart.

In May 2016, Whole Foods launched a smaller-format store, 365 By Whole Foods, which offers a smaller and more affordable range than larger stores, and combines digital technology in stores, to reduce staff costs, with a local grocer atmosphere. This format is designed to appeal to millennials.



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22

NORDSTROM

BRAND VALUE: **\$5,305 million**
 % CHANGE YOY: **-10%**
 GLOBAL RETAIL SALES: **\$14,098 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+6.2%**
 GLOBAL RETAIL STORES: **316**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

PREMIUM LABELS & FREE DELIVERY DRIVE GROWTH AT DIGITAL INNOVATOR

Nordstrom is an upmarket department store fashion retailer that is driven by sales of premium brands such as Burberry and Kate Spade. Recent additions to the range include Topshop and Madewell in apparel and Charlotte Tilbury cosmetics, which appeal to women in their 20s and early 30s.

Based in Seattle, the chain has more than 300 stores across the US and Canada; about 100 of these are full-line stores, and 200 are Nordstrom Rack, the fast-growing off-price or discount side of the business, which offers shoppers big reductions on premium goods and a "treasure hunt" experience, without diluting the premium feel of full-line stores, which have built a reputation for crisp, clean lines and

excellent customer service. More than 20 new Nordstrom Rack stores have been announced in 2016.

Nordstrom has been a leader in its sector in offering online shopping and is one of the few US retailers to offer free home delivery and returns. It was among the first to provide a click-and-collect service, and continues to invest in innovation through the growth of Trunk Club, the subscription apparel styling service it purchased last year. Advertising tends to be low-key, mainly targeting existing customers and relying on word of mouth. Nordstrom's loyalty program recently extended from debit and credit card users to a 'tender-neutral' system that has broader appeal.



23



BRAND VALUE: **\$5,086 million**
 % CHANGE YOY: **-11%**
 GLOBAL RETAIL SALES: **\$82,529 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+2.9%**
 GLOBAL RETAIL STORES: **3,939**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

STRATEGIC ALLIANCE PROVIDES GLOBAL EFFICIENCY

Auchan is an international network of discount hypermarkets that began in France in 1961. France still accounts for over one-third of sales, but the balance is shifting, and China and Russia are each forecast to provide a quarter of sales by 2020. In Western European markets including Spain, Italy and Portugal, Auchan is challenged by its heavy presence in large-format stores, which are losing their appeal, and by having less representation in supermarkets and convenience stores than competing brands. Online operations, particularly in France and China, are being developed rapidly.

The brand describes itself as "audacious retailers". It is known for having a wide assortment and fair prices aided by a wide, three-tier private label offer.

In 2013, Auchan acquired 90 Central and Eastern European stores from cash-and-carry giant Metro, and has since worked closely with Metro through a global strategic purchasing alliance that gives each retailer economies of scale. The two companies overlap geographically but do not compete directly as Metro's target customers are trade buyers.

The business has established global centers of expertise and excellence that can be accessed by managers in different countries and regions, and has restructured to grant more freedom and responsibility to regional divisions in a drive to be more entrepreneurial.

24

M&S

EST. 1884

BRAND VALUE: **\$4,790 million**
 % CHANGE YOY: **-10%**
 GLOBAL RETAIL SALES: **\$16,539 million**
 GLOBAL RETAIL SALES GROWTH YOY: **+3.9%**
 GLOBAL RETAIL STORES: **1,310**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

NEW CEO STREAMLINES BUSINESS, FOCUSES ON EXPERIENCE

The department store chain Marks & Spencer is a British institution that has expanded since its 1884 origins into a network of more than 900 UK stores. It has branches and online stores across Europe, the Middle East and Asia, with a range almost exclusively comprising private-label goods aimed at middle to high-income consumers.

The brand has a reputation for quality but has struggled in recent years with declining clothing and homeware sales, although its upmarket grocery offering, M&S Food, has been outperforming the UK grocery market.

Under new CEO Steve Rowe, appointed in April 2016, Marks & Spencer has announced plans to cut 525 head office jobs to streamline the business. Clothing and homeware prices will be lowered and promotions reduced to provide year-round value. The brand hopes to

re-establish itself as an authority on style, improve in-store availability and improve the customer experience through investment in staffing. The rollout of Simply Food stores, which only sell M&S grocery, will continue, and a review of international operations – which span 58 markets - is in progress. Rowe has scrapped his predecessor's plans to open a flagship store in Amsterdam and has described poor results in European centers as unsustainable.

In October 2015, M&S launched the Sparks loyalty scheme; members are rewarded for spending online or in store, writing reviews and for 'shwopping' – donating unwanted clothing when shopping. The scheme uses data mining and shoppers' stated preferences to personalize rewards and discounts, and allows store managers to reach local members with tailored offers.



25



BRAND VALUE: **\$4,575 million**
 % CHANGE YOY: **-2%**
 GLOBAL RETAIL SALES: **\$67,474 million**
 GLOBAL RETAIL SALES GROWTH YOY: **-0.7%**
 GLOBAL RETAIL STORES: **856**
 Source: BrandZ™/Kantar Retail (including data from Bloomberg)

CHINA EXPANSION FOR SHOPPING SERVICES 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. 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.

Compared to its biggest rival, Costco, Sam's Club chain has more outlets and tends to be less productive per location. Sam's Club is currently reviewing its processes to address this, opening clubs in more affluent parts of the US, its main market, and improving its fresh food and organic ranges. Under new chief merchandise officer John Furner it is also attempting to tighten its SKU count, keeping only the most profitable lines and

switching to more premium items in an effort to attract higher-income families as members.

The chain is also investing in digital services for club members and is a pioneer in its category. It was the first club in the US to offer click-and-collect, later adding features such as mobile check-in on arrival, drive-through collection and third-party collection. The Sam's Club 'Club of the Future' in Bentonville, Arkansas, is a club where new ideas and innovations – such as an upmarket meat and seafood center, club café, and alternative layouts and product placement – are piloted before more widespread introduction.

Four of the top 10 biggest-selling Sam's Club outlets are in China, where the company is expanding its footprint ahead of the anticipated arrival of Costco, which currently only has an online presence there.

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Focus on
China

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FOCUS ON CHINA – THE WORLD'S E-COMMERCE HOTSPOT



CHINA IS SIMULTANEOUSLY A HUGE DOMESTIC RETAIL MARKET, A LAND OF HOPE FOR GLOBAL RETAIL BRANDS AND, INCREASINGLY, THE LAUNCH PAD FOR HOME-GROWN RETAIL BRANDS LOOKING TO GO GLOBAL.

About half of all e-commerce in China happens on mobile devices, compared with just over a fifth in the US and around a third in the UK. The implication for brands is clear: consumers are on smartphones at least two hours a day, according to GroupM, and mobile is the place to engage them. Internet users in China totaled 668 million in June 2015, and 549 million of those users, almost 90 percent, accessed the Internet on a mobile device. In other words, the number of Internet users in China is more than twice the population of the US and almost equal to the population of Europe, and most of those Internet users are walking around with smartphones. These numbers alone would appeal to any brand marketer, but there is more. The total number of Internet users still represents less than half of China's population of over 1.3 billion people. And penetration is lower in rural China. A big brand opportunity is about to become bigger.

WITH MORE THAN 40 YEARS' EXPERIENCE IN CHINA, WPP HAS THE MOST DEVELOPED UNDERSTANDING OF THE FORCES SHAPING CHINA'S RETAIL LANDSCAPE, THE ASPIRATIONS OF ITS BRANDS AND THE SPENDING PRIORITIES OF CHINESE CONSUMERS. THESE INSIGHTS FROM WPP EXPERTS IN CHINA SHINE A SPOTLIGHT ON SOME OF THE KEY SHIFTS TAKING PLACE NOW.

Consumers keep spending, but purchase more wisely

Retailing is highly competitive in China; retail brands not only have to compete with each other, but also adapt to changing shopper attitudes and behavior. In the past year, consumers have continued to spend, but more wisely. The annual growth rate of retail sales has declined from 13.7 percent in 2013 to 10.3 percent through the first 10 months of 2015, according to Kantar Retail.

Consumers seek not only price, but also quality, and are willing to pay a premium, if justified, according to Kantar Worldpanel. In the big cities especially, spending has shifted from necessities to products and services related to transportation, communication, culture, education, and entertainment. Other factors, including government initiatives, have also impacted on development of the retail category. Internet growth, a government priority, and the availability of affordable smartphones, has facilitated the rapid expansion of e-commerce throughout China, even to rural areas.

FOCUS ON CHINA



The major e-commerce brands have expanded their rural distribution significantly during the past several years. Alibaba, for example, is present in 27 provinces with 170 county service centers and 8,000 village service centers. Because of the government establishment of cross-border e-commerce zones for reduced tariffs on foreign merchandise, Chinese consumers enjoy lower online prices and faster delivery for imported goods. The first cross-border e-commerce zone was established in March 2015, in Hangzhou. The government plans to set up zones in Shanghai, Guangzhou and 10 other cities. The zones are intended to drive consumption, a government goal. Brands have also worked collaboratively to improve online and offline integration.

E-commerce giant Alibaba has purchased almost a 20 percent stake in Suning, the consumer electronics retailer that operates about 1,600 stores. The synergistic hook-up strengthens Alibaba's presence in the physical world, and boosts its electronics offering, while lifting Suning's online profile, and improving logistics and delivery times for both brands.

Tencent, the giant Internet portal, and Number 1 in the BrandZ™ Top 100 Most Valuable Chinese Brands 2016, is a stakeholder in JD.com, the e-commerce site known for its consumer electronics strength. This social e-commerce arrangement enables consumers to seamlessly purchase products from JD.com while texting on WeChat,

Tencent's ubiquitous messaging site. Meanwhile, the product categories available with e-commerce are expanding to include even big-ticket purchases, like cars. During China's Singles Day shopping event, on November 11, 2015, consumers bought over 6,500 cars on Alibaba's Tmall.com, and then picked up their purchases at local car dealerships.

At least one consideration keeps Chinese consumers shopping in physical stores however: a concern for food freshness. Yonghui Superstores is known for its strength in fresh food. Freshness becomes a competitive advantage because it drives traffic to the Yonghui's large format physical stores at a time when consumers increasingly are shopping online or at smaller convenience locations.

China is e-commerce's greatest success story to date. In the five years to the end of 2015, the amount spent online has more

**E-COMMERCE
A POWERFUL
BRAND-BUILDING
PLATFORM**



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than quadrupled to nearly half a trillion dollars, driving it past the US (US\$300 billion) as the world's largest e-commerce market. The e-commerce environment that

has emerged in China is significantly different to the model in Western markets and more than just a sales channel; it's a potent ecosystem for brand building, CRM, innovation, test marketing, and more – the foundation for entire go-to-market strategies. E-commerce platforms are already the largest digital advertising channel in China. The rise of local brands such as Junlebao demonstrates just how disruptive this distinct online shopping ecosystem can be. The crucial difference is that by following a digital-only brand-

building strategy and creating their own branded flagship store on Tmall, the world's largest B2C e-commerce marketplace, Junlebao, is able to cut its marketing costs significantly and pass the savings on to consumers. And in the value-conscious and immensely discoverable online shopping environment, selling a quality product at a lower price enables you to amplify brand awareness quickly through recommendations and positive user reviews – both of which have been key elements in Junlebao's marketing strategy. This approach has significantly contributed to Junlebao becoming a top three instant milk formula brand on Alibaba's Tmall site within less than a year of its launch. E-commerce's hugely disruptive influence on the brand environment in China is far from a passing phase, and as marketing budgets come under greater pressure, it seems that e-commerce platforms will emerge as an ever-more important brand-building opportunity.



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**DESPITE TAX
CHANGE, SPENDING
ON LUXURY
HAPPENS OVERSEAS**

The relaxation of the import tax on luxury is intended to drive more domestic consumption. It also has the beneficial side effect of assisting in the anti-corruption drive by keeping funds within our borders. My sense, however, is that there has not yet been a huge shift to purchase within China compared with purchasing abroad, which seems to be how the top end of luxury offerings are still bought.



THE BRANDZ™ CHINA INSIGHTS REPORTS

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.

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 new 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 build sustainable value.



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.



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.



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™ Top 100 Most Valuable Chinese Brands 2016

The report profiles Chinese brands, outlines major trends driving brand growth and includes commentary on the growing influence of Chinese brands at home and abroad.



8 Retail Trends in China

With the continued rebalancing of the Chinese economy, 2016 - The Year of the Monkey - could be characterized as another year of change for China. The retail sector is at the intersection of much of this transformation, and with the rapid growth of e-commerce, Chinese retail is changing and adapting fast.



- ▶ Watch the **BrandZ™ Top 100 Most Valuable Chinese Brands 2016** countdown video
- ▶ Watch our 2014 documentary to get a comprehensive view of **Alibaba's** rise to domestic and global success
- ▶ Watch the **Singles' Day** documentary to learn more about the behind-the-scenes, factors behind massive growth of this sales festival and shopper habits



To download any of these reports, please visit www.brandz.com/ChinaInsights. To download iPhone or Android apps, please visit www.brandz.com/Mobile.

FOCUS ON CHINA



CREATING EXPERIENCE BEYOND E-COMMERCE



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While many are impressed by the gigantic transaction numbers (which keep growing every year), few make serious efforts to understand the brand drivers behind the figures. We are now entering the next phase of e-commerce – digital shopping has become a daily practice for Chinese consumers, and mobile connectivity makes such shopping possible in any place, at any time. With this, the e-commerce marketing paradigm has shifted to brands and platforms that can offer a total brand experience rather than a narrow focus on sales and after-sales services. There are two key strategic initiatives being taken by leading brands:

1. Integrated experience across all touch-points and channels:

Innovative brands are overcoming the online and offline barriers to create a seamless and immersive experience. For example, Sephora Beauty Workshop has 12 individual stations equipped with USB ports, iPads, and WiFi, so customers can look at Sephora's existing Skin IQ, Fragrance IQ, and Color IQ technologies and watch beauty tutorials to enjoy an indulgent, digitized and personalized shopping experience. Similarly, the InterContinental hotel group is leveraging VR and 3D imaging to bring the on-property, in-room experience alive for hotel guests when they plan a booking.

2. Continuous engagement along the entire consumer journey:

The old concept of the top-down marketing funnel is not working any more as consumers are shopping everywhere, all the time. The rapid development of e-commerce shortens the physical distance between brand and consumer. However, the emotional distance between brand and consumer is also contracting as people are now consuming the entire brand experience over a much shorter interval. Winning brands are focusing on designing an experience along the consumer journey versus creating a brand experience impulse (awareness-to-preference). For that reason, we see brands (P&G, L'Oreal et al) heavily investing in building a brand-owned, digital eco-system (rather than building on third-party platforms). OgilvyOne believes that upgrading creative and content excellence in line with a "continuous, omni-channel" commerce strategy will help brands to win the future of digital commerce.





BRAND MALL

SEMPRA

04

Thought
Leadership

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PROFITABLY DELIVERING RELEVANCE

THE KEYS TO RETAIL BRAND
GROWTH IN 2016 – AND BEYOND

Many of the great retail brands are going to be involved in a “war for recency”

There probably isn't an industry in the world whose top brands are structurally more different to one another than the retail sector. A quick look at the BrandZ™ list shows retailers with:

- Zero stores (eBay, Alibaba and JD.com have none, and Amazon has one) to over 56,000 outlets (7-Eleven). Stores range in size from the smallest 7-Eleven to the one million square foot Macy's store in New York's Herald Square.
- Anywhere from 800 items available, as in some Aldi stores, to a virtually limitless assortment in online marketplaces.
- An assortment almost entirely comprising proprietary brands, as in Aldi and IKEA, to a mix of brands and own-label goods at Walmart, Carrefour and Tesco.
- Category expertise from fresh food, power tools and healthcare to bedroom sets and fashion.

But, there are several unifying factors to these brands:

- Mastery of complex and distributed operations to deliver their brand promise, and the need for thousands (or in Walmart's case, millions) of people to align with relentless consistency.
- A relatively small margin of error economically; few retailers consistently achieve an operating profit even approaching 10 percent of sales.
- A brand delivered personally rather than abstractly. Every consumer's impression of a retail brand is steeped in intensive immersion in that retailer's physical and/or digital ecosystem.

So what unifies the most successful retail brands in the world? The three unifying factors above can be distilled into one phrase: **“Profitably Delivering Relevance”**.

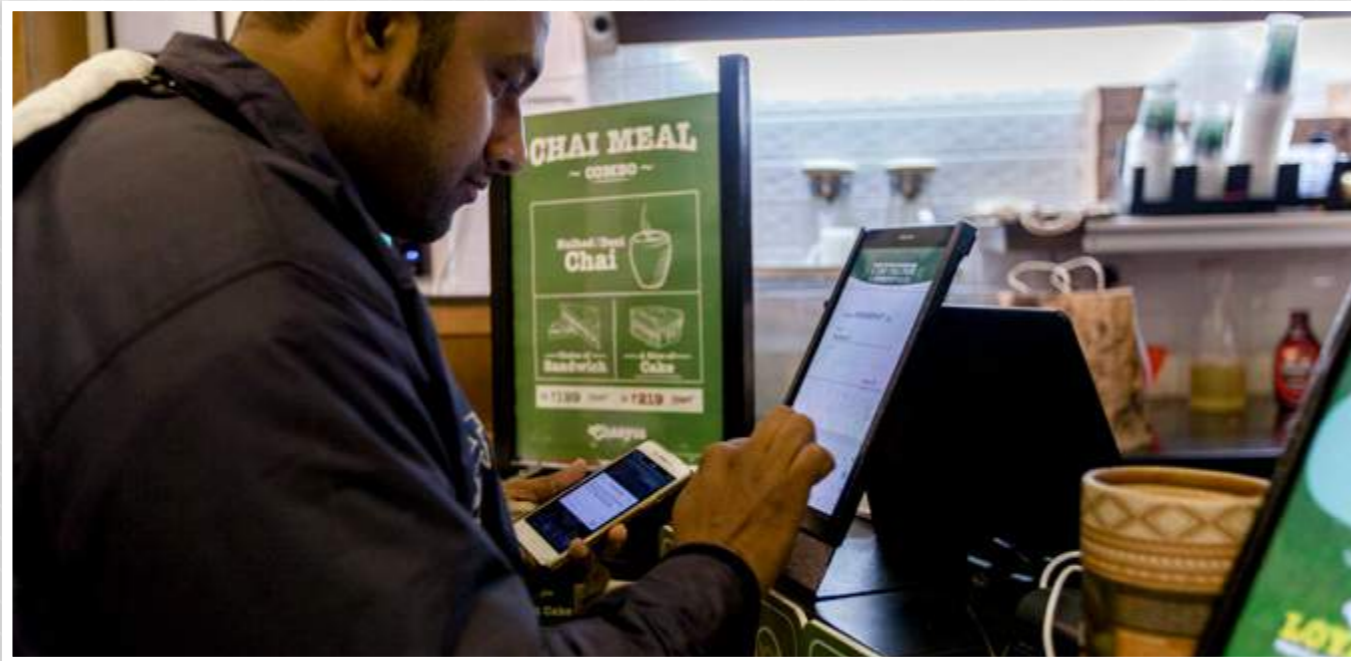
Profitably

Five of the top 10 retail brands in the world – eBay, Alibaba, Amazon, Costco and CVS – have complex models in which trading margin on consumer goods is a relatively small part of their profit equation.

Whether through membership services, other services, advertising or marketing access fees, or being a content platform, trading margin will be a smaller part of many retailers' economics going forward. This has enormous implications for brands selling through retailers, who will need to understand that profit model more holistically, as well as for retailers that rely on trading margin for success. A model like Aldi's or IKEA's, in which the retailer sells predominantly proprietary products, may be essential for retailers that want to solely survive on trading margin.

The second key to 'profitably' is that the focus of profitability, particularly for store-based retail, shifts from margin towards cash flow and asset productivity. The major difference between these two metrics involves inventory owned by the retailer. The fundamental question becomes: “What products deserve to be sold where?” In order to remain cash-flow competitive, retailers will need to make hard decisions about which products warrant multiple points of distribution, and which are sold only online.

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Delivering

Between now and 2020, many of the great retail brands are going to be involved in a “war for recency” – a battle to deliver ever-faster on their brand promise to wherever consumers want to receive their purchases. Amazon Prime Now will continue to raise the bar, and consumer expectations; it already offers free two-hour delivery on a variety of products in the most densely populated urban areas.

Delivery is not just about speed, however. It is also about the ability to relentlessly execute on a brand promise. In the e-commerce sphere, retailers are going to find ways to systematize the basics of product and item management, and develop their skills in online item and category presentation. Store-driven retail will require in-store teams with new skills.

Automation will replace some of work now done manually, such as check-out and stock management, and retail teams will need fewer but more highly skilled people to ensure the effective delivery of a brand promise.

Relevance

Relevance for great retail brands should have five attributes, irrespective of format:

- Shop for me – use data to curate the assortment and provide intelligent marketing, giving shoppers the closest thing possible to “their store”.
- Save for me – with item-level price transparency, great retail brands will need to be creative about delivering “savings” to shoppers – proprietary products, membership fees and aggressive promotions have all served this purpose well in years past.

For instance, Walmart’s acquisition of Jet.com’s basket-pricing algorithm could foreshadow a new era of pricing, based on a set price for a collection of goods dynamically calculated and personalized.

- Sign me up – subscription and auto-replenishment will play a bigger role in the shopper relationship.
- Show me great things – help their shoppers be a better version of themselves than they could be without the retailer as a partner.
- Don’t screw up – relentless discipline on executional basics to prevent outages – we expect most of the great profitable retail brands to be executionally excellent. In retail, there is no relevance without delivery; everything else is simply a broken promise to a shopper.



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WIN-WIN-WIN IN THE NEW RETAIL ERA

IT'S RARE THAT YOU COME ACROSS A BUSINESS OPPORTUNITY THAT WORKS WELL FOR EVERYONE INVOLVED. BUT THAT'S EXACTLY WHAT WE'RE SEEING RIGHT NOW AS RETAIL AND MEDIA COLLIDE.

Shop+ is a Mindshare division dedicated to retail and e-commerce.

www.mindshareworld.com

Mindshare is a global media agency network. The network consists of more than 7,000 employees, in 116 offices across 86 countries spread throughout North America, Latin America, Europe, Middle East, Africa and Asia Pacific. Each office is dedicated to forging a competitive marketing advantage for businesses and their brands based on the values of speed, teamwork and provocation.

Brands should consider retailer platforms in a holistic way; they are influencer channels as well as sales channels.

Successful retailers always put the customer first, and whether they're acquiring new customers or retaining loyal customers, digital has become vital in that process.

Global e-commerce sales are expected to reach \$2.3 trillion by 2020, and 70 percent of consumers today rely on digital channels when making a purchase decision. Retailers are now beginning to shift their digital focus beyond simply transacting a sale online to supporting those consumers who are online primarily to decide, rather than to buy immediately. A side effect of providing these consumers with the information and inspiration they seek is that retailers have become large-scale media owners.

Amazon's global audience reach is 181 million unique users, and 434 million buyers have accessed Alibaba's e-commerce properties in the past 12 months, a jump of 15 per cent year-on-year.

Retailers are now seeking ways to monetize their growing audiences in the same way online media publishers do: through digital advertising. A few years ago, this was a cautious experiment, but retailers have advanced their capabilities in this space, and now both omni-channel and pure-play e-commerce retailers have become huge engagement and influencer platforms for brands, playing an increasingly important role in the end-to-end consumer journey.

Amazon is a prime example of a retailer optimizing its audience base in exchange for media dollars. With sales of over \$107

billion, Amazon is clearly a king among retailers, but now it is also one of the web's ad juggernauts – the seventh-largest seller of digital ads worldwide, according to eMarketer. It's already generating more ad revenue than Twitter, Pandora and LinkedIn, selling at least \$1billion in ad inventory last year. But, it's Amazon's ability to swiftly take you from ad exposure to purchase with its one-click-to-buy model that is its unique selling point. Unilever recently worked with Amazon to bring New York Fashion Week to life online via video, and enabled viewers to get the tips behind the hair looks and instantly purchase the necessary ingredients, including TRESemme, the show's official hair care sponsor.

Retailers including Target and Walmart are now linking in-store sales to digital media placements too, allowing brands to get a better read on the ROI of their digital media. A report published by Kantar Worldpanel forecasts FMCG online sales to hit \$130 billion by the end of 2025, making up 15 percent of grocery sales in China and 10 percent in the UK and France. The ability to turn shopper engagement data into insights to enhance overall brand communication planning is a huge benefit to brands that rely on retailers to sell their goods.

In other cases, retailers are tapping into geo-location and mobile initiatives like beacons to drive the omni-channel experience. Despite being around for a few years now, beacon technology is only now being widely embraced by retailers and brands seeking ways to deliver more

relevant mobile experiences that blur physical and digital. Shop+ is working with brand marketers and their larger retail partners to exploit their existing physical footprint and app-installed base. According to Business Intelligence, by the end of 2016, 85 percent of US retailers will be equipped with beacon technology.

Personalization is, of course, a key trend in the shopper and e-commerce space, therefore the ability to leverage retailer data to tailor digital advertising across retailer platforms and reach consumers at the moments that most influence their purchase decisions is very powerful, for both brand and sales marketers and the retailers themselves.

The shift in consumer decision-making, the growth in retailer channels, as well as the overall growth in e-commerce means that marketers need to adjust their spending. Brands should consider retailer platforms in a holistic way; they are influencer channels as well as sales channels.

It's a win-win-win situation at present. Retailers that have capitalized on the shift in consumer behavior to online are seeing results. Brands that are removed from the point of sale have new ways to connect with and influence target audiences, and consumers have a more relevant experience when in 'shopping mode'.

Make sure you are prepared for when your largest commercial customers suddenly become massive media platforms.

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OF MACHINES AND MEN

THE FUTURE OF BRAND LOYALTY WHEN MACHINES MAKE THE DECISIONS

For years, brands have successfully used a range of incentives, rewards schemes and great service to keep customers loyal. Here's a newsflash: the goalposts are about to shift.

CRM, until now, has been based on encouraging human beings to make the 'right' decisions. But what happens when a computer or, more precisely, a computer using a customer's data, is making the purchase decisions?

The future of e-commerce is one in which machines will re-order goods on behalf of their masters, using real-time data and what they 'know' of their masters' preferences. This is 'programmable commerce', made possible at the intersection of the Internet of Things, connected devices, and a demographic comfortable with sharing personal data.

This is a game-changing loyalty opportunity for brands.

It gives both consumers and companies amazing opportunities to cement loyal relationships – to 'lock in'. Consumers forgo temptation from competing brands in return for convenience, and brands benefit from a more predictable revenue stream. For those brands that get 'locked out', however, as consumers sign up with their competitors, opportunities to woo the customer back are systematically (and alarmingly) limited.

Here's a real-world example of how this might work. Last summer, us Brits finally got what we'd been waiting for: some sunshine.

Like most Brits, my family and I reached for two things as the mercury rose: suncream and ice-cream. The only problem was, after weeks of rain, neither my wife nor I had checked the forecast, and our freezer was bare.

We're Magnum people at heart. For Mum and Dad, it's always a Magnum Classic, and Magnum Minis for the kids. But with none at home, we headed for the corner shop.

Magnums are made by Unilever, which has a 22 percent share of the global ice-cream market, Forbes reports. But when we got to the store, we were tempted by all the non-Magnum options. My son chose a Smarties Pop-Up (Nestlé). I chose a Mars Ice Cream (Mars). My daughter remained true to Unilever with a Mini-Milk, while my wife chose to defer her ice-cream indulgence for after the kids' bedtime and picked a tub of Häagen-Dazs.

For Unilever, in this scenario they lost out. For us, it showed how disorganization and temptation sabotaged our loyalty. So, how can both sides win?




MAGNUM
CLASSIC

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Loyalty 2.0

Programmatic commerce could have safeguarded our loyalty. Here's how. Let's rewind to the rainy week in early August before the sun came out.

What if our freezer had 'known' that hot weather was on the way – and, crucially, that we were out of Magnums? What if, driven by my love of Magnums, I had given an online portal consent to top up my supply in exchange for a discount and occasional free samples? What if the weather forecast had triggered an email asking for permission to deliver to a (Unilever-supplied) cool box outside my home?

Here's the answer:

- Our freezer would have contained Magnums, and we would have enjoyed them.
- We would have appreciated the insights (Magnums, that is) that our freezer and Unilever, working in tandem, had given us.
- The opportunity to be tempted by other brands would not have arisen.
- Unilever would have gained revenue and protected its market share.

- My family would have been 'locked in' to a relationship with Magnums.
- Until we had good reason to change, other brands would be 'locked out'.

Now, some may argue that ice-creams make a bad example; the margin's too small, people won't interact directly with an ice-cream brand and so on. But everyone's sceptical of change, particularly when it requires some large organizational transformations.

Ice-cream is, in fact, a perfect example. Any product bought regularly, and whose buying patterns can be predicted, is a prime candidate for programmatic commerce: ice-cream, coffee, underwear or moisturizer. Think about how a machine predicting your consumption, reordering for you and replenishing the product could help ensure you never had to be without.

This is a game-changing loyalty opportunity for brands.

But do consumers really want this? Yes, they do. Salmon and Censuwide research involving 2,000 consumers in July 2016 found 13 percent of consumers wanted programmatic commerce now, and 44 percent felt they'd be ready within two years.

Consumers are already thinking along these lines when they think about home appliances; 58 percent said that the next time they replace an appliance such as a fridge, they were likely to choose one with smart technology, while 54 percent said that they'd be comfortable using programmatic commerce both for household supplies and food and drink.

But organizations must tread carefully. Concerns still exist about data security; in fact, 69 percent of UK consumers are uncomfortable with the amount of personal data already being used. The good news is that other than approving automated replenishment, brands should not need additional data, just a new analysis of the data they have.

Organizations must also ensure that the commercial gain from programmatic comes from increased loyalty and sales, because while consumers see its benefits, 71 percent say they're not prepared to pay extra for it.

So, if programmatic commerce is imminent, then a new era of machine-led loyalty is on the horizon. It promises big rewards for organizations locked into mutually beneficial relationships with consumers – but huge barriers and risk to those that are locked out. Which organization are you? You decide.

To view the Salmon and Censuwide research key findings go to:
<https://www.salmon.com/en/programmatic-commerce-report/>



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OPPORTUNITIES FOR GROWTH IN A DECELERATING ECONOMY

Sales of Fast Moving Consumer Goods are no longer quite so fast as observers in China have come to expect. But there are pockets of strong growth in a market that has been dampened by sluggish economic expansion, and these signal areas of potential in a country that has become increasingly important not just to national retailers but global brands.

The value of FMCG sales rose by 3.5 percent in China 2015 – not bad by world standards, given that the global average was 1.6 percent – but disappointing for China, which has seen growth rates average 11 per cent between 2007 and 2015.

The bulk of the growth the market is seeing has come mainly from premiumization, as consumers upgrade their product choices and spend more money in the process. The sectors hardest hit by the shifting economy – GDP is now expanding at its slowest pace in 25 years – are the large modern-trade chains that have been rolling out across the country in the past decade, but which are now faced with a consumer preference, as in much of the world, away from big-box retail in favor of convenience.

Overall, the modern trade, including hypermarkets, supermarkets, and

convenience stores, grew 3.3 percent in 2015, and those in key cities and provincial capitals added only 1.4 percent in value, while smaller cities posted 4.4 percent growth. Hypermarkets in the biggest cities grew just 1.5 percent while national hypermarket value sales grew 4.1 percent, as new stores opened in lower-tier cities. Smaller formats fared much better, with convenience stores enjoying healthy growth of 13.1 percent nationally.

While bricks-and-mortar part of Chinese retail showed lacklustre performance, the opposite was true for the country's booming e-commerce landscape. Online FMCG or grocery sales rose by 37 percent in 2015, as e-commerce giants expanded their penetration consistently across all city tiers. Today, penetration of e-commerce even in China's more remote tier-five cities is well ahead of the levels in Spain or Germany.

The view ahead

Growth is likely to continue to accelerate for convenience formats. Competition in convenience is intense in the south of the country, but there remains plenty of room to strike double-digit growth in the north and west.

Convenience stores are innovating to create a differentiated shopping experience, and typically offer 'last mile' home delivery via e-commerce. The 2016 franchise agreement between Lawson convenience stores, from Japan, and Zhongbai supermarkets, based in central Wuhan, paves the way for even more rapid expansion of convenience in the inland provinces.

As growth in the modern trade in the biggest cities has flagged, retailers are seeking growth opportunities in the lower-tier cities, where there will be intense competition for share of wallet. New store openings are still the fastest way to grow, and RT-mart's 12 percent growth in 2015 was largely a result of expansion, with 31 new stores, 26 of them in lower-tier cities.

With absolute growth in lower-tier cities also experiencing a slowdown, it is critical for retailers to be more shopper-centric, and develop their 'right to win' through optimizing merchandise and in-store execution based on local needs.

The days of double-digit growth are not gone; one only needs to know where to look.

THOUGHT LEADERSHIP



Size matters in China, so more mergers and alliances are expected. As competition intensifies and the total market continues to decelerate, retailers have to build scale to optimize their cost base and strengthen their negotiating power. In 2015, Yonghui's acquisition of a stake in Lianhua supermarket allowed it to expand into the affluent East China region, while Hongqi's takeover of Huhui supermarket enabling the group to reach share of 1.5 percent of the West market. Further regional market consolidation is expected in 2016 as China's retail landscape is still fragmented, with the top 10 retail groups only accounting for less than one-third of modern-trade sales.

International retail brands have so far struggled to tip the scales in China, having battled to keep up with the rapidly changing trading environment. Their share of the FMCG market has dropped 1.1 percentage points to 13.4 percent. Slow growth in their strongholds, which tend to be the biggest cities and provincial capitals, has added to the difficulty, along with strong competition from local players in lower-tier cities as well as the e-commerce giants.

Real omni-channel grocery shopping is yet to emerge in China, and this is a beacon of potential growth. E-commerce continues to surge in China's FMCG market, with likes of JD.com and Tmall invested heavily in festive promotions and shopper conversion, and as bricks-and-mortar retailers launch their own e-commerce platforms to win their shoppers back. However, most brands in this space are yet to create a differentiated shopping experience that spans both the online and offline worlds.

Growth may be slow now by Chinese standards, but it is not evenly spread. The days of double-digit growth are not gone; one only needs to know where to look.



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OMG & OBE: PANIC AND A PATH FORWARD FOR RETAIL BRANDS TODAY

Brands have more platforms and more channels than ever before

“Challenging” is an oft-used but euphemistic term that some retail executives use to describe today’s turbulent times. When they say the word “challenging”, what they really mean is “OMG”. (In fact, this three-letter acronym covers up for more colorful language – but let’s not go there in this publication.)

Once-calm seas are indeed now choppy and unpredictable. The retail landscape as a whole has become Globalized, Digitized, Polarized and Personalized:

Globalized

Manufacturer brands have been expanding their distribution footprint for decades, Coca-Cola being the classic case – ensuring that their brand is always within “an arm’s reach of desire”. Many retail brands, however, have traditionally been content to confine themselves to their own territories. No longer. In order to grow, retailers have been forced to roll out across the globe both physically and digitally. Brands without a global strategy – at the very least enacted digitally – are facing a troubled future.

Digitized

Channels to market have been digitizing, and that has extended to products and services. There is a race to turn the tangible into bits and bytes – look at Uber and Airbnb. Digital is also, of course, increasingly driven by mobile. Retail brands without a clear and compelling digital strategy that revolves around mobile have little chance of surviving.

Polarized

The middle of the market is disappearing. Retail has polarized into extreme value at one end of the market and ultra-specialty at the other. Retail brands that are in the middle of the road, as many department stores are, stand a good chance of being run over.

Personalized

Data is driving personalized communications. At the same time, products and services are increasingly being customized. Retail brands that still operate with a “one-to-many” approach will lose; one-to-one wins.

While these changes may be daunting for retail brands, customers love what’s happening. They get access to new brands in new ways, with sharper offers that feel more relevant. But consumers and shoppers are also far more demanding of retailers. Once-passive customers are now in control and are calling the shots. And the more technology-savvy they are, the more they are wreaking havoc.



THOUGHT LEADERSHIP



Mobile technology is one of the major driving forces with which retail brands need to contend. WPP's BrandAsset® Valuator Shopper research, run recently in the US and rolling out across the world, shows that there are now six distinct "Shopper States": Store Reassurers, Bargain Hunters, Brand Desirers, Knowledge Seekers, Practical Players and Mobile Warriors. All are digitally enabled and one is digitally obsessed – the Mobile Warrior, who routinely uses smartphones to compare prices, get information, receive coupons and make purchases. The Mobile Warriors represent nearly 10 percent of US shoppers and are statistically significant enough to warrant a segment on their own.

Shopper behavior has radically evolved and so have the retail destinations and formats that shoppers prefer. As Marc Andreessen famously said, "software eats retail". For retail brands with large legacy bricks-and-mortar portfolios, it can be difficult to make sense of the same network of physical stores.

Retailers also face a broader and more aggressive competitive set. In many markets – most notably the US – Amazon dominates this group. Amazon is fundamentally changing the way that people shop in the United States. Kantar Retail data now asserts that half of US households are Amazon Prime Members – prepared to pay US\$99 a year for a bundle of services, but primarily to gain access to free two-day shipping.

It's sobering to reflect that Amazon was responsible for 60 percent of total US e-commerce growth from 2014 to 2015.

But for all that, there is tremendous opportunity for retailers building brands today. Brands have more platforms and more channels than ever before, with new ones seemingly emerging every day. Where once retailers had a store and a website, now they have myriad ways for shoppers to interact: traditional, e-commerce, m-commerce, social commerce and even "conversational commerce" via "bots" and chat. Brands

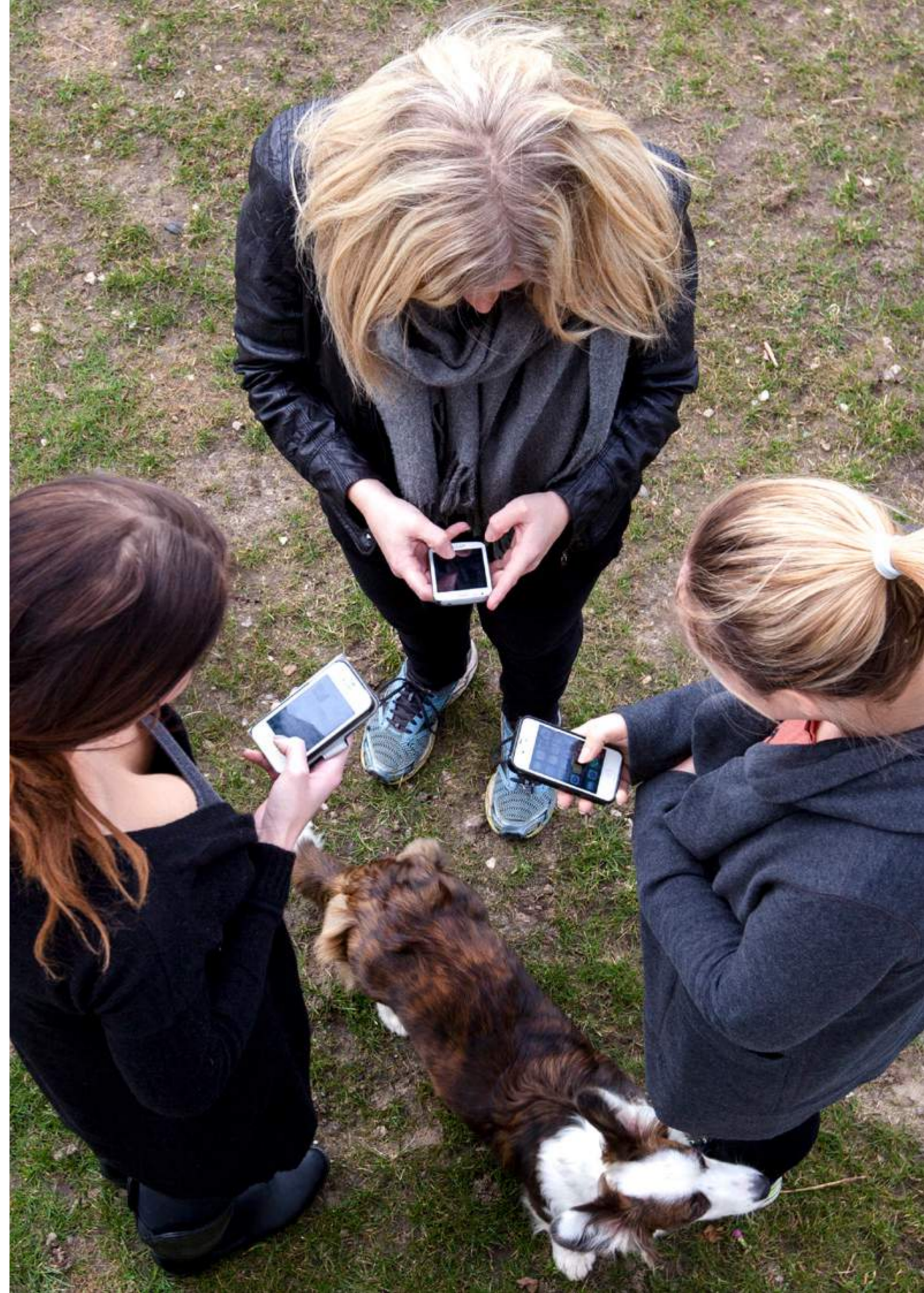
need to be present whenever, wherever and however their customers want to connect.

And that's where the "OBE" acronym comes in. It stands for "One Brand Experience". To be successful as a brand in today's world, it's not enough to "be there", you must be there in a consistent and unified way. Brands must offer a seamless, relevant customer experience, across all touchpoints and channels, delivered through a fully integrated ecosystem.

The reactive position is to respond to the new retail reality with an attitude of "OMG". The proactive position is to take charge with a strategy centered on OBE. The world's best retail brands are doing exactly that. Yes, it's "challenging", but it's what customers expect, and increasingly, it's what they demand.



To find out more about the Shopperstates™, please email Jon.Bird@vml.com



RETAIL TRENDS ROUNDTABLE

SHIFTING SANDS AS SHOPPERS' HABITS CHANGE

HOW ARE DATA, DELIVERY CHALLENGES AND A DRIFT AWAY FROM OLD CONSUMPTION PATTERNS ALTERING THE RETAIL LANDSCAPE? OUR ROUNDTABLE HAS THE ANSWERS.

WPP experts gathered in London for a session convened by BrandZ™ about the future of retail and retail brands. The following comments are taken from that discussion, involving Tim Greenhalgh, chairman and chief creative officer, FITCH, Nick Ashley, chief client officer, Mindshare, and David Roth, CEO The Store WPP, EMEA and Asia.

MEET THE EXPERTS:



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Deliveries are getting faster all the time, and the range of goods on offer gets ever more vast; how do you think that's changing consumers' expectations of retail brands?

NA E-commerce is growing so fast, and delivery expectations are going through the roof. Pre-Christmas, Amazon were running a one-hour delivery campaign in London; Argos were promising four-hour slots. It does feel like that consumer expectation has become so strong that the pressure that's putting on retailers now to deliver against is fairly significant.

TG We used to think it was fine to stand in the street in the rain and put our hand out hoping a yellow cab might go past and it might stop. We now get frustrated when we order an Uber and see he's gone down the wrong road. The expectation is remarkable. In response to that, a lot of the conversations we're having with our clients are about 'what is 21st century service?' Even though I may have a flourishing e-commerce part of my business and a live chat room and make recommendations based on what other people bought and what you're buying, and all of that kind of thing, what is the actual face-to-face service like? I think there are many brands that are getting left behind as newer players come into the market with a very distinct service proposition. Warby Parker opticians are a good example of that. What people

expect of an experience now is off the charts, and it goes beyond omni-channel.

DR The other thing that's happened is we used to have our expectations framed by the category we shopped in and we were quite happy ... I don't think that's true any more. We expect the best service we've ever experienced in any sector, across all the sectors. I think that puts a real strain on traditional retail economics and structures because they're having to compete with a very different service-level model.



RETAIL TRENDS ROUNDTABLE

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Data obviously holds the key to a lot of the possibilities for retail brands in the future. But there's a lot of cynicism among consumers and concern about how their data is handled. What should brands be doing in this area?

DR We recently did a study looking at which categories people would be happy to give their data to, and retail is in the third level of categories. The National Health Service is at the top and retail is down at the tail. Within that, we then looked at the top of the tree and not surprisingly, Amazon and John Lewis are at the top there, and you can guess who's at the bottom. The contempt that some retailers have had for their customers for all these years is coming back to bite them in ways that nobody could have anticipated. All those people that for the last 10 to 15 years have played fast and loose with their consumer proposition are at the bottom of that level of data trust.

TG You can either be very optimistic about this or incredibly pessimistic. You could argue that retailers are the reason why people are installing ad blockers left, right and center, because they're quite happy to retarget you 38 times on the basis of what you've just looked at until you finally crack. Retail and travel I'd say are the two categories that are not thinking about their customers as much as they could be in certain instances. But then, you could be much more optimistic and say certain retailers are installing personalized pricing models based on what might work for you or where you are on the journey. It really is in the balance ... some people are getting it desperately wrong, with over-reliance on data, and they're annoying people by making it clear they have that data. Others are being smarter and are aggregating it, thinking about people in clusters and segments rather than individuals when they communicate in that way. Tech is a massive issue. People don't want to feel that data is being used to punch them over the head until they finally collapse.

NA When it's data out from the retailer to the customer, that can be really useful – things like stock levels at a store when people are looking to pick up or reserve – but you

don't tend to see that much of that. It tends to be 'I know this about you, I think that you're this sort of person so I'm going to put a message in front of you that may or may not appeal, again and again and again'. We find a lot of retailers who have a marketing department and an e-commerce department, and they're separate. The marketing director does not have responsibility for e-commerce, which is, to my mind, suicide, because you've got an e-commerce person who's driven by clicks, by immediate short-term ROI, and you've got a marketing director with no control over what effect that's having on the brand. But some retailers are starting to change that.

So, if a retail brand is no longer just about putting goods on shelves for people to buy, what is the role of physical stores in people's lives now?

TG The idea of building one-off monuments with a fantastic chandelier that lasts for five years, and then you do your refit, is starting to go away. The idea of retail being in a constant state of beta is interesting to us; consumers expect your apps to get updated every two weeks.

The idea that a physical store can be constantly improved doesn't mean you're going to refit it every time, but it could be that the store staff are given more to do; they could give you more of a theatrical showcase to sell you the products in terms of the service and the information that they give. You can put in a new display, move it around, but the idea is that it becomes more of a stage set for a performance that people then help to enact for you as a brand message is quite interesting. Nike Town is a bit like that – the whole store is constantly changing. The idea is that the store manager becomes a store experience manager. They're less about the bricks and mortar and more about the tone that you create.

DR That's back to the old-fashioned retailers because that's what they were – the Macy's of this world, the Selfridges and Marks & Spencer. We've turned retailing into this homogenized world where I'm an operator or a marketeer or whatever, and in the good old days of retailing, the guy who ran the store was a showman, a curator.

What does all of this mean for the role of retail brands and stores in the community?

DR I do feel that we as consumers are falling out of love with our retailers. You did used to feel that they were on your side or doing things for you, but now, if Tesco went bankrupt tomorrow, I don't think anyone would be too emotionally upset about it, or Sainsbury's or Marks & Spencer, in the same way they would have been 10 years ago.

TG It feels like the middle's been squeezed. There's a reason why Walmart has been hurt and why Walmart changed their logo to have the sun in it rather than a big, brutal identity. There's a desire for things to be organic, real, genuine. The great example of this is Prufrock, a coffee shop in Shoreditch, London, whose owner has a dis-loyalty card. Basically, he wants you to shop at all the other excellent independent coffee shops and if you do he'll give you free coffee. People are slightly turning against chains.

NA People will still make a pilgrimage to somewhere special, to a Westfield for instance, where brands want to showcase the best of what they have in a premium environment. They become cathedrals of brands.

So maybe different branches of a chain will perform different roles, with a flagship as a place to showcase, and maybe outside that people will shop for price or for experience?

TG As consumers we want both the ease of technology and the emotion of the human connection.

DR That shouldn't been an insurmountable problem.

NA Maybe you'll start seeing more like-minded partnerships between a local coffee shop and a local food store.

TG Or the local coffee shop, the local hardware store and the local dry cleaners might get together and produce a department store or a federation of independents.

DR Or maybe high streets become curated environments. The street that always makes me smile every time I go down it is Marylebone High Street in London and it's not by luck, it's by design. It's the most amazing selection of stores – there are a couple of the usual suspects but most of them aren't, and you feel that there's a benefit in wandering down that street and seeing what's there. Maybe for retail to thrive again in the high street there needs to be a curator ... not just whoever wants to buy the lease.

BRANDZ™ FOCUS ON INDIA...

FOR THE FIRST TIME IN INDIA A RETAILER MAKES THE TOP 50...



Download the Full Report



BrandZ™ Top 50 Most Valuable Indian Brands 2016

Indian entrepreneurship and innovation, factors which produced the strongest Gross Domestic Product (GDP) growth of any major industrialized economy, also drove a rise amongst local Indian brands.

This in-depth study analyzes the success of powerful and emerging Indian brands, explores the Indian consumer's shopping habits, and offers insights for building valuable brands.

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Get the BrandZ™ Top 100 Most Valuable Global Brands, Chinese Top 100, Latin American Top 50, Indonesian Top 50 and many more insightful reports on your smartphone or tablet.

To download the apps for the BrandZ™ rankings go to **www.BrandZ.com/mobile** (for iPhone and Android).



WPP Shopper Marketing and E-commerce Capability

05

WPP SHOPPER MARKETING EXPERTISE

Sir Martin Sorrell
CEO
WPP



**SHOPPER
MARKETING
CAN GENERATE
YOUR BEST
SALES RETURN.**

**BUT ONLY IF
YOUR RESOURCES
ARE PROPERLY
ALIGNED.**

“Marketers find it harder and harder to succeed using the tools of the past...it is critical to figure out how to sell more effectively along the path to purchase.”

HORIZONTALITY: THE KEY TO SUCCESS.

There is no question that shopper marketing is one of the fastest-growing sectors in marketing communications and it's not hard to see why.

Marketers find it harder and harder to succeed using the tools of the past.

Given the changes created by consumer control in an omni-channel world, combined with the growing power and footprint of the retailer, it is critical to figure out how to sell more effectively along the path to purchase.

At WPP, we have invested in some of the world's best shopper companies, spanning retailer knowledge and insights (Kantar Retail), instore

visibility (Barrows), digital shopper (Lunchbox and Rockfish), retail media (Shopper2Buyer), multicultural and Hispanic (Bravo), and our general shopper agencies (such as Geometry, Labstore and GreyShopper) – no other parent company comes close to our breadth of resources. By leveraging our key strategic pillar of horizontality, we've found a way to bring these resources to bear on a client's business in a customized, efficient and powerful way. Unilever, Kimberly-Clark, General Mills and Heineken all use the team shopper approach and it shows.

So please let this section serve as an introduction to the WPP Shopper Model; I only wish that I could walk each of you through it personally.

Martin Sorrell

WPP SHOPPER MARKETING EXPERTISE

Done well, shopper marketing unlocks your biggest assets...

The practice of shopper marketing has become so complex and important for clients that WPP understands that no single agency could meet all of a client's needs. Rather, we believe clients require a customized consortium of best-in-class resources from multiple agencies.

WPP has over 30 agencies that specialize in shopper and retail marketing and activation.

Shopper marketing is important. Done well, it unlocks your two biggest assets – brand value and trade spend. Done well, shopper marketing investment can be your most productive investment in terms of sales return.

This consortium is based on your business and your particular business objectives. You tell us what you're trying to accomplish, and we craft a dream team, centrally managed, to help you meet your goals. This business growth will come from six key areas:

BETTER TALENT

The bigger the ask, the higher caliber of resources attracted to it. Our global, regional and local reach grants access to top experts in every discipline of shopper marketing. No one else can build a team this good.

TIGHTER INTEGRATION

A single Team Leader aligns WPP's agencies and experts around your specific plans. Everyone works together with a common brief, process, timeline and operating system. We've created a structure that encourages interdependency and allows expertise to flourish.

TRUE EFFICIENCY

The WPP Shopper Model enables the best thinking and work while eliminating a client's need to manage every relationship separately. The process also allows for de-duplication, since resources can be shared across the network.

PROVEN EFFECTIVENESS

Best-in-class experts drive superior programming, and the success of these programs should be provable given shopper marketing's proximity to sales.

SMARTER USE OF EXISTING & FUTURE ASSETS

By breaking down silos, we are able to make resources available across specialties and disciplines, from retail and channel insights to in-store visibility, while also eliminating redundancies.

THE POWER OF ONE

One agenda, one bill, one evaluation, one contract and one person that manages the relationship: WPP's structure promotes collaboration and rewards shared success. Everyone is 100% focused on your goals, and everyone sees the entirety of the task rather than only a portion.

To find out more and how WPP Shopper Marketing can help you contact

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WPP SHOPPER MARKETING DISCIPLINES

...Team WPP Shopper turbo charges your success.



SHOPPER INSIGHTS

Our research and analysis capabilities can help you find new ways to reach, understand and influence the shoppers you care about most.



RETAIL CUSTOMER INSIGHTS

It's always easier to sell what people want to buy. We can help you understand the reasons behind every purchase.



CATEGORY/AISLE LEADERSHIP

Deeper retailer relationships can translate to more traffic and more sales. Our experts can help position you as a leader throughout the store.



ROI & ANALYTICS

Our proprietary analytics models can help you measure touchpoints and tactics. So you can create stronger plans and manage budgets more efficiently.



PATH TO PURCHASE PLANNING

Purchase decisions aren't always made in the store (or on the Web site). Our goal is to help you reach shoppers with the right messages from start to cart.



DIGITAL SHOPPER MARKETING

Shoppers are everywhere, from smartphones to social media. Our experts can help you be there too, with helpful tools, useful content and valuable offers.



PACKAGING

How your product is delivered can be as important as the product itself. Package design helps your products stand out in the aisle—and find their way into shoppers' carts.



RETAIL STORE DESIGN

Creating the right experience in the store can elevate even well-known brands. Our experts can help you develop an in-store identity that serves as a marketing tool.



IN-STORE COMMUNICATIONS

Take shoppers out of auto-pilot mode while they are in the aisle. We specialize in creating the right message – and placing it in the right location.



EXPERIENTIAL / SAMPLING

We're experts in everything from pop up stores to mobile street teams. Events let shoppers experience your brand in a memorable (and loyalty-building) way.



CRM

Getting shoppers to try your product is only half the battle. Our customer relationship marketing programs can help you win the second half-making the next sale (and the next after that).



MERCHANDISING & MIX

Every purchase has a story. Smart product bundling and displays can create new usage occasions and overcome old barriers to purchase.

WPP SHOPPER MARKETING AGENCIES



AKQA

AKQA believe in the imaginative application of art and science to create iconic experiences, services and products that improve people's lives and place their clients at the forefront of the ever-changing connected world. Their ideas embrace the most appropriate platform, whether harnessing the power of social media, mobile, interactive experiences or award-winning content creation. AKQA's extensive retail experience is fused with a deep understanding of how technology and data can deliver positive change, to satisfy audience needs and surpass business goals. This unique approach has earned them numerous international accolades for creative and strategic excellence, including the Queen's Award for Enterprise Innovation.

www.akqa.com

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ALWAYS

Always is the largest Field Marketing Services Agency in China, providing Total Field Marketing Solutions from "Sell In" to "Sell Out", from "Activation Strategic Planning" to "On-The-Ground Execution". With a network of 90+ fully-owned offices throughout China, Always has the capabilities to activate in 600+ Tier 1 to Tier 6 cities. Service Offerings include Promoter & Field Marketer Management, In-Store Activation / Promotion, Retail Audit / Mystery Shopper, Event / Road Show, POSM Management and Premium / Gifting.

Always manages 800+ projects on an annual basis across 500+ cities, executing more than 3.5 million activations on behalf of a portfolio of Blue-Chip Clients. Client partners include Unilever, Nestle, Colgate, Johnson & Johnson, Ferrero, Nokia, Intel, Microsoft, Shell, VISA, Pfizer and many more.

www.alwaysmkt.com

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Shopper Conversion Specialists

BARROWS

Barrows aim to make shopping better for retailers, brands and shoppers alike.

Barrows have been operating in the global retail design realm for over 25 years, continually growing and adapting to meet the demands of each of the regions the company operates in.

Everything Barrows do is centered on a single overarching mission; creating solutions that drive shopper conversion. Barrows' range of services encompass everything from insights and strategy, design and conceptualization, right through to engineering and execution. True to Barrows' heritage in manufacturing, their ideas and designs are firmly rooted in technical know-how. Barrows design with real-world results in mind, and always strive to be remarkable.

www.barrowsglobal.com

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BRAND UNION

Brand Union is a leading global brand agency with deep expertise in brand strategy, design, interaction, brand management and employee engagement. With 500 people in 25 offices, Brand Union serves every major market with clients including Vodafone, Bank of America, GSK, Jaguar Land Rover, CBRE, Pernod Ricard, IHG, LeGroup, Shazam and Tencent. From the most significant of launches to the smallest of online interactions, Brand Union defines, creates, and curates the total brand experience, ensuring it's both brilliantly designed and beautifully connected.

www.brandunion.com

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BRAVO

Bravo is WPP's largest and most successful Hispanic and multicultural agency. As part of the WPP Shopper Model offering, Bravo offers marketing to shopper expertise that focuses on understanding today's Hispanic shoppers, and collaborates with our clients' retailer partners to craft successful shopper marketing solutions.

www.bebravo.com

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DYNAMIC ACTION

Better decisions. Faster action. DynamicAction is the most advanced analytics solution specifically built for retail merchandising teams.

Connecting and analyzing millions of data points from every part of a retail organization, DynamicAction uses more than 600 proprietary algorithms that encapsulate hundreds of collective years of retail knowledge to pinpoint margin-eating disconnects in the business, prescribe the precise actions to take and accurately rank those actions by financial impact. Merchandising and eCommerce teams run more efficient organizations, sell more at full price, mitigate markdowns, capitalize on demand and increase profit.

www.dynamicaction.com

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WPP SHOPPER MARKETING AGENCIES



EVO

Evo is a specialist Shopper Marketing agency, building programs that inspire the behaviour of the brands target audience to drive traffic and conversion at the point of purchase. Evo inspires Shopping Behaviour Insightfully, Measurably, Creatively, Pragmatically. It is the evo teams enviable experience that enables them to create the work they do. Evo are a team of hybrids with deep experience on every side of the desk. The team has more than 130 years of collective shopper marketing experience, earned in Australia and in the worlds most developed markets. Evo are a globally connected shopper marketing agency, powered by a suite of tools that keep them connected to the industry in Australia and abroad.

www.evoagency.com.au

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FEEDBACK ASAP

Feedback ASAP's products and services provide Unique Customer Excellence Solutions. The team turns Feedback into Action, Action into Insights, Insights into Customer Excellence so you can turn Customer Excellence into Sales, Loyalty and ROI. Feedback ASAP has been built on nearly 20 years global experience across 74 countries, 200 clients, 200 million individual measures of performance, working globally with McDonald's, Yum, Shell and large organisations such as AT & T, UK Post, Carphone Warehouse and Radioshack.

www.feedbackasap.com

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FITCH

FITCH transforms consumer experience and accelerates business success. They deliver seamless solutions by combining the physical, human and digital elements of a brand to create unique experience signatures.

FITCH is a leading global retail and brand consultancy with an integrated offer of strategy, design and implementation, which enables them to deliver across all touchpoints. They do this for clients that include adidas, B&Q, Brown-Forman, Dell, H&M, Philips, Sberbank. FITCH is a member of the WPP Group of companies (NYSE).

www.fitch.com

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FUSEPUMP

FusePump is a strategic partner for brands, helping them understand and apply technology to succeed in digital commerce. The company's web-scraping technology allows them to gather information directly from any website (and other data sources) then optimise this for use in digital marketing applications. FusePump publish and promote clients' product information (via product data feeds) into multiple online marketing channels, and also use it to create product-led dynamic advertising and campaign content for agency partners.

www.fusepump.com

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GEOMETRY GLOBAL

Geometry Global, the world's largest and most international brand activation agency, drives conversion, action and purchase through award-winning programs that change behavior and inspire people to buy well. With teams in 56 markets, Geometry Global has expertise in shopper, digital, experiential, relationship, promotional and trade marketing. Geometry Global is a WPP company.

www.geometry.com

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GREY SHOPPER

Grey Shopper is Grey's shopper marketing and brand activation agency. Experts in persuading people to buy, they talk directly to the shopper, rather than the consumer (they know they're not always the same person). Grey Shopper specialise in creating ideas that get clients' brands on the till receipt. Studies show that most purchase decisions are made at the point of sale. An idea should work hardest where it will have the biggest influence on sales. That's why Grey Shopper treat the retail environment as an essential creative platform to bring ideas to life. Grey Shopper drives people along the path to purchase, all the way from brand awareness to the till.

www.grey.com

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WPP SHOPPER MARKETING AGENCIES

GROUP XP

GROUP XP

Group XP is a unique consulting model formed through the partnership between Brand Union, FITCH, SET & SET Live. The company believes that great customer experience is the key driver of business growth today. Together, they are over 1000 strategic and creative thinkers located across 40 studios worldwide. By connecting diverse perspectives and skills in our network, GroupXP bring a holistic view of experience to create transformative interactions between brands and people.

www.group-xp.com

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H»ART

H-ART

H-ART works on brands marketing and communication strategies and builds amazing digital experiences. H-ART's goal is to discover how brands can leverage ONLINE channels such as the web, mobile devices, in-store technologies and other emerging media to engage people and to connect those channels to OFFLINE touchpoints such as retail, events, etc.

www.h-art.com

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HIGHCO

Since its creation, HighCo has placed innovation at the heart of its values, offering its clients – brands and retailers – Intelligent Marketing Solutions to influence shopper behaviour with the right deal, in the right place, at the right time and on the right channel.

Listed in compartment C of Euronext Paris, HighCo has more than 700 employees and since 2010 has been included in the Gaia Index, a selection of 70 responsible Small and Mid Caps.

www.highco.com

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IDEA WORKS

Idea Works are the experts in all things retail and shopper - in all forms and media.

They embrace today's globalised, digitised, polarised and personalised consumer environment. They have global perspective with local understanding and credibility. They create impactful campaigns and memorable shopper experiences. They do it all wherever brands can engage with consumers and transactions can be influenced or made.

www.ideaworks.com.au

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KANTAR RETAIL KANTAR WORLD PANEL

KANTAR RETAIL

Kantar Retail are the retail and shopper specialists. They are a leading retail and shopper insight, consulting and analytics and technology business, part of Kantar Group, the data investment management division of WPP. They work with leading brand manufacturers and retailers to help them sell more effectively and profitably. Kantar Retail track and forecast over 1000 retailers globally and have purchase data on over 200 million shoppers. Amongst their market-leading reports are the annual PoweRanking® survey and the Digital Power Study. Kantar Retail work with over 400 clients and has 26 offices in 15 markets around the globe.

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KANTAR WORLD PANEL

Kantar Worldpanel is the global expert in shoppers' behavior. Through continuous monitoring, advanced analytics and tailored solutions, Kantar Worldpanel inspires successful decisions by brand owners, retailers, market analysts and government organizations globally. With over 60 years' experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behavior into competitive advantage in markets as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others.

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WPP SHOPPER MARKETING AGENCIES



KINETIC

Kinetic offers a full service, implementational planning and buying service for OOH proximity media, engaging shoppers while out of the home. A full understanding of the role and effects of reaching shoppers whilst out of the home as part of their daily lives and when in shopping mode.

Excellent experience in optimising budgets and understanding how additional budgets can increase sales.

www.kineticww.com

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KKLD

KKLD* is a creative agency for innovative communication in digital, integrated communications and e-commerce.

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KUVERA

Kuvera is an expert partner in every aspect of China e-commerce that offers a wide range of services for brands entering or operating in China market, including e-commerce consulting, cross-border e-commerce operation, warehousing and logistics, retail distribution, customer service management, online store management, digital marketing service and data analysis.

www.kuvera.cn

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LABSTORE

Just as the world of communications has become more digital, so the world of marketing has shifted emphasis from the consumer to the shopper. Enter Labstore – a new global retail & shopper marketing agency that is an integral part of Y&R worldwide, and VML in the US. This is a business built for the way that people shop today - from Google search through to the shelf (whether that's physical or digital). We bring together a rich mix of cultures and skills across the planet. But we share three things in common: an absolute passion for retail, an obsessive focus on the shopper, and a desire to Create Shopper Chemistry™.

www.labstoreshopper.com

Jon Bird
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Lambie-Nairn



LAMBIE-NAIRN

Lambie-Nairn has been creating Dynamic Brands for over 40 years—brands built for a multi-screen, digital world with the ability to coherently evolve in real time and reshape categories. Beginning with their pioneering work in broadcast identity; their unique approach to brand building today extends to industry leading brand management known as Brand Optimisation™. As part of WPP they serve clients across the globe and manage nine offices in Europe, the Middle East and Latin America.

www.lambie-nairn.com

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LANDOR

A global leader in brand consulting and design, Landor helps clients create agile brands that thrive in today's dynamic, disruptive marketplace. Landor's branding services include strategy and positioning, identity and design, brand architecture, prototyping, innovation, naming and verbal identity, research and analytics, environments and experiences, engagement and activation, and interactive and media design. Landor has 27 offices in 21 countries, working with a broad spectrum of world-famous brands. Clients include Barclays, Bayer, BBC, BMW, BP, FedEx, GE, Kraft Heinz, Pernod Ricard, Procter & Gamble, Sony, and Taj Group.

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WPP SHOPPER MARKETING AGENCIES



LUNCHBOX

Lunchbox is a digital shopper engagement agency that solves problems and builds brands through custom content and utility. They create engaging branded experiences to transform consumers into shoppers and shoppers into buyers. Their solutions are centered around insights-led planning and strategy, social media, digital/mobile experiences, promotions, custom content, and analytics.

www.kineticww.com

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MINDSHARE SHOP+

Shop+ helps brand navigate how to use adaptive media techniques to accelerate their digital efforts in advancing online and offline sales. Mindshare is a global media agency network with billings in excess of US\$34.5 billion (source: RECMA). The network consists of more than 7,000 employees, in 116 offices across 86 countries spread throughout North America, Latin America, Europe, Middle East, Africa and Asia Pacific. Each office is dedicated to forging competitive marketing advantage for businesses and their brands based on the values of speed, teamwork and provocation. Mindshare is part of GroupM, which oversees the media investment management sector for WPP, the world's leading communications services group.

www.mindshareworld.com

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MIRUM

Mirum is a global digital agency that creates experiences that people want and businesses need. Named a Visionary in the 2016 Gartner Magic Quadrant, Mirum helps guide brands in business transformation, experience development, and commerce and activation. The agency operates in 22 countries, with more than 46 offices and 2,400 professionals. Mirum is part of the J. Walter Thompson Company and WPP Network.

www.mirumagency.com

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OGILVYONE

OgilvyOne Worldwide is The Customer Agency. It makes brands more valuable to customers and customers more valuable to brands by combining data and creativity to unlock Total Customer Value. Employing the unique DAVE methodology, OgilvyOne develops successful, digitally- and data-driven Customer Engagement solutions for clients. The process is divided into six phases to gauge customer ambition, identify customer personas, create a customer journey map, develop engagement ideas, cultivate an engagement strategy, and ultimately map an experience.

www.ogilvyone.com

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POSSIBLE

POSSIBLE's philosophy is "Does It Work?". They ask themselves this critical question on every client project, and they wrote the book on it. With more than 1,500 employees in 19 offices around the globe, they are as adept at design, customer experience and technology as they are at leveraging data to drive insights, optimize performance and drive ROI. POSSIBLE helps major brands drive efficient sales growth and build brand equity on the most important digital retail channels including Amazon, Tmall, Walmart, and others, as well as client-owned and operated properties. With particular focus on Amazon and Tmall, their commerce capabilities include e-commerce strategy, performance marketing (search and display), content development and optimization, customer experience design and optimization, CRM, and analytics. They are among a very short list of agencies that enjoy three partnerships with Amazon: Trusted Creative Partner, AAP (Amazon Advertising Platform) Enterprise Partner, and AWS Global Consulting Partner.

www.possible.com

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ROCKFISH

Rockfish is a full-service digital innovation partner that drives business for some of the world's largest brands. By combining shopper marketing insights with their digital ecosystem expertise, Rockfish creates a new brand of digital shopper marketing through Omnichannel Optimization. Their deep expertise in search science, content strategy, retail insights, user experience and retail technology helps deliver what clients need most: premium omnichannel placement that makes products fly off shelves. Rockfish is known as an expert in all things e-commerce. In fact, in 2014, Amazon Media tapped them for the Trusted Creative Partner program, enabling us to push the boundaries of e-commerce for Amazon channels.

www.rockfishdigital.com

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WPP SHOPPER MARKETING AGENCIES



SALMON

Salmon is a global commerce service provider that defines and delivers market-changing commerce strategies and solutions for the world's leading brands. Salmon have a reputation for using their technical know-how to make things happen. But they are creative too, which means they don't always give clients exactly what they ask for. Instead, they call on Salmon's commerce expertise to put forward new and challenging ideas. Salmon then help brands decide what to do, before they go on to deliver. With Salmon, clients grow their online revenue and profit. We are trusted to run commerce solutions that generate more than £3 billion in sales each year. Our clients include Akzo Nobel, Argos, Audi UK, Halfords, Kiddicare, Morrisons, Premier Farnell, Sainsbury's and Selfridges.

www.salmon.com

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SET

SET is a brand experience agency founded in Portland, Oregon in 2009. SET's home of craft coffee and wilderness seekers expanded to offices in Los Angeles, New York and London to work with the best world class brands. They create experiences across all active touch points with a brand - physical and digital - in retail, non-retail environments, through technology, in events and across the globe. In close collaboration with their clients, SET look to make every active interaction with a brand one that is meaningful, rewarding and one that translates into action. While SET see social amplification as a key success factor in the experiences and events they create, what redefines their relationship to experiences is seeing the results of their work in a client's bottom line because they and their clients believe the true assessment of an experience is the direct effect it has on sales.

www.setcreative.com

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SMOLLAN

Smollan is an international retail solutions company. Focused on perfecting retail and shopper experiences, they are the pivot point where the retailer, brand owner and shopper intercept. Smollan deliver growth for retailers and brand owners across five continents through leading solutions in field sales and retail execution, activation, and information and technology. With extensive industry experience, an exceptional human platform and sophisticated systems, Smollan has provided consistent excellence in operational execution for three generations.

www.smollan.co.za

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SCHOLZ & FRIENDS



SCHOLZ & FRIENDS TRADEMARKS

Scholz & Friends Trademarks is the specialist within the Scholz & Friends universe for the holistic development and management of retail brands. Scholz & Friends Trademarks offers professional product and brand consulting and accompanies interested firms throughout the process, from brand building and shaping, development of name and logo and range management to packaging design, product development and POS management. In addition, the agency can leverage the expertise of the entire Scholz & Friends network as needed.

www.s-f.com

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SCHOLZ & FRIENDS NEUMARKT

Scholz & Friends NeuMarkt is the Group's specialist for retail strategy and marketing. Based on its precise understanding of the market, brand, product and, especially, people, it offers strategic brand development and design combined with packaging design and ATL communication for all relevant media. Firmly committed to the power of superior presentation, the agency provides companies with tactical, strategic and psychological competitive advantages. Tailored campaign kits charge brands and products with functional and emotional added value. The agency's systematic approach for clients with a high share of standardised promotional materials allows products to be presented in a high-quality way while also enabling time and cost savings.

www.s-f.com/kompetenzmarke/neumarkt/

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SHOPPER2BUYER (S2B) (A PART OF TENTH AVENUE)

Shopper2Buyer (S2B) is an award winning agency solely dedicated to planning and buying media to reach shoppers in the right environment.

S2B leverages rich shopping data to drive proprietary insights and inform the marketing plan that encompasses all relevant media points along the shopper journey from "pre-trip" (out of store) to trip (in-store) and post-trip (advocacy and repeat), to ultimately closing the sale.

Using proprietary technology, S2B delivers plans for national, market and retailer-specific requests based on thorough consideration of in-store media placement and opportunities within each individual location.

S2B has won multiple awards for shopper marketing services, most recently two gold Shopper Marketing Effies 2016.

www.tenthavenue.com

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WPP SHOPPER MARKETING AGENCIES



WUNDERMAN

Wunderman is Creatively Driven. Data Inspired. A leading global digital agency, Wunderman combines creativity and data into work that inspires consumers to action and delivers results for brands. Wunderman has won multiple creative awards including a Cannes Lion Grand Prix and in 2015, industry analysts named Wunderman a leader in marketing database operations as well as a strong performer in customer engagement strategy. Headquartered in New York, the agency brings together 7,000 creatives, data scientists, strategists and technologists in 175 offices in 60 markets.

www.wunderman.com

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WPP is the world's largest communications services group with billings of US\$73 billion and revenues of US\$19 billion. Through its operating companies, the Group provides a comprehensive range of advertising and marketing services including advertising & media investment management; data investment management; public relations & public affairs; branding & identity; healthcare communications; direct, digital, promotion & relationship marketing and specialist communications. The company employs over 200,000 people (including associates and investments) in over 3,000 offices across 113 countries. For more information, visit www.wpp.com.

WPP was named Holding Company of the Year at the 2016 Cannes Lions International Festival of Creativity for the sixth year running. WPP was also named, for the fifth consecutive year, the World's Most Effective Holding Company in the 2016 Effie Effectiveness Index, which recognizes the effectiveness of marketing communications. In 2016 WPP was recognised by Warc 100 as the World's Top Holding Company (second year running).

For more information, visit www.wpp.com

Leaders in the hot seat

Behind the brands that shape lives and build value

Interviews with chief marketing officers from some of the world's most valuable global brands reveal the ingredients of brand strength, value and longevity.



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BrandZ™ Brand
Valuation
Methodology

BRANDZ™ BRAND VALUATION METHODOLOGY

Introduction

The brands that appear in this report are the most valuable in the world. They were selected for inclusion in the BrandZ™ Top 25 Most Valuable Global Retail Brands 2016/2017 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 that it is based on the viewpoints of consumer, who is the ultimate contributor to a brand's financial success. 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 three million consumers and more than 100,000 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 others 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 of 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

Step 1: Calculating Financial Value

Part A

We start with the corporation. In some cases, a corporation owns only one brand. All Corporate Earnings come from that brand. In other cases, a corporation owns many brands. And we need to apportion the earnings of the corporation across a portfolio of brands.

To make sure we attribute the correct portion of Corporate Earnings to each brand, we analyze financial information from annual reports and other sources, such as Kantar Retail. This analysis yields a metric we call the Attribution Rate.

We multiply Corporate Earnings by the Attribution Rate to arrive at Branded Earnings, the amount of Corporate Earnings attributed to a particular brand. If the Attribution Rate of a brand is 50 percent, for example, then half the Corporate Earnings are identified as coming from that brand.

Part B

What happened in the past – or even what's happening today – is less important than prospects for future earnings. Predicting future earnings requires adding another component to our BrandZ™ formula. This component assesses future earnings prospects as a multiple of current earnings. We call this component the Brand Multiple.

It's similar to the calculation used by financial analysts to determine the market value of stocks (Example: 6X earnings or 12X earnings). Information supplied by Bloomberg data helps us calculate a Brand Multiple. We take the Branded Earnings and multiply that number by the Brand Multiple to arrive at what we call Financial Value.

Step 2: Calculating Brand Contribution

So now we have got from the total value of the corporation to the part that is the branded value of the business. But this branded business value is still not quite the core that we are after. To arrive at Brand Value, we need to peel away a few more layers, such as the in-market and logistical factors that influence the value of the branded business, for example: price, availability and distribution.

What we are after is the value of the intangible asset of the brand itself that exists in the minds of consumers. That means we have to assess the ability of brand associations in consumers' minds to deliver sales by predisposing consumers to choose the brand or pay more for it.

We focus on the three aspects of brands that we know make people buy more and pay more for brands: being Meaningful (a combination of emotional and rational affinity), being Different (or at least feeling

that way to consumers), and being Salient (coming to mind quickly and easily as the answer when people are making category purchases).

We identify the purchase volume and any extra price premium delivered by these brand associations. We call this unique role played by brand, Brand Contribution.

Here's what makes BrandZ™ so unique and important. BrandZ™ is the only brand valuation methodology that obtains this customer viewpoint by conducting worldwide on-going, in-depth quantitative consumer research, online and face-to-face, building up a global picture of brands on a category-by-category and market-by-market basis. Our research now covers over three million consumers and more than 100,000 different brands in over 50 markets.

Step 3: Calculating Brand Value

Now we take the Financial Value and multiply it by Brand Contribution, which is expressed as a percentage of Financial Value. The result is Brand Value. Brand Value is the dollar amount a brand contributes to the overall value of a corporation. Isolating and measuring this intangible asset reveals an additional source of shareholder value that otherwise would not exist.

BRANDZ™ BRAND VALUATION METHODOLOGY

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 consumers. 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 panels of experts who contribute their opinions. The Brand Finance methodology employs a complicated accounting method called Royalty Relief Valuation.

Why is the BrandZ™ methodology superior?

BrandZ™ goes much further and is more relevant. 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, constantly. Our ongoing, in-depth quantitative research includes three million consumers and more than 100,000 brands in over 50 markets worldwide.

What's the BrandZ™ benefit?

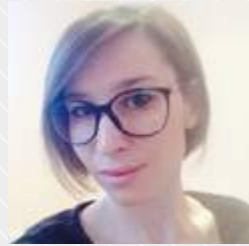
The BrandZ™ methodology produces important benefits for two broad audiences.

- 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.



BRANDZ™ GLOBAL RETAIL BRANDS TOP 25 TEAM

These individuals created the report, providing valuations, research, analysis and insight, editorial, photography and production.



Amandine Bavent

Amandine Bavent is a BrandZ™ Valuation Manager for Kantar Millward Brown. She manages the brand valuation projects for BrandZ™. Her role involves conducting financial analysis, researching brands and calculating valuations.



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.



Elsbeth Cheung

Elsbeth Cheung is the Global BrandZ™ Valuation Director for Kantar Millward Brown. She is responsible for valuation, analysis, client management for the BrandZ™ rankings and other ad-hoc brand valuation projects.



Karolina Fiedler

Karolina is Global Data Manager at Kantar Retail. Karolina is responsible for managing retail data and insight for BrandZ™ Top 25 Global Retail Brands report.



Ray Gaul

Ray is VP of Research & Analytics and is a founding member global retail forecasting team at Kantar Retail. His team produces continuous analysis of more than 1,200 retailers as well as original research for numerous client projects.



Cecilie Østergren

Cecilie Østergren is a professional photographer based in Denmark, who has worked closely with WPP agencies since 2009. Cecilie specializes in documentary, consumer insight and portraits. She has travelled extensively in China, Brazil and other locations to photograph images for the BrandZ™ reports. www.ostergren.dk



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David Roth is the CEO of the Store WPP for Europe, the Middle East, Africa and Asia, and leads the BrandZ™ worldwide project. Prior to joining WPP David was main Board Director of the international retailer, B&Q.



Igor Tolkachev

Igor Tolkachev is a part of The Store WPP EMEA and Asia team and manages BrandZ™ worldwide project, business development and partnerships. Igor managed the development of BrandZ™ Top 25 Global Retail Brands report.



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Doreen Wang is the Global Head of BrandZ™ at Kantar Millward Brown, and a seasoned executive with 16 years experience in providing outstanding market research and strategic consulting for senior executives in Fortune 500 companies in both the US and China.

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Thank you to these individuals at Kantar Retail for contributing their knowledge and insight to the report:

- | | | |
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WPP



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