Interbrand's Best Global Brands 2009: The Expected and Unexpected

September 28, 2009 by Lorraine Fleck

Interbrand has released its report of the 100 Best Global Brands 2009. The ranking is based on the following criteria:

1. Publicly available financial data. This means that brands owned by privately held companies are not on Interbrand's list.
2. One third of the brand's revenues must come from outside its country of origin.
3. The brand must play a significant role in purchasing decisions.
4. The company must have a positive EVA (Economic Value Added), demonstrating that revenue exceeds the brand owner's expenses.
5. The brand must have a broad public profile and awareness.

This year's ranking brought some expected and unexpected results. Those results include:

- The top five ranking for 2008 and 2009 are the same. Coca-Cola and IBM are still No. 1 and 2, respectively. Microsoft is still No. 3, despite a 4% decline in brand value. GE retains the No. 4 position, despite a 10% drop in brand valuation. Nokia held on for spot No. 5 despite a 3% reduction in brand value. Coca-Cola's No. 1 ranking is not surprising, since it has ranked first since Interbrand published its first global brand ranking in 2000.

- The companies with the 10 largest increases in brand value, as compared to their 2008 ranking, were Google (25%), Amazon.com (22%), Zara (14%), Nestlé (13%), Apple (12%), H&M (11%), Ikea (10%), Wrigley (10%), Danone (10%) and Heinz (9%). Many of those increases are expected, as grocery store food brands and recessionista-friendly fashion labels have thrived in the global recession due to changes in consumer spending patterns. The recession probably contributed to the rise of Google, Amazon.com and Ikea, due to their relatively budget friendly prices. A cheaper iPhone and record market share for the Mac operating system appear to have boosted Apple's ranking.

- As expected, financial services companies make up a significant number (50%) of the 10 companies with the biggest decreases in brand value relative to Interbrand's 2008 report. The companies with the biggest decreases were UBS (50%), Citi (49%), Harley-Davidson (43%), American Express (32%), Morgan Stanley (26%), HSBC (20%), Starbucks (16%), Sony (12%), Dell (12%) and Lexus (12%).

- The brand ranking for automotive companies, relative to 2008, was mixed. The only North American auto brand in this year's ranking, Ford, maintained the same position (No. 49) in the 2008 and 2009 rankings. However, Ford's brand value still decreased by 11%. Of the remaining 11 auto brands listed below, seven had decreases in brand ranking and value, while four increased their rankings relative to the 2008 report. As the list below shots, luxury automobile brands were not the only ones that were suffering. Less expensive brands were not insulated from decreases in brand ranking and value.

- Toyota (down two positions from its 2008 ranking to No. 8, 8% decline in brand value).
- Mercedes-Benz (down one spot from its 2008 ranking to No. 12, 7% decline in brand value).
- BMW (No. 15 in the 2009 ranking, down two spots from 2008, 7% decline in brand value).
- Honda (No. 18 in 2009, dropping two spots from the 2008 ranking with a 7% decline in brand value).
- Ford (No. 49 in 2008 and 2009, 11% drop in brand value).
- Volkswagen (No. 55 in the 2009 ranking, down two positions from 2008 with an 8% decline in brand value)
- Audi (up two spots from the 2008 survey to No. 65 with a 7% decline in brand value).
- Hyundai (up three spots from the 2008 ranking to No. 69, with a 5% brand value decrease).
- Harley-Davidson (dropped 23 spots from 2008 to No. 73 in the 2009, 43% decline in brand value).
- Porsche (up one spot from 2008 to No. 74, with an 8% decrease in value).
- Ferrari (up five spots from 2008 No. 88, with no change in brand value).
- Lexus (down six spots from 2008 to No. 96, with a 12% brand value reduction).

▪ Surprisingly, many luxury fashion brands retained or improved their 2008 rankings despite the recession and decreases in brand value relative to the 2008 report. Further, three of the five brands new to the list are luxury fashion and accessories houses. Luxury fashion brands which retained or increased relative to their 2008 rankings include:

- Louis Vuitton (ranked 16th in 2008 and 2009, 2% decline in brand value);
- Gucci (ranked 45th in 2008, now ranked 41st in 2009, 1% decrease in brand value);
- Chanel (ranked 59th in 2009, up one spot from 2008 with a 5% drop in brand value);
- Rolex (68th in 2009, up three positions from 2008 despite a 7% decline in brand value);

- Hermes (76th in 2008, now 70th in 2009, with a 1% increase in brand value);
- Tiffany & Co. (80th in 2008, 76th in 2009 despite a 5% decrease in brand value);
- Cartier (77th in 2009, up two places from 2008 with a 6% decline in brand value);
- Prada (91st in 2008, now 87th in 2009 with a 2% decrease in brand value); and
- Armani (89th in 2009, up from 94th in 2008, with a 6% decrease in brand value).

The fashion new comers to the list are Puma (ranked 97th), Burberry (ranked 98th) and Polo Ralph Lauren (No. 99 on the list).

- The only two Canadian brands are the list are Blackberry (ranked 63rd) and Thomson Reuters (No. 40). Both have increased their ranking compared to 2008 (Blackberry is up 10 spots with a 7% increase in value, while Thomson Reuters is up four positions with a 1% increase in brand value).

It will be interesting to see how the companies in Interbrand's 2009 ranking fare in the 2010 report. Will Coca-Cola again be No. 1? Will fashion luxury brands hold their ground? Will the financial sector bounce back? Will there be more Canadian, Asian and South American brands on the list? Only time will tell.

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