

**A REVIEW OF THE TOP 100 GLOBAL BRANDS  
2007**

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**ABSTRACT**

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In today' competitive environment, branding is not only applied as marketing strategy to promote products, increase sales and profitability. It is also been adopted as business strategy to achieve competitive edge. At strategic level many global market leaders are leveraging their brands in product extension, licensing, channels building (Keller, 2008) to increase the brand value over time. Some global organizations managed to build their intangible brand value into billion dollars worth, few time more than its physical assets. Many researchers revealed that a strong brand is an organization's most valuable asset (Aaker, 1991; Keller, 1998; Aaker and Jacobson, 2001). It will generate higher revenue streams in both short term and long term (Aaker, 1991, 1996; Kapferer, 2004; Keller, 2003). According to Interbrand top 100 Global Brands survey in 2007, more than fifty percent of the list are dominated by US brands with a combined value of US\$753.3 billion. This reflects the power of brand in assets building and accumulation for organizations. The objective of this paper is to analyze the Top 100 Global Brands 2007 and discuss some of the fundamental branding principles which contributing to brand success. The review is also serves as a reminder for the local SMEs to emulate and practice.

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**Keywords:** *Branding, Global brands, Brand value, Brand equity, Brand awareness.*

**Introduction**

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What is Branding? To some organizations, a brand is just a name for consumers to identify a product. According to the American Marketing Association (AMA), “a brand is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition”. However, further studies conducted by many scholars proven that branding is more than just an identity but involve various studies on brand perceptions, brand knowledge, brand loyalty, brand differentiation, brand equity, brand awareness, and brand image (Aaker, 1996; de Chernatory, 1992; Keller, 2003). Due to its complicated nature, many organizations failed to apply the right principles which end up only with a surviving brand. Whilst some other brand savvy organizations could enjoy succeed in building their brand worth many times greater than their own physical assets value. For example, Coca-Cola, the number one brand in the world registered with a brand value of USD65.0 billion in 2007, almost four times more of its company’s net worth. This kind of phenomenal success is no rocket scientist formula but the process of brand development is possible by applying the appropriate fundamental branding principles. Probably, one might argued that Cola-cola brand has been around for more than 100 years and its brand success might be due to ‘organic growth’ over time. Let’s look at another example. “BenQ, formerly known as Continental Systems was incorporated in 1984 in Taiwan as a computer peripheral equipment manufacturer. Previously, the success of this company’s brand names was not that remarkable globally despite in association with Acer’s brand name in a few interval periods. Not until 2002, when the company changed its name to BenQ which derived the company slogan, “*Bringing Enjoyment and Quality to Life,*” that established itself as a household brand name globally in computer and electronic peripherals” (www.fundinguniverse.com). Branding creates ‘wonder’ enabled BenQ built a brand value of US\$409 million as at 2006 (www.ourfishbowl.com) just within a short time span of six years. In other words, the importance of branding for organizations in assets building should not be underestimated. The objective of this paper is to analyze the Top 100 Global Brands 2007 and discuss some of the fundamental branding principles which contributing to brand success. The review is also serves as a reminder for the local SMEs to emulate and practice.

### *The Power of Brand*

In today’s competitive markets environment application of branding no longer limited for product identification and differentiation. Organization’s emphasis on branding has been accelerated with the growing dynamic borderless business environment and convergence towards a single global market. Leiser (2004) revealed that branding is more than just a marketing function that many savvy organizations leverage it for their overall business strategies. At strategic level some global market leaders are leveraging their brands in product extension, licensing, channels building (Keller, 2008) to increase the brand value over time. Among the global companies that gained substantial wealth through their brand value are as follow showed in figure 1.

Figure 1: Top Ten Global Brands 2007

Rank	Brand	Country of Origin	Sector	Brand Value (US\$ Billion)
1	Coca-Cola	US	Beverages	65.3
2	Microsoft	US	Computer Software	58.7
3	IBM	US	Computer Services	57.0
4	GE	US	Diversified	51.5
5	Nokia	Finland	Consumer Electronics	33.7
6	Toyota	Japan	Automotive	32.0
7	Intel	US	Computer Hardware	30.9
8	McDonald's	US	Restaurants	29.3
9	Disney	US	Media	29.2
10	Mercedes	Germany	Automotive	23.5

(Source: [www.interbrand.com/best\\_brands\\_2007.asp](http://www.interbrand.com/best_brands_2007.asp))

All these Top Ten Global Brands are indeed powerful not only on the brand equity aspect in capturing customers' perception and loyalty but its intangible value are so gigantic that actually command the organizations' financial position instead of the physical assets. That is why some of these organizations like GE, Intel, and IBM don't see their brands just as a marketing icon but as a business asset that must be protected and nurtured as much as people, equipment and capital (Dunn et. al., 2004). Many researchers also defended that a strong brand is an organization's most valuable asset (Aaker, 1991; Keller, 1998; Aaker and Jacobson, 2001). It will generate higher revenue streams in both short term and long term (Aaker, 1991, 1996; Kapferer, 2004; Keller, 2003).

#### *Who is Who in the Top 100 Global Brand 2007?*

Apart from the Top Ten Global Brands mentioned above, there are many more brands that managed to internationalize successfully and built substantial value. Even at the bottom of the list, Hertz positioned at 100<sup>th</sup> placing managed to command a brand worth of US\$3 billion.

Out of the 100 global brands, US have garnered 53 places which represented more than 50% of the total. Among the top US brands below the top ten spots to name a few are Citi Group, Marlboro, Gillette, Merrill Lynch, Pepsi, Dell, AIG, Colgate, Avon, Kodak etc. The total combined value of the 53 American brands is US\$753.3 billion. That is a significant figure which is approximately 7.6 times greater than Malaysia Foreign Exchange Reserve recorded at US\$98.5 billion as at 31 July 2007 (<http://bnmf.com/>). The second highest on the list are brands originated from Germany where Mercedes took the lead at no. 10<sup>th</sup> among German brands. France which is popular with its luxury brands such as Louis Vuitton, L'Oreal Chanel, and Cartier has 9 brands being ranked top 100. Beyond America and Europe continents, Japan is the only Asia country that recorded the most top 100 brands with 8 brands. Meanwhile, UK and Switzerland has registered a total of 5 and 4 spots respectively. The second Asia country that qualified on the list is Republic of Korea its three powerful brands, Samsung, Hyundai, LG. The rest of the top 100 qualifiers are Netherlands, Italy, Finland, Spain, and Sweden which only have a limited numbers if compare to US.

Among the 100 brands, there are four e-brands that represented the Internet service industry. Google ranked at number 20 worth about US\$18 billion followed by Ebay (48), US\$7.5 billion, Yahoo (55), US\$6 billion, and Amazon.com (62), US\$5.4 billion. All of the above e-brands are originated from US with a combined value at US\$36.9 billion. Please refer figure 2.

Figure 2: Top 100 Global Brands 2007

	<b>No. of brands</b>	<b>Continent</b>	<b>Combined value (US\$ Bil)</b>
US	53	America	753.3
Germany	10	Europe	91.8
France	9	Europe	60.9
Japan	8	Asia	91.8
UK	5	Europe	28.2
Switzerland	4	Europe	32.7
Republic of Korea	3	Asia	24.4
Netherlands	3	Europe	14.9
Italy	2	Europe	11
Finland	1	Europe	33.7
Spain	1	Europe	5.2
Sweden	1	Europe	10
	100		

(Source: [//www.interbrand.com/best\\_brands\\_2007.asp](http://www.interbrand.com/best_brands_2007.asp))

### *The Fundamental of Brand Building*

In order to increase a brand's value, it must first gain the support from the customers through brand equity building. Brand equity is a set of assets and liabilities connected to a brand that add to or subtract from the value provided by a product or service to the customer and to the business (Aaker, 1991). There are four categories of brand assets that Aaker classified when developing brand equity namely brand awareness, perceived quality, brand associations and brand loyalty (Aaker, 1996; Keller, 2002). Keller (1993) defined Customer-based brand equity ("CBBE") as the differential effect that positioned on the consumer's mind in responding to the marketing of a brand. Similar to Aaker's work, Keller also stresses on consumer's mindset where brand knowledge exists in consumer memory. Brand knowledge comprise of two components, brand awareness and brand image. Brand awareness is related to the brand recall and recognition performance by consumers. Brand image is about the set of associations linked to the brand that consumers hold in their memory (Keller, 1993, 1998, 2003). According to Ailawadi, brand equity maybe assessed from three aspects namely customer mind set, product market outcomes, and financial market outcomes (Ailawadi et al., 2003). Keller (2008) revealed that brand awareness is the main cause of brand equity to exist in customer's mind. The product market outcomes is about the brand performance in the marketplace (Aaker, 1991) whilst the financial market outcomes reflect the value of a brand as financial asset (Ailawadi et al., 2003). Ye et al (2004) confirmed that branding and brand equity are critical both to marketing and marketing communication because they link consumer behavior to firms' financial metric.

Based on Interbrand's Top 100 Brand Value figures, obviously those companies must have invested and done a lot in developing its CBBE over time. The fundamental of the achievements are commitment in brand awareness and image development. Among the basic things to aim towards the consumers' performance are brand recall and recognitions. These have to be supported by effective communication channels and media to reach out to the targeted consumers to enable them gain brand exposure. Exposure about a brand is important because it will provide information to consumer to make a purchase decision. Bettman (1979) found out that a consumer would initially scan information stored in memory to recall past experiences and/or knowledge regarding various purchase alternatives. Keller (2008) suggested that consistent and repeated exposures for consumers would increase the recognizability and recall of a brand (Keller, 2008). Ultimately, when a consumer has deep and broad awareness would inherit positive attitudes towards brand loyalty that is where brand value is actually created during this stage (Keller, 2008).

### *How to Build a Global Brand?*

Based on Interbrand's global brands research in 2006, there are six principles to govern and guide global brands success ([www.brandchannel.com](http://www.brandchannel.com)). These principles are consistently practiced by the best global brands which should be emulated by the local SMEs.

#### *i. Recognition*

One of the key factors that lead to global brands success is recognition. The top 100 global brands achieved strong awareness among consumers and opinion leaders. Brand awareness and likeability are core and vital to brand equity (Aaker, 1991, 1996; Keller, 1993, 1998). Interbrand concluded that recognition creates consumer's perception and reality enabling brands to rapidly establish credibility in new markets.

#### *ii. Consistency*

Best 100 global brands achieve a high degree of consistency in visual, verbal, auditory, and tactile identity across geographies through integrated marketing communication (IMC) strategy. This is supported by a fundamental finding by Naik et.al (2005) that IMC is able to build brand equity.

#### *iii. Emotion*

Emotional dimension is a crucial factor in building successful brand because it symbolizes a promise that people believe it can deliver and be a part of it. Customers' emotional responses and reactions to brand would evoke feelings about themselves and their relationship with others (Keller, 2003).

#### *iv. Uniqueness*

Great brands must be able to express the uniqueness of position to all internal and external audiences. Uniqueness here can be related to Barwise's Points of Difference (PODs), the attributes and benefits that consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a

competitive brand (Barwise et al., 2004). The uniqueness or PODs can be positioned through the communications mix to channel within and across international markets.

*v. Adaptability*

Kapferer (2004) advocate local market adaptation helps in developing a profitable business and gain market leadership. Likewise, Interbrand also argued that a global brand must respect local needs, wants, and tastes in adapting towards the local marketplace while fulfilling a global mission. A good example is HSBC managed to understand and fulfill the local custom and practice while achieving a global level reputation.

*vi. Management*

The organization's top leaders especially the CEO, must champion the brand. Dunn and Davis (2004) also stressed the importance of CEO's role in building successful brand. A leader's belief and commitment in its brand philosophy and the brand's view of the world will gain trust and participation among employees as part of the corporate culture. Practicing the above six principles alone would not guarantee success if there is no follow through with an effective total management of a brand over time. In addition, Interbrand advised that different company should apply the six principles according to their needs where performance lies on commitment to rigorous strategic, creative, and innovative execution.

## **Conclusion**

Branding is still not widely applied by many SMEs in Malaysia despite a greater adoption rate of marketing as business policy. This can be seen from the top 100 global brands list where none of the qualifiers are from Malaysia. Although more than half of the list is dominated by US firms. It doesn't mean that only US brands can be accepted worldwide. In today's borderless markets, consumers are moving towards a single global culture with shared devotion to brand name (Belk, 1995). Hence, a brand name can be built from anywhere as long as it can transcend markets border to reach every consumer around the globe. Remember BenQ, a brand originated from Taiwan which shot to fame within six years period? BenQ brand success support this review that brand can be built with effective strategies. Therefore, the theories and principles discussed in this paper could serve as a guide for the Malaysian SMEs to begin with their brand building and expansion in the global markets.

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