



KANTAR

B2B?

Think 'brand' to build!

Unlocking growth in B2B

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512

Categories

17k

Unique brands

51

Markets

BRANDZ

The largest brand building
platform in the world

Est. 1998

3.9m

Consumers

5.3B

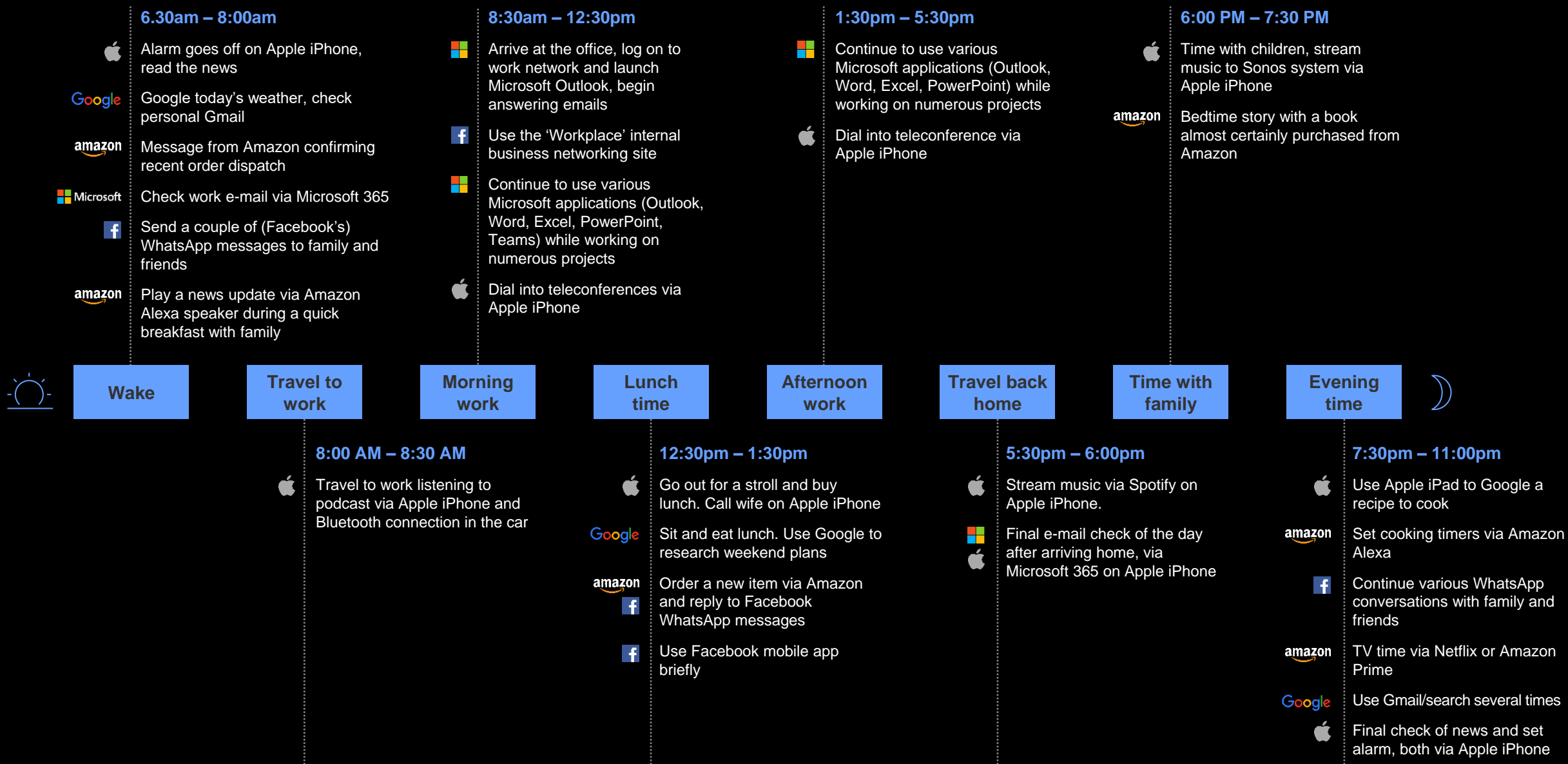
Data points

An aerial, high-angle view of a dense city skyline at sunset. The sky is a warm, golden-orange color, and the buildings are silhouetted against it. The text is overlaid in the center of the image.

‘What is a B2B brand?’

Wrong question...

‘What **was** a B2B brand?’



Common opinions around B2B brands

'Strengths are not understood or appreciated'

'Brands don't get credit as innovators'

'Reliability and seriousness are no longer enough'

'Customer service is increasingly key'

'Software is now a service, not a product'

'Product agnosticism and commoditisation'

'Consumerisation of technology'

'Change is the new normal'

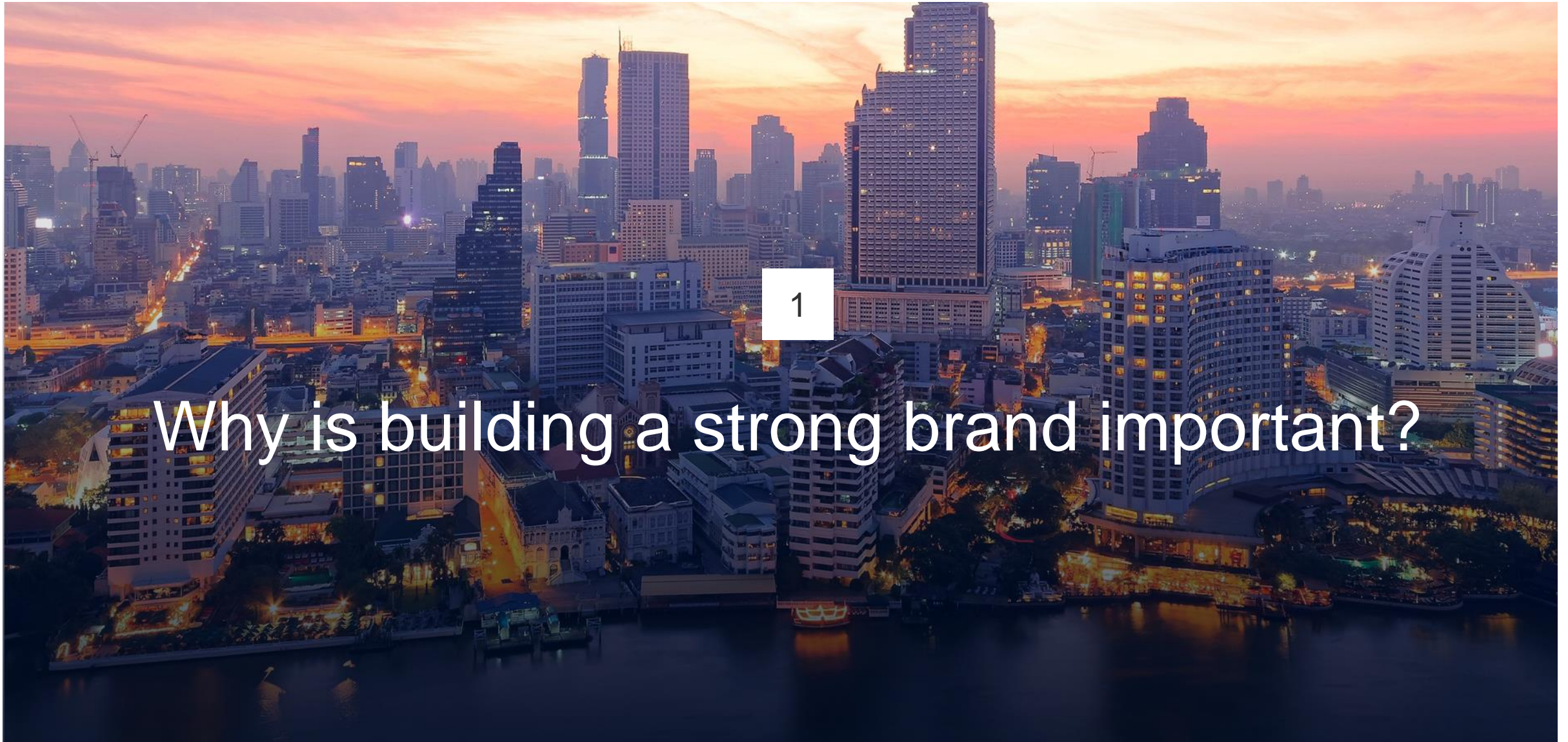
'Increasing importance of collaboration with B2C'

'Boundaries are blurring'

The B2-Bottom line – a strong brand brings flexibility and freedom

‘A **strong brand** has more permission to play in new places or partner in new ways, even if that brand no longer owns the platform, device or ecosystem.’





Why is building a strong brand important?

BrandZ valuation process is the **only one** to incorporate comprehensive **consumer data**

FV

Step 1

Financial Value (\$)

Financial value created by a brand

Source:

Bloomberg | **KANTAR**

x

BC

Step 2

Brand Contribution (%)

Proportion of financial value generated by the brand's ability to increase purchase volume and charge premium

Source:

BRANDZ

=

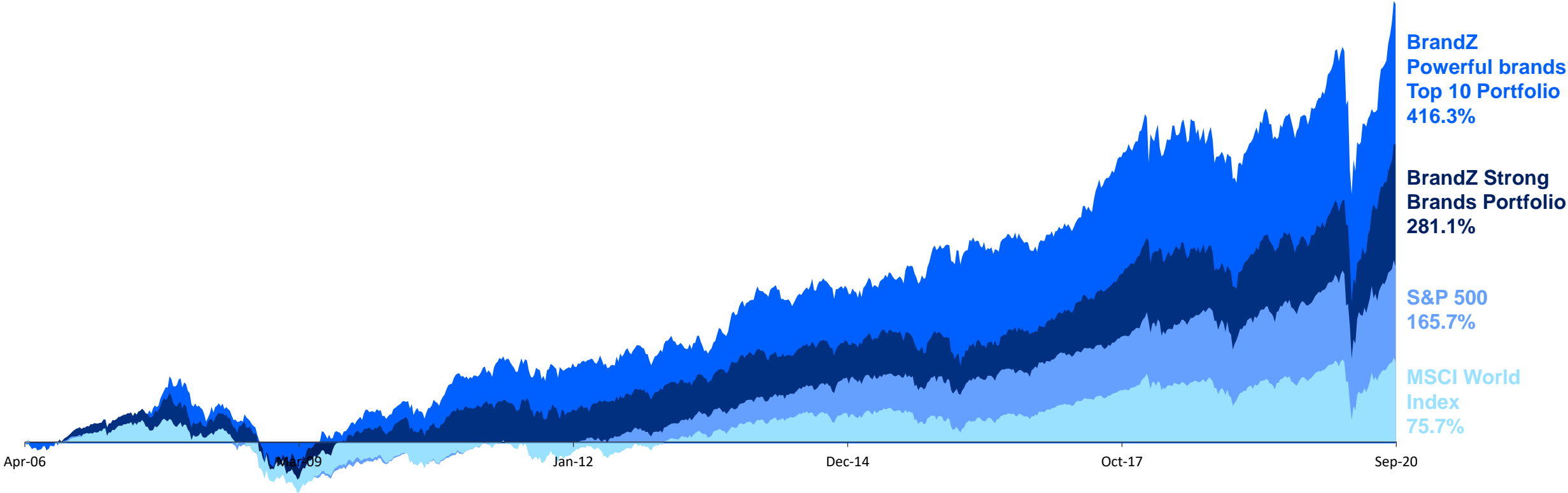
BV

Step 3

Brand Value (\$)

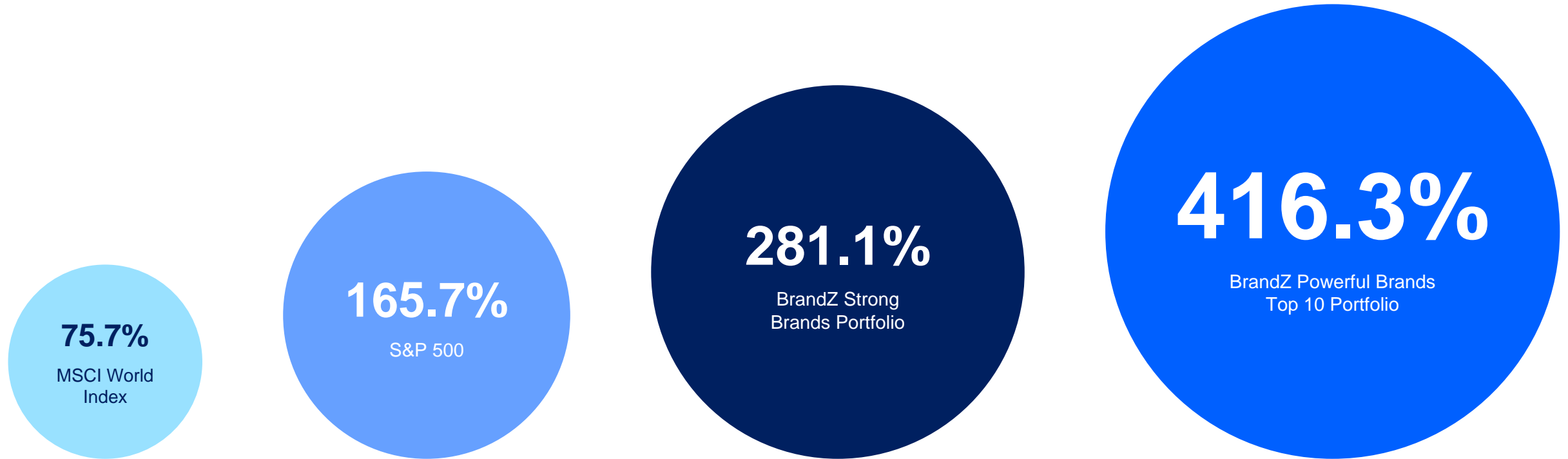
Strong brands (1) deliver superior shareholder returns (2) are more resilient in times of crisis (3) recover more quickly

BrandZ™ Portfolios vs S&P 500 vs MSCI World (April 2006 - September 2020)



Strong brands deliver superior shareholder returns

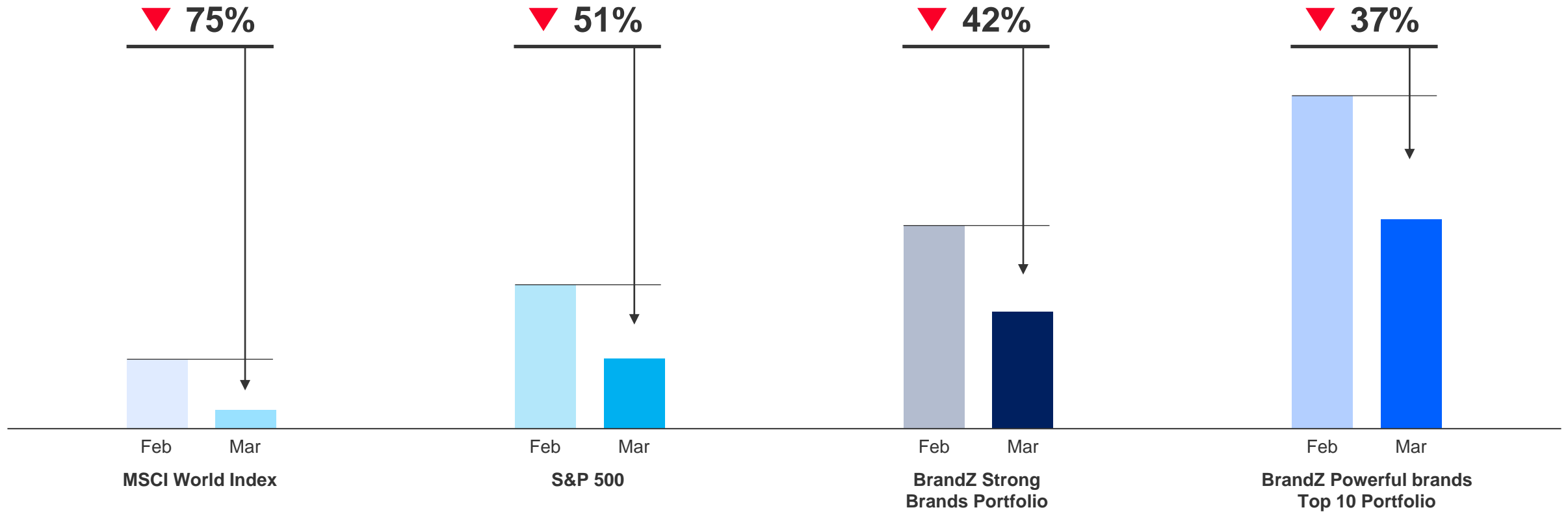
% returns on investment to September 2020 since April 2006



Strong brands are more resilient in times of crisis

Proportionate declines from the peak to the bottom of the trough during 2020 COVID-19 pandemic

▼ % of shareholder returns lost:



Strong brands recover more quickly

Proportion of additional returns added following lowest point of initial impact

2008 Financial crisis – after 2 years

+72%

Average BrandZ portfolios vs. average S&P 500/MSCI World Index.

COVID-19 Pandemic 2020 – to Sept 2020

+232%*

Average BrandZ portfolios vs. average S&P 500/MSCI World Index.

*

Three contributory factors support this much higher proportion:

1. Stronger positive trajectory pre COVID-19 crisis than pre 2008 Financial crisis
2. US Federal Reserve quantitative easing policies in response to COVID-19 are buoying the market
3. Improved brand equity within the BrandZ portfolios



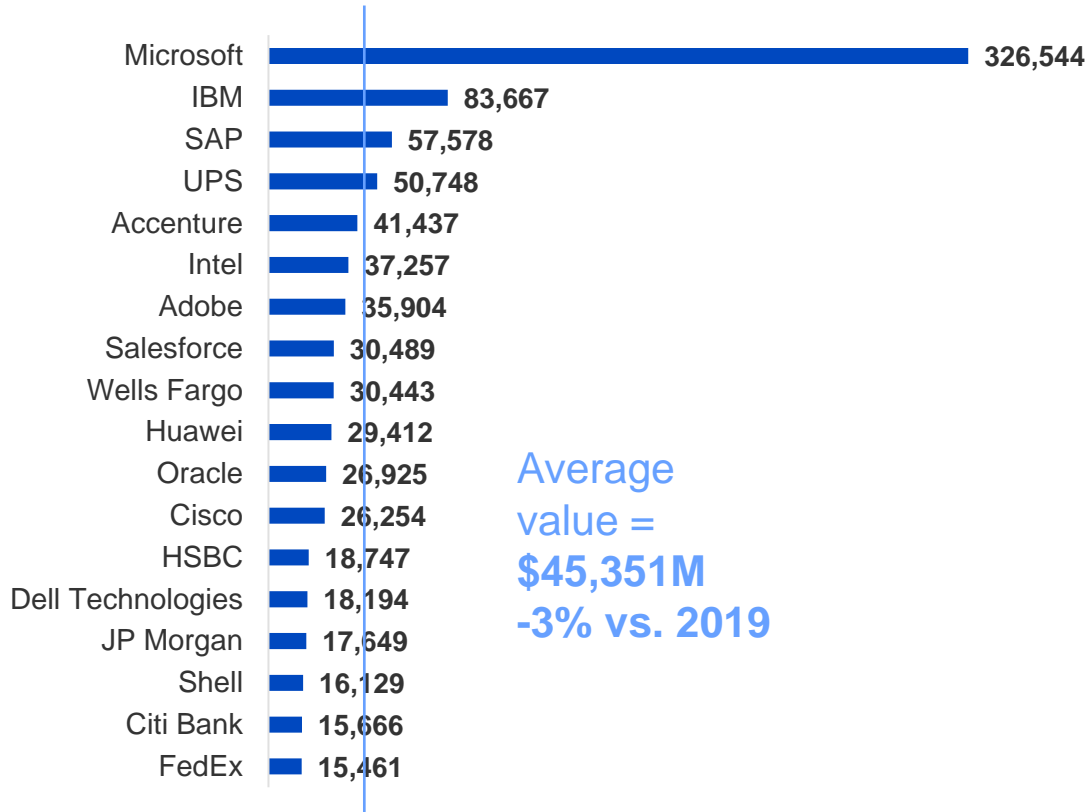
2

What are the key ingredients for
successful brand building?
Where can B2B brands improve?

BrandZ Top 20 most valuable B2B vs B2C brands 2020

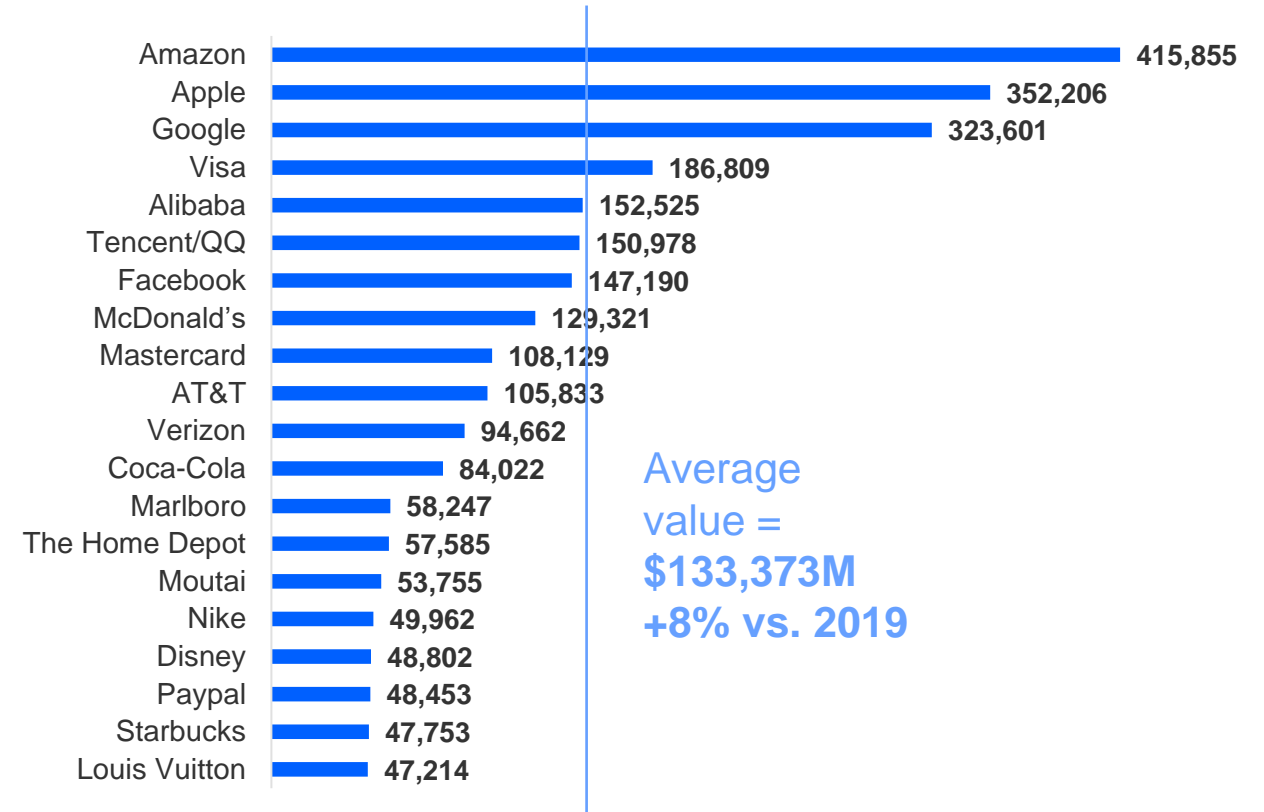
B2B

Valuation brand Brand value (\$M)



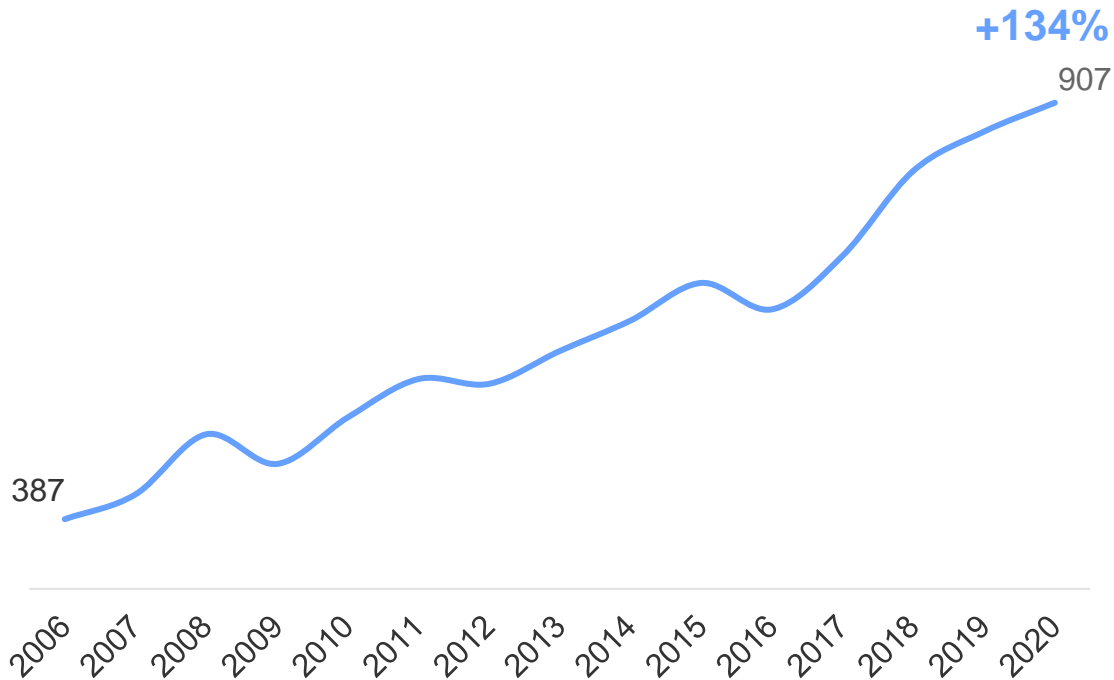
B2C

Valuation brand Brand value (\$M)



BrandZ's Top 20 most valuable B2B brands have grown hugely in value over time **but** lag B2C Top 20 growth by a factor of almost three...

BrandZ Top 20 most valuable B2B brands



B2B Top 20 vs B2C Top 20

	2006 brand value	2020 brand value	% brand value change
Top 20 B2B	387 B	907 B	+134%
Top 20 B2C	537 B	2,667 B	+397%

The Meaningfully Different Framework

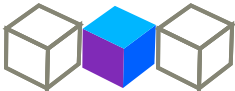
– three key ingredients for strong brand equity



Meaningful
Meet needs, connect emotionally



Buy more
Power



Different
Feels different, perceived as leading



Pay more
Premium



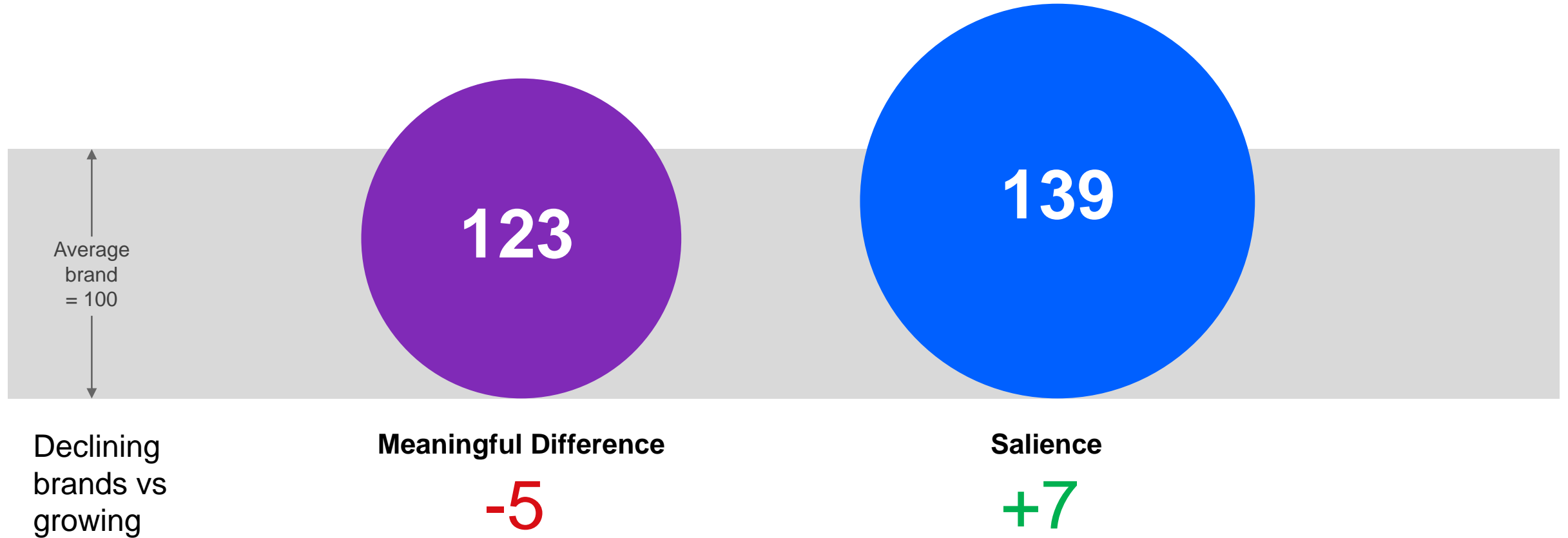
Salient
Comes to mind quickly when needs arise



Grow in future
Potential

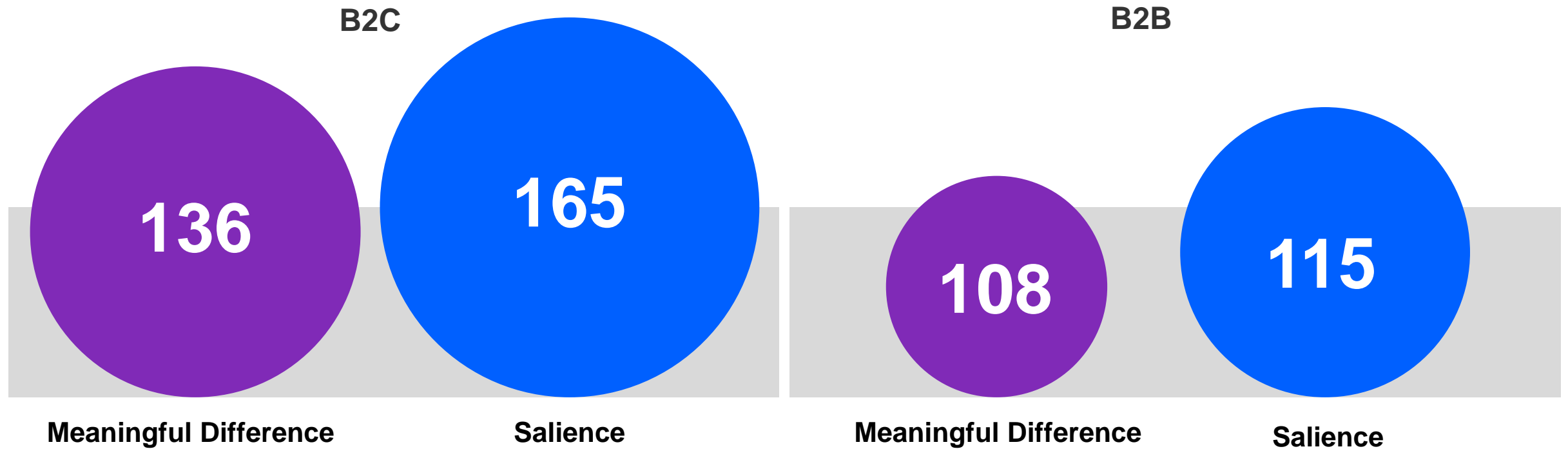
The world's most valuable brands are very Meaningfully Different and Salient to consumers

Global BrandZ Top 100 most valuable brands 2020



B2C brands have a much higher level of Meaningful Difference and are much better known to their customers than B2B brands

B2B T20 vs B2C T20



High Meaningful Difference accelerates growth for B2B brands

8 brands appeared in both the 2006 and 2020 BrandZ B2B Top 20

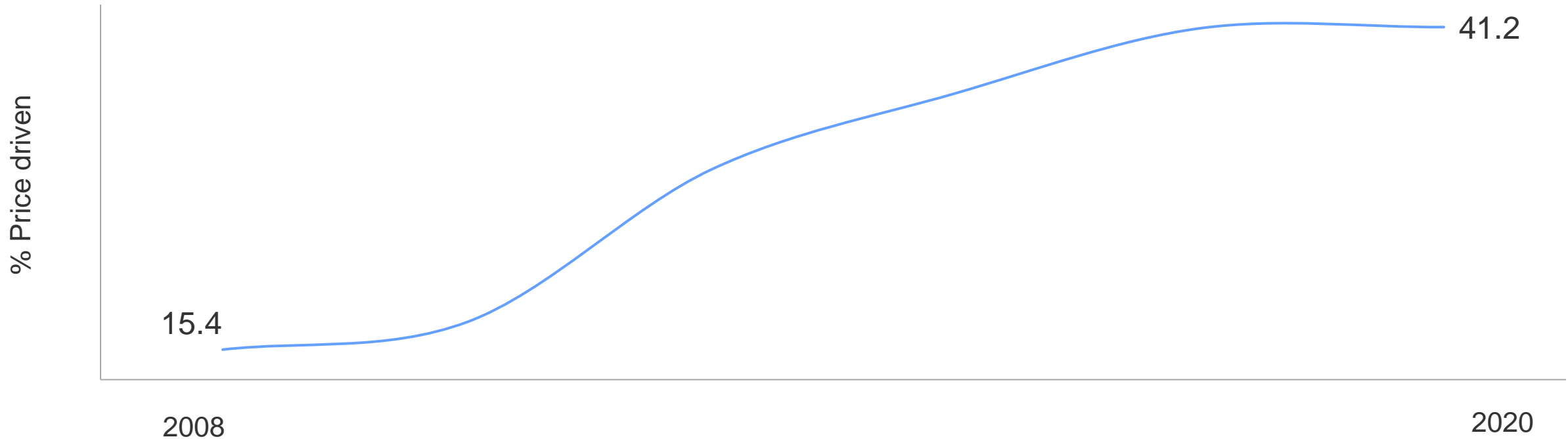
4 below average
Potential:
Brand value growth
+99%

4 above average
Potential:
Brand value growth
+288%

x2.91

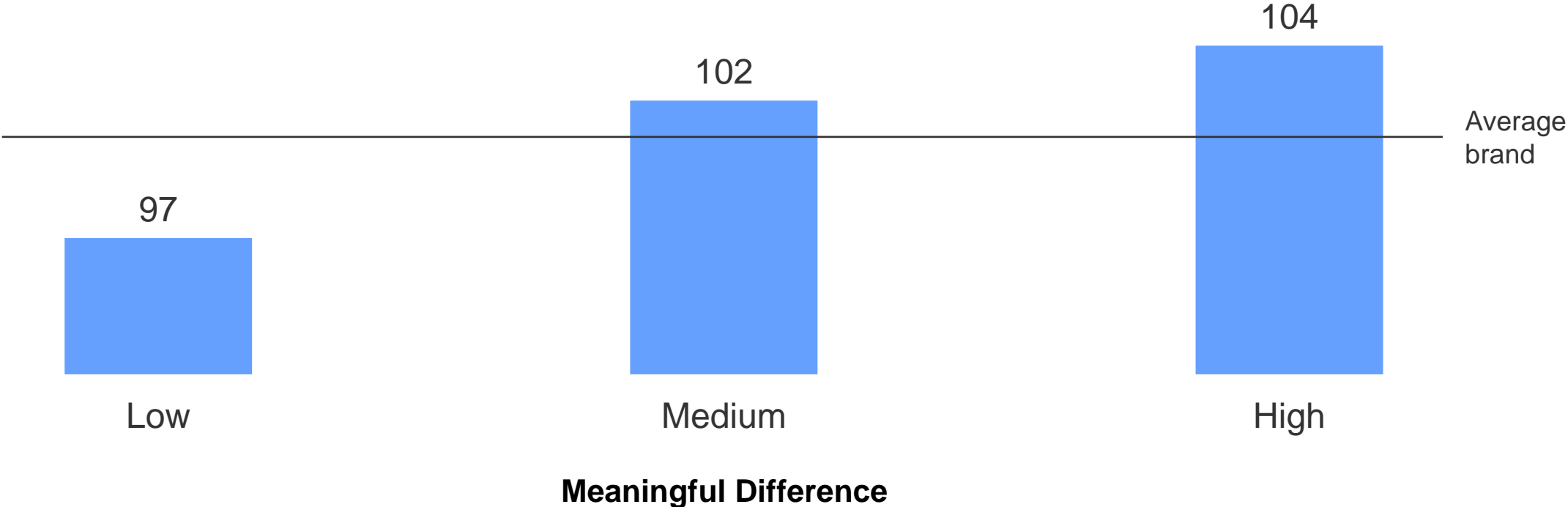
Businesses in the US are becoming more price driven over time when selecting their service providers

'I would consider most of the brands and go for the one that gives me the best price'



The most Meaningfully Different B2B brands in the US are best placed to justify a price premium

Premium Index



Meaningful Difference



Brand
purpose



Innovation



Communication



Brand
experience

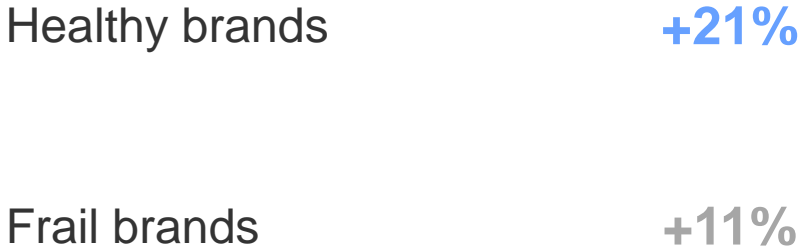
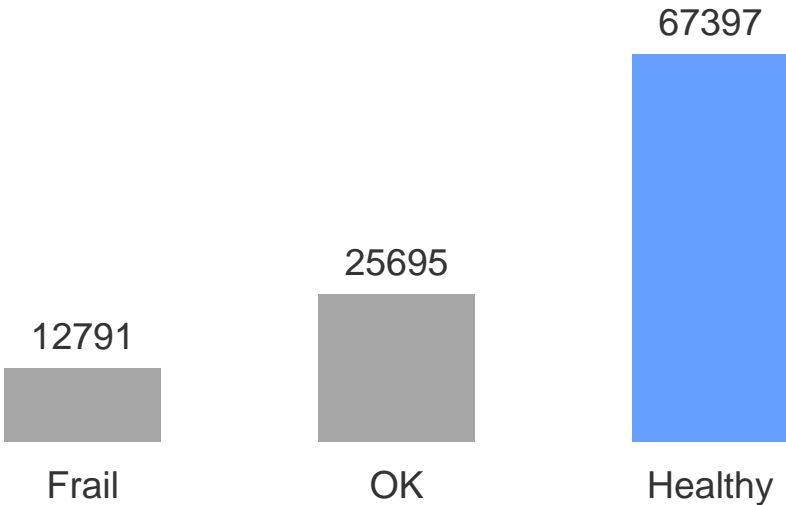


Love

'Healthy' US brands are not only currently **a lot** more but are likely to grow at twice the rate of low performers

Average value

Brand value growth



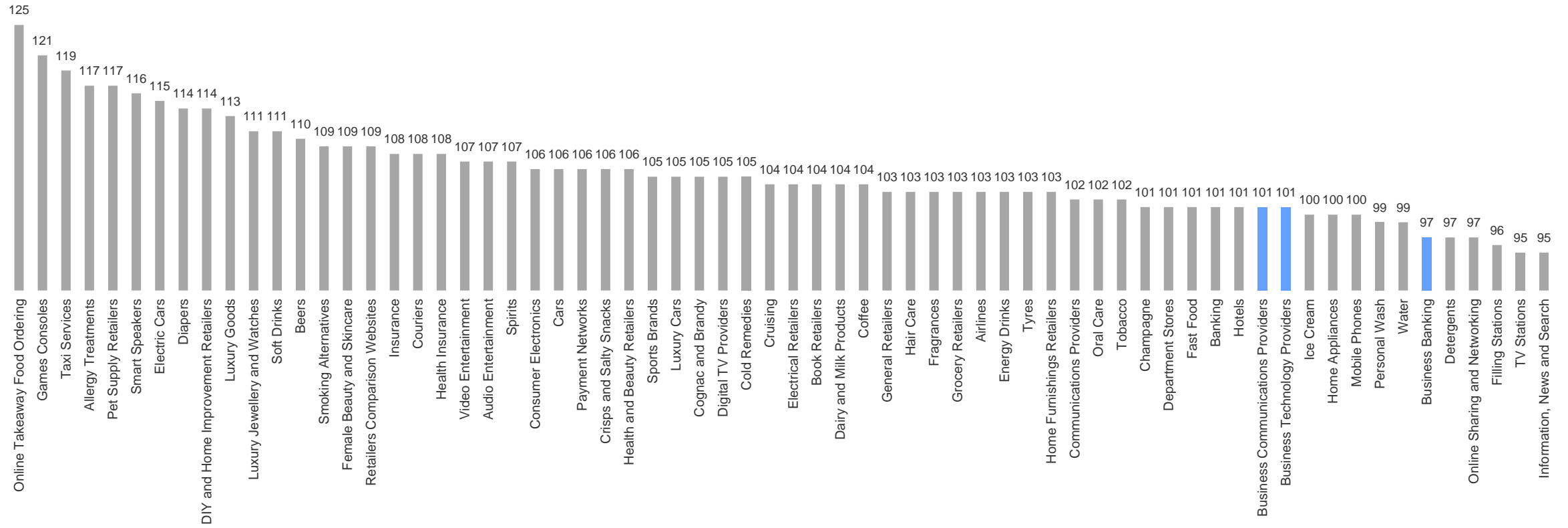
B2B categories underperform vs. B2C on all five Vital Signs

Biggest difference in communications and emotional connection

Measure	B2B average score	B2C average score	Difference
Purpose	103	107	+4
Innovation	102	105	+3
Communications	99	106	+7
Brand Experience	100	104	+4
Love	96	104	+8

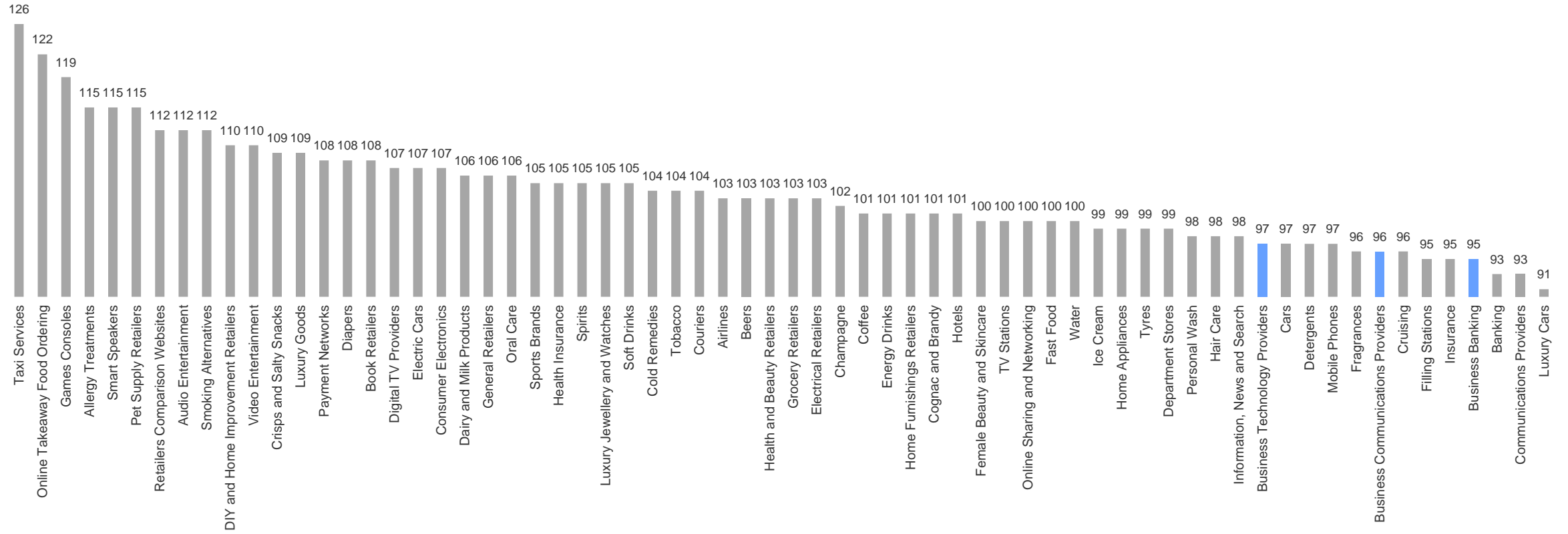
US B2B vs B2C category analysis

Communications



US B2B vs B2C category analysis

Love





4

Summing up

Summing up

Brand building is currently a *missed opportunity* to drive value for many B2B businesses

‘Brand’ will act as a key weapon against the commoditisation of B2B products and services

Maintain brand building investment

Focus on increasing Meaningful Difference to unlock latent value in existing and new customer relationships – understand what this means for your brand

Salience alone is not enough for sustainable growth in the long term

Strong communications with an emotional focus will best differentiate

B2B brands have a particular opportunity around improving the quality of communications and fostering an advantageous emotional connection

Product excellence is no longer enough - the increasing importance of customer service is one example of increasing emotional needs. Consider how to best communicate how evolving needs are being met

Increasing price sensitivity requires strong brand equity to justify any premium

Strong B2B brands not only have the potential to drive volume growth but also to drive value growth

High prices in the absence of supporting relationships and attitudes will be exposed

Supercharge brand and business growth with BrandZ!

Custom Reports

Understand the evolving influence of key drivers of business success and your brand's performance versus competitors in this series of BrandZ Perspectives on:

- **Brand Purpose**
- **Corporate Reputation**
- **Consumer Trust**
- **Brand Equity**

Data Packages

Explore brand performance data: brand equity, corporate reputation and brand personality, across a range of categories, markets and time periods

Visit www.kantar.com/marketplace | Email BrandZ.Marketplace@kantar.com





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