THE MVI TOP 25 GLOBAL RETAIL BRANDS 2009

MVI insights from the Millward Brown Optimor
BrandZ Top 100 Most Valuable Global Brands

MVI Retail Insight

This report provides the first in-depth look at the world's leading retailers as highly-valued brands

WELCOME

It is produced by retail specialist MVI – A Kantar Retail Company, and based on the definitive BrandZ Top 100 Most Valuable Global Brands, the most reliable, comprehensive and useful brand valuation ranking available.

The BrandZ Top 100 study, published annually by the market research consultancy Millward Brown Optimor, covers 17 categories. Adding its own proprietary research and analysis, MVI explores the retail category in depth.

MVI and Millward Brown Optimor are part of WPP, the world's largest marketing communications company. Their collaboration resulted in this penetrating but accessible study about the Top 25 retail brands.

The report opens with an expansive overview that identifies the key drivers of retail brand value growth today.
It concludes with an analysis of trends that especially are influencing brand performance in this difficult economy.
The core of the report explores the Top 10 retail brands with thoughtful profiles, statistical summaries and prescriptive insights.

Among the topics covered are:

- How the leading global retailers are building, refining and communicating their brands;
- The strong growth prospects for brands such as Amazon, Wal-Mart, Tesco, and Asda and implications for suppliers; and
- The changing demands on retailer partners as the leading retail brands adjust for competition in their mature and developing markets.

These topics, and the many others found in the report, are intended to help companies deepen their understanding of the retail industry, make informed decisions and take action.

For more information about how MVI's retail knowledge can help your company, please contact us. You will find further information about MVI, along with our contact details, at the end of the report.

The complete MVI Top 25 Global Retail Brands is available as an iPhone application.

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Rigorous methodology has made the BrandZ Top 100 the most reliable, comprehensive, and useful brand valuation rankings available

The ultimate brand evaluation tool

The BrandZ Top 100 Most Valuable Global Brands 2009, an annual study now in its fourth year, ranks the world's leading brands in 17 product categories.

The BrandZ Top 100 and this new retail report affirm the power and resilience of brands and the important contribution that brand equity makes to a company's market value.

Even in this period of unprecedented financial turmoil, when every key financial indicator has plummeted, the value of the Top 100 brands last year increased by 2 percent to $2 trillion. The retail category exceeded that growth rate, and three of the Top 10 fastest-growing brands across all categories were retailers.

This performance indicates the power that strong brands have to create real and sustainable competitive advantage. They can:

- Drive revenue growth by ensuring higher demand and market share;
- Help improve margins by commanding premium prices and better supplier terms; and
- Reduce capital by minimizing the costs of entry into new categories.

Strong brands can also create differentiation that allows companies to overcome commoditization and reduce overall business risk.

Knowing a brand's value enables the CEO, investors, and other stakeholders to make better, more informed decisions. The return on investment in marketing initiatives, for example, can be more accurately understood when an intangible asset like brand has a monetary value that can be tracked.

The central role of brand value in business decision-making underscores the importance of using the most sensitive and sophisticated brand-evaluation tool, BrandZ. These reports are the only rankings based on a brand valuation methodology that is grounded in both customized consumer research and in-depth financial analysis. (For a full explanation of methodology, please see page 9). They are …

… Based on the world's largest brand equity database.

… customer focused, measuring the strength of brands, not corporations.

… comprehensive, with more countries, categories, and brands.

… and predictive, calculating prospects for near-term growth.

To access the full BrandZ study, please visit www.brandz.com

How Brand Value is Calculated

Millward Brown Optimor applies an economic use approach to brand valuation, and uses a methodology similar to that employed by analysts and accountants.

The brand value published is based on the intrinsic value of the brand – derived from its ability to generate demand. The dollar value of each brand in the ranking is the sum of all future earnings that that brand is forecast to generate, discounted to a present day value. Given the high volatility of financial markets over the past 12 months, the brand value is in some cases high relative to current market capitalization, reflecting true value rather than current market swings.

The Data Sources

Customer Opinion
The secret ingredient is WPP's BrandZ database, based on an annual quantitative brand equity study in which consumers and business customers familiar with a category evaluate brands.

Since BrandZ's inception over 10 years ago, more than one million consumers and business-to-business customers across 31 countries have shared their opinions about thousands of brands. It is the most comprehensive, global, and consistent study of brand equity.

Financial Performance
Financial data is sourced from Bloomberg, analyst reports, Datamonitor™ industry reports, and company filings with regulatory bodies. Financial models are then prepared for each brand that link brand perceptions to company revenues, earnings, and ultimately shareholder and brand value.

The BrandZ Top 100 values market-facing brands, i.e. brands which directly generate revenues and profits through the sale of goods and services to customers. Corporate brands such as Procter & Gamble, Unilever and Nestle which have significant value especially with the investment community, are not included in the ranking.

The Valuation Process

1. Branded Earnings
What proportion of a company's earnings is generated "under the banner of the brand"?

First, the branded earnings are identified. For example, in the case of Coca-Cola some earnings are not branded Coca-Cola, but come from Fanta, Sprite or Minute Maid. Once identified capital charges are subtracted. This ensures only value above and beyond what investors would require any investment in the brand to earn is captured: The value the brand adds to the business. This provides a bottom-up view of the earnings of the branded business.

2. Brand Contribution
How much of these branded earnings are generated due to the brand's close bond with its customers?

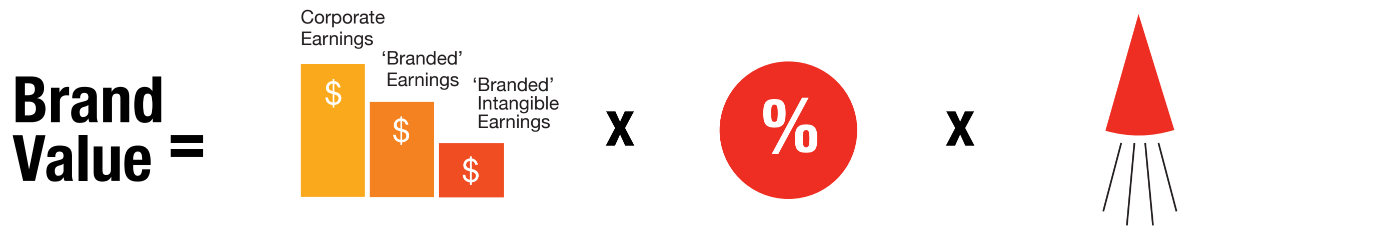
The portion of these earnings driven by brand equity is called "Brand Contribution": The degree to which brand plays a role in generating earnings. This is established through analysis of country-, market-, and brand-specific consumer research from the BrandZ database.

This guarantees that the Brand Contribution is rooted in real-life customer perceptions and behavior, not spurious 'expert opinion': in some categories, brand is important – luxury, cars, or beer, for instance. In categories like motor fuel, on the other hand, price and location play a very strong role. Furthermore, as markets develop, consumer priorities and the role of brand may change. And even in strongly branded categories, some successful brands that compete heavily on price.

3. Brand Multiple
What is the growth potential of the brand-driven earnings?

In the final step, the growth potential of these branded earnings is taken into account. Both financial projections and consumer data is analyzed. This provides an earnings multiple aligned with the methods used by the analyst community. It also takes into account brand-specific growth opportunities and barriers. To capture the weaker economic outlook, all projections have been validated using IMF economic growth forecasts.

The Brand Momentum™ indicator that indicates each brand's growth is based on this evaluation. It is presented as an indexed figure that ranges from 1 to 10 (10 being high).



Step 1.
Intangible Earnings
Intangible corporate earnings allocated to each brand by country, based on company and analyst reports, industry studies, revenue estimates, etc

Data Sources
Bloomberg DATAMONITOR

Step 2.
Brand Contribution
Portion of intangible earnings attributable to brand.

Directly driven by BrandDynamics™ Loyalty Pyramid and Category Segmentation collected within the BrandZ study

Data Sources
BRANDZ™

Step 3.
Brand Multiple
Brand earnings multiple.

Calculated based on market valuations, brand growth potential and Voltage™ as measured by BrandDynamics™

Data Sources
Bloomberg BRANDZ™

OVERVIEW

The BrandZ Top 25 retail brands produced sales of $1.09 trillion in 2008, from 38,000 stores in 71 countries.

The brands represent some of the largest and most complex businesses on earth, and a statistically significant sample of everything bought and sold on the planet – particularly in North America and Europe.

Despite the difficult economy, which produced changes in shopping behavior in some of the world's largest retail markets, the retail category grew modestly, by 7 percent, in total brand value.

Brands with a strong price-value message drove the category growth. Deep-discount grocers Lidl and Aldi increased by 56 percent and 49 percent in brand value, respectively. The brand value of France's Auchan rose by 48 percent.

With an 85 percent growth in brand value year-on-year, Amazon was one of the fastest-rising brands in the BrandZ Ranking. Its performance reflected the particular strength of the brand and the general growth of online as consumers, especially in a down economy, attempted to exert more control over the shopping experience.

In addition, Amazon was the number one brand, among all categories, in brand momentum, a measurement of short-term growth prospects. Ranking the brands by momentum, four of the Top 10 were retailers. Along with Amazon, they include Wal-Mart, Tesco, and ASDA.

TOP 25 RETAIL BRANDS

#	Brand	Brand Value '09 ($M)	Brand Contribution '09	Brand Momentum '09	Brand Value Change
1	Walmart	41,083	2	9	19%
2	TESCO	22,938	4	9	-1%
3	amazon.com	21,294	3	10	85%
4	Carrefour	14,961	3	5	-1%
5	ebay	12,970	2	5	16%
6	TARGET	12,254	3	7	-17%
7	Auchan	10,586	3	8	48%
8	The Home Depot	9,280	2	3	-40%
9	ALDI	8,638	2	8	49%
10	IKEA	6,713	3	3	-21%
11	Lowe's Commercial Services	6,394	2	5	N/A
12	MARKS & SPENCER	6,029	4	8	-48%
13	ASDA	5,413	3	9	-4%
14	Costco Wholesale	5,225	2	5	2%
15	Best Buy	4,929	2	6	-4%
16	LIDL	4,154	2	7	56%
17	KOHL'S	3,902	2	5	-2%
18	Sam's Club	3,495	2	6	2%
19	SAFEWAY	3,441	2	6	-12%
20	Boots	3,226	3	7	19%
21	Sainsbury's	2,832	3	7	4%
22	Whole Foods	2,189	3	6	-22%
23	AEON / JUSCO	1,630	4	5	-23%
24	macy's	1,030	2	3	-31%
25	BARNES & NOBLE	290	2	5	-37%

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg)

MillwardBrown Optimor

These key findings also emerged from the BrandZ Ranking:

- In contrast to the global nature of many of the Top 100 BrandZ brands in other categories, retailing remains the world's most locally-based major industry; about half of the leading retail brands derive most of the sales from just one country market.
- The Top 25 retail brands are not represented in seven of the 20 largest retail markets in the world.
- Geographically diversified brands were better positioned to withstand the economic downturn than those more dependent on the hardest-hit markets.
- Brands identified with filling needs generally performed better than those focused on wants.
- The most successful Top 25 retail brands told a more complex brand story, integrating the advantage of price with appeal to consumer emotions.

Almost half of the Top 25 retail brands are largely single-market operators

Retail is local

Retail success generally requires competing on national and metro market levels. The Top 25 retail brands adjust in various ways. Some radically adapt their store format, assortment and positioning to meet the needs of different country markets, while others simply take the same essential model to every market they operate in.

Brands that adapt their positioning by country fall into two categories: those that make slight modifications (Costco, Aldi), and those that make fundamental changes (Wal-Mart, Carrefour).

This dichotomy in strategy is not limited to store-based operators. Online retailers Amazon and Ebay take different approaches to globalization. Amazon uses the Amazon brand name in every market where it operates. Ebay offers a variety of banners and trading models adapted for various country markets.

Many of the top 25 retail brands are concentrated in one or two markets (the U.S., Japan, or a large European country). Only two brands operate essentially the same business model across a relatively broad base of markets – Amazon and IKEA. Almost half of the Top 25 retail brands are largely single-market operators. Twelve of the 25 brands derive 90 percent or more of their revenue from one country.

Positioning Map of 25 strongest retail brands by operating market(s) and variability

This chart organizes each of the Top 25 retail brands according to whether the brand presents a consistent or varied approach to format and merchandising in its served markets.

	Single market (90%+ revenue from one country)		Multi-market	
Consistent model	Barnes & Noble Lowe's Kohl's		IKEA Amazon	
Mildly varied banner, format or merchandise	Marks & Spencer Wholefoods Macy's Target	Jusco Sainsbury's Safeway	Costco Aldi BestBuy	Sam's Lidl Boots
Highly varied banner, format or merchandise	Asda Home Depot		Ebay Wal-Mart Auchan	Carrefour, Tesco

Source: MVI analysis

Top 25 brands make minimal impact in seven key country markets

In fact, the Top 25 retail brands have relatively little penetration in the seven of the world's 20 largest retail markets. Growth in these markets has been impacted by three factors that enhance or constrain the development of large-scale modern retailing. As expressed in the MVI Market Evolution Model, these factors involve:

Consumers Disposable income, upward mobility and population concentration/dispersion.

Concentration The structure and behavior of the retail/business market.

Disruption Government involvement, instability or both.

These factors have a varying impact country-by-country on the development of the Top 25 retail brands.

1) China
Though many of the Top 25 retail brands operate in China, they enjoy a relatively small share of China's $1.2 trillion retail market. Consumer and disruptive factors both play a major role – massive dispersion of the population makes national scale difficult; and governmental regulation makes operating in more than one city highly complex. Retail in China remains dominated by domestic players that operate in only one or two main cities.

2) Japan
Jusco is the only Japanese brand among the Top 25 retail brands. Few of the Top 25 operate in Japan. Amazon and Costco are among the exceptions. Concentration factors are critical. The structure of the retail market, geography, and a complex distribution system make it difficult for global retail brands to achieve necessary scale.

3) South Korea
Tesco and Costco (on a much smaller scale) are the two global operators that have been successful penetrating this highly demanding retail environment. Concentration factors are key here, in particular the local players' ability to access real estate. Tesco's joint venture with Samsung enabled the company to gain access to necessary real estate.

4) Russia
Although Auchan has grown rapidly there, significant presence by the Top 25 retail brands has been mitigated by a small and highly disparate middle class, incredibly expensive real estate, and high degrees of governmental involvement and environmental instability.

5) India
Retail remains fragmented, as the modern trade has begun accelerating there only recently. All three factors play a role. Enormous geographic and income dispersion, massive infrastructure challenges in moving products over any distance, and governmental regulation at the state and national levels have limited the growth of both Indian and global retailers.

6) South Africa
The retail market is dominated by local players. The concentration factor of geographic remoteness is key. But a high percentage of the population concentrated in a few geographies also makes real estate access more complicated.

7) Australia
Geographic remoteness and population concentration have led to a dominant local trade.

At the same time, there are other "developing" markets where the retail Top 25 brands have significant or dominant position. Mexico, Brazil, Argentina, Thailand, Malaysia, and many of the Central/Eastern European markets are all good examples.

Global "pioneer" operators, France's Carrefour and the German retail chain Metro, drove much of this expansion. These chains are extremely good at building retail models that can survive the challenges of emerging retail markets.

These charts highlight the retailers represented among the Top 100 brands in the BrandZ ranking, which covers 17 categories.

Top 10 risers (year-on-year % brand value growth)

#	Brand	Brand Value Growth
1	China Merchants Bank	168%
2	BlackBerry	166%
3	Amazon	85%
4	Wendy's	72%
5	AT&T	67%
6	ALDI	49%
7	Auchan	48%
8	Vodafone	45%
9	Johnnie Walker	42%
10	Kronenbourg 1664	41%

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg)

Top 10 with highest brand momentum

#	Brand	Brand Value $M	Brand Momentum
1	Amazon	21,294	10
2	SUBWAY	10,997	10
3	Baidu	5,768	10
4	Apple	63,113	9
5	Marlboro	49,460	9
6	Wal-Mart	41,083	9
7	BMW	23,948	9
8	Tesco	22,938	9
9	ASDA	5,413	9
10	Tim Horton's	3,843	9

Source: Millward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg)

The economy, competition, execution affect ranking

Reflecting the significant fluctuation in brand value among the Top 25 retail brands, the following brands moved up or down the ranking by one or more positions:

Upward movers
Amazon, Auchan, Aldi, Ebay, Lidl. In addition, Wal-Mart and Boots both saw significant increases in brand value, even though their ranking did not change.

Downward movers
Home Depot, Marks & Spencer, Wholefoods, Safeway. In addition, Jusco, Macy's and Barnes & Noble saw significant declines in their brand values without moving position.

While, the global economic downturn had the major impact on these results, underneath that simplified conclusion, more complicated forces drove the changes.

Consumer/competitive dynamics

The retail brands that moved either up or down in brand value derived approximately 80 percent of their volume from four countries: the U.S., the U.K., Germany, or France.

In contrast, Lidl and Auchan traded especially well in non-core markets. Their success suggests three key lessons about expansion and retailer positioning.

1) Wide expansion hedges exposure.
A presence in a variety of markets beats heavy reliance on the most challenged macroeconomic trading environments, the U.S. and the U.K. Auchan posted significant growth in Italy, Russia and China and Lidl has grown significantly in a variety of European markets as a way to mitigate exposure in slow-growth markets.

2) Needs beat wants.
Retailers offering products that meet consumer needs generally outperformed retailers offering products that meet consumer wants. Home Depot, Marks & Spencer, Jusco, Macy's and Barnes & Noble all have significant exposure to discretionary purchase categories, which have been most adversely affected by the economic downturn.

3) Value-centric competition beats pure differentiation.
Almost all of the retailers growing brand value have value-for-money at the cornerstone of their brand proposition.

Retailer brand construction and execution

Point three highlights another fundamental lesson from the 2009 BrandZ Ranking, about operating in a challenging environment. For best-in-class retailers, price and differentiation are not opposite ends of a continuum, but integrated into a story that combines value with an emotion-based differentiator.

For instance, Wal-Mart's "Save Money. Live Better." campaign, though fairly simple in execution, combines a money-saving proposition, which is at the core of the Wal-Mart offer, with a more emotional appeal meant to give the brand a more permanent connection with consumers.

As noted in the accompanying chart, telling this brand story effectively requires executing it well in three different ways: representation (marketing the brand); manifestation (expressing the brand in-store); and conversation (the two-way understanding between retailer and shoppers).

The "Save Money. Live Better." marketing campaign (Representation) would be less effective without complementary in-store initiatives (Manifestation). Cleaner stores, improved sightlines, and reduced clutter all help the brand feel different. Retailers can have different types of interactions (Conversations) with their shoppers, which enable the retailer and customer to exchange information and deepen their understanding of each other.

This retail brand architecture—representation, manifestation, conversation— works well for both bricks and mortar and online retailers. The retailers that tell an integrated brand story, combining value and emotion, and consistently communicate to customers in these mutually reinforcing ways, are best positioned to grow, enhance value, and move up the BrandZ Ranking.

The Top 25 Retail Brands: By the numbers

$1.09 trillion The sales volume these brands accounted for in 2008.

38,000 The approximate number of stores operated by The top 25 (Two brands operate exclusively online).

71 The number of countries in which these brands have dedicated operations.

10% The estimated share these brands enjoy of global retail sales (Retail remains probably the most fragmented major industry on earth).

1.5% The share of GLOBAL GDP controlled by these brands.

2.5% The amount of sales the Top 25 retail brands generate online. (This figure should double by 2013 to almost 5 percent, but MVI estimates that the Top 25 retail brands in the world in 2013 will still be disproportionately bricks and mortar).

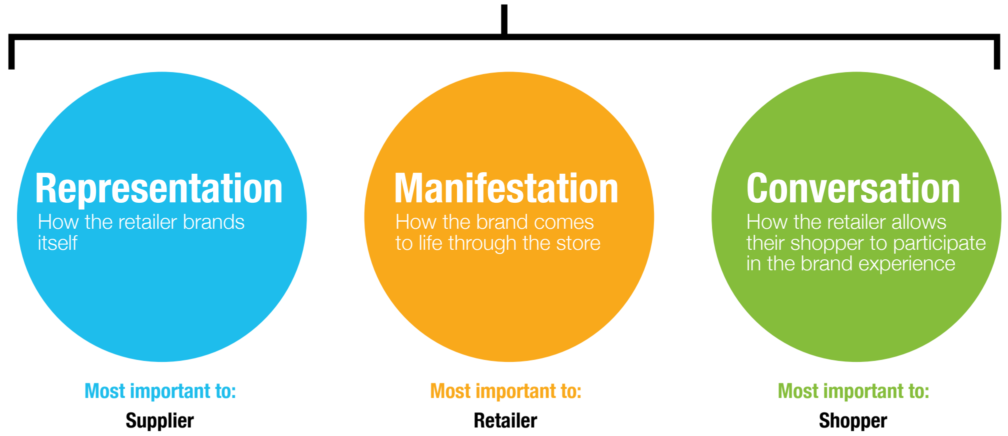
$300 billion The sales volume these banners will add through organic, same store/ site growth between now and 2013.

Source: MVI analysis

How does the brand come to life for shoppers?

Retailers build brands through marketing (representation), the store experience (manifestation) and interaction with customers (conversation).

Ethos: What the brand stands for to shoppers



Source: MVI analysis

Brand conversation

This chart illustrates various ways that retailers conduct the conversation with customers.

	One-way	Lagged 2-way	Real-time 2-way
1:1		Amazon.com	Great customer service
Segmented	Hispanic marketing	Club Card/ Loyalty Card	Facilitated on-line communities
Mass	Television	Club S K U Management	Ebay

Source: MVI analysis
MVI converts non-U.S. sales in constant 2008 USD

TOP TEN RETAILERS

1. WAL-MART

Shoppers value Wal-Mart's low prices in tough times

This is Wal-Mart's time.

The chain's low-price price positioning, and the tough economy, drew more shoppers than ever through Wal-Mart's doors in 2008. Because of operational improvements made over the last few years, customers like what they found.

The chain grew 19 percent in brand value to $41.08 billion, making it number 1 among retail brands and eleventh across all sectors in the 2009 BrandZ Ranking.

While Every-Day-Low-Price remains the core of Wal-Mart's value proposition, the company leavened the price emphasis with an emotional appeal, replacing its slogan "Low Prices, Always," with "Save Money. Live Better."

Substantial changes in store operations supported the subtle shift in the marketing message:

- A new prototype, based in part on Wal-Mart's Canadian stores, improved shopping experience with a cleaner, less cluttered appearance.
- Smart TV, the company's in-store network, was refined so that messages could be tailored for specific shelf locations.

The chain also supported the "Save Money. Live Better." positioning with expanded services, offering a 30-day supply of generic drugs for $4, with plans to charge $10 for a 90-day supply.

At the same time, the company has attempted to improve its public image, which had been battered by criticism about its labor practices and negative impact on the environment. As part of it's sustainability initiative, Wal-Mart has worked with its suppliers to reduce packaging and minimize fuel use.

The company, which operates almost 8,000 stores in 15 countries, introduced its supercenter format in Canada. The U.S. supercenter format is a hypermarket, averaging almost 200,000 sq. ft. in size, which combines a supermarket with Wal-Mart's traditional general merchandise offering. Introduced about 20 years ago, the supercenters helped make Wal-Mart America's leading food merchant in sales.

The chain acquired Distribución y Servicio D&S S.A., Chile's second largest food retailer, continued to make progress toward opening in India, and explored the Russian market.

Wal-Mart has worked with its suppliers to reduce packaging and minimize fuel use

AT A GLANCE – WAL-MART

Total Company Sales:	$399,176 million
Total Company Stores:	7,660
Wal-Mart Brand Sales:	$285,993 million
Wal-Mart Brand Stores:	4,197
Countries of Operation:	13
Brand Value:	$41,083 million

Wal-Mart brand sales include Wal-Mart, Walmart Supercenter(re), Wal-Mart Asda Supercentre, and walmart.com
Sources: MVI, Millward Brown Optimor

Insights and Implications

- Wal-Mart is working hard, in partnership with its suppliers (both in its large scale core markets and newer markets), to achieve an enduring pricing advantage vs. competitors.
- Wal-Mart's commitment to sustainability influences how the company works and what it sells. Wal-Mart engages suppliers on everything from the amount of plastic used in packaging to the routes trucks drive to distribution centers.
- Wal-Mart is beginning to embrace new media and is expected to continue to be a major player in online commerce.

2. TESCO

Tesco focuses value image for discount-hungry shoppers

Tesco is feeling pressure on its lifetime loyalty strategy as customers shop more transactionally on price.

In this difficult environment, the company maintained second place, after Wal-Mart, in the retail category of the BrandZ Ranking, with a brand value of $22.9 billion, off only slightly year-on-year.

Tesco also ranked among the Top 10 brands in brand momentum across all categories in the BrandZ Ranking. Momentum is a measurement of short-term growth prospects. Its strong brand contribution, among the highest of any retailer in the world, reflects the Tesco's close bond with its customers.

The challenge is how economic pressure may weaken that bond as customers seek low-price options, such as Aldi and Lidl, hard discounters from Germany, which have an increasing presence in the U.K., and a resurgent Asda, Wal-Mart's U.K. brand. The chain introduced its private label discount brand in September to satisfy customer demand and prevent defection to its more discount oriented competitors.

Tesco continued building trust among its customers through its strategy of creating lifetime value

While introducing its new discount brand, Tesco continued building trust among its customers through its strategy of creating lifetime value, which combines building a sense of trust based on price along with assortments and promotions that are tailored to meet the specific needs of its shoppers.

Based on the knowledge obtained through the Tesco Clubcard, for example, the chain created a new line of own-label Polish meals in London, and introduced a range of Asian products in Slough, just west of London. Its recently-opened soft-discount stores in Central and Eastern Europe feature more Tesco Value products and specialty lines.

At the same time, the company also introduced a new "whole food" range and an expanded selection of organic food in response to the increased consumer interest in health and well-being.

Tesco hopes to offset some of the challenges in the U.K. with growth from new value-priced convenience stores that opened recently in Central and Eastern Europe as part of the chain's pan-European expansion.

Meanwhile, the stores in the U.K. continue to offer products across a spectrum of prices from discount to premium. In-store communications, such as "Every Little Helps," revolve around the pay less philosophy.

Whether customers will stick with this "broad church" brand positioning or convert to more focused competitors, remains a key challenge.

AT A GLANCE – TESCO

Total Company Sales:	$94,452 million
Total Company Stores:	4,399
Tesco Brand Sales:	$81,025 million
Tesco Brand Stores:	3,181
Countries of Operation:	14
Brand Value:	$22,938 million

Tesco brand sales include Tesco Express/Expres/Expressz, Tesco Metro, tesco.com
Sources: MVI, Millward Brown Optimor

Insights and Implications

- Tesco remains as committed to building its own brand as any retailer in the world. The key for other brands in this environment is to identify the clear roles where they help Tesco grow profitably.
- In the U.K., strategic discussions with Tesco are impossible without deep immersion in the company's loyalty data.
- Tesco's global strategy and positioning varies widely by market of operation.

3. AMAZON

Amazon clicks with value shoppers

Amazon benefited from increased online shopping last year.

Amazon's combination of strong price positioning and a proposition that allows shoppers to quickly find exactly what they want provided a powerful shopping solution in 2008, particularly during the holiday season.

One of the world's fastest-rising brands, Amazon moved up 34 places to number 27 in the BrandZ Ranking of the global Top 100 brands. With a brand value of $21.3 billion, Amazon ranked third among retailers. Amazon also ranked number one in brand momentum, a measurement of short-term growth prospects.

As the customer count grew, the company introduced new ways to fulfil its promise of sharp prices, on the widest selection of products, delivered reliably and promptly.

Amazon increased product range with a strategic shift from being a pure retailer to offering its platform to a wide group of re-sellers. This initiative brought Amazon into more direct competition with Ebay, the online auction site that is ranked fifth in brand value among retailers in the BrandZ Ranking.

Amazon trimmed prices toward the end of the year, producing some margin erosion, as its sales increased in more price-sensitive electronics categories. The company also expanded its Amazon Prime program, in which members pay an initial fee and receive free shipping on all orders.

The program builds customer loyalty, grows purchase size and increases shopper frequency. Amazon Prime also helps expand and deepen the company's knowledge of customer needs.

Amazon reinforced its reputation as an innovator with the introduction of the next generation of Kindle, its proprietary electronic book reader. The company is exploring ways to deliver the product at a lower price point that would increase market penetration. Meanwhile, Amazon is enjoying healthy revenue from sales of the device and from the downloads of books, magazines, and newspapers.

The company continues to demonstrate a superlative ability to express its vision in a consistent way through conventional marketing, the online experience, and the ongoing conversation between the company and its customers.

The company introduced new ways to fulfil its promise of sharp prices, on the widest selection of products, delivered reliably and promptly.

AT A GLANCE – AMAZON

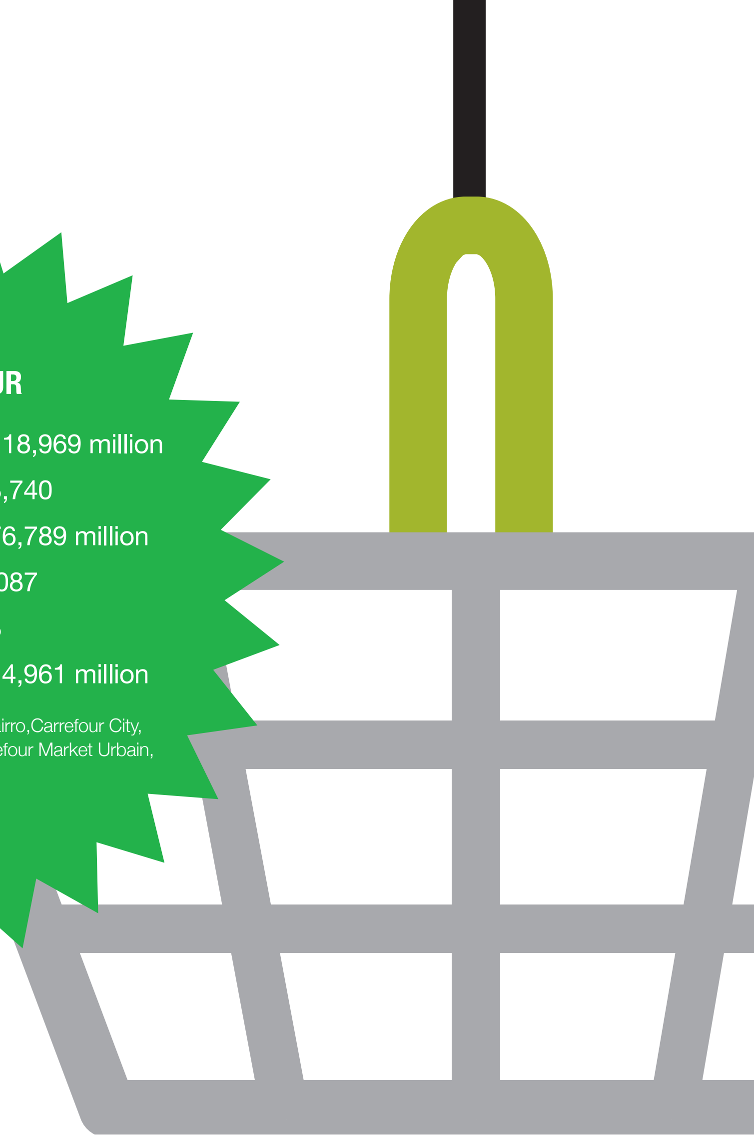
Total Company Sales:	$18,221 million
Total Company Stores:	0
Amazon Brand Sales:	$18,054 million
Amazon Brand Stores:	0
Countries of Operation:	7
Brand Value:	$21,294 million

Amazon brand sales includes amazon.com/ca/co.jp/co.uk/de/fr
Sources: MVI, Millward Brown Optimor

Insights and Implications

- Amazon can be expected to continue its expansion into other categories, and to continue growing its share of its two strongest categories, electronics and media.
- Today, the ROI calculation at Amazon is top-of-mind for anyone selling through the company: ROI on the branding message, and ROI on spending related to promotions/ price reductions.
- The key question is, will Amazon develop a way to systematically monetize the information it gathers on shopper preference/behavior?

4. CARREFOUR



AT A GLANCE – CARREFOUR

Total Company Sales:	$118,969 million
Total Company Stores:	13,740
Carrefour Brand Sales:	$76,789 million
Carrefour Brand Stores:	2,087
Countries of Operation:	33
Brand Value:	$14,961 million

Carrefour brand sales include Carrefour Bairro,Carrefour City, Carrefour Express, Carrefour Market, Carrefour Market Urbain, and Carrefour Mini, and carrefour.com
Sources: MVI, Millward Brown Optimor

Carrefour asserts its brand power

Carrefour is leveraging the strength of its brand.

With a brand value of $14.9 billion, Carrefour is the fourth most valuable retail brand in the world.

It is also the world's most global retailer, operating more than 10,000 hypermarkets, supermarkets, hard discount stores, convenience stores, and cash and carry outlets in 33 countries. The company, which trades under almost 30 different banners, is in the process of renaming some of its sub-brands Carrefour.

The global branding strategy begins at home, where Carrefour expects to rename its more than 1,000 Champion supermarkets in France by the end of 2010.

Carrefour is feeling pressure from price-driven retailers such as Leclerc, in France, and throughout Europe, from Colyrut, in Belgium, and from Poland's Biedronka.

The company has become more price-centric and less focused on differentiation as it looks to win back market share from these aggressive competitors.

Global expansion, meanwhile, drives growth, with strong results reported in Spain and in the developing markets of Romania, Argentina, Columbia, and China.

The key question is whether Carrefour can stabilize and improve its scaled, developed business so that it is an asset, rather than a distraction, as the company applies its expertise in global retail development to drive its growth.

Carrefour will need to achieve these long-term strategic objectives while simultaneously meeting the short-term, return-on-capital requirements of the company's new largest shareholder, Blue Capital, a joint venture of Groupe Arnault and Colony Capital.

Strong results reported in Spain and in the developing markets of Romania, Argentina, Columbia, and China

Insights and Implications

- Carrefour continues to focus intensely on improving the economic performance of its product categories through a variety of strategic initiatives and partnerships with key Fast Moving Consumer Goods vendors.
- Carrefour is also focusing intensely on cost control to drive its results as its new CEO, Lars Olofsson, and its primary shareholder are looking to improve earnings growth.
- Carrefour's brand scope should see significant expansion in 2009, as the company brings more of its formats around the world under the Carrefour brand umbrella.

5. EBAY

How far can Ebay extend the brand?

The Ebay brand is being tested.

The fifth largest retail brand in the world, with a brand value of $12.9 billion, Ebay is known as an online auction rather than as a traditional retailer.

Now, the differentiation that has been its greatest strength presents its greatest challenge.

Ebay reaches buyers and sellers in all parts of the world. It has created a community that is deeply rooted in the experiences that users create for themselves.

In a sense, Ebay is the largest self-regulating consumer market on earth. But as customers gravitate to fixed prices, and a variety of competitors pursue its auction business, Ebay is being forced into areas outside of its core business, such as seeking revenue from large-scale liquidation events and advertising.

The differentiation that has been its greatest strength presents its greatest challenge

The company's history suggests that Ebay can manage acquisitions. The company already owns several entities including Skype, the internet phone service and PayPal, the service for securely making online payment. The acquisitions being contemplated are closer to the core brand, however.

Like Amazon, the pillars of the brand are its manifestation (the online experience) and the conversation (the ongoing exchange between online site and customer). There is no question that, like Amazon, Ebay has done a great job in articulating the brand.

It is not clear, however, whether the Ebay brand will resonate beyond the core online auction experience that Ebay pioneered.

AT A GLANCE – EBAY

Total Company Sales:	$59,800 million
Total Company Stores:	0
Ebay Brand Sales:	$59,800 million
Ebay Brand Stores:	0
Countries of Operation:	31
Brand Value:	$12,970 million

The Ebay sales figure is the estimated gross merchandise volume sold by the online auction company in 20008.
The Ebay country count includes online auction operations, not Skype or other Ebay holdings
Sources: MVI, Millward Brown Optimor

Insights and Implications

- Ebay's greatest innovation is, to some degree, the breadth and diversity of its offering, especially as it expands into a variety of adjacent/divergent business models.
- The Ebay user community remains one of the most active places for conversation about product and trend in the world. The conversation takes place in the form of real-time pricing changes. Global marketers will study Ebay's pricing dynamics far more closely in the future to learn more about market opportunities and shifts.
- In an era where product authenticity and safety is an important issue, Ebay's role in that ongoing debate will evolve. The company may feel pressure to become more involved in its marketplaces to ensure quality and legitimacy.

6. TARGET

Target moves to capture more frequent shoppers

Target's great success became the chain's toughest challenge in 2008.

For a decade, Target's edgy ads, designer-branded merchandise, and well-lit stores were exactly what many American shoppers wanted from a discount store. The company's tagline – "Expect more. Pay less." – captured the aspirational mood of the times.

Times changed.

Last year, Target's earnings declined 22 percent to $2.2 billion on sales of $64.9 billion from 1,682 stores. Its brand value declined by 17 percent and it dropped one place, to number 6, among retailers in the BrandZ Ranking.

The company that built a deep emotional bond with its customers based on their wants had not sufficiently connected with their needs. Customers who shopped Target for a newest style dress in the latest color were not roaming the aisles filling their baskets with consumables.

Target's fashion-forward positioning, and its ability to drive up the average transaction, to sell the shopper more stuff, had left customers with the impression that the stores are relatively high priced – at least for today's economy.

The chain is working hard to correct that impression and capture more shopping trips. A format innovation moves consumables to a dominant location in the front of the store and the latest marketing emphasizes everyday needs and price.

Still, the company faces the difficult task of invoking a price message without undercutting its well-earned brand image as a savvy, on-trend merchant.

AT A GLANCE – TARGET

Total Company Sales:	$64,948 million
Total Company Stores:	1,682
Target Brand Sales:	$52,904 million
Target Brand Stores:	1,682
Countries of Operation:	1
Brand Value:	$12,254 million

Sources: MVI, Millward Brown Optimor

Insights and Implications

- Target is a smart marketer, and is already fundamentally retooling its marketing message to pursue today's more value-conscious customer.
- Look for Target to partner with key suppliers in high traffic categories to build a more integrated story in those areas.
- The conventional wisdom about Target and Wal-Mart may be wrong. It suggests that Target shoppers are defecting to Wal-Mart in this economy. That conclusion, while logical, may be incorrect, since most of Walmart's 2008 growth came from food, and Target is not an extensive seller of food. It is just possible that the Target shopper may not have gone anywhere, but just stayed home.

7. AUCHAN

Brand value soars on ability to adapt

The value of the Auchan brand increased by 48 percent last year, to $10.6 billion.

This strong performance lifted Auchan 29 places in the BrandZ Ranking to number 66 across all categories. It is in seventh place among retailers.

The French hypermarket benefited from excellent execution in its core European markets and from growth in two BRIC countries, Russia and China. The performance indicates Auchan's ability to both compete effectively in complex mature markets and simplify its proposition for developing markets.

Aspects of the chain's operating style also contributed to its positive performance:

- Decentralized operation: Store managers enjoy significant autonomy, which enables them to respond quickly and effectively to local product, pricing, and promotional needs.
- Format innovation: Store merchandising is bold and innovative, creating excitement especially in key departments.
- Market-driven positioning: Compared to its position in France, Auchan is aggressively price promotional in markets like Central and Eastern Europe and Russia.

Experience in developing markets has helped the company sharpen its basic proposition. Based on the classic French hypermarket model, Auchan drives fast turns by selling key items at low margins to generate cash. Like most successful retailers in the current economic environment, Auchan is expanding its discount positioning. The company currently is piloting a range of discount focused hypermarkets in France.

The company uses the Auchan brand in all 12 of its country markets and for its online presence, which includes AuchanDirect.fr for home delivery and Auchanddrive.fr for in-store pick up. Online sales account for a significant part of the company's retail growth in France, and has helped Auchan overcome the typical slow growth of the French hypermarket channel to expand sales and reach.

The performance indicates Auchan's ability to both compete effectively in complex mature markets and simplify its proposition for developing markets

AT A GLANCE – AUCHAN

Total Company Sales:	$56,523 million
Total Company Stores:	3,263
Auchan Brand Sales:	$32,305 million
Auchan Brand Stores:	292
Countries of Operation:	12
Brand Value:	$10,586 million

Sources: MVI, Millward Brown Optimor

Insights and Implications

- Auchan is arguably the least "known" of the world's Top 10 retail brands. A relatively quiet, private company Auchan is often off the radar screen, though it is becoming increasingly important and strategic in a number of markets.
- Auchan is one of the world's most innovative operators. Its blend of bricks and clicks is one of the most successful anywhere, and the company is constantly improving in the area of in-store automation.
- Auchan's own-brand strategy continues to challenge major Fast Moving Consumer Goods brands for shelf space.

8. HOME DEPOT

Mortgage Meltdown burns Home Depot

Home Depot felt the full impact of the economic crisis last year, as it is arguably the most macroeconomic sensitive retail business in the world.

Big-ticket remodelling projects declined with the disappearance of credit. Contractor sales were decimated by the slump in housing starts. Any rise in maintenance and repair activity, from unemployed homeowners with time on their hands, provided insufficient cushion.

Homeowners may have spent that money at the smaller hardware stores operated by cooperatives, such as like Ace and True Value, or at the mass retailers, like Wal-Mart, during general shopping trips.

Home Depot's revenue fell to $71.3 billion in 2008, a 7.8 percent year-on-year decline. Same-store-sales (a comparison of stores open one year) were off by 8.7 percent.

The world's largest home improvement brand declined 40 percent in brand value to $9.3 billion, falling five places to eighth place among retailers in the BrandZ Ranking.

The sales slowdown compounded challenges that Home Depot already was facing as it attempted to recover from several years of aggressive acquisitions that diverted attention away from the company's core base of DIY customers and contractors.

Home Depot divested its recent industrial and commercial contracting acquisitions, HD Supply, and closed other tangential businesses including Expo, a spin-off concept focused on high-end decoration and kitchen and bath, THD Design Center, HD Bath, and five Yardbirds home centers.

Reasserting its fundamental brand principles of wide assortment, competitive prices, and knowledge service, Home Depot re-examined its product range and implemented new approaches to training its associates.

Home Depot operates about 2,300 stores. It is the market leader in the U.S. and Canada, and the largest home improvement retailer in Mexico, with 78 stores. The company also owns 12 stores in China.

The world's largest home improvement brand declined 40 percent in brand value to $9.3 billion

AT A GLANCE – HOME DEPOT

Total Company Sales:	$71,288 million
Total Company Stores:	2,274
Home Depot Brand Sales:	$71,288 million
Home Depot Brand Stores:	2274
Countries of Operation:	4
Brand Value:	$9,280 million

Sources: MVI, Millward Brown Optimor

Insights and Implications

- Increasing efficiency will be a major focus for Home Depot as the company seeks to improve its operations and its branding.
- Home Depot was opportunistic in the last major real estate recession, finding an advantage in the economic adversity by employing out-of-work contractors as associates to improve its in-store knowledge base.
- Like all "low frequency" retail outlets, dominating categories that drive shopping trips is a critical issue as Home Depot looks to get back on a growth path.

9. ALDI

Aldi's hard discounting hits customer soft spot

Aldi is getting emotional.

The German-based grocery chain, known for its price focus and range of own-label products, last year increased in brand value by 49 percent, to $8.6 billion.

The rise makes Aldi the ninth-ranked retailer in the world in brand value. It confirms the increasingly broad appeal of a company founded to serve low-income consumers shopping for price.

More affluent consumers, originally put off by the low-frills stores, now are drawn to a combination of low-prices, assured quality, and the emotional experience of getting a great deal.

The shift in consumer perception did not happen accidentally. Aldi has effectively integrated its merchandising and marketing to emphasize quality as well as price. Its television advertising communicates this message astutely.

The price-quality proposition travels well, particularly to the U.S. and to the U.K., where Aldi has been challenging market-leader Tesco. Taking advantage of the weakened U.K. real estate market, Aldi plans to ring London with 150 stores.

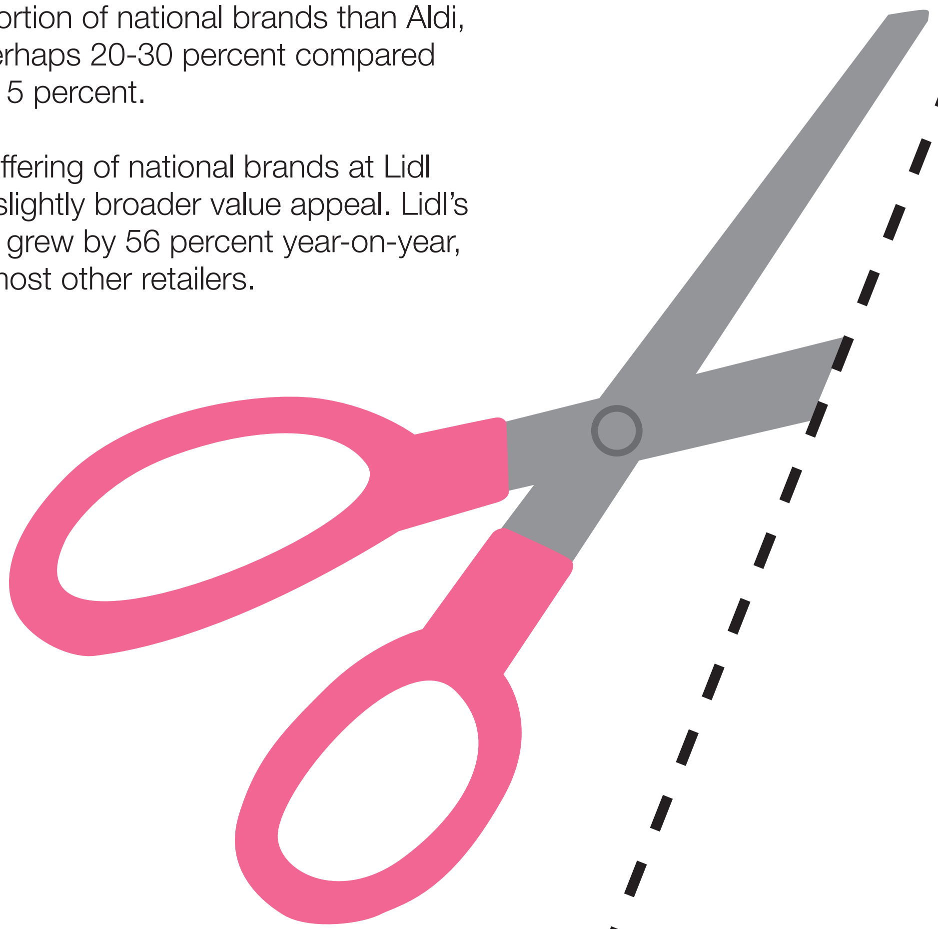
The company does not follow the traditional model of supermarket retailing, which involves stocking a wide range of national brands to build traffic, and adding some own-brand options to project value or secure margin.

Instead, Aldi reverses that formula by adding some national brands to a range that emphasizes own-label. Aldi regularly tests its own-label products against key national brands. The high margin own brand, combined with the limited assortment, small stores and efficient labor use, yields an incredibly strong business model that fuels Aldi's growth.

Consumers have been receptive to the Aldi proposition wherever it has been introduced. The company's key challenge, it seems, comes from another German-based competitor, Lidl, which takes a similar hard-discount approach to food retailing.

Like Aldi, Lidl offers a mix of national and private brands. The Lidl range features a higher proportion of national brands than Aldi, however, perhaps 20-30 percent compared with 10-to-15 percent.

The richer offering of national brands at Lidl results in a slightly broader value appeal. Lidl's brand value grew by 56 percent year-on-year, outpacing most other retailers.



AT A GLANCE – ALDI

Total Company Sales:	$58,163 million
Total Company Stores:	9,018
Aldi Brand Sales:	$48,154 million
Aldi Brand Stores:	8,208
Countries of Operation:	18
Brand Value:	$8,638 million

Sources: MVI, Millward Brown Optimor

Insights and Implications

- The rise of high quality private-label formats, like Aldi, is not only a challenge to conventional retailers, but a major strategic issue for the fast-moving consumer goods (FMCG) brands in the BrandZ study as well. In many countries, these retailers are rapidly taking market share from these brands.
- At the same time, smart FMCG companies are finding ways to work within these private-label retail models to find opportunities for growth.
- Aldi, in particular, is beginning to rely extensively on a more "conventional" media strategy to develop its brand in its key markets.

10. IKEA

Global scale provides economies, strength

IKEA is well positioned to rebound early from the worldwide economic slowdown.

Like any retailer selling discretionary items in 2008, IKEA faced challenges in key markets where the economy slowed. The home furnishing chain declined 21 percent in brand value, to $6.7 billion, and declined one spot to tenth place among retailers in the BrandZ study.

However, IKEA's global scale and low-cost business model put the company in a strong position to be on the leading edge of a macroeconomic recovery. With almost 300 stores in 36 countries, IKEA is the largest global retail brand with a single consistent positioning across a wide range of geographies and markets.

Last year, sales growth slowed somewhat because almost half of IKEA's business comes from five major developed countries under economic pressure – France, Germany, the U.K., the U.S., and Sweden, its home market. Some of the pressure on sales will be offset by the chain's recent aggressive expansion into the developing markets of Russia and China.

IKEA also should benefit from the clarity and strength of its brand proposition. It is one of the two retailers in the Top 25 retail brands that sells a disproportionate amount of its products under one brand name; Marks & Spencer is the other.

IKEA has differentiated itself from the competition, almost creating an entire new category of home furnishings, largely through in-store execution and remarkable consistency in product design. Customers understand and value the brand attributes. They rely on IKEA for home furnishings that are affordable, self-assembled, minimalist in design, and replaceable.

Continued emphasis on sustainability and corporate social responsibility also should benefit IKEA. Its flat-pack shipping model is a very environmentally efficient way to transport heavy, bulky furniture.

Among its other competitive advantages, IKEA is a successful foodservice operator. The restaurants in its stores are themselves destinations that drive significant volume and profit.

In addition, the business is complicated and not easily imitated. IKEA is a careful developer and recruiter of people. The company expands cautiously. Operating its enormous outlets requires training staff to a high degree of expertise.

Continued emphasis on sustainability and corporate social responsibility also should benefit IKEA

AT A GLANCE – IKEA

Total Company Sales:	$24,427 million
Total Company Stores:	289
IKEA Brand Sales:	$24,427 million
IKEA Brand Stores:	289
Countries of Operation:	36
Brand Value:	$6,713 million

Sources: MVI, Millward Brown Optimor

Insights and Implications

- IKEA may be a great bellweather of the economic recovery. The company benefits from one of the key indicators of recovery – an upswing in home furnishing purchases as the housing market improves.
- Meanwhile, during this challenging economy, IKEA's "trade down" positioning, compared with more conventional furniture retailers, should serve the company well. The "trade down" image comes with a downside – perceptions about product quality that remain the company's only real business risk.
- IKEA's long-term prospects are positive in part because economies and other benefits it accrues from its global scale are not available to start-up competitors.

To talk of brands having been invented is the equivalent of saying that Christopher Columbus invented America

COMMENTARY

by Jeremy Bullmore

One of the more hilarious beliefs about brands is that brands were invented by manipulative marketeers in order to persuade the guileless consumer to pay over-the-odds for some otherwise unremarkable commodity. Naomi Klein and her followers feel strongly on the subject and use the word manipulate a lot.

More surprisingly, even some brand consultants, with a touching mixture of braggadocio and shifty shame, half agree. They take sole credit for having developed a practice that, even if morally questionable, has undoubtedly made their clients and themselves a lot of money. They build brands.

And so, they all claim, does every design company and advertising agency and marketing company and management consultant. And they've all been building brands since 1955 which was when brands were invented – because that was the year that the Harvard Business Review published The Product and the Brand by Sidney Levy and Burleigh Gardner. The trouble, of course, is that Gardner and Levy never pretended to have invented brands.

To talk of brands having been invented is the equivalent of saying that Christopher Columbus invented America. America had been around for a very long time before he bumped into it – just as brands had been around for a very long time before the Harvard Business Review brought them to our attention.

It's certainly true that companies invent products. But the only people who invent brands are people.

When you first started thinking of that school down the road from your own – the one that always beat you at games – you invented your first brand. It had a name – and it had a very clear personality. You couldn't say exactly why you hated it – but you did. And what's more, so did your friends.

But if you'd asked the boys and girls from the school down the road what they thought of their school, you'd have got a very different answer. How puzzling. Exactly the same school, yet two totally different reputations. How come? Because brand reputations exist only in the minds of their observers – and all observers are different.

Long before 1955, women in primitive villages would buy their cooking oil from unmarked steel barrels. Sometimes the oil was good and sometimes not so good. So the women made a note of those whose oil was good and determined to buy only from them. They'd invented a brand. And the sellers of the good oil quickly cottoned on and gave their oil a distinctive name so that the women would more easily know which oil to trust and which to avoid. Trust and familiarity go hand in hand. The women who were now committed to the better oil (loyal consumers) not only respected it but began to be fond of it, as people do of familiar things.

And all this, of course, spurred the sellers of the inferior oil into making it better because otherwise they'd have gone out of business. Consumer protection began not with legislation but with brands.

Gardner and Levy drew our attention to the fact that the personality of a product, as created in the head of each observer, could be as important to its users as its function. And they suggested a relatively new role for advertising.

People build brands in their heads as a result of an almost infinite number of clues, cues, facts, myths and brand encounters. Some, like product performance and all paid-for publicity including packaging and promotions, are within the control of the product's owner. Many others, like the behavior of competitors, news items, and the likeability or otherwise of other users, are not. Service brands, for obvious reasons, are notoriously difficult to keep in line.

So the real role for all these experts who claim to build brands (but don't) is to help the people who do build brands – real people – build them as attractively as possible. Their job is first to create and then supply the raw material from which real people, individual by individual, compose in their heads that complex and subjective construct we call a brand image.

In theory, therefore, (and probably in practice) the reputation of a brand within a million people's heads will have a million slightly different versions. But as the research behind BrandZ clearly illustrates, the strongest brands are those that enjoy what's been called a (favorable) consensus of subjectivity. And that's when their brand managers, in the widest sense of that phrase, should be most warmly congratulated. They didn't build those brands themselves; but they fed such enticing titbits to their audience that their audience gratefully did the rest.

SIGNIFICANT SHOPPING TRENDS

Changed Priorities Hurt Apparel, Food

Concerned about the worsening economy, consumers purchased fewer discretionary items last year and spent money on needs rather than wants.

These two significant and related shopping trends especially affected apparel and food retailers. The impact is apparent among the retailers in the BrandZ Ranking and particularly the brands ranked 11 to 25, nine of which declined in brand value year-on-year.

Because consumers reduced both discretionary spending and discretionary shopping trips, these trends hurt not only the major brands that often anchor malls, but also the small shops that line malls.

Some online brands benefited as consumers increasingly purchased from the internet where they felt in greater control of the shopping experience, more confident about pricing and less concerned about being distracted by other offers.

Amazon, which leads all brands across all categories in brand momentum, a measurement of short-term growth prospects, experienced strong sales as did certain online businesses like Zappos.com, a footwear merchant.

Hardest-hit by reduced discretionary spending were the bricks and mortar retailers with a disproportionate amount of their product range devoted to apparel. This group included some of the most respected retail brands, such as Target, Marks & Spencer, Aeon-Jusco, and Macy's, all of which declined in brand value.

Even Kohl's, a brand well positioned for this environment, declined slightly in value. Kohl's, with just over 1,000 department stores in the U.S., prices sharply in high-traffic, non-fashion apparel. The company sells more bras than almost any other merchant in the U.S., for example.

For department stores, the decline in discretionary spending and shopping trips compounded the ongoing challenge of remaining relevant. Scale and purchasing power, once a key advantage of the big department stores, too often slow the reaction time needed to stay current in fashion categories like apparel.

Historically, scale enabled department stores to send large buying staffs around the world in search of the newest items. In an internet world, immediate online access to fashion week in Milan or Mumbai blunts this competitive edge. In addition, technology enables fast-fashion merchants like Zara to speed up the fashion cycle.

Sources: MVI, Millward Brown Optimor
Notes: All numbers are for 2008. Sales for .com sites included; Jusco includes Jusco $10 Plaza; Boots includes Boots Opticians; Asda includes Asda Direct, Asda Living; Carrefour includes Carrefour Bairro, Carrefour City, Carrefour Express, Carrefour Market, Carrefour Market Urbain, Carrefour Mini; Costco includes Costco Business Center, Costco Home; Sainsbury includes Sainsbury Central, Saisbury Local, and Sainsbury to you; Lidl includes Lidl Express; Tesco includes Tesco Express/Expres/Expressz, and Tesco Metro; Wal-Mart includes Wal-Mart Supercenter(re), Wal-Mart Asda Supercentre, and Wal-Mart.

MillwardBrown Optimor

The Top 25 Most Valuable Retail Brands

#	Company /Home Country	Brand Value	Sector(s)	Total Corp. Sales	Total Corp. Stores	Brand Sales	Brand Stores	Total Country Stores Markets
1	Walmart	$41,083 Mil.	Discount	$399,176,369,118	7,660	$285,993,414,957	4,197	13
2	TESCO	$22,938 Mil.	Food	$94,451,930,630	4,399	$81,024,574,196	3,181	14
3	amazon.com	$21,294 Mil.	Online	$18,221,179,275	0	$18,053,571,806	0	7
4	Carrefour	$14,961 Mil.	Hypermarket, Other	$118,969,108,082	13,740	$76,788,926,049	2,087	33
5	ebay	$12,970 Mil.	Online Auction	$59,800,000,000	0	$59,800,000,000	0	31
6	TARGET	$12,254 Mil.	Discount	$64,948,000,002	1,682	$52,904,575,276	1,443	1
7	Auchan	$10,586 Mil.	Hypermarket, Other	$56,523,391,438	3,263	$32,304,968,283	292	12
8	The Home Depot	$9,280 Mil.	Home Improvement	$71,288,000,000	2,274	$71,288,000,000	2,274	4
9	ALDI	$8,638 Mil.	Hard Discount Food	$58,163,312,231	9,018	$48,153,626,436	8,208	18
10	IKEA	$6,713 Mil.	Home Furnishing	$24,426,547,221	289	$24,426,547,221	289	36
11	Lowe's Commercial Services	$6,394 Mil.	Home Improvement	$48,802,331,417	1,653	$48,802,331,417	1,653	2
12	MARKS & SPENCER	$6,029 Mil.	Department Store, Food	$16,409,162,933	818	$13,137,506,849	499	16
13	ASDA	$5,413 Mil.	Discount, Food	$27,004,662,016	323	$27,004,662,016	323	1
14	Costco Wholesale	$5,225 Mil.	Warehouse Club	$71,686,803,087	543	$71,686,803,087	543	7
15	Best Buy	$4,929 Mil.	Home Electronics	$46,516,426,539	3,541	$34,934,252,510	1,064	4
16	LIDL	$4,154 Mil.	Hard Discount Food	$62,334,294,872	9,164	$43,167,684,037	8,299	23
17	KOHL'S	$3,902 Mil.	Department Store	$16,389,000,000	1,004	$16,389,000,000	1,004	1
18	Sam's Club	$3,495 Mil.	Warehouse Club	$55,301,405,897	733	$55,301,405,897	733	1
19	SAFEWAY	$3,491 Mil.	Food	$42,516,623,018	1,735	$28,329,343,017	1160	2
20	Boots	$3,226 Mil.	Pharmacy	$13,875,516,578	3,558	$11,565,406,549	2,468	8
21	Sainsbury's	$2,832 Mil.	Food	$35,165,247,533	794	$34,594,201,334	794	1
22	Whole Foods Market	$2,189 Mil.	Food	$7,917,344,211	278	$7,198,529,321	246	3
23	AEON / JUSCO	$1,630 Mil.	Hypermarket	$52,783,132,438	8,580	$16,762,919,119	376	12
24	macy's	$1,030 Mil.	Department Store	$24,982,040,046	855	$22,679,633,797	814	1
25	BARNES & NOBLE	$290 Mil.	Books	$5,310,180,423	791	$5,241,537,118	723	1

Distinguished brands affected

Two of the brands hurt by the cutback in discretionary spending on apparel, Target and Marks & Spencer, were also affected when consumers shifted their food purchases to meeting needs rather than fulfilling wants.

The affected companies include other distinguished retail brands that had done an excellent job over the past decade serving consumers' growing preference for premium products. Attributes that characterize the propositions of these merchants include:

- Organic or premium ingredients as a centrepiece of the assortment;
- High quality prepared foods;
- Strong in-store visual presentation; and
- Price points above the median in the category for own-brand products.

Safeway in the U.S. and Wholefoods declined in brand value by 12 percent and 22 percent, respectively. Not surprisingly, the hard-discounters, like Aldi and Lidl, did well in this environment as did Costco, which sells premium products but in a no-frills warehouse club format.

Interestingly, with its conventional need-based positioning, Sainsbury's seemed to sit comfortably as an acceptable "trade down" for a premium food shopper with a history of patronizing more up-market venues such as Waitrose.

Although apparel and food retail brands were hardest hit by the shift in consumer spending priorities, other categories also felt the effects. Among the Top 25 retail brands in the ranking, Barnes and Noble, a purveyor of books, and Best Buy, the home electronics leader, declined in brand value.

Both companies were hurt by online competition offering the same products at competitive prices. Best Buy, whose brand value declined only slightly, also contended with the year-end liquidation sale of its key competitor, Circuit City. Long-term, Best Buy should benefit from that market consolidation.

Insights and Implications

- Want-based retailers should rebound as the economy warms up, but sustaining strong growth will require stronger value messaging.
- The increase in online shopping for seasonal apparel shopping may reflect a permanent shift in shopping behavior, as consumers find the internet provides greater convenience, time-saving, and product focus than the traditional store environment.
- Large apparel retailers face the same challenge worldwide: In an environment where scale may be detrimental to trend (since it slows reaction times), what is the appropriate place for scale in the fashion business?

ABOUT MVI

We do retail.

That's all we do. At MVI, retail is our single focus and our passion. We track over 1,000 retailers worldwide.

We transform that research and analysis into insights that help companies serving the retail industry become sharper competitors and more effective retailer partners.

This report is one example of how we do that. Here are other examples:

- On line: The latest information about your customers – and potential customers – is at your fingertips 24/7, at MVI-Insights.com. Find out what the global retailers are doing and what their actions mean for you.
- On point: MVI Forums examine major retailers and retailing trends across all sectors and around the world. Workshops are devoted to leading global retailers and to relevant industry topics, such as succeeding in the recession or planning for the recovery.
- On site: We customize programs to meet the specific needs of your organization. Our analysts can create and present useful intelligence and guidance to brief your planning team, educate the staff or motivate the sales force.

That's just the beginning. We would be delighted to learn more about your company and to discuss the ways our unique knowledge of the global retail industry can work for you.

ABOUT KANTAR RETAIL

Kantar Retail combines the resources and capabilities of MVI, Glendinning, Cannondale, Retail Forward and Red Dot Square to create a world leader in retail insight and consulting solutions.

With operations in 15 countries, Kantar Retail provides expertise to over 300 of the world's leading retail-related businesses and organizations, helping them achieve competitive advantage in the marketplace through unique insights and winning solutions.

Key capabilities include:

Retail industry analytics, insights & trends

Shopper insights & marketing

Consumer and category strategy & category re-invention

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