Press Release February 25, 2021 Interbrand Japan, Inc.



#### **Interbrand "Best Japan Brands 2021"**

# Announcing the Top 100 Japanese Brands Ranked by Brand Value

- Overall growth for Japanese brands down -3.9% over the previous year, with 47 of the 100 brands decreasing in value amidst the COVID-19 pandemic
- Toyota ranks #1 in Best Japan Brands for the 13th consecutive year
- First time in ranking history that <u>all automotive brands experienced negative</u> growth
- WORKMAN increases by 57%, the highest growth rate this year and the 2nd highest in the history of Best Japan Brands
- FANCL, Rinnai, and MORINAGA debut in the ranking

Interbrand Japan, Japan's biggest branding company (headquartered in Shibuya, Tokyo, President & CEO: Masahito Namiki) has announced Best Japan Brands 2021, a ranking of Japanese brand values using its unique Brand Valuation™ method to convert brand value into monetary value.

This is the 13th year these rankings have been announced. Best Japan Brands uses the same valuation methods used in Best Global Brands, a global brand value ranking Interbrand has announced every year since 2000, and investigates brand value in terms of business assets using global standards by comparing the value of Japanese brands and leading global brands using the same system of measurement.

#### **Overview of Best Japan Brands 2021**

In just a few months, the COVID-19 pandemic has had an enormous impact on the behavior, thinking, and values of people worldwide. It continues to alter society. In particular, the changes in values have not only transformed the way people work at companies, but also the very premise of manufacturing and services, making 2020 a year of challenges for businesses trying to adapt to this ever-shifting environment.

Neither is this temporary. COVID-19 can be viewed as a precursor of further disruption to come. This "wave of change," symbolized by the digital transformation (DX) that was underway before the pandemic, means we have entered an era where the values held by customers and the very nature of companies—including employees, organization, and management—are undergoing major upheaval. As part of this, the wave of change has spread to branding, too.

How has this year's Best Japan Brands changed in this historical turning point?

The year-over-year growth rate for all 100 brands ranked in Best Japan Brands 2021 was -3.9%, a contrast to the +9% overall growth in Best Global Brands 2020 announced last autumn (growth rate for last year's Best Japan Brands: +0.9%). COVID-19 has affected many Japanese brands, with <u>47 of the 100 ranked brands decreasing in value</u> and <u>all automotive brands experiencing negative growth</u> for the first time in the ranking's history.

Meanwhile, several industries, including Personal Care and Retail, saw a clear delineation between successful and unsuccessful brands within the same category, allowing us to examine what makes a brand strong during a crisis.

#### **Key Learnings**

In an increasingly data-based, digital society, customers now have the insight to determine what brands are "good" according to their own values, and can share this with others. Social media has also enabled customers to exchange enormous amounts of information at breakneck speed, leading to ever-changing and ever-diversifying values.

Under these circumstances, brands must now provide a brand experience that involves the customer (<u>Engagement</u>) under strong leadership (<u>Leadership</u>) and maintain a continuous relationship with the customer (<u>Relevance</u>). COVID-19 has increased these demands on brands.

#### ■ Leadership: Building a Strong, Adaptable Brand

- Daikin, "A Company That Provides Solutions With Air" (#26, +18% YoY); Ajinomoto, "Enhancing Life With Amino Acids" (#43, +19% YoY), BANDAI NAMCO, "More Fun For Everyone" (#55, +19% YoY); Mercari, "Creating a Circular Economy" (#94, +19% YoY); and other brands with a clear purpose were able to take fast, cohesive action even during the coronavirus pandemic because employees had a clear enough sense of direction to know what to do, leading to significant growth for both the brand value and for business.
- Additionally, brands that have made brand value a corporate goal, such as Kirin (#22, +11% YoY), Yamaha (#30, +8% YoY), and Ajinomoto (#43, +19% YoY) have promoted branding across the company based on strong messages from top management, leading to increased brand value.

#### ■ Engagement: Building Interactive Relationships Between Corporations and Customers

- Nintendo (#8, +31% YoY) released the game Animal Crossing: New Horizons, which enabled players to interact with other players during the pandemic, a period of forced isolation for many. WORKMAN (#78, +57% YoY) is a growing brand that involves, interacts, and co-creates with customers, for example by creating Product Development Ambassador contracts with bloggers who are ardent fans of the brand and share its values, then working with them to create unique products from the customer's perspective.
- UNIQLO (#6, +16% YoY) continued to create a unique brand experience during the pandemic, releasing masks using its proprietary AIRism technology and launching "RE.UNIQLO," a clothing recycling program that creates "a new life for clothing."

#### ■ Relevance: Strengthening Bonds With Customers to Create Loyalty

- As a creative entertainment brand, Sony (#3, +14% YoY) has increased its presence through proactive social contribution, such as creating a US\$100 million relief fund to help people around the world affected by COVID-19, including front-line medical workers, teachers, and children learning remotely, and people throughout the entertainment industry.
- Fujifilm (#38, +21% YoY) has earned trust as a comprehensive, fast-responding healthcare company, establishing systems to increase production of the Avigan tablet, an anti-influenza medication that may be effective against COVID-19, and starting development of Al-based diagnostic support technology for pneumonia caused by COVID-19.
- Nitori (#69, +39% YoY) has, by rapidly developing products tailored to customer needs, increased the stylishness and fun of its products while maintaining low price and functionality, evolving into a brand chosen for emotional reasons.

#### Best Japan Brands 2021 (#1 to #50)

2021	2020	2021 (#110		Brand Value	Change in	Ratio of Overseas	Global/	ſ
Ranking	Ranking	Brand	Sector	(US m\$)	Brand Value	Sales (FY2019)	Domestic	
1	1	Toyota	Automotive	51,595	-8%	76%	Global	*
2	2	Honda	Automotive	21,694	-11%	85%	Global	*
3	4	Sony	Electronics	12,010	14%	70%	Global	*
4	3	Nissan	Automotive	10,553	-8%	83%	Global	*
5	5	Canon	Electronics	8,057	-15%	76%	Global	*
6	7	UNIQLO	Apparel	8,023	16%	46%	Global	1
7	6	NTT DOCOMO	Telecommunications	7,641	-8%	Less than 10%	Domestic	i
8	10	Nintendo	Electronics	7,296	31%	77%	Global	*
9	8	Panasonic	Electronics	5,844	-6%	52%	Global	*
10	9	MUFG	Financial Services	5,324	-13%	48%	Global	1
11	11	SoftBank	Telecommunications	4,958	-8%	21%	Domestic	l
12	12	au	Telecommunications	4,576	-6%	Less than 10%		-
13	13	Subaru	Automotive	4,096	-7%		Global	ı
14	14	Recruit	Media	3,405	-5%		Domestic	**
15	19	Rakuten	Technology	3,327	20%		Domestic	-
16	15	Bridgestone	Automotive	3,147	-5%		Global	ı
17	20	Kao	Personal Care	2,869	12%		Global	l
18	18	7-Eleven	Retail	2,798	-2%		Global	ı
19	17	Shiseido	Personal Care	2,729	-5%		Global	ł
20	21	Suntory	Food & Beverages	2,558	8%		Domestic	*:
21	16	SMBC	Financial Services	2,538	-21%		Global	1
22	24	Kirin	Food & Beverages	2,476	11%		Domestic	**
23	23	Asahi	Food & Beverages	2,410	7%		Domestic	-
24	26	Tokio Marine	Financial Services	2,410	-2%		Global	-
			+					4
25	22	Suzuki	Automotive	2,000	-12%		Global	-
26	28	Daikin	Machinery	1,980	18%		Global	
27	25	Mizuho	Financial Services	1,747	-17%		Global	1
28	27	Komatsu	Machinery	1,654	-13%	84%		4
29	31	Unicharm	Personal Care	1,569	7%	62%		١
30	32	Yamaha	Diversified	1,480	8%		Global	-
31	34	Shimano	Machinery	1,466	17%		Global	l
32	29	MUJI	Retail	1,460	-11%		Global	l
33	33	Hitachi	Diversified	1,357	7%		Global	ł.
34	35	NISSIN	Food & Beverages	1,289	13%		Global	
35	30	Mazda	Automotive	1,199	-27%		Global	
36	38	SECOM	Security	1,004	1%		Domestic	
37	41	Mitsubishi Estate	Construction & Real Estate	1,000	5%		Domestic	
38	52	Fujifilm	Diversified	959	21%		Global	1
39	36	DENSO	Automotive	956	-15%		Global	
40	45	OMRON	Electronics	952	8%		Global	1
41	51	Fujitsu	Business Services	934	17%		Global	
42	39	Yakult	Food & Beverages	930	-5%		Global	1
43	56	Ajinomoto	Food & Beverages	926	19%		Global	1
44	49	Kubota	Machinery	924	13%	67%	Global	
45	46	Terumo	Healthcare	915	6%	69%	Global	
46	43	Kikkoman	Food & Beverages	909	0%	60%	Global	
47	50	HOYA	Precision Equipment	881	9%	72%	Global	
48	37	KOSÉ	Personal Care	840	-18%	32%	Domestic	*
49	55	KEYENCE	Electronics	833	7%	53%	Global	j
50	48	Makita	Machinery	822	0%	80%	Global	1

<sup>\*</sup>The brand value amount for brands ranking in Best Global Brands 2020 is applied.

\*\* The brand value and international sales ratio for Suntory has been evaluated based on the figures for Suntory Beverage & Food Limited listed on the stock exchange.

\*\*\*The total value of the Yamaha brand developed by Yamaha Motor Co., Ltd. and Yamaha Corporation has been calculated together. (International sales ratio is the total international sales ratios of both companies divided by total

sales)
\*\*\*\*While international sales ratios exceed 30%, these are considered Domestic Brands because international sales of the businesses crowning each brand (Recruit, Suntory, Kirin, Asahi, KOSÉ, BANDAI NAMCO) are deemed to be below

<sup>30%.
\*\*\*\*\*</sup>While the international sales ratio is below 30%, it is considered a Global Brand because international sales of the business crowning the NISSIN brand is deemed to exceed 30%.

#### Best Japan Brands 2021 (#51 to #100)

2021	2020			Brand Value	Change in	Ratio of Overseas	Global/	
Ranking	Ranking	Brand	Sector	(US m\$)	Brand Value	Sales (FY2019)	Domestic	
51	54	NTT DATA	Business Services	805	3%	40%	Global	
52	61	LINE	Media	803	11%	26%	Domestic	
53	47	Lawson	Retail	792	-7%	Less than 10%	Domestic	
54	44	Ricoh	Business Services	779	-14%	57%	Global	
55	65	BANDAI NAMCO	Entertainment	758	19%	31%	Domestic *	***
56	57	Olympus	Healthcare	743	-4%	82%	Global	
57	59	ASICS	Sporting Goods	722	-3%	73%	Global	
58	62	Daiwa House	Construction & Real Estate	706	1%	Less than 10%	Domestic	
59	53	Isuzu	Automotive	698	-11%	60%	Global	
60	67	Nomura	Financial Services	693	11%	20%	Global *	****
61	42	Mitsubishi Electric	Diversified	683	-28%	42%	Global	
62	40	Japan Airlines	Logistics	671	-30%	39%	Domestic *	****
63	64	Pigeon	Personal Care	664	3%	58%	Global	
64	69	Meiji	Food & Beverages	660	7%	Less than 10%	Domestic	
65	73	NEC	Business Services	620	13%	24%	Domestic	
66	60	Epson	Business Services	617	-17%	76%	Global	
67	66	FamilyMart	Retail	605	-5%	14%	Domestic	
68	70	Murata	Electronics	584	1%	91%	Global	
69	79	Nitori	Retail	573	39%	Less than 10%		
70	71	Calbee	Food & Beverages	538	-7%		Domestic	
71	63	Mitsubishi Motors	Automotive	537	-22%		Global	
72	76	Sompo Holdings	Financial Services	512	3%		Domestic	
73	68	Mitsui Fudosan	Construction & Real Estate	507	-19%	Less than 10%		
74	77	Asahi Kasei	Diversified	481	1%		Global	
75	75	ORIX	Financial Services	479	-11%		Domestic	
76	72	Brother	Business Services	476	-14%		Global	
77	78	Casio	Electronics	475	5%		Global	
78	94	WORKMAN	Retail	474	57%	Less than 10%		
79	74	Dai-ichi Life	Financial Services	453	-16%		Domestic	
80	83	Sagawa	Logistics	441	10%	Less than 10%		
81	81	Matsumotokiyoshi	Retail	439	7%	Less than 10%		
82	58	Nikon	Precision Equipment	428	-44%		Global	
83	89	KONAMI	Entertainment	377	8%		Domestic	
84	90	ABC-MART	Retail	359	4%		Domestic	
85	84	Toshiba	Diversified	352	-12%		Global	
86	96	Lion	Personal Care	351	18%		Domestic	
87	86	Resona	Financial Services	348	-10%	Less than 10%		
88	91	Sekisui House	Construction & Real Estate	338	4%		Domestic	
89	80	ZOZOTOWN	Retail	331	-19%	Less than 10%		
90	92	Sharp	Electronics	320	1%		Global	
91	87	тото	Diversified	317	-15%		Domestic	
92	85	Konica Minolta	Electronics	314	-21%		Global	
93	93	MS&AD	Financial Services	299	-5%		Domestic	
94	99	Mercari	Retail	289	19%	Less than 10%		
95	98	Yamato	Logistics	277	6%		Domestic	
96	97	POLA	Personal Care	244	-10%		Domestic	
97	NEW	FANCL	Personal Care	239	New	Less than 10%		
98	100	Kewpie		239	2%	Less than 10%		
98	NEW	Rinnai	Food & Beverages  Diversified	205	New		Global	
33	INLVV	Milital	Diversified	203	New	Less than 10%		

#### **Top 10 Growing Brands**

#### WORKMAN (#78, +57% from last year)

With "high function, low price workwear for professionals" as its brand DNA, WORKMAN has established a new and unique brand position for itself by expanding its target audience to those who enjoy the outdoors and athleisure fashion. The company focuses on listening to comments from employees, franchise stores, and customers with its policy of "evolution based on what people are saying." By creating Product Development Ambassador contracts with bloggers who are big fans of the WORKMAN brand and who share its values rather than with influencers, WORKMAN has developed unique products from the perspective of the customer. WORKMAN has continuously promoted a branding strategy that excites customers, such as tailoring store interiors or products to the target audience depending on the time of the day.

#### Nitori (#69, +39% from last year)

Nitori has created an organizational system to increase the speed and accuracy of decision-making by eliminating the concurrent role of COO and President of Nitori Holdings and instead designating directors to each of its projects. The company also rapidly develops products suited to its clientele by producing all products in-house, from planning to manufacturing, distribution, and sales, and has added "stylish" and "fun" to its "affordable" and "functional" brand image. The company offers a convenient, seamless shopping experience both online and off with its Nitori App, which strengthens points of contact with customers and analyzes customer data. Nitori is also working to build brand appeal with its slogan "More than just the price" in the international market, based on local circumstances and market needs.

#### Nintendo (#8, +31% from last year)

Nintendo has established an inter-departmental system for sharing information on safety and quality as well as customer feedback, and has many programs in place to communicate with customers and incorporate feedback into future products or services. *Animal Crossing: New Horizons* was a hit thanks to this system, as the game enables players to interact with others in a pleasant world despite the forced isolation of the COVID-19 pandemic. With the opening of the Super Nintendo World at Universal Studios Japan in spring 2021, Nintendo will further increase the spaces where people can experience the brand, both online and offline.

#### Fujifilm (#38, +21% from last year)

Fujifilm continues to transform its business structure in a dynamic way in response to changes in the world of business. Using technologies developed in its film business, Fujifilm has expanded into the fields of healthcare, media recording, optical and electronic video, and imaging. In the field of healthcare in particular, the company has used proprietary technologies in the areas of prevention, diagnosis, and treatment to work toward solving social issues such as unmet medical needs and improving access to medical services. Fujifilm has swiftly responded to social issues during the pandemic, establishing systems to increase production of the Avigan tablet, an anti-influenza medication that may be effective against COVID-19, and starting development of Al-based diagnostic support technology for pneumonia caused by COVID-19. The company is striving to achieve its corporate slogan, "Value from innovation."

#### Rakuten (#15, +20% from last year)

Rakuten has built a unique ecosystem that organically links Rakuten members to over 70 services. It has a consistent stance of grasping needs one step ahead of the times and proactively taking on innovative business with a focus on new technology, with such services as Rakuten Mobile's fully virtual network, a partnership with Shopify that brings new potential to e-commerce, the online mall Earth Mall With Rakuten which contributes to the SDGs, and Rakuten Medical, which has commercialized the world's first photoimmunotherapy for cancer.

#### BANDAI NAMCO (#55, +19% from last year)

BANDAI NAMCO has proactively developed projects that involve both employees and customers (individual and corporate) using internal and external recruitment systems in order to achieve its "IP Strategy (Intellectual Property for Characters, etc.)" listed in the company's mid-term plan. BANDAI NAMCO has also focused on experience-based entertainment centers, such as the Gundam Cafés opened across Japan to commemorate the 40th anniversary of the Gundam franchise. Amidst the pandemic, the company has made "More fun for everyone at home" its slogan, exploring what it can do as an entertainment company through a variety of measures such as making games free for a limited time.

#### Ajinomoto (#43, +19% from last year)

Ajinomoto has concentrated its management resources on increasing corporate brand value, employee engagement, and market capitalization in its efforts to achieve its 2030 vision of becoming "a company solving food and health issues" set forth in the company's mid-term management plan. Despite the pandemic, the company's clear vision has enabled each department to take autonomous and swift action. Ajinomoto has also developed a variety of measures to increase customer engagement more than ever, with the launch of a new fan community called "Food is Fun! Discovery Community," the release of an app called "A La Table" that connects people through food, and transformation of its food information website Ajinomoto Park into one that provides food-related experiences.

#### Mercari (#94, +19% from last year)

Mercari strives to create a "circular economy" with its mission of "building a global marketplace that creates new value." The company has made safety, trustworthiness, and humaneness its three "basic principles of the marketplace" in its efforts to improve its credibility and build a marketplace anyone can participate in. Mercari has also opened its first flagship store Mercari Station in Shinjuku's Marui Main Building. Mercari has differentiated itself from other companies with unique services, such as its "Send & Receive" function, which enables users to send their MerPay balance to family and friends, and its "Belongings List" function, which promotes selling of "hidden resources" lurking in homes.

#### Daikin (#26, +18% from last year)

During the pandemic, Daikin has developed its message as "a company that provides solutions with air" swiftly and continuously through a variety of media, including digital media. Because of this, Daikin has become the go-to company for ventilation and has experienced enormous business growth, and now aims to be a "global company that creates new value for air and for the environment." The company has also added elements of profundity, consideration, exploration, and passion to its reliable and serious image in an effort to transform itself into a leading global brand.

#### Lion (#86, +18% from last year)

As a leader in next-generation healthcare, Lion strives to improve mental and physical healthcare by creating new customer experiences and value in terms of health, comfort, cleanliness, and hygiene, with its mission of "redesigning habits to make them more fun, positive, and effortless." The company has also strengthened its corporate branding efforts to make it consistent with this mission. During the pandemic, the company evolved Kirei Kirei hand soap from a "handwashing brand" to a "hygiene brand." and aims to be the go-to sanitation and hygiene brand for the Japanese people.

#### **New Entrants**

#### **FANCL (97)**

Under its founding philosophy of "maintaining integrity and eliminating the 'negative' from the world," FANCL focuses on creating unique product value and building trust and bonds with customers. The company launched FANCL Live Shopping in July 2020 to strengthen bonds with customers and better listen to their comments. Rather than one-way communication from the brand, FANCL is developing a community where customers can exchange information with each other naturally instead of simply buying products. To achieve its long-term "Vision 2030" ("Make the world healthier and more beautiful"), FANCL renovated its brand flagship store at FANCL Ginza Square for its 40th anniversary in August 2020, hosting a grand opening themed around "New experiences in beauty and health". For the second year in a row, FANCL ranked within the top 20 of the "Customer Experience Value (CX) Ranking 2020" judged by C Space Japan, part of the Interbrand group of companies, and has otherwise strengthened brand experiences that have led to customer experience and value.

#### Rinnai (#99)

In celebration of its 100th anniversary, Rinnai redesigned its logo in 2020. The company has also promoted the ideas of "Global, Generation, and Governance" in its mid-term management plan "G-Shift 2020," which is set to end in the 2020 fiscal year. In its effort to increase value as a global brand, the company has strengthened its brand image, regulated its visuals, and spread the Rinnai Brand throughout the company, and has even placed branding to make Rinnai a brand chosen by customers as an important theme in its mid-term management plan. Rinnai has established "Creating a healthier way of living" as its brand promise and is working to foster its brand image as one that fosters a healthier, more comfortable life.

#### **MORINAGA (#100)**

With its vision of "Delicious, fun, and healthy," MORINAGA's mission is to provide valuable and inspiring products and services to help promote health and create a safe and abundant diet for people around the world. Health awareness throughout society has increased yearly due to lifestyle changes, and MORINAGA has striven to develop products in the field of wellness to meet the need for "functional, easy, and appropriate nutrition" and support a happy, healthy life.

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#### **About Best Japan Brands 2021 Brand Valuation**

#### Criteria for Inclusion

In order to shed light on the value of global Japanese brands and enable comparison of their relative position against a common global measure, brands meeting the following criteria were selected for evaluation:

- The brand originated in Japan: The corporate or business brand is the product of a Japanese enterprise.
- Financial information is publicly available: The corporation was publicly listed as of October 30, 2020, and analyst reports are available.
- 2020 brand values were applied to brands ranked in Best Global Brands 2020.
- The brand is recognized in Japan.

#### Methodology

Interbrand's methodology for evaluating brand value is based on the brand's financial strength, influence on purchasing decisions, and contribution of future earnings. In the same way that securities analysts analyze and evaluate the value of a company, we analyze and evaluate the value of a brand by asking, "What is its future earning potential?" This methodology has been certified compliant with the ISO 10668, the global standard for measuring the monetary value of brands as established by the International Organization for Standardization. The evaluation is made up of the following three specific analyses:

#### 1. Financial Performance: Project the company's future earnings

First, we estimate the current and future revenues of the business operating under the brand. We then subtract operating earnings, taxes, and capital cost of investment to calculate future economic profit. Our analysis is based on published corporate data; future projections are based on analyst performance forecasts\*.

\*For analyst forecasts this evaluation relies on analysts' estimates obtained from IFS Japan, Ltd at <a href="http://www.ifis.co.jp/">http://www.ifis.co.jp/</a>. The IFIS Consensus data <a href="http://www-en.ifis.co.jp/">http://www-en.ifis.co.jp/</a> used is current as of October 30, 2020.

#### 2. Role of Brand: Derive the brand"s contribution to profits

Next, to derive the brand's contribution to future economic profits as calculated in the analysis of financial performance, we analyze the brand's influence on customer purchasing decisions. In evaluating the role that a brand plays in consumer purchasing trends, we perform benchmark analyses by industry that draw on our database of over 10,000 brand value evaluations accumulated over the past 20 years. Based on these industry benchmarks, we perform a proprietary analysis to derive a Brand Contribution Score.

#### 3. Brand Strength: Evaluate the brand's contribution to future earnings

Brand strength analysis measures a brand's power to inspire what the client needs to sustain future earnings—market loyalty, repeat purchases by consumers, and lock in—and discounts brand earnings to derive a present value. Our evaluation offers a systematic means of determining a brand's risk based on 10 factors key to brand vitality, and is represented on a scale of 0 to 100, with 100 being a perfect brand. Brands within the same industry are compared based on these factors, and the top brands are then compared to global brands in other industries.

The Brand Strength Model 10 Factors have been updated this year. See the following page for details.

**Brand Strength Model 10 Factors Internal Factors External Factors** Leadership Engagement Relevance Direction Distinctiveness Presence Alignment Coherence • Trust Empathy Participation Affinity Agility

This brand strength score is then converted into a discount rate a method unique to Interbrand, and this rate is used to discount future brand profits, thus calculating the brand value. Brand Role Analysis and Brand Strength Analysis are calculated using a wide variety of published reports and other documents, which are then assessed by consultants in each of our global offices.

### **Update to Our Brand Strength Assessment Model**

As a leader in assessing brand value, Interbrand regularly reviews its frameworks and methods to reflect how valuable brands are built and maintained. In today's world, the speed of business has grown faster and the relationship of power has shifted toward the customer, making whether the customer accepts a brand more important than ever in building a brand. Communication has become a two-way street, and an even greater importance is being placed on action and experience. Furthermore, interdepartment cooperation has become essential to create experiences across customer touchpoints, and the way in which a brand is expressed and experienced has grown more flexible. Behavioral economics has taught us that people's choices are more influenced by experience than ever before. Having distinctive brand assets and the role of the brand experience is becoming more important when it comes to being a chosen brand.

With these changes to the business environment, we have changed the structure of our approach to three pillars of Leadership, Engagement, and Relevance to present the process of building a brand more clearly and more profoundly while still maintaining consideration for internal and external factors. In other words, we have updated our model to show that the strong brands of today have "strong leadership," provide "brand experiences that engage the customer," and "have long-lasting relevance to the customer."

#### **Brand Strength Score Index**

#### INTERNAL FACTORS

#### Leadership



#### Direction

Having a clear ambition for the brand, a plan to deliver on that ambition over time, and a defined culture and values to guide how those plans should be executed.



#### Alignment

The degree to which the whole organisation is pulling in the same direction, committed to the brand strategy and empowered by systems to execute it across the business.



#### **Empathy**

The degree to which the organisation is in tune with consumers/ customers, actively listening to and anticipating their evolving needs, beliefs and desires, and responding effectively and appropriately.



#### Agility

The speed to market that a company demonstrates in the face of opportunity or challenge, enabling it to get ahead and stay ahead of customer expectations.

#### **EXTERNAL FACTORS**

#### **Engagement**



#### Distinctiveness

The existence of a uniquely ownable identity and experience that is recognised and remembered by consumers/customers and difficult to replicate.



#### Coherence

The degree to which customer interactions, across varying experiences and contexts, remain authentic to the brand's promise, values and personality.



#### Participation

The degree to which the experiences provided by the brand draw customers in, create a sense of dialogue and encourage involvement.

#### Relevance



#### Presence

The degree to which a brand feels omnipresent to its target audience, such that it is always thought about when a customer has a need in the brand's category.



#### Trust

A brand that is seen to deliver against the (high) expectations that customers have of it, is perceived to act with integrity and with customers' interests in mind.



#### Affinity

The degree to which customers feel a positive connection with the brand, based on the functional and/ or emotional benefits provided, and/or a sense of having shared values.

#### About Interbrand

Interbrand is the world's leading brand consultancy, established in London in 1974. For more than forty years, Interbrand has helped clients drive growth for both their brands and their business through a combination of strategy, creativity, and technology.

In this era of an unprecedented abundance of choices and rapid innovation despite increasing social uncertainty, customer expectations and values are changing faster than businesses are. At Interbrand, we believe it is crucial to explore the truth hidden behind these ever-changing human insights, understand customer thoughts and expectations as quickly as possible, make the decision to provide an experience that exceeds those expectations and take action. We call this decisiveness and action Iconic Moves<sup>TM</sup>.

At Interbrand, our strategic team, which employs cutting-edge analyses measures such as Brand Valuation™, recognized by ISO as the world's first global standard for measuring the monetary value of brands, has come together with our award-winning creative team to work on projects where we handle everything in-house, from analysis to strategy building, creative development, internal and external engagement, and support for incorporating brand into management indicators to create innovation throughout the organization.

#### **About Interbrand Japan**

Interbrand Japan was established in 1983, the third office in Interbrand's global network, following London and New York. Together with C Space (headquartered in Boston and London, Japanese office in Shibuya, Tokyo), a customer agency that has developed globally to help companies incorporate the customer's perspectives into its business through online community management and co-creation workshops with customers, we provide total branding services for a variety of organizations including Japanese enterprises, international companies, governments, and public agencies. Please visit <a href="https://www.interbrandjapan.com">https://www.interbrandjapan.com</a> to learn more.

#### **Contact Us**

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