



Davis Brand Capital 25 companies
outperformed the Dow Jones,
S&P 500 and NASDAQ in 2015.

**COMPANIES THAT MANAGE THEIR BRANDS
MOST EFFECTIVELY PERFORM BETTER,
BEATING BENCHMARK INDICES BY UP TO 12.4% LAST YEAR.**

Davis

FOR CONFIRMED LEADERS AND NEW ENTRANTS, BRAND DROVE VALUE IN 2015

In Davis® Brand Capital's seventh-annual study of more than 1,000 companies, Apple (#1), Alphabet (formerly Google) (#2) and Microsoft (#3) topped the 2015 list of the 25 leaders in overall brand management for the second year in a row.

Apple (#1) maintains its position as the number one brand leader for the fifth consecutive year, Alphabet (#2) remains in the top five for a fifth year, and Microsoft (#3) earns accolades for leadership consistency with its sixth year in the top five. These remarkable technology leaders prove that it is indeed possible to sustain a long-term, competitive advantage through brand, even in the most rapidly changing of sectors in the global economy. Toyota (#4) and Samsung (#5) also earn spots among the top five this year.

To earn a position on the *Davis Brand Capital 25* ranking, companies must prove brand leadership far beyond the typical, consumer-facing role of product brand awareness and preference. Companies that make the list are the best at brand building; their brands outperform peers, cultivate a winning culture and embody a commitment to innovation.

It seems fitting to us, then, that the top-five leaders are all in the technology sector – one that, by its very nature, drives innovation and thrives on change. Boundary-pushers Apple (#1) and Alphabet (#2) have cult-like followings, and thanks to strategic B2B and B2C partnerships, are ubiquitous. They also win with consumers, with employees and with Wall Street.

It is notable that more mature technology companies – IBM (#9), Intel (#22) and Hewlett-Packard (#25) have all seen their brands move down the list as consumers replace enterprise customers.

There are shakeups in the “showdown” categories for 2015. In the telecommunications space, AT&T (#10) has triumphed over Verizon, which fell from the list entirely. And Daimler (#6), home of the revered Mercedes-Benz brand, has leaped ahead of rival BMW (#8).

This year marks the second time a Chinese brand, Industrial and Commercial Bank of China, or ICBC (#18), has entered the top 25. Unlike Tencent Holding Company, which made the 2012 list and has strong ties to the U.S. market through subsidiaries Riot Games and Epic Games, ICBC's main market is in China. As China continues its rapid economic growth and its emerging middle-class market culture expands, we can expect to see more Chinese brands on the list in the future. Like any global list, ours will change with the world's populations and markets.

In the end, the 2015 list confirms that the best brand management leaders are those most aligned with and responsive to consumer shifts – whether in dynamic sectors like technology or at the emerging edge of tomorrow's global middle-class.

THE 2015 RANKING

	COMPANY	INDUSTRY	2015 SCORE	2014 RANK	2013 RANK	YoY CHANGE
1	Apple Cupertino, CA USA	Technology	228.1	1	1	0
2	Alphabet (Google) Mountain View, CA USA	Technology	214.2	2	2	0
3	Microsoft Redmond, WA USA	Technology	209.9	3	4	0
4	Toyota Motor Corporation Toyota Aichi Japan	Automotive	208.1	9	16	5
5	Samsung Electronics Company Seoul, South Korea	Technology	202.0	11	9	6
6	Daimler Stuttgart, Germany	Automotive	201.6	14	10	8
7	General Electric Fairfield, CT USA	Diversified	198.2	5	7	-2
8	BMW Munich, Germany	Automotive	195.7	6	12	-2
9	IBM Armonk, NY USA	Technology	195.5	4	3	-5
*	Volkswagen Group Wolfsburg, Germany	Automotive	193.6	17	23	7
10	AT&T Dallas, TX USA	Telecommunications	182.5	16	11	5
11	Procter & Gamble Cincinnati, OH USA	Consumer Products	178.9	8	8	-4
12	Nestlé Vevey, Switzerland	Consumer Products	178.9	25	24	12
13	J.P. Morgan Chase New York, NY USA	Financial Services	175.1	12	14	-2
14	Royal Dutch Shell The Hague, Netherlands	Energy	174.2	n/a	n/a	NEW
15	Johnson & Johnson New Brunswick, NJ USA	Health Products	173.3	10	17	-6
16	Exxon Mobil Corporation Irving, TX USA	Energy	172.6	24	15	7
16	HSBC Holdings London, UK	Financial Services	172.6	19	18	2
18	Industrial and Commercial Bank of China (ICBC) Beijing, China	Financial Services	172.1	n/a	n/a	NEW
19	IKEA Älmhult, Sweden	Consumer Products	171.9	n/a	n/a	NEW
20	Walmart Bentonville, AR USA	Consumer Products	171.5	n/a	21	NEW
21	LVMH Paris, France	Luxury	169.4	20	20	-2
22	Intel Santa Clara, CA USA	Technology	168.5	15	13	-8
23	Ford Motor Dearborn, MI USA	Automotive	163.9	n/a	19	NEW
24	Citigroup New York, NY	Financial Services	163.0	18	22	-7
25	Hewlett-Packard Palo Alto, CA USA	Technology	162.0	21	n/a	-5

● Upward Movement from 2014 Rank ● Downward Movement from 2014 Rank ● No Movement from 2014 Rank ● New to 2015 Rank

WHAT'S GOING ON WITH VOLKSWAGEN?

In late September 2015, news broke that Volkswagen had intentionally programmed emission controls in 2009 – 2015 model-year, diesel vehicles to falsely comply with EPA vehicle emission standards. This scandal broke after survey data were compiled, allowing Volkswagen to still make the 2015 list. That being said, the scandal has ruined the company's credibility and the brand's reputation for the foreseeable future. The purposeful deception has caused consumers to question whether Volkswagen's value proposition of high-quality, reliable, efficient and safe vehicles can or will be accepted

again. The core Volkswagen brand, and possibly other Volkswagen AG portfolio brands such as Audi and Porsche, are now shadowed by the company's inexcusable management decisions. The corporate brand itself, carrying the Volkswagen name, is tarnished above all others, as it is the source of the scandal at the product brand level. The only positive note earned at this point has come through the replacement of senior executives and what appear to be candid and unflinchingly honest communications. The path back will be long and difficult.



THE RANKINGS IN CONTEXT

The companies that make the *Davis Brand Capital 25* are the world's leading managers of brand and related intangible assets. Their total business strength and overall effectiveness is the result of disciplined, comprehensive approaches to managing brand.

For the seventh-straight year, technology leaders dominate the rankings, making the top three and holding six of 25 spots. While Apple, Alphabet (Google), and Microsoft have maintained their positions as the top three brands, Samsung jumped from #11 in 2014 to #5 this year. IBM (#9) has been the primary company affected by Samsung's (#5) growth. Notably, Samsung is catching up to IBM and may be as the largest holder of U.S. utility patents by the end of 2016. This, coupled with a series of strategic and internal issues at IBM, has eliminated Big Blue from the top five. Intel (#22) experienced the biggest decline, sliding by eight spots, as consumers moved away from traditional PCs towards mobile devices and tablets.

Automotive companies are not far behind in their overall showing, with six of 25 spots and four in the top ten. The rise in car brands on the list, especially those that are oriented towards a general consumer market such as Toyota (#4), may in part reflect the return of U.S. spending on durable goods, as auto sales reached their highest level since 2005. The luxury car segment has also benefited from this rise, and Daimler (Mercedes-Benz) (#6) and BMW (#8) are both in the top ten this year.

This year also marks the appearance of three completely new companies to the *Davis Brand Capital 25*: Royal Dutch Shell (#14), ICBC (#18), and IKEA (#19). Both Walmart (#20) and Ford (#23) return to the list in 2015.

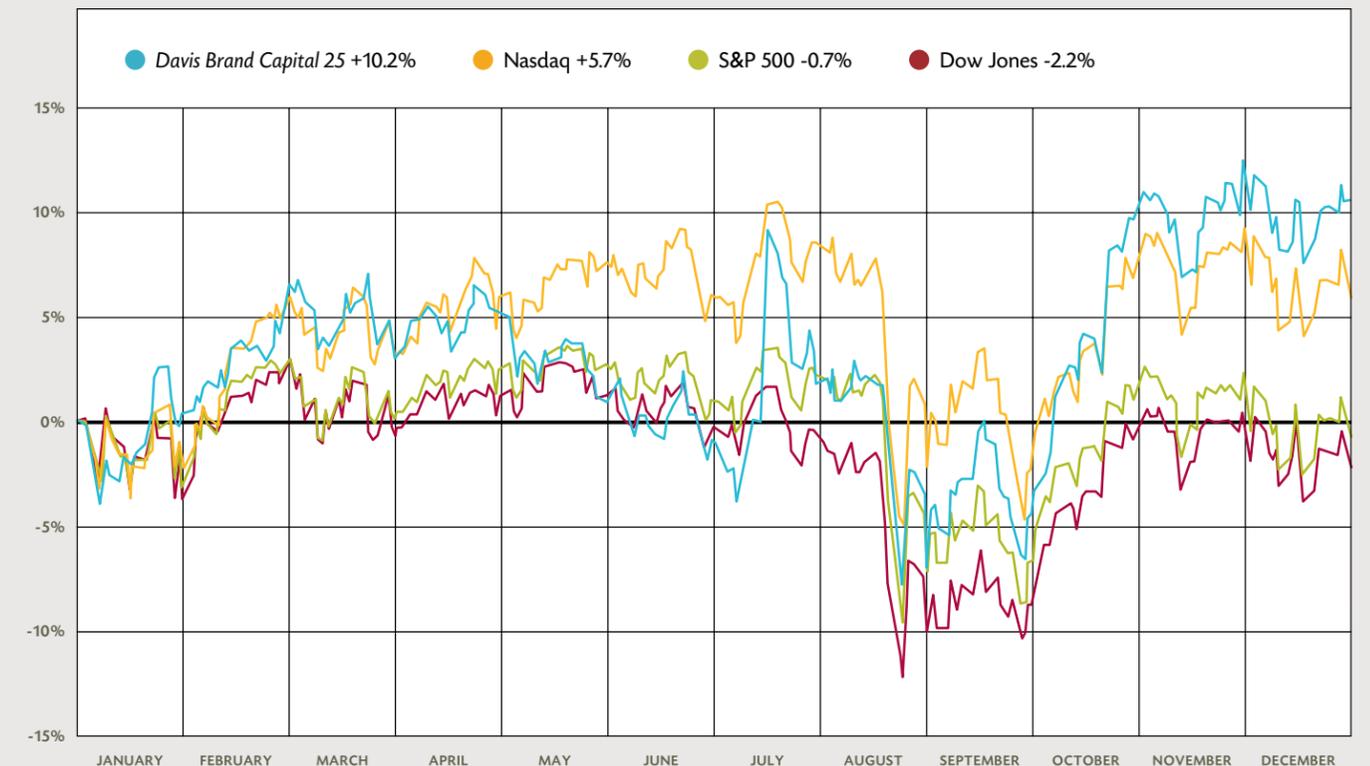
The *Davis Brand Capital 25* ranks companies according to comparative effectiveness across the five categories that drive brand capital:

- brand value,
- competitive performance,
- innovation strength,
- company culture
- and social impact.

The ranking is based on aggregated, publicly available data exploring these areas of brand and Davis' own proprietary analysis.

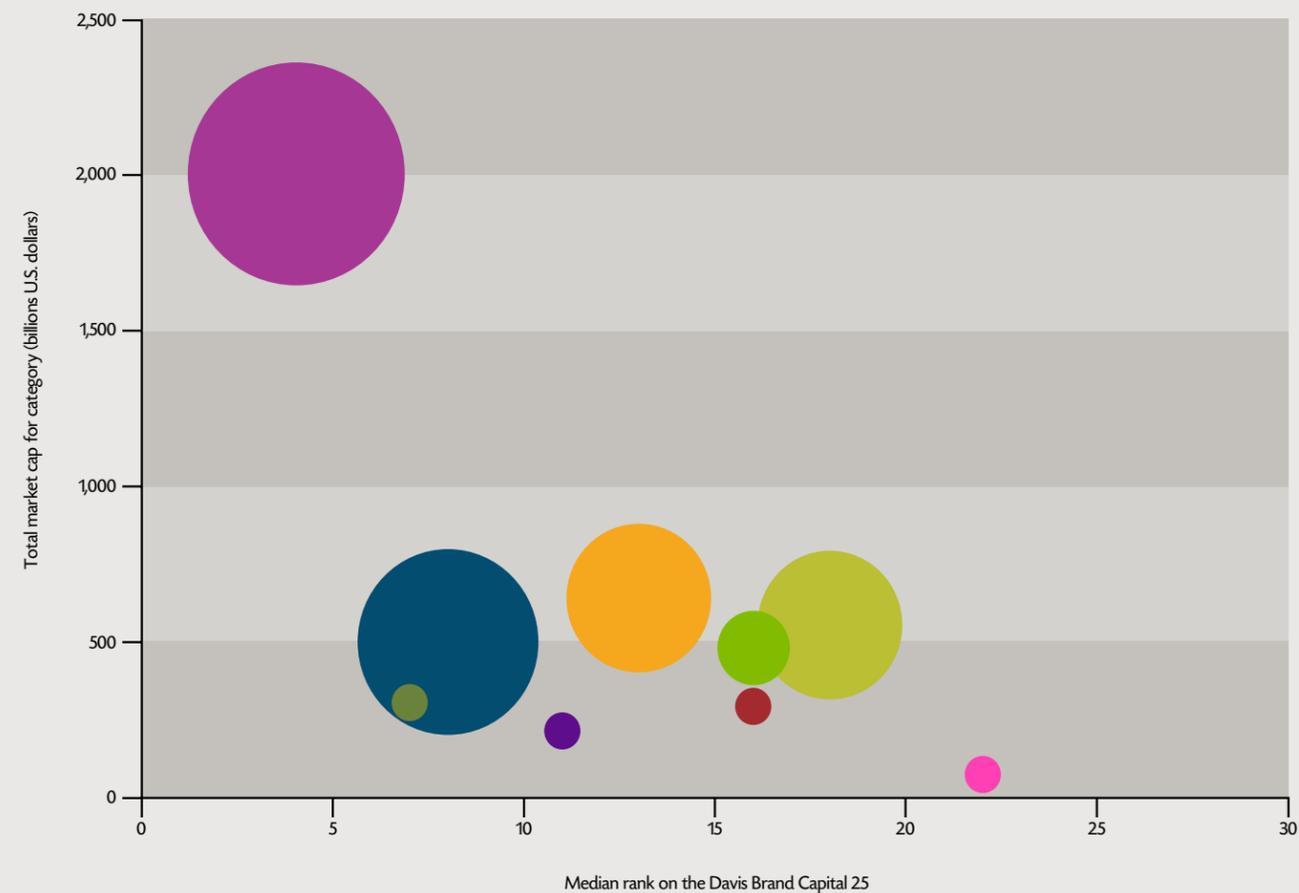
A Portfolio of the DBC 25 Companies has a 10.2% Return, Outperforming the Markets Soundly

Well-managed brands help drive demand, increase margins, grow market share, attract top talent, and ultimately return value to businesses and their stakeholders. A hypothetical stock portfolio consisting of *Davis Brand Capital 25* companies returned 10.2% year-to-date, beating the Dow by 12.4% and the S&P 500 by 10.9%. As technology leaders dominate the list, the rankings track the NASDAQ closely, but exceed it by 4.5%.



Category Performance and Market Capitalization

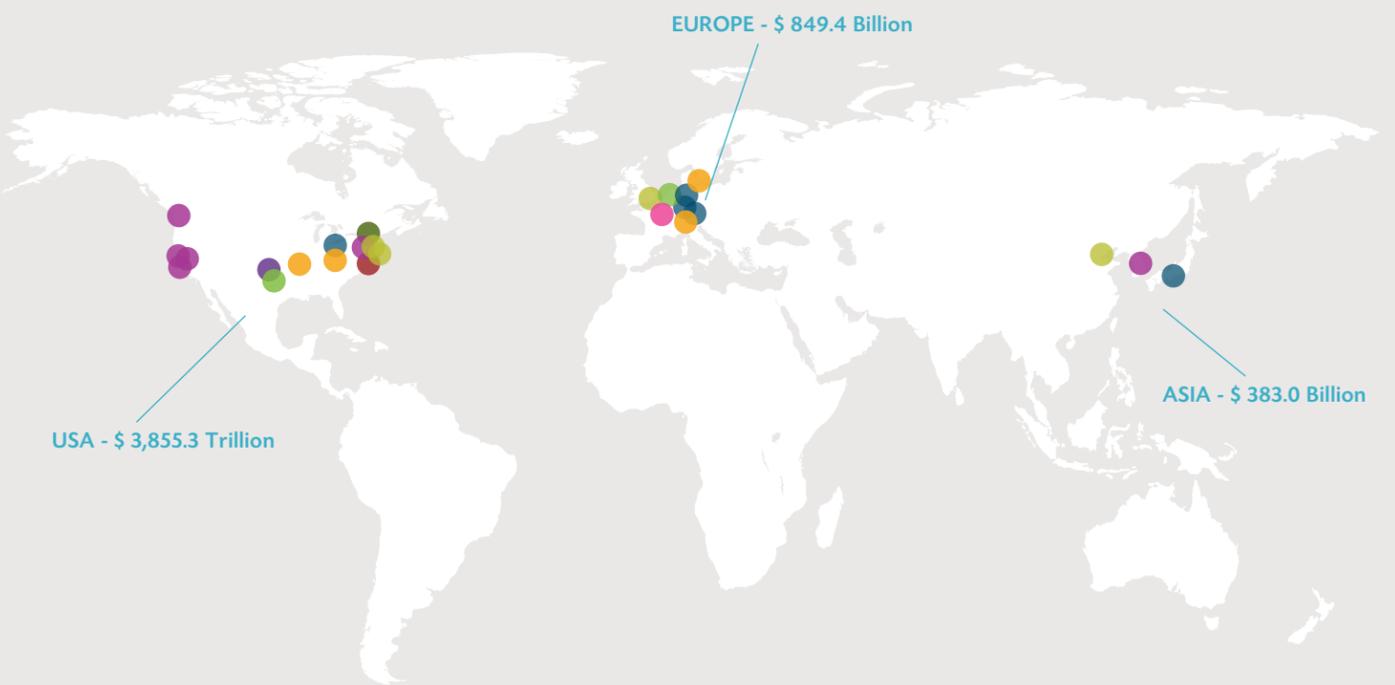
Collectively, the *Davis Brand Capital 25* represent \$5.1 trillion in market cap. The technology leaders on the list enjoy the highest combined market cap at \$2.0 trillion and best overall category ranking. The companies most effective at managing brand and other related intangible assets account for a substantial portion of the worldwide economy, highlighting the integral importance of brand capital in shaping global markets.



- Technology
- Consumer Products
- Automotive
- Financial Services
- Luxury
- Diversified
- Health Products
- Energy
- Telecommunications

Distribution of Global Brand Capital

Brand capital is a global concern – especially as developed nations increasingly move towards knowledge-based economies. While our global study had a high level of geographic diversity, the *Davis Brand Capital 25* are largely concentrated in the United States and Europe. Relative to last year, though, the total market capitalization of the U.S. companies on our list has decreased from \$4.3 trillion to \$3.8 trillion as the number of U.S. companies on our list fell from 17 to 14. The future may hold an even larger shift in brand capital as Asian markets and brands continue to grow.



- Technology
- Consumer Products
- Automotive
- Financial Services
- Luxury
- Diversified
- Health Products
- Energy
- Telecommunications

For an in-depth report on any of the companies ranked in the *Davis Brand Capital 25*, or to learn how to bring greater clarity to your brand strategy and management, please call 404-347-7778.

Davis Brand Capital develops, manages, values and invests in leading brands.

For 20 years, Fortune 100 and category-leading clients worldwide have turned to Davis for clarity on complex questions surrounding brands.

As a comprehensive brand consultancy, we place equal emphasis on the strategic, economic, cultural and design aspects of brand development and management.

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