

Focus on BRANDZ™ France

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Successful brands in France 2007

Luxury puts France on the map

France is one of the top economies in the World, the 6th largest, with a GDP of about \$2.2 trillion (million million). This is about 4% of Global GDP.

In the Forbes 2007 Billionaires List, four French people were worth 5% of the top 100.

And in the 2007 BRANDZ™ Global Top 100 Most Powerful Brands, nine French-owned brands accounted for 6% of the value – most of which were luxury brands.

Global value of brands

The French brands were collectively valued **globally** at \$100bn (thousand million):

	\$bn
Louis Vuitton	22.7
L'Oréal	12.3
Carrefour	11.7
Orange	9.9
Chanel	7.5
Cartier	7.0
Hermès	6.9
Gucci	6.5
Auchan	5.6

Intangible assets are rapidly overtaking tangibles as the major source of shareholder value, with brands accounting for approximately **one-third** of the value of the Fortune 500 companies.

Consumer Bonding

One of the key components in valuing the brands is the extent to which they 'Bond' with their consumers. How much of the intangible earnings are attributable to the brand alone?

The BRANDZ™ customer loyalty database is an essential part of calculating the 'brand contribution' because it identifies the proportion who buy because of the brand promise rather than because of specific product features such as location and price.

A visit to the BRANDZ™ clinic

A healthcheck is available from BRANDZ™ where the brand relationship can be investigated.

-Who knows about me?

-What is my promise?

-Does my product live up to it?

-What advantages do I have?

-What is unique about me?

-What is my 'character'?

And crucially what is my **Bonding**?

Top 20 Bonded brands

Out of the 423 brands measured in France in 2007 on BRANDZ™, these achieve the greatest levels of Bonding (seven are French brands):

	%		%
Google	54	Cajoline	17
Pampers	46	EVIAN	14
AIR FRANCE	33	ORANGE	14
Soupline	31	Axe	12
Microsoft	24	eBay	12
Nokia	23	CDISCOUNT	12
Coca Cola	21	Samsung	12
Ariel	20	TOTAL	12
Signal	20	CARREFOUR	11
McDonald's	18	DESPERADOS	11

They may not all have the global reach of the Most Valuable, but they have good strong local country relationships with their target consumers. There is also a mix of established traditional consumer brands as well as 'new' internet brands (like Google and Cdiscount).

When we investigate what it is that drives Bonding we see six factors:

Emotional Appeal (such as having a higher opinion of the brand or the brand appeals more)

Rational Appeal (i.e. better product or service)

Difference

Challenge (i.e. setting the trends)

Fame

and *Price*.

Strong brands tend to Bond via factors other than price.

Looking at the Top 20 Bonded in France (indexed on the average where 100 = average) we clearly see the importance of an emotional relationship:

Top 20 Bonded - France

Emotional Appeal	788
Fame	761
Difference	579
Challenge	335
Rational Appeal	320
Price	- 194

Pampers and Air France are particularly strong on their emotional relationships, whilst Coca Cola and Nokia score very well on fame.

Desperados beer, actually a French brand in spite of its Mexican positioning, is driven by difference and challenge.

Perhaps the consistent humorous and well targeted campaign for Axe has ensured that it also scores strongly on being a challenge brand, alongside the stylish Samsung.

Of the entire Top 20, only eBay and Cdiscount are Bonded because of price (which is as much to do with their product offering as it is to do with Bonding) but are also strong on fame and differentiation.

The sheer functionality of Google makes it very strong on rational affinity but its fame is also far reaching.

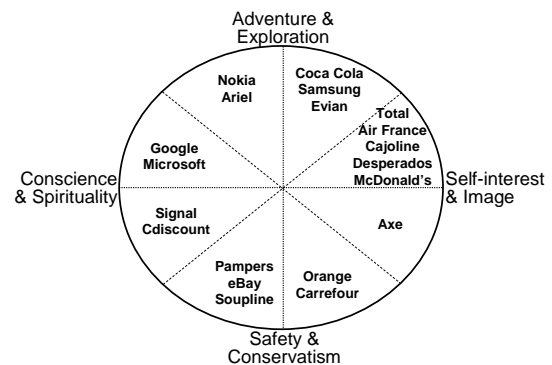
What the 'Bonded' believe

We also evaluate each person's beliefs and values. This is done by asking them how important they feel each of nine aspects are in their life - developed from work on universal values by the eminent psychologist S.H. Schwartz.

These are then used to classify each respondent's overall 'life values'.

Those who feel that 'Having fun' and 'Excitement' are more important than 'Tradition' and 'Certainty' would bias towards Adventure & Exploration rather than Safety & Conservatism. Equally those who choose 'Creativity', 'Tolerance' and 'Helping others' over 'Achievement' and 'Influence' would veer towards Conscience & Spirituality rather than Self Interest & Image.

What is striking is that the top 20 brands attract very different people.

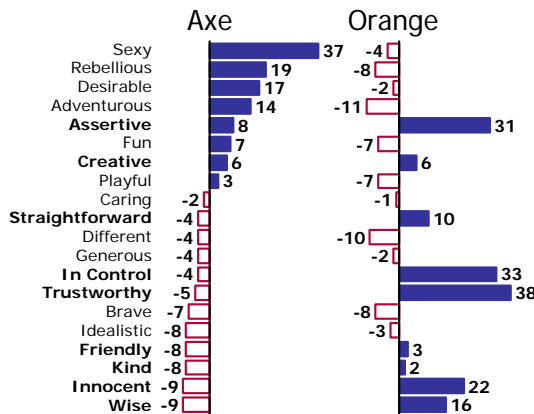


The values of those who are Bonded to **Nokia**, for example, are 'Independents' who tend to be more adventurous, combined with a more selfless attitude. They enjoy being different, and have a strong sense of self belief. They are often creative and consider themselves free thinkers, while rejecting superficial symbols of wealth or success.

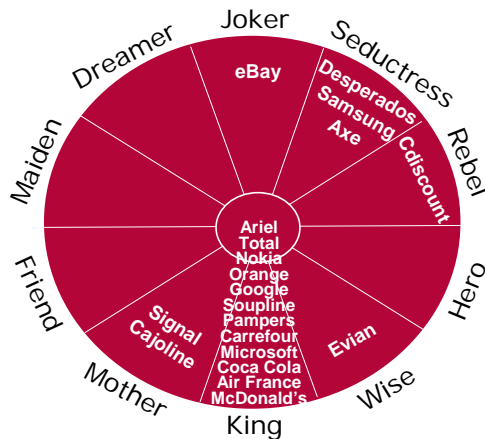
The **Axe** Bonded tend to focus on themselves, but are also somewhat conservative. They very much want to project the 'right' image – but the image that society values and endorses, rather than individuality (e.g. wealth, success). They therefore like to use brands and labels to express their self identity.

Brand Character

The Axe character is a 'Seductress' and scores strongly on sexiness, desirability, rebellion and adventure. Orange, in contrast, is a 'King' being very assertive, in control and trustworthy.



The Top 20 Bonded do tend to cluster around the character of 'King' and tend to be a bit more serious in character, steady and not necessarily a lot of fun or very playful:



The Top 20 Bonded tend to have **more** character with 80% more positive mentions compared to France brands as a whole (and only marginally more negative mentions).

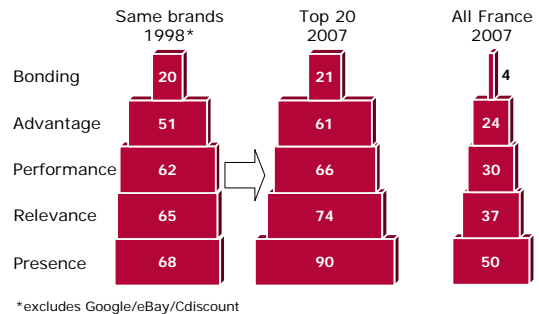
The last 10 years

Many things have changed dramatically in the last decade, not least the rise of the Internet.

Ten years ago only nine of the brands that are now in the Top 20 Bonded were also in the 1998 list (Air France, Ariel, Carrefour, Coca Cola, Evian, McDonald's, Microsoft, Pampers and Signal).

The average level of Bonding of both Top 20's is exactly the same – it is just that the make-up has changed. Packaged goods have been replaced by technology and telecoms brands.

The powerful relationship that has been forged by the 2007 Top 20 is clear to see. Huge increases from Presence all the way up the Brand Pyramid to Bonding – and a much bigger Pyramid than France brands on average:



Trust in French brands

The seven French brands in the Top 20 are different in character from the non-French brands.

They are perhaps reflective of a France that is confident and educated in being more 'Wise', 'In control' and 'Assertive' and not very 'Playful' or much 'Fun'.

But maybe French brands have the last laugh: they have an even greater association with 'Trustworthy'.