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The Growing Brand Equity and Brand Value – The Learnings from Most Valuable Brands

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Abstract

The brands are often most valuable asset of the company. The successful brands are annually gaining value while unsuccessful brands may year-on-year significantly loose their value. This article examines effects, tools and trends that influence development of brand value. In the first section you may find analyses of theoretical concepts of brand equity and brand value and its development from the point of consumer as well as brand owner. The next section looks into the different impacts, that increase brands value according to the global rankings of the most successful brands „Best Global Brands" from Interbrand consulting group and „BrandZ Top 100 Most Valuable Global Brands ranking" from Millward Brown company. In the conclusion I compare these two attitudes and identify current trends, which play important role in brand value creation.

Key words

Brand, brand equity, brand value

JEL Classification: F23, M31

Introduction

The success of companies with growing importance depends on the success of their brands. In increasingly globalized and interconnected markets, brands and the way companies manage them influence financial as well as business results. Researchers same as practitioners of marketing agree, that brands are the main source of value. The extent to which company and its investors can rely on the future income from the brands depends mostly on the consumers and the quality of the relation between the brand and the consumers, as brands influence consumer purchase and consumption behavior. Consumers make their decision according to their perception of different brands, based on perceived benefit (not only rationally based), which the brand will deliver, promises the brand makes to them. Brand in this sense is a value for the consumer, in which is the consumer willing to invest relevant amount of its available income. Thanks to this fact, brands can be seen as an asset delivering value to the company. In theory, this concept explains for example theory of brand equity, which identifies elements that influence brand value and the way in which brand create value for the consumer and the company. Quantification of the brand value based on brand equity is not straightforward and in practice is applied differently. Consulting companies specialized in independent brand valuation like Interbrand or Millward Brown developed methodologies for setting a value of a brand.

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In the article, I put emphases on the method of analyses and comparison of the theoretical and practical attitudes to brand value, its assessment and factors influencing it. In the chapter one, I analyze different theoretical concepts and attitudes to brand value described in literature. In the following chapter I concentrate on the two examples of practical attitudes of brand value assessment, two respected companies specialized in international brand valuation – Interbrand and Millward Brown. I have analyzed and compared methodology of the brand value assessment between the theoretical and practical concepts and both practical concepts among themselves. Later I have looked deeper into aspects influencing value growth of successful brands using analyses across geographies, industries as well as individual brands from the top of both rankings. Based on these learning I have identified trends affecting brand value growth. Reversely I have compared these trends with theoretical concepts of brand value to see if these correlate. The aim of the article is to find out, which factors have been influencing brand value growth in the past few years and if these factors have bases in theoretical concepts.

1 The theoretical base of a brand value

Before talking about brand value, the term brand needs to be defined clearly. There are many different views on what brand is. The definition of American Marketing Association, that brand is "a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" (American Marketing Association, 2012) is very narrow. It is much more appropriate to see a brand as "a set of mental associations and relationships build up over time among customers or distributors" (Kampferer, 2008), as these, often long-term relationships among brand and consumers are one of the main sources of the brands value.

When talking about brand value and its management, majority of authors start with brand equity as a source of brand value. Since 1980ties, when the concept of brand equity arouse, different definitions of brand equity have appeared. There is no common viewpoint so far as to how brand equity should be defined and measured, but most authors agree, that brand equity relates to the fact, that different outcomes result from the marketing of a product or service labeled with a brand name or some other brand elements compare to results if that same product or service did not have this brand identification. Brand equity represents the "added value" endowed to a product as a result of past investment in the marketing for the brand (Aaker, 1998).

Every brand name, regardless of fame, image and awareness has certain brand equity. Some brands have very strong positive brand equity, which represents high value of this brand for its owner, some have weaker positive brand equity that represent lower value, some may have negative brand equity, which represent almost no value and may be more costly to build them up again than creating completely new brand.

David Aaker (1991, 1996, 2000) has over the time developed together with his colleagues a solid model of brand equity, which became base for further research as well as practical application in brand management. Based on his work, brand equity is formed by a set of several important brand characteristics (brand awareness, loyalty, image, heritage, perceived quality, legal protection of the rand and relations with trade partners which all need to be carefully managed in order to create and support brand equity.

These characteristics influence brand equity only if they are directly connected to the brand name and symbols. If brand name or symbols should be changed, the assets or liabilities would change or even disappear. They also indicate the strength of the brand in the market, strength and quality of the brand customer relationship.

1.1 The brand equity as a source of value for consumer

The brand equity brinks its value to its owner only thanks to the fact, that it brinks value to the customer. That is because customers buy only products, which they presume more satisfactory than other similar products of other brands and which bring them additional value. We can say, that the brand posses a positive customer based equity (Keller, 1998).

The main value of brand equity for the consumer (consumer based brand equity) is mostly its information content. The brand with its equity represented by all its assets helps the consumer to sort out the huge amount of information about available product. The brand makes the product familiar, represents certain quality and price level as well as security of the right choice fulfilling consumer rational as well as emotional needs, representing his or her personality.

By supplying certain information about itself, brand also limits consumers´ risk of the purchase decision. Importance and value of a brand for consumer shows consumer behavior during current financial crises. With the current economic downturn, consumer uncertainty grows and demand slows down. Consideration of brand in a purchase decision has risen by 20 % since 2005 and this importance of brands stretches across geographies (Millward Brown, 2011).

There exist whole set of risks, that brand can help consumer reduce or completely eliminate. There are different risks that consumers may perceive, when buying and using a product:

- Functional: product does not perform up to expectations
- Financial: product is not worth the price
- Social: product results in embarrassment from others
- Emotional: product does not fulfill emotional expectations
- Time risk: Los of time connected to research of information, purchase or even replacement of the product

The associations connected to the brand and its image may affect usage satisfaction. The brand with high perceived quality may give consumer better feeling about the usage compare to the same product with brand of lower perceived quality. The same case is about emotional feelings based on consumer previous experience or someone's recommendations etc. The consumer knows what quality, what features, what emotions he or she buys. The brand is virtually labeled with all these and many more rational and emotional features. The substance of the brand and its name is the pure benefit carrier.

1.2 The brand equity as a source of value for a company

The brand studies show, that brands are the most valuable asset of any company, accounting for about a third of shareholder value on average (Millward Brown, 2011). The brands create value for its owner through developing strong relationship with its consumers. The successful brands attract consumers through differentiation. The owner of a brand generates increased profit from consumers' differentiation and acceptance of the brand also in several different ways

There are several benefits from brand equity which, as a result of their effect, create value of a brand for the company (Keller, 1998), such as premium pricing, consumer loyalty generated by brand name, increased marketing communication, potential for brand extension, barrier to competitive activity - legal protection for unique features and aspects of the brand.

Table 1 The brand Equity Values for consumers and producers

The Brand Equity assets and liabilities	
Value for the buyer	**Value for the brand owner**
Identification of product, source of information	Efficiency of marketing program
Time saver	Price/margin
Risk reducer	Brand extension
Usage satisfaction	Trade relationship
	Competitive advantage
	Legal protection

Source: Machková, H., Král, P. & Lhotáková, M. (2010). *International marketing.* Praha Nakladatelství Oeconomica, p. 108.

These advantages are reason, why both consumers and producers increasingly extend interest in branded products – consumers by purchasing them and producers by investing in their building. Brand equity represents for many companies the major asset and therefore it requires careful management of resources invested into these assets. The brand is an intangible asset of a company which has over the time increasing importance and therefore value for companies. "While before 1980´s companies wished to buy production capacity, since than firms realized it is much more important to posses place in consumers mind – a brand" (Kampferer, 2008). Even in today´s uncertain economic environment, people need something they can trust and increasingly they are turning to the brands. The last two years have shown that brands don´t matter only in good times. The brands help to keep the business up when times are tough. The share price of the Brandz Top 100 has outperformed the S&P 500 by over 30 %. Companies with strong brands such as Starbucs and Samsung have the ability to recover faster from difficulties. Following analyses of brands value according to Interbrand and Millward Brown consulting firms supports this argument.

2. The brand value according to Interbrand and Millward Brown

The value of a brand has increasing importance. The brand value is mostly understood as financial expression of a brand or a "price of a brand" or added value of a brand. There are no standardized measures to set a financial value of a brand. Brand equity concept (by Aaker) shows, how different characteristics, or create value for consumers as well as for the firm. But this concept does not give clear quantitative methodology, how to calculate brand value arising from brand equity. There are three basic theoretical attitudes to how to set the financial value of a brand - cost, market and income approaches (Keller, 1998).

According to Jean-Noel Kampferer is brand value the ability of a brand to deliver profit. The brand value can be expressed as a net discounted cash flow attributable to the brand after paying the cost of the capital invested to produce and run the business and the cost of marketing. (Kampferer, 2008) But the methodology of setting the value is not clear and unified, but Kampferer´s approach is at least partially used in practical applications.

Specialized companies have developed valuation methodologies to set a standard and independent brand value. Their methodologies of value calculation differ, but all of them have bases in brand equity concept and combine several approaches of value calculation. One of the first to pioneer this area was Interbrand. Interbrand is one of the leading firms in the field of brand valuation with almost 40 years of experience (since 1974) and is one of the very reputable sources of information. They issue a yearly report of 100 best global brands (Interbrand, 2012), based on the brand value. Another firm conducting an independent brand valuation is Millward Brown, global research and consultancy agency specializing among other in brand equity research and valuation since 1973. Similarly to Interbrand they publish yearly listing of top 100 most valuable brands called BrandZ, Top 100 Most Valuable Brands (Millward Brown, 2012).

Further two subchapters will analyze the approach of these two companies and their results. I will have a closer look on the results of both rankings and analyze trends that lead to the increased value of the most successful and valuable global brands.

2.1 The Best Global Brands by Interbrand

The Interbrand is specialized in evaluation of global brands. One of the major criteria for the placement of a brand into valuation system in give year is its international presence. The Interbrand has also other criteria, when considering brands for its prestigious "Best Global Brand raking". These criteria insure that the brands included are not only truly international and have transcendent geographic and cultural difference, but also brands with guaranteed level of financial transparency. (Interbrand 2011). On the other hand, these sever criteria have caused that some of well known brands may not qualify for the listing. This may be case of privately owned brands that do not have publicly available financial data (brands such as Mars chocolate bar). Also companies, who do business in different markets under different brands (such as Wall-Mart), as well as brands in industries which tent to be strongly oriented to the national markets, such as telecommunication, or industries where consumers tend to create relationship with product brands that have relatively narrow focus like pharmaceuticals.

The Interbrand uses a mixed methodology to set a brands´ value, which takes in account three key aspects that contribute to the brands value (Interbrand, 2011). First is purely financial and sets financial earnings of the brand based on financial analyses. The second step relates to the role of brand in the consumer decision purchase (what the brand would be worth if un-branded) arising from brand equity concept. The third step of the methodology relates the value to the future earnings from the brand based on internal and external factors of the brand such as know-how, skills and tools to manage the brand in the future.

Compare to other independent brand evaluations, there is a long history, which enables to analyze trends. From the long term data we can identify trends that influence not only brand value but also factors that influence its success with the consumers. In the further paragraphs, I will analyze results of the 2011 global brand ranking by Interbrand.

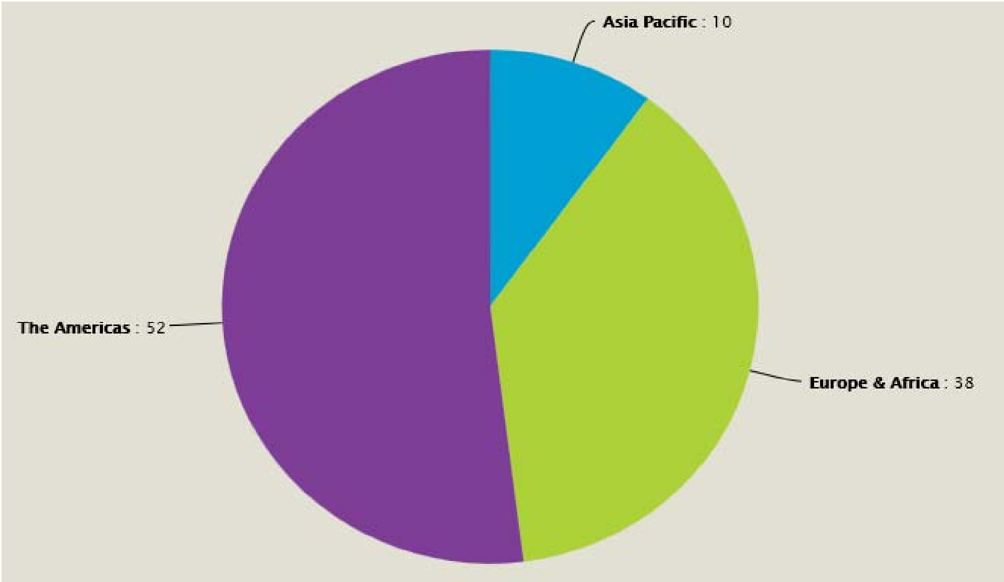
Table 2 Top 10 global brands by Interbrand 2011

Ranking	Brand name	Country of Origin	Industry	Brand Value ($m)
1.	Coca-Cola	USA	Beverage	71 861
2.	IBM	USA	Business services	69 905
3.	Microsoft	USA	Comp. software	59 087
4.	Google	USA	Internet services	53 317
5.	GE	USA	Diversified	42 808
6.	McDonald´s	USA	Restaurants	35 593
7.	Intel	USA	Electronics	35 217
8.	Apple	USA	Electronics	33 492
9.	Disney	USA	Media	29 018
10.	Hp	USA	Electronics	28 479

Source: http://www.interbrand.com/en/best-global-brands/Best-Global-Brands-2011.aspx

Unlike in previous years the ten top global brands were dominated by US brands. European and Japanese brands, which used to be among the best 10 (in year 2007 Nokia (5^{th}) and Mercedes (10^{th}) from Europe and Toyota (6^{th}) from Japan), lost their places. Dominance of US brands among global brands proves also Chart 1, according to which 52 out of 100 most valuable brands in 2011 originate from America, from which 49 from the United states (2 from Mexico and 1 from Brazil), 38 from Europe (non is from Africa) and 10 from Asia Pacific region (out of that 7 from Japan, 2 from South Korea and 1 from Taiwan).

Chart 1 Most valuable brands by Interbrand 2011, Geographical structure



Source: http://www.interbrand.com/en/best-global-brands/BGB-Interactive-Charts.aspx

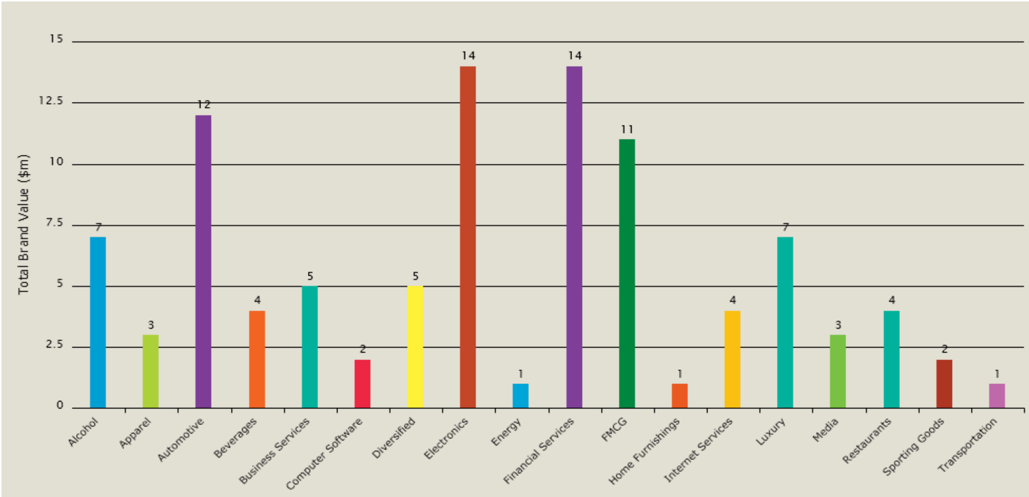
Strong dominance of American brands may be explained by several different factors. Most likely important role plays the size of home market combined with economic development of the country with special focus on research and development. United States have the largest home market in the world, which enables the US brands to establish strong financial position on local market before investing into international expansion. When a US company decides to expand its brand internationally, it is already strong enough financially to invest in the international extension significant resources.

The aspect of the US dominance can also be seen in industry structure of the top global brands. While brands representing traditional industries such as cars, FMCG brands or financial services have almost totally disappeared from the top rankings, brands from innovation driven sectors such as electronics, internet services and new technologies are gaining value. That these brands originate mostly from US can relate to the fact, that United States belong among the most developed countries[2] and support strongly research and science[3], with focus on new technologies.

[2] 5th according to Global Competitivness index 2011-2012 index, source: World Economic Forum from www.weforum.org/gc

[3] According to The World Bank indicators 2,8 % of GDP went in USA on research and development in 2008, higher was the indicator only in Israel (4,8 %), Sweden (3,7 %) amd Finland (3,4 %) - http://data.worldbank.org/indicator

Chart 2 Most valuable brands 2011 by Interbrand, by industry



Source: http://www.interbrand.com/en/best-global-brands/BGB-Interactive-Charts.aspx

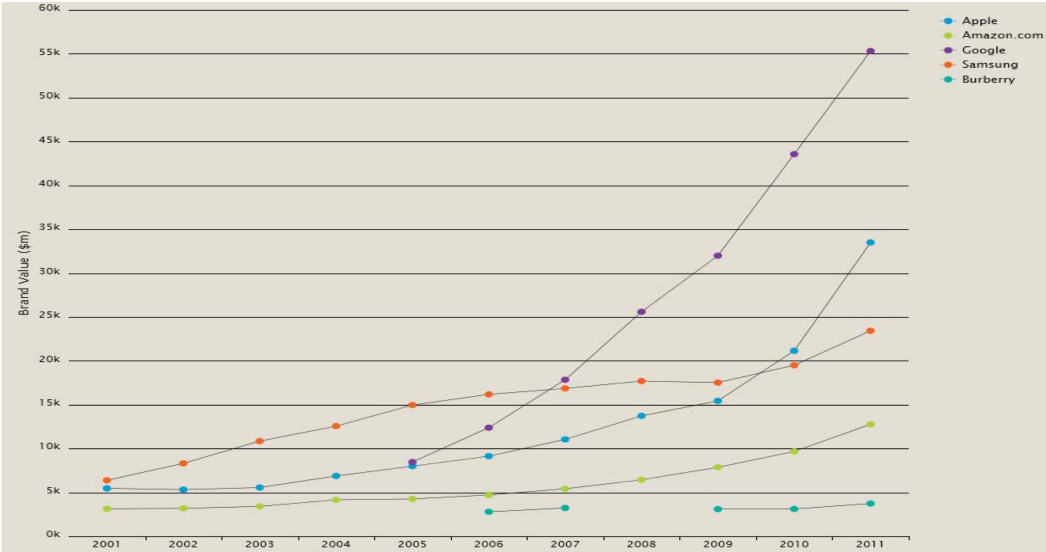
More interesting for identification of value setting trends than country of origin of the brand are analyses deeper by industries, most represented in top 100 most valuable brands (Interbrand, 2012). Between the top 2 belong financial services and technologies, both with 14 brands among the top 100. Another strong industries, where valuable brands tend to arise from are automotive, FMCG (fast moving consumer goods), followed by alcohol (either beer brands or luxury alcohol brands such as champagne or whiskey) and luxury brands.

Deeper analyses of value development of the brands do not show that in any industry all the brands would have increasing or decreasing value. Exception can be seen in the two top industries, In financial services many (but not all) of the brands among the top 100 Global brands lost (at least temporarily) some value between 2008 and 2011 while in electronics and internet services most brands indicated brand value growth.

The financial sector has been seen as a cause of financial crises and decreased trust in these brands has been reflected in their market performance and value. "The confidence of regulators, clients and shareholders remains shaken and public perception of the stability of the market and the key players have not improved during 2011. These shaky conditions and tainted perceptions have slowed the path to recovery, indicating that the worst is not yet over" (Interbrand, 2011). Especially low trust of all stakeholders indicates, that brands in financial sector will continue to have difficulties, because brand value depends on consumer relationship with and the trust to the brand. For brands in financial sector is extremely important to rebuild confidence of the clients through open and transparent dialogue.

Completely different situation is in sector of electronics, where majority of the brands continuously increase their value (again with some exceptions, like Nokia, Sony and Dell). Another industry worth mentioning are internet services, where 3 out of 4 brands achieve continues growth of brand value and 2 of them (Amazon and Google) belong among the top 5 brands with the highest year-on-year value growth.

Chart 3 The brands with fastest brand value growth over past 10 years, according to Interbrand



Source: http://www.interbrand.com/en/best-global-brands/BGB-Interactive-Charts.aspx

Enormous number and speed of innovations, which these brands are continuously introducing to the market, drive growth of the brands value in these two industries. These brands also represent products that strongly influence people´s day-to-day lives. Some analysts even say that technology redefines the culture (Interbrand, 2011). Indisputable is that technology is most dramatically influencing and shaping our lives and lifestyles.

Another aspect that plays increasing role in growth of brand value in electronic and technology sectors is their global impact. Unlike majority traditional industries, where the products and brands need to be adjusted to cultural differences, technologies and electronics are global. They do not need to shape their strategies according to the cultures. These brands are accepted as innovations that facilitate our lives and professions internationally and they influence lifestyle across cultures and speed up cultural changes.

2.2 The Best Global Brands by Millward Brown

Another reputable brand valuation ranking is yearly assed by Millward Brown brand consulting company specializing in brands, media and communications. One of their major yearly projects is brand valuation study Brandz Top 100. "It is the only brand ranking to combine consumer measures of brand equity (from the Brand Dynamics studies in Millward Brown's BrandZ database) – with financial data" (Ritso, 2006). Millward Brown rating is based on very solid data sources. "Insights into customer behavior and brand perceptions come from WPP's BrandZ, an annual quantitative brand equity study in which consumers and business customers familiar with a category valuate brands. Financial data is sourced from Bloomberg, analyst reports, Datamonitor™ industry reports, and company filings with regulatory bodies" (Millward Brown, 2011).

The brand value according to BrandZ Top 100 derives the value of a brand from its ability to generate demand. The dollar value of each brand in the ranking is the sum of all future earnings that brand is forecasting to generate, discounted to a present-day value. Similarly as by Interbrand, the value is calculated in three steps (Millward Brown, 2011), where first are financial valuation of the impact of the brand on company's results and in the second they valuate brand equity impact. The third step both methodologies try to express future growth potential or cash flow secured from the brand. The issue is, they not only use different attitudes to calculate these three indicators, but also source data for the valuations of the brands. As a result value of a specific brand differs largely according to these two valuations.

Another major difference in both methodologies is attitude toward "globalness" of the brand. While Interbrand has strict criteria concerning international presence of a brand for those evaluated and placed in ranking, Brandz does not considers international presence and its scale as discriminating criteria. Their valuation is based on country based evaluations added together for all markets where brand is sold.

These differences in methodology and data resources lead to huge differences in value, but even in the ranking of the most valuable global brands. Table 3 shows the most valuable brands according to Brandz ranking 2011.

Table 3 Top 10 most valuable brands according to Millward Brown BranZ 2011

Ranking	Brand name	Country of Origin	Industry	Brand Value ($m)
1.	Apple	USA	Electronics	153 285
2.	Google	USA	Internet services	111 498
3.	IBM	USA	Business services	100 849
4.	McDonald´s	USA	Restaurants	81 016
5.	Microsoft	USA	Computer software	78 243
6.	Coca-Cola	USA	Beverage	73 752
7.	Tat	USA	Telecommunication	69 916
8.	Marlboro	USA	Diversified	67 522
9.	China mobile	USA	Telecommunication	57 326
10.	GE	USA	Diversified	50 318

Source: *BrandZ Top 100 2011* Introduction, p. 13. Retrieved from www.brandz.com/output/eReport.aspx

Unlike Interbrand, Brandz ranking includes much larger variety in country of origin of the brands. Among the top 10 most valuable brands in 2011 appeared 11 brands for the first time (see table 4). This relatively large number (11 %) shows, that brands from the new economies, especially BRIC countries, are finding their way among the most influacial global brands and their value is growing accordingly, Because BransZ ranking does not require the global presence of the brand, these new brands from large and fast growing countries increase their global importance in the ranking in recent years and this trend is likely to continue.

Table 4 The brands newly achieving BranZ ranking in 2011

Ranking	Brand name	Country of Origin	Industry	Brand Value ($m)
1.	Deutsche telecom	Germany	telecommunication	29 774
2.	China life insurance	China	Financial services	19 542
3.	Facebook	USA	Internet services	19 102
4.	Agricultural Bank of China	China	Financial services	16 909
5.	Tencent/QQ	China	Internet serivces	15 131
6.	Telecom Italia	Italy	Telecommunication	11 609
7.	Ping An	China	Financial services	10 540
8.	Scotiabank	Canada	Financial services	10 076
9.	Itau	Brazil	Financial services	9 600
10.	China Telecom	China	Telecommunication	9 587
11.	Sberbank	Russia	Financial services	8 535

Source: *BrandZ Top 100 2011* Introduction, p. 18. Retrieved from www.brandz.com/output/eReport.aspx

When we look in industries, from which the most valuable brands according to Millwards Brown BrandZ listing 2011 recruit, we see many similarities with Interbrand. Mostly technology driven sectors are among the 10 most valuable brands (with exception of three truly global, traditional consumer oriented brands Coca-cola, MacDonald and Marlboro).

TOP 20 Risers (Millward Brown, 2012) listing 20 brands that demonstrated the fastest year-to-year growth between 2010 and 2011 confirms the trend. Along with Facebook, the top 20 risers included online retailer Amazon and four other technology brands – Apple and Baidu, Siemens and Cannon. These brands with fastest growing value connects another important fact, a visionary, entrepreneurial leadership of top management that indisputably contributed to growth in brand value, as demonstrate brands like Facebook, Apple, Amazon or Starbucks. These brands demonstrated uncompromising willingness to respond to specific consumer needs and readiness to take risk when introducing new products and services.

What is different compare to Interbrand is the presence of brands from BRIC countries, especially among the newcomers. Also their industry structure shows, that these brands recruit from infrastructural industries such as finance, oil and telecommunications. This is because developing nation's tent to primarily focus on the development of infrastructure and commodities which fuel the economy (Millward Brown, 2011). This development signals the growing importance of emerging markets not only for global brands. It also suggests that global brands from developed countries will face stronger local competition in emerging markets as well as international markets as the awareness and image of the new brands grows.

3. Learning from the most valuable global brands

Brands are the most valuable intangible assets of many companies and the value of successful brands continues to grow. According to BrandZ study, the value of Top 100 brands totaled 2,04 trillion USD in 2010, which represents growth of 40 % (from 1,45 trillion USD) in 5 years (2006-2010). (Millward Brown, 2011) This fact proves importance of brands and investments into brand building programs.

Brand equity is decidedly theoretical bases for brand value and methodologies that calculate it. Theory of brand equity shows, which brand elements are important for brand value and how they deliver the value to the consumer as well as brand owner. On the other hand the analyses of most valuable brands show, that the elements comprising brand equity and influencing brand value are driven by trends in consumer behavior.

Key drivers of consumer popularity of a brand are innovations and the trends that set the direction, in which the innovations should move the progress. In past two years the trends were driven mostly by consumer friendly technologies. Even though these innovations are most naturally achieved in electronic, communication and computing sectors (Apple, Facebook), also brands from other, very traditional industries managed to differentiate themselves through implementation of novelties based on new technologies as for example Coca-cola (PlantBottle) or Starbucks (My Starbucks). These examples show, that trends in consumer behavior are pushed by innovativatelly used technologies that address new consumer needs and expectations.

But it is more than just the new products, consumers expect honest ongoing communication and collaboration between consumers and brands, deeper and more truthful brand-consumer relation. From the valuation studies of Interbrand and BrandZ, can be draw several conclusions, which indicate some of the strongest trends determining brand value, summarized below:

- **Personalization**

Being able to personalize the brand experience is of increasing importance to consumers and is becoming a point of difference for some of the most successful brands. The trend is most apparent in technology. Google enables people to create a homepage based on individual preferences. The big selection of applications available for Apple's iPhone adds unique qualities to a mass product. But brands from other industries try to address their consumer with products and communication tailored maid to individual consumer, as for example Starbucks with its unique My Starbucks social media communication (community with more than 6 million fans in 2010 on Facebook) or Burberry, with their "retail theater", that allows consumers to access via internal and external screens and IPad the full global collection regardless of what is available in the specific shop.

- **Trust**

Brands in all categories (especially financial services and car industries) felt an erosion of consumer trust. As a result of financial crises, consumers consider their shopping decisions more wisely and rationally. Although consumers further aspire for better material well being, they re-evaluate what is really important, search for more information and take more responsible decisions. New consumers are well informed about the product, price and supply thanks to searching information in internet, they share their experience about brands, and some even act as a brand advocates or critics. Leading brands leverage new and traditional ways of communication to build consumer trust through mutual truthful and open communication.

- **Social media**

Social media became a phenomenon of modern, up-to-date life style. They influence all areas of our life and became a strong communication channel for brands. Social media have brought completely new style in communication between a brand and its consumers, opens unprecedented openness between brand and customer. But like any intimate relationship, a deep, lasting bond requires dialog, honesty and respect. Many of the successful brands attempted to be accessible, engage customers and inspire advocates whose independent voices potentially speak more credibly about the brand. Brands initiate social media discussion, support communities of friends and enthusiast. But there are issues, communication on social media is not only in hands of the brand but of all participating parties, including consumer critics. Social media may be vary effective and strong, but only if open, truthful and connected to brand nature, as for example Ford Fiesta on-line promotion in the United States (Ford Fiesta, when launching the car to the US market gave, away 100 cars to the bloggers to comment on-line on their experience. The bloggers have created buzz which quickly spread also into traditional media and build up a huge awareness and interest for the brand.)

- **Social Responsibility and Sustainability**

Consumers are increasingly urged to feel well about their purchase. They want to justify their material needs and consumption and prefer brands that do that for them by being responsible socially or ecologically. Consumers expect brands to get involved in social issues as fair trade, support of local community as well as fair working conditions for minorities. Consumers are becoming more demanding when it comes to the origin of their purchases, type and amount or resources used and the behavior of the brands that stand behind it. Brand leaders aligned with causes, on one hand represent responsible and sustainable brand behavior, on the other hand well connect to the brand´s core business to demonstrate the real contribution for future natural and social improvement. To satisfy the consumers, brands need to offer both a purpose beyond spending and permission to spend. Sustainable and social responsibility programs help brands to differentiate themselves as for example IBM with its "Smart planet" program, incorporated in all areas of its business

Conclusion

The brands belong to most valuable intangible assets of the companies and their value is continuously increasing. Value of a brand depends largely on quality of the brand – consumer relationship, on consumer based brand equity. As learning from most valuable global brands show, brand equity is a strong base for managing brands and their value, but must be complemented by the skills of the marketing managers to identify and follow the trends in consumer preferences.

In past two years, most value gained brands, which took a risk and brought to the markets novelties based on easy-to-use and consumer friendly technologies, so called humanizing technologies. Important role plays ability of the brand to communicate truthfully and mutually with consumers. Social media are further developing the impact on global consumers, and successful brands need effectively use this communication channel to build mutual ties with consumers and build communities of truly dedicated consumers. Social responsibility and sustainability of products and brands are the third important attribute of successful brands with growing brand value. Consumers increasingly want to feel responsible not only while consuming, employees prefer to work for companies that treat people as well as nature well. Therefore social responsibility and sustainability are big topics.

The most valuable global brands originate from North America and Western Europe. Potential for further growth of these brands opens the new unsaturated and for western products hungry markets in Asia and South America. On the other hand, past two years showed, that new brands from these regions, especially BRIC countries will become new competitors for the western brands, not only on their home markets, but also internationally.

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