

Innovation fuels global expansion for China's leading brand builders

- **BrandZ Top 50 Chinese Global Brand Builders 2018 Report reveals how 'Created in China' goods and services now represent innovation, quality and value**
- **Innovation is 'in the DNA' of China's Global Brand Builders**
- **Consumer electronics dominate category rankings – Top 5 brands in 2018 include; Lenovo, Huawei, Alibaba, Xiaomi and Air China**
- **Powering on – 22 of the 30 brands ranked in 2017 increased their Brand Power rating**
- **China's patriotic call to 'go global' receives backing from state-owned brands, including banks and payments networks, airlines, and oil & gas industries**

6 FEBRUARY 2018, UK, LONDON (01:00 GMT/09:00 CST) – As China's innovation-driven development continues to drive the growth and global strategy for many home-grown brand leaders, a report released today by [WPP](#) and [Kantar Millward Brown](#), in collaboration with Google, reveals how Lenovo Group Ltd – a global leader in personal computer and mobile technology – continues to lead the rankings in this year's BrandZ Top 50 Chinese Global Brand Builders Report.

The report takes an in-depth look at the Chinese brands that are making an impact with consumers in international markets and provides a rich seam of thought-provoking insights on how Chinese companies can successfully build their brands on a global scale.

The growth of the ranking from 2017's 30 brands to this year's 50 brands is in part due to the rapid pace at which Chinese businesses are pursuing global expansion. Many of China's brands are championing President Xi Jinping's 2013 'Silk Road Economic Belt' initiative, answering China's clarion call for a new era of globalisation in what has been called the biggest development push in history.

Chinese brands are at the forefront of innovation and its global brand-builders are helping to establish 'Brand China' as innovative, cutting-edge and pioneering. China's insatiable appetite for new technology is fuelling the growth of many brand categories and powering innovation at an incredible pace.

Consumer Electronics remains by far the best performing category, dominated by brands such as Lenovo, Huawei, Xiaomi and Anker.

In 2018, there are ten Consumer Electronics brands among what is now the Top 50, and they contribute 34% of the total Brand Power score. Collectively, Consumer Electronics, Mobile Gaming, and E-Commerce (including online fast fashion) account for 61% of all Brand Power in the Top 50. The remaining 39% of aggregate Brand Power comes from seven other categories.

David Roth, Chairman of BAV Group and CEO EMEA & Asia, The Store WPP commented: “The companies behind China’s brands are taking a more active role on the world stage. They are increasingly shaping the conversation at a category level, as well as helping to support economic growth in developing markets in many ways, not least by investing in infrastructure. China’s brands are not only changing the way that people around the world think about brands, they are also changing the way those people think about Brand China”.

Providing insight into the growing popularity of Chinese brands, **Doreen Wang, Global Head of BrandZ, Kantar Millward Brown** said: “Chinese brand builders aren’t just concerned with reaching a wider global audience, they are aiming to change customers’ perceptions too. Brands that succeed in China’s formidably competitive marketplace are not just out-gunning the competition in terms of innovation, they are deploying an equally powerful weapon – branding.”

BrandZ™ Top 10 Chinese Global Brand Builders 2018

Rank 2018	Brand	Category	Brand Power 2018	% Change 2018 vs 2017
1	Lenovo	Consumer Electronics	1,697	1%
2	Huawei	Consumer Electronics	1,530	22%
3	Alibaba	E-commerce	1,101	5%
4	Xiaomi	Consumer Electronics	757	6%
5	Air China	Airlines	730	3%
6	Elex	Mobile Gaming	724	-22%
7	Anker	Consumer Electronics	612	22%
8	Haier	Home Appliances	578	1%
9	Hisense	Home Appliances	530	10%
10	Cheetah Mobile	Mobile Gaming/Internet Services	512	3%

Key highlights of the BrandZ™ Top 50 Chinese Global Brand Builders 2018 study include:

- Innovation is the number one factor attributed to the growth of Chinese brands and perception of innovation is highest among consumers aged 18 – 34 years

(millennials).

- Digital media (43%) and in-store display (22%) are the most important media used to drive Chinese brand awareness among international consumers.
- UK demonstrates the most positive attitude towards Chinese brands, while views vary significantly between countries.
- Gap between international and China brands search volume narrows by 29% according to Google Search Index Data.
- China's Global Brand Builders see themselves as having a higher calling, helping them play their part in building Brand China abroad.
- Chinese state-owned brands have demonstrated their widespread support for the 'Belt and Road' initiative. Banks, airlines and China's heavy manufacturing industry are putting their full weight behind China's ambitious foreign policy.
- In this year's Top 50, there are four auto brands; the largest two state-owned oil & gas giants; three state-owned banks and payments networks; and five of China's airlines.

China's challenge

Doreen Wang explains that despite making significant headway, there remain challenges ahead for Chinese brands. She commented: "While negative perceptions of some Chinese brands may persist among older generations of consumers, there is a shift in attitude among younger generations. Younger consumers are turning to brands such as Lenovo, Alibaba and JD.com because they are united by their love of cool, affordable products and services, regardless of their country of origin."

The report highlights three key focus areas to help improve Chinese brand awareness.

1. *Limited awareness in the way of a brand's global acceptance* – Regarded as the number one barrier that needs to be overcome if brands are to 'go global'. Increasing brand awareness among the targeted segments will continue to be the top priority.
2. *Perception of trust still needs to be improved* – While many younger consumers regard Chinese brands as innovative, there remains some uncertainty about quality. Many brands have an excellent reputation for producing quality products and need to communicate this better in order to change consumer perception.
3. *Lack of brand-building investment* – Smaller brands are learning from those appearing in the Top 50 Brand Power rankings that a commitment to marketing investments is key to success, and that these decisions need to be driven by local-

level understanding of both markets and consumer. Brands should sharpen their focus on the most effective media channels and deploy stronger, more impactful advertising campaigns.

Powerful, reliable data from Google and WPP

The BrandZ 'Brand Power' score represents the strength of the brand from the perspective of overseas consumers in important country-markets, namely France, Germany, Spain, UK, US, Australia and Japan. These markets are identified as locations where brands need to be successful for them to be considered a truly global brand. The score is calculated by Kantar Millward Brown using an algorithm applied to 168 Chinese brands across 12 product categories. The algorithm relies on three powerful data sets to calculate the rankings; Google Surveys, Google Search Volume and WPP's BrandZ database – the world's largest brand analytics database and most powerful brand-evaluation resource available.

The BrandZ™ Top 50 Chinese Global Brand Builders™ 2018 report, charts and video are available [here](#). The mobile app can be downloaded via www.brandz.com/mobile or search for BrandZ in the iTunes or Google Play app stores.

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NOTES TO EDITORS:

Background and methodology

Produced by WPP and Kantar Millward Brown in collaboration with Google, the BrandZ™ Top 50 Chinese Global Brand Builders Report identifies and ranks Chinese brands based on the strength of their brand overseas. It also reveals challenges and opportunities, and provides vital insights and recommendations for Chinese brands going global. Brands across 12 product categories are ranked based on their Brand Power Scores in seven developed markets, including France, Germany, Spain, the UK, the US, Australia, and Japan.

Brand Power is the BrandZ™ metric of brand equity, the consumer predisposition to choose a particular brand. Three ingredients comprise Brand Power: Meaningful (meeting functional and emotional needs in relevant ways); Different (being distinctive or trend setting); and Salient (coming easily to mind in a buying situation). Meaningful and Different scores of each brand were computed based on Google Survey answers. Each brand's Salience was computed based on the survey answers and the brand's search index.

One Belt, One Road

China's Belt and Road initiative (yi dai yi lu) or 'One Belt, One Road' refers to two distinct geographical regions. The 'Silk Road Economic Belt' (the belt) is a series of overland corridors connecting China with Europe, via Central Asia and the Middle East. The '21st Century Maritime Silk Road' (the road) is in fact a sea route linking China's southern coast to east Africa and the Mediterranean.

About WPP

WPP is the world's largest communications services group with billings of US\$74 billion and revenues of over 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; digital, eCommerce and shopper marketing and specialist communications. The company employs over 200,000 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 2017 Cannes Lions International Festival of Creativity for the seventh year running. WPP was also named, for the sixth consecutive year, the World's Most Effective Holding Company in the 2017 Effie Effectiveness Index, which recognizes the effectiveness of marketing communications. In 2017 WPP was recognised by Warc 100 as the World's Top Holding Company (third year running).

About Kantar Millward Brown

Kantar Millward Brown is a leading global research agency specialising in advertising effectiveness, strategic communication, media and digital, and brand equity research. The company helps clients grow great brands through comprehensive research-based qualitative and quantitative solutions. Kantar Millward Brown operates in more than 55 countries and is part of WPP's Kantar group, one of the world's leading data, insight and consultancy companies. Learn more at www.millwardbrown.com.

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