



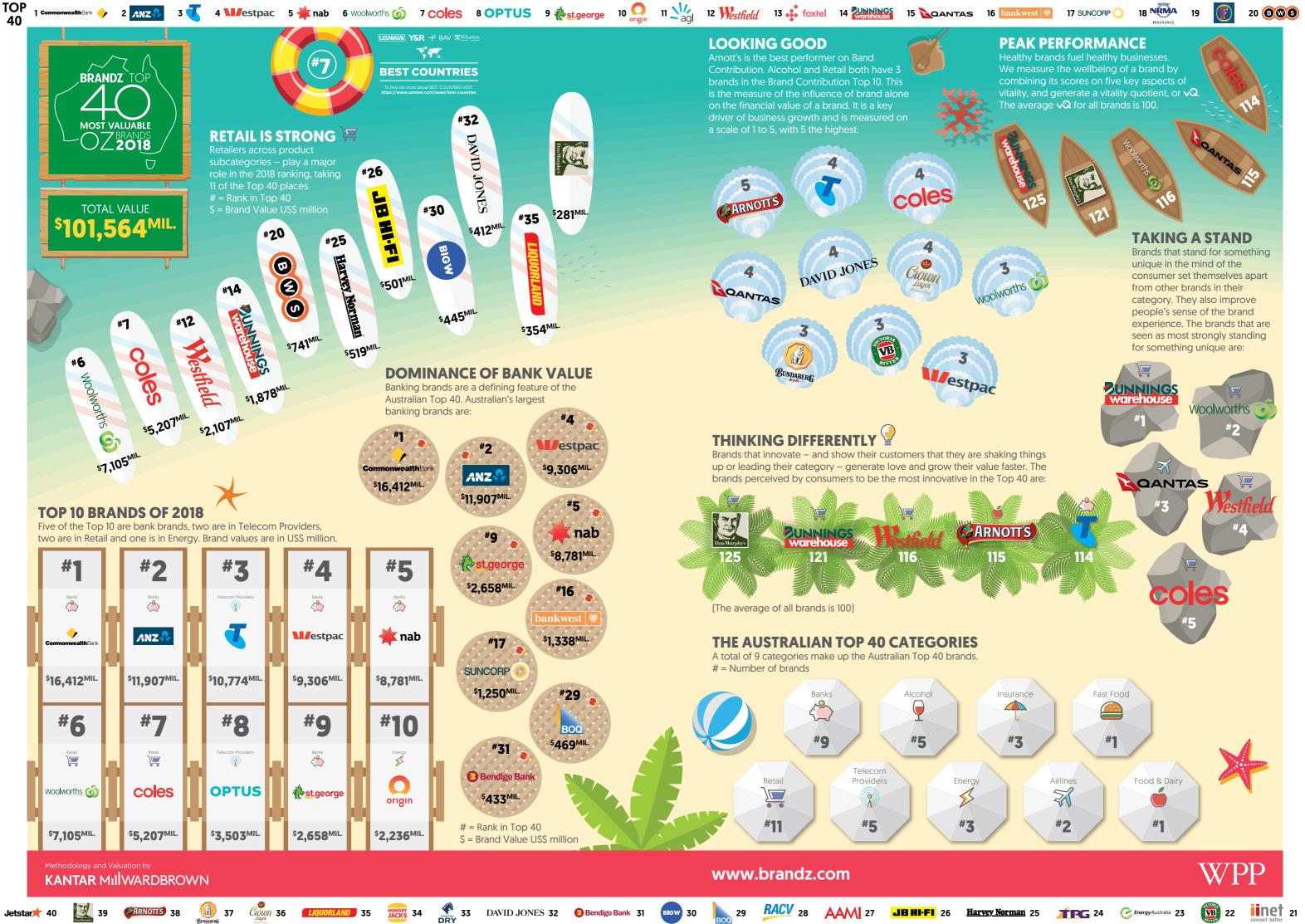
BRANDZ TOP

METHODOLOGY AND VALUATION BY









Jetstar



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AUSTRALIAN **SPIRIT OF** FUN AND ADVENTURE COMBINES **BEST OF OLD AND NEW**

EVOLVING IN A RAPIDLY GLOBALIZING WORLD



DAVID ROTH

CEO. The Store WPP. EMEA & Asia and Chairman, BAV Group David.Roth@wpp.com

I am delighted to introduce you to the inaugural WPP BrandZ[™] **Top 40 Most Valuable Australian** Brands ranking at a time of great challenge in Australia.

As the country's dominant industry undergoes in-depth scrutiny that will undoubtedly change how business is done, this ground-breaking study ranks the country's most successful brands, analyzes their strengths, and identifies the key forces that are driving growth in this market.

It is the first edition of an annual review that will track and anticipate the rapidly evolving environment for brands in Australia, and will chart the changing fortunes of the country's most valuable brands

We are incredibly excited to be bringing the BrandZ[™] study to Australia. It has the 10th largest GDP of any country in the world, vet its geographic position makes it one of the most isolated.

Australia's impact on the world has stemmed from its high quality of life and strong environmental sustainability as Australia like nowhere else celebrates equality, diversity, and strong social 'mateship'. This heritage serves many Australian brands well.

At the same time, the landscape in which business is done and on which brands are built is being transformed. This is to some extent happening the world over, but in Australia that has succeeded for many years in incubating its brands with minimal outside influence, it comes at a

time when technology and innovation allows for rapid globalization and disruption.

Australia's economy grew at 3.1 percent in the first quarter of 2018, outpacing the US, EU, Canada, Germany, and France. But the value of Australia's powerful banking sector has fallen since the Royal Commission began. How this will affect the Big Four banks in the long term remains to be seen, although the strength of the sector would indicate they can come back.

Australia's demographics are undergoing change. Immigration and population densities in its largest cities are forcing paradigm shifts in how business is done, by whom, for whom, and while quality of life is high, so is the cost of living.

Australian brands are beloved and have rich histories that are embedded in the upbringing of its populace. Brands like Arnott's and David Jones are as much of the Australian culture as outdoor living, adventure, and living life to the fullest.

As Australian cultural and business exports change, so too does the image of "Brand Australia" that they carry with them. In this report, we examine the strength of the relationship between Brand Australia and the brands of Australia, which has been a powerful exemplar for incubation, dependence on locally sourced and produced goods, and therefore, sustainability and environmental consideration. The acceleration of technological change

and ready access of globalization, will help determine what Australia stands for in the mind of the modern global consumer.

We take an exclusive, in-depth look at data and analysis from the "Best Countries" research done by Y&R's BAV Group, with Partners US News and the Wharton Business School, which shines a light on how country of origin affects French brands.

For WPP, Australia is a unique market, one that is undergoing change and facing unparalleled disruptive forces upon its shores.

Whether you're an Australian brand or a global name, in this report I hope you'll find inspiration and guidance to help you create and grow more meaningful, impactful brands both in Australia and beyond.

On page 34, Key Takeaways provide succinct. action-oriented recommendations for brands based on our expert analysis of the market. We've also included summaries of Australia's Top 40 most valuable brands. Brand experts from WPP companies across Australia share their market wisdom and sharp insights through extensive Thought Leadership and Best Practices essays.

And we present all this with stunning photography and a vibrant design that reflects the beauty, fun, and adventure of the country itself.

At WPP, the global communications services leader, our companies have been engaged in Australia for over three decades. Today, around 5,500 people work 80 WPP companies in 150 offices across Australia and New Zealand, providing advertising, marketing, insight, media, digital, shopper marketing and PR expertise. It's part of our global presence in 112 countries. By linking all this talent, creativity, wisdom, and horizontality, we amplify global trends and insights that help our clients in useful and unique ways.

We invite you to access our unrivalled BrandZ[™] resource library. Along with the new BrandZ™ Top 40 Most Valuable Australian Brands report, the library includes these annual studies: BrandZ™ Top 100 Most Valuable Global Brands, BrandZ[™] Top 100 Most Valuable Chinese Brands, BrandZ[™] Top 30 Most Valuable Spanish Brands and BrandZ[™] Top 50 Most Valuable UK Brands. To download these and other reports, please visit www.BrandZ.com. For the interactive BrandZ[™] mobile apps go to www. BrandZ.com/mobile.

The backbone of all this intelligence remains the WPP proprietary BrandZ[™], the world's largest, consumer-focused source of brand equity knowledge and insight, and WPP's proprietary BrandZ[™] brand valuation methodology. First we analyse relevant corporate financial data and strip away everything that doesn't pertain to the branded business. Then we take a critical step that makes BrandZ[™] unique and definitive among brand valuation methodologies. We conduct ongoing, in-depth quantitative consumer research with more than 170,000 consumers annually, across more than 50 countries, to assess consumer attitudes about, and relationships with, over 100,000 brands.

Our database includes information from over two million consumers. It reveals the power of the brand in the mind of the consumer that creates predisposition to buy and, most importantly, validates a positive correlation with better sales performance.

At WPP, we're passionate about using our creativity to create and build strong, differentiated brands that deliver lasting shareholder value. To learn more about how to apply our experience and expertise to benefit your brand, please contact any of the WPP companies that contributed expertise to this report. Turn to page 190 for summaries of each company and the contact details of key executives. Or feel free to contact me directly.

Sincerely, David Roth

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ISOLATION & INCUBATION...BRAND OPPORTUNITIES IN A SHRINKING WORLD

FOR THE FIRST TIME EVER DURING THE RESEARCH AND DELIVERY OF A BRANDZ™ COUNTRY REPORT, A HOST COUNTRY IS UNDERGOING INDUSTRY-WIDE TRAUMA IN ONE OF ITS OLDEST AND MOST POWERFUL SECTORS.

The elephant in the room is Australia's Banking sector, currently under investigation for regulatory irregularities. Unique to all other countries reported on by BrandZ[™], Australia's banking sector dominates the economy and comprises over 50 percent of the value of the Top 40 most valuable Australian brands. This high proportion is unique amongst all other BrandZ[™] valuations markets.

The results of the Royal Commission may affect both the short and long-term valuations of the Big Four banks along with the rest of the banking sector. It remains to be seen how this will impact the many other companies and brands across Australia's economy dependent on the banking industry.

For the average Australian, living in one of just a handful of cities in which real estate prices are amongst the highest in the world and on the rise along with the cost of living, Australians have one of the highest household debt levels in the world. Import prices are high and people generally prefer locally-produced trusted value brands that have been embedded

in the fabric of Australian culture for many years. The best Australian brands generally support social, environmental, and cultural causes fulfilling local consumer expectation that brands are also responsible in making the world a better place, first for Australians, and then for the rest of the world.

The attraction of good weather. increasing life expectancy (Women, 84.5 + 1.2 yrs and men 80.4 + 1.9 yrs over the last 10 years), and a friendly social environment, has created change in the Australian demography. Nearly a third of the population was born outside the country, and the east coast is experiencing accelerating immigration from China, India, and Arabic-speaking countries. Immigrants are clearly attracted by Australia's culture of fairness,

mateship, and honesty, just some of the reasons why Australia is ranked 7th out of 80+ countries across the world in BAV's 2018 Best Countries report.

Australia is more geographically separated from the rest of the world than most countries. certainly more so than other top-ranked countries in both economic and population metrics. In the past, innovation reached Australia slowly and when it did, business setup and productions costs were prohibitively high. Consequently, global companies entering Australia typically licensed brands, formulations, and technologies to local companies who, because of geographic isolation, were generally sheltered from external competition. Some of the BrandZ[™] Top 40 Australian brands have literally had hundreds of years to mature and succeed with little or no interference from global competitors. Australia's internal incubation engine fueled corporate and brand growth via mergers, acquisitions, as internal brands in banking and infrastrastructure flourished.

But technology is reshaping the Australian business landscape. Digital transformation, artificial intelligence, and the accelerating speed of change has significantly reduced barriers for global and geographically distant competitors like Amazon to enter and disrupt markets with greater efficiencies, reduced costs, and consumer access to highly desired global brands. In a rapidly shrinking world, global companies see Australia as an attractive (and stable) last frontier.

Global giants like Tesla, Campbell Soup, Anheuser-Busch InBev. and others have successfully skipped over geographic barriers leaving fewer and fewer companies with their original Australian ownership.

Though Australia is seen by the world as similar to Euro-Scandinavia and Canada. Asia's relative proximity has typically been the first step for Australian brands to globalize. Today, China dominates the post-incubation relationship and is its largest trade partner representing nearly 24 percent of overall trade, twice the size of the next partner, Japan. China also accounts for nearly 30% of Australia's overall exports (primarily coal) and about 20 percent of its imports. Meanwhile, opportunities exist for innovative Australian companies to compete globally. Only a few successful brands like Foster's Beer and Vegemite, have been able to successfully penetrate global markets. Generally, domestic brands remain local.

But times are changing, and technology, speed of market penetration, and the growth of corporate behemoths through mergers and acquisitions are reducing Australian isolation every day. Collectively, the challenges of a flattened world are forcing Australian businesses and marketers to face greater change and competitive infiltration than ever before. And as change breeds uncertainty, savvy and forward thinking minds must react to the emerging threats and opportunities sooner rather than later. In today's world, soon is now.

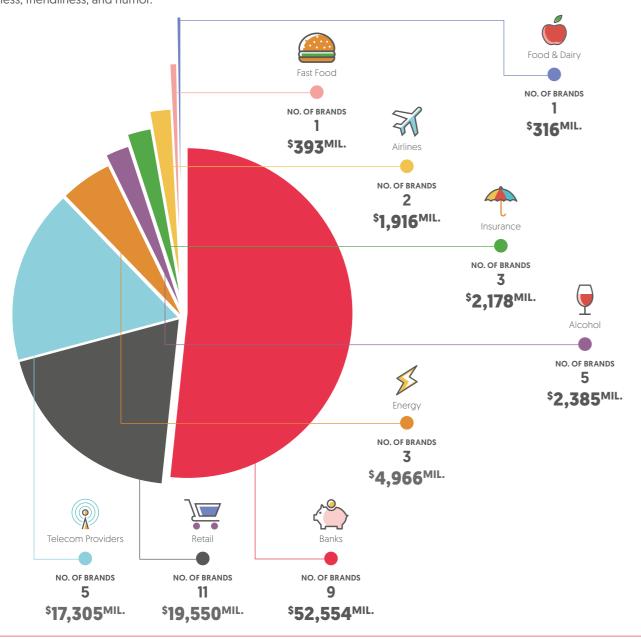
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OVERVIEW

AUSTRALIAN BRANDS VS. THE WORLD

Global perceptions of the typical Australian as a beer-gorging, crocodilehunting outbacker eating "shrimp on the barbie" has thankfully dissipated and today Australian brands are typically seen as fun, adventurous and cheekily, but pleasantly rebellious. Global facing brands like Qantas, Bunnings, Foster's & Billabong encourage the perception that Australian brands create fun and adventure. Global advertisers often use Australian accents in voice-overs because it conveys a sense of openness, friendliness, and humor.

Overall, banks are highly concentrated in the Top 40, accounting for over half of the total value in the ranking. Telecom Providers (Telstra, Optus & Foxtel], Retail (Woolworths, Coles, Bunnings, & Westfield), and Energy (AGL, & Origin) complete the Top 20 with just one brand each representing Airlines (Qantas) and Alcohol (Foster's) categories. Only two other categories are represented; Fast Food (Hungry Jack's) and Food & Dairy (Arnott's).



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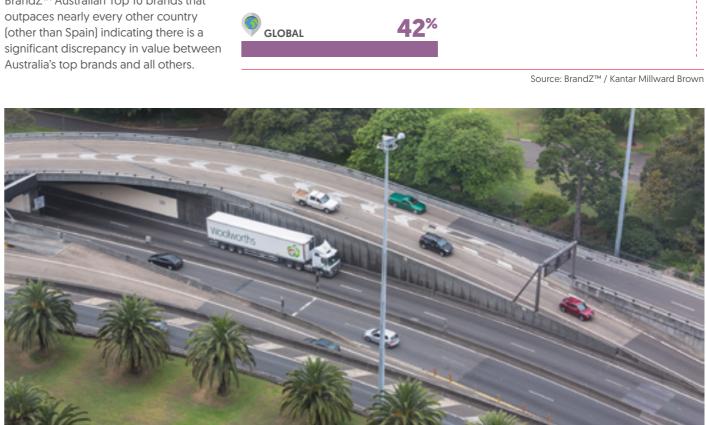
\$ = Total Value in Millions

Source: BrandZ[™] / Kantar Millward Brown

Globally, consumers have a strong perception of Australia. Relative to all other countries, Australia is ranked #5 in Quality of Life, and in 2018 it replaced the US as #7 overall in the world in the Best Countries ranking, ahead of France, Netherlands, & Denmark. Prior to this report, Australia ranked first in Economic Stability, and second as the "happiest" country on Earth, Family Friendly, and third in terms of attractiveness of its job market. It remains to be seen how the recent banking crisis will impact Australia's scores in economic stability.

In terms of corporate activity, companies reported Australia as the third best country to host a corporate HQ. At the same time, the ASX exchange is attracting companies from around the world to file IPOs and solicit investment, and although slightly down from its highs in early 2018, the exchange is near its historic highs.

The Australian Top 40 brands features a high concentration of value in the BrandZ[™] Australian Top 10 brands that outpaces nearly every other country (other than Spain) indicating there is a significant discrepancy in value between



% VALUE OF THE TOP 10 BRANDS

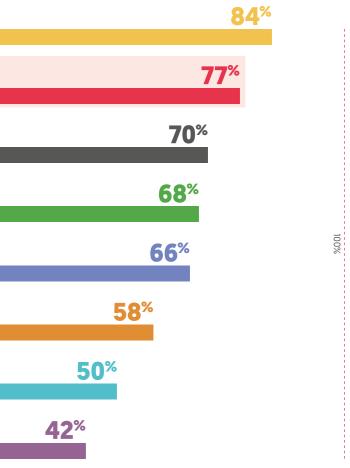
SPAIN (TOP 30)

AUSTRALIA

GERMANY

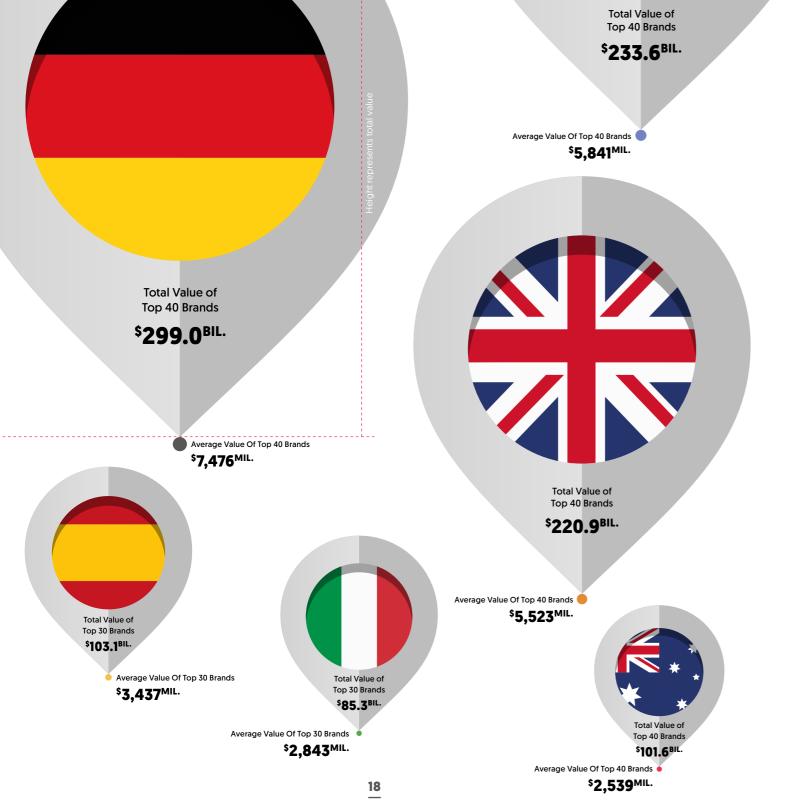
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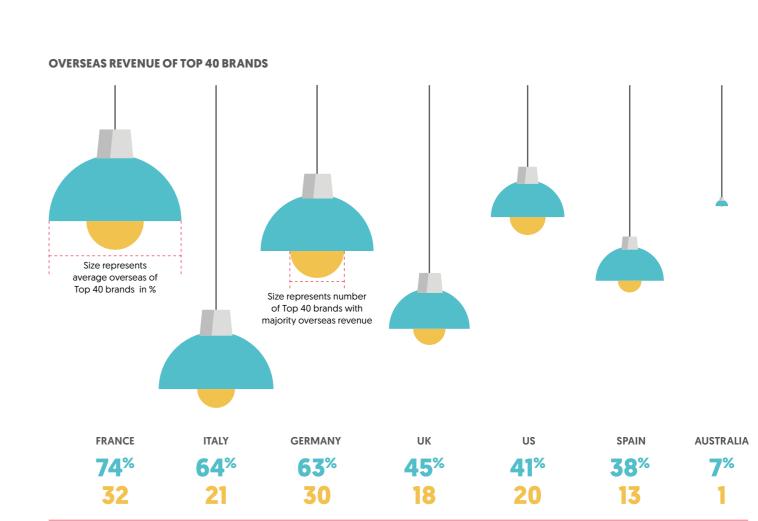
US



OVERVIEW

The total and average values of the Top 40 most valuable Australian brands are below those of other countries.



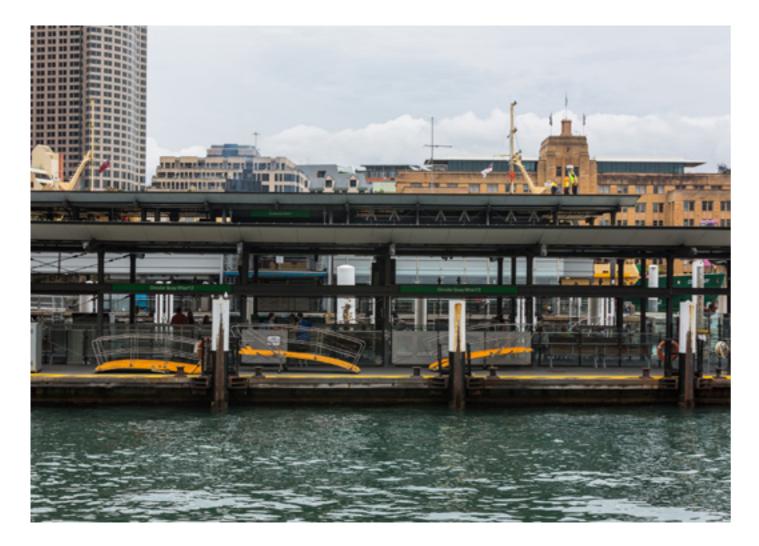


Brands in Australia's largest industries (Banks, Retailers, & Telecom Providers) report income mostly limited to local markets, well below global averages for competitors. Isolation may allow for effective defense of local markets, but that will only last while geographic isolation remains. Competitors around the world have reduced risk through global expansion and look to Australia as something of a last frontier to compete and disrupt. To succeed, some Australian brands will need to protect their local turf while simultaneously expanding into other markets. This is clearly the next great challenge for Australian brands; building transferable equity to establish presence in foreign markets.

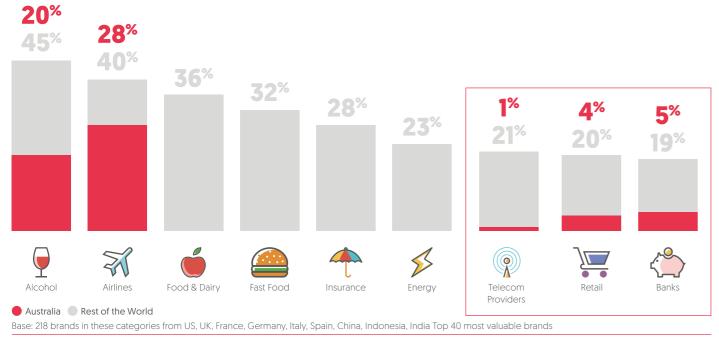
Source: BrandZ™ / Kantar Millward Brown

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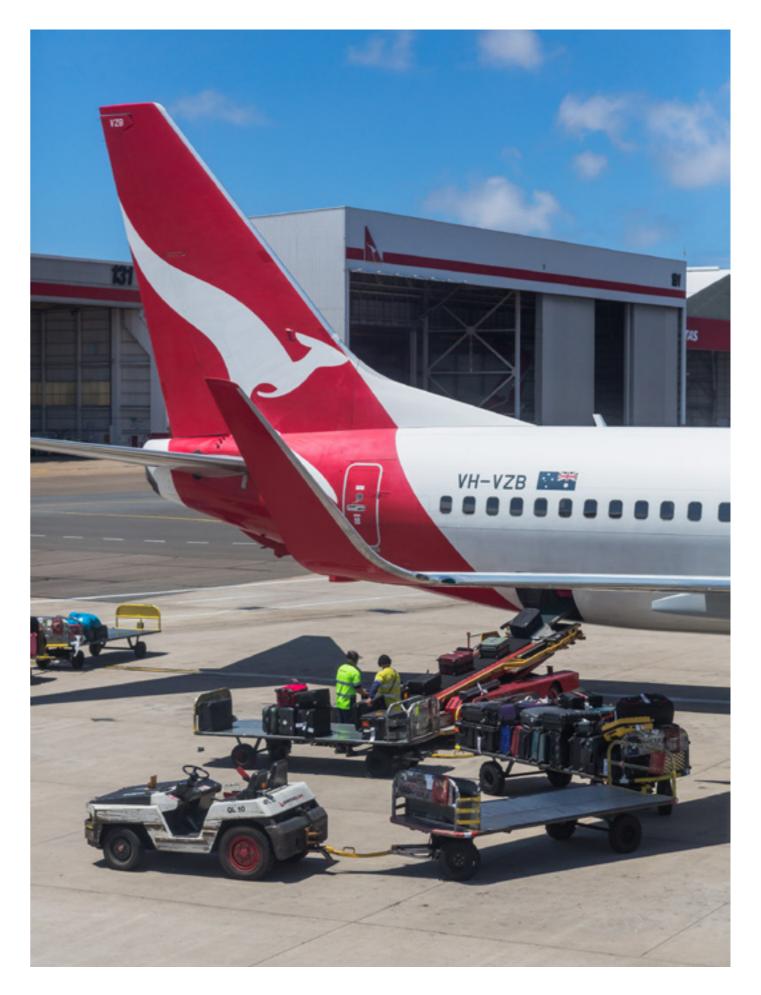
OVERVIEW



AVERAGE PROPORTION OF OVERSEAS REVENUE BY CATEGORY AMONGST BRANDS IN THE TOP 40 Categories present in Australia Top 40 only



Source: BrandZ™ / Kantar Millward Brown



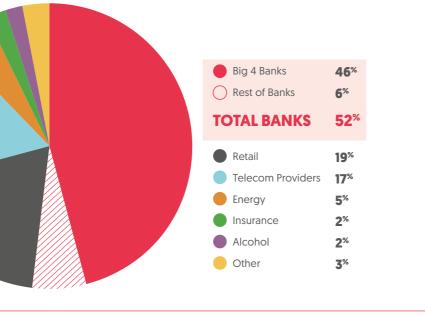
KEY RESULTS



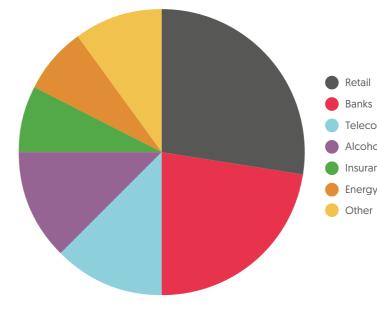
The total value of the BrandZ[™] Top 40 Most Valuable Australian Brands 2018 is \$101,564 million.

Given the role they play in the Australian economy, it's no surprise that the "Big Four" banks occupy four out of the top five positions in BrandZ™'s Australia Top 40, and two of these brands feature in the BrandZ™ Top 100 Most Valuable Global Brands (Commonwealth Bank and ANZ). Unlike most other countries, the Australia Top 40 does not feature any technology brands.

CATEGORIES - % OF OVERALL VALUE



CATEGORIES - NUMBER OF BRANDS



Source: BrandZ™ / Kantar Millward Brown

->

il	11
(S	9
com Providers	5
hol	5
rance	3
gy	3
er	4

KEY RESULTS

BANKING SECTOR DOMINATES

Banking and Retail brands account for half of the BrandZ[™] Top 40 most valuable Australian brands. Commonwealth Bank alone accounts for 16 percent of the Top 40's value, 38 percent above the next ranked brand, ANZ. The impact of the current banking crisis from April-May 2018 resulted in a significant drop in the sector's value as the Big Four have lost a total of nearly \$8 billion or on average, 14 percent, representing about 90 percent of the industry's \$8.8 billion loss. The average Top 40 banks lost \$987 million in value. These losses stemmed mainly from falling share prices rather than further damage to already weak brand equity.



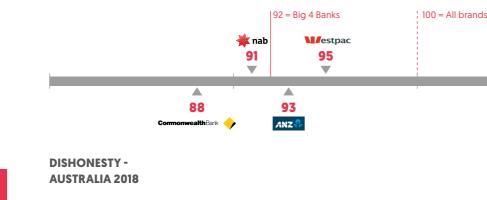
The average loss for the

9 banking brands in the Top 40 is \$987 million BIG -\$7,981 Mil. FOUR BANKS TOTAL BANKSIN -\$8,884 Mil. **TOP 40**

BANKING'S GLARING WEAKNESS - TRUST

The Big Four banks, along with the entire sector, suffers from a major lack of trust. Of the 25 categories measured, Australia's banking industry ranks lowest in trust and highest in perceived dishonesty, both the lowest and highest rankings across all industries in Australia. Relative to 24 other countries, Australia's banks have the third lowest Trust score amongst its domestic consumers, and the sixth highest score in Perceived Dishonesty. Global brands that are perceived as dishonest suffer from long-term declines in value by an average of 19 percent over a 12-year period. Australian banks need to quickly address these trust and dishonesty concerns, especially following the Royal Commission reports, if they are to prevent even greater short and long term damage to their brands.

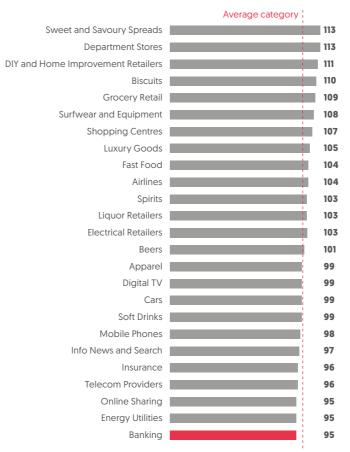
CORPORATE TRUST -AUSTRALIA 2018



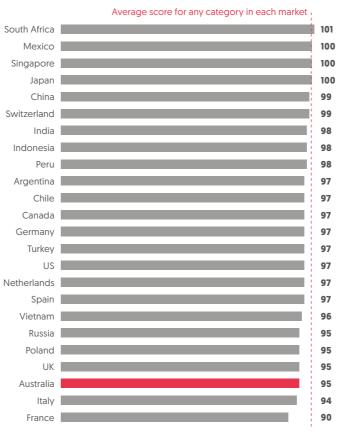


Source: BrandZ™ / Kantar Millward Brown

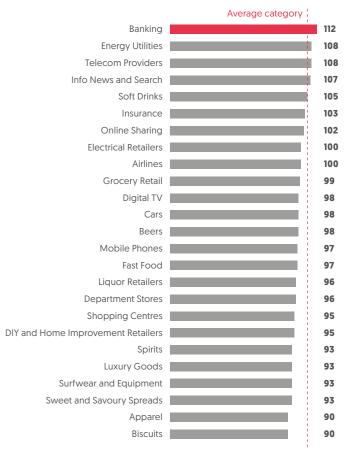
BRAND TRUST BY CATEGORY - AUSTRALIA 2017/2018



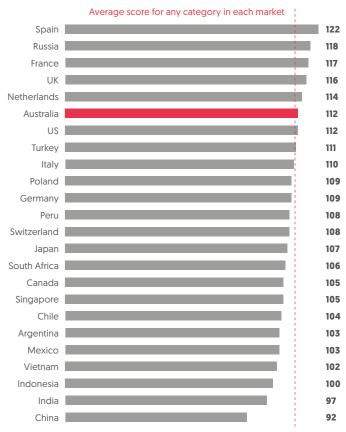
BRAND TRUST BY MARKET - 2017/2018



PERCEIVED DISHONESTY BY CATEGORY - AUSTRALIA 2017/2018



DISHONESTY BY MARKET - 2017/2018



KEY RESULTS

BRAND METRICS - VITALITY & MEANINGFUL DIFFERENCE

Brands that meet consumer needs while building emotional connections are 'Meaningful' and Meaningfully Different brands grow at a faster rate than others. Brand value is created through brand purpose, innovation, communication, and brand experience, which then translate to a sense of love. These five kev health indicators can be combined into a single score we call a brand's Vitality Quotient, or its vQ.

The average score of all brands is a vQ of 100. Those with a score over 110 making them at least 10 percent above average – are those we say are healthy overall in all five key areas. A score of 99 or under in all five key areas means it's time to call emergency services.

A high vQ score benefits a brand in several ways. Brands with a high vQ have more than double the Brand Power, which is an indicator of their ability to drive sales. They are better positioned to be able to justify a premium or to feel "worth it" to consumers.

Healthy brands tend to develop a personality type that further reflects well on them. Those brands with a high vQ score are more likely to be described as trustworthy, "in control", desirable, creative and friendly. They under-index on negative brand personality traits, such as being uncaring or arrogant.

VQ scores show a very clear relationship to a brand's Meaningful Difference to consumers. Meaningful Difference is a predictor of success. Global brands with high Meaningful Difference have grown their brand values at five times the rate of those with low Meaningful Difference since 2006. Not only are those brands in the Australian Top 40 more Meaningfully Different than those outside it, but within the Top 40 group, those with high scores are 146 percent more valuable than those with low scores. The Top 40 brands are significantly more meaningfully different than the other 325 brands reviewed.

By diagnosing performance using these five indicators, brands can understand where they need to focus to improve. When one or more of the indicators is flagging, overall brand health – and brand value - can suffer.

THE MOST MEANINGFULLY **DIFFERENT BRANDS IN AUSTRALIA**

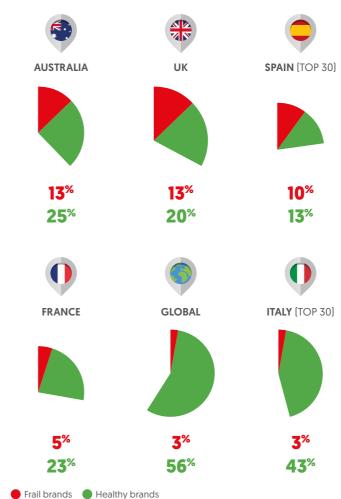
Brand	Brand Score	
Dan Murphy's	210	
Bunnings	172	
Tim Tam	152	
Qantas	150	
Vegemite	149	
JB Hi-Fi	142	
Billabong	136	
Arnott's	135	
Bundaberg	133	
Chadstone	131	
Average brand = 100 Source: BrandZ™ / Kantar Millward Brown		

HEALTH, FRAILTY, & DIFFERENTIATION

Collectively, the Top 40 Most Valuable Australian brands have the highest proportion of "Frail" brands compared to the most valuable brands in markets around the world, based on BrandZ[™] rankings. Where most markets have industries including food & dairy and technology, others featured in their top brands, Australia's food & dairy brands represent just one percent of the total Top 40 value with only Hungry Jack's and Arnott's making the cut.

Retail brands including Woolworths, Bunnings, and Coles are relatively healthy and in general, Australia's group of highly differentiated brands like Dan Murphy's & Foxtel are over 50 percent more valuable than those that are weakly differentiated. For frail brands, brand equity and brand health can be improved through better differentiation, innovation, and strong communication.







MOST DIFFERENTIATED IN THE TOP 40

Brand	Category Average
Dan Murphy's	229
Foxtel	140
Bunnings	134
Qantas	133
Telstra/Big Pond	130
JB Hi-Fi	130
Optus	126
Bundaberg	122
Bendigo Bank	115
David Jones	115
Average brand = 100	

Source: BrandZ™ / Kantar Millward Brown

Source: BrandZ™ / Kantar Millward Brown

BRAND VALUE IS A LOCAL PHENOMENON

Only 13 of the Top 40 brands report any overseas income (most notably, Foster's, Westfield, Qantas, Jetstar and Westpac) and only Foster's reports nearly all its revenues in foreign markets (97.5 percent). When it comes to globalizing its best brands, Australia exhibits a relatively low tally relative to other countries. The average brand that reports overseas sales generates just 18.6 percent of their revenues from global markets. Healthy global brands typically experience growth and derive strength from global markets. Many of Australia's Top 40 brands have the opportunity to expand into other markets and further improve their brand health, power, and value.

BUNNINGS, AHEAD OF THE PACK

Though not the largest brand in terms of brand value, in almost all categories that measure brand strength, Bunnings ranks as the best of the best in communicating uniqueness, garnering

love that consumers have for the brand, and implementing innovative retailing strategies. Based on BrandZ[™] metrics, Bunnings is quantitatively the healthiest brand in Australia and a great example for other companies in how to improve on the key indicators for brand health, meaningful difference, and overall brand value.

DIFFERENTIATION

Brands that effectively communicate their uniqueness stand apart from their competitors. Australia's largest brands suffer from a lack of clear differentiation and perceptions between brands have become muddied and primed for competitive threats. On average, the Top 40 brands only score a little higher than an average brand indicating there is plenty of work to be done by the top brands to differentiate themselves from the typical Australian brand.

DIFFERENCE DRIVES BRAND VALUE IN AUSTRALIA



Australia Top 40

Source: BrandZ[™] / Kantar Millward Brown

MIND THE INNOVATION GAP

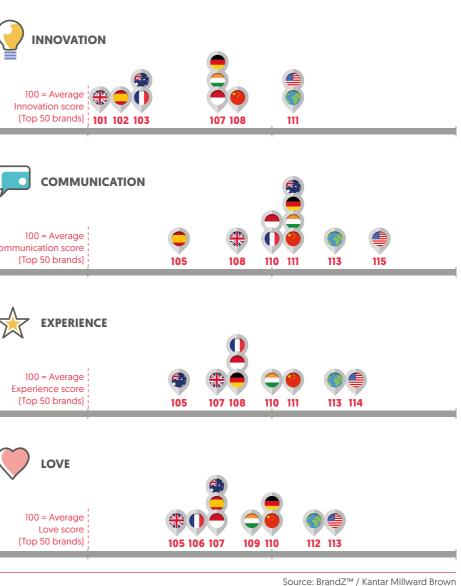
Perception of innovation drives value in Australia. Brands in the Top 40 considered the most innovative are over 140 percent more valuable than those perceived to be the least innovative. Only a handful of the Top 40 brands are currently ranked as Australia's Top 10 most innovative brands (Dan Murphy's, Bunnings, Westfield, Arnott's, & Telstra). Other innovative brands like Tim Tam, Billabong, and Chadstone are strong and primed for future growth. Collectively, the Australian Top 40 are not seen to be particularly innovative indicating risks for disruption but simultaneously, also opportunity for improvement.



100 = Average vQ score (Top 50 brands)

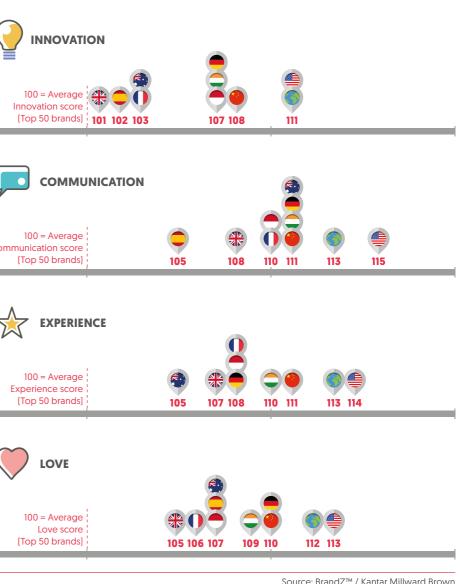


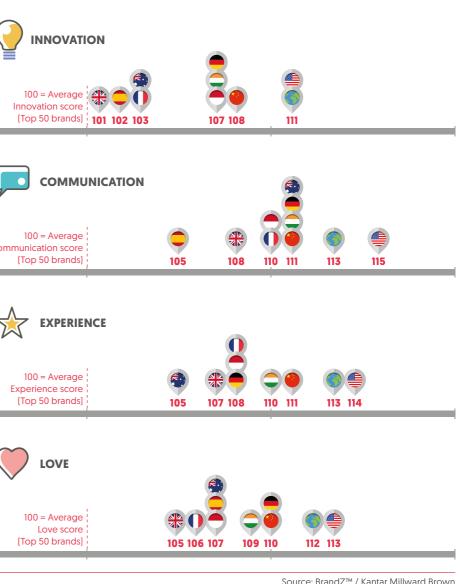
100 = Average Purpose score [Top 50 brands]



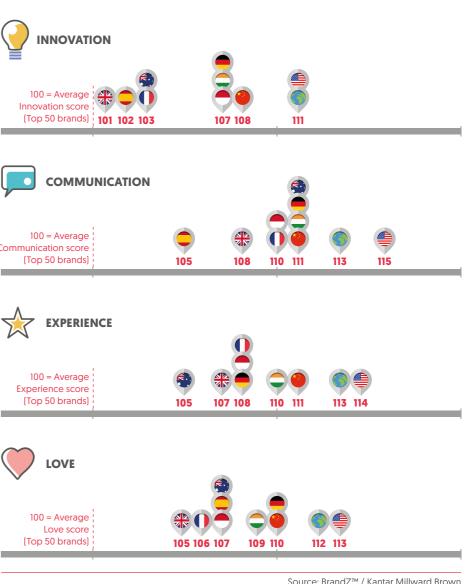
AUSTRALIA VS. THE WORLD

How does Australia stack up against the rest of the world? Australia's average brand is only marginally better than an average global brand. Compared with other major countries, Australia lags in almost all key metrics, though its average Top 40 brand's communications are on par with other markets.





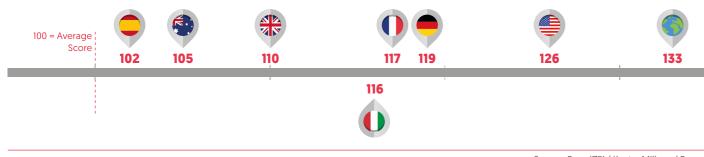
Communication score





AVERAGE DIFFERENCE INDEX ACROSS BRANDZ™ RANKINGS

Top 40 Brands except Spain and Italy which rank 30 brands



Source: BrandZ™ / Kantar Millward Brown

110

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109 110

105 106 107 108

112

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112 113

115 116

114

CROSS-CATEGORY TRENDS

ALIGNING CONSUMER AND BRAND VALUES IS A WINNING STRATEGY

Australians are shopping around and looking for ways to make smart purchase decisions. Consumers are mindful of the fact that the world is an uncertain place that requires a degree of caution when it comes to spending, especially in a country with a high cost of of living. People want to buy the brands that offer the best quality and value. Generally, Australians are loyal to locally-produced products but while two-thirds of Australians prefer to "buy Australian", they will only do so if it is no more expensive than buying global brands. The takeaway is that local brands need to refrain from dropping their prices below their global competitors to succeed, and they must ensure that their brand is strong enough to drive the required premium and maintain resilience.

BEWARE THE INNOVATION GAP

Consumers see an innovation gap across local brands. Increasingly, geographic isolation is being flattened by technology and global brands are a click away. Complacency for brand owners is no longer an option. The trend will continue towards favoring brands that are more "tech savvy" and offer greater convenience and efficiency. Brands can apply innovation across business processes to learn more about their consumers, promote better communication, stimulate revenues, improve customer service, speed production, and more.

While the historically protected Australian market is currently being infiltrated by global innovators, consumers will continue to expect more from the brands they use, necessitating improvements in innovation. Fortunately, technologies can be acquired and deployed by savvy brand marketers to leapfrog this gap in innovation and quickly catch up to meet the needs of consumers and stymie global competition.





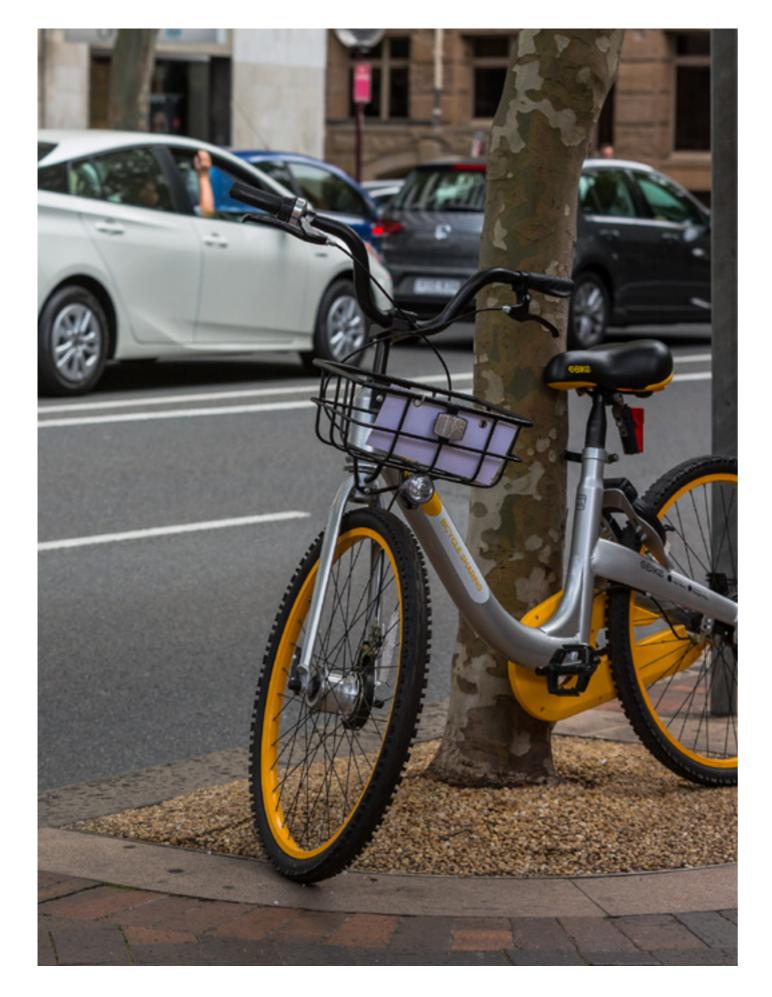
THE ACCELERATING WAVE OF GLOBALIZATION

Online and mobile consumers are drawing the world into Australia faster than Australian companies can establish footholds offshore. The influx of foreign companies into Australia accelerates the associated demand for global brands and services.

The danger for Australian brands across all categories lies in the acceleration of these changes. At the same time, the world loves Australia and people aspire to replicate the quality of life that Australians enjoy. For local brands that have globalized with "Brand Australia" as a competitive advantage, the world can be an oyster. For brands with the potential to enter new markets, the associations with the green and gold can be a ticket to success.



CROSS-CATEGORY TRENDS





ARTIFICIAL INTELLIGENCE, MACHINE LEARNING, AND WORLD OF MACHINES

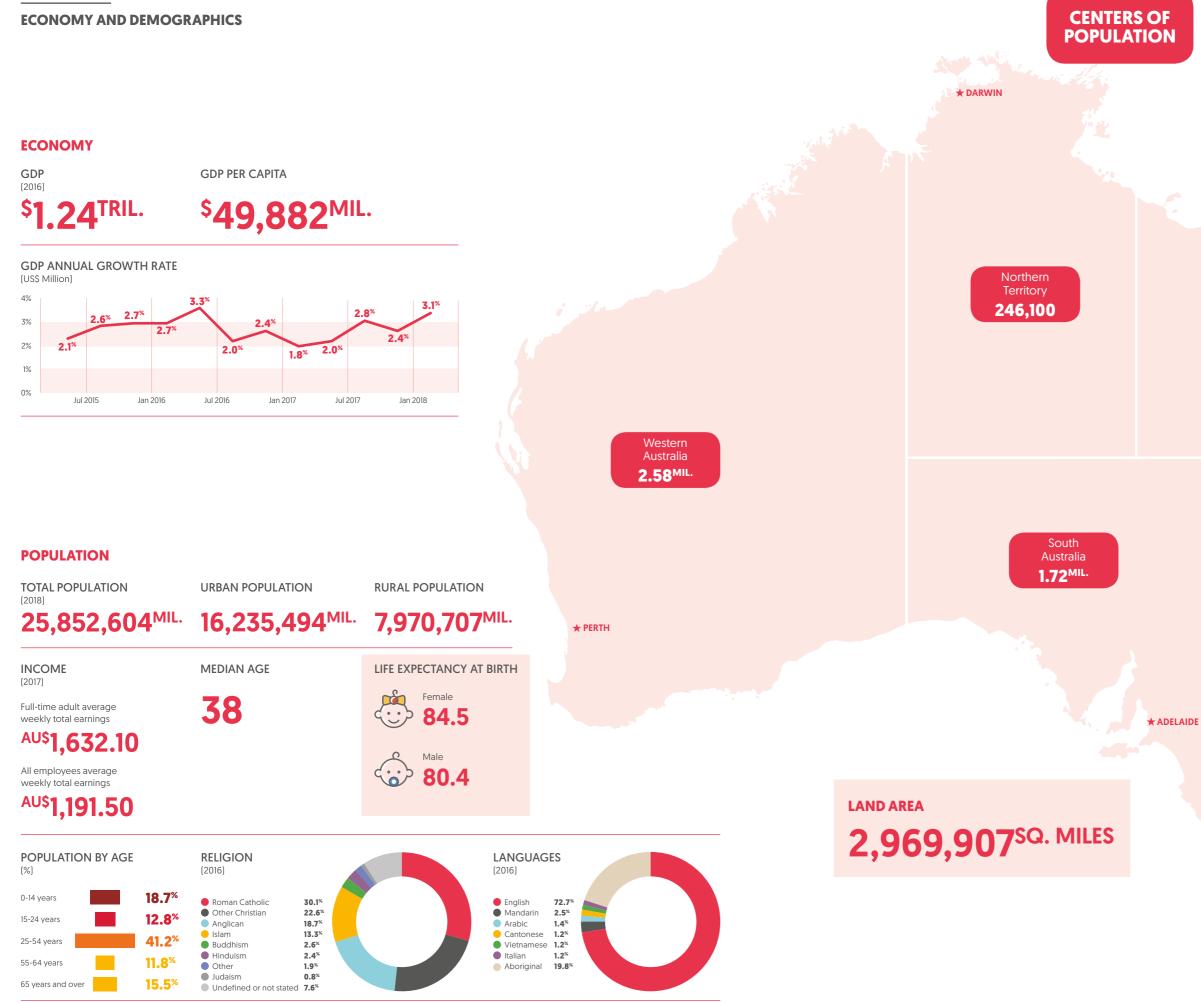
AI, ML, IOT (Internet of Things, connecting a multitude devices together to communicate and gather information) have become ubiquitous. From individualized online and mobile shopping experiences to driverless cars, smart energy meters to weather-controlled agricultural water systems, businesses and people are relying more and more on technology behind the scenes. This doesn't spell the end of small shops and micro-businesses. Instead, entrepreneurs can match-up to larger competitors by carefully selecting and deploying advanced technologies. Many up and coming brands like Tigerlily, Cotton On, and Roxy, embrace technology to flatten the world, increase speed to market, and drive global demand.

ECO-FRIENDLINESS, HEALTH, AND ETHICAL BRANDING CONTINUE TO FLOURISH

Australians continue to lead the world in demanding from brands a strategy of benevolence and of delivering products emphasizing sustainability and health - all while delivering at a good price. Food choices, clothing, even banks and insurance brands are scrutinized for their business practices that promote mateship, social bonds, ethical treatment of animals, and consideration of the environment. Consumers want relationships with brands that share their perspectives. The takeaway, Australian brands can ride the increasing wave of interest in ethical businesses that "walk the walk" when it comes to health and sustainability.







BRANDZ™ TOP 40 MOST VALUABLE AUSTRALIAN BRANDS 2018

Queensland 4.93^{MIL.}

Sunshine Coast BRISBANE ★ Gold Coast New South Wales 7.9^{MIL.} Newcastle SYDNEY ★ Wollongong CANBERRA ★ Victoria 6.3^{MIL.} Tasmania 520,900

KEY TAKEAWAYS

BUSINESS DOWN UNDER

Australia's European heritage and American-style entrepreneurialism is well balanced with Asian influence yielding a cultural blend of individualism and collectivism, celebrating the uniqueness and equality of every individual, while also promoting social mateship and strong teamwork. Global companies looking to enter the Australian market will find low cultural and integration barriers, which is why BAV ranked Australia third in the world in "desirable headquarter location". Australia also has top BAV ranking scores in cultural influence (#10) and entrepreneurship (#9). These attributes help local companies attract global talent, support entrepreneurs, and draw investment.

POWER, WEAKNESS, AND OPPORTUNITIES FOR "THE BIG FOUR"

Australia's economy has been growing for the last two decades with low unemployment rates, contained inflation, strong government securities, low debt, and the banking sector has been its linchpin. However, most bank brands are perceived as dishonest and consumers exhibit a general lack of trust suggesting that brand building opportunities are critical to the long-term brand health. This will be particularly important in a post-Royal Commission environment, and a world of megacorporate institutions that are growing larger through M&A activities and takeovers.



BUILDING TRUST

This is a great opportunity for brands, especially those in the Banking category. Optimistic brand messaging, warm and accommodating employees, corporate investment in socially supportive programs, environmental responsibility, and simple, personalized digital experiences are all important components in building trust. Strong, established brands have delivered cues triggering nostalgia and mateship, and together with newer brands that deliver meaningful differences, trust is built by communicating a friendly, relaxed, and informal tone. Getting the message right will help brands in global expansion, as they deliver on showcasing Australian culture.

IMPORTANT VALUES FOR AUSTRALIANS



BRAND EQUITY & DIFFERENTIATION

Brands with strong equity are three times more powerful in driving demand and increasing volume, while also over three times more capable of justifying premium pricing. Dan Murphy's, B<mark>unnings,</mark> Tim Tam, Qantas, even Vegemite are easily recognized by consumers and perform well on important metrics. None of the banks, insurance companies, telecom providers or energy companies appear in the Top 10 most Meaningfully Different brands, suggesting that some of the top Australian brands can improve on delivering clarity to consumers and define what makes their brands special.

LARRIKINISM equality FRIENDLY EGRITY easy going irreverence Relaxed 5

KEY TAKEAWAYS



TOP 40 VS. THE WORLD

According to 2018 BAV rankings, Australia ranks as the world's seventh best country. However, the Top 40 brands fall short of global competitors in both aggregate and average values relative to the top brands of other markets. Its high concentration of value in the Top 10 brands representing over 75 percent of the ranking's value is second only to Spain indicating a large discrepancy between the top brands and the rest. Its strongest categories, i.e., banks, retail, and telecom providers, are relatively weak on the global stage. Alcohol brands like Foster's, Bundaberg, and Victoria Bitter and Airlines like Qantas and Jetstar only derive a fraction of their revenues from global markets. For brands wishing to defend their market and accelerate growth through new market penetration, these statistics may seem daunting but can be overcome by concentrating on improving capabilities across business areas from logistics and communciation to customer care.

WHERE IS TECH?

Australia's GDP is the world's 13th largest, the ASX has demonstrated consistent growth, and Australia is ranked at the very top of BAV Best Country rankings in Economic Stability. Unlike most of the countries with larger economies driven by technology or manufacturing goods, Australia's core strength is derived from Banks, Retail, Insurance, and Telecom Providers. Missing in the industrial mix are technology brands, key drivers of most leading countries and easily transported into global markets.

RETAILERS ARE STRONG

Woolworths, a Top 20 global retail brand, and Coles are both in the Top 10. Westfield, Bunnings, and BWS are in the Top 20, and six more retail brands appear in the Top 40. Retail brands including David Jones, Bunnings, and Harvey Norman are responsible for the high degree of consumer trust, and collectively the retail category ranks well above banks, insurance, telecom providers, and energy categories.

LEADING LOCAL DISRUPTORS

Dan Murphy's, Bunnings, Qantas, and AGL are the only four of the Top 40 brands to also be listed in the Top 10 most disruptive Australian brands. Disruption is about challenging the status quo of a category with a new offer and innovation, generally to the benefit of all consumers. It forces the evolution of a category in some significant way. Brands that are successfully disruptive can quickly gain momentum and fuel rapid expansion. Disruption also emerges from novel ways to apply technology in new, useful ways. For Australia's most valuable brands, fresh ideas, new approaches, and looking at the global markets to spark creativity will help both defend against foreign competitors while forming and strengthening relationships with customers.

RELIANCE ON CHINA

Australia has not experienced a recession in over 25 years. Australia's core sectors have all grown and one of the key factors has been the free trade import/export relationship with China. Nearly 32 percent of Australia's exports (primarily raw materials) go to China and 23.4 percent of its imports come from China. As China grows, so does Australia. Further strengthening trade and ensuring a consistent market for Australia's big ticket sectors will contribute to continued growth, with China and the rest of the world.

BEWARE AMAZON!

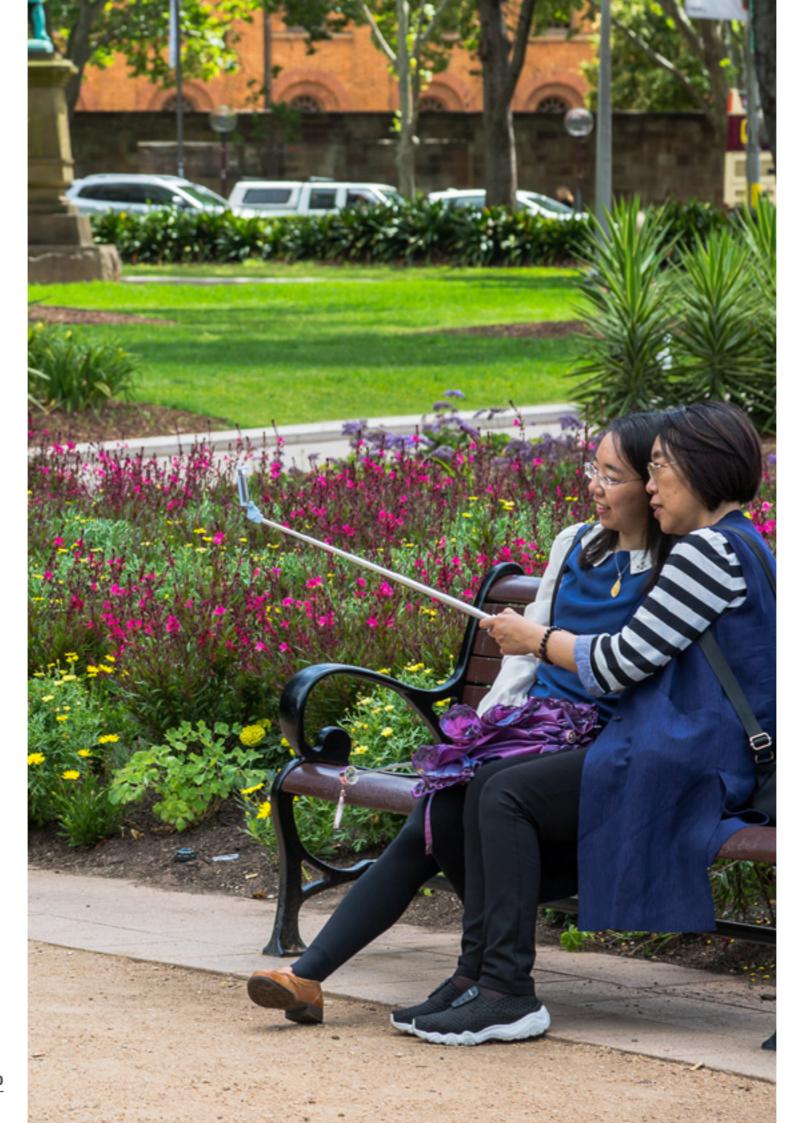
Amazon, in just a short time, has become Australia's second largest electrical retailer and third largest DIY outlet. Exhibiting adventurousness, creativity, and rebelliousness, Amazon scores high in Innovation, enjoyable brand experience, and differentiation leading to more than a third of Australians having already purchased products through Amazon, between 10-20 percent regularly buying, and a staggering half of Australians considering buying in the future. There is a clear sense of momentum and anticipation, and consumers are excited and are expecting Amazon to gain importance by leading the way into the future, sending a clear message to Australian retail brands...beware the Amazon tide!

DIGITAL INTEGRATION

In 2016, for the first time, online usage (2.85 hours per day) outpaced TV viewership (2.3 hours per day). Today 88.2 percent of the population are online and users are increasingly using mobile devices including smartphones (80 percent) and tablets (72 percent). Brands are increasingly investing in AI, ML and personalization technology. However, Australian consumers are also finding digital ads too intrusive and annoying, more so than the global average - a situation that increases the risk of damaging brands that heavily invest in media. However, successful brands deliver fun, adventurous, not-too-invasive, and respectful personal experiences across advertising formats. Consumers want digital interactions that are supportive, cohesive, and contribute to quality of life. Brands need to pay attention to consistency and build storylines across media that are poignant and engaging.

DATA SECURITY

Securing data is a core component of building trust with customers. Data breaches have occurred throughout the world and have become headlines with greater frequency in recent years. While everyone is concerned over their private information, Gen Z is particularly sensitive, ranking privacy as one of the highest priorities. As brands collect data on customers, privacy and security must be ensured and effectively communicated.



ELIMINATE FRICTION

Successful, upstart brands offer improved simplicity and convenience and successful established brands invest in improved technologies designed to eliminate pain points. Whether banking, buying insurance or interacting with FMCG brands companies like Bunnings, Westfield, and Telstra understand that brand experiences should be seamless and hassle free. Making the interaction easy from the laptop to the smartphone helps improve brand experience, a key element in improving brand equity.

FUN & ADVENTURE, THE EPITOME OF AUSTRALIAN LIFESTYLE

Australia's desire for fun and adventure is seen globally as one of its prominent strengths. Ad campaigns featuring happy and rebellious Australians with positive attitudes showcasing clothing and sporting goods have successfully penetrated global markets by delivering brands synonymous with fun and excitement. Companies like Billabong, Crust, and Pacific Fair are seen as highly creative and adventurous; Roxy and Tiny Teddy are synonymous with fun. However, none of the Top 40 Australian brands are highly ranked as either creative or fun. While fun and adventure may not be gualities inherently important to every category, there are certainly clever ways to latch onto these positive attributes to enhance and differentiate brands. Leveraging the global perception of Australian culture can be helpful to launch both wellentrenched as well as new brands onto the global stage, providing a meaningful point of difference for local industry.

KEY TAKEAWAYS



TELL A GOOD TALE

Many of the Top 40 companies have storylines that span decades that often enter into popular culture. AAMI's 'Rhonda and Ketut' and VB's 'Hard on thirst' are examples of brands with great messaging that have become cemented into the Australian landscape. Australians prefer humorous, optimistic stories that "feel" authentic, sincere and local. The key to achieving this success is by showing relatable people and scenarios across all media touchpoints, not just TV ads. However, over the last few years, Australians have increasingly reported less cohesion across formats. Overall, Australian consumers lag behind the rest of the world in recognizing fit across formats. To succeed, brands should focus on clear, engaging and linear storylines. In doing so, brands can transition from wallpaper advertising to deeply entrenched parts of the Australian consciousness.

THE POWER OF NOSTALGIA

Many of the companies making the BrandZ[™] Top 40 Australia Brands list have been around for decades, a few well into their second centuries. Some aged, successful brands deeply integrate into society and as children mature into adulthood, become associated with feelings of youth or with meaningful experiences that create nostalgia and a sense of belonging (to that brand). Nostalgia, as a strategy links age groups together around the brand and can be continually reinforced, further enhancing and reinforcing social connectedness. Shared nostalgia is a powerful marketing tool that reinforces social bonds, helping to build iconic brands that stand the test of time. Victoria Bitter, Bundaberg, David Jones, and Arnotts are just a few of the brands that have successfully utilized nostalgia to drive revenues and market share.

OWNING YOUR NICHE

Many of Australia's most valuable brands occupy and dominate important niche markets. Not every successful brand must infiltrate people's lives in multiple ways and strong niche brands know how to do a few things completely right rather than a bunch of things somewhat well. Owning a niche helps create the meaningful difference that drives Brand Value. Brands including Qantas, Tim Tam, and Billabong each do well in owning their niche, building brand value, and succeeding.

ANALYTICS, NOT JUST DEMOGRAPHICS

Data capabilities have become sophisticated allowing marketers to move past simple demographic shifts that target groups towards understand the psychographics of the individual. Instead of targeting school moms or blue collar workers, marketers can leverage data analytics to drill down to decision-making processes and communicate why and how brands can fill needs resulting in the feeling "this brand gets me." Brands need to keep things simple and match the language of their consumers, continually test messaging over time and learn about what resonates best.

THE PRICE OF PARADISE

One of the few drawbacks to the Australian lifestyle is it's cost of living. Driven by the remoteness of the country, global imports often carry heavy taxes and manufacturing costs are amongst the highest in the world. Factor in stagnant wage growth, the increased costs of global travel, and the fact that home prices are high (Most Expensive Global Cities Ranking: Sydney #2, Melbourne #6] and the result is a country with one of the most expensive lifestyles in the world. While seen by many as fair compensation for living in paradise, this poses risks for brands. Many consumers buy on price, pressuring marketers into deep discounting. But this is a race to the bottom. Instead focusing on brand building and consumer relationships over price reductions is the winning strategy for the long term.

BREAKING STEREOTYPES

Nothing irks a local more than the stereotype of the Australian as a shark-hunting, outbacker with "shrimp on the barbie". In general, Australians find stereotypes distasteful, and poking fun at gender, age, or race is seen as offensive. Australia is a melting pot of cultures and exhibits great diversity. Australians are sensitive when it comes to race and equality and many consumers are significantly less positive than their global counterparts. Ads that poke fun "at" people or groups are distasteful and can guickly backfire. Times have changed, and so have Australians.

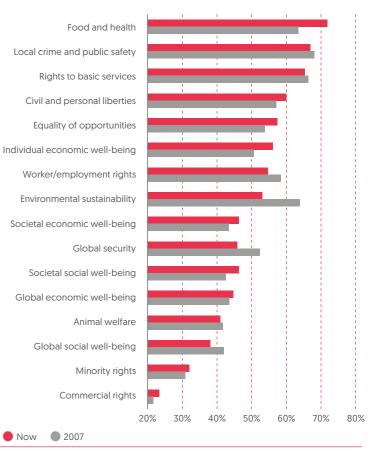
TAKE A STAND

Australians care. From social equality to the environment, Australians share a culture of caring about the health of the planet and valuing fairness. Australia requires acknowledgement and acceptance of equality by its immigrants and new citizens. Similarly, ecofeminism is woven into the fabric of its economy; Australia ranks #7 globally in environmental caring, #8 as the best place for women to live and work, and #8 in Citizenship. Brands that take stands on socially relevant issues can find rich territory connect with their customers.

WHERE IS TECH?

The owner of Domino's Pizza recently said that his company was not a pizza business using technology, but rather a technology company delivering pizza. The impact of artificial intelligence, machine learning, and advanced technologies enables brands to get a 360-degree view of customers with deep insight to support key strategic decisions for investment. Brands that look to improve Brand Experience and other key metrics will increasingly need advanced tools to transform their paradigms to stay ahead of the curve and make a difference. Australian brands like Westfield, Billabong, and Chadstone are seen as innovative, and increasingly across the world consumers are flocking towards innovation.

SALIENCE OF GENERAL CATEGORIES OF SOCIAL AND **ECONOMIC ISSUES FOR AUSTRALIANS**



Source: What Matters to Australians: Our Social, Political and Economic Values. A Report from the Anatomy of Civil Societies Research Project 2012

KEY TAKEAWAYS

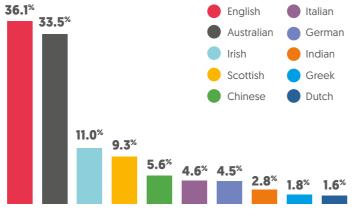
THE DIGITAL WORKFORCE

Within the business community, financial activities (i.e., online banking, invoicing and making payments) is the most common internet activity (87 percent), followed by digital enabling of employees to work from home (46 percent) which is most prevalent in the banking, insurance services, information media, and telecommunications industries. Many leading global and local companies have invested in technologies allowing their employees to improve quality of life by reducing the pressure, time and expense of commuting to work. For Australians who value a less stressful lifestyle, enabling digital workforce capabilities can be a great way to help employees balance work and life while building employee loyalty, which can be highly profitable as turnover, recruiting and training can be costly.

SHIFTING DEMOGRAPHICS

Today, Australians have a mix of ancestries that include native and UK roots along with some Chinese, Italian, German and others. Not surprisingly, Australians aged 20-44 make up the largest segment of the population in large cities as older Australians generally live in rural areas. BrandZ™ winners understand that context is critical in delivering brand message based on their diverse interests and needs.





Source: BrandZ[™] / Kantar Millward Brown

AT THE 2016 CENSUS, 47.3[%] OF **PEOPLE HAD BOTH PARENTS BORN IN AUSTRALIA AND 34.4[%] OF PEOPLE** HAD BOTH PARENTS BORN OVERSEAS



TELLING THE STORY: MATCHING MEDIA EFFECTIVELY

IN A COUNTRY BUILT ON STRONG SOCIAL BONDS, IT'S NO SURPRISE TO SEE SOCIAL-CONNECTORS LIKE FACEBOOK THRIVE. GOOGLE REMAINS FIRMLY ON TOP OF INTERNET VIEWS, AND NETFLIX MORE THAN DOUBLED FOXTEL'S OTT SERVICES.



At the same time, data privacy concerns reign as the biggest stories across the world adding more confusion in a highly fragmented media landscape.

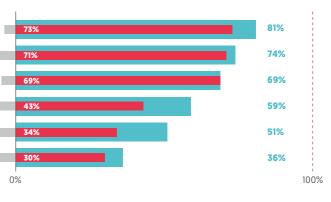
Since 2016, online usage has surpassed TV with nearly 90 percent of the population online, and the trend is growing. Mobile smartphone and tablets are used by over three quarters of the population, and e-commerce continues to grow with giants like Amazon entering the market and creating buzz and excitement. Australians are spending over an hour a day on Facebook's site and app, as it gathers data about preferences and likes that advertisers gobble up.

COUNTRY COMPARISON VS. GLOBAL

	-4%	Ads are appearing in more places now
I	-6%	I see more advertising now
	-5%	Ads are more intrusive now
	-15%	Ads now fit together better across different ad formats
	-28%	Ads tell better stories now
	-27%	Ads are more confusing now

Country Average Global Average 2016 Comparison %

Some campaigns have caught the attention of consumers and have generated excitement, but these successes are unfortunately offset by the general feeling of inconsistency of brand messaging across media platforms. Along with the rest of the world, 69 percent of Australians feel that ads have become more intrusive, but only 73 percent are noticing ads in more places which is 8 percent less than the global average.



Source: BrandZ[™] / Kantar Millward Brown

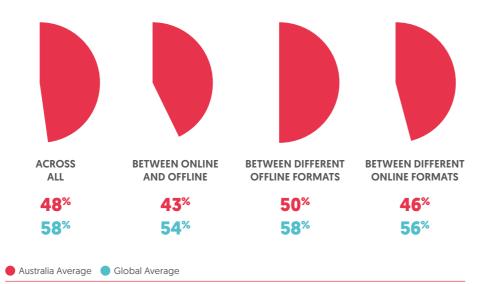
MEDIA

Highlighting the different perspectives between marketers and consumers, 89 percent of brand marketers feel there is a greater strategic integration across Desktop, mobile, and TV, while only 48 percent of consumers agree. Brands appear to be missing opportunities in delivering a consistent message as only 43 percent of Australians, mostly those who are heavy media users, see a good fit across ad formats, 16 percent below global averages. And just over a third of Australians feel that ads have been telling better stories, compared to 51 percent globally.

Across each ad format, from TV and radio to online, Australians rank well below global averages in their positive attitudes towards advertising, with double digit differences in both lower positive attitude and higher negative attitude compared with the rest of the world. Only 5 percent of people were positive about multimedia campaigns translating into a greater likelihood to buy the brand.

CONSUMERS VIEW OF CAMPAIGN FIT

(Australia vs. Global average %)



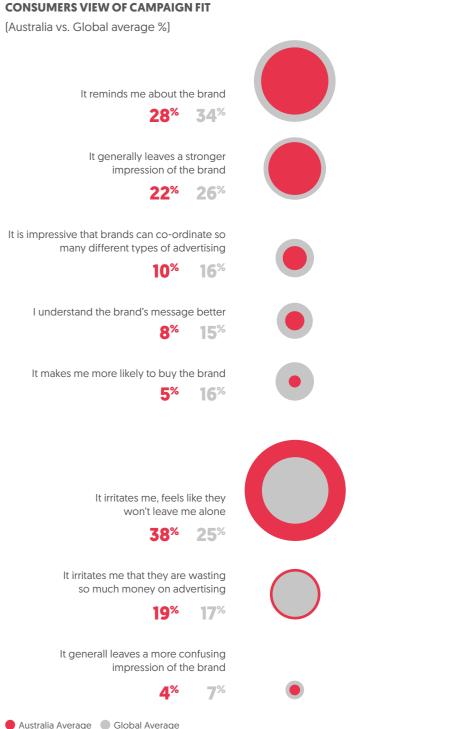
Source: BrandZ™ / Kantar Millward Brown

Despite the overall bleakness, frequent online buyers seem to have more positive attitudes towards advertising, see better fit across media, are less confused by brand messaging across platforms, and believe brands are telling better stories online. Brands that aren't taking advantage of their online consumer traffic are missing out on opportunities to build stronger relationships and improve Brand Value. This trend is evident across the rest of the world as advertisers are finding new ways to make digital ads more relevant to consumers. Brands and agencies are experimenting with complex, layered data sets that combine traditional demographic and first party data with emotional, affinity, psychographic, and other data to create more engaging ads.

[Australia vs. Global average %]

🛑 Australia Average 🛛 🔵 Global Average

50



Source: BrandZ[™] / Kantar Millward Brown

WINNING STRATEGIES

Research shows that 80 percent of brand impact occurs on 20 percent of marketing touchpoints. Successful global advertisers adjust their spending based on where they think they will be welcome and well received, rather than simply going where viewers are. Unfortunately, many brands continue to heavily advertise on TV despite viewership declining, while consumer mobile and internet usage increase.



Irrespective of medium or platform, Australians aren't interested in fluff. Improving engagement begins with communication that is clear, straight to the point, and enjoyable. Brand messaging should be inclusive and speak to the personal, social, and global values that are important to Australians.



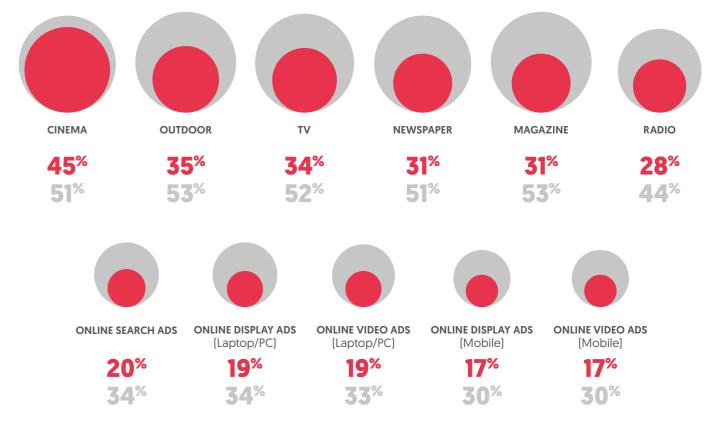
Cross-platform strategies should consider both the message and the medium. An integrated story is important, but just as important is telling the right aspect of the story at the appropriate touchpoint and tying them together so consumers appreciate the congruity of the brand message.



Technology can simultaneously personalize experiences for individuals, while also supporting the strong social bonds that epitomize the Australian consumer. Brands can't follow people around all day without feeling intrusive, but artificial intelligence and machine learning investments can help brands build relationships with individuals and groups and provide support when most needed.

AD FORMAT RECEPTIVITY VARIES BY CHANNEL

Online formats are the least popular



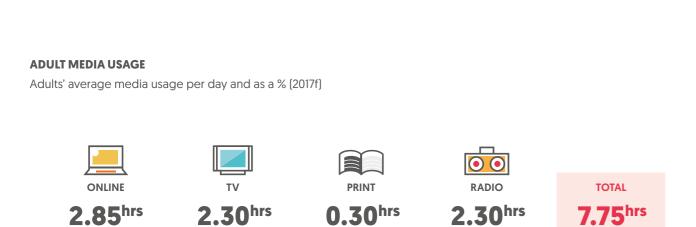
🛑 Australia Average 🛛 🔵 Global Average

Source: AdReaction: The Art of Integration, Australia 2018 Kantar report

 \rightarrow

MEDIA





4%

30



TOP WEBSITES

Source: GroupM, Interaction, April 2017

ADVERTISING INVESMENT (2016e)

(Average per online user)

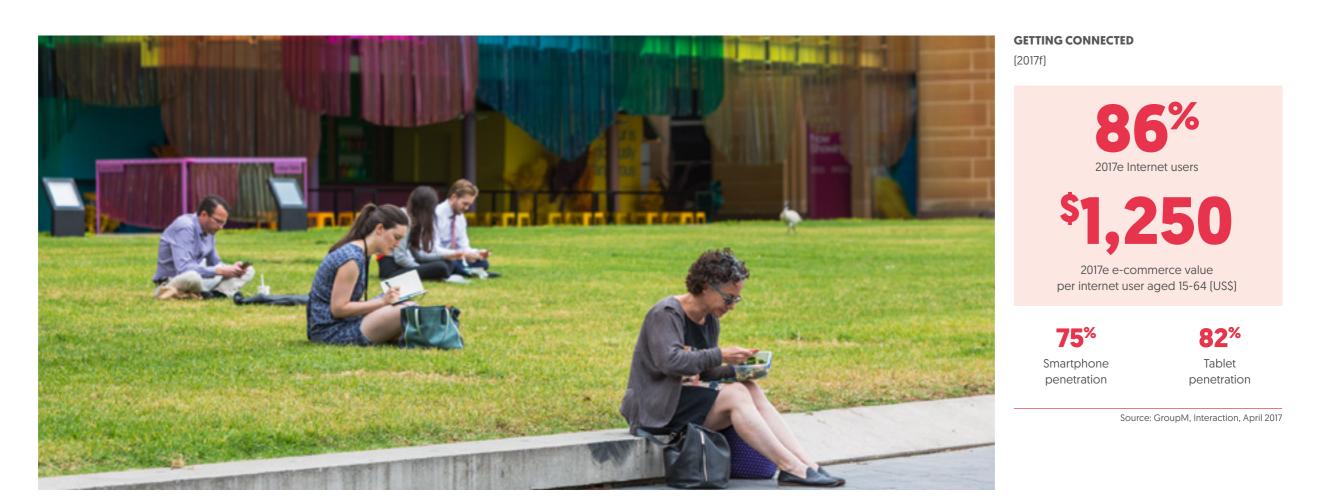
37





Source: GroupM

30²





Source: GroupM, Interaction, April 2017

BANKS **ON TOP**

GIVEN THEIR CONTRIBUTION TO THE ECONOMY, IT'S NO SURPRISE THAT BANKS RANKED HIGHLY IN THE BRANDZ™ TOP 40 MOST VALUABLE AUSTRALIAN BRANDS.

Nine of the most valuable brands are banks, for a total banking sector value of \$52.6 billion dominating all industries and sectors with 51.7 percent of the Top 40's value. The "Big Four", Commonwealth, ANZ, Westpac, and NAB together comprise 45.7 percent of the Top 40 value and make up four of the top five most valuable brands in Australia.

In geographically isolated markets, it's not uncommon to find a few main competitors dominating infrastructure categories like telecom providers and energy. Australia's infrastructure value is concentrated in Telecom Providers by Telstra and Optus, both Top 10 brands. along with Foxtel and iiNet.

Throughout the world, telecom providers have benefitted from investment in new technologies with Australian telecom giants following suit with increasing mobile data capacity and entry into areas like the connected home. In energy, Origin (#10) and AGL (#11) have risen to the top along with EnergyAustralia (#23), resulting from their dominance in fossil and coal-based energy sources while meeting financial and social pressures to convert to renewables.

The retail category delivers 11 brands to the Top 40, the most of any category, and its aggregate value is second only to Banks. Woolworths and Coles are Top 10 brands and are joined in the Top 40 by leaders in retailing subcategories like DIY. electronics, and liquor. Retailers are a core of Australia's economy and perhaps are under the greatest threat from disruptive foreign competitors like Amazon offering attractive global products and technological supremacy aournd the individualized shopping experience.

Alcohol brands have been a part of coming of age and social gatherings for many decades. This social currency has led to several globally successful alcohol brands such as Moutai and Budweiser to be ranked in the BrandZ[™] Global Top 100 Most Valuable Brands. In the Australian Top 40, several alcohol brands have emerged, led by beer brands. Ironically, Foster's (ranked #19th) is the

most valuable Australian alcohol brand, driven entirely by the brands popularity in the UK. Iconic brands like Victoria Bitter, Crown Lager, and Bundaberg have strong roots over many years, and have built strong brand loyalty across multiple age groups. The alcohol category is tied with telecoms in delivering 5 brands into the Top 40, 3rd amongst all categories.

In insurance, NRMA is the category leader, ranked 18th and nearly 30 percent more valuable than the two other ranked insurance brands combined, i.e. AAMI and RACV. NRMA's long history and dominance in New South Wales. Australia's most populous state, has helped the brand achieve this stature

Although Australia thrives on tourism, global airline competition is fierce. Qantas is considered by many the most global Australian brand, delivering Australian culture and warmth across the world. Ranked #15, it is the dominant leader in the category with its low-cost subsidiary brand. Jetstar just making the cut at #40.

Not well represented in the Top 40 are food and drinks brands; many of the most popular food & dairy and soft drinks brands in Australia are from well-known global giants such as Nestlè, Kraft, Coca-Cola and Pepsico. Of the local brands, only Arnott's made the Top 40, stemming from its deep embedment in Australian culture, and strong brand contribution. Fast Food, which has become a category driven by technology and convenience, is also dominated by global multinationals who leverage vast technology investment in global markets. Hungry Jack's (a licensee of Burger King) leads all other Australian fast food chains, ranking 34th.

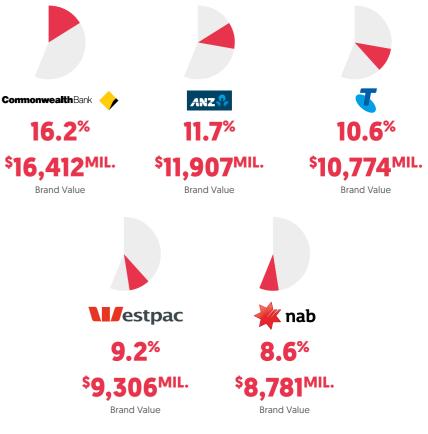
BREAKDOWN BY RANK



% of Top 40's value

THE TOP 5 BRANDS





Source: BrandZ[™] / Kantar Millward Brown

Source: BrandZ[™] / Kantar Millward Brown

AUSTRALIA TOP 40 BREAKDOWN BY CATEGORY

\$ = Category Value US \$ million % = of the Total Value of the BrandZ™ Australian Top 40



\$52,554^{MIL.}

9 Brands



4.9%



2.3%

\$2,385^{MIL.}

5 Brands



17.0%



\$4,966^{MIL.}

3 Brands





\$17.305^{MIL.}

5 Brands

 $\overline{\mathbf{x}}$

Airlines

1.9%

\$1.916^{MIL.}

2 Brands



\$393^{MIL.}



1 Brand

1 Brand

Source: BrandZ[™] / Kantar Millward Brown

19.2%

\$19.550^{MIL.}

11 Brands

Insurance

2.1%

\$2.178^{MIL.}

3 Brands

Food & Dairy

0.3%

\$316^{MIL.}

WINNING **STRATEGIES**

Brand Value stems from strong financial performance and strong brand equity driving the value generated by the brand's ability to increase purchase volume and charge a premium. For many established Australian brands with more moderate growth projections, focusing on building brand equity can be an effective way to build Brand Value, which in turn is what gives brands staying power.

Brands can build their Brand Value by:

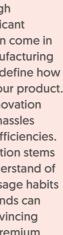




Improving Brand Equity. Brands with "High" Brand Equity have increased value five-fold over brands with "Low" Brand Equity.

Build value through innovation. Significant improvements can come in many forms. Manufacturing innovation can redefine how consumers use your product. Technological innovation can help reduce hassles and create new efficiencies. Marketing innovation stems from a better understand of the buying and usage habits of customers. Brands can add value by convincing buyers to pay a premium.







Meeting needs, in particular shifting needs inherent to sectors that thrive on innovation, requires clear communication, both of purpose and of difference. Brands in more saturated categories must clarify unique positions through clear, compelling, and meaningful communication.

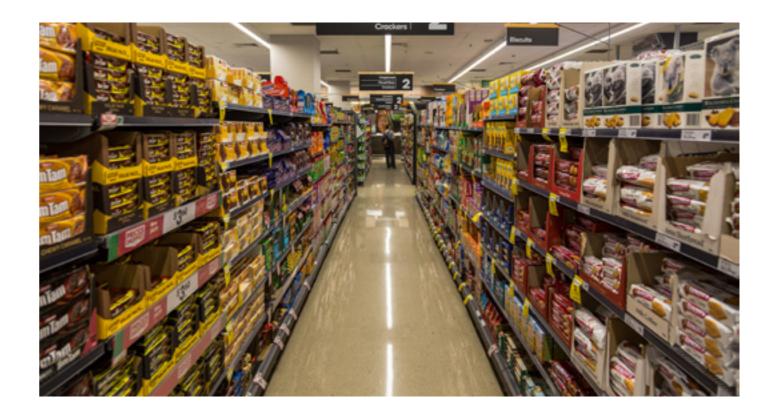
BRAND CONTRIBUTION

TURBO-CHARGING VALUE BY INVESTING IN BRAND

THERE ARE SOME BRANDS THAT PUNCH WELL ABOVE THEIR FINANCIAL WEIGHT IN THE BRANDZ™ RANKINGS BY FOCUSING ON MAKING MEANINGFUL CONNECTIONS WITH CONSUMERS, BEING SEEN AS DIFFERENT IN THEIR CATEGORY, AND ENSURING THROUGH THEIR COMMUNICATIONS THAT THOSE DIFFERENCES ARE WELL UNDERSTOOD.

These efforts combined form a sort of "special sauce" that adds real zing to the influence and value of brands, and we call it Brand Contribution. Brand Contribution is scored on a scale of one to five, and it is a measure of the proportion of brand equity over other in-market aspects (such as promotions or distribution). Value can of course come from in-market activity, but that from brand equity is particularly hard for competitors to replicate. This score is what helps make BrandZ[™] a distinct and important ranking; BrandZ[™] is the only brand valuation methodology that includes the customer view obtained through in-depth consumer research - conversations with the people who know and buy these brands.

Looking at Australian brands over the last 12 years, those with high scores (4-5) on Brand Contribution have grown their brand significantly. Interestingly, the top performer in this metric is Arnott's, the only Food & Dairy brand ranked in the Top 40. Their strength and dominance within the Food & Dairy category propelled the brand into the ranking.





Source: BrandZ[™]/Kantar Millward Brown (including data from Bloomberg) *Brand Contribution measures the influence of brand alone on financial value, with the Brand Contribution Index running from 1 (lowest) up to 5 (highest)

Brand ntribution	Category	Brand Value 2018 \$Mil.	Top 40 Rank
5	Food & Dairy	316	38
4	Retail	412	32
4	Retail	5,207	7
4	Alcohol	343	36
4	Telecom Providers	10,774	3
4	Airlines	1,637	15
3	Retail	7,105	6
3	Alcohol	340	37
3	Alcohol	545	22
3	Banks	9,306	4

BRAND CONTRIBUTION

WINNING **STRATEGIES**

Brand Contribution correlates with a brand's value and equity. Brands that withstand competitive threats do so on the basis of delivering value. Many Australian brands have looked to reduced pricing strategies to drive short-term goals. Long-term resilience is supported by pricing models with healthier margins stemming from the brand's value to command a premium.

Brands can build brand equity to grow brand value by:



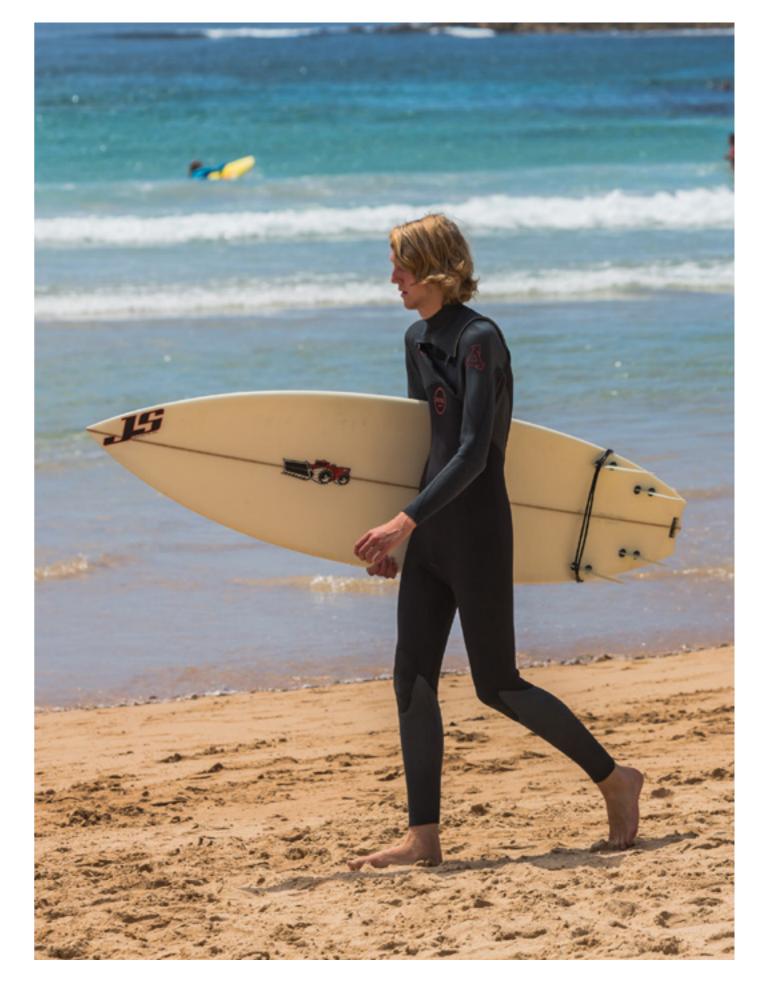


Focusing on improving brand equity and delivering to consumers the key elements that deliver loyalty and value.

Clearly communicating the brand's purpose and differentiation which is a core part of establishing Meaningful Difference.



Driving brand value through saliency, i.e. how quickly your brand comes to mind when consumers think about the category. This comes from positive brand experiences which can be delivered both in-store and online.



BRAND VITALITY

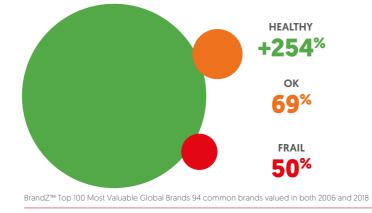
VITALITY QUOTIENT (VQ) IS A METRIC THAT MEASURES FIVE CORE ELEMENTS IN DETERMINING THE HEALTH OF A BRAND: PURPOSE, COMMUNICATION, EXPERIENCE, INNOVATION AND LOVE.

Brand purpose describes how well a brand meets the needs of its consumer. Communication measures how well a brand communicates with the consumer via its marketing and advertising.

Brand Experience is derived from the satisfaction a consumer has when interacting with a brand. Innovation relates to how unique and inventive a brand is in its perception and in the delivery of its purpose. Finally, Love quantifies the strength of the emotional connection consumers have with the brand. Each metric has equal weight in determining the overall 'vQ' score.

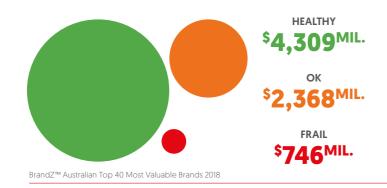
Brands with strong performance versus competitors in each of these five areas are "Healthy." Brands with a mix of high and low scores are "OK." "Frail" brands fall short in five areas indicating overall vulnerability and risk of competitive threats. In general, across all categories measured in the BrandZ[™] Top 100 Global Brands, Healthy brands have grown 2.5 times in brand value versus Frail brands, and in Australia Healthy brands are worth around six times as much as Frail brands.

12-YEAR BRAND VALUE CHANGE



Source: BrandZ[™] / Kantar Millward Brown

HEALTHY AUSTRALIAN BRANDS ARE WORTH A LOT MORE



Source: BrandZ[™] / Kantar Millward Brown

WINNING **STRATEGIES**

The brands that top the list in Vitality are primarily retailers who stand out by delivering clarity, innovation, and a great experience that translates to love. Bunnings, Dan Murphy's and Woolworths each understand that brand health must be continually nurtured. Similarly, consumer brands that deliver experiences that are consistent and enjoyable, like Qantas in airlines or Arnott's in food & dairy show strong vitality driven by trust and a consistent brand experience. Insurance and telecom providers do feature in the Top 10 of some of the metrics (innovation and communications) but banks, energy brands, and other industry leaders listed in the Top 40 are notably absent.

Brands can build their vitality by:





Delivering clear and consistent communications across all touchpoints and ensuring that all customer interactions with the brand reinforce the brand's purpose and values.

Leveraging the power of AI, ML and other technology tools to individualize interactions on digital platforms, but don't forget that great face-to-face interactions are often more telling than the anonymity of the digital experience.

64





Evaluating the what and the why behind their frailty. Using these areas as starting points will yield better results than trying to tackle too much at once.

ROYAL COMMISSION - A SPECIAL REPORT

THE ROYAL COMMISSION: HOW BANKS CAN EMERGE STRONGER

ON DECEMBER 14TH, 2017, THE GOVERNOR-GENERAL OF THE COMMONWEALTH OF AUSTRALIA, SIR PETER COSGROVE, ESTABLISHED THE ROYAL COMMISSION INTO MISCONDUCT IN THE BANKING, SUPERANNUATION AND FINANCIAL SERVICES INDUSTRY.

By September 30th, 2018 an interim report must be submitted with a final report due by February 1, 2019. As of the end of May, 2018, over 6,000 complaint submissions have been received by the **Royal Commision primarily** regarding personal financial dealings in the Banking industry. The "Big Four" are taking most of the heat and are seeing significant drops in brand value. In just a few short months the industry lost nearly \$8.9 billion in value according to BrandZ[™] valuations.

The banking industry faces a challenge in defending against long perceived issues of trust, though following the announcement of the commission, banks have kept good brand value due to strong financials and contribution to the Australian economy.

When BrandZ[™] measured long-term changes across the Top 100 Global Brands, those brands seen as highly dishonest lost 19 percent of their brand value over a 12-year period.





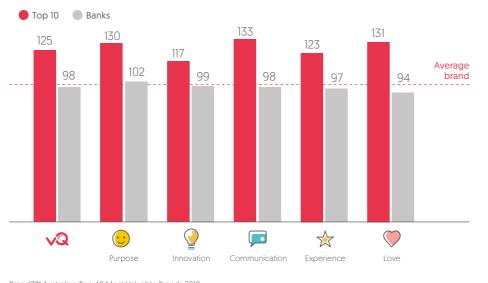
BrandZ™ Top 100 Most Valuable Global Brands 94 common brands valued in both 2006 and 2018

Source: BrandZ™ / Kantar Millward Brown

ROYAL COMMISSION - A SPECIAL REPORT

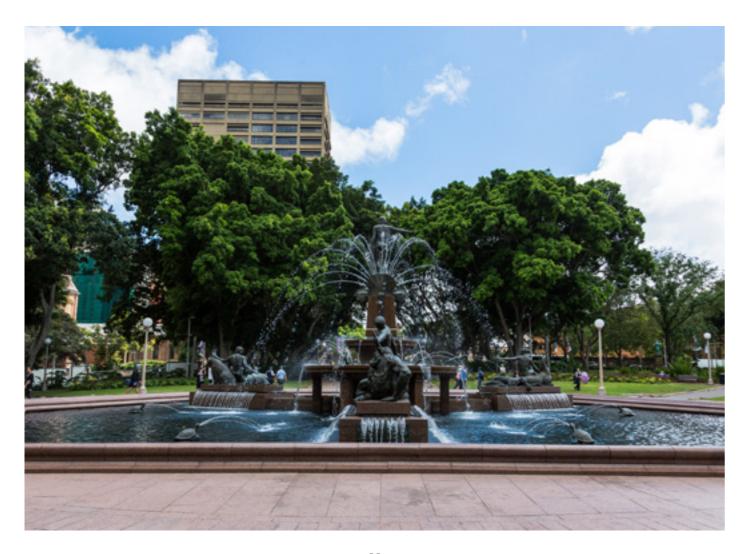
One strategy that can help bank brands recover from this bruising experience is to rebuild the consumer relationship and maintain the consumer experience by differentiating the consumer brand from the corporate brand. Twelve years ago, we began tracking Volkswagen and consistently saw their Brand Trust and corporate trust remain stable. However, in 2017 following damaging reports about the company, corporate trust levels fell below average brands, while the market brand continued to outperform average brands in trust and Brand Recommendation. Consumers were able to distinguish the brand they trusted and continued to recommend it.

AUSTRALIAN BANKS HAVE AN OPPORTUNITY TO BUILD EQUITY



BrandZ™ Australian Top 40 Most Valuable Brands 2018

Source: BrandZ™ / Kantar Millward Brown



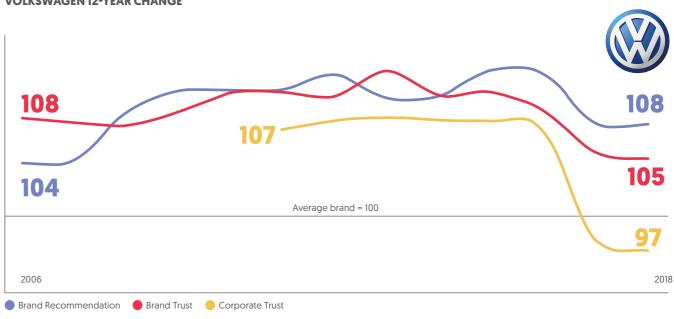
Consumers understand that brands and management are not the same and so long as quality and the fulfillment of needs are present, brands may continue to experience loyalty in light of corporate scandal.

The final Commission report will be issued soon enough but there is time to address and move past knee-jerk damage control towards longer-term brand health. In 2008, global banks particularly in the US and Europe, suffered major setbacks and a number of

high-profile banks went under. The banks that emerged stronger took decisive action, improved customer service, and utilized technology and communication media to differentiate and recover. Twelve years later, the major banking brands both in the US and Europe are strong.

The lesson to be learned is that at this moment in time, Australian bank brands need to start again and use brand building as a way of re-establishing trust

VOLKSWAGEN 12-YEAR CHANGE



and building relationships. Those who

do it well can establish an advantage as the whole industry re-builds and takes stock. Emphasis should be placed on communicating how these brands satisfy consumer needs, improve brand equity, and shore up any residual weaknesses (i.e., trust and dishonesty). The opportunity to build trust and reduce perceptions of dishonesty should not be missed and getting ahead of the news will send the right signals to stockholders, depositors, and to a large degree, the rest of the Australian economy.

Source: BrandZ[™] / Kantar Millward Brown





AN ARGUMENT FOR OPTIMISM

HOW GOOD NEWS DRIVES MILLENNIAL ENGAGEMENT IN THE FAKE NEWS ERA



RICHARD BRETT CEO. Australia opr Richard.Brett@opragency.com.au

Our knowledge and technology now enable us to live longer. healthier and wealthier lives. Yet all around us the world seems to be getting worse.

At Cannes Lions last year, Ray Kurzweil spoke about our preference for bad news. He argued that we tend to look for the bad around us, a survival legacy from our evolutionary past. Today, we owe it to ourselves to be aware of this protective bias more than ever.

We are also living in an era of fake news and a filter bubble. Many only see the views and opinions that reinforce existing beliefs, with little regard for the factual accuracy.

So, in this era of fake and bad news bias how do we engage millennials with messages and content from the organisations that we represent?

There are two opportunities:

ROOM FOR GOOD

Perhaps because of, and in spite of, the relentless diet of bad news, people are beginning to seek out good news:

- > A few speakers at Cannes last year claimed that global searches for Time Magazine was edited by Bill to be optimistic about.
- > Start-up Goodnewspaper has found and is now four issues in. Founder blog, podcast and various social world.
- experiences to escape the bad:
- in LA last year and tickets sold out within 24 hours.
- > US agency Sagmeister and Walsh created The Happy Show - an fun things to give us all joy.
- > Daniel Quercia has invented Happy quietest or happiest route.

Our founders sought out the best boutique agencies across the country and brought them together. Today, more often than not we come together as opr – where a team is needed that can handle more than just one specialist area.

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"good news" are on the up. January's Gates; he argued that we have much

almost 1,500 backers on Kickstarter Branden Harvey also has a successful channels focusing on the good in the

> We are also seeing a trend for joyful

> The Museum of Ice Cream opened

interactive exhibition packed full of

Maps. Satellite navigation shows you the fastest or shortest route; Happy Maps gives you're the most beautiful,

ROOM FOR EMOTION

In a world where we are bombarded with conflicting statistics, untruths and fake news, emotive storytelling is driving effective engagement. Numerous academic studies have found that information is more rapidly and precisely stored when it is first shown in the form of a story or an example (Sherwin, 2011). This approach and strategy is proving effective at cutting through all the digital noise.

So how do we tap into this trend for those of us in marketing? Well here are a few simple rules and examples:

OPTIMISM

SHOW JOY

Very simply, make people happy. Based on the idea that colour is all about emotion, happiness optimism and calmness, Dulux embarked on a global program to change grey spaces into colourful environments. Dulux has donated 675,000 litres of paint to projects around the world, creating a groundswell of positive support globally.

SHOW (BUT ALWAYS RESOLVE) SADNESS

Take people on an emotional journey. UK research company System1 measures the effectiveness of advertising every year. One of the ads they rated did exceptionally well – John Lewis' Monty the Penguin. The film tells the story of a boy and his pet penguin Monty and takes us on a story of their relationship; through happiness, sadness and then ultimately joy. The ad contributed £8 in sales for every £1 spent on the campaign. (Source: System 1: Unlocking Profitable Growth).

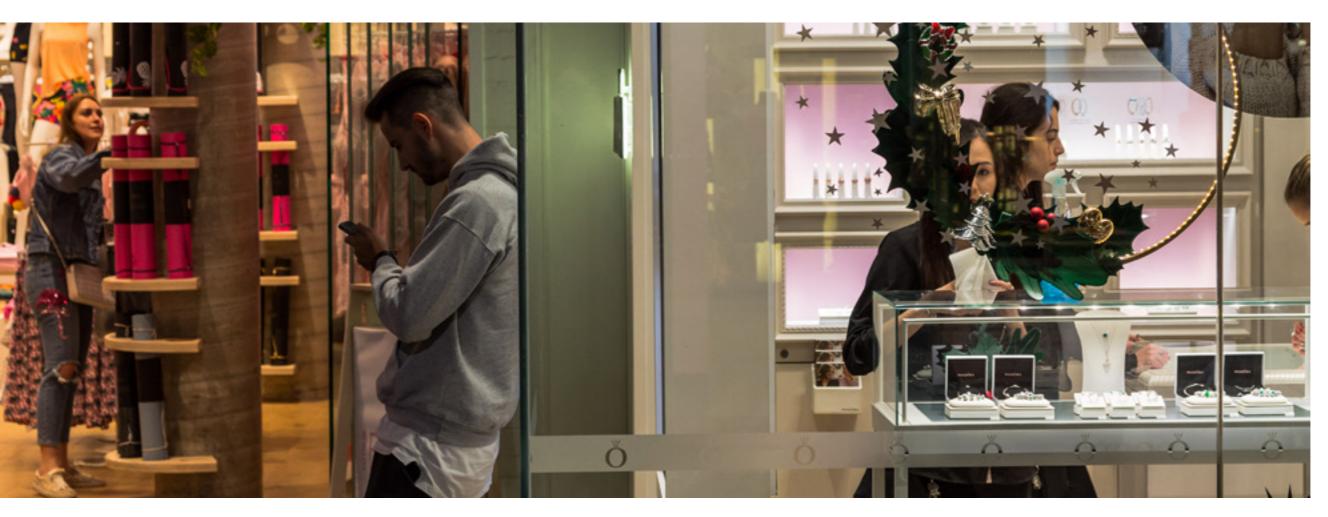
SHOW ORDINARY

Engagement for millennials is increasingly driven by the power of the real and the everyday, (Source: Ogilvy PR Futures 3). Recent successful campaigns from Gillette (Handle with Care), and Organic Valley (Real Women Report) show how businesses can drive effectiveness with everyday stories of real people.



SOLVE A PROBLEM

Today businesses no longer need to just have a great product or service, they need to be doing something that truly benefits society. Take Cannes 2017 PR Grand Prix winner Fearless Girl; a highly successful campaign that became part of the cultural narrative in America. Here in Australia, Ogilvy's six Cannes Lion winning integrated campaign, AAMI SmartPlates, is another great example of a business solving a national problem to help safer learner driving.





SHOW DIVERSITY

Millennials are a pluralist generation and they expect diversity to permeate what they consume. 77% like ads that show real people in real situations and 61% like ads that show diverse types of families (Futurecast 2017). This trend is being reflected in behaviour. According to iStock, searches for female business executives has jumped 350% in the last three years, and searches for 'dad changing nappies' has also grown sevenfold during the same period.

There are watch outs for a good and joyful news strategy. It has to be substance over style. Millennials expect businesses to be good corporate citizens - all companies come under scrutiny today, so if you take an issue and try and solve it, make sure your house is in order.

This is an effective strategy for reaching millennials, adopting purposeful stories and using happiness and joy is an effective way to engage, but make sure the content has depth, authenticity and is connected back to organizational values. That's how brands matter in the eyes of millennials.

LOCAL BRANDS

LOCAL BRANDS **RDNGTHE** TRUST CRISIS TO PROSPERITY



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HANNAH MUIRHEAD Lead Strategist The Brand Agency, Perth HMuirhead@brandagency.com.au

TRUST IS AT AN ALL-TIME LOW

Across Australia, and indeed most of the world, trust in government, media, business and NGOs is at an all-time low.¹ Australians have identified eroding social values, immigration and globalization as key drivers of this lack of trust.² You can feel it in your social media feeds, in bars, and in book clubs across the country; the large scale erosion of trust as the crumbling of long-established institutions spreads.

¹ Edelman trust report 2017 ² Ibid

the brand agency

The Brand Agency is a full-service agency. We bring together experts in project management, creative and design, PR and social, technology and media.

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Couple this with the rise of automation and globalization, the double edged sword which increases bottom lines to businesses, but to Jenny-and-Dan-downthe-road means looming job losses, while their local community culture dissolves. You begin to see why we have a genuine trust crisis on our hands.

Indeed, it's this trust crisis which is partly responsible for the rise in antiglobalization, anti-immigration, and protectionist policies across the world.

Against this backdrop, there's a clear opportunity for local brands who are in a perfect position to succeed against global and multinational enterprise.

Here's three reasons why:

LOCAL BRANDS



For local products and brands that existed pre-globalization, this is good news.

Nostalgia makes people feel good. Familiarity gives our lives continuity. Nostalgia, has in fact, been shown to help counteract loneliness, boredom and anxiety, and makes us more generous to strangers and tolerant of outsiders.³ Experiments have shown that when we are provoked into feelings of nostalgia, we part with our money more easily.4

We are in an age of nostalgia. The success of familiar icons like 'Stranger Things' and the resurgence of vinyl, board-games and other relics of the past all attest to the power of nostalgia to tap into people's lives. Why is nostalgia so powerful? Partly, it's to do with the strength of the memory structures laid down in years gone by. Why is it I can still remember Pizza Hut's phone number from a jingle from 1994, when most days I can't even remember my pin number? When these memory structures from your youth are refreshed, local, heritage brands make it easier for you to notice them and buy their products or services.⁵



PERSONALISING PLACE

For those local brands without a bedrock of heritage there are still wins to be gained.

For most of us, our day to day lives revolve around a certain geographic place, despite the rise of technology. Local brands that can connect products and services to a specific locale are able to deliver the highly individualized customer experience that people increasingly expect in this jacked-up experience economy.

Look at the Feedback App⁶ from Canada. This clever app partners with local restaurants to help reduce food waste by helping people access time specific promotions on local food; a perfect example of how local brands can give back to their community in a way that multinationals would struggle to replicate. Even Whole Foods, now owned by the Amazon juggernaut, is keen to showcase its commitment to specific locales, with its Harlem store stocking produce from 20 local vendors, in partnership with a social enterprise committed to supporting cultural preservation.

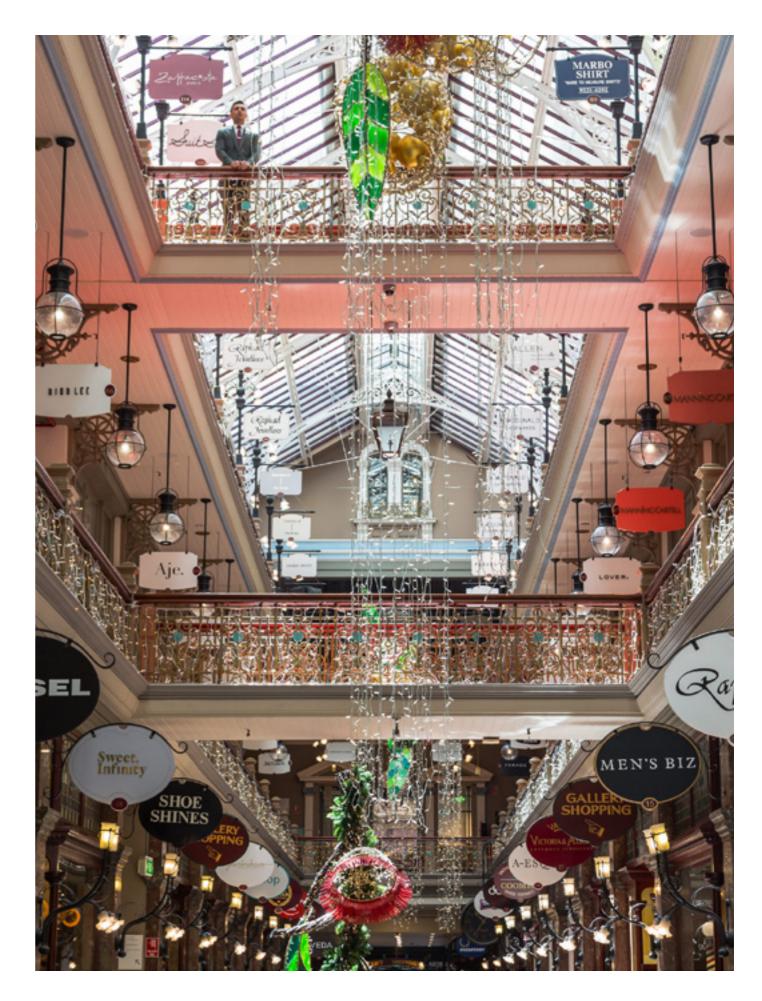
LOCAL PROBLEMS SOLVED, **ONE BRAND AT A TIME**

Where governments increasingly struggle to address key social and economic issues, brands can step in to fill the gap.

Local brands should start by asking their customers which essential or desirable public services are lacking, then find a way to provide them, either through partnership with local authorities, or by working directly with the community. The more brands can bring issues back to the personal and local, the more they will remind their customers of their shared values.

Earlier this year, Tesla, a very non-local brand, announced a partnership with the South Australian State government to provide 50,000 solar panels and batteries in an experiment to create the world's largest virtual power plant. Local solar providers are kicking themselves they didn't have the scale to deliver such an ambitious project, as Elon Musk leapfrogs them to become the only solar guy in town worth talking to.

For local brands fearing the influx of the Amazons and Teslas of the world, hope is not lost. The more they can develop a highly nuanced understanding of their local community, the more local brands can realise their home ground advantage.



³ NY times article ⁴ Journal of Consumer Research ⁵ Byron sharp ⁶ https://www.youtube.com/watch?time_continue=53&v=_TX6P8mUmkM

CONTENT

CONTENT CREATION: **GETTING TO GREAT IN** AUSTRALIA

AUSTRALIA HAS ONE OF THE WORLD'S MOST ADVANCED MEDIA ENVIRONMENTS, WITH SHARE OF DIGITAL SPEND ECLIPSED ONLY BY CHINA, THE UK, DENMARK AND SWEDEN.



DAREN POOLE Global Creative Domain Lead Insights Division, Kantar Daren.Poole@millwardbrown.com

GroupM estimates that \$200 billion will be spent globally on digital media this year and almost \$6.8 billion in Australia, accounting for 54% of all media spend¹.

Although digital spend is growing, content is missing the mark. Forty-six per cent of Australians say that they have installed an ad blocker [55% among Generation Z] or changed settings to avoid ads. Fifty-five per cent of Australians also say they skip ads whenever they can.

It's partly because they are far less open to seeing advertising in digital media than in traditional media. TV ads are widely accepted, and outdoor and cinema ads are quite liked. But people feel online display ads and video are an intrusion into their personal space, and a waste of data. Sixty-nine per cent of Australians think ads are more intrusive now than they were three years ago³. People also block and skip ads because they don't think the content they are seeing is good.

Brands investing in digital should work harder to create content that people like. Global BrandZ[™] analysis shows that, over a nine-year period, the brands that have grown the most are those that are perceived to be meaningfully different and to have great advertising. Australian brands experiencing growth challenges – particularly those facing the dual challenge of the retailer duopoly and the threat of Amazon - should make developing strong content a priority.

¹ GroupM, This Year, Next Year, September 2017 ² Kantar Millward Brown, AdReaction: Generation X, Y and Z, December 2016 ³ Kantar Millward Brown, AdReaction: The art of integration, January 2018
⁴ Kantar Millward Brown, Make a lasting impression, June 2017

KANTAR MILWARDBROWN

Kantar Millward Brown specializes in advertising, marketing communications media and brand equity research. With offices in 56 countries, Kantar Millward Brown focuses on building brand strategies.

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So, why do people block and skip ads?

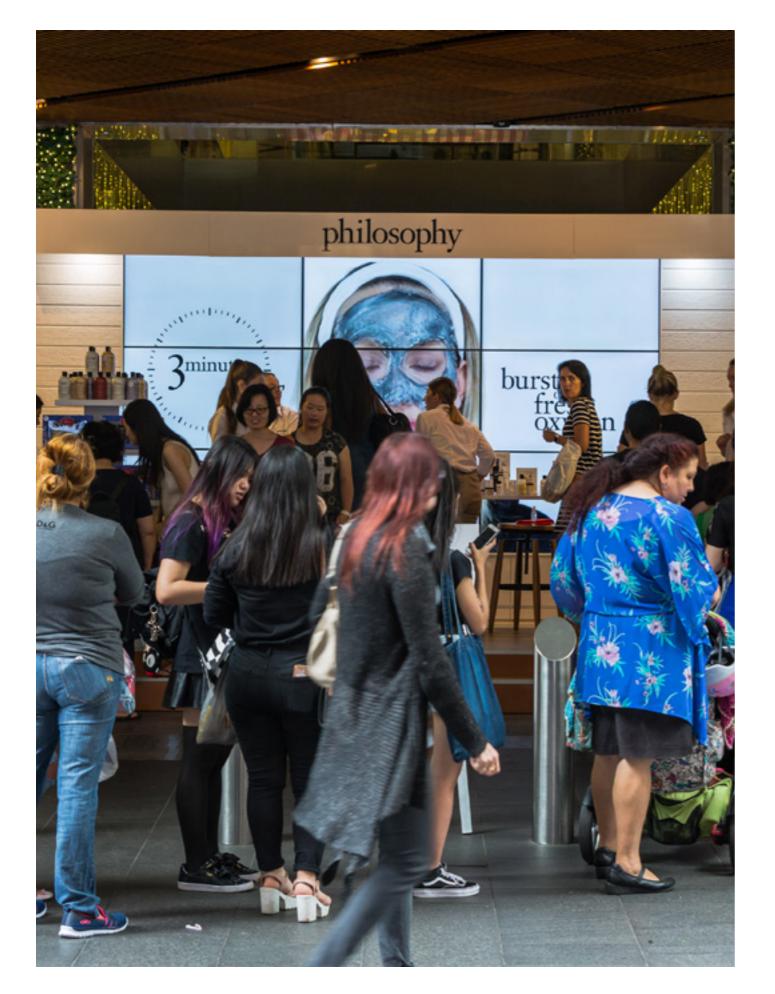
WHAT MAKES AN AUSTRALIAN THINK A **BRAND'S ADVERTISING IS GREAT?**

A start might be to focus less on what you must sell and more on creating a lasting impression. A recent study from Kantar Millward Brown looked at and coded a typical week's content in TV, pre-roll and social around the world. The results showed that Australian ads has some of the world's most explicit product communication. Sixty-nine per cent of TV ads. 73% of pre-roll. and 75% of social content⁴ focused on delivering functional messaging, likely driven by the quest for short-term sales.

Learning from cognitive science, backed up by validation of Kantar Millward Brown's Link ad testing database shows that people make purchase decisions based on instant meaning, or the impressions a brand has built over time - not based on advertising messages. The same learning shows that creative engagement is a better predictor of sales

Australian brands have an opportunity to build meaningful difference - and to break down people's mental barriers to digital content. Brands can do this by focusing less on crafting the perfect message (what to say) and more on delivering the message (how it is said).

CONTENT



Content that people can actively like builds emotional meaningful difference that predisposes them towards the brand in future decision windows.

One tactic used by many successful global brands that is seen less in Australia is the development of a strong creative platform – an overarching idea that is so big that it can be used for multiple campaigns, across channels and over time. This is often built around a brand purpose or manifesto. The empowerment in Commonwealth Bank's 'Can' campaign has helped to maintain the brand's perceptions of having great advertising, which is a contributing factor to the brand's perceived difference.

In today's multichannel, agile environments, it's been argued that the 'big idea' is too rigid and leads to creative handcuffs. However, time and time again

we see that brands that stick with a creative platform over time have strong and consistent associations and can deliver agile content with ease.

Storytelling is another tactic used by successful global brands in ads to create lasting impressions. Stories in advertising are a fabulous way to drive consumer engagement, land lasting memories and provoke powerful emotional responses.

employed storytelling as a technique. Australians can be more literal in their take-out of advertising than some of shouldn't be too complex. But if you think of some of the most memorable considering.

Kantar Millward Brown's study observed that only a guarter of Australian content their global counterparts, so the stories and iconic Australian ads. most of them are based on a story, so they are worth

To give digital content the greatest chance of succeeding, customization to channel and platform is important. People don't just want to see TVCs on their mobile phones: they have an expectation that content will be tailored to when and where they will see them. Typically, but not always, this means that it's shorter, but there are also examples of where the same length of content works, albeit with a different edit that optimises performance for the platform on which it's appearing.

The benefits of getting to great content are obvious; creating it is harder. Brands that focus on what people want when they are consuming media, and work out a clear role for the brand within their content, will pay dividends in terms of driving brand growth.

ONLY DEAD FISH GO WITH THE FLOW: **HOW TO** NAVIGATE THE DAUNTING NEW WORLD **OF**AI



DAYE MOFFITT Head of Strategy, Landor Australia Daye.Moffitt@landor.com

The world is fast becoming a scary place. Climate change, North Korean missiles, major changes in global leadership, all terrifying realities impacting people and brands. And equally as daunting (depending on who you ask) sits radical disruption and artificial intelligence (AI).

Day-by-day human skills are being replaced by robots: machines that learn, adapt and deliver faster, better products, services or outcomes than we mere mortals ever could. There's no denying technology empowers us.

But what happens to brands in a world where technology, disruption and smart machinery take over? As Uber, Airbnb and Snappr are proving, jobs are lost (or redefined), categories transformed, and in some cases, entire businesses blown to smithereens within the blink of an artificial eye. Sure, innovation is exciting. But is it always good or even relevant to every sector, business size or scale? If you believe the hype, organizations that fail to disrupt will soon be out of business.

Puffery? Potentially. But let's zero in on Al.

While the debate on AI has people like Elon Musk, Bill Gates and Mark

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Zuckerberg arguing for, and against its positive impact on business and life in general, certain implications can't be debated. Al-powered systems will not only change how we sell, but equally, how we buy. Choices will become limited to algorithm based recommendations via the likes of Alexa, Google home, Apple Homepod or any other of the 67 million future voiceassisted devices expected in market next year. The ways in which we as consumers interact with brands will forever be altered, and arguably, for the better. The world has shifted. The times have changed. We're living through an adaptor-die decade. [Sorry for the truth serum].

The resounding question we as Brand Consultants and Marketing Executives are increasingly being asked is how on earth one navigates the daunting new world of Al? It's easier for the likes of Google and Amazon who are leading the charge.

But what about the mass of other brands that don't have \$16.1 billion to spend on R&D each year? What can we learn from our admirable leaders? How does the rest of the brand-scape enter the exciting, arterial new world?

After observing with intrigue, below are three important factors all brands should be mindful of.

CAREFULLY CONSIDER THE 'WHAT' AND 'WHY' OF YOUR AI

When creating AI, it is essential to assess the role it plays within your broader brand strategy. Your future automated bots will become a key customer touchpoint. Their purpose, personality, manner, tone and even gender needs to be careful considered and clearly defined.

Will their values, drivers and beliefs be aligned to the parent brand? If not, they should be. Let's consider smoke alarm bot Nest Protect for a brief moment. Nest Protect combines smoke and Carbon Monoxide detection into a single unit using a "Split Spectrum Sensor" built from an algorithm of several hundred data sets that cover a vast range of fire types. It's incredibly complex and intelligent. And yet, its smartest component is also its simplest, its female voice. Research from The University of Dundee found children respond best to human voices, specifically their mother's, when warned of danger. Nest Protect chose to use a female voice because it would drive product effectiveness.

Bottom Line: Consider everything, carefully.

UNIFY YOUR DATA

Here's a fact; AI will drive more individualized experiences between brands and customers. Here's another fact; without a unified understanding of individuals with differing identities in each channel, it's impossible for organizations to create seamless interactions with their customers. Spotify is a shining example: The largest on-demand music service in the world continues to push technological boundaries, improve and personalize listener experience and drive business success through the ongoing acquisition, storing and management of useful, big data. As Spotify proves, before introducing AI into your brand experience you'll need to get your (data) house in order.

Bottom Line: Ensure you have access to a good volume of insight and information. Clean it up, remove overlaps and importantly, store it in one safe, accessible place. It's not easy. But it's essential. A single view of your customer will become the genesis for relevant and personal customer experiences.

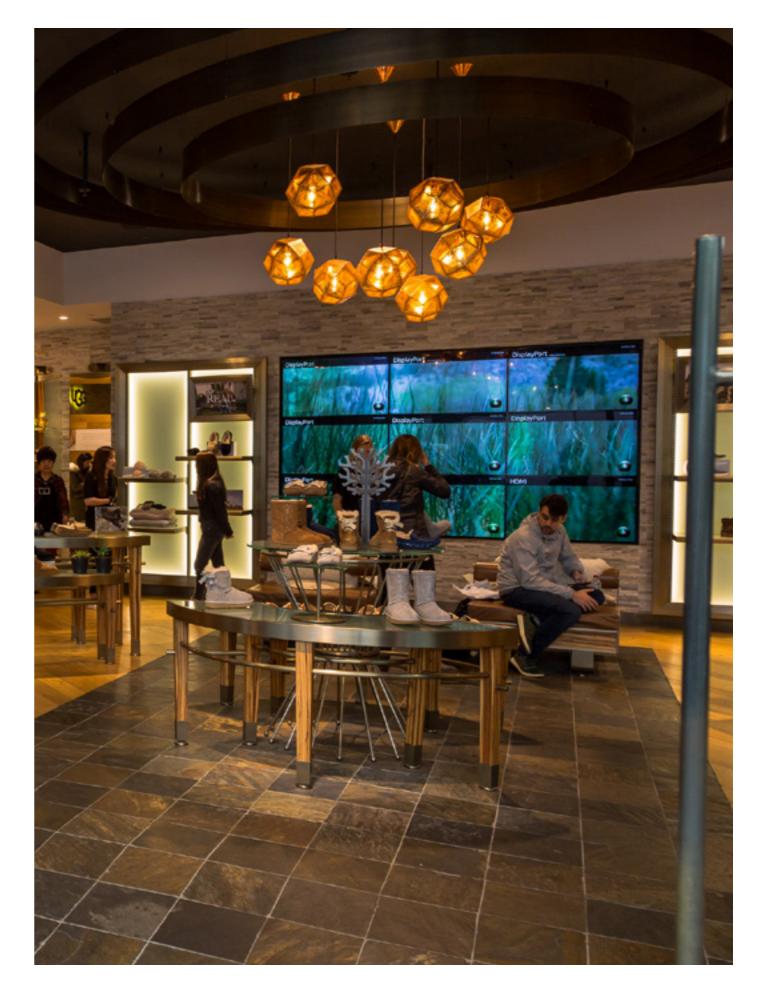
BRACE FOR OPTIMIZED CONVERSATIONS

Last year, IBM launched Watson Ads, which enables brands to have intelligent, personalized and more meaningful 1:1 conversations and interactions with consumers. The technology means brands are able to iteratively adapt creative and messaging based on customer's needs and desires. Recently, Toyota and The Weather Company teamed up via Watson Ads to engage and educate consumers about the new Prius Prime car. The AI powered cognitive ad platform allowed the two brands to answer questions, share new information, and guide decision making during the purchasing stage.

Is your brand ready to engage in real and genuine conversations?

Bottom line: Consider how your brand can leverage new technologies to redefine archaic customer experiences. After all, every conversation with your customer is an opportunity to learn.

Elon Musk once said, "we're going to have the choice of either being left behind and becoming effectively useless OR eventually figuring out some way to be symbiotic and merge with Al". I'm going to put it more simply, when it comes to Al, don't be a dead fish – they stink.



AVOIDING THE WASTE OF INNOVATION

'INNOVATION' HAS LONG BEEN CELEBRATED AS AN IDEALISTIC CATCH CRY FOR PROGRESSIVE BUSINESSES WANTING TO SIGNAL THEIR FOCUS ON GROWTH, BUT FOR MANY, A LACK OF UNDERSTANDING OF WHAT IT IS, WHY IT'S USEFUL, WHERE TO APPLY IT, AND HOW TO DO IT HAS LED TO WASTED **RESOURCES AND FOCUS.**



DENNIS WONG Managing Director Kantar Consulting D.Wong@kantarconsulting.com.au

This has been particularly true in recent years for large businesses in developed markets like Australia that are anchored to legacy manufacturing assets and systems, and are unable to respond fast enough and keep up to speed with rapidly changing culture.

Many lament the abysmal attempts at innovation, but few take the time to understand why this is the case.

WHAT WE INNOVATE

Most businesses ask people with innovation responsibility to focus on the ideation, optimization and commercialization of product / service ideas, but in doing so create a silo which limits the very definition of what innovation itself is.

If we subscribe to the adage that innovation's most powerful role is to solve problems for the consumers, then we must also recognize that innovation has to be bigger than simply just new products and services. This includes brand experience, the creation of digital tools, customer journey engineering, and with increasingly importance, the business models themselves.

To realize innovation's full potential, beyond simply new products and

services, businesses must recognize that innovation may emerge from anywhere in the organisation. In doing so, the innovation discussion becomes decentralized, unifies functions with clear priorities and produces a 'can do' attitude. Nike is masterful at this. They recognize that selling sneakers is their core business, but spend an equal amount of energy focusing on innovating the ecosystem around their shoes which in turn makes their core more valuable.

WHY WE INNOVATE

Too commonly we see innovation looked upon as a savior to deliver the gap in the numbers. It is developed in isolation of brand teams by people who don't get or care for brands, and is symptomatic of the short-term view driving incentives for many teams and individuals. We find that this attitude towards innovation leads to rushed outcomes, characterized by safe thinking designed to drive incremental results, rather than true change that consumers notice and that builds long term brand equity. If businesses can learn to view innovation as the most powerful way for brands to deliver their purpose and simultaneously engage the right people to drive it, we believe that businesses could create an innovative culture leading to bigger and better thinking, with stronger, more future relevant brands.

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WHERE TO INNOVATE

It's ironic that there has never been more innovation happening globally, evidenced by the swarms of small players entering the market and dominating the edges. It highlights that growth is still there, but where the growth awaits and how to access it has shifted.

Most large Australian businesses continue to hunt for growth in the same old places, unable to act on the simple insight that the market has fragmented and now rewards players targeting individual niches. To find new, fertile spaces for innovation businesses must hunt outside their comfort zones by reframing the markets in which they compete. They must find ways to scale opportunities across adjacent niches and be prepared to creatively innovate off their full portfolios. Sometimes, it takes acquisition...think Unilever's recent purchases of T2 and Ben and Jerry's.

HOW WE INNOVATE

Most businesses are clear on some sort of innovation strategy but fail in the execution. There are three key issues with how many businesses innovate today.

INNOVATION

Too many businesses seek to innovate from their current core capability, taking a manufacturing led view vs. a brand led view. In doing so they ignore the fact that the factors that led to success in the past are not the same that will lead them to success in the future.

It is important for businesses to focus innovation efforts to deliver on future demand. Innovators should start by understanding the macro trends that could affect their business, then audit across the business to see whether they are truly ready for the future. For example, had FMCG businesses realized 10 years ago the impact of the market's demand for artisan, crafted products in the future, they would have found ways to shift their models away from large factories incentivizing employees based on how many widgets/hour they can ship off the line.

Many businesses are guilty for putting the same people, in the same rooms, with the same inputs, and blindly hoping for a breakthrough. Instead the result, predictably, is the same outputs and huge waste. Today, not enough clients are prepared to invest into the front end of the innovation process to get to new thinking; bespoke cultural, occasionbased and behavioral insights that point to the big and small problems needed to be solved.

We believe that cultural insight offers the most powerful tool to truly reframe opportunity by showing clients both the problems their brands can solve today, and the problems to solve tomorrow. The late Steve Jobs may have claimed to not use research to develop his products, but he was very clear on the future facing problems to solve that powered his innovation by making technology beautiful and easy to use.

Most businesses lack patience. It is all too common to see businesses rush the optimization and commercialization phases of the innovation process, to deliver numbers by a certain date. When innovation inevitably fails to return on the hopes of management, the business simply gives up and moves on. Businesses need to find ways to bake in more time into the incubation and recycling of ideas. There's often gold masked underneath disappointing sales results, and it's the job of great innovators to fight in order to bring it back to the surface.

As developed markets saturate further and easy growth disappears, the importance of innovation will only grow. To succeed in the new market and prevent the waste of innovation, businesses must interrogate the "what", the "why", the "where" and most importantly the "how" of their innovation. This is no easy feat. It requires people, systems, and ultimately a culture that is comfortable with discomfort, that is dissatisfied with incrementality, but believing in the power of brands as an engine for sustainable growth.



KEEPING IT REAL LOCAL VS. GLOBAL

BEYOND THE OBVIOUS BENEFITS OF OUR FRESH PRODUCE CATEGORIES, ASK ANYONE IN AUSTRALIA ABOUT 'LOCAL BRANDS', AND THE FIRST THING USUALLY MENTIONED IS BEER!



LYNN CLIFT Planning Director - Creative Strategy whiteGrey Lynn.Clift@whitegrey.com.au

Local 'micro' breweries are popping up everywhere and not just in hipster hot spots of Fitzroy, Surry Hills or Maylands. In recent years, there has been a national shift and growth in volume of 9-10% from mainstream brands to small, local, craft beer.

Why? When people tell you why they prefer local brews, the conversation immediately turns unnaturally serious; rational points like "taste, because it's made locally it must be fresher", and "better ingredients". You may also get into a discussion about a "lower carbon footprint", or "supporting the local economy" but rarely. Aussie shoppers notoriously shop on price before country, much to the chagrin of the multi-million dollar "Buy Australian" campaign.

However talking about "taste and quality ingredients" as the core motivation for preferring local beer brands seems a bit "also ran" in this category. Imported beers rightly boast purity, expertise, superior ingredients, taste. So why not just stick to established imports rather than opting for untested local?

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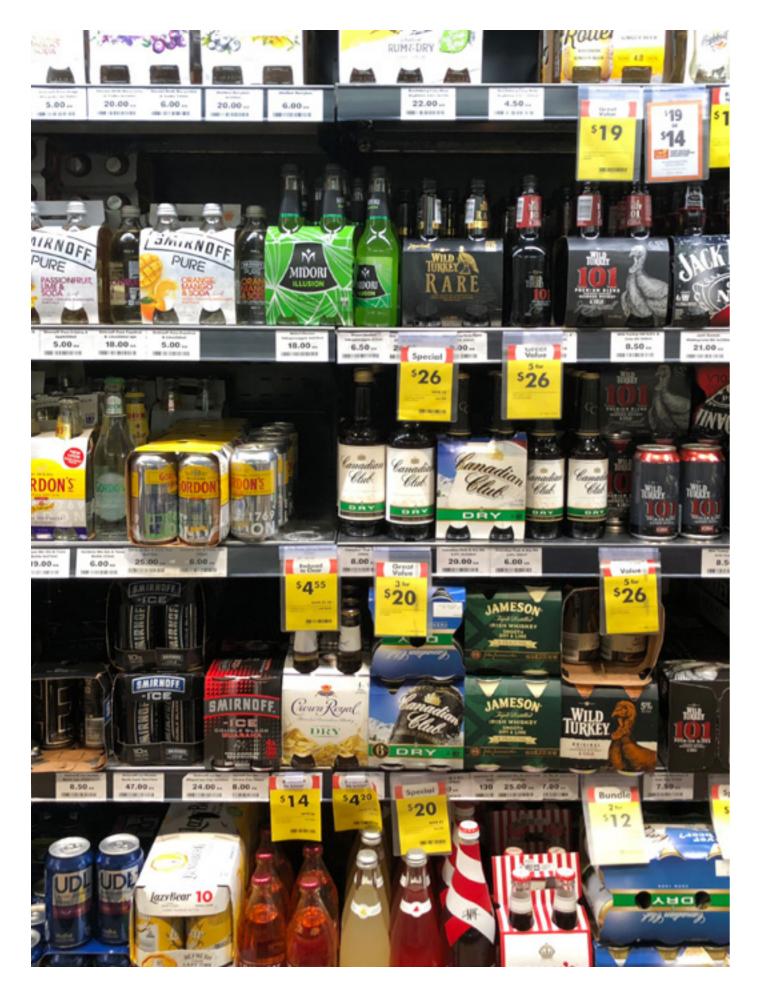
whiteGREY combines digital and technology specialists with ideas and creativity, to solve business problems and challenges for our clients.

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Airbnb may provide the answer. A global brand that offers the most local of brand experiences, and in doing so the opportunity to 'belong' and have a genuinely authentic experience. Authenticity is the key to local brand strategy in 2018.

In a world of increasingly fragmented media choices where shared viewing is becoming rare; Friendships are shifting from actually seeing each other on the weekend to virtual likes and emojis. And our empty bookcases no longer celebrate our distinctive tastes in literature and music thanks to Kindle and Spotify. Loneliness and anonymity-creep begins to loom. In response, we seek to reclaim our hard-wired need to belong; to share experiences, bond over our unique tastes and local knowledge. Craft beer feeds our tribal appetite in spades. Authenticity, distinguishing flavours, rituals and rarity, rough edges and all. As one punter puts it, "I'd much rather sit in Young Henry's surrounded by steel beer vats in Marrickville than sit at a pub in the city sipping a Crown." Local brands help us feel more "real".

LOCAL vs. GLOBAL



SO WHAT DOES THAT MEAN FOR **GLOBAL BRANDS?**

Some global brands have "lived here" for so long, they just seem to be kind of local; Cadbury, Heinz, Kraft, Colgate, Disney and Panadol, just to name just a few. Built on campaigns and imagery made locally with thick Aussie accents "ooh it does get in Mrs Marsh" (Colgate), or part of our cultural ritual "Heinz soup in the thermos at the footy", or "we watched the wonderful world of Disney every Sunday night". These brand identities have become interwoven with our own Aussie childhoods and have meshed into our psyches.

But that was then, this is now. In a time of global media access we know and see newer brands emerge and their distant origins are clear; Apple, Samsung, Gap, lululemon etc. It would be futile and disingenuous to pretend to be anything other than what they are. Thankfully ads now run with international locations and voice-overs intact. It is in the local social and digital environments that clever brands go all intimate and hang out with the neighbours.

Brands that utilise geo-targeting to deliver relevant localized content to users are ahead of the curve. And it works. For some reason, I really want to order the tiger prawns when Deliveroo tells me it is "the most popular dish for people who live on my street!"

But social and word-of-mouth are the ultimate "localizers." Social (media) allows brands to develop deeper intimate levels of engagement with their audience and provides brands with conversational opportunities to gain feedback on ideas and services. Done right, it provides a mutually beneficial experience.

lululemon, for example, does not connect with bloggers or influencers, but a selected group of people who are, first and foremost, fitness focused, such as personal trainers, yoga instructors and surf ambassadors. They're not from "Australia", but Brighton, Hobart, Bondi and Richmond, they're locals! They are not paid to wear or sport the product, but instead "live it." Forming a mutually beneficial, three-way partnership between themselves, the brand and their local fitness community, based on shared (tribal) values. It feels authentic and local. because it is.

RECOMMENDATIONS:



Use Geo-targeting to fine tune your local content



Weave your brand stories into the micro and macro local lifestyle; create memories and rituals



Don't pay disengaged "cash for comments" influencers; find genuine brand users who are community connected, form a tribe

Keep it real

THE SEARCH FOR A USP **IS FUTILE** AND TIME-WASTING



MARK JENNER NZ Business Director WPP AUNZ Mark.Jenner@wppaunz.com

Rosser Reeves ran the Ted Bates advertising agency in the 1950s and 60s and is famous for inventing the 'Unique Selling Proposition (USP)'; the idea that to succeed, a brand must have a unique, rational differentiator. His counsel to clients; create a real, tangible product feature that competitors can't copy, and communicate it!

Reeves' idea was a logical extension of the genesis of all advertising resulting from door-to-door selling of the 1930s and 40s. The twin pillars of that discipline, comparative demonstration and factual evidence, heavily influenced early print advertising and Reeves' approach to communication.

One of the first major clients to "buy" the USP was Procter and Gamble, directly leading to decades of "product features" brand advertising. 1950s TV commercials for Tide laundry powder, Camay beauty soap, and Mr Clean household cleaner were clearly created to communicate a USP.

In turn, P&G's stature ensured the notion that the USP become the marketing approach 'de jour'. This spawned a host of followers leading to a generation of marketers trained to find and communicate a differentiated product attribute.

However, the USP concept is fundamentally flawed, for two main reasons:

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WE LIVE IN A TIME OF OVER-SUPPLY **AND UNDER-DEMAND***

In every category, multiple brands with identical features compete for consumer attention. Examples abound; Apple vs Samsung (mobile phones), Samsung vs Sony (TVs), Audi vs BMW (automobiles), Spark vs Vodafone (telecommunications). Each of these examples are brands with product features that perform brilliantly and reliably, but for consumers they are virtually indistinguishable.

Never in history have consumers been so spoilt for choice, and thanks to social media have the power to support or abandon brands quickly. In a world in which information of global sourcing is never truly confidential, if a brand does manage to create a differentiated feature, any accrued advantage is short-lived as competitors copy and assimilate it instantaneously.

FIND A WAY TO BE DISTINCTIVE, **TO STAND OUT**

Use a visual device (Apple, McDonalds), color (Cadbury), a scent (Cathay Pacific), or a metaphor (Telecom NZ's animals). Whatever it is, create, build and invest in it over time, thereby instilling it in consumer-reinforced memories, creating subconscious recall and recognition.

CREATE AND COMMUNICATE TO CONSUMERS AN EMOTIONAL STORY ABOUT YOUR BRAND

Preferably one that talks to existing beliefs and memory structures. John Lewis' Christmas campaign is a great example. It speaks to widely held beliefs about what makes Christmas and the holidays special, and does so in distinctive ways for many years.

Rosser Reeves' USP concept made millions of dollars for both his agency and clients but we now know brand building involves more than communicating a product feature. The most valuable brands in the world find ways to stand out, to be distinctive and to connect with consumers through powerful, emotive stories. Such efforts build healthy brands that deliver strong sales growth year after year.



2018 WILL BE THE YEAR THAT CREATIVITY **COMES BACK** INTO FOCUS

OVER THE PAST TEN YEARS MARKETING HAS EXPERIENCED A CRISIS OF FAITH, AND CREATIVITY WAS THE CASUALTY.



PAUL EVERSON Managing Director J. Walter Thompson Paul.Everson@jwt.com

Where ideas once reigned supreme this era worshipped new leaders like data and social media creating a perfect storm of uncertainty. It made the industry question what it thought it knew about ideas and what made them work. Instead of building brands from know-how, we built them through trial and error.

Under pressure to maximize new mediums and leverage available data, creative agencies began to throw experience out the window; favoring "new" over "known". And while experimenting with new mediums and new information certainly led to some of the best work the industry has seen, the bulk of it flailed; sacrificing idea potency for platforms, and creative efficacy for media efficiencies.

But a decade has passed and after much experimentation and endless testing we now understand more about how creative works than ever before and finally, we can get back to focusing on ideas.

So here's what we know now, and what it means for 2018:

THE MATURATION OF MARKETING **SCIENCE WAS A GIFT TO IDEAS**

When Byron Sharp's 'How Brands Grow' hit the marketing industry many creatives recoiled from the brutal truth that humans have lazy brains that will never

care as much about ideas as we do. So marketers must use information and data to spur creativity and communicate one message well to trigger emotions. And in order for people to remember your brand it needs to be involved in the idea. More powerful than delivering rational claims, creative ideas deliver more SOV (share of voice) and profit growth.

All these things tell us what we've been wanting to hear, that powerful creative ideas are moving and they need to peak our interest around one key point. When we get this right, the ideas stick. And they pay dividends in business growth.

DISRUPTION DOESN'T EQUAL SOCIAL MEDIA

If there's one thing BrandZ[™] has shown us in spades this year it's that disruption has had a huge impact on the value of brands with only three remaining in the Global Top 10 today since 2006. And while disruption comes in many shapes and forms, from the global financial crisis, to technological change, to geopolitical upheavals, both new and old brands have been infused with purpose. But one vital new reality that isn't attributed to value change is the simple use of social media.

Too often the use of disruptive platforms such as Snapchat or Facebook is equated with disruption itself. Brief after brief asks creative agencies to "be disruptive in social media" in the hope that using a channel in an interesting way will meaningfully shift the value of the brand. What BrandZ[™] shows us is that disruption

J. WALTER THOMPSON

WORLDWIDE

J. Walter Thompson is a well-known marketing communications company that provides brand-building solutions to businesses. Some of its network include digital transformation activation & commerce and intelligence

www.iwt.com

starts with the business and the way it adapts to the changing dynamics of its operating environment. How we bring this change to life in the brand itself and the way it advertises is evidence of this disruption. Acknowledging this, leaves advertising to do its job, communicating the best of a business or brand in a compelling way.

WHAT DOES THIS MEAN **GOING FORWARD?**

Our focus should be creative efficacy not efficiency. If we want to disrupt a business, then we need to apply creative thinking to the way it operates and its core mission. If we want to disrupt the way people think about a brand or a topic then we need to apply creative thinking to advertising ideas (which may or may not use social media to get the message to people].

While we wait and watch, creativity has a real opportunity. There is no better time than now to show the value of the intangible, to embrace the risk that must be bought along with big, powerful ideas and to demonstrate the inherent magic that comes from a good creative culture. Most creative agencies will tell you this is a potent mix of physical agency environment, a persistent obsession with people and what they want, a range of symbiotic thinkers sparking from each other and a bias toward action.

Now's the time to take big, bold creative leaps.

IT'S TIME WE **USED DATA AND** TECHNOLOGY TO HELP US, NOT DISTRACT US

WE NEED BRILLIANT BASICS IN THIS HYPER TECHNOLOGY WORLD.



MARK LOLLBACK CEO. Australia & New Zealand GroupM Mark.Lollback@groupm.com

Our industry has always been obsessed with the next new thing, and that's a good thing. To help our clients remain ahead of the pack, we need to know what's coming and how to apply it to our advantage.

But lately the marketing communications industry has gotten so wrapped up in shiny new things that we run the risk of forgetting what's most important when it comes to marketing and brand building, and that's being brilliant at the basics. There has never been a time that we need to do brilliant basics better than now, facing as we do the pressures of doing business in a hyper-tech world.

With 24/7 demands on brands, an explosion of data and an endlessly expanding array of channels, it's easy to get distracted. To build brand value, we have to be super-clear on the objective and the business problem we are trying to solve.

In my view, there are three key elements we need to be brilliant at the basics.

LEVERAGE DATA

More often than not, agencies use data to drive measurement rather than to drive insights. I believe to build brand value, you have to go searching for deep compelling insights, and then use those insights to produce a killer media strategy and build the right creative response to go with it.

On the most basic level, we have to use data and technology to help us, not distract us. The question we should always return to is, how do we leverage the data and technology we already have to be better at what we do? That is, to deliver better, more effective communications strategies.

QUALITY

We all know that an engaging 30-second ad in a high-engagement TV program is far more effective than a 10 second ad in a low-engagement program. The winning ingredient, of course, is quality, the right content, and the right message for the right job in the right channel.

However, there is so much internal pressure on clients and so much fragmentation and a pervasive fear of missing out, that marketers feel the need to be everywhere. We are dealing with highly fragmented budgets because clients are simply scared of missing out. Nobody wants to be the one left behind.

What's needed is to step back and consider the basics: what will that channel do for my objectives and what is the right message?

SHORT-TERM VS LONG-TERM

Differentiation between short, medium, and long-term marketing activity shouldn't be a problem, but it is. For a variety of reasons, many marketers focus on the short-term challenge and tension we are dealing with rather than

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understanding how to balance shortterm tactics with brand longevity.

Paradoxically, shareholders want shortterm results but long-term shareholder value. While share prices are valued according to short-term sales results. true shareholder value is generated by creating asset growth on balance sheets, something effective marketing is proven to achieve.

As any marketer worth their salt knows that genuinely growing long-term brand value is not about short-term sales. During my time at McDonald's Australia & New Zealand, I saw first-hand that the minute we focused on long-term goals and genuine innovation, rather than short-term sales promotions, was when we experienced double-digit growth.

I'm not suggesting we ignore short-term activity. Rather, that we find a way to effectively manage both short-term and long-term requirements to drive our clients' brands in the right direction.

A FINAL WORD

As an industry, it's crucial that we are passionate about the value we can create on behalf of our clients. We need to be brave and continue to build and educate the decision-makers on how long-term marketing communications works to deliver brand value. Right now, we are not helping marketers enough to have that conversation with their boards and CEOs. After all, our job is to make their job easier.

SHORT-TERMISM **IS SHORT-**SIGHTEDNESS



TOBY HARRISON Chief Strategy Officer Ogilvy, Sydney Toby.Harrison@ogilvy.com.au

As a child. I was obsessed with Bruce Lee. At first it was because of his extraordinary Kung Fu skills. However, as with any obsession, my infatuation with him evolved; from marvelling at his superhuman skills, to marvelling at his Eastern wisdom. To this day, I still find Bruce Lee one of the greatest philosophical minds of the 20th century.

In 1973, Enter the Dragon not only launched the Martial Arts film genre, but it also gave us marketeers a golden nugget of Bruce Lee wisdom. As Bruce talks with his student Lao about the journey that is learning Kung Fu, he tells him

"It is like a finger pointing up at the moon. But don't concentrate on the finger, or you will miss all that heavenly glory!"

As it is with Kung Fu, so it is with Marketing. Since the global financial crisis, there has been a steady rise in short-term marketing activation. Sadly, this obsession with "short-termism" means that too many of us are focused only on the finger.

So why are we willing to miss all that heavenly glory? Most analysts would claim it is the demands of shareholders that is driving the need to prioritize quick wins over long-term gains. If you have a toddler and you offer them the choice between one sweet now, or two sweets in 15 minutes. you'll probably have some sympathy. However, as adults, waiting 15 minutes for a 200 percent return is a pretty worthwhile investment. Behavioural science explains this phenomenon as 'hyperbolic discounting', but truthfully it is nothing more than a lack of patience.

We are all told that patience is a 'virtue', because as the story goes it leads to better things. However, since 2012 the IPA has reported a two-fold increase

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in the number of short-term marketing campaigns, whilst over the same period, effectiveness has fallen by almost 25 percent. For many organizations, the long-term plan is simply to fund more short-term initiatives. Sadly, when it comes to brands, a succession of small wins just doesn't add up.

Over time, investment in short-term activation actually erodes brand awareness and brand value. What this means is your marketing materials condition the consumer to only think of your brand when you stimulate them, resulting in less mental availability for your brand. Ultimately, this means your brand isn't the first to mind, nor is it in the race for consideration, and therefore you aren't in position to be preferred. The net result is that your marketing then has to work even harder the next time. It is by very definition, the law of diminishing returns.

This may seem like doom and gloom, but it doesn't have to be. With over 30 years of evidence and the data to validate the strategy, long-term brand building activity is the one bet that always pays off. Best of all, it doesn't just grow volume or share, it improves a brand's ability to increase margins.

Whether Kung Fu or Marketing, let's not concentrate on the finger. Heavenly glory seems a far better option.

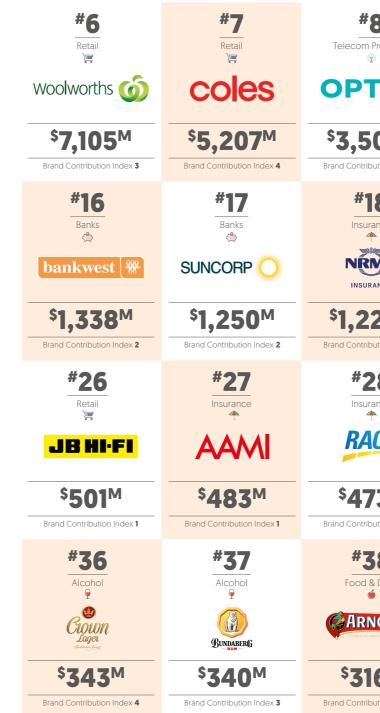




BRANDZTM TOP 40 MOST VALUABLE

#2 #3 #4 [#]5 #1 Banks Banks Telecom Providers Banks Banks $\langle \rangle$ $\langle \rangle$ $\langle \rangle$ $\langle \rangle$ estpac **Cormonwealth**Bank ANZ 【 nab \$**11,907**^M ^{\$}16,412[™] ^{\$}10,774^M \$**9,306**[™] \$**8,781**^M Brand Contribution Index 3 Brand Contribution Index 3 Brand Contribution Index 4 Brand Contribution Index 3 Brand Contribution Index 3 #15 #11 #12 #14 *#*13 Energy Retail Telecom Providers Retail Airlines X • foxtel Westfield **SUNNINGS** warehouse QANTAS \$**2,188**^M \$**2,107**^M \$**1,912**^M \$**1,878**^M \$**1,637**[™] Brand Contribution Index 1 Brand Contribution Index 2 Brand Contribution Index 2 Brand Contribution Index 3 Brand Contribution Index 4 **#24** #21 [#]23 **#25 #22** Alcohol Telecom Providers Energy Telecom Providers Retail) SICTORIA VB iinet C EnergyAustralia TRG **Harvey Norman** connect bette ^{\$}581[™] ^{\$}545[™] ^{\$}542[™] ^{\$}534[™] \$519^M Brand Contribution Index 2 Brand Contribution Index 1 Brand Contribution Index 3 Brand Contribution Index 1 Brand Contribution Index 1 #31 #32 #33 #34 #35 Alcohol Fast Food Banks Retail Retail $\langle \rangle$ 1 P Ì HUNGRY **DAVID JONES** Bendigo Bank LIQUORLAND DRY \$**433**[™] \$412^M ^{\$}354[™] \$**410**^M \$**393**[™] Brand Contribution Index 3 Brand Contribution Index 4 Brand Contribution Index 2 Brand Contribution Index 1 Brand Contribution Index 1

AUSTRALIAN BRANDS 2018



Source: BrandZ™ / Kantar Millward Brown (including data from Bloomberg) Brand Contribution Index = Brand contribution measures the influence of brand alone on earnings, on a 1-to-5 scale, 5 being highest.

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PARENT COMPANY: Commonwealth Bank of Australia **BRAND VALUE:** \$16,412 Mil. **HEADQUARTER CITY:** Darling Harbour, Sydney **INDUSTRY:** Banks **YEAR FORMED:** 1911

The largest of Australia's "Big Four" banks, ranked #1 in our BrandZ[™] report and a 2018 BrandZ[™] Global Top 100 company, Commonwealth Bank of Australia (CBA) is one of the largest companies in Australia's history. Launched in Melbourne in 1912, the bank grew quickly leading the industry across all major categories. By 1959, CBA had become so powerful that the government created the Reserve Bank of Australia to assume the country's central banking activities, allowing CBA to focus and continue its growth in the B2B and consumer banking segments. Since that time, CBA expanded outside the country and is now operating in New Zealand, Europe and Asia. Fueling its growth, some of the key strategic acquisitions include well-known rivals Bankwest (2008) and Colonial First State (2000). Despite recent industry events that have challenged the reputation of Australia's banking sector, CBA continues to demonstrate strong financial performance. In 2017, the CBA generated over AU\$26 billion in revenues with nearly AU\$10 billion in net income on assets of over AU\$976 billion. CBA employs over 51,000 people, with 1,100 branches.







PARENT COMPANY: Australia and New Zealand Banking Group Limited **BRAND VALUE:** \$11,907 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Banks **YEAR FORMED:** 1835

One of Australia's oldest companies, Australia and New Zealand Banking Group Limited (ANZ) was originally formed in the 1830s as the Bank of Australasia and established in 1951 by merger of the Bank of Australia and Union Bank of Australia LTD. Today's ANZ ranks second of Australia's banks, is a 2018 BrandZ[™] Global Top 100 brand, and is also the largest bank in New Zealand. Operating in 34 countries, it has aggressively expanded into China, Vietnam, Taiwan, Hong Kong, Singapore, the Philippines, and Indonesia through strategic acquisition and alliances. In its most recent reporting year, ANZ posted AU\$6.4 billion in earnings (up 12 percent from 2017), with just under AU\$470 billion in deposits and over 10 million customers worldwide. ANZ's fun and humorous approach towards advertising has featured space robots, trained falcons, and even mentalists, and while ANZ pokes fun at traditional banking with an irreverent approach, ANZ's advertising is generally well received by its customers. Advertising represents a significant portion of its budget as the bank focuses on its niche of homeowners and small business. Not without controversy, ANZ, like its key competitors, has been impacted by recent events across the banking sector. ANZ has a long history of supporting sustainability often appearing atop almost all other banks in the Dow Jones Sustainability Index.

PARENT COMPANY: Telstra Corporation Limited BRAND VALUE: \$10.774 Mil. HEADQUARTER CITY: Melbourne **INDUSTRY:**

Telecom Providers **YEAR FORMED:** 1975

Australia's largest telecom business, Telstra formed in 1992 through the merger of government and business and now boasts dominant market leadership on all fixed-wire services including telephone, television, data cable networks, and mobile. Telstra focuses on delivering connectivity, media and content including cloud and other technology services. In 2016, Telstra surpassed annual revenues of nearly \$26 billion, reaching 98 percent of the Australian population through its 4G network and 72 percent of the country's small and medium businesses. It's half-million WiFi-homespots and 4,500 public hotspots reach nearly all the country's broadband and mobile customers. Telstra continues to expand into global markets with over 150 subsidiaries and as of mid-2016 operates in Europe, Hong Kong, China, the US, (linking Sydney and Hawaii), India, Japan, and Indonesia. By partnering with global player, Fon, Telstra accesses over 19 million hotspots overseas. Global markets represent nearly a quarter of its revenues and this segment has grown by double digits over the last few years. Telstra's current and future growth strategy is focused on opportunities in eHealth, software development and digital.

🖌 nab **PARENT COMPANY:** National Australia Bank Limited **BRAND VALUE:** \$8,781 Mil. **HEADQUARTER CITY:** Melbourne

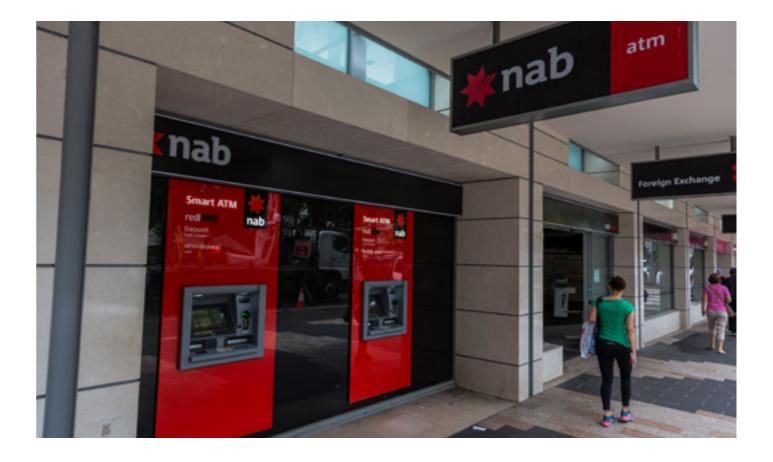
INDUSTRY: Banks YEAR FORMED: 1982

One of Australia's "Big Four" banks, Westpac Banking Corporation (Westpac) as the third largest in Australia and New Zealand (in assets) offers banking and financial services to nearly 14 million customers across over 1400 branches with nearly 4,000 ATMs. Formed in 1817 as Bank of New South Wales, it assumed its current form in 1982 when it merged with the Commercial Bank of Australia retaining its "W" logo from "Wales" which it transformed into Westpac. Over the last 10 years, Westpac has well outperformed the ASX nearly doubling total shareholder return against the rest of the exchange. Westpac currently owns nearly AU\$600 million in home and business loans, another AU\$487 billion in customer deposits, and over AU\$1 billion in life insurance. In 2017 the Company generated nearly \$22 billion in revenues as it employed nearly 40,000 people while offering nearly the same number of hardship customers critical financial assistance.

lestpac **PARENT COMPANY:** Westpac Banking Corporation

BRAND VALUE: \$9,306 Mil. **HEADQUARTER CITY:** Sydney **INDUSTRY:** Banks

YEAR FORMED: 1982



NAB, one of the "Big Four" Australian banks, was established in 1858 as National Bank of Australasia. The bank is ranked as the 21st largest bank globally (market cap) and 22nd as World Safest Bank (Global Finance Magazine, 2016). It is also the fourth most valuable Australian banking brand. Today, the Bank operates globally with offices in Europe, Asia and the United States supporting over 10 million customers globally. It is Australia's largest commercial bank focusing primarily on agribusiness, health, government, education and community banking, employing over 35,000 people in 900 locations serving over 130.000 business customers. With over AU\$6.6B in earnings in 2017, NAB prides itself on assisting low-income customers as part of its commitment to its Australian base. The Company's tagline is "more than money", emphasizing its investments in small loan micro-financing, community grants, climate sustainability and boasting over 16,000 days of employee volunteering in 2017.



PARENT COMPANY: Woolworths Group Limited **BRAND VALUE:** \$7,105 Mil. **HEADQUARTER CITY:** Bella Vista, New South Wales **INDUSTRY:** Retail **YEAR FORMED:** 1924

Woolworths Limited, also ranked in the BrandZ[™] 2018 Global Top 100 companies, affectionately known as "Woolies", is independent from any other Woolworth company. Woolworths was formed in 1924, and today is Australia's second largest company and most valuable retail company with supermarkets, liquor shops, and discount department stores employing over 200,000 people. Since the mid-1990s, the parent company has expanded into a number of wholly owned and joint ventures including petrol, banking, insurance and credit cards, convenience stores with ready to eat prepared foods for busy urban-dwellers, home improvement, gambling, real-estate, hotels and pubs (though the company has recently exited some of the losing businesses). Woolworths' strategy of cross-promoting its brands has been effective with continually expanding loyalty programs across its various business units. Woolworths has also made acquisitions into global markets with growing operations in New Zealand and India. In reporting year 2017 (ending June), the food group marketed with the slogan "The Fresh Food People", posted revenues of A\$36 billion representing nearly 60 percent of its enterprise business (including sales of businesses).





coles PARENT COMPANY: Wesfarmers Limited

BRAND VALUE: \$5,207 Mil. **HEADQUARTER CITY:** Hawthorn East, Victoria INDUSTRY: Retail **YEAR FORMED:** 1914

Founded in 1914 and acquired by the Wesfarmers conglomerate in 2008, today's transformed Coles is Australia's largest supermarket, retail and consumer services chain. With over 2,300 supermarkets, liquor stores, convenience outlets, and 100,000 employees, Coles topped AU\$33 billion in revenues with over AU\$22 billion in assets in 2016. In 2017 the brand become one of the 20 most valuable retail brands in the world with a brand valuation of USD\$5.5 billion. Coles competes across multiple categories from food, liquor, clothing, household products, financial services, and with Australia's largest loyalty program, "Flybuys" (acquired in 2011 from National Australia Bank) Coles offers a robust reward program. After launching its online portal in 1999, the company has grown its ecommerce business and just recently partnered with Uber for home deliveries. Coles' key advertising campaign, "Down Down, Prices Are Down", has featured changing musical tunes over the years to keep the slogan fresh and relevant whilst focusing on the value Coles brings to Aussies everyday. And today, the company's sustainability program supports local farmers and producers around the country.

The Optus brand, owned by Asia's leading communications group, Singapore-based SingTel, is the second largest telecom provider in Australia. Founded in 1981 by the Government as AUSSAT, the company launched their first satellites in 1985 for both military and civilian communications, delivering TB services to outback communities. Operating at a loss, the Government sold the license to Optus Communications, a consortium of firms from Australia, UK, and the US. By 1991, the company privatized, offering lower-cost long distance calls. Optus began deploying its fibre optic cable network eventually laying its own network infrastructure that includes Australia's first hybrid fibercoaxial network allowing it to offer fixed telephony, cable TV, broadband, wireless internet, Satellite, and 4G mobile services. Having grown through acquisition of UEComm, Alphawest, and Virgin Mobile Australia, today, Optus has 9.3 million customers, 30% market share in mobile, and in 2016 generated AU\$9.1 billion in revenues with over AU\$2.7 billion in EBITDA. To support its brand recognition across the country, Optus invests in local partnerships that include Cricket Australia, the Australian Olympic Committee, and English Premier League football.

OPTUS

PARENT COMPANY: Singapore Telecommunications Limited **BRAND VALUE:** \$3,503 Mil. **HEADQUARTER CITY:** Sydney **INDUSTRY: Telecom Providers YEAR FORMED:** 1981



origin

PARENT COMPANY: Origin Energy Limited BRAND VALUE: \$2,236 Mil. **HEADQUARTER CITY:** Sydney **INDUSTRY:** Energy YEAR FORMED: 2000



PARENT COMPANY: Westpac Banking Corporation **BRAND VALUE:** \$2,658 Mil. **HEADQUARTER CITY:** Svdnev INDUSTRY: Banks **YEAR FORMED:** 1937

St. George Bank was started in Sydney as the St. George Cooperative Building Society Ltd primarily in the home loan and consumer lending segments. Since achieving full banking status in 1992, it has been known for its friendly customer service often leading the "big four" banks in customer satisfaction and innovation. It was the first to launch electronic banking in 1994 while offering personalized and friendly advice to its retail and business customers. In 2008, St. George merged with Westpac and today is its second largest operating banking division. The bank continues to be a technology innovator and is a leader in retail and business banking. In 2016, the company's web site was ranked #1 in Global Reviews for Customer Experience and in Mortgages in the Banking sector. The bank's well-known logo features the mythical dragon slain by St. George and this iconic brand has just celebrated its 40th year supporting the St. George Illawarra Dragons football team, further strengthening its brand recognition and commitment to the community.

Origin, Australia's strongest energy brand, was formed from a spinoff of Boral Limited building materials business that included South Australian Gas Company (SAGASCO). Within two years following the spinoff, Origin acquired Powercor and CitiPower and then over the course of the next decade grew to become Australia's largest energy retailer and through additional acquisitions across the country, Origin became a major explorer and producer of natural gas with additional interests in New Zealand, Asia, Africa and South America. With over 6GW of capacity, Origin generates about 13% of the country's energy together with its market leading portfolio of wind, hydro, solar and geothermal power. Origin has 4.3 million customers with a market cap of about \$16 billion on revenues of \$14.1 billion (up from \$12.2 billion in 2016). Committed to sustainability, Origin has pledged to increase its supply of renewable energy sources to over 25 percent of its power generating capacity.



PARENT COMPANY: AGL Energy Limited **BRAND VALUE:** \$2,188 Mil. **HEADQUARTER CITY:** North Sydney, New South Wales **INDUSTRY:** Energy YEAR FORMED: 2006

In 1841, the first gas lamps in Sydney were lit by the Australian Gas Light Company. The company shortly listed thereafter as just the second company on the Australian stock exchange, and over the next 16 years gas lamps were introduced to department stores and then private residences. After consistent growth, today, AGL is literally the country's brand powerhouse as the largest electricity generator in Australia supplying power through a diversified mix of gas, electricity, solar PV, hydro, wind, biomass and landfill gas to more than 3.6 million customer accounts (app. 40GW). AGL's environmental and sustainability strategies to responsibly reduce greenhouse gas emissions include eliminating its coal-fired power by 2050 and in 2016 formed the Powering Australia Renewables fund pledging to invest \$2-3 billion more in large-scale renewable energy generation that will account for 10% of the country's renewable capacity. In 2017, AGL achieved its best financial performance in its long 180+ year history with its highest revenues (\$12.6 billion), income (\$802 million), EPS (\$80.50), and dividends (\$.91/share) return to its investors.

Westfield

PARENT COMPANY: Westfield Corporation, Scentre Group BRAND VALUE: \$2,107 Mil. **HEADQUARTER CITY:** Los Angeles CA, USA & Sydney, Australia **INDUSTRY:** Retail **YEAR FORMED:** 1960

The dominant player in Australia with strength in the US and UK markets. Westfield has dominated the Australian shopping centre industry and has become one of the largest players globally. Started in 1959 in Blacktown in Sydney's west, it successfully floated its IPO just a year later to support its growth. By 2014 after growing into a multi-billion dollar global powerhouse, the company split its Australian and New Zealand businesses to be run as the Scentre Group and the rest of its global properties under the Westfield Corporation. Westfield has amassed over \$20 billion in assets and its current projects are projected to generate nearly an additional \$4 billion including N.Y.'s Westfield World Trade Center, Los Angeles' Century City, and Westfield London, with an additional \$5.8 billion in pre-development potential. Westfield prides itself on being at the forefront of retail innovation with over 411 million customer visits across its 35 properties in Australia, giving it a significant impact on how marketers advertise and deliver brand experience.

••• foxtel

PARENT COMPANY: Foxtel Group **BRAND VALUE:** \$1,912 Mil. **HEADQUARTER CITY:** Sydney **INDUSTRY: Telecom Providers YEAR FORMED:** 1995

Foxtel was formed as an equally-owned JV between News Corporation (News Corp) and Telstra where in Telstra transmitted TV signal through its coaxial network and News Corporation delivered programming and content. When Galaxy, a competing pay TV provider at the time, went insolvent in 1998, subscribers moved to Foxtel giving the company a significant boost. In the following year Foxtel introduced satellite services. Since then, Foxtel has emerged as the only market provider of direct broadcast satellite TV and is one of only two cable TV companies in Australia. Foxtel also provides mobile phone services through Telstra. Taking advantage of the many new mediums for digital reception, Foxtel can be streamed to Playstation, Apple TV, and many other devices. Revenues in 2017 were just under AU\$3.2 billion and is ranked overall as the 113th of 2000 companies in Australia, though the strength of it brand has earned it a position in this BrandZ[™] ranking report.



PARENT COMPANY: Wesfarmers Limited **BRAND VALUE:** \$1,878 Mil. **HEADQUARTER CITY:** Hawthorn East, Victoria **INDUSTRY:** Retail **YEAR FORMED:** 1887

The Bunnings chain of household hardware goods was founded in 1887 by two English brothers who emigrated to Australia. The company was formed to compete in the sawmilling industry. In 1952 the company went public allowing it to expand into retail through the acquisition of hardware stores. After its acquisition by Wesfarmers in 1994, the company opened its first warehouse-style store in Melbourne. Since then Bunnings has become the leading retailer of home improvement and outdoor living products in Australia and New Zealand as it expanded to over 300 stores and trade centers with over 40.000 employees. Generating over AU\$11.5 billion in 2017 with operating income of AU\$1.2 billion on total assets of AU\$6.6 billion, Bunnings holds a 20 percent market share in retail hardware. Known for its community support in "sausage sizzles", Bunnings has become iconic with the public allowing it to effectively deliver free workshops in gardening. crafts, and woodwork for adults and children. nursing homes, and hospitals. It supported over 76,000 local community activities helping to raise over \$43 million for community groups in Australia and New Zealand.



PARENT COMPANY: Qantas Airways Limited **BRAND VALUE:** \$1,637 Mil. **HEADQUARTER CITY:** Sydney **INDUSTRY:** Airlines YEAR FORMED: 1920

The Qantas brand is ubiquitously synonymous with Australia. An acronym for Queensland Northern Territory Aerial Services, it is the country's oldest and largest airline and is the third oldest airline in the world (behind KLM and Avianca) and was one of the founding members of the Onewcapital World airline alliance. Launched in 1920, Qantas began offering international flights in 1935, and today has 65 percent market share of domestic flights and nearly 15 percent of international (in and out flights). Consistently generating over AU\$15 billion in revenues for the last six years, Qantas has steadily increased its number of passengers, which in 2017 exceeded 53 million travellers, representing 80 percent of its seats filled on 309 aircraft. Qantas' long running "feels like home" ad campaign has been a quintessential part of Australian advertising history, with its deeply emotive message resonating and well remembered by the Australian public. Qantas' safety record is impeccable and has repeatedly been rated as the "World's Safest Airline".

bankwest | 🖗

PARENT COMPANY: Commonwealth Bank of Australia **BRAND VALUE:** \$1,338 Mil. **HEADQUARTER CITY:** Perth **INDUSTRY:** Banks YEAR FORMED: 1895

Bankwest, formed as the Agricultural Bank of Western Australia as a rural lender to local farmers, became a full-service retail and commercial bank in 1945 as R&I Bank (Rural & Industries), a savings bank in 1956, and in 1994 became the Bank of Western Australia. After having been acquired a number of times during the 90s and early 2000s, in 2008 it was bought by Commonwealth Bank for AU\$2.1 billion. Today, it offers banking, loans, credit cards and other services. Bankwest has an innovative approach towards providing its customers with unique ways of managing their accounts. In January 2018, Bankwest introduced a wearable payment ring, waterproof to 50m, as a revolution in "contactless payments". Working just like a contactless card, the ring provides security and a "wow factor" that supports the growing population of cyclists, swimmers, surfers, joggers, and other active Australians.

SUNCORP

PARENT COMPANY: Suncorp Group Limited **BRAND VALUE:** \$1,250 Mil. HEADQUARTER CITY: Brisbane **INDUSTRY:** Banks **YEAR FORMED:** 1996

The Suncorp Group Limited offers finance, insurance and banking products, and is Australia's largest combined banking and insurance company with insurance subsidiaries including Suncorp, AAMI (both BrandZ[™] Top 40 Australia brands), GIO, Vero, Apia, and Shannons serving nearly nine million customers. Formed at the end of 1996 through the merger of Suncorp, Metway Bank and the Queensland Industry Development Corporation, the parent company now generates over AU\$19 billion in revenues with over AU\$97 billion in assets, employing over 13,000 people. Many consider Suncorp as an insurer with a banking arm while others see it as a bank with a strong insurance business. Suncorp has capitalized on these mixed perceptions by delivering to customers cross-company offers to strengthen their brand loyalty and improve their bottom line. In 2016 Suncorp announced that this would be further improved through the creation of a controversial 'Marketplace' where customers can access offers from across the expansive group. The strategy appears to be working with stock prices, market cap and assets all up at their highest levels ever.



INSURANCE

PARENT COMPANY: Insurance Australia Group Limited **BRAND VALUE:** \$1,222 Mil. **HEADQUARTER CITY:** New South Wales **INDUSTRY:** Insurance **YEAR FORMED:** 1920

The National Roads and Motorists' Association was launched in an effort to fund and improve roads, and within a few years shortly thereafter, NRMA was already providing roadside assistance to its members. As membership grew, the organization offered motor insurance which was provided as a sub-agency of Lloyd's of London. Since then, NRMA has grown into Australia's largest member organization with over 2.6 million members. In 2000, the insurance business was demutualized and the insurance portion of the NRMA brand became a part of IAG and began selling IAG products under the NRMA brand. Now a leading insurer in NSW, NRMA has recently returned to its roots in trust, moving away from their Mr. Confidence campaign.



Photograph by Paul Reiffer





PARENT COMPANY:

Heineken N.V., Molson Coors Canada Inc., AB (Anheuser-Busch) InBev SA/NV

BRAND VALUE: \$748 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Alcohol YEAR FORMED: 1889

William M. and Ralph R. Foster, Irish-American brothers from New York, arrived in Melbourne in 1886 and began brewing Foster's Lager in Collingwood in November 1888, launching the brand to the public 3 months later. A year after launch, they sold the plant and returned to the US after which its new owners continued production and distribution of the Foster's brand for 112 years until 2002. Foster's was introduced into the US in 1972 branded as "Australian for Beer" (though in Australia it is known as "the Amber Nectar". This iconic brand has been associated with the stereotypical imagery of kangaroos, heavy aussie accents, and cork hats. By 1977. Foster's became Australia's leading beer brand. Building on its growing popularity, during the 1980s the famous comedian Paul Hogan pitched the brand which coincided and leverated the success of his movie, Crocodile Dundee. Over the last few decade's global industry consolidation, ownership of the Foster's brand was split between Anheuser-Busch InBev SA/NV (Australia), Heineken N.V. (Europe), and Molson Coors Canada Inc. (USA). Today, Foster's annual sales tops 500 megaliters globally (over \$2.3 billion) and UK is its largest single market.



PARENT COMPA	NY:			
Woolworths Gro	oup l	Limited		
BRAND VALUE:				
\$741 Mil.				
HEADQUARTER	CIT	(:		
Bella Vista, New	Sou	th Wales	5	
INDUSTRY:				
Retail				
YEAR FORMED:				
2001				

BWS' first store, opened in 2001 in Cabramatta, New South Wales, was the site of a Woolworths Mac Liquor store and since that time BWS has grown dramatically. Today, BWS (Beer, Wine, Spirit) is the largest liquor retailer in Australia and in 2017 opened 19 new stores bringing its total to over 1300 standalone stores with plans for an additional 6-10 stores per year. Designed around convenience to facilitate efficient buying, BWS' culture of autonomous management led to renaming store managers as "Store CEOs" enabling each store to build community-centricity by engaging regional and local craft brewers. Woolworths initially utilized a cross promotional strategy to promote both brands as a step to rebranding all Woolworths liquor stores to BWS. In addition to its retailing prowess, BWS also owns a number of beer brands including John Boston, Tun, Arc Valley and Sail & Anchor. One recent key improvement was the 2017 launch of BWS online with one-hour "Click & Collect" purchasing in all stores, and a fast delivery service being tested in 50 stores to further leverage on their strong perception of retailing convenience.

iinet connect better

> PARENT COMPANY: TPG Telecom Limited **BRAND VALUE:** \$581 Mil. **HEADQUARTER CITY:** Perth **INDUSTRY: Telecom** Providers **YEAR FORMED:** 1993

iiNet was founded in 1993 in a garage in Perth and was one of Australia's first ISPs to offer TCP/ IP and PPP access and was the first Linux-based operations. By 1996, iiNet expanded to Adelaide and in the early 2000s was expanding nationally through key acquisitions and organic growth and became a national key competitor. Today, iiNet offers broadband, mobile phone service, television service and continually wins prestigious awards for quality and friendly customer service. iiNet's playful side has generated big waves of social media activity with silly and creative ideas like it's April fool's launch of Pet-Fi broadband access on pet collars, or its fun imagery and advertising which has made iiNet one of our BrandZ™ Top 40 brands.



PARENT COMPANY: Anheuser-Busch InBev Sa/NV **BRAND VALUE:** \$545 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Alcohol YEAR FORMED: 1854

Victoria Bitter (VB) lager was first brewed by head brewer Vincent Burkitt (aka VB) in the Victoria Brewery in 1854. In the 1960-s, the brand gained popularity stemming from its TV ad campaign drawing references from the hit film, "The Magnificent Seven" which featured imagery of working class Australians with voice-over by the famous Australian actor, John Meillon. Targeting a broad range of Australian hard-working consumers, the tagline "for a hard-earned thirst" is well-known and has broad appeal. Today, brewed by Carlton & United Breweries under the ownership of AB InBev, it is one of the best-selling beers in Australia. With its recognizable short neck stubby bottle, it is a favorite amongst hard-working Australians. Its recent ad campaign traces its roots, and showcases a nostalgic look at this iconic brand over the many years of advertising.

EnergyAustralia

PARENT COMPANY: CLP Holding Limited BRAND VALUE: \$542 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Energy YEAR FORMED: 1995

EnergyAustralia (EA) is one of Australia's leading energy retailers and is privately owned by Hong Kong's CLP Group. EA generates power through coal, natural gas, hydro-electric, solar energy, and wind and delivers it to more than 2.6 million customers. With its roots going back over 100 years, EnergyAustralia was owned by the New South Wales Government who in 2011 sold the brand and other energy assets to CLP/TRUenergy which at the time was the 5th largest electricity producer in Australia. Following the acquisition, TRUenergy changed its name to EnergyAustralia and since then, has concluded key acquisitions and investments bringing its asset portfolio to over \$AU5 billion. EA currently produces more than 5,000MW with an additional 1,000MW of renewables. EA's future plans includes retirement of its coal power plants and filling the energy gap with renewable sources connected to utility scale batteries (via Tesla) for quick and immediate distribution of power to its customers.

FRG

PARENT COMPANY: TPG Telecom Limited **BRAND VALUE:** \$534 Mil. HEADQUARTER CITY: North Ryde, NSW **INDUSTRY:** Telecom Providers YEAR FORMED: 1986

TPG formed from the merger of Total Peripherals Group and SP Telemedia (formed in 2008) and provides Internet access, networking OEM services, mobile phone service and accounting software. Before the merger, Total Peripherals had grown through key acquisitions of companies in different markets in Adelaide, Sydney and following the merger, changed its name to TPG. TPG has continued to make critical acquisitions resulting in TPG emerging as Australia's second largest ISP with a customer base of 671,000 broadband, 358,000 landline, and 360,000 mobile subscribers that also includes BrandZ[™] top 40's iiNet. In 2017, TPG generated about AU\$2.5 billion and nearly \$900 million in EBITDA, improved margins overall and growth driven by its consumer Data/ Internet businesses.

Harvey Norman



Gerry Harvey and Ian Norman, both door to door salesmen, launched their first electrical goods and appliance store in 1961. After bidding wars in the early 1980s, the company listed on the ASX in 1987 and in the early 1990s the company adopted a "superstore" format allowing it to enter the computer and furniture market which then later evolved into the household goods giant they are today. Following key acquisitions in the late 1990s and early 2000s, Harvey Norman expanded its store count to over 100 and today operates 280 owned and franchised stores in Australia, New Zealand, Europe and Southeast Asia. Generating over AU\$5.3 billion in revenues in 2016 with a net income of over AU\$349 million, the company employs 10,000 people in Australia alone. Their unique stores feature departments operated by independent management teams who lease and share revenues with Harvey Norman. This ensures that each department has the best salespeople all incentivized for success while delivering customer service. The company achieved icon status with strength in New South Wales, Victoria, and Queensland but also has strong presence in Western Australia.

JBHI·FI

PARENT COMPANY: JB Hi-Fi Limited **BRAND VALUE:** \$501 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Retail YEAR FORMED: 1974

JB Hi-Fi (JB), started in 1974 as a single store, was acquired in 1983 and over the next 17 years expanded to a chain of 10 stores generating over AU\$150 million by 2000. Initially dedicated to selling Hi-Fi equipment and vinyl music with the decline of vinyl and the emergence of CD's, it was the first company in Australia to dump old records and move exclusively to the new CD format. JB's innovative retailing strategy matching a cluttered retail floor with highly educated and trained personnel succeeded and after JB went public in 2003, the company diversified its product offerings into a broad range of electronics, including TV's, audio, gaming systems, cameras, musical equipment, and is the exclusive retailer for Dell in Australia. Today, JB Hi-Fi has 184 stores in Australia and another 15 in New Zealand. In 2016, JB successfully acquired The Good Guys warehouses making JB the largest electronics retailer in the country.



PARENT COMPANY: Suncorp Group Limited **BRAND VALUE:** \$483 Mil. **HEADQUARTER CITY:** Brisbane **INDUSTRY:** Insurance YEAR FORMED: 1970

Founded in 1970, AAMI started as an auto insurance provider competing with government and motor clubs, and has since diversified their insurance policy products into home, travel, life, small business and income protection. In 2007, AAMI joined the Suncorp Group and through its ingenious and humorous marketing campaigns has established its brand as Australia's premier and largest insurer, recognized throughout the world as a leader in product, service, innovation and digital experience. AAMI prides itself in delivering humanhuman contact with call center operators who answer immediately without frustrating menus and recordings. Their company tagline, "Lucky you're with AAMI" continues to be recognized since it was introduced in 1985, a testament to the longevity and recognition of the brand.



PARENT COMPANY: Insurance Australia Group Limited **BRAND VALUE:** \$473 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Insurance YEAR FORMED: 1903

The Royal Automobile Club of Victoria (RACV) offers a range of insurance products, some owned by its parent, IAG and marketing under the RACV brand, to 2.1 million members. RACV emphasizes its insurance products including business and home, travel, motor boats and marine, caravans, even classic and vintage cars. Originally called the Automobile Club, it received approval from King George V to add "Royal" to its name in 1916 and is currently a leading insurance provider in Victoria as well as the largest member organisation in the state. An active part of the local community, RACV support local programs through the RACV community foundation and their partner programs.



PARENT COMPANY: Bank of Queensland Limited **BRAND VALUE:** \$469 Mil. **HEADQUARTER CITY:** Newstead, Queensland **INDUSTRY:** Banks **YEAR FORMED:** 1874

The Bank of Queensland (BOQ), formed in 1874, is primarily a regional retail bank with over 190 branches, 3,447 money brokers, and nearly 3,000 ATMs across Australia. Competing against the "Big Four", BOQ offers competitive rates to consumers and small businesses through its Virgin Money Australia and BOQ Finance divisions, along with insurance products offered through its subsidiary, St. Andrews Insurance. With a franchise model, most of the BOQ branches are run by local "ownermanagers", which translates into strong personal relationships, supported by its BOQ Finance and BOQ Specialist divisions, and reinforced by the Company's tagline "IT'S POSSIBLE to LOVE A BANK". In 2017, the company delivered its historically best performance in income (AU\$1.1 billion), earnings (AU\$378 million up 5 percent) and profits (AU\$352 million up 4 percent), and market cap (AU\$4.9 billion up 23 percent), a testament to its strategy in building intimate long-term relationships in niche segments.



PARENT COMPANY: Woolworths Group Limited **BRAND VALUE:** \$445 Mil. **HEADQUARTER CITY:** Bella Vista, NSW **INDUSTRY:** Retail **YEAR FORMED:** 1964

Big W stores were developed by Woolworths to expand on its original variety stores to sell general merchandise in a dedicated one-stop shop. It's early close relationship with Woolworths supermarkets was reflected in its name. In 1989, the entities were separated and since then Big W has grown to 186 stories across NSW, Queensland, Victoria, and Western Australia with a handful of stores across other less populated Australian markets. One of Australia's iconic retail brands, Big W offers a strong selection of its own branded products in addition to international brands. Although its revenues topped AU\$3.5 billion, like many department stores, Big W has seen in-store numbers decline as it has shifted emphasis to its online portal. With general Australian consumer behavior often focused on price, Big W is striving to build customer loyalty to combat Kmart.



PARENT COMPANY: Bendigo and Adelaide Bank Limited **BRAND VALUE:** \$433 Mil. **HEADQUARTER CITY:** Bendigo, Victoria **INDUSTRY:** Banks **YEAR FORMED:** 1858

Bendigo Bank is primarily a retail bank, started in 1858 as a building society during the Victorian gold rush. Its philosophy of caring about people and focusing on values is inherent in its operations and acquisitions. The Bendigo brand is about "more than just money" as its tagline features the bank as "Bigger than a bank". Its history of mergers and acquisitions have led to its most recent in 2007 of Adelaide Bank. Bendigo now owns over 400 branches primarily in Victoria and Queensland. In response to a downturn in the economy and a large spate of bank closures in rural areas some years ago, Bendigo began its highly innovative Community Bank franchise program offering local ownership of a Bendigo branch. Today, with revenues of AU\$1.55 billion in 2016 and an operating income of AU\$415 million, Bendigo is a top 60 ASX listed company with over 90,000 shareholders supporting 1.5 million customers across 500 communities.

DAVID JONES

PARENT COMPANY:
Woolworths Holding Limited/South Africa
BRAND VALUE:
\$412 Mil.
HEADQUARTER CITY:
Richmond, Victoria
INDUSTRY:
Retail
YEAR FORMED:
1838

David Jones, launched in 1838 by Welshman David Jones, is the oldest department store chain in the world that is still using its original name. Throughout its nearly two centuries, David Jones has delivered high-fashion even during hard times bringing high couture and elegance to Australia. Reinforcing the store's fashion prowess and strength, in 1954 Queen Elizabeth II visited the Elizabeth Street store's restaurant at which a State Banquet was arranged. Following David Jones' success in bringing the Dior "New Look" to Australia in 1947, the company created its brand mark, one of Australia's most iconic, that was inspired by the houndstooth design of a Miss Dior perfume bottle. In the 1990s, the retailer launched its loyalty program and emerging as one of its most successful and profitable business units, the David Jones Card, aligned with Qantas and American Express, represented about half of the company's profits by 2014. David Jones was then taken over by Woolworths Holding Ltd (SA) in 2014 and today, its 45 stores feature modern, sleek, and technologically savvy visuals that continue to attract customers and should propel it well into its third century of operations.



PARENT COMPANY: Anheuser-Busch InBev SA/NV **BRAND VALUE:** \$410 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Alcohol YEAR FORMED: 1903

Carlton Dry is the more contemporary version of Carlton and differentiates itself as a low-carb beer. It is less bitter than regular lagers, and is brewed to be easy to drink and refreshing. Over the last few years the brand has successfully marketed to both male and female millennials, in particular because of its introduction of Carlton Dry Lime. In 2017, Carlton Dry launched the successful "Underthinker" campaign aimed towards reducing the stress of choice with emphasis on fun which has appealed to a broad audience. The brand's partnership with music festivals and promotions around fun, sportsrelated activities reinforce the brand's appeal to the younger Australian. It's inclusion in our Top 40 Australian brands is a testament to the power of differentiation and communication of purpose.



PARENT COMPANY: Restaurant Brands International Inc. **BRAND VALUE:** \$393 Mil. **HEADQUARTER CITY:** Sydney **INDUSTRY:** Fast Food **YEAR FORMED:** 1971

The sole Australian BrandZ[™] fast food brand ranked in our report, with over 390 locations across the country, Hungry Jack's is the exclusive franchise of Burger King Corporation (BK) and its second largest franchise in the world. The brand name itself was owned by BK's parent company, Pillsbury, as part of its US pancake product line but Hungry Jack's owner, Jack Cowin, decided to use the name because "Burger King" was already trademarked in Australia by a food shop in Adelaide. In the early 1990s when the trade name became available, Burger King opened its own franchise stores under the Burger King brand name, but eventually recognized the power of Hungry Jack's over the Burger King logo. The Hungry Jack's logo came into existence in 1996 and the slogan "The Burgers Are Better At Hungry Jack's" differentiated the brand, and its success led to its use for decades. Most recently, the popularity of the brand catapulted it to become the official sponsor for the National Basketball League in 2017. Though Hungry Jack's fast food market share at 10 percent is dwarfed by McDonald's (21 percent), Hungry Jack's is truly the David vs. Goliath and its iconic Australian success bolstered it into the BrandZ[™] Australia's top 40.

INIINRLAND



Liquorland is one of the country's largest alcohol stores. Since its acquisition by Coles in 1981, the company has grown its chain to over 700 stores across the country selling wines, beers, ciders, premixed drinks and other alcoholic beverages at highly attractive prices relative to the other larger competitors. Its private label sourcing from local wine-producers is exemplary, yielding highly prestigious wins at some of the best wine competitions in Australia over the last few years. Generally, Liquorland stores are located near Coles stores. However, in Queensland, due to regulation preventing liquor stores to be located near grocery/ supermarkets, it operates the Spirit Hotel chain of 89 hotels where it offers its broad range of products.



PARENT COMPANY: Anheuser Busch InBev SA/NV **BRAND VALUE:** \$343 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Alcohol YEAR FORMED: 1919

Crown Lager is one of Australia's most popular premium lagers produced from high-end ingredients. During the first half of the 20th century the limited production lager sold as Foster's Crown Lager and was specifically brewed for visiting dignitaries. When Queen Elizabeth II visited in 1954, the name was changed to Crown Lager to mark the occasion and the name has become synonymous with its premium and iconic status. Its distinctive bottle shape and design originated in 1910 still making it easily noticed in the growing crowd of competitive beers. It's 1996 cinema beer ad was widely considered one of the best beer commercials of all time, emphasizing the brand's elegance, and reinforcing the brand as one of the most popular premium lagers on the market.



PARENT COMPANY: Diageo PLC **BRAND VALUE:** \$340 Mil. **HEADQUARTER CITY:** Bundaberg, Queensland INDUSTRY: Alcohol **YEAR FORMED:** 1888

Bundaberg Rum, affectionately known as "Bundy", effectively started as a product from the waste molasses from sugar production. Because it was too costly to transport or convert to animal feed, the local sugar mills convened to form the Bundaberg Distilling Company. After an early history plagued by shutdowns resulting from production facility fires, Bundaberg Rum has been in continuous production since 1939. In 1961, the company selected a polar bear as its mascot, strange for a southern hemisphere company, but it was chosen to tell the story that Bundaberg Rum keeps you warm and wards off the chills. Initially, Bundaberg Rum began as a favorite of older male consumers. However, with product line expansions, new flavors winning domestic and international awards, and more sociable advertising, the brand has emerged as a iconic spirit attracting younger consumers.



PARENT COMPANY: Campbell Soup Company **BRAND VALUE:** \$316 Mil. **HEADQUARTER CITY:** Sydney **INDUSTRY:** Food & Dairy **YEAR FORMED:** 1865

Arnott's is the only food & dairy brand in our BrandZ[™] Australian top 40, and a testament to its iconic status, not a surprise for the millions of Australians who grew up on Arnott's. As the largest producer of biscuits in Australia and the second largest supplier of snack foods in the country (not to mention it is also one of the largest food companies in the Asia Pacific), it is owned by global giant, Campbell Soup Company since 1997. Campbell provided the company the resources to invest over AU \$400 million in facility improvements. In 2017, Arnott's revenues neared AU\$770 million with over 2.400 employees producing a wide assortment of biscuits and snacks, all produced in Australia using Australian sourced ingredients that help support suppliers throughout the country.



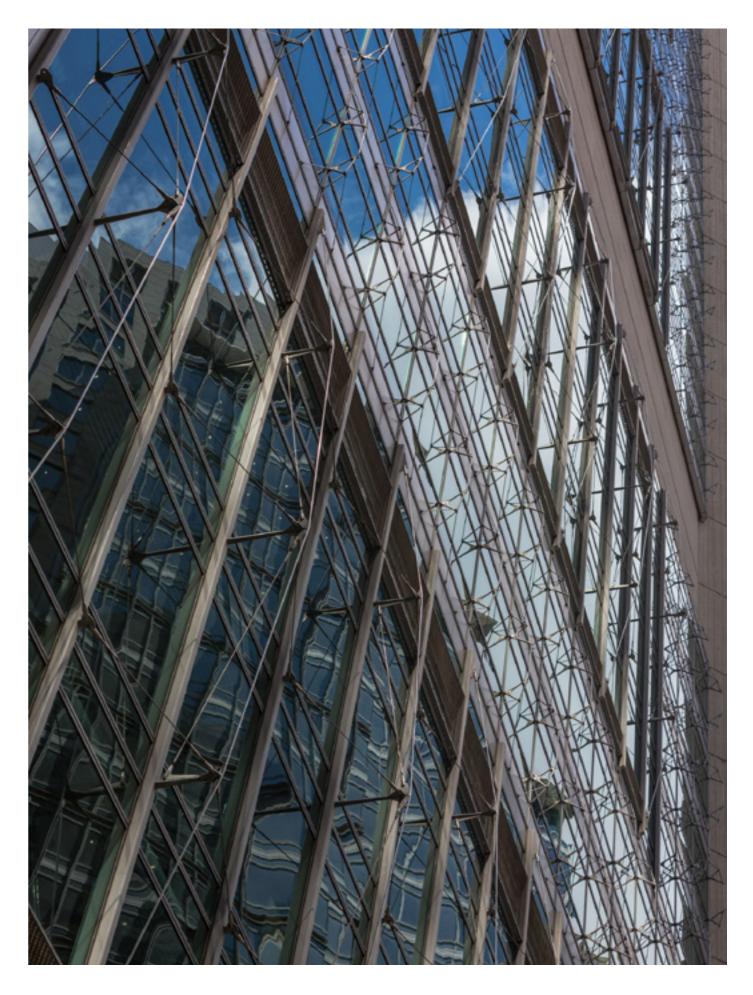
PARENT COMPANY: Woolworths Group Limited **BRAND VALUE:** \$281 Mil. **HEADQUARTER CITY:** Victoria INDUSTRY: Retail YEAR FORMED: 1952

Daniel Francis Murphy opened his first liquor store on Chapel Street, Prahran in 1952 and dedicated himself and his store to providing buyers with an easy and pleasurable buying experience. With deep family connections in Australia's wine industry, Daniel grew Dan Murphy's to five stores across Victoria and then sold the brand to Woolworths in 1998 to become a core part of its powerful Endeavour Drinks liquor store consortium. Since then, Dan Murphy's has become the largest chain of liquor stores in Australia with 227 stores operating across the country, with a projection of 6-10 new stores opening over the next 3-5 years. The appeal of Dan Murphy's lies in the brand's number of stores, competitive pricing and product range it offers to the Australian market, facilitated by the warehouse size of their physical stores. As proof of the brand's strength, in just three years it has also become the largest online alcohol distributor in Australia. The company has built a membership of over 2.4 million generating over 50 percent of the entire country's online liquor sales, with an astounding 25 percent growth in 2016.



PARENT COMPANY: Qantas Airways Limited **BRAND VALUE:** \$279 Mil. **HEADQUARTER CITY:** Melbourne **INDUSTRY:** Airlines YEAR FORMED: 2003

Jetstar is the "value-based" Qantas brand that was launched to counter Virgin Australia's threat in the early 2000s. With 8.5 percent market share of all inbound and outbound travelers, Jetstar operates a network with hubs throughout the country and as part of the Jetstar Group cross-markets to travelers through its sister companies, Jetstar Asia Airways, Jetstar Pacific Airlines, and Jetstar Japan. Its digital transformation has been exemplary. In 2011, the innovative Jetstar began offering iPads with preloaded content for in-flight entertainment, the first carrier to do so. Jetstar continues to invest in digital capabilities with "straight-to-gate" mobile check-ins and small business products that differentiate Jetstar from its competitors. With revenues of AU\$3.6 billion and operating income of \$417 million with the highest margins (11.6 percent) of any Australian airline in 2017, Jetstar makes our BrandZ[™] top 40 with financial and marketing success.





BRAND AUSTRALIA



BEST COUNTRIES



BEST COUNTRIES



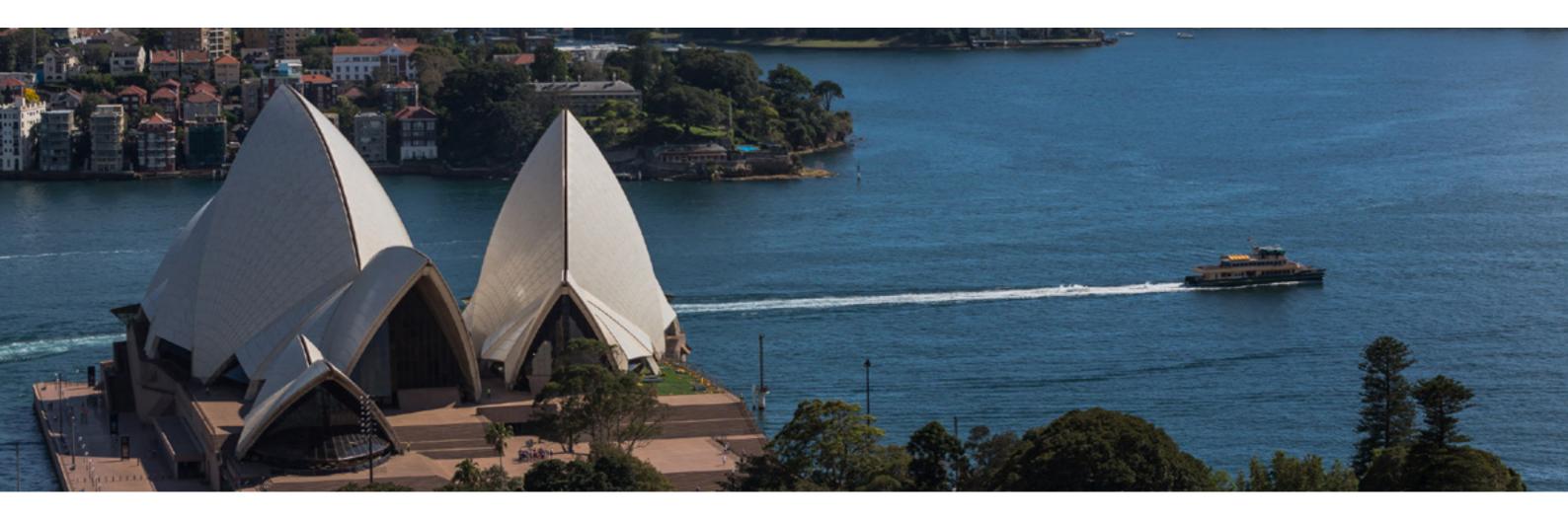
SPOTLIGHT ON AUSTRALIA

MEASURING **BEYOND INDIVIDUAL AUSTRALIAN BRANDS** ASSESSING THE STRENGTH OF BRAND AUSTRALIA ITSELF

The BrandAsset Valuator (BAV) is a study of consumer brand perceptions, measuring brands on imagery and equity dimensions in a category agnostic fashion. By understanding and exploring a brand against the broader dynamics of culture, BAV can uniquely provide insight into a brand's larger role in the evolving cultural marketplace and provide actionable insights that drive both brand growth, and the brand's impact on culture.

Developed by WPP's Y&R BAV Group in partnership with US News & World Report and the Wharton School, the annual Best Countries ranking was first launched in 2016 at the World Economic Forum's meeting in Davos, the world's largest gathering of global leaders and heads of industry and influence. It is now in its third wave.

BEST COUNTRIES



"IN THE 2018 BEST COUNTRIES RANKING, AUSTRALIA RANKED 7TH IN THE WORLD OUT OF 80 MAJOR MARKETS ACROSS ALL MEASURES. IT RANKED SECOND AS THE MOST DESIRABLE PLACE TO LIVE, SECOND IN FAMILY FRIENDLINESS AND MODERNITY, AND FIFTH IN QUALITY OF LIFE."

BAV has been collecting cultural ranks of brands for 24 years to date, having spoken to over 1.2 million consumers globally. In Australia, BAV has been tracking thousands of brands on the same 75 brand association, including 48 imagery dimensions, since 1993. The evolution of the brandscape in Australia has been meticulously measured and studied by BAV and reflects the culture of the times and consumer attitudes.

BAV's Best Countries ranking compares perceptions of countries around the world held by a broad spectrum of consumers. There is a close relationship between how people feel about a country, and their attitudes towards the brands they associate with that country. Strong countries fuel strong brands, and vice versa.

Australia has a high-profile presence on the world stage and is widely regarded positively across most categories. Although geographically isolated, it is

recognised for its economic stability and guality of life, even with the current crisis impacting its banking industry.

In the 2018 Best Countries Ranking, Australia ranked 7th in the world out of 80 major markets across all measures. It ranked second as the most desirable place to live, second in family friendliness and modernity, and fifth in quality of life.

Australia is seen as a highly desirable place to live, work, and raise a family. It is seen as a place of fairness, friendship, adventure, and equality.

How a country is viewed around the world is of huge importance to brands. The words "Made in ..." can instantly lend credibility and trust to a product or brand that a consumer hasn't previously encountered. That can be enough to convince someone to buy, and beyond that, convince them to pay a premium. Likewise, "Made in ..." can prove an instant turn-off if a consumer associates

the country of origin with poor safety standards, or sees it as being behind the times on social issues or workers' rights.

Opinions on Australia are influenced by the perception of its culture conveying a sense of adventure and humor. This gives Australia an opportunity to leverage its likeability around the world by building on its reputation.

The perceptions and performance of brands abroad feed back into the development of the country itself. Willingness to invest is closely linked to the strength of a country's brand, and as local brands and businesses succeed. they generate economic growth as well as lend further positive associations to their country's brand.

Australia is one of the few top-ranking markets to improve its position between 2016 and 2018 swapping up positions with the US, while other powerful nations, such as Germany, slipped.

THE VIRTUOUS **CYCLE WHICH EVERY BRAND HOPES FOR**

THE RELATIONSHIP BETWEEN COUNTRY BRANDS AND THE PRODUCTS AND SERVICES THOSE COUNTRIES PRODUCE IS COMPLEX AND CHANGES OVER TIME

When a country and its brands represent consistent qualities and values, they lend one another credibility, and there is a multiplier effect for both.

Think of France and Chanel; both represent elegance, glamour and prestige. Chanel is intrinsically French, and France is synonymous with Chanel. The same could be said for Germany and BMW, and perhaps the US and Levi's, or Japan and Sony. In each case, the brand

and the country are part of a virtuous cycle, a symbiotic relationship.

Brands can both shape and be shaped by perceptions of their country of origin. Japan in the 1970s was known as a cheap manufacturing base, but is now respected as a world leader for quality electronics and technology thanks largely to brands like Sony and Toyota. South Korea has taken a similar path, with Samsung and Hyundai demonstrating to the world what modern South Korea can deliver and created a halo effect improving consumer attitudes in international markets to favor other Korean brands.

In a relatively short time, China has shifted perceptions from being seen as the world's high-volume but dangerous toy factory, to a powerhouse of entrepreneurship and innovation, particularly in digital technology. This is partly because of government strategy and a rebalancing of the Chinese economy, but also due to the ambassadorial role of some of China's leading export brands, such as Haier, Huawei and Alibaba

Australia's quality of life is a big factor that attracts Europeans, Asians and Americans. The fairness and passion for life that Australia exhibits can be seen in its people and its brands. Australia is seen as humorous, adventurous, and fun.





HOW TO MEASURE A COUNTRY

THE BEST COUNTRIES RANKING INCORPORATES THE VIEWS OF MORE THAN 21,000 INDIVIDUALS SURVEYED IN 36 COUNTRIES IN FOUR REGIONS: THE AMERICAS, ASIA, EUROPE, AND THE MIDDLE EAST AND AFRICA

STATE OF A NATION -THE 8 ELEMENTS OF A COUNTRY'S BRAND





ADVENTURE

A country is seen as friendly, fun, has a pleasant climate, and is scenic or sexy.

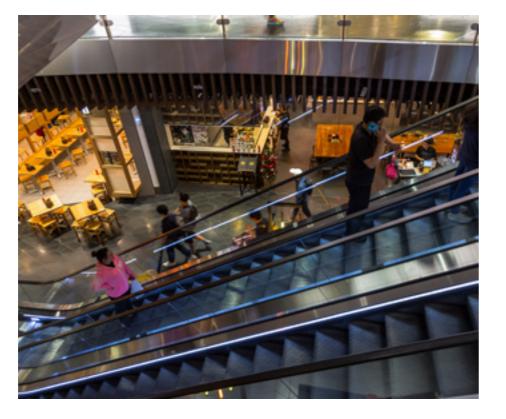
CITIZENSHIP It cares about human rights, the environment, gender equality, is progressive, has religious freedom, respects property rights, is trustworthy, and political

power is well distributed.

These people include a high proportion of "informed elites" college-educated people who keep up with current affairs along with business decision makers and members of the general public.

Respondents are asked about the 80 countries that feature in the 2018 ranking; between them, these countries account for about 95 percent of global Gross Domestic Product and represent more than 80 percent of the world's population.

People surveyed for Best Countries are asked how closely they associate 65 attributes with a range of countries. These attributes are then grouped into eight categories that are used to calculate the Best Countries ranking:





HERITAGE

The country is culturally accessible, has a rich history, has great food, and many cultural attractions.



OPEN FOR BUSINESS

Manufacturing is inexpensive, there's a lack of corruption, the country has a favorable tax environment, and transparent government practices.



CULTURAL INFLUENCE

It is culturally significant in terms of entertainment, its people are fashionable and happy, it has an influential culture, is modern, prestigious and trendy.



ENTREPRENEURSHIP

It is connected to the rest of the world, has an educated population, is entrepreneurial, innovative, and provides easy access to capital There is a skilled labor force, technological expertise, transparent business practices, well-developed infrastructure, and a welldeveloped legal framework.



POWER

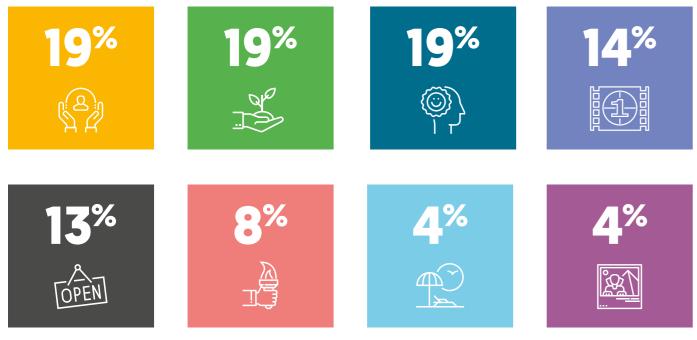
It is a leader, is economically and politically influential, has strong international alliances and a strong military.



QUALITY OF LIFE

There's a good job market, affordable living costs, it's economically and politically stable, family-friendly, safe, has good income equality and well-developed public education and health systems.

EACH OF THE EIGHT MEASURES IS GIVEN A WEIGHTING IN ITS CONTRIBUTION TO THE TOTAL SCORE FOR EACH COUNTRY, AS FOLLOWS:

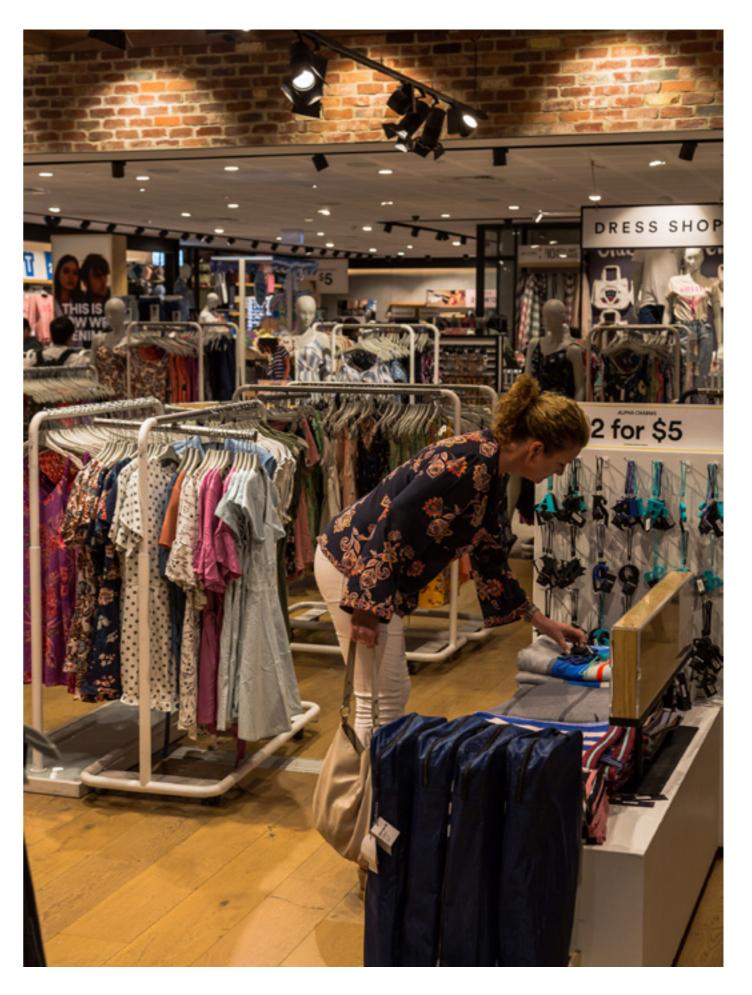


● CITIZENSHIP ● ENTREPRENEURSHIP ● QUALITY OF LIFE ● CULTURAL INFLUENCE ● OPEN FOR BUSINESS ● POWER ● ADVENTURE ● HERITAGE

The weight of each category in the final index is determined by the strength of its correlation to per capita GDP (at purchasing power parity]. As seen in the nearby chart, a nation focused on providing great quality of life for its people, which cares about rights and equality, and has a focus on entrepreneurship, is seen as having the most powerful nation brand. This reflects how the world has changed; no longer is it just tanks and banks that give a country influence around the world. Hard power is making way for softer power that comes about as a result of entrepreneurship and cultural exports.

In addition to the eight categories above, a momentum metric called "Movers" represents 10 percent of the index, measuring how different, distinctive, dynamic and unique a country is seen to be.

To see the full Best Countries methodology, visit: https://www.usnews.com/news/bestcountries/articles/methodology



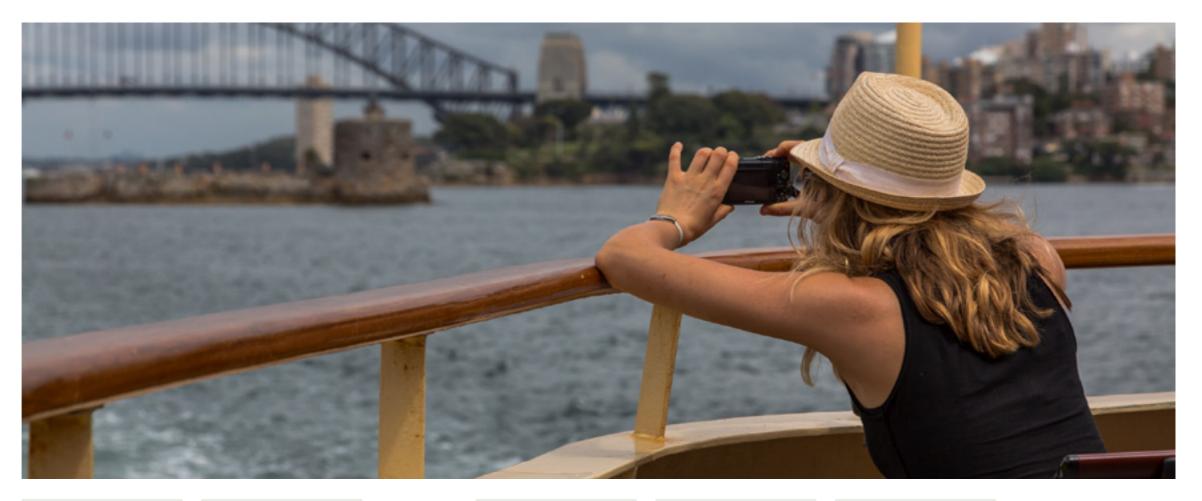
THE **BEST OF THE BEST**

AUSTRALIA'S 2018 OVERALL RANK ROSE TO 7TH FROM 8TH, OVERTAKING THE US

It's quality of life, citizenship and cultural influences are all key elements in Australia's placement among the world's best countries.

All of the other countries in the top five also score highly across all of these measures. Canada is especially strong on the citizenship measure.

Germany has a similar Best Countries profile to the UK, though Germany is stronger on entrepreneurship and is seen as offering a better quality of life. Japan's greatest strength is also entrepreneurship, but it also scores highly across all the other measures.







Ranking out of 80 countries.

A CLOSER LOOK AT BRAND **AUSTRALIA**



STATE OF A NATION -

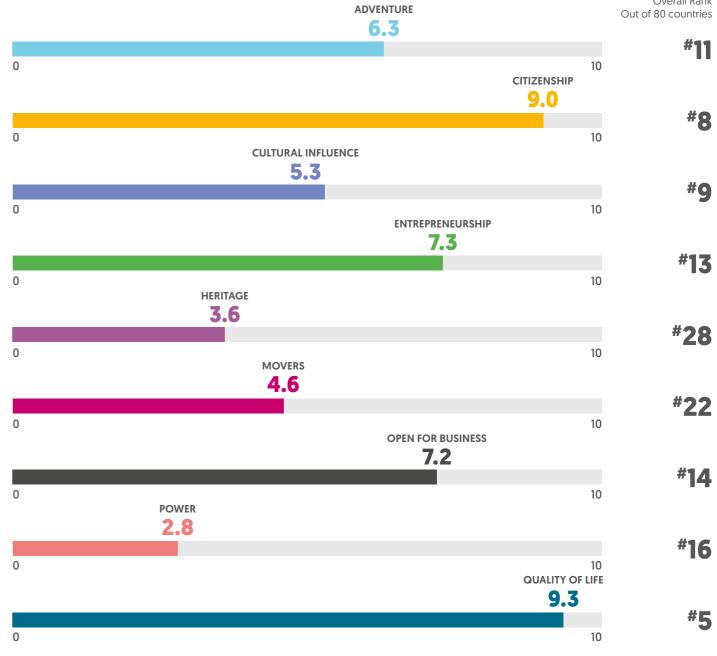
AUSTRALIA

NOTWITHSTANDING THE RECENT NEWS AND THE ROYAL COMMISSION INTO AUSTRALIA'S BANKING IRREGULARITIES, AUSTRALIA IS RANKED #1 IN THE WORLD IN BEING SEEN AS ECONOMICALLY STABLE AND 3RD OVERALL IN TERMS OF ITS JOB MARKET

Australia's reputation as a happy, friendly, and modern nation makes it the second best country on Earth in which people wish to reside.

Australia's strong banking sector, measured in the BAV rankings as "Power", places it 16th in the world. Australia's Quality of Life and Citizenship scores (which makes up nearly 35% of the overall rank weighting) is particularly strong.





Overall Rank

Ranking out of 80 countries.

transparent.

KEEPING UP WITH THE **NEIGHBORS**

AUSTRALIA'S RANK IN THE TOP 10 RELIES HEAVILY ON SOCIAL FACTORS THAT AFFECT HOW WE LIVE

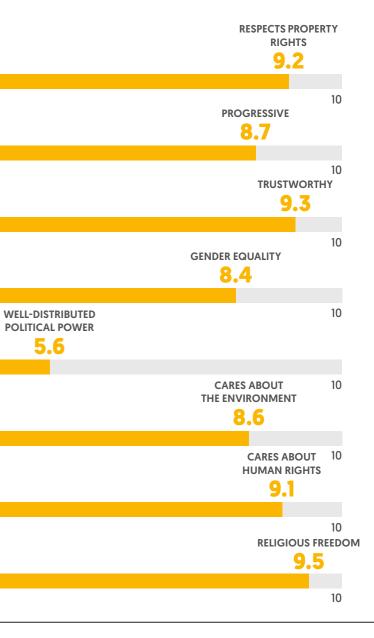


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Australia strong Citizenship ranking is driven by its religious freedom, equality, and progressive attitudes on environmental and social issues. However, there is room to grow on traits associated with business readiness and affordability. Despite Australia ranking 3rd as "A Good Job Market". It ranked 30th in Favorable Tax Environment, 60th out of 80 countries in affordability, and 77th in Cheap Manufacturing Costs.



Ranking out of 80 countries.



CHALLENGES **FOR AUSTRALIAN** BRANDS

BRANDS CAN USE THEIR COUNTRY OF ORIGIN TO GREATEST EFFECT WHEN THEY ALIGN WITH VALUES AND POSITIVE ATTRIBUTES ALREADY ASSOCIATED WITH THAT COUNTRY

This often means walking a fine line between using accepted wisdom to benefit a brand, and perpetuating stereotypes.

Striking the right balance is a matter for each brand, and will depend on the brand's category and the market in which it competes. For some brands, the reputation of their country will help fill gaps in what consumers know about an individual brand.

THE FOLLOWING RULES OF THUMB **APPLY TO MOST BRANDS**

- > Australia is best known outside the country for its cultural mix of humor and adventure. Brands that reflect the irreverent humor, instilling a sense of adventure and fun will feel authentic to consumers around the world. Avoid stereotypes and focus on why Australians love their country, the strong sense of mateship and social interconnectedness.
- > International consumers do not see the Australia as a particularly affordable market, but the country is viewed as both stable and trustworthy. Despite disadvantages in high cost of living and affordability, Australia is seen as economically stable with an attractive job market. The balance of

cost versus quality of life reflects the unique Australian way of balancing finances and fun.

- > Innovation and technology expertise is not strongly associated with Australia. Throughout the world, desire for the latest gadgets and apps are driving cultural change. Australia has withstood competitive threats in the past, but speed of technological change presents a threat that can only be met through a focus on innovation.
- > Australia is seen as a progressive leader on social and environmental issues. Leadership in business, political, and social spheres can be further developed to promote Brand Australia along with its constituent brands.
- > The powerful associations that Australia has with mateship, equality, and trust - can be used to raise consumers' expectations of inclusion, enjoyment, and loyalty.

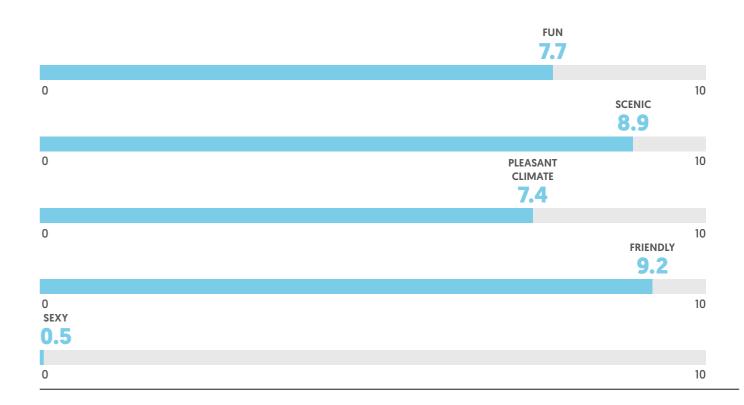
AMBASSADOR BRANDS

People believe what they do about a country because they gradually accumulate information that either reinforces or challenges what they think. Experience with brands can also deliver information about country origins; leading brands don't just represent themselves, they represent their country.

A country's national airlines are frequently the first brands that people will encounter from outside countries,

and Qantas Airlines and Jetstar are two that embody what their home country has come to represent to their global consumers. In addition to its global base, Qantas is also the preferred airline of Australians as they travel globally, a phenomenon that gualifies it as a true Ambassador brand.





Australia's spirit of adventure, fun and togetherness are deeply embedded in the DNA of companies like Foster's Beer and Bundaberg, while up-andcoming companies like Billabong delivers cheeky fashion to beach culture across the world.

CULTURAL RANKING

SUPERIOR SERVICE CULTURE MAKES HIGH-TECH "JUMBLE SALE STORE" A WINNER

BAV'S "CULTURAL RANKINGS" TOOL CAPTURES A SNAPSHOT OF CONSUMER MINDSET AND MARKET CONDITIONS MEASURING KEY BRAND DIMENSIONS THAT MATTER, FROM TRUST TO INNOVATION TO SOCIAL RESPONSIBILITY

When combined with other market-specific brand associations, the tool helps contextualize a brand's cultural role, guiding marketplace positioning.

Brands rated as high quality tend to have higher advocacy, pricing power, and respect in the marketplace. Quality is an expectation for strong brands, and it's a trait that consumers have come to expect from iconic products like Arnott's biscuits or Qantas airlines, both strong ambassador brands for Australia.

But quality has no impact on Brand Strength which is the top indicator of growth potential and momentum in BAV. Brands that have been able to sustain success embody the quality

associated with Australia, particularly those conveying a sense of adventure. A top indicator of strength is the "Daring" attribute, which has a unique meaning in Australia compared to other markets. Daring is related to Fun and Progressive in Australia, rather than perceptions of risk or unapproachability. As a result, brands that can deliver on Quality while maintaining Daring perceptions are wellloved. Compared to their peers, Daring brands earn 85% higher top preference, are perceived as 115% trendier, and are named 'Best Brand' 158% more often than the rest of the brandscape.

Two brands in particular have captured attention for their ability to deliver both quality and daring: JB HiFi and Boost Juice.

JB Hi-Fi was established in 1974 by Mr. John Barbuto (JB). He had one simple philosophy: to deliver a specialist range of Hi-Fi and recorded music at Australia's lowest prices. In October 2003, JB Hi-Fi was floated on the Australian Stock Exchange. Now, maintaining Barbuto's original philosophy, JB is one of Australasia's fastest growing and largest retailers of home entertainment. It sells a lot of high-end electronics equipment. Yet JB defies logic. It looks like a jumble sale.

They have albums, videogames, and DVDs all over the place, combined with specific areas for individual brands within store. Store pathways are narrow, and the typeface used looks like its been done in felt pen. The catalogues look like they have been cut and pasted by school kids, and when they occasionally go on TV, their ads are just rushed shouting of promotional offers. It employs lots of young kids, but they seem to almost always know their stuff pretty well. Managers in the past have been known to describe the store in the following affectionate terms: 'We are like a family-run Fruit & Vegetable store that employs punks'. Those punks are exceptionally well trained. The company knows that many consumers conduct a lot of online research before they come into the store, so they know their employees have to be exceptionally well trained. Hence there is a very strong service-driven culture. This chaos is clearly at odds with the premium nature of the products, but it is the juxtaposition between the two that make JB Hi-Fi's daring approach to retail a win.

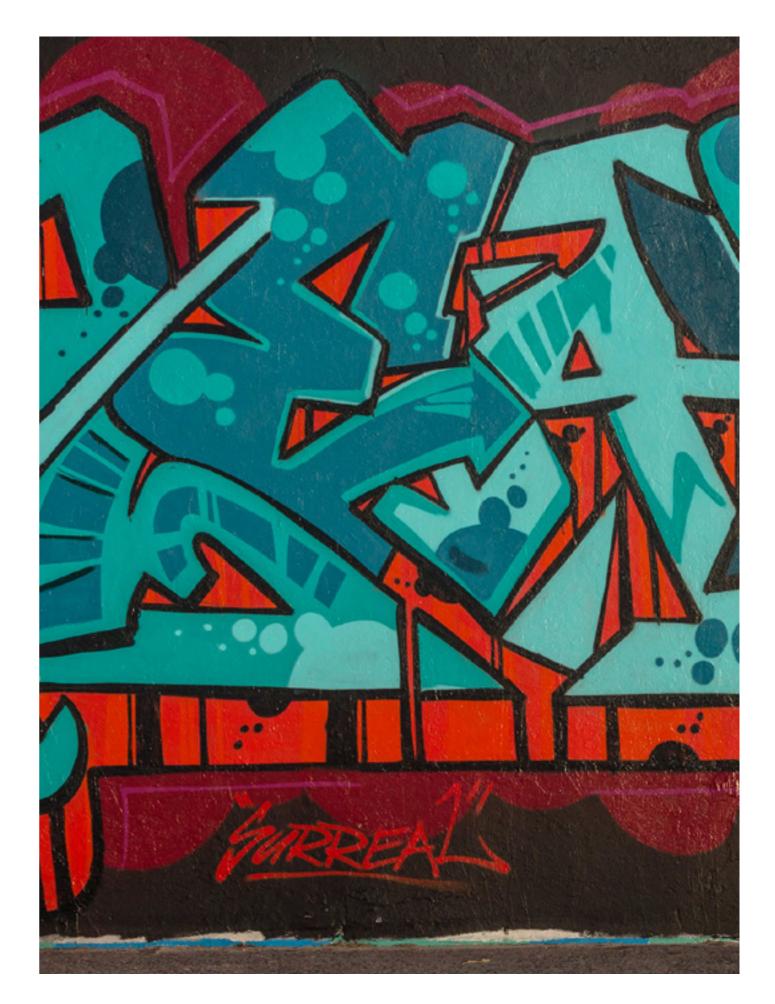
JBH-FI

CASE STUDY



Taking risks is in Boost Juice's DNA; founder Janine Allis started the juice bar from her own kitchen after feeling uninspired by existing fast food options. Beginning with no business experience, and as a mother of young children, Allis had a vision of a lifestyle-led brand with a commitment to fresh and natural ingredients. It was a daring move; even banks were hesitant to fund the venture and Allis raised funds through friends. But one shop quickly turned into over 500 locations worldwide, and Boost Juice continues to be one of the most iconic Australian brands today.

Despite huge expansion, the brand hasn't lost its original daring spirit. Boost Juice engages its fans with silly content filled with puns and culturally relevant jokes, like Bitcointhemed sweepstakes. Quick service food often touts its functional benefits – cheap, fast, convenient – but Boost Juice lets the product and service speak for itself while letting the brand's vision shine. This approach adds dimension to Boost Juice's brand positioning, and proves that brands can be daring without sacrificing an image of quality.



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BRAND BUILDING BEST PRACTICES

TAX, PRICE PRESSURE & COMPETITION

AUSTRALIA TAXAPRICE PRESSURE AND COMPETION

CONSUMERS IN AUSTRALIA ARE EXTREMELY COST CONSCIOUS AND THERE ARE MANY FACTORS THAT PLACE PRESSURES ON PRICING STRUCTURES IN THIS MARKET.



JARROD PAYNE Brand Strategy Head Kantar Millward Brown Jarrod.Payne@kantarmillwardbrown.com

Australia tax, the unique phenomenon that leads to higher prices for goods and services than would be expected from a simple currency conversion, is the bugbear of Australian consumers.

In some cases, the difference in pricing, like an extra 1.47 percent on a MacBook Air, is relatively minor, but consumers will pay an extra 50.47 percent on a pair of Levi's. Now factor in declining wage growth over the last 10 years, down from 4 percent in 2007 to 1.8 percent in 2017, and a 40 percent increase in house prices from 2011 to 2016, and brands are sitting on a powder keg of potential price backlash. It's not surprising that Australian consumers across 80 percent of the BrandZ[™] categories report an increase in price based, decision making over the last 10 years.

The competitive environment in Australia is ripe for disruptive price plays from both global giants and local start-ups. A great example is the recent launch of Amazon in Australia. The online giant stirred the Australian imagination with its recent launch promising 30 percent lower prices. Google search trends show that Amazon search volume last November and December easily beat out competitors and overshadowed major local events like the Ashes, and the ever-popular news about Donald Trump. Despite the recency of the Australian launch, Amazon already shows strong differentiation with consumers thinking that their influence on the market will grow in the coming years. In grocery stores, Aldi's low-price strategy has helped them grow market share from 5.5 percent in 2007 to 13.2 percent in 2017.

KANTAR MILWARDBROWN

Other discount retailers like Lidl and Kaufland are likely to enter the market soon to capitalise on the nascent promise that the market will support their lowcost solutions. One doesn't have to look hard for examples in other categories, especially in grudge purchase categories like financial services, in which ING, Youi and Budget Direct have shown strong performances over the last few years.

For brand owners it may feel like the only answer to keep afloat and increase short term sales is to drop prices dramatically. Using price promotion leads to a focus on short term wins instead of longterm gains, ultimately leading brands to undermine their own long-term profit margins. The reality is that over the long term, brands with strong media investment and brand building strategies have fared better than those that have simply cut prices.

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TAX, PRICE PRESSURE & COMPETITION

NEGATIVE BRAND SIGNALS FROM PRICE CUTTING

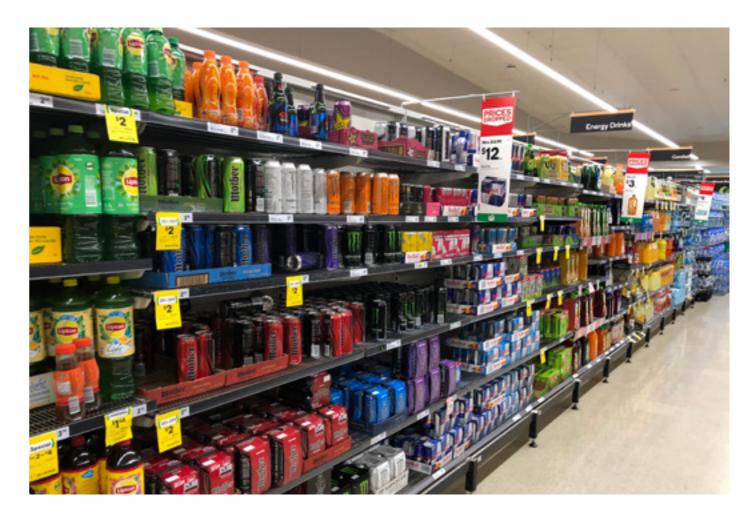


Discounting can create a disconfirmation between pricing expectation and reality. Consumers may ask, "Why is this so inexpensive?", raising questions about the brand's quality or even the health of the business.



Consistent price discounting decreases base line price expectations making it harder to get back to original pricing levels: "There is no way I am paying \$20 dollars for this, it was only \$15 last week".

Discounting frequently teaches people to buy and hoard only with special offers: "I'll just wait until next week when this will be \$5 cheaper and buy it then".



These signals create a cycle of discounting to generate sales, which in turn decreases base sales, triggering further discounts to produce sales. This begins a vicious cycle and a race towards brand failure. This situation is further exacerbated when competitors also discount their products in response as this creates commoditised categories in which price overtakes Brand as the major buying factor. These commoditised categories then necessitate even deeper discounts and a declining response to price promotions. The result is an erosion of the brand's ability to charge the premium necessary for sustainability.

The alternative to this discounting dilemma is to focus on growing baseline sales by increasing the number of people who want to buy the brand at regular prices. The secret is to focus on what the brand means to consumers rather than its cost. This is borne out in the 10-year period of Australian BrandZ™ data from 2007 to 2017, brands that focused on brand building and media spending during this period of increasing price sensitivity are the ones that grew and sustained that growth.

Brands that demonstrated growth in each category were more likely to be seen as more expensive rather than cheaper. Look no further than the Top 10 Australian brands in this report for examples of this. Combined, they represent a total value of more than \$78 billion USD and they are a testament to the fact that the only proven way to grow sales in the long term is through building strong brands supported by effective marketing.

THE CASE FOR PURPOSE-DRVEN MARKETING AUSTRALIA



ALLAN DIB ANZ Director, Planning and Insights Allan.Dib@ppr.com.au

I believe there are great opportunities for brand growth with Purpose Dri-ven Marketing. Compared to other countries around the world. Australian companies and brands have been slow to launch Purpose-Driven Marketing. Based on interviews with agencies and marketing managers I believe the reluctance is twofold: confusion as to what Purpose-Driven marketing actually is, and scepticism about the return on investment.

WHAT IS PURPOSE-DRIVEN **MARKETING?**

Purpose-driven marketing is a way for a company or brand to build strong emotional bonds with a target audience. Purpose driven marketing is based on the intersection of a company or brand's strengths, ideals and brand promise and the target market's passions, needs and interests. Executed properly, purpose marketing can have a significant impact on brand equity, but done wrong and you will need a crisis plan (just ask Pepsi and Kendall Jenner).

It's also important to know what purpose driven marketing isn't! It is not supporting a cause. Supporting a cause can be part of a purpose-driven marketing campaign, but alone it is just

supporting a cause; just like how a TV commercial is not a brand. Supporting causes that don't ladder back to the brand's purpose can come across as disingenuous. We saw this a lot during the recent Marriage Equality in Australia when companies only got involved when it was clear that the Yes Campaign was going to win.

Purpose-driven marketing is not trend or fad. It is no longer the 4 Ps it is another P and should be part of every planning process. This is an approach that is responding to a societal need. A recent study by Colmar Brunton explains why purpose driven marketing is important to Australians - "authenticity has never been more important to Australians than it is today but culturally we are still looking for a hero to make things better."

PURPOSE DRIVEN MARKETING

BUILDING A CAMPAIGN

It is important for marketers and agencies to put in the effort to truly understand both the brand/company and the target market. Without doing the work upfront marketers will not be able to identify shared interests. In this process, it is important to understand the audience not as a customer or a stakeholder but as a human. This approach to marketing is about forming strong emotional bonds that extend beyond the category.

For a purpose-driven marketing campaign to be credible, marketers must first think about the brand's purpose and how it can contribute to society. Once the purpose-driven campaign is developed it is important to carefully examine the internal environment to determine if it is a good fit for the organisation, ensuring senior leaders are on board and the idea is economically sustainable.

Once there is agreement on the purpose-driven approach it is important

to get feedback from the target market. Will they see the benefits as an asset? Is the brand relevant to their purchase decision?

When getting feedback marketers must make sure to look for nuisances across the country. While buying behaviour might not be different across the country. people's attitudes and passion points will be different. These differences might require modifications on how brands bring purpose to people's lives.

WHAT WORKS?

Focus on "what you are doing" not the "why"

Purpose-driven marketing has evolved from the days of just raising awareness of an issue (Dove Real Beauty) to campaigns that are showing what they are doing to help with a societal issue.

A good example of this is Nestlè Healthy Active Kids.

THE ROI OF PURPOSE-DRIVEN MARKETING IS FAR REACHING

Purpose-driven marketing done right stimulates greater engagement both with brands and employees, and drives sales, which collectively builds brands.

Engagement

A recent study by Pixability compared ads on YouTube that were purpose-driven to adds that were not purpose driven and found "that not only do purpose-driven ads garner more views, they also drive more results in the form of engagement rate."

Brand Building

Purpose-driven marketing have significance on brands making them more relevant to consumers, build consumer trust and overall builds the relationship between the consumer and the brand.

Sales Driver

There are many studies that have shown consumers claiming they will pay more or buy brands from brands that are driven by purpose. Unilever has quantified the impact of purpose driven marketing to their business. Its brands that have rallied behind purpose driven marketing are growing more than 50 percent faster than the rest of the business and accounting for 60 percent of growth in 2016.

Staff Morale

An effective purpose driven company is built on a strong company/brand purpose. A survey from Deloitte found 73 percent of employees who say they work at a "purpose-driven" company are engaged, compared to just 23 percent of those who don't.

> The basics of marketing will continue to remain important (great products at the right price, relevant positioning, stand out packaging, excellent service etc.). But in an increasingly cluttered world, purpose driven marketing will be an important method for Australian companies and brands to build stronger bonds with their audience.



Brands and companies will build stronger credibility with their audience when they tailor their focus on what they are trying to do. Be specific on makes it real, which is then easier to monitor and prove impact.

A good example is Masterfood's campaign to encourage families to have dinner together.

Strong purposedriven marketing is WE based

We know Australians are looking for ways to personally get involved in societal issues. Where possible giving people a chance to get involved.

A good example of this is Subway's recent work Foodbank to feed the hungry.

TOWARDS NEGLIGIBLE BRAND VALUE

CLOSING THE RELENTLESS **DECLINE OF** DATA-POOR TA BRANDS

WHAT DO THE MOST VALUABLE BRANDS IN THE WORLD HAVE IN COMMON WITH THOSE IN AUSTRALIA?



ROB PARDINI Chief Data Scientist WPP AUNZ Rob.Pardini@wppaunz.com

At first glance it would seem very little. Technology companies dominate the top-end of the global list. At the start of the century, companies like Facebook didn't exist or others, like Google, were still considered innovative start-ups.

In contrast, banks and telecom providers are prevalent down under. Australia's largest bank, Commonwealth Bank, and biggest telecom provider, Telstra, are both former state-owned enterprises. Telstra's roots can be traced to the mid-1970s, whilst Commonwealth Bank is more than a century old.

Despite the all too apparent differences, the most valuable global brands tend to have one key point in common with their local counterparts; the companies behind them capture vast amounts of personal data. A decade ago, consumer goods and automotive brands featured far more prominently at the top-end of the list of the most valuable global brands. The decline of many of these brands has been protracted and pronounced.

This raises the question: are brands that don't capture consumer data at scale destined to slide further and further down the list? The answer is almost certainly yes. As hyper-personalization progressively takes over from mass marketing, companies that don't collect personal data at scale will face a severe competitive disadvantage when it comes to building brand relevance, and therefore brand value.

Psychographic and purchase history data is the fuel for creating personalized communications. Whilst marketing automation currently tends to be focused on tactical and offer-oriented communications, Artificial Intelligence (AI) will transform this over the next decade. Al-curated branded content will be tailored to resonate with individuals based on deep profiling of their interests and preferences, as will recommendations from voiceactivated virtual assistants. Sequenced, personalized branded-content will progressively build affinity and preference, driving long run growth in brand value for the companies with high caliber consumer data assets.



Where does this leave brands that don't collect large amounts of personal data, particularly consumer goods companies that face the added challenge of a highly concentrated retail environment in Australia? An obvious response is for producers of branded goods to prioritize developing direct-to-consumer sales models, such as e-commerce channels. In addition to facilitating consumerlevel data capture at scale, this would reduce reliance on their traditional sales avenues. However, successfully developing DTC channels without provoking a backlash from grocery retailers is a challenge few consumer goods businesses are likely to pull off.

Consumer goods brands are by nomeans the only brands threatened by data deficiency. The most successful automotive brands of the last half century, which were once amongst the most valuable brands globally, now face disruption from electric and driverless technology in addition to the challenge that they only capture relatively smallscale consumer data. The consequence is that they, like many other prominent but data-poor brands, are on a slipperv and inexorable trajectory down the brand value rankings, destined to be replaced progressively by those with the deepest and highest quality data assets.

PERSONALIZATION

HOW DO MASSIVENCHY BRANDS **COMPETE?**

PERSONALIZATION IS A TOPIC THE MARKETING WORLD HAS BEEN OBSESSING OVER FOR QUITE SOME TIME.



ANNA STOYANOVA VP. Head of Product, Australia & NZ Essence Anna.Stoyanova@essenceglobal.com

Yet, it still seems unattainable for a number of brands. We've gotten to the point where many marketers would prefer not to talk about it because of its perceived level of difficulty. It is particularly challenging for brands of scale.

However, there are small things brands of all sizes can start doing to improve the experience consumers are having with their brands and these little things, ultimately, over time, will ladder-up to a more personal, involved, and relevant experience with that brand.

But before we look how that can work, it's worth defining what makes a mass brand in today's market. Mass brands are brands that are relevant to everyone in some shape or form or, alternatively, brands that can add value for everyone.



While there are many brands that have the opportunity and scope to become mass brands and to be relevant to everybody, there are few that truly are. Too often they are constrained by their own definition of a target audience or have no desire to reimagine their products in a different way.

Most people need electricity, the internet, petrol or groceries. There's no disputing that these are mass products. But while the product itself is mass, how specific brands go to market can lead to the loss of this mass status as the brand attempts to be relevant and personal.

THE LAYERS OF PERSONALIZATION

APPLYING PERSONALIZATION

So how could this work for other mass brands? The opportunities are vast. Take the example of a petrol brand. Could the brand, for example, be aware that you need to fill up your tank three times a week or that you travel an average number of kilometers? If so. the brand could send you a notification ahead of your next refill with details of the nearest petrol station and a discount voucher. That's an example of how a brand could improve how people interact with its products at the times when they need them.

Of course, it's no mean feat to pull off something that sophisticated and the complexity of such an approach is often enough to deter marketers of mass brands from exploring more personalized marketing.

But instead of thinking that big, start small. Break it down into more sizeable chunks starting with things you can do

straight away, things that you need to plan for a little bit and start doing in the next six months and things that will take longer because of the business infrastructure.

Personalization does seem like a daunting task, particularly for mass brands. It seems complicated because often it is and it likely requires bringing other teams in the organization onboard because things like data management are not necessarily within your remit. If you want to use personalization to compete, the whole organization needs to commit to it.

If we keep talking about personalization as something we will do when we're 100 percent ready, it will probably never happen. It's about taking a risk, trialing a few things and trialing and building on that and that's something brands of all sizes are capable of.

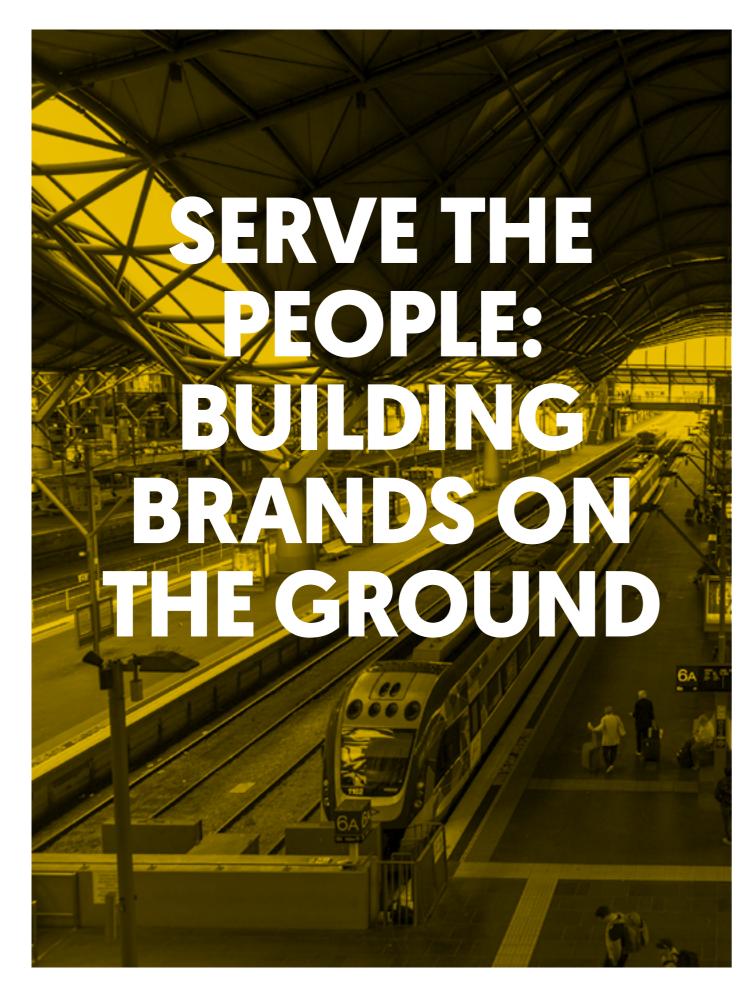
The first is the product itself. Can it be relevant to everyone or does it need to take different shapes and forms?

The next layer is the marketing of that product. Do the communications need to be tailored to every consumer in bringing to life the promise of personal relevance? Marketing alone cannot deliver true personalization, no matter how big or small the brand is. It can only deliver the promise that may or may not be fulfilled by the product. Take the example of Coca-Cola's 2011 'Share a Coke' campaign which saw the brand put people's names on cans and bottles. The fact that there were names on the labels doesn't mean that the product was personal.

Still, it's a step in the right direction and it is part of a movement started by another mass brand. In 2005, Starbucks chains in the USA started asking people for their names and writing them on coffee cups. The tactic created a permanent change in how businesses service clients.

But it wasn't a Cannes Lionwinning marketing campaign, it was personalization through the customer experience. This is the third link in the personalization chain: the product, the marketing and the service all need to come together. Any one of these can start a personalization journey for a brand. And the brands that are the most successful are the ones that can deliver consistently across all three.

SERVE THE PEOPLE





BRIAN WALKER-CATCHPOLE

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On December 13th, 2017 Newtowner marked the fifth anniversary of the launch of the flagship Australian Pale Ale, Young Henrys. Feted more like a brand than a brewery, 150 friends, fans and family members gathered to celebrate in the beer garden of Newtown's Courthouse Hotel, home of the last honest schooner in Sydney.

founders, described Newtowner as "the beer we wanted everyone in our community to enjoy, whether it was being thrown back at a gig or sipped slowly in a beer garden."

From 2011-2016 the broader beer category took a battering. Beer consumption declined each year since 2011¹ and the fall has only recently started to reverse. Craft beer, while only 9 percent of the category overall, has consistently bucked this trend², with

ABS: Apparent Consumption of Alcohol, Australia, 2015-2016 Euromonitor: Beer in Australia, 2016 https://www.gabsfestival.com/h100-2017-aus-main-lisi

KANTAR TNS.

brands like Young Henrys leading the revival by providing new and interesting beers for increasingly picky drinkers.

As a leading brand in the craft beer category (Newtowner is ranked fourth on the GABS hottest 100 craft beers of 2017³], it's worth considering what Young Henrys has done on the ground to drive this growth (beyond having an excellent product) and especially how it has developed and maintained a reputation for authenticity.

Their strategy of delivering brand experience through events and direct contact with their market is an approach that might be well emulated by other brands looking to differentiate themselves and stand out from the crowd. So, what can be learned from this successful strategy?

SERVE THE PEOPLE



BE FROM SOMEWHERE IN BODY AND SPIRIT

Young Henry's built a brewery (and more tellingly, a brand) that wholeheartedly extols the values of Newtown. Young Henry's "hipster larrikin" persona is much more about the mythic past of the area than its currently gentrified present. While the brewery is smack-bang in the middle of the backstreets and dunny lanes, the brand's pub-rock DIY ethic, scrappy good humour, and democratic creed (their motto is "serve the people") amplifies and celebrates Newtown's piss-and-vinegar spirit.



CHAMPION THE VALUES YOU TRULY EMBODY

Value marketing is all the rage now, with many brands clumsily shoe-horning lofty aspirations with some pretty prosaic product. Young Henry's sells beer; as such they choose to champion live music. They are consistent in this approach. Their beer cans are designed to look like Marshal stacks, they offer mate's rates cases to music festival attendees⁴, and they are a ubiquitous presence at music festivals and record launches around the country. And they regularly partner with local bands providing them with the space to play, and beer to drink.

CHOOSE YOUR PARTNERS WISELY

Young Henrys have an uncanny knack for picking partnerships that are more than the sum of their parts. They intuitively choose (or attract) collaborations which serve to extend and complement their brand position and local-hero values. For example, they've partnered with local legends such as You Am I, the Dune Rats and the DZ Deathrays to produce limited edition brews that celebrate and cross-promote musical releases and tours. The result, both the band and the brand get kudos. Most recently they partnered with the Foo Fighters to produce Foo Town lager lending local flavour to the international touring giant while picking up a bit of scale in the process. They also buddied up with Jameson to produce Caskmates, an Irish whiskey finished in Red Ale seasoned barrels; Irish pluck and inner West grit in a barrel.

Back in the beer garden of the Courtyard and celebrating the fifth birthday of Newtowner (which itself had been brewed in celebration of the sesquicentenary of the 'burb in which it was born) 150 people raised and simultaneously cracked their Newtowner tinnies in an irreverent, but totally fitting toast. No champagne, no speeches, just people keeping it local.



https://www.broadsheet.com.au/melbourne/food-and-drink/article/young-henrys-offering-cheap-tinnies





BRANDZTM BRAND VALUATION METHODOLOGY

INTRODUCTION

The brands that appear in this report are the most valuable in Australia. They were selected for inclusion in the BrandZ[™] Top 40 Most Valuable Australian Brands 2018 based on the unique and objective BrandZ[™] brand valuation methodology that combines extensive and ongoing consumer insights with rigorous financial analysis.

The BrandZ[™] valuation methodology can be uniquely distinguished from its competitors by the way we use consumer viewpoints to assess brand equity, as we strongly believe that how consumers perceive and feel about a brand determines its success and failure. We conduct worldwide, on-going, indepth quantitative consumer research, and build up a global picture of brands on a category-by-category and marketbv-market basis.

Globally, our research covers 3.2 million consumers and more than 120.000 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 other 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

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.

more, generate greater "love" and meet the individual's expectations and 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 Consulting and Kantar Worldpanel. 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 the customer viewpoint by conducting worldwide on-going, in-depth and consistent quantitative consumer research, online and faceto-face, building up a global picture of brands on a category-by-category and market-by-market basis. Our research

now covers 3.2 million consumers and more than 120.000 different brands in over 50 markets since we first introduced BrandZ™ in 1998.

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.

ELIGIBILITY CRITERIA

Each of the brands included in the BrandZ[™] Top 40 Most Valuable Australian Brands 2018 must meet the following criteria:

- > The brand originated in Australia
- > And is owned by a publicly listed company traded on a credible stock exchange, or its financials are available in the public domain

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 consumer. 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 different sources like primary research and panels of experts who contribute their opinions. The Brand Finance methodology employees a complicated accounting method called Royalty Relief Valuation.

WHY IS THE BRANDZ™ **METHODOLOGY SUPERIOR?**

BrandZ[™] goes much further and is more relevant and consistent. 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, regularly and consistently. Our on-going, in-depth quantitative research includes 3.2 million consumers and more than 120,000 brands in over 50 markets worldwide. We have been using the same framework to evaluate consumer insights since we first introduced the BrandZ[™] brand building platform in 1998 which allows historical understanding of the change in brand equity.



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. Since we have been using the same framework to measure these insights, this enables historical and cross-category comparisions.

BRANDZ[™] GENOME MAPPING THE SCIENCE BEHIND OUR ART

One of humanity's greatest recent achievements was successfully sequencing our own genome in 2003, revealing the key building blocks of what makes us each unique.

NOW BRANDZTM GIVES YOU THE ABILITY TO DO THE SAME FOR YOUR **BRAND OF CHOICE**



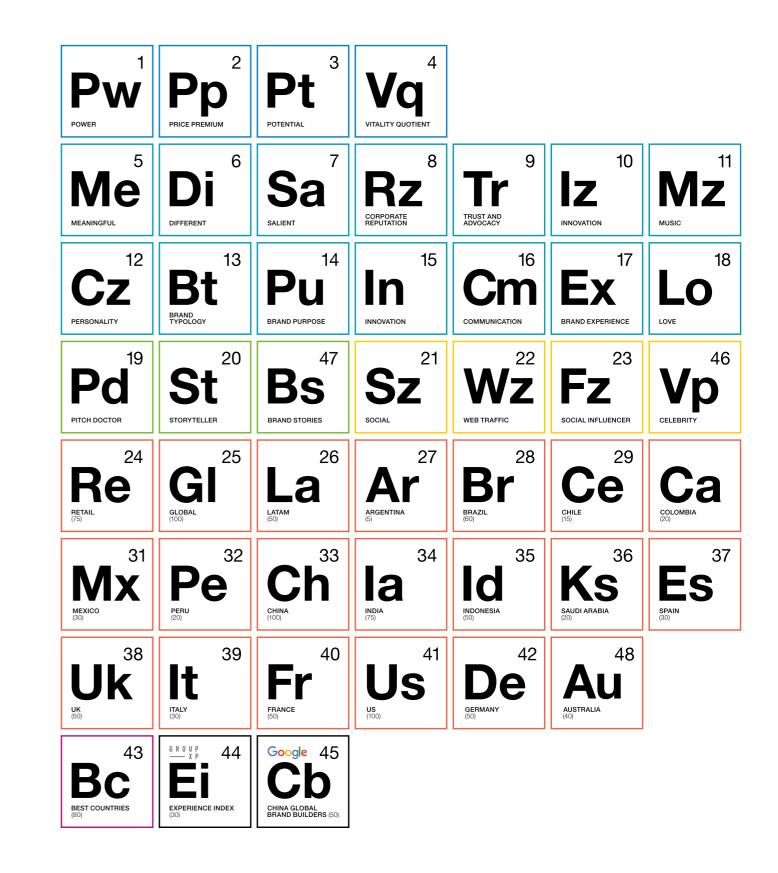
The BrandZ[™] Brand Genome visualizes your brand's "genome" on a page, with all the genome sequence measures providing an instant overview of your brand.

THE ULTIMATE TOOL FOR A NEW BUSINESS PITCH AND A LOT MORE

Brand Genome is a unique BrandZ[™] tool. exclusive to WPP. It's free, available 24/7 and takes just seconds to create.

Visit http://genome-measures.wppbrandz.com/ where you will be able to find out about each of the BrandZ™ measures, what they are, how they are calculated and how you can access a report which contains the measure.

To download a sample genome map visit http://wppwrap.com/bg.pdf



BRANDZ™ GENOME MAPPING THE SCIENCE BEHIND OUR ART

BRANDZTM BRAND BUILDING TOOLS AND PERSONALIZED PUBLICATIONS

Only available via your WPP Agency



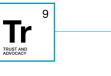




VITALITY QUOTIENT (VQ)

vQ introduces a new framework to effectively diagnose a brand's health.

A high vQ score has a direct relationship with a brand's performance and its ability to grow its brand value. vQ looks at five key areas of a brand's health: Purpose, Innovation, Communication, Brand Experience, and Love. Ideal for new business pitches, brainstorming sessions and creative development. See how your brand performs against its competitors.





TRUSTR Engaging Consumers in the Post-Recession World.

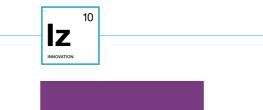
Trust is no longer enough. Strong brands inspire both Trust (belief in the brand's promise, developed over time) and Recommendation (current confirmation of that promise). This combination of Trust plus Recommendation results in a BrandZ[™] metric called TrustR.





REPZ Maximizing Brand and Corporate Integrity.

Major brands are especially vulnerable to unforeseen events that can quickly threaten the equity cultivated over a long period of time. But those brands with a better reputation are much more resilient. Four key factors drive Reputation: Success, Fairness, Responsibility, and Trust. Find out how your brand performs.







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INNOVATIONZ

Discover real-time innovation and start up ideas sourced via the exclusive Springwise global network of 20,000 spotters.

InnovationZ packages provide real time access to the latest innovation and startup ideas and inspiration from across the globe to ensure you are up to date and ahead of your competition.

CHARACTERZ

Brand personality analysis deepens brand understanding.

Need an interesting and stimulating way to engage with your clients? Want to impress them with your understanding of their brand? A new and improved CharacterZ can help! It is a fun visual analysis, underpinned by the power of BrandZ[™], which allows detailed understanding of your brand's personality.



An interactive data visualization tool to

allow anyone to build story-led insights.

Its intuitive interactive nature means

that you can see as little or as much

seamlessly to content of interest.

of the detail as you wish and navigate

STORYTELLER



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SOCIALZ

See the real-time social landscape of brands, instantly.

SocialZ is the social media data visualization product from BrandZ[™] that enables you to easily depict, visualize, and present a real-time view of the social landscape surrounding any brand.







PITCHDOCTOR

Everything you need to know about your brand on one page.

Ever wished that you could instantly analyze every one of the 5.1 billion individual data points included in BrandZ[™]? All the brand metrics, interrelationships, including TrustR. ValueD and then seamlessly use this to pinpoint an individual brand's Strengths, Weaknesses, Opportunities and Threats in one easy to digest page? Well now you can.







WEBZ

A web traffic story for your brand.

WebZ helps you understand your brand's digital journey! Through analyzing how traffic is driven to your brand's website, it will help you understand your audience demographics and gain insights into viewer trends.

REPORTS AND APPS POWERED BY BRANDZ™

GOING GLOBAL? WE WROTE THE BOOK

BrandZ[™] The Ultimate Resource for Brand Knowledge and Insight

Our BrandZ[™] country reports contain unparalleled market knowledge, insights, and thought leadership about the world's most exciting markets. You'll find, in one place, the wisdom of WPP brand building experts from all regions, plus the unique consumer insights derived from our proprietary BrandZ[™] database.

If you're planning to expand internationally, BrandZ[™] country reports are as essential as a passport.

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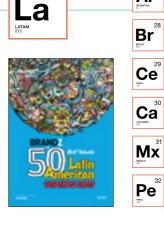
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BRANDZ[™] TOP 100 **MOST VALUABLE GLOBAL BRANDS 2018**

This is the definitive global brand valuation study, analyzing key trends driving the world's largest brands, exclusive industry insights, thought leadership, B2B trends and a look at emerging brands.

brandz.com/region/global



BRANDZ[™] TOP 50 **MOST VALUABLE LATIN AMERICAN BRANDS 2018**

The report profiles the most valuable brands of Argentina, Brazil, Chile, Colombia, Mexico and Peru and explores the socio-economic context for brand growth in the region.

brandz.com/report/latinamerica/2017



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Arcontina

BRANDZ[™] TOP 50 **MOST VALUABLE INDIAN BRANDS 2017**

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.

brandz.com/report/india/2017



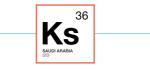
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BRANDZ[™] TOP 50 **MOST VALUABLE INDONESIAN BRANDS 2017**

Now in its third year, this study analyzes the success of Indonesian brands, examining the dynamics shaping this fastdeveloping market, and offering insights for building valuable brands.

brandz.com/report/ indonesian/2017







BRANDZ[™] TOP 20 **MOST VALUABLE SAUDI ARABIAN BRANDS 2017**

As Saudi Arabia embarks on an ambitious program of transformation, this ranking explores the country's most accomplished brands, analyzes their success and identifies the key forces that are driving growth in this market.

brandz.com/region/saudi-arabia

MOST VALUABLE SPANISH BRANDS 2017 This new report identifies the key forces driving growth in one

BRANDZ[™] TOP 30

of the largest, most influential and dynamic markets in Western Europe, built on centuries-old strengths, and adapting to new and challenging conditions.

brandz.com/region/spain





BRANDZ[™] TOP 100

BRANDS 2018

MOST VALUABLE US

period, US brands remain

focused—and continue to

how consumers reward

changing brands.

While America is in the midst of

a unique economic and political

thrive. This report demonstrates

brands that evolve and deliver

meaning over time, while also

welcoming innovative game-



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BRANDZ[™] TOP 50 **MOST VALUABLE FRENCH BRANDS 2018**

France is one of the largest economies in the EU, seventh largest in the world, and has proved itself as being adept at managing change. This new report explores a landscape in transition, and how its rich heritage and expertise can help define the path for French brands in the future.



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BRANDZ[™] TOP 50 **MOST VALUABLE UK BRANDS 2017**

As the UK embarks on a tumultuous period of transformation and uncertainty, this debut ranking explores the UK's most iconic brands, successes, and identifies the key forces driving growth in this market.

brandz.com/region/uk





BRANDZ[™] TOP 30 **MOST VALUABLE ITALIAN BRANDS 2018**

Italy is home to some of the most recognizable and most coveted brands on the planet. In this first ever Italian BrandZ™ ranking, we look at how vision, passion, know-how and determination have turned small businesses into national treasures.

brandz.com/region/italy





BRANDZ[™] TOP 40 MOST **VALUABLE AUSTRALIAN BRANDS 2018**

As Australia's dominant industry undergoes in-depth scrutiny that will undoubtedly change how business is done, this ground-breaking study ranks the country's most successful brands, analyzes their strengths, and identifies the key forces that are driving growth in this market

brandz.com/region/australia





BRANDZ[™] TOP 50 **MOST VALUABLE GERMAN BRANDS 2018**

In a world rippling with uncertainty, we have come to regard Germany as the ballast that keeps Europe steady. This inaugural German BrandZ™ ranking looks at the invention and creativity behind the country's leading brands.

brandz.com/region/germany

REPORTS AND APPS POWERED BY BRANDZ™

LOOKING EAST

IN-DEPTH BRAND-BUILDING INTELLIGENCE ABOUT TODAY'S CHINA

The BrandZ[™] China Insights Reports

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 50 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.



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BRANDZ[™] TOP 100 **MOST VALUABLE CHINESE BRANDS 2018**

This report examines the impact on brands as China transforms into a technology innovator and Chinese consumers set the pace for how people worldwide shop and buy.

brandz.com/region/china





BRANDZ™ TOP 50 CHINESE GLOBAL BRAND BUILDERS 2018

Now in its second year, this report profiles Chinese brands looking beyond Asia. It outlines major trends driving brand growth, with insights into the growing influence of Chinese brands at home and abroad.



UNMASKING THE INDIVIDUAL CHINESE INVESTOR

This exclusive 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 help build sustainable value.

brandz.com/article/unmasking-the-individual-chineseinvestor-report



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.

brandz.com/article/chinese-golden-weeks-report

For the iPad magazine, search Golden Weeks on iTunes.

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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.

brandz.com/article/chinese-dream-report



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.com/article/chinese-new-year-report

For the iPad magazine search for Chinese New Year on iTunes.



SPOTLIGHT ON CUBA

Cuba is a market unparalleled both in the Caribbean region and the world. Brand awareness among Cubans is high, but gaining access to them uniquely challenging. Now is the time to plan your Cuba strategy.

brandz.com/article/spotlight-on-cuba

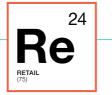


SPOTLIGHT ON MONGOLIA

Mongolia's GDP has grown at rates as high as 17 percent in recent years, encouraging a growing number of international brands to gravitate toward this fast-growth market and make a beeline for one of Asia's hidden gems.

brandz.com/article/spotlight-onmongolia-report

OUT NOW!



BrandZ[™] Industry Insights Report

BRANDZ[™] TOP 75 MOST VALUABLE **GLOBAL RETAIL BRANDS 2018**

Changing consumer priorities and a rapidly shifting shopping landscape present the world's retail brands with unprecedented challenges. This exclusive WPP report looks at how the leading brands are adapting, and provides insights into key trends and analysis of emerging opportunities.

What do Sony, Volkswagen, Jelly Belly Jelly beans and MAC cosmetics have in common?

They're all brands that have - quite literally – transformed people's lives.

Brand Stories from Brand Champions – Celebrating the Enduring Power of Iconic Brands, brings together personal stories about brands that have made a deep impression on some of the world's most influential business leaders.

"These stories are wonderful, touching, humorous and revealing."



BRANDZ

Just Launched!

CEOs, decision-makers and game-changers in the world of retail have all shared their tales about why a particular brand is uniquely special to them.

The book includes stories about brands that have created life-long memories, led to marriage proposals, children, business inspiration...and have even eased the pain of crushed toes.

This is intensely human evidence of how investment in brands can create something far more valuable and enduring than spending on tangibles like plant and machinery.

"If proof were needed that brands touch and find permanent places in our hearts and minds, here it is."





THESE COMPANIES CONTRIBUTED KNOWLEDGE, EXPERTISE, AND PERSPECTIVE TO THE REPORT



AKQA is a brand experience agency that specializes in creating innovative digital services and products. As an ideas and innovation company, AKQA collaborates with forward-thinking companies. The company employs over 2,300 people across Europe, Asia Pacific, South & North America. AKQA collaborates with clients worldwide to deliver a cohesive blueprint across customer connection points that will satisfy audience needs and surpass business goals.

- BAV

BAV Consulting is a global consultancy agency specializing in brand marketing strategies. BAV Consulting helps businesses assess, grow, and direct their brands as strategic corporate assets by using the proprietary BrandAsset Valuator (BAV) models and metrics. The agency's brand measurement combines the emotional aspects of brands with the quantitative measures of finances. BAV Consulting has been measuring brands for nearly 25 years, and today over 45,000 brands have been evaluated on 75 metrics, among 900,000 respondents in over 45 countries.

essence.

Essence, part of GroupM, is a global data and measurement-driven agency whose mission is to make advertising more valuable to the world. Clients include Google, FrieslandCampina, and the Financial Times. The agency is more than 1,400 people strong, manages over \$3.2B in media spend and deploys campaigns in 71 markets via offices in Bengaluru, Chicago, Delhi, Düsseldorf, Jakarta, London, Los Angeles, Melbourne, Minneapolis, Mumbai, New York, San Francisco, Seattle, Seoul, Singapore, Sydney, Tokyo and Toronto.

group"

GroupM is the leading global media investment management company for WPP's media agencies including Mindshare, MediaCom, Wavemaker, Essence, m/SIX, and Xaxis. Responsible for more than US \$108B in annual media investment by some of the world's largest advertisers, GroupM agencies deliver an advantage to clients with unrivaled insights into media marketplaces and consumer audiences. GroupM enables its agencies and clients with trading expertise, data, technology, and an array of specialty services including addressable TV, content, and sports.

H+K is structured around sectors to deliver deep industry knowledge combined with specialist areas of insight + ideas, content strategy + creation, publishing, and measurement. Behind all of our insight-led ideas and communication strategies is a deep understanding of data and analytics, creativity and master storytelling. Founded more than 90 years ago, H+K is part of WPP, one of the world's largest communications services group, and has experience working with more fifty percent of global Fortune 500 companies.

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J. WALTER THOMPSON WORLDWIDE

J. Walter Thompson Worldwide is a global marketing communications company that specializes in providing brand building strategies for businesses. The company was established nearly 150 years ago and currently has more than 200 offices in over 90 countries. employing nearly 12,000 marketing professionals. J. Walter Thompson's service network includes digital transformation, activation & commerce, and intelligence.

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THESE COMPANIES CONTRIBUTED KNOWLEDGE, EXPERTISE, AND PERSPECTIVE TO THE REPORT

Landor

Landor is one of the global leaders in brand consulting and design and specialises in creating agile brands that thrive in today's dynamic, disruptive marketplace. Landor's branding services include strategy and positioning, identity and design, brand architecture, innovation, naming and verbal branding, research and analytics, environments and experience, engagement and activation, and digital and social media. Founded by Walter Landor in 1941, Landor pioneered many of the research, design, and consulting methods that are now standard in the branding industry. Today, Landor has 26 offices in 19 countries, working with a broad spectrum of world-famous brands.

MEDIACOM

MediaCom is "The Content + Connections Agency", working on behalf of its clients to leverage their brands' entire system of communications across paid, owned and earned channels to deliver a step change in their business outcomes. MediaCom is one of the world's leading media communications specialists, with billings of US\$33 billion (Source: RECMA June 2017), employing 7,000 people in 130 offices across 105 countries. Its global client roster includes: Dell, Coca-Cola (TCCC), Mars, NBC Universal, P&G, PSA, Sony, Shell and Richemont. In February 2018, MediaCom was named Adweek Global Media Agency of the Year. The title added to the three Agency Network of the Year crowns MediaCom was awarded in 2017 – by Campaign magazine, at the 2017 M&M Awards (an accolade it has won seven times in nine years), and at the 2017 Festival of Media Global Awards (where the agency won a record 18 awards). This is the first time any agency network has held all four titles at once.

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We were born in Asia in 1997, a start up with a desire to change the media world. Now we are a global agency with 116 offices in 86 countries and billings of \$35bn (source: RECMA). We aim to be our clients' lead business partner, to grow their business and drive profitability through adaptive and inventive marketing. We do this through speed, teamwork and provocation because in today's world everything begins and ends in media. We create new things and have fun doing it. Mindshare is part of GroupM, the media investment management arm of WPP, the world's leading communications services group.

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Ogilvy

Ogilvy is one of the leading integrated communications companies in Australia, with over 50 years' experience on global and local brands. They can seamlessly bring the right expertise to a business problem through their end-to-end capabilities or specialist skills - making brands matter at every touchpoint. As of the Ogilvy Global and WPP Network of companies, Ogilvy Australia provides a single point of contact to access one of the largest communications network in the world. It was recently named #3 Innovation Agency of the Year in the Cannes Lions Global Creativity Report.

<u>UPI</u>...

opr was created in Australia in 2001. Our founders sought out the best boutique agencies across the country and brought them together. Where we didn't believe there was a market leader, we created new brands from the ground up such as Pulse for consumer and brand marketing and opr Health for healthcare and health-related lifestyle.

Today, more often than not we come together as opr – where a team is needed that can handle more than just one specialist area, or when a brief demands corporate PR, employee engagement and resonance with their customers.

The depth of specialist capabilities within opr is now unmatched in the Australian PR industry.

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We believe that organisations, like people are organic and multidimensional. Their ambitions and aspirations go beyond building transactional relationships and there is a new, more human, currency between businesses and their communities. A currency of trust, integrity, advocacy, authenticity, and shared value. At PPR we are driven to build bonds between businesses, brands and communities through community marketing. Through our unique footprint of six offices across Australia and New Zealand and the breadth of sectors we work in, we know how these communities work, live and play and therefore how to best reach and influence them. We apply this understanding to help our clients not just to grow, but to flourish.

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THESE COMPANIES CONTRIBUTED KNOWLEDGE, EXPERTISE, AND PERSPECTIVE TO THE REPORT

the brand agency

The Brand Agency is a full-service agency with specialists in all areas of communications. We bring together experts in project management, creative and design, content and production, PR and social, technology, media, search and analytics, strategy, UX and CX. We exist to build strong brands that bring prosperity to the world we live in. By enabling our clients to become more successful, we help deliver economic growth, opportunity, health, and stability to society. Over our 26-year history we've opened offices in Perth, Melbourne, Auckland and most recently, London.



The Store is a global retail practice of WPP. It specializes in providing expertise, support and added value to client initiatives in retail dynamics. The Store is a knowledge hub, built to help clients navigate through insights for consumers, retailing, marketing and sales activation, and technology. The Store is also a host of global workshops that bring together retailing and branding experts to share their vision and expertise for future growth.



WAVEMAKER is a brand-new media, content and technology agency that evolved from merging MEC and Maxus in June 2017. We are FUTURE MAKERS. Bound by our Purchase Journey obsession, we help clients translate audience behaviors and insights into smart decisions today, for a prosperous tomorrow. We integrate media, content and technology into the best operational system for marketing communication. Individually for each client. For valid decisions, for the agility of brands and for a dynamically-inspiring communication.

whiteGREY

At whiteGREY we combine digital and technology specialists with ideas and creativity, to solve business problems and challenges through entertainment, experience or education. By discovering unique human behaviour, we are able to solve detailed problems and we are able to design ways for brands to connect across their customer touch points. With over 100 passionate experts from Sydney and Melbourne we all believe in creativity that makes life better. whiteGREY is the Australian arm of the globally renowned Grey Group.

Y&R ANZ

Y&R ANZ is a tight-knit, full-service creative collective of over 300 diverse people, working across Sydney, Melbourne, Brisbane, Auckland and Wellington. Our mantra is "Conspicuous Creativity"; creativity that delivers ideas that are always interesting and that warrant attention, engagement and action. Y&R ANZ is part of WPP AUNZ, Australasia's leading marketing communications group.

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KANTAR **IN AUSTRALIA AND NEW ZEALAND**

Kantar is one of the world's leading data, insight, and consultancy companies. Working together across the whole spectrum of research and consulting disciplines, its specialist brands, employing 30,000 people. provide inspirational insights and business strategies for clients in 100 countries. Kantar is part of WPP and its services are employed by over half of the Fortune Top 500 companies.

In Australia and New Zealand, more than 320 Kantar employees offer expert service to clients through specialized brands including Kantar Consulting, Kantar Millward Brown. Kantar Health, Kantar Media, Kantar TNS, GroupM, Lightspeed, Kantar Public and Colmar Brunton. With offices across Australia. New Zealand. and a global network, we serve local, regional, and multi-national clients.

To learn more about how to obtain valuable insights applicable to your business. contact:

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You can also keep updated on the latest news and studies from the Kantar network in Australia and New Zealand. and globally through our portal www.kantar.com

KANTAR CONSULTING

Kantar Consulting is a specialist growth consultancy. With over 1,000 analysts, thought leaders, software developers and expert consultants we help clients develop and execute brand, marketing, retail, sales and shopper strategies to deliver growth. Kantar Consulting owns market leading assets including PoweRanking, GrowthFinder, Global Monitor, Retail IQ, RichMix, XTEL and Marketing, Insights and Purpose 2020. We track 1200 retailers globally, have purchase data on over 200 million shoppers and forecast social, cultural and consumer trends across the world.

KANTAR MILWARDBROWN

Kantar Millward Brown specialize in advertising, marketing communications, media, digital and brand equity research, and work with 90 percent of the world's leading brands. The key area of company's focus is brand strategy, creative development, channel optimization and brand performance. With offices in 56 countries, Kantar Millward Brown understands the importance of both a global and local focus – and understand consumers. We know brands that are meaningfully different capture more volume share, command premiums and grow their value.

KANTAR TNS₇

Kantar TNS advises clients on specific growth strategies around new market entry, innovation, brand, communication and customer strategies, based on long-established expertise and market-leading solutions. With a presence in over 80 countries, Kantar TNS has more conversations with the world's consumers than anyone else and understands individual human behaviours and attitudes across every cultural, economic and political region of the world.

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Lightspeed is a leading digital data collection specialist, on a mission to help clients discover truth through data. Our 700 employees in 14 countries are passionate about boldly challenging the status quo to find faster, more creative ways of connecting brands and consumers. From modernizing surveys via our Programmatic Gravity Network and LifePoints mobile app, to amplifying the voice of the millennial through VICE Voices, or leveraging our first party panel relationships and patented Honesty Detector Service to find the quality in the quantity of data out there, we deliver the 'buy and why' insights that power today's marketing decisions.

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WPPNZ IN AUSTRALIA AND NEW ZEALAND

WE HELP BUILD VALUABLE BRANDS

WPP AUNZ is Australasia's leading marketing communications group, comprising 5,500 people working in 80 companies in 150 offices across Australia and New Zealand. It has major campus locations in Sydney, Melbourne, Adelaide, Perth, Canberra, Auckland and Wellington, and is listed on the Australian Stock Exchange (ASX: WPP). Through its operating companies, the Group provides a comprehensive range of communication offerings including advertising & media investment management; data investment management; public relations & public affairs; branding & identity; healthcare communications; direct, digital, promotion & relationship marketing and specialist communications.

One of WPP AUNZ's key strategic objectives is to drive collaboration across the group which is being achieved in a host of exciting ways. From the creation of customised client team models through to the development of new technologies and IP, WPP AUNZ is transforming our clients' businesses by bringing together the best knowledge, thinking and talent to develop bigger, better and smarter ideas.

WPP AUNZ is part of WPP, the world leader in communications services. WPP employs over 203,000 people (including associates and investments) in over 3,000 offices across 112 countries. WPP was named Holding Company of the Year at the 2017 Cannes Lions International Festival of Creativity for the seventh year running. It was also named, for the seventh consecutive year, the World's Most Effective Holding Company in the 2018 Effie Index, which recognizes the effectiveness of marketing communications.

To learn more about how to apply this expertise to benefit your brand and grow your business, please get in touch with any of the WPP AUNZ companies that contributed to this report, or contact:

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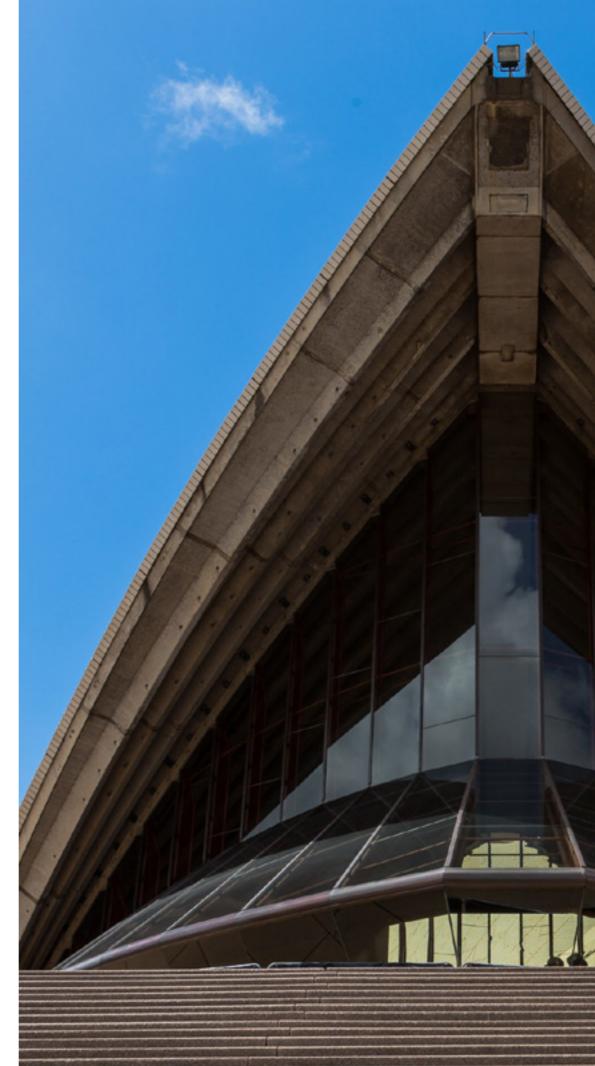
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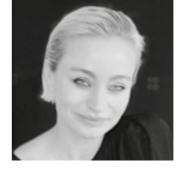
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PETER WALSHE

Peter Walshe is Global Strategy Director of BrandZ[™] and was involved in the creation of this brand equity and insight tool 20 years ago, and has contributed to all the valuation studies and developed BrandZ[™] metrics, including CharacterZ, TrustR, and RepZ.

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THE BRANDZ[™] BRAND VALUATION CONTACT DETAILS

The brand valuations in the BrandZ[™] Top 40 Most Valuable Australian Brands 2018 are produced by Kantar Millward Brown using market data from Kantar Consulting and Kantar Worldpanel, along with Bloomberg.

The consumer viewpoint is derived from the BrandZ™ database. Established in 1998 and constantly updated, this database of brand analytics and equity is the world's largest, containing over 3.2 million consumer interviews about more than 120,000 different brands in over 50 markets.

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