

Press release

Consumer confidence remains high in China, as the country’s 100 most valuable brands grow 13% in the last year

Market-driven brands surpass SOEs, creating over half the total value of the 2016 BrandZ™ China Top 100; tech brands drive growth while banks’ power wanes

EMBARGO 0200 GMT - 21 March 2016, Beijing, China – The total value of the BrandZ™ Top 100 Most Valuable Chinese Brands has risen 13% to \$525.6bn in the last year despite China’s slowing economic growth, according to the sixth annual ranking announced today by [WPP](#) and [Millward Brown](#). Tencent remains China’s most valuable brand, growing its brand value 24% to \$82.1bn.

For the first time ever, market-driven brands – those that are owned by entrepreneurial companies – contribute more than half (51%) of the value of the China Top 100; evidence of China’s continuing transition to a market economy. These brands have taken full advantage of their freedom to innovate and generate value from technology.

The robust increase in brand value reflects the continued optimism of Chinese consumers, and their confidence in the possibility of realising the ‘Chinese Dream’. It also demonstrates how resilient strong brands are in times of economic turbulence: China’s GDP growth was 6.9% in 2015, down from 7.3% the previous year.

Tencent has held on to the top position through its successful ‘Connection’ strategy which links users with content, services and hardware that enhance their lives. It has monetized its social WeChat platform by partnering with JD.com to develop profitable new big data-backed marketing solutions, while TenPay is now China’s no.2 online payment platform.

The highest new entries are telecoms brand Huawei (no.7; \$18.5bn) and online retailer JD.com (no.15; \$9.4bn). Huawei has a strong worldwide presence, and its smartphone business has been a powerful growth engine. JD.com, a challenger to Alibaba, has benefited from the expansion of its mobile offering, the worldwide extension of its ecommerce platform and partnerships with premium international brands.

The BrandZ research also shows that Chinese brands are now as competitive as multinationals. They score more highly on two of the key factors that create competitive advantage – building brand awareness, and connecting with consumers on both a functional and emotional level – but lag behind on differentiation. The increasing power of ‘home-grown’ brands may help to stem the current outflow of capital from China that is concerning economists.

The BrandZ Top 10 Most Valuable Chinese Brands 2016

Rank 2016	Brand	Category	Brand value 2016 (\$m)	Brand value change	Rank 2015
1	Tencent	Technology	82,107	24%	1
2	China Mobile	Telecoms	57,157	2%	3

3	Alibaba	Retail	47,605	-20%	2
4	ICBC	Banks	34,276	-1%	4
5	Baidu	Technology	26,849	-13%	5
6	China Construction Bank	Banks	19,720	-6%	6
7	Huawei	Technology	18,501	NEW	NEW
8	Agricultural Bank of China	Banks	16,239	5%	8
9	Ping An	Insurance	15,624	41%	11
10	China Life	Insurance	15,504	53%	12

Other key trends highlighted in this year's report include:

- **Brands that are innovative and unique grow eight times faster than their rivals.** Ranking the Top 100 by innovation, the top third most innovative brands grew 29% between 2014-2016 compared with 3% for the least innovative. The top third most unique brands grew 29%, compared with 3% for the least unique.
- **Brand strength drives share appreciation, despite market fluctuations.** In January 2016 the stock market performance of the MSCI China index was down 10.7% on its 2010 level, while the share prices of the brands in the BrandZ™ Top 100 had gone up 43.1% over the same period.
- **Fast-growth categories reflect consumer optimism.** Personal care (+61%) and jewellery retail (+61%) were the fastest-growing categories in terms of brand value, followed by real estate, insurance, airlines and travel agencies. This is evidence that consumers are still spending on non-essentials, luxuries and big-ticket items. They are also spending more on products relating to personal care and health.
- **Banks no longer dominate.** Whereas two years ago banks accounted for 30% of the total brand value of the Top 100 they now contribute less than a fifth. Along with the rest of the public sector, banking has been highly impacted as the Chinese economy is increasingly driven by consumer goods and services. The success of entrepreneurial payment and financing options such as Alipay and Ant Finance, both owned by Alibaba, is also threatening the role of traditional banks in China.
- **The rise of technology brands.** Technology brands account for 27% of the total value of the Top 100, up from 16% just two years ago, and their growth has boosted the strength of the market-driven brands. Three tech brands also top the ranking of brands that generate the highest proportion of their revenue from overseas: Lenovo (68%), Huawei (62%) and ZTE (50%).
- **Brands must leverage mobile to engage consumers and help them realize the Chinese Dream.** Mobile is more important in China than anywhere else: 90% of internet users access the web using a mobile device (CIIIC). The highest performing brands all have a strong mobile presence, not simply as purveyors of products and services, but as partners that help consumers make a better life for themselves and their families. The mobile experience needs to represent the brand in all its aspects: advertising and marketing, social communication, shopping, purchasing, and payment.
- **Letv and NetEase are the fastest-growing brands.** Two tech brands, content provider Letv (no.32) and gaming platform NetEase (no.40), were the highest risers increasing in value by 81% and 73% respectively. Both have profited from creating 'smart connected businesses' – using their platforms to offer new products and services that integrate them more deeply into people's daily lives.

David Roth, CEO EMEA and Asia, The Store WPP said: "For 35 years the tide of extraordinary economic growth lifted many brands, but now the 'free ride' is over in today's rebalancing China. Brand strength is the key determinant for success. The brands in the Top 100 are not immune to economic and market influences, but the strongest have survived and even thrived. To grow in value in the coming years

Chinese brands must invest more in being unique and innovative, and continue to make meaningful connections with consumers.”

Doreen Wang, Global Head of BrandZ, Millward Brown, commented: “China is the most dynamic market in the world in terms of mobile use, and companies that intend to build their brands there should not underestimate the speed of the digitalization and mobilization wave. Despite the slowdown in economic growth and extreme stock market fluctuations, consumers feel optimistic: they still hold on to the Chinese Dream of a better life for themselves and their families. The most successful brands will become the consumer’s partner in this pursuit, using digital and mobile to connect and communicate at the right time, in the most appropriate media, with a relevant and creatively compelling message.”

The full BrandZ™ Top 100 Most Valuable Chinese Brands report and ranking of the Top 100 can be downloaded [here](#).

Ends

NOTES TO EDITORS:

The brand valuation behind the Top 100 was conducted by Millward Brown. The methodology mirrors that used to calculate the annual BrandZ Top 100 Most Valuable Global Brands ranking, which reaches its eleventh year of publication in 2016.

The ranking combines financial data from Bloomberg and Kantar Worldpanel with consumer opinions gathered from interviews with over 400,000 Chinese consumers since the ranking first launched in 2008. The BrandZ™ Top 100 Most Valuable Chinese Brands is the most definitive and robust ranking of Chinese brands available.

The brands ranked in the BrandZ™ Top 100 Most Valuable Chinese Brands 2016 report meet these three eligibility criteria:

- The brand was originally created by a mainland Chinese enterprise;
- The brand is owned by a publicly traded enterprise, or whose financials are audited by major global accounting practice and published in the public domain;
- Bank brands derive at least 20 percent of earnings from retail banking.

The BrandZ rankings are the only valuations in the world that take into account what people think about the brands they buy, alongside rigorous analysis of financial data, market valuations, analyst reports and risk profiles. Consumer perception of a brand is a key input in determining brand value, because brands are a combination of business performance, product delivery, clarity of positioning and leadership.

About WPP

WPP is the world’s largest communications services group with billings of US\$73 billion and revenues of US\$19 billion. Through its operating companies, the Group provides a comprehensive range of advertising and marketing services including advertising & media investment management; data investment management; public relations & public affairs; branding & identity; healthcare communications; direct, digital, promotion & relationship marketing and specialist communications. The company employs nearly 190,000 people (including associates and investments) in over 3,000 offices across 112 countries. For more information, visit www.wpp.com.

WPP was named Holding Company of the Year at the 2015 Cannes Lions International Festival of Creativity for the fifth year running. WPP was also named, for the fourth consecutive year, the World’s Most Effective Holding Company in the 2015 Effie Effectiveness Index, which recognizes the

effectiveness of marketing communications. In 2016 WPP was recognised by Warc 100 as the World's Top Holding Company (second year running).

About Millward Brown

Millward Brown is a leading global research agency specializing in advertising effectiveness, strategic communication, media and brand equity research. Millward Brown helps clients grow great brands through comprehensive research-based qualitative and quantitative solutions. Part of Kantar, WPP's data investment management division, Millward Brown operates in more than 55 countries. Learn more at www.millwardbrown.com.

For further information please contact:

Miquet Humphries
Director, Global Corporate Marketing, Millward Brown
Tel: +44 (0) 1926 826179
Email: miquet.humphries@millwardbrown.com

Or

Teresa Horscroft or Hannah Robertson
Eureka Communications
Tel: +44 (0)1420 564346
Email: teresa@eurekacomms.co.uk