

BrandZ Top 50 Most Valuable Chinese Brands 2012

BEIJING, CHINA: Commissioned by WPP and in its second year, the BrandZ Top 50 Most Valuable Chinese Brands ranking is believed to be unique. Combining both financial data, from Bloomberg and Kantar Worldpanel, as well as consumer opinion gathered from interviews with over 35 000 Chinese consumers, the BrandZ China Top 50 is the most robust ranking of Chinese brands available.



Measured against the MSCI China Index over the past 14 months, the BrandZ China Top 50 Most Valuable Brands Portfolio has grown by 20% compared with a decline of 6% for the MSCI China Index. Some of the trends emerging from the latest BrandZ study from WPP's Millward Brown include:

- China's shift from maker to innovator
- the phenomenal rise of online and FMCG brands
- rising incomes and a rapidly expanding middle class
- consumers becoming increasingly brand-savvy

Rise of the brand

While the world's economy has struggled in 2011, the value of the Top 50 Chinese brands has grown by 16% to US\$325 billion, representing more than five% of the Chinese economy.

Rising incomes have seen Chinese consumers becoming more informed and discerning about brands. Trust is becoming a particularly important factor for brands in China, particular FMCG brands, since Chinese consumers are willing to pay more for a brand that they trust. As a result, brands in China have never been more important. Chinese brands have been working hard in both lower- and higher-tier cities to establish their status more broadly in China.

Online and consumer brands drive growth

China Mobile, the world's largest telecommunications provider with 600 million customers using its services in 2011, retains the number one spot with a brand value of US \$53,607 million. The remainder of the top five is dominated by banks - ICBC, Construction Bank of China, Bank of China and Agricultural Bank of China.

FMCG brands have dominated in numbers and driven the growth of the Top 50 this year, with cooking oil and rice producer Fulinmen growing by 138%, making it the second fastest riser and dairy giant Mengniu increasing by 66%, edging up two places to position 18. In fact, seven out of the 10 top risers are FMCG brands which include alcohol, food & dairy, apparel,

retail, pharmaceuticals and beer brands.

With an estimated 485 million people online and a highly dispersed population, the internet is especially important in China and this is evident in this year's ranking. Due to the rapid growth in social media over the last year, China has now become the biggest social media market in the world, which has presented challenges for advertisers, the government and society. The web portal Sina has over 220 million subscribers sending 86 million messages per day and is the top riser this year. Sina has increased by a remarkable 244% and climbs 15 places in the ranking.

Baidu, the country's biggest search engine, also made it into the Top Risers with 67% growth in brand value. Baidu's efforts to build strong relationships with its customers has helped it to become the top brand by Brand Contribution, which measures the proportion of financial value that is driven purely by brand equity.

Three online brands have made their first appearance in the ranking this year. These are Renren (social networking site), Ctrip (online travel site) and Sohu (internet portal).

Chinese consumers becoming more brand savvy

Due to rising incomes and a more discerning Chinese consumer, the importance of "brand" is growing in China, and this is especially true in the FMCG sector since eight of the 10 brands that achieved the top score for Brand Contribution are in the FMCG sector.

Adrian Gonzalez, CEO, Millward Brown Greater China, said, "The role of brands is growing in China and the country's increasingly sophisticated consumer is using them to make the buying decisions they are making. China is rapidly evolving from maker to innovator, and this year's massive rise in new media brands is showcasing this change.

Many of the Top 50 brands have grown at remarkable rates this year, demonstrating the enormous influence that Chinese brands exert and their potential impact on markets worldwide.

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