

## SKOL HOLDS FIRM AS LATIN AMERICA'S MOST VALUABLE BRAND, WORTH USD\$7.8 BILLION, AFTER A CHALLENGING YEAR FOR BRANDS

- *Retail sector grows contribution to the total value of Latin American brands to 20%*
- *Beer brands Tecate and Sol are the fastest risers, both increasing 31% in value*
- *Innovation to become more customer-centric, key to sustaining and growing brand value*
- *Economic and political uncertainty leads to 22% decline in total brand value since 2015*

**EMBARGO: 0400 (GMT) February 10, 2017– Mexico City, Mexico** – Brazilian beer Skol is the most valuable brand in Latin America for the second year running according to the fifth annual BrandZ™ Top 50 Most Valuable Latin American Brands announced today by [WPP](#) and [Kantar Millward Brown](#). The report also shows that, in a challenging economic and political environment, the retail sector was the only category that did not decline in value, growing its contribution to the total value of the region's brands from 16% in the previous report to 20% in 2017.

Latin America saw major political changes and high inflation that hit consumers' budgets and confidence in 2016, resulting in a 22% decrease in the total value of the region's strongest brands. However, the value of the Top 10 declined by just 14%, indicating that investment in marketing and building a strong brand can provide protection in tough times.

The downward turn was largely driven by banking brands, which as a category has declined 56% in value since 2015. This was a consequence of an increased perception of risk that affected both exchange rates and stock market valuations.

FMCG brands (the beer, food and personal care categories) continue to play the most important role in the BrandZ™ Top 50 LatAm ranking, contributing 42% of the total brand value in 2017 (35% in 2015). This indicates that householders are still buying their favorite brands, albeit less often.

The retail sector was static at USD\$20.96 billion but, as a consequence of the decline in value of other categories, retail brands made up an increased proportion of the region's most valuable brands. The third and fourth fastest growing brands in the overall Top 50 were retail brands Liverpool (no.10; 28%) and Bodega Aurrera (no.7; 16%) both of which broke into the Top 10 for the first time. Key to their success was their ability to be more innovative in attracting consumers and encouraging long-term loyalty in the face of increasing competition.

Beer dominates the Top 10, with five brands (four owned by AB InBev) holding a combined value of USD\$26 billion; 25% of the ranking's total value. Skol retains its position as Latin America's most valuable brand, having demonstrated clear purpose to its audience with

participation at events such as music festivals, and innovation in communications, packaging and products. The category declined 2% overall, but the impact was softened by beer brands in Mexico, where the younger generation has expanded and access to credit is growing. The fastest risers in this year's Top 50 were Mexican beer brands Tecate (no.26) and Sol (no.33), which both grew 31%.

**The BrandZ™ Top 10 Most Valuable Latin American Brands 2017**

#	Rank change	Brand	Category	Brand value 2017 (USD\$ million)	Brand Contribution (out of five with 5 being high)	Country
1	0	Skol	Beer	7,782	5	Brazil
2	0	Corona	Beer	7,647	4	Mexico
3	0	Telcel	Communication Providers	4,598	3	Mexico
4	1	Falabella	Retail	4,257	5	Chile
5	1	Televisa	Communication Providers	4,035	2	Mexico
6	2	Brahma	Beer	3,772	5	Brazil
7	7	Bodega Aurrera	Retail	3,593	2	Mexico
8	1	Aguila	Beer	3,486	5	Colombia
9	1	Modelo	Beer	3,316	4	Mexico
10	12	Liverpool	Retail	3,269	3	Mexico

Looking at the contribution of each market within the region, Mexican brands once again lead the ranking with strong performances from Tecate, Sol, Liverpool, Bodega Aurrerá and Bimbo growing the country's share of total value to 43%, up from 37% last year. Despite being the largest economy in Latin America, continued instability in Brazil has meant that its brands contribute 23% of the total value, down 1% from 2015. Chile has a 17% share and Colombia an 8% share. Brands from Peru (which contributed 4% of the ranking's value) declined 12% in value in the last year, but there have been huge variations in their performances with some showing double-digit declines while others grew their value more than 50%.

“Arguably a company’s most important asset, a strong brand demonstrates a clear purpose which transcends functional benefits and is shared by every stakeholder,” explained Eduardo Tomiya, CEO Kantar Vermeer, Latin America. “Purpose-oriented brands generate higher shareholder value than their competitors. This is where beer brands, such as Skol and Corona

for example, as well as retail and communication brands excel – combining local strength with attributes such as innovation, a superior customer experience and a clear value proposition.”

**Other key trends identified in the BrandZ™ LatAm Top 50 study include:**

- **There were eight new entries** in the Top 50 this year: Maseca (no.32), Sol (no.33), Tottus (no.43), Macro (no.46), Cielo (no.47), Tigo (no.48), Petrobras (no.49) and Parque Arauco (no.50). The shake up in the financial institutions category made room for Argentinean private bank Macro (USD\$741 million) and Brazilian credit card Cielo (USD\$734 million).
- **Digital disruption is the catalyst for customer-centricity.** Greater access to the Internet of Things (IoT), combined with rising smartphone penetration, enables companies to be more innovative in the ways in which they stay in touch with consumers, thereby creating more meaningful and timely connections with them. Most local brands however, in particular financial institutions, have yet to adapt and innovate the ways they think and act.
- **Trust is increasingly important to consumers.** When conditions are unstable consumers seek brands that are open and honest with them, and deliver what they promise.
- **Successful retail players are personalizing the customer experience.** Brands such as Liverpool or Bodega Aurrerá in Mexico have been successful in tailoring their offer to customers’ needs, for example with a variety of store sizes, stronger emphasis on value for money and the convenience of shopping from home.

“Tough times call for brands to ask themselves tough questions and make difficult decisions on their marketing investments and business actions. Formulating an effective strategy that balances quality, differentiation, relevance and cost requires a granular understanding about how the brand is perceived and what will resonate with the consumer,” commented Gabriel Castellanos, CEO, Hispanic LatAm, Kantar.

David Roth, CEO The Store WPP EMEA and Asia, said: “Even in difficult times brands can maintain and grow their value. Latin Americans are still buying their favourite brands, but shopping more carefully. Price and quality are important, but must be reinforced with a brand promise to deliver emotional benefit, achieved through uniting digital technology, consumer data and brand creativity.”

To download a copy of The BrandZ™ Top 50 Most Valuable Latin American Brands 2017 report, charts and photography, visit: [www.brandz.com](http://www.brandz.com) . The mobile app can be downloaded via [www.brandz.com/mobile](http://www.brandz.com/mobile).

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**NOTES TO EDITORS:**

The BrandZ™ Top 50 Most Valuable Latin American Brands – now in its fifth year – is part of the suite of BrandZ rankings which also includes the Top 100 Most Valuable Global Brands (June), Top 50 Most Valuable Indonesian Brands (August), the Top 50 Most Valuable Indian

Brands (September), and the upcoming Top 100 Most Valuable Chinese Brands and the Top 20 Saudi Arabian Brands (both March).

### **Background and methodology**

The brand valuation behind the BrandZ Latin American Top 50 was conducted by Millward Brown Vermeer's, a leading brand valuation and strategy consultancy based in Brazil, using the Millward Brown Vermeer methodology. The methodology mirrors that used to calculate the annual BrandZ Top 100 Most Valuable Global Brands ranking which is now in its tenth year. Commissioned by WPP, the ranking is unique. Combining financial data from Bloomberg and Kantar Worldpanel with consumer opinions gathered from 1,000 interviews with over 54,000 Latin American consumers in 34 categories, the BrandZ™ Top 50 Most Valuable Latin American Brands is the most robust ranking of Latin American brands available.

The criteria for selecting brands to include in the ranking was:

- The brand must be owned by a publicly-traded enterprise
- The publicly-traded enterprise must report positive earnings
- The brand must be characterized as a local Latin American brand (either originating from Latin America or a relevant proportion of its business is located there).

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.

Consumer perception is used to determine the Brand Contribution, which measures the influence of brand alone on financial value on a scale of 1 to 5 (with 5 being highest). It is an assessment of brand associations in consumers' minds to deliver sales by predisposing consumers to choose the brand or pay more for it.

### **About Kantar Vermeer**

Kantar Vermeer is the only global marketing consultancy that helps brands unleash purpose-led growth through the development and embedding of consumer insights-led *marketing strategy*, *structure* and *capability*. Rooted in consumer research, stakeholder understanding and financial analysis, Kantar Vermeer's whole-brain thinking brings an intrinsically multi-lens approach to creating solutions for strategic marketing challenges. Kantar Vermeer is part of WPP's Kantar, one of the world's leading data, insight and consultancy companies.

### **About Kantar Millward Brown**

Kantar Millward Brown is a leading global agency specialising in advertising effectiveness, strategic communication, media 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, one of

the world's leading data, insight and consultancy companies. Learn more at [www.millwardbrown.com](http://www.millwardbrown.com).

**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 over 200,000 people (including associates and investments) in over 3,000 offices across 113 countries. For more information, visit [www.wpp.com](http://www.wpp.com).

WPP was named Holding Company of the Year at the 2016 Cannes Lions International Festival of Creativity for the sixth year running. WPP was also named, for the fifth consecutive year, the World's Most Effective Holding Company in the 2016 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).

Eduardo Tomiya  
Kantar Vermeer - Latin America  
Tel: +55 11 3069-6920  
Email: [Eduardo.Tomiya@Kantarvermeer.com](mailto:Eduardo.Tomiya@Kantarvermeer.com)

Lisa Parente  
Kantar Millward Brown  
Tel: +1 617 598 5328  
Email: [lisa.parente@millwardbrown.com](mailto:lisa.parente@millwardbrown.com)

Kate Alexander / Alastair Ray  
Eureka Communications  
Tel: +44 (0) 7788 584413 / +44 (0) 7722 305737  
Email: [kate@eurekacomms.co.uk](mailto:kate@eurekacomms.co.uk) / [alastair@eurekacomms.co.uk](mailto:alastair@eurekacomms.co.uk)