

BUSINESS IMAGE

Tech companies lead ranking of most valuable brands

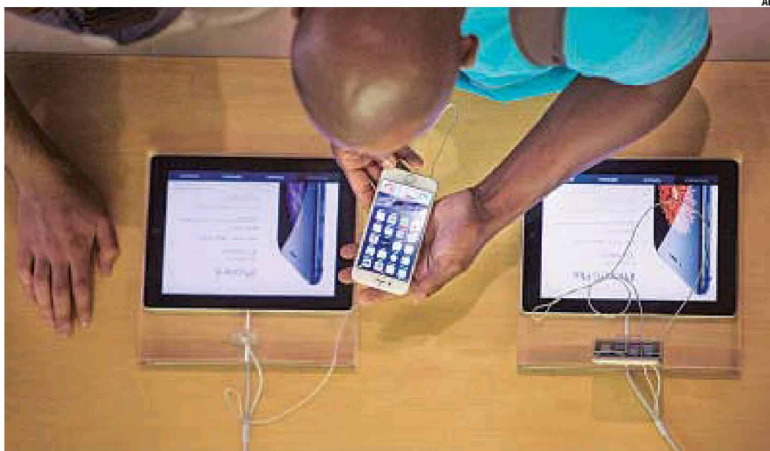
A report shows Apple in first place, as the world's most valuable brand, for a second straight year

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The "tech-ing" of Madison Avenue continues apace, according to the results of a closely followed annual report about how much brands are worth, as the brands of leading technology companies crowd the top ranks and increase substantially in value.

The 2014 edition of what is known as the Interbrand Best Global Brands report shows Apple in first place, as the world's most valuable brand, for a second straight year. Apple took the top spot last year from Coca-Cola, which fell to No.3; Coca-Cola remained in third place this year, and the No. 2 brand last year, the technology powerhouse Google, kept that spot.

The report, to be issued on Thursday, presents a table of the top 100 valuable global brands. The Apple brand is valued at \$118.9 billion, up



Leading the pack: The Apple brand is valued at \$118.9 billion, up 21% from last year.

21% from last year. The Google brand, at \$107.4 billion, rose in value by 15% from last year. Those twin peaks represent the first time two brands have each earned a value of more than \$100 billion in a Best Global Brands report.

Despite some critics who were "suggesting that Apple had lost its lustre," said Jez Frampton, global chief executive of Interbrand, a corporate identity and brand consultan-

cy that is part of the Omnicom Group, "we've still got Apple and Google slugging it out at the top."

Four of the top 10 brands in the 2014 Interbrand report are technology brands. In addition to Apple and Google, they are Microsoft, at No. 5, unchanged from last year, and Samsung, No. 7, up a notch from 2013. IBM, No. 4, the same as last year, is classified by Interbrand as a business services

brand; otherwise, half the top 10 brands would be technology brands.

The technology category was the most valuable overall, with a total value of \$493.2 billion; other major brand categories include automotive, financial services and luxury. And Facebook—which had the highest percentage increase in value from last year, 86%—is, of course, also a technology brand. In only its second year

on the list, Facebook climbed to No. 29 from No. 52 in 2013, and, "It's still growing," Frampton said.

Also, "Twitter is starting to get closer to appearing on the table," he said.

"On one hand, the new tech brands are doing great," Frampton said, "and you have to consider they are at the real beginning of their lives as businesses." On the other hand, "will we see a new tech brand perform like a Coca-Cola or a Mercedes-Benz?" he asked. "Their longevity is unproven." (Mercedes-Benz climbed a notch, from No. 11 last year to 10th place.)

And potential pitfalls may challenge rising technology brands, as shown by the performances of some of their troubled brethren. For instance, Nokia suffered the largest decline in value among the top 100 of any type of brand, dropping 44% from last year to \$4.1 billion, and plunged in the rankings to 98th place from 57th in 2013.

Nintendo, although classified by Interbrand as an electronics company, also has technology trappings, and it, too, fell precipitously, to No. 100 from No. 67 last year. Its brand value declined 33% from 2013 to \$4.1 billion.

Another area where technology brands have "all got to be careful," Frampton said, is in how issues like data security and the use of behavioural data for marketing purposes affect consumer confidence.

"Our relationship in brands is our fundamental trust in them, and if they deliver in accordance with their promises," he said. "If it looks like a brand

is taking advantage of you, that could cause problems in the future."

The report is the 15th annual look at worldwide brand value by Interbrand, which began compiling the Best Global Brands report in 2000.

The rankings and valuations are determined by factors that include the role a brand plays in influencing consumers, a brand's financial performance and the strength a brand has to command a premium price or to help its parent make money. Stock-market values "don't affect our valuations," Frampton said.

Among brands outside the realm of technology, the highest rankings were achieved by - in addition to Coca-Cola, IBM and Mercedes-Benz—General Electric, classified as a diversified company (although it has technology aspects), at No. 6, the same as in 2013; Toyota, No. 8, up from No. 10 last year; and McDonald's, No. 9, down from No. 7 in 2013.

The biggest gains in value achieved by non-technology brands compared with last year were for Audi, No. 45, up 27%; Amazon, classified as a retail brand, No. 15, up 25%; and, each with an increase of 23%, Volkswagen, No. 31, and Nissan, No. 56.

Of the five brands that made the Best Global Brands list for the first time, one is a technology brand: Huawei, a Chinese brand, at No. 94. It is, Frampton said, "our very first Chinese brand on the table".

The other four newcomers are: DHL, in 81st place; Land Rover, 91st; FedEx, 92nd; and Hugo Boss, 97th.

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