KANTAR BRAND MOST VALUABLE TALIAN BRANDS 2021



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KANTAR BRANDZ MOST VALUABLE ITALIAN	Total Value of Kantar BrandZ™'s Top 30 Most Valuable Italian Brands 2021:		w entran 30 rank ^{Brand}		-
BRANDS 2021	US \$114,586 million	28	FINECO B A N K	Banks	725
	Year-on-Year change: +11%	29 30	S.PELLEGRINO	Retail Beverages	708

Top 10 Most Valuable Italian Brands 2021

Year-on-year change in brand value by category

1 C	SUCCI	2 enel	3 TIM	4 Kinder	5	Category	2021 Brand Value US \$m	% YOY Change vs 2020
I	Luxury	Utilities	Telecom Providers	Food	Cars	Luxury	48,047	16%
	nd Value ,838M	Brand Value \$13,581M	Brand Value \$9,133M	Brand Value \$8,946M	Brand Value \$6,755M	Food & Beverages	18,448	20%
6	PRADA	7 nutella	8 FENDI	9 FERRERO ROCHER	10 eni	Energy & Utilities	17,489	20%
I	_uxury	Food	Luxury	Food	Energy	(c) Telecom Providers	11,745	5%
	nd Value , 974M	Brand Value \$3,819M	Brand Value \$3,187M	Brand Value \$2,916M	Brand Value \$2,905M			
		_				····		
	IRELLI	💋 UniCredit	Jalvatore Ferragamo-	Barilla F	ASTIJEB APEROL	aza LAVATL		INTER CAMPA
16	17	18	19	20 21	22 23	24 25	26	27

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Fastest	Risers	of	2021
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	Rank	Brand	Category	2021 Brand Value US \$m	YoY%
1	12	BOTTEGA VENETA	Luxury	2,209	54
2	23	Aperol	Alcohol	1,050	54
3	8		Luxury	3,187	48
4	2	enel	Utilities	13,581	41
5	5		Cars	6,755	35



Category	2021 Brand Value US \$m	% YOY Change vs 2020	
Automotive	9,192	20%	
Banks & E Insurance	7,169	4%	
Alcohol	1,790	162%	
Retail	708	100%	
Total	114,586	+11%	







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Great brands flourish-even in turbulent times

These are difficult and testing times for us all: a pandemic that began more than a year ago continues to impact on our companies, our employees, their families and consumers. This is a unique moment from a human and personal point of view, but also from a professional point of view.

We know that one day we will probably look back on these months through different eyes, with eyes that are also a little tender, perhaps proud, reflecting on what we have been through.

Whether we think positively or despairingly about the future, what is certain is that the next decade will be very different from the past. There will be no going back to where we started. That is why it is important to focus on today, on this very path we are on, which becomes the new context in which to deploy our resources.

The impact of what is happening is already clear: in Italy, 90 percent of companies and 80 percent of consumers expect to see their economic resources diminish in the coming months.

However, we have spent too much time analyzing the negative consequences of this pandemic. Now it is time to focus on the 10 percent of companies and 20 percent of consumers who have maintained a positive spirit even at this time. There are companies that are making it; that are benefiting from this moment, and their success is not just because of the sector they are in. There are several factors contributing to the positive performance of these companies.

The companies we interviewed in Kantar Compass 2020 both in Italy and all over the world agree that the consumer has changed in a definitive way, as a result of three key factors that represent the tip of an iceberg. All agree:

1 Consumers will be much more digital

Restrictions on socializing will have a major effect on consumption

3 Fear and uncertainty will lead many to defer making purchases

But there is more going on than these three macrophenomena: there are much more subtle changes that we should grasp and analyze.

Many decisions are being made at a much more emotional level, so we should ask ourselves what is really changing in our consumers at a deeper level, beyond observing that they are living more digital lives.

In the meantime, there is huge demand for support from consumers. Today, more than ever, they are asking us for help and for brands to provide them with the tools to navigate and manage this moment: we call it "brand purpose". The brands that are regarded by consumers as leaders, based both on fact and emotion, will enjoy the greatest trust from our consumers.

Another major point of change concerns diversity and social divisions we expect to become more extreme in the coming months. Increasingly, many brands will be relying on fewer customers for the majority of their sales. Understanding who these people are, what they want and how to attract them will be the priority for all brands, which will require them to review their usual approach to segmentation. Another point concerns the search for proximity: a key aspect of relationships that cannot only be geographical and physical, but also emotional.

For now, however, there is a significant gap between the changes we see and expect in consumers, and the actions of the businesses that serve them. Many are responding in a impact, and this leads brands to make the wrong choices. of getting it wrong. In fact, 85 percent of companies have made cuts in the past year, and only 32 percent say they see investment as a way of strengthening their future position (Kantar Compass 2020).

In this report, presenting the Kantar BrandZ[™] Most Valuable Italian Brands 2021, we show that there is an alternative way to react, with the result that brands can grow their top line, not just reduce the bottom line. Leading brands in this ranking prove that growth is a possibility, even in tough times.

The analysis in the pages ahead will help brands navigate the current context and explore in some depth what has helped make these brands the most valuable in the country. Thought Leadership articles from our brand experts help bring to life some of the most pressing matters for brands to address right now.

An additional perspective comes from examining the 10 percent of companies interviewed for Kantar Compass 2020 survey that have thrived despite the events of the past year. They share three characteristics:



 They immediately made the digital shift, interpreting it as a marketing lever, not just a communication lever



2 They have maintained a strong focus on what really matters at the moment, through careful analysis of the new dynamics of consumption and relationships with brands

3 They have focused on the search for value, first and foremost for their consumers: customer centricity is an attitude that pervades all successful companies

All three involve a strong focus on the ROI of investments. It is worth remembering that brand communication influences, on average, 13 percent of a company's sales by value in the short term. But if we also consider medium- and long-term sales, we reach 28 percent. A failure to appreciate this is widespread; it is fueled by analysis models that only reward short-term defensive way, failing to seize opportunities, perhaps for fear Understanding the effects of our actions, both in the short and long term, identifying the areas of value for our brand, is an essential condition for being able to approach moments like this effectively, without losing our strategic vision.

> In conclusion, perhaps tomorrow we will be proud to look back at what we have done, but today there is still much to do. We have to look to the future, of course, but we also must be careful to understand the present. Let's stop telling ourselves what we will be after COVID. Let's stop hoping and waiting, because we are at a unique moment that must be understood and faced, and which holds opportunities yet to be explored.

> I hope this report – and the Kantar BrandZ[™] Most Valuable Italian Brands 2021 - prove a source of inspiration for you and guide your strategy for future success. I and the Kantar team would be delighted to continue the conversation with you.

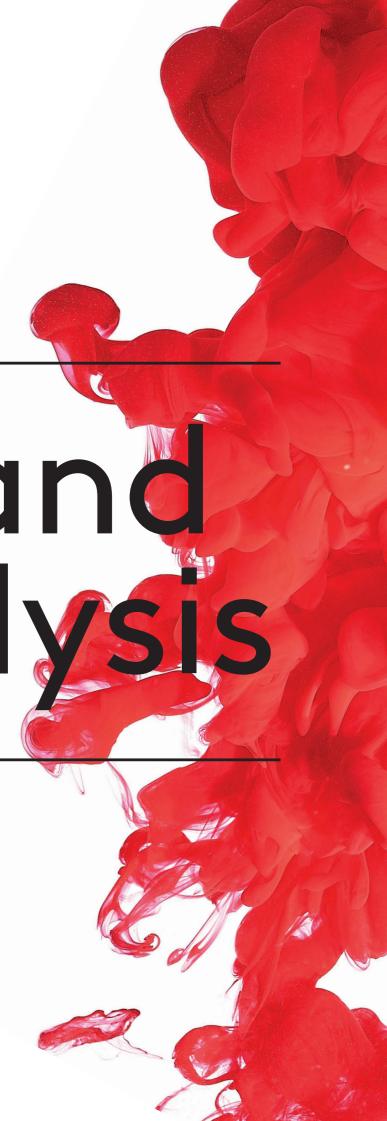


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I Brand Analysis



Highlights 2021

Italian brands prove the power of strong brand equity

Top 30 Italian brands post 11% growth

The Kantar BrandZ[™] Most Valuable Italian Brands 2021 have The BrandZ[™] Most Valuable Italian brand in 2021 is Gucci, a combined value of \$114,586 million. Despite seismic shifts in consumer behavior, an 8.9 percent drop in the country's GDP and serious interruptions to supply chains, travel, retail, and hospitality, the Top 30 brands have managed not only to survive, but thrive. They have collectively risen in value by 11 percent, coming close to doubling the previous year's growth. Since 2018, the Top 30 has grown in value by 34 percent. See page 26 for more detail.

Rise proves resilience of strong brands

The increase in the value of Italy's leading brands this year - despite the enormous challenges they have faced - shows how investment in brand equity over many years pays long-term dividends, especially in times of crisis. This year, 17 brands from the Top 30 increased in value (by an average of 24 percent), nine brands declined in value (by an average of 10 percent) and there were four new entrants to the ranking. Strong brands tend to suffer less than their competitors when trading conditions are challenging, and they recover faster when the market picks up; the 2021 ranking provides further evidence of this. See page 26 for more on the value of investing in brands.

Gucci tops ranking and leads growing luxury sector

which has seen its brand value rise by 12 percent in the past year to \$33,838 million. Luxury is the largest category in the Italian Top 30, accounting for 42 percent of the ranking's total brand value. The sector has been relatively well insulated against the effects of the pandemic; Italian luxury brands tend to generate most of their sales from outside of Italy, and demand has remained strong in the US and much of Asia throughout the past year. This is not a category without challenges, however, and many heritage brands are working hard to make connections with the next generation of consumers - with mixed results. In the pages ahead, we look at how two Italian luxury brands have claimed a place among the BrandZ[™] Top 5 fastest risers this year. For more detail, turn to page 35.

Fastest risers span range of categories

In a year in which some business sectors have faced extreme hardship - travel and tourism, for instance - and others have found the pandemic has provided opportunities to reach more consumers than ever (e-commerce, food, and drink), it is tempting to assume that the rises and falls in brand value over the past year are entirely category-dependent and linked to COVID-19. Yet the BrandZ[™] Top 30 show that across categories, there have been both winners and losers. Our conclusion: brands have engineered their own "luck". The fastest risers in the Top 30 are led by brands from four different categories. They are: Bottega Veneta, Aperol, Fendi, Enel and Ferrari. Turn to page 36 for more.

Global vision fuels strongest growth

The Italian brands with the highest international exposure Brands have always needed to have a purpose beyond simply are those that have turbo-charged their brand value growth making sales and delivering to shareholders, but consumers' this year (details on page 33). By promoting themselves expectations of purpose have been growing, and the internationally, they have managed to make the most of pandemic has proved a strong catalyst for increased scrutiny opportunities in fast-growing global markets where demand of the brands people deal with. Purpose and corporate is strong for Italian goods and services, particularly when reputation are now increasingly important brand assets, and they relate to luxury goods, automotive, food, drinks, a brand's performance on sustainability issues is a key success and energy. They have not only explored international factor. Brands as diverse as Enel and Fendi are demonstrating opportunities, especially in the US and Asia, but have also the value of caring for employees, the environment and the built themselves a buffer that protects them from declines in community. Read more from page 46. domestic demand. This overseas exposure will be a key driver of recovery for brands post-pandemic.

Leaders demonstrate the impact of Meaning

The most valuable brands in Italy – and the fastest-growing smaller brands – clearly demonstrate the benefits of being Meaningful, Different and Salient in consumers' minds. Those that stand out against others in their category in ways that are relevant and important to people have posted significantly stronger performances this year than those that don't. In addition to being Meaningfully Different, the best brands also ensure they have Salience, that is they spring readily to mind when someone has a need or thinks of a category. BrandZ[™] analysis shows that Italian brands tend to lag behind others in Europe on being Meaningful; this is an area where additional focus could help Italian brands bolster their equity growth. For more, turn to page 40.

Bright sparks are leading the way

Innovation is the attribute most strongly linked with growth in Italy; those brands perceived to be the most innovative have grown their value the most, and the reverse is also true. When people think of innovation, often it's technology brands that spring to mind, but the BrandZ[™] measure of innovation combines a brand's performance on creativity, how a brand disrupts a category, and leadership. Innovation can therefore be recognized across a range of business sectors, and some of Italy's most innovative brands are in non-tech categories: Nutella, Enel and Kinder. Details are on page 42.

Focus on purpose shows importance of sustainability

Top learnings for marketers

- Italian brands must anticipate how consumer needs are changing and adapt accordingly in order to be best placed to grow. Boosting perceptions of innovation alongside fostering an emotional connection with consumers is key to retaining relevance and reigniting growth in challenging conditions.
- Consumers need a compelling reason to choose one brand over another for reasons other than price in a tough economic environment, and a strong brand can provide them with that reason. Brands protect a business against imitation and commoditization; they give consumers reason to trust, believe, buy, and be loyal.
- Even when there is pressure on budgets, brands should resist the temptation to put communications on hold. Communications help brands signal and reinforce their Meaningful Difference, a powerful attribute directly linked to brand value growth. It's vital to keep the conversation alive with loyal brand fans as well as those who might have discovered a brand only recently.
- Anticipate cultural shifts and self-disrupt in order to drive innovation and retain relevance. A process for identifying, exploring, and acting upon disruptive ideas needs to be at the heart of any business, along with the ability to move fast thanks to a clear and quick decisionmaking process.

Economy & Politics

Super Mario to the rescue?

Italy was the first European country to be hit by the coronavirus pandemic, and few will forget the indomitable spirit of the Italian people as they took to their balconies during lockdown to sing to each other, arias reaching out across the deserted streets below. The economy took a back seat then as the focus of the nation was on getting through the COVID health crisis – and spending whatever was necessary.

A year on, as the country fought a second deadly wave of the pandemic, the country was hit by another kind of crisis, one its people are more than used to: a tiny party, Italia Viva, pulled the plug on the fragile and complex coalition government, which collapsed as a result, leading to the resignation of Prime Minister Giuseppe Conte.

Hardly the best start to a programme of economic recovery. And yet, there is a stoicism underlying Italian politics as well as a cynicism (the latter hardly surprising for a country that's now had 67 different administrations since 1946). The antidote to this situation, as in the past, was to call for a technocrat.

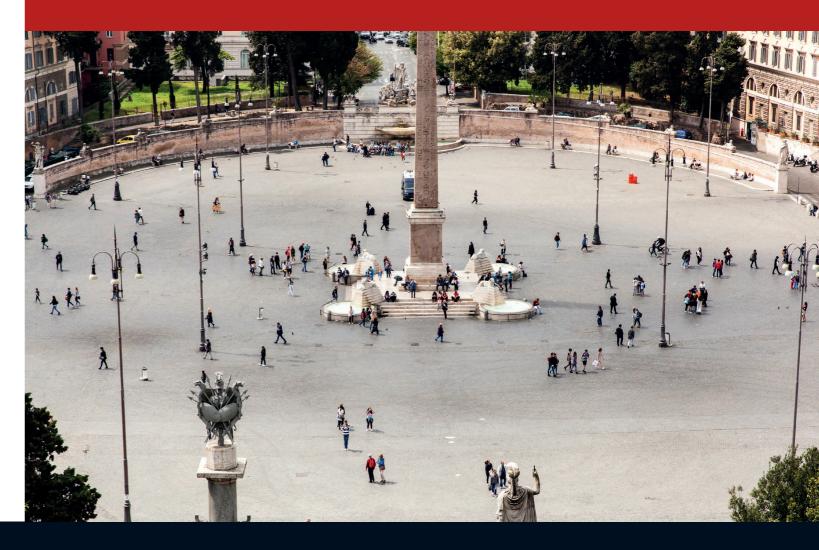
As Italy, along with countries around the world, embarks on a massive programme of economic stimulation, it will be essential to build confidence – among investors, businesses and citizens. And in Mario Draghi, the man called out of retirement to head a new administration, Italy has perhaps what the kind of person it needs most at the helm. Draghi, the former head of the European Central Bank, is the man widely credited with saving the euro during the Eurozone crisis of 2012. This inevitably led the media to nickname him "Super Mario". Italians will be hoping he can live up to the name. Certainly, the markets loved his appointment: the Borsa Italiana jumped almost 3 percent on the news. Draghi's task in rebuilding the EU's third-largest economy is, however, formidable. Even though the second wave of COVID infections appeared to have passed its peak by the time of Draghi's appointment, the pandemic was far from over. Its economic consequences could soon start to bite hard. In March, a government ban on firing workers was due to end, inevitably leading to huge job losses.

An immediate challenge for the new administration will be determining how best to spend around €200 billion in grants and loans Italy has been allocated over a five-year period from the EU's recovery fund, a sum amounting to around 10 percent of the country's GDP. Deploying these funds successfully in order to kickstart growth and tackle the country's dismal levels of productivity will be crucial to the success of any economic recovery. It is seen by many as a once-in-a-generation opportunity to reset the Italian economy. If there is anyone who can perhaps reassure Brussels that a workable recovery plan will be introduced, and so ensure that the EU money taps keep flowing, that person is Mario Draghi.

Italy's GDP fell by almost 9 percent in 2020. This is an economy that has barely seen much growth year-on-year for two decades; but not since the end of WW2 has it taken such a hit. Of the major Eurozone economies, only Spain fared worse, with a fall of 11 percent.

It's clear a bounce-back is likely, however. When Italy's lockdown was eased following the first wave of the pandemic in 2020, the economy roared back to life, recording third-quarter growth of 16 percent. The second wave of the virus quickly sent the numbers back into negative territory. A fundamental problem is debt. Italy has run up borrowing for years, but by the end of 2020, total debt amounted to nearly €2.6 trillion, an eye-watering 157 percent of GDP. In the Eurozone, this is a ratio exceeded only by Greece. Servicing this level of debt, even in an era of ultra-low interest rates, will cost the country nearly €60 billion in interest in 2021 alone. That debt mountain is expected to have grown to amount to almost 160 percent of national output by the end of this year.

In December 2020, the jobless rate touched 9 percent. Most startlingly, among the young, those aged 15 to 24, it was almost 30 percent. Such unemployment levels are clearly unsustainable. And, as the Organisation for Economic Co-operation and Development (OECD) points out, as elsewhere, government support has so far mitigated to a large extent the economic effects of the pandemic on businesses and households. As far as employment is concerned, the OECD sees no substantial growth in job creation, especially for the low-skilled, for female workers, or young people until 2022.



The OECD forecasts Italian GDP will recover somewhat this year, growing by 4.3 percent, and a further 3.2 percent in 2022. Rome takes a more optimistic view, forecasting growth of 6 percent; and at the end of 2020, the country's statistics office, ISTAT, predicted 4 percent growth for 2021 based on its own data. So much will depend on an effective vaccine programme being rolled out.

In early February, the government announced it was on target to vaccinate 7 million Italians against COVID-19 by the end of the following month. Once the pandemic is tamed, the real economic fightback begins. In Italy, however, politics can be expected to continue to play a central role, just as it has with every other technocrat administration that has been appointed in Italy when political squabbling proved insoluble. Draghi will undoubtedly need a cross-section of political support to succeed, something that has proved short-lived in the past: technocrat governments in Italy have previously lasted on average for just 16 months. Super Mario will need to move fast.

Cross-Category Trends

Health and wellbeing will be a lasting concern

Restrictions may be easing and vaccines are being rolled out, but the events of the past year will have an enduring impact on the way Italians think about their physical and mental health, long after the immediate risk has passed. All the handwashing, social distancing and focus on masks and ventilation will lead people to be more attentive to hygiene than they were before the pandemic, and to continue doing what they can to improve their health. Shoppers have been opting for fruit, vegetables, and other healthy choices in big numbers, ahead of tasty but unhealthy alternatives, and many plan to continue with their healthy eating habits throughout 2021. Smoking is one unhealthy habit that's proving hard to kick, however. In 2020, the majority of smokers in Italy carried on puffing, and a quarter reported smoking even more than usual.

The pressure is on to find great value

The economic damage caused by COVID-19 is as feared by many Italians as the virus itself. Indeed, there were times in 2020 when large numbers of people were saying the economic fallout was a greater concern to them than catching the disease. Between 40 and 50 percent of participants in Kantar's COVID Barometer study reported that their own household income had already been hit, and a further 30+ percent said they could see financial trouble heading their way as more jobs were inevitably lost. The result is that consumers are being cautious about what they spend, taking more care with household budget planning, and as many as 70 percent are saying they are paying greater attention to prices than in pre-pandemic times. But brands should know that "budget" doesn't have to mean "cheap". Discounts have clear shelf appeal, but brands that justify a premium on the basis of quality or longevity can still convince shoppers to pay a little more.

There's nothing quite like real life

Online connections have been a lifeline for work, education and keeping in touch during the pandemic, but there's a yearning for the days when it will be safe to spend time close to other people again. Many Italians say while they're happy to delay a return to some activities – working in offices among them – they're keen to get back to normality as soon as is safe. They're looking forward to hitting the gym, swimming pool or thermal baths again, as well as being able to return to restaurants, holidays and catching up with friends – shared physical, in-person experiences. Brands can provide some of these much-craved experiences as and when social-distancing conditions allow, creating exclusive events that are associated with a brand.

What truly matters has changed

The trials of the past year – as well as anticipation of those that lie ahead – have forced people to rethink everything they previously took for granted. They have reconsidered what really matters to them and put things in perspective. Overall, Italians have decided that what's really important are their relationships with family and friends, and plan to devote more time and energy to their loved ones in future. They'll also focus more on stopping to smell the roses – enjoying life and appreciating the moments that make it special. Kantar research shows a significant number plan to strike a better balance between work and home life ... and ensure they are better prepared for whatever future crises or challenges might come along.



Key Takeaways

The pain is not being shared equally

There's no doubt that Italians are being hit hard by the economic effects of the pandemic, but not everyone is suffering to the same extent. Those who run their own businesses are among the worst affected, according to research by Ufficio Studi Coop, which also shows the unemployed and those who had less money at the outset suffering most. Women have been harder hit than men, in general, while retirees have been relatively lucky, having seen little impact on their finances. These differences will affect the affordability of brands, and some shoppers will stop buying entire categories until their fortunes improve. Pricing and messaging around value should be adapted to the target audience.

There's a strong preference for local

Having seen the effects of the pandemic on the Italian economy, consumers want to do what they can to keep people in jobs and help them keep their businesses running. The Kantar COVID-19 Barometer study shows that more than a quarter of Italians believe that shopping in their local stores is important for their community, and they plan to buy more local and regional products as a result. The study found 26 percent of people plan to buy more goods that are produced locally, close to where they live, and 17 percent say they'll be trying harder to buy "Made in Italy" from now on.

Online shopping is here to stay

Restrictions on shopping – one person per household could go to the supermarket and most other stores were closed during the various phases of lockdown – led to a boom in e-commerce, and plenty of people say they're likely to stick with it. The value of goods bought online in Italy shot up from €18 billion in 2019 to €23.4 billion in 2020 (PoliMi Osservatorio eCommerce B2C), and 23 percent of those who spent more time and money than usual shopping online say they will continue to do so when the pandemic is over. Kantar research in the time between lockdown periods, however, showed the popularity of click-and-collect services declined when people were able to shop as normal.

Environmental concerns are gaining momentum

You might expect that facing two major challenges already – the pandemic and then its effects on the economy – Italians would have little energy left to be concerned about much else. On the contrary, however, many people became more aware of environmental issues during 2020, and decided to change their behavior in order to contribute to a more sustainable planet. Sales of organic goods continued to rise, and there's growing interest in vegetarian eating, goods in sustainable packaging, and produce with low "food miles". Businesses are heeding the call; Kantar research shows a third of businesses plan to reduce their waste, and a similar proportion say they're tackling plastic, water, and air pollution.

Care for your staff – and win consumers' hearts

The past year has led consumers to think afresh about the role that businesses play in their lives, and many are realizing that as well as being providers of goods and services, companies and brands play a crucial role as employers. That's why public opinion about what businesses should prioritize, during the height of the pandemic, was clear that caring for workers was top priority. Around three-quarters said employees' health and the sanitation of workplaces ought to be companies' first concern, followed by flexible working conditions. Making plans to protect the supply of services or products to consumers was rated a lower priority by consumers themselves.

Brands must keep listening

When brands' budgets are under pressure and something needs to be trimmed from somewhere, it's tempting to drop customer feedback systems that might feel like a luxury. But these are the times when it's more important than ever to know what customers are thinking, right now. Real-time feedback – and systems that can funnel that feedback into services and experiences for consumers – are essential. Cutting customer feedback programmes would be like driving blindfolded, yet too many brands are doing just that. Kantar research shows that, worldwide, 90 percent of business leaders (source: Kantar Compass 2020) believe there will be a change in consumer behavior, yet half plan on spending less on consumer understanding post-COVID.



It's time to move over, Maslow

Marketers have been schooled in Maslow's hierarchy of needs for more than half a century, but the post-COVID pyramid of consumer priorities is looking very different. The base of the pyramid, which describes people first satisfying their basic physiological needs with food, drink, and shelter, is broadening into "taking care of ourselves". Safety is making way for a search for innovation, and rather than seeking love and belonging, people are increasingly searching for self-improvement, a reworked GroupM hierarchy of needs suggests. The peak of the pyramid, which Maslow called self-realization, is now the pursuit of fun. The differences are subtle but important for brands to appreciate as they craft products and experiences to serve the consumers of today.

New days demand new ways

Brands need to be willing to move fast as the world changes and, with it, consumers' preferences and priorities. Quick product and communications testing is essential as brands seek to align with emerging trends, such as people looking for ways to take better care of themselves, seeking a greater sense of security, and rejoicing in the small moments and little gestures that can make a big difference to how they feel.

Being 'good' goes beyond sticking to rules

Italians have been largely compliant when it comes to virusrelated restrictions, happy to "do the right thing" not just to protect their own families but also the broader community. That spirit of civic duty is likely to have a longer-term impact on people's behavior and the choices they make. Kantar research shows there's an intention to be less individualistic, and to keep an open mind and appreciate that there are many different ways of living. There's also growing interest in issues of social responsibility and inclusivity.

Passports are at the ready

Italians love a holiday and are itching to get back to the beach, mountains and to enjoy city breaks again. That said, they are resigned to the fact that travel is unlikely to return to normal for a while, and international holidays are going to be limited to daydreams for the time being. One third of Italians say they'll be taking a holiday within Italy as soon as it's possible to do so, and 80 percent plan a domestic trip within the first six months of being allowed to travel for leisure. Kantar's COVID Barometer study shows there's more caution about foreign journeys, though, with only 16 percent saying they'll be ready to go beyond national borders for a holiday as soon as they're allowed to.

Home offices have grown in appeal

The novelty of homeworking has well and truly worn off, but there are aspects of it that have proved popular, and over half of people expect "smartworking" and "teleworking" practices to become more widespread in the months ahead. Some of the most appealing aspects of working from home include the ability to dip in and out of family life during the working day, to have a healthier lunch, and some people say they're actually more productive at home, possibly because there's no traveling time or traffic to worry about. On the downside, there's often a sense of isolation, IT battles to face without support, and sometimes too many distractions. A balance of home and office working is the ideal solution, according to 59 percent of men and 56 percent of women.

City dwellers want to escape the big smoke

Spending much more time than usual confined to their homes and the immediate environs has got people thinking afresh about the kind of place they want to live, and big-city living has lost some of its luster. In the next three to five years, about 1.5 million people intend to move out of cities to small towns (with under 30,000 inhabitants), and a further 3 million have their eye on life in a mediumsized urban setting (with fewer than 100,000 inhabitants). In total, 6 million Italian families plan to move during the next few years.

In the short term, a change of scene would do

There's a strong appetite to get involved in activities outside the home once the health emergency is over and people feel safe again. Around 24 percent of people plan to attend more concerts or live events than they did before the crisis, the same proportion will go to museums and theaters more often, and an even greater share say that when they feel it's safe, they will happily be going to the cinema more frequently. Brands can also help satisfy the desire for in-person, physical experiences when social-distancing conditions allow, creating exclusive, invitation-only (small group) events that can be the stuff of lasting memories associated with a brand.

Quality beats quantity when it comes to food

Italians pride themselves on their cuisine and their passion for eating well. Now, they're increasingly paying attention to the quality of food they're buying – at the same time as cutting back overall on the amount of food that goes into their basket. GroupM reports that households are planning to buy 1 percent less food in 2021 than they were in 2019, but 39 percent of leading executives in the food industry are predicting growth in gourmet or high-quality produce. The dishes may be a little smaller, but they will probably taste a little better.

Discounters, specialist retailers riding out the storm

Retail sales continue to take a hit as householders tighten their purse strings, but not all stores and formats are being affected to the same degree. In fact, while total sales in 2021 are expected to decline compared to 2020, GroupM reports discount supermarkets, small-format stores, and specialists such as drugstores are actually tipped to grow slightly. Supermarkets and hypermarkets are those likely to be worst affected.

Motoring is going low-octane

Consumers' desire to play their part in environmental protection is affecting their car-buying plans, with growing interest in vehicles powered by something other than petrol and diesel. Asked what kind of fuel their next car would likely be powered by, 25 percent said they'd be buying a plug-in electric, and 23 percent are planning to go hybrid. People are also thinking beyond the traditional four wheels: the number of Italians who are switching some of their car journeys for trips via bicycle, scooter or electric scooter has risen by 7 percent in the past year.

Post-COVID baby boom? Not here!

Lockdown has been tipped in many markets to lead to a rise in the number of pregnancies, but not in Italy. A country already famed for its low birth rate is expecting anything but a baby boom. In fact, many couples who had been hoping to start or expand their families in 2020-2021 have put those plans on the backburner, concerned about their financial position and the kind of world they'd be bringing a new baby into. Around 74 percent of couples have postponed or set aside their plans for a baby as a direct result of the pandemic. That's a lot of diapers, car seats and school places that won't be required in the coming few years. But perhaps a few more couples' holidays, fashion items and restaurant meals.

We need ways to relieve stress

Everyone has been troubled by recent events, but Italians are among the most anxious in the world. A Deloitte Global Anxiety Index reported by GroupM in January showed that even though vaccines had been approved and there appeared to be a light of this very long tunnel, some Italians were saying they felt more anxious than even a week earlier. Only people in India, South Africa, Ireland and the UK were more worried than Italy. People in neighboring European countries, including Germany, France and Spain, were feeling significantly less troubled. GroupM also reports a YouGov study showing that 62 percent of Italians feel the pandemic has had a negative impact on their mental health, and many say their relationships have suffered as a result. Brands can help people relieve their stress and look forward to better times.

Shopping lists are being redrawn

As well as focusing on their health, and buying better-quality, locally sourced food when they can, Italian consumers are rethinking many of the other items that were on their prepandemic wishlists. With many expecting (perhaps hoping) that working from home will become the norm, new tablets and computers are high on the priority list, according to Ufficio Studi Coop's "L'anno che verrà" study. Smart TVs, new smartphones and home furnishing are also being prioritized. Plans to buy a holiday home, buy kitchen gadgets or get a pet have been bumped down the list. Sorry, Fido.

Economy & demographics



Median age



Life expectancy



Mobile phone subscriptions (per 100 people): 137.5 Proportion of labor force classed as skilled: 70%

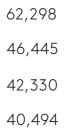
Graduates as % of pop: 14.9% Population enrolled in education at all levels: 8.7 million Employed persons: 23.4 million

GDP growth by volume

2020: -8.9%	2017: +1.7%
2019: +0.3%	2016: +1.3%
2018: +0.9	

GDP per capita in US\$







Major industries: tourism, machinery, iron and steel, food production, automotive, clothing, footwear and ceramics

Unemployment rate: 9%

Youth unemployment (aged 15-24): 29.7%

Main import partners: Main export partners:

Ease of Doing Business

The World Bank's Ease of Doing Business Index measures 10 key areas of business regulation for 190 economies. The higher the ranking, the easier it is to conduct business. Italy was placed 58th out of 190 in the 2020 index – one place beneath Kosovo and one above Chile.

Media

Hard-hit ad sector on track to bounce back

Like so many things in 2020, advertising investment in Italy was derailed by the march of COVID-19. Spending by advertisers tends to track GDP, and with the national economy 9 percent down for the year, an 8 percent decline in adspend – catastrophic in any other year – seems unsurprising. Not too bad, even. In fact, it could have been a whole lot worse.

While the cuts made to advertising in Italy ran deeper than the global average (according to GroupM data from December 2020, there was a 5.8 percent fall globally for 2020), it was a less severe decline than had been predicted during summer 2020, and compared to the 15.5 percent fall seen in France (7.3 percent in the US and 14 percent in Japan) almost started to look like good news.

In fact, there is a piece of good news: the sector is forecast to return to pre-pandemic levels of spending by the end of 2021 – though not necessarily to the benefit of the same media outlets.

We pay more attention to emotionally charged events, so we are more likely to get involved with emotionally charged ads. The empirical evidence for this is very strong. Involvement scores for videos in our global database clearly show that ads that take an emotional route have a better chance of breaking through the brain's filters. Emotional cues are often processed automatically, which means consumers absorb the essence of an ad even if they are not giving it their full attention. And emotional responses send a signal to the brain telling us we should pay attention. This is why ads that generate emotional responses (as measured by people's facial have advertisers been thinking afresh about the media expressions), are more likely to generate an effect on sales.

Budgets rise, priorities change

While the effects of COVID have been painful for many businesses, there is a belief that it will be relatively shortlived given that vaccines are being rolled out and there's widespread hope that live events can soon become a reality.

Provided the pandemic is brought under control in the early part of 2021, GroupM is expecting adspend to pick up swiftly due to pent-up demand and, in most markets, recover the majority of the losses suffered in 2020.

The International Monetary Fund is predicting global GDP growth of 7.1 percent for 2021, and GroupM forecasts 12.3 percent growth in the advertising economy globally, with much of that driven by four key markets: the US, China, Japan and the UK.

The Italian advertising sector's growth is predicted to be somewhat more modest: 7.3 percent, compared to 4.6 percent in Germany, 7.2 percent in France and 12.4 percent in the UK

These forecasts assume that all of the activities that were so severely restricted in 2020 – travel, tourism and events involving crowds - will be able to return in some form this year. They also assume that the Olympics go ahead in 2021, and other sporting events return.

In fact, in Italy, the market was already turning a corner in the latter part of 2020, GroupM data shows. Small and medium-sized businesses, which during the initial lockdown largely went silent, returned to advertising, often to promote new products or new ways of doing business. Given that there are more than 4 million of these companies in Italy, their investment in advertising made a significant difference to total adspend, particularly online.

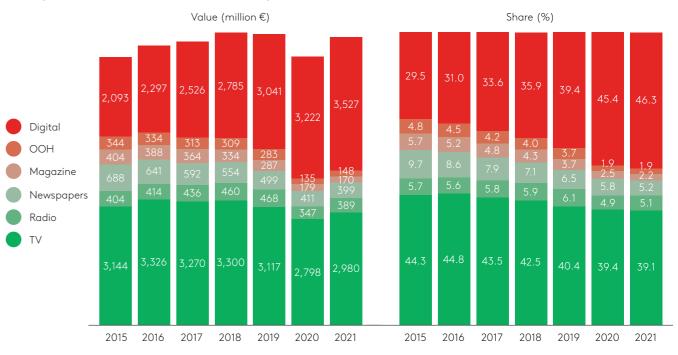
The return of sport, mainly football, in Q3 of 2020 was another big factor in resurrecting the nation's advertising market.

Just as consumers have been rethinking their life priorities, household budgets and plans for the future, so too investments that make the most sense for them - and give them the biggest impact for each euro spent.

Media consumption soared during the first months of the pandemic, as Kantar's COVID-19 Barometer study shows, with up to 71 percent of Italians saying they were spending more time surfing the internet at one point, 61 percent watching more TV, and 62 percent doing more instant messaging. While this tapered off to some extent as the year progressed, one third of people still said they were watching more TV than before the pandemic towards the end of 2020, and almost half were still surfing the internet more than they were pre-COVID.

As well as tracking a rise in TV consumption during the various lockdown periods, and rising use of digital media and e-commerce, advertisers are doing more than simply following the eyeballs. They're also ensuring that a good proportion of their budget is going into advertising that is most likely to lead directly to a sale.

Changes in adspend and share of budgets



Source: GroupM R&I elaborations esitmate

Changes in adspend and share of budgets

As well as facing the not-insignificant challenge of trying to justify communications budgets when many businesses are fighting for their very survival, brands are also grappling with the challenge of determining which messages are suitable for the times we're in.

What should be encouraging is that Kantar research shows consumers see brands as part of their lives. The Kantar COVID-19 Barometer shows that more than half the population actually wants to see ads about how brands are helping the community right now, yet only 34 percent of companies, accordingly to the Kantar global Compass study, are planning to increase their role in supporting society. The gap presents brands with an opportunity.

The result is that TV and digital media, which were already the darlings of Italy's media marketplace, are growing their duopoly at the expense of other options. Between them, they are expected to account for 85 percent of total advertising spend in the country in 2021, according to GroupM, up from 79.8 percent in 2019.

The Kantar Barometer study in Italy clearly showed that consumers welcomed brands stepping up to play a role in helping them and their community through the crisis. They did not want to be served with an overtly commercial message, but wanted to see how brands were actively helping in the fight back against the pandemic, through their provision for employees, services to customers or activities to help others in need.

Mixed messages

Throughout 2020, Italian consumers consistently ranked their expectations of brands and their communications as follows:

- Be practical and realistic, and help consumers in their everyday life
- 2 Be an example and guide change
- 3 Attack the crisis and demonstrate that it can be fought
- A Reduce anxiety and understand consumers' concerns
- Use their knowledge to explain and inform
- 6 Be optimistic and think in an unconventional way

Checklist for brands

It's crucial that brands identify new media consumption habits and understand the way people interact with different channels.

They should offer and realistic help in reassuring consumers of a brighter future ahead.

Brands can support consumers with ideas, products and services that help them in this "new normal".

They can help people create moments of positivity.

What's essential is that brands' claims of being helpful match up to the reality; overpromising and under-delivering will backfire, leading to consumer disappointment and potentially disdain.

The bottom line is this: Consumers now expect to see a strong commitment to social support and sustainability in ways that align with their brand purpose. And while the rise of digital connectivity brings some huge benefits to people's lives, it can – especially in the current times – lead to loneliness. Brands should emphasize their humanity and be brave in showing empathy and emotion. Emotion is the key to engagement in the digital world.

New media, new challenges

The range of entertainment options available to consumers has exploded in recent years. Netflix launched in Italy in 2015 and has an estimated 2.5 million subscribers. Disney+ launched in March 2020, fortuitously rolling out at a time when many children were off school due to pandemic lockdowns, and by mid-April had almost half a million users.

The rise of short-form social video platform TikTok has been meteoric, but its popularity among children has proved deeply controversial. The app has around 10 million active monthly users, but significant numbers are under 18, and while TikTok's terms and conditions say users must be 13 or over, there are concerns that younger children are signing up anyway. The matter came to a head in January when a 10-year-old girl in Palermo died after being found collapsed in the family bathroom with her phone; her younger sister said she had been playing a "choking game" inspired by something she had seen on TikTok. At the time of writing, the Italian Data Protection Authority said it would block access to TikTok for users whose age could not be proved definitively.





Brand Value

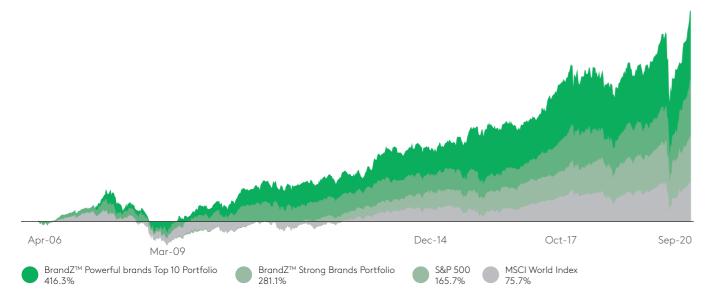
Leading Italian brands rise to the challenge

In what has been an extraordinary year in so many ways, the Kantar BrandZ[™] Most Valuable Italian Brands have proved extraordinarily resilient. They have been able to lean on the brand equity they have built up over many years, and at the same time adapt to the new world in which they have found themselves.

The value of the Italian Top 30 in 2021 is \$114,586 million, which represents an increase since 2020 of 11 percent.

That level of growth would be quite some achievement in a "normal" year; the previous year saw the Top 30 collectively rise in value by only 6 percent. But to achieve double-digit growth against a backdrop of all that has happened is truly

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



remarkable, especially given that Italy's GDP has shrunk by

It underlines the power of investing in brand building, and

the insulating effect of a strong brand during challenging

many years; strong brands consistently work as a buffer for

a business during periods of difficulty, and they provide a

As this comparison of global indices' performance and a BrandZ[™] portfolio of companies with strong brands clearly

illustrates, strong brands deliver superior shareholder returns,

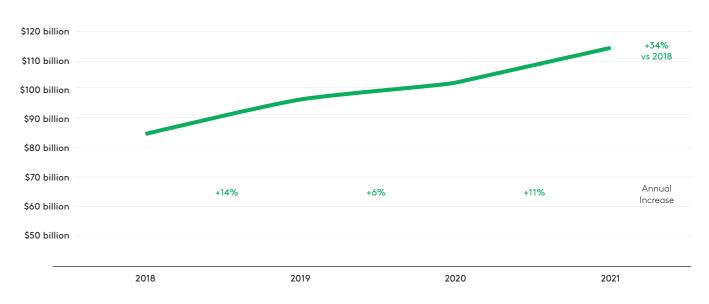
are more resilient in times of crisis, and recover more quickly.

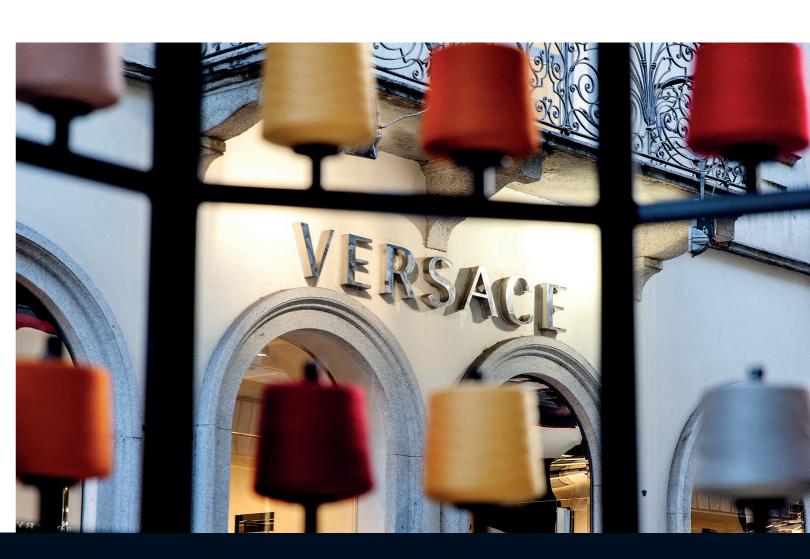
times. This is a phenomenon we see globally and over

8.9 percent over the same period.

boost when conditions start to improve.

Value of BrandZ[™] Italian Top 30 over time







Top 10 Most Valuable Italian Brands 2021

Rank 2021	Brand	Category	Brand Value US\$m	Growth
1	GUCCI	Luxury	33,838	12%
2	enel	Utilities	13,581	41%
3	≣ТІМ	Telecom Providers	9,133	3%
4	Kinder	Food	8,946	17%
5	Eurrari	Cars	6,755	35%
6	PRADA	Luxury	3,974	29%
7	nutela	Food	3,819	16%
8		Luxury	3,187	48%
9	FERRERO	Food	2,916	15%
10	eni	Energy	2,905	-21%

Italian brands are growing faster than those in nearby markets

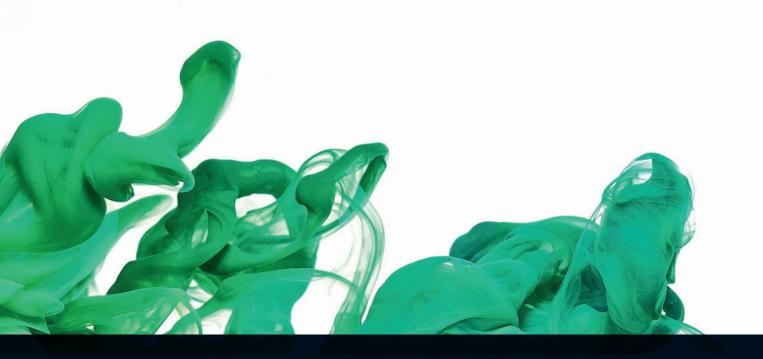
When we compare the Top 30 Italian brands to those in other markets, we find that the dollar value of the leading Italian brands is lower than in neighboring countries. Italy's leading 30 brands are worth only 65 percent of the Top 30 brands in the UK, and only a little over one-third of the Top 30 in France and Germany.

This reflects the business landscape in Italy, which is largely driven by huge numbers of small and medium enterprises that are family run or otherwise privately held. To qualify for entry in the BrandZTM Top 30, brands must be either publicly listed or produce publicly available accounts, and they must achieve a certain scale. There are relatively few of these in Italy, and the likes of Barilla, and Ferrero Rocher are the exception, rather than the rule. Many of the other brands featuring in the Top 30 are former state-owned enterprises – names like Eni, Enel and TIM.

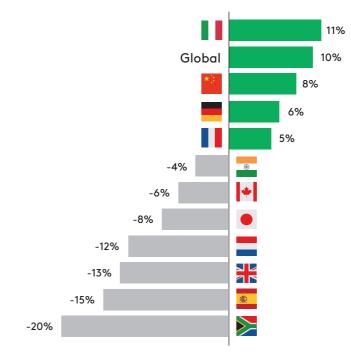
Despite this, when the scale of Italy's GDP relative to other European markets is factored in, the Italian BrandZ[™] ranking holds its own, with a total brand value that is in proportion to that achieved by neighboring countries with much bigger economies.

Among the Italian Top 30, 17 brands have grown in value over the past year, nine have declined, and there are four new entrants to the ranking. Among those on the rise, no fewer than 14 managed to grow their brand value at doubledigit rates, with the fastest two risers both up by 54 percent in a single year.

Their combined 11 percent increase sets the Italian Top 30 apart from other BrandZTM rankings in the region, where brands have fared less well.



Performance of BrandZ[™] Top 30 rankings around the world, past 12 months







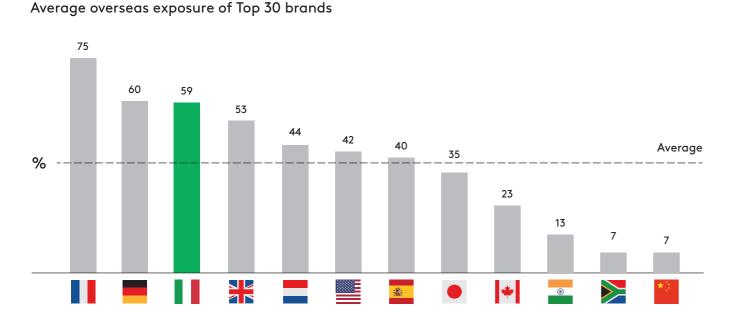
The international advantage

Italy's leading brands stand out for taking full advantage of the international opportunity available to them. There is great respect for "Made in Italy" brands all over the world, particularly in sectors where style, design and taste are important. Italy and its brands are synonymous with beauty, sexiness and outstanding cuisine. Italy also has strong credentials in manufacturing and engineering, thanks largely to the high profile of luxury Italian automotive brands and its prowess in more niche areas such as boat building.

The majority of the Italian Top 30's brand value comes from overseas exposure; brands with a strong international presence can not only take advantage of consumer demand in fast-growing markets, but also provide themselves with a defense in the event of a slowdown in the Italian domestic market. In many categories, domestic demand has been flat for a decade or more, and the big growth opportunities are abroad.

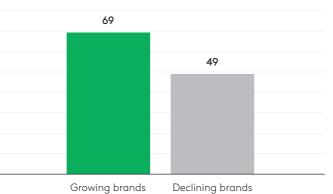
Luxury brands, automotive, food and beverages and alcoholic drinks brands are those with the highest proportion of their exposure coming from markets outside Italy; in the case of luxury brands, that figure is 94 percent, and for carmakers, 81 percent.

Average overseas exposure by category – Italian Top 30

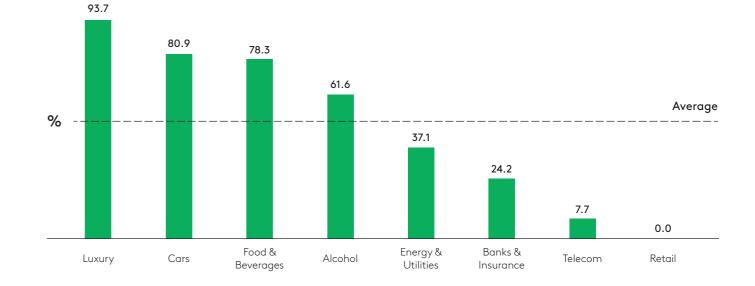


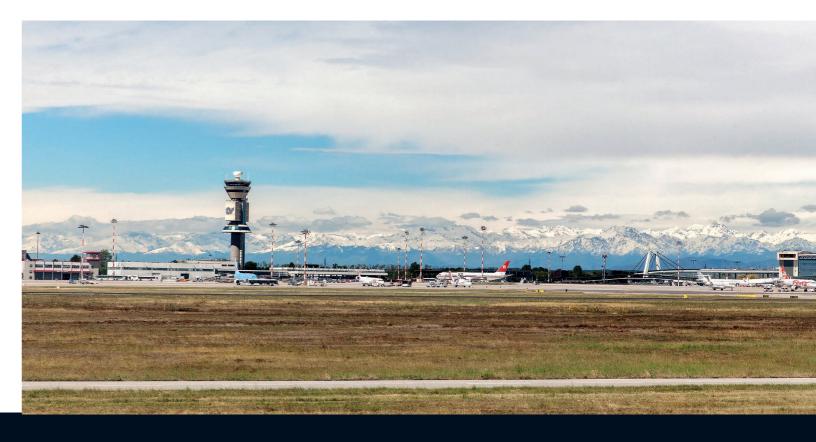
Among the Italian brands in the Top 30 that generate 75 percent or more of their exposure from international markets, growth in brand value this year has averaged \$876 million. Contrast that with growth averaging \$515 million for brands with overseas exposure of between 50 and 74 percent. Those brands that have the majority of their business within Italy have suffered; they have actually lost value, to the tune of \$5 million each. The contribution of Overseas exposure is 69% among Growing Brands while it reduces among declining brands, pointing out a direct impact on growth.

Global vision brings rewards



Average Overseas Contribution %





Increasing international exposure is not a sure-fire way to drive brand value growth; there are several brands in the Top 30 that have actually declined in value over the past year despite over 90 percent of their exposure coming from outside Italy. The lesson here is that being in the right places at the right times with the right offering is not a panacea, but it can provide a huge boost.



Charting the Changes

Sector leaders drive growth across categories

The Italian Top 30 is one of the most varied rankings of any BrandZ[™] country. The brands featuring this year reflect the diverse strengths of Italian business. High-end fashion, food, telecoms, cars, and energy suppliers all appear in the Top 10, and there are 12 categories in the Top 30, spanning all of Italian life, from aperitifs to fast cars.

There are seven luxury brands, six Food & Beverages brands, five in banking or insurance, three each in energy/utilities, telecommunications and automotive, two alcohol brands and one retail brand, a newcomer to the ranking this year.

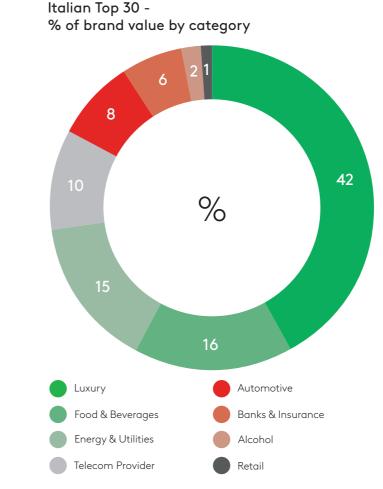
Luxury is the largest category in the Top 30, accounting for almost half (42 percent) of the ranking's total value. This category was the key driver of growth in the Top 30 this year for two main reasons: the sector includes very strong brands that had powerful momentum behind them already, and the sector has high overseas exposure, particularly in the US and Far East, where the impact of the pandemic on consumption has been less severe than in Europe.

All categories in the ranking increased their value in comparison with 2020, except Tires, Insurance & Energy, but the spoils were not shared equally. In many categories, strong growth was achieved by one brand, while others in the category suffered declines in brand value.

In the Energy and Utilities category, for instance, Enel posted 41 percent growth in brand value, while rival A2A saw doubledigit declines. There is a similar story in automotive, with Ferrari up 35 percent but Pirelli and Fiat both down for the year.

Newcomers to the ranking have shaken up the category balance. Banks and insurance, when considered as a single financial services sector, benefit from the strong growth in brand value of BrandZ[™] debutante Fineco which claimed 28th place in the Top 30. Other financial services brands were down between 1 and 19 percent – widely seen as a result of the pandemic's effect on spending patterns.

The alcohol and beverages categories have collectively grown the most in percentage terms since 2020, thanks largely to a stellar performance by Aperol and the entrance into the Top 30 this year of Campari (27th place) and San Pellegrino (in 30th).





Going places – change in brand value by category

Analysis by Category	Brand Value US\$m	% YOY Change vs 2020
Luxury	48,047	16%
Food & Beverages	18.448	20%
Energy & Utilities	17,489	20%
Telecom Providers	11,745	5%
Automotive	9,192	20%
Banks & Insurance	7,169	4%
Alcohol	1,790	162%
Retail	708	100%
Total	114,586	+11%

Fastest risers

The five fastest-rising brands in the Italian Top 30 come from four different categories – categories in which there were not just some big winners but also some less-impressive performances. This underlines the BrandZ[™] belief that growth can be influenced by the sector a brand is in, but is determined by the actions and decisions of the brands themselves. Brands can almost always make their own luck.

Top 5 Risers 2021

	Rank	Brand	Category	2021 Brand Value US\$m	YoY%
1	12	BOTTEGA VENETA	Luxury	2,209	54
2	23	Aperol	Alcohol	1,050	54
3	8	FENDI	Luxury	3,187	48
4	2	enel	Utilities	13,581	41
5	5	Eurrari	Cars	6,755	35

Bottega Veneta and Fendi both benefited from steady demand for luxury goods, especially in the US and Asia. But there were other, brand-specific factors in play.

For Bottega Veneta, much of its rise in brand value can be attributed to a highly disruptive social media strategy. It deleted its corporate social media accounts and now relies on its fans and ambassadors to spread the word – a very different approach to other luxury brands that has proved appealing to a younger target audience. See "Spotlight" section on the following page for more detail.

The closure of bars and restaurants around the world sent drinks sales plummeting, but Aperol was able to grow largely as a result of rising sales for at-home aperitif moments and growing interest in home-made cocktails. See 'the next page for a closer look at what was behind Aperol's outstanding performance.

In the case of Fendi, the brand's focus on strong corporate citizenship, and evolving its offering and business practises in line with changing consumer views on sustainability, have helped it achieve strong double-digit growth in brand value, despite the many trading challenges that 2020 presented. See page 53 for more detail.

Sustainability is also the force behind energy provider Enel's meteoric rise in value over the past year. Its work is featured in our Sustainability section, on page 52.

With consumers in most countries confined to their homes for weeks or months at a time, 2020 was hardly a great time to be selling the joys of the open road. Yet Ferrari was one of the few European carmakers to increase sales in 2020 – and reports having a full order book for all of 2021 and into 2022.

Testament to its high brand equity and the COVID-resistant spending power of Ferrari's super-wealthy target audience, the brand bounced back after a seven-week suspension in production early in 2020. Deliveries of the SF90 Stradale plugin hybrid supercar and the Roma 2+2 coupe began towards the end of the year. The brand will no doubt broaden its appeal with the launch in early 2022 of a long-awaited SUV model, called Purosangue (Thoroughbred).



Spotlight on Bottega Veneta

BOTTEGA VENETA

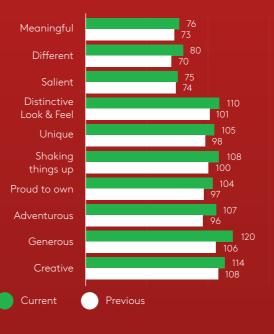
Ranking in BrandZ[™] Top 30 2021: 12 Brand Value: \$2,209 million % change since 2020: +54%

Most of Italy's luxury brands have had the wind in their sails for some years, enjoying growth in the Far East and China in particular, as well as among young audiences for those heritage brands prepared to be bold by taking steps to make themselves relevant to a new generation of buyers.

Bottega Veneta has adopted a highly disruptive social media strategy that, under the direction of new creative director Daniel Lee, has helped sales climb by 21 percent in the past year. Rather than the brand talk about itself, Bottega Veneta has nurtured social media activity by fans and ambassadors of the brand, which is raising visibility of the brand in a way that feels more authentic to other consumers.

The effect on the brand's consumer base is stark. At the end of 2019, around 45 percent of total sales were to buyers under the age of 40; now, under-40s account for 60 percent of sales.

Looking good – Bottega Veneta's strengths on BrandZ™



Spotlight on Aperol

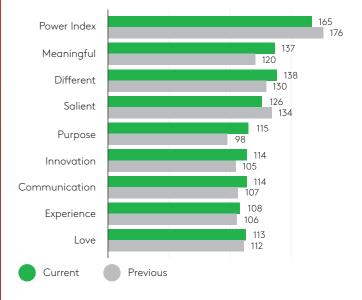


Ranking in BrandZ[™] Top 30 2021: 23 Brand Value: \$1,050 million % change since 2020: +54%

Thanks to a strong association with the aperitif moment, and due to strong visibility at the point of sale, Aperol some time ago established itself as "the" aperitif brand, and one of the few that consumers tend to request in bars by name. It has come to represent the iconic Italian aperitif, not just in Italy but beyond. But the past year has been tough for the alcoholic drinks sector, with bar and restaurant closures – and restrictions on travel – severely dampening demand.

Aperol, like most alcoholic drinks brands, has suffered from significantly reduced sales in markets such as Italy and Spain, where the "on trade" in bars and restaurants usually accounts for the vast majority of sales.

Happily, however, there has been an upside during this period that has counterbalanced this dip; when Italy and travel retail sales are excluded, Aperol has achieved doubledigit sales growth thanks to its already-strong equity, rising sales for at-home aperitif moments, and growing interest in home-made cocktails. Sales have been especially strong in key markets including Germany and the US.



Cheers to that – Aperol's strengths on BrandZ[™]

Joining the party

There are four newcomers to the Italian Top 30 this year, from four different categories. Campari is the highest-ranking new entrant, in 27th place. While alcohol sales from bars and restaurants in many markets were down in 2020 due to the pandemic, there was increased drinking in the home as people sought to create their own special occasions.

Fineco makes its BrandZ[™] debut in 28th position; a young fintech brand that is already expanding across Europe, it has a unique offering combining brokerage, banking and investment services. It has doubled its brand value in the past year, and is seen by consumers as being strongly differentiated from other Italian banking brands.

Esselunga, the well-known supermarket chain, joins the ranking in 29th place. We take a closer look, on the next page, at how it has managed to thrive as a result of its agile response to the pandemic.

In 30th position in the 2021 ranking is beverages brand San Pellegrino, the water and soft drinks specialist that has had a place on Italian dining tables for 120 years. In recent years it has reduced the sugar content in its products and has replaced sugar with stevia in some cases. Recent innovations include drinks made with organic Italian fruit, a "+tea" range combining juice and tea, and mixers designed for use in home-made cocktails. BrandZ[™] research shows San Pellegrino has a strong reputation built on the perception that it has good sustainability credentials. It is also known as a good communicator.

Introducing... the new entrants to the Top 30

Rank 2021	Brand	Category	Brand Value 2021 US\$m
27	CAMPARI	Alcohol	739
28	FINECO B A N K	Banks	725
29	ESSELUNGA	Retail	708
30		Beverages	704





Spotlight on Esselunga

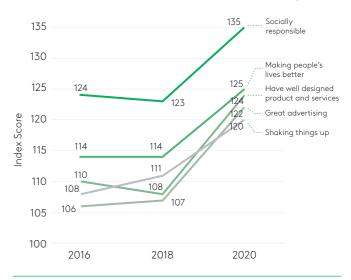


Ranking in BrandZ[™] Top 30 2021: 29 Brand Value: \$708 million

Esselunga has long been seen as unique among Italian supermarkets, with its drive for innovation, strong sense of purpose and its fresh approach to communications. It has a focus on product freshness, customer service and high-quality private label products, and is frequently the first in the market to take steps that later become industry standard. It was the first major Italian chain to sell organic products, the first to offer online shopping and the first to offer in-store shopping with a handheld scanner. Advertising focuses on freshness and low prices, and campaigns are always simple and clever, often using large outdoor sites with eye-catching creative.

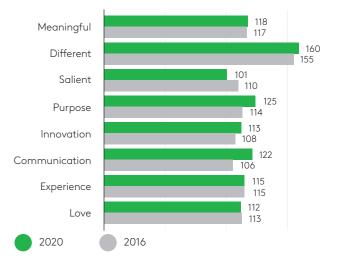
What Esselunga has done in the past two years is reinforce its difference and sense of purpose by positioning itself as a "food company" in its communication, highlighting product excellence, modern services and a pleasant shopping experience.

During the pandemic, Esselunga invested in ramping up its home-delivery service, and benefited from being near people's homes with its relatively new Esselunga di Prossimità neighborhood format. It is also emphasizing sustainablility; its shopping bags proudly state "80% less plastic" in larger lettering than the Esselunga brand name, and prizes in its recent scratchcard promotion were bicycles, e-bikes and electric scooters.



ESSELUNGA Check it out – the rise and rise of Esselunga

Building on existing strengths



Learning from the Leaders

How Meaning and Difference fuel brand equity

The most valuable brands, not just in Italy but around the world, are those that stand out from the crowd in a way that makes a positive difference to people's lives. It's really that simple, and we call it having Meaningful Difference.

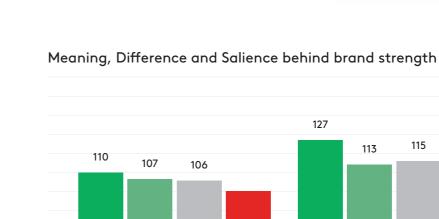
Meaningful Difference doesn't just get a brand recognized or remembered; it also adds to the bottom line.

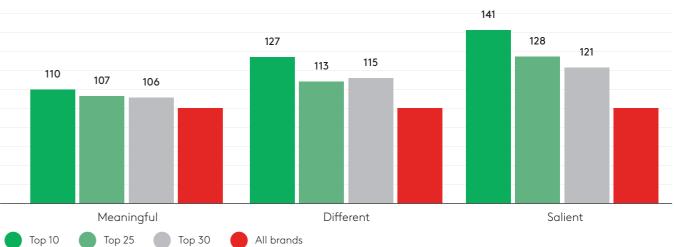
The Meaning of a brand can stem from a functional meaning – the brand does a good job of fulfilling a need consumers have, whether that's for a reliable banking service, a safe and comfortable car, or a detergent that gets your washing clean. But to have longevity and lead a category, a brand must also have a layer of emotional meaning, which is what creates lasting affinity between consumers and brands.

Difference is what leads a consumer to interrupt their normal buying habits - to stop, and look at a product that catches their eye in a store or online. Or they pause to consider a brand that, in its communications, promises to do something that others in the category don't. Given that purchase decisions are increasingly being made in seconds, or fractions of a second, that moment of being noticed can be crucial.

Salience is also essential. Salient brands are the ones that spring to mind when a consumer thinks of a category or has a need, but people don't just think of a famous name. They think of a name they believe will deliver Meaning and Difference.

The brands in the Top 30 are significantly stronger than other Italian brands on all three measures: Meaning, Difference and Salience. The Top 10 have especially high scores for these metrics, and it's clear that Meaningful Difference in particular is a contributing factor in their success.





The brands that have grown in value by at least 3 percent in the past year are significantly more Different to others in their category than the brands that have either gained little ground or have lost value. They are also more Meaningful, but the contrast between growing and declining brands is less sharp; the more successful brands do have more Meaning, but only just. This points to an area of opportunity for Italian brands, which perform well against leading brands in other major markets on being Different; less so for being Meaningful.

Growing brands vs declining brands in Italian Top 30 – how they compare

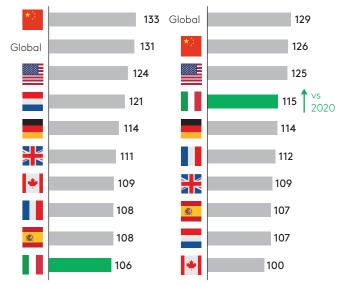




Top 30 country comparison

Meaningful

Difference



Fame is not enough

A word of warning: brands cannot make up for a lack of Meaning and Difference by being spectacularly Salient. It is essential that brands are recognized and remembered by consumers, of course, and that they spring to mind quickly when someone thinks of that category. But simply being known is not enough; brands must be known for something that really matters to people. Salience amplifies Meaning and Difference, but without those attributes, Salience is next to useless.

Well-established brands that are highly familiar to consumers tend to score well for Salience, but unless they adapt to changing conditions and maintain their Meaning in people's lives, they are vulnerable. Salience won't be enough to save them.

What's the big idea?

Innovation is a powerful way for brands to achieve Meaningful Difference, and it has played an important role in the past year in helping to determine the fortunes of Italian brands.

The Brand Z^{TM} measure of innovation combines a brand's performance on creativity, how a brand disrupts a category, and leadership.

When some people think of innovation, what springs to mind are technology brands or brands that are new to the market. But while it's true that some of the most innovative businesses in the world are technology-driven, innovation is not the preserve of brands in certain categories, nor does it exclude brands that have a long heritage of consistency and trust.

Some of the most innovative Italian brands this year – including those beyond the BrandZ[™] Top 30, include Nutella, Enel, Kinder, Intesa Sanpaolo, Esselunga, Gucci and Lavazza. That's a broad range of product and service categories, with several centuries of combined brand heritage behind them. Another great example comes from Ichnusa, that is not in the Top 30 brands, but is performing very well in Meaning and Difference.

Innovation is not a business sector or a function of youth; it's a powerful state of mind.

Spreading the love – Spotlight on Nutella

Nutella as we know it, in its spreadable-straight-fromthe-jar format, has been part of people's lives since 1964, though there were earlier incarnations of it for several decades beforehand.

nutella

The brand has barely changed the product – or the distinctive shape of the jar it comes in – for nearly 60 years, yet Nutella is consistently named one of the most innovative Italian brands based on BrandZ[™] data, as well as being one of the most loved. Here's why.

There are other options when it comes to deciding what to spread on your bread, but Nutella is unrivalled; it created a category and has become a byword for it. It is the undisputed leader, so it checks the box for innovation through leadership.

Disruption and creativity are also in evidence, in the way that Nutella uses its packaging as a key element of its communications platform. The brand became world famous for enabling people to personalize their own jar of Nutella by having their name printed on the label.

Innovations since then include limited-edition pairs of "twin" Nutella jars in eye-catching designs, jars with designs that match the seasons, including a "back to school" series used in multiple markets in 2020, jars with religious symbols at festival times in the Middle East, and bold, brightly colored jars launched in Australia in 2020 to help "spread good morning vibes".

There have also been new products and disruptive brand partnerships. Nutella biscuits were launched in 2018 and have been progressively rolled out in new markets since then. In 2020 in the UK, a new variant of the Nutella spread was launched, Nutella + Cocoa, with double the cocoa content of standard Nutella.

There's also a long-running partnership with McDonald's in Italy and, for the truly committed Nutella fan, the "Hotella Nutella" hotel in California.

Creativity, disruption, leadership, innovation. Check.

Salute! Spotlight on Ichnusa



The beer brand Ichnusa is more than a century old, but has seen huge success recently as a result of a high-impact strategy to improve distribution and broaden its appeal beyond its native Sardinia.

At a time when craft and local beers have been winning increasing share of the drinks market, Ichnusa owner Heineken has been leveraging the brand's regional roots in a creative way. Its video advertising, for instance, shows people and scenes in Sardinia, with simple labels such as "Our hipster" (a bearded local man), "Our social" (surfers taking to the waves), "Our sound" (the roar of the sea) and "Our beer" (a group of friends sharing Ichnusa).

The brand growth journey began in 2016, and by innovating at all stages of the buyer cycle, it has managed to do what we call "mastering momentum" – generating an uptick in interest and sales in the short term, but also setting itself on a trajectory for long-term growth as well.

As well as boosting distribution and promoting lchnusa at points of sale, and launching a new advertising campaign, the brand also restyled its packaging and introduced a new product, lchnusa Non Filtrata (unfiltered).

The result is an 85 percent increase in market share between 2016 and 2019, and sales growth of 140 percent between 2016 and 2020.

BrandZ[™] data shows that Ichnusa still has scope to improve its Salience, but compares extremely well against others in the beer category on measures of Meaning and Difference.

What's clear is the direction of travel on all three indicators: Ichnusa is a brand gathering momentum.



Mastering Momentum – How Ichnusa has nurtured Meaningful Difference

Scores for Ichnusa compare to an average for all brands of 100.



Sustainability & Brand Purpose

Why doing 'the right thing' creates winners all round

There's a growing belief that every brand has the power to change the world – and that brands have a duty to ensure they are doing what they can to make the world a better place.

Make no mistake: this is not about jumping on the latest fad, but rather about creating a future-proof brand and a business that plays a welcome role in people's lives.

When consumers consider a purchase, they first look for a product or service that will meet their functional needs. After that, they consider their emotional needs, and they want to know more about the brands and companies they invite into their lives.

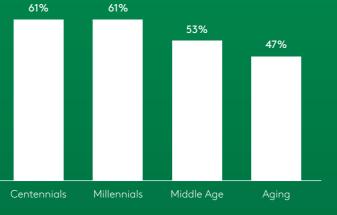
Consumers increasingly want to understand what brands do and what they care about – beyond making money and making products people want to buy. We call this: Brand Purpose.

Brand Purpose is closely linked to corporate responsibility and sustainability, which covers public perceptions relating to the business behind the brand in four key areas: its impact on the environment, its social impact, its treatment of employees, and its supply chain practices.

The role of brands' Purpose in consumers' decision making is particularly important to younger consumers.

Where do you stand?

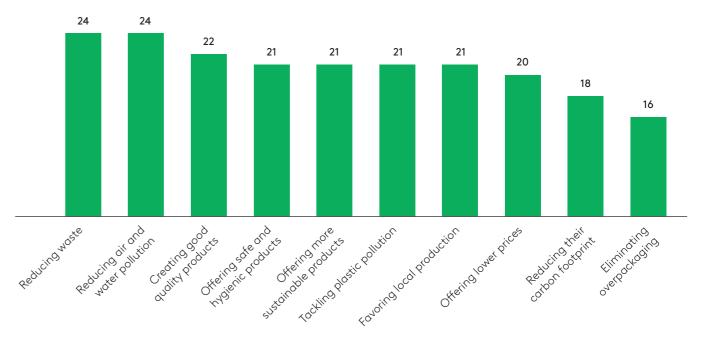
"I like brands that have a point of view and stand for something"



Source: Kantar Global Monitor, 2019

Brands have always needed clarity of Purpose but its role in the growth or decline of brands has been gradually increasing. The trend has been accelerated by the events of the past year, which have led many people to rethink what they do, what they buy and how they live. Priorities have changed.

Key issues companies and brands should worry about now, besides COVID-19 (%)



Source: Kantar Barometer 2020, Wave 7

Now is the time for brands to ask themselves why they exist and what benefits they are in business to offer customers, stakeholders and the world.

To survive and thrive in a fast-changing market, brands must be bold and go beyond the quest for share of market. They must seek a share of life, as the basis for their Meaningful Difference.

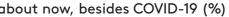
They need to go beyond the traditional remit of their business category, and see their place in the world through a wider lens of social responsibility and sustainability.

Mind the gap

One important fact to consider is that while many people have the very best intentions and hold others to account for their actions relating to the environment and the community, they struggle to make changes in their own lives.

This is known as the "value-action gap", and one important role brands can play is in helping consumers close that gap. Essentially, helping people live up to their own values (or to put it another way, helping them practise what they preach).





92% of people say they want to live a sustainable life* 52% have done something about it to varying degrees** 16% are actively challenging their behaviors**

* Kantar's Regeneration report **Kantar's #WhoCaresWhoDoes report

> To deliver success with sustainability-led innovation, we must acknowledge the challenge of behavior change for consumers, and think about consumers with empathy. New solutions, nudges and emotional storytelling are all critical to successful sustainability-led Purpose.



Why sustainability makes good business sense

Concerns about plastic pollution, air pollution, carbon footprints, food miles and wastage have all become increasingly mainstream in recent years, and brands have been adapting the way they work to take account of this.

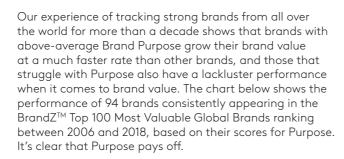
Rethinking and redesigning a business to meet sustainability goals is not only a challenge, it can feel deeply uncomfortable, because it requires us to reinvent how we think about the marketplace and consumers' lives, and how brands operate within both.

There are new consumer needs to satisfy, social and societal tensions to resolve, new categories to pioneer and develop, and new business models to build, using new value chains and new technologies.

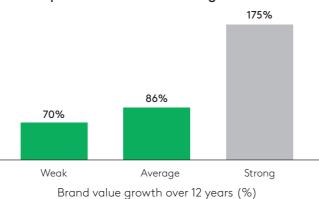
Bold brands are doing it. The Italian food brand Dimmidisi, for instance, is not only thinking outside the box, but thinking beyond the bag – salad bag, that is. It has launched a range of fresh salads packaged in bags that are compostable and biodegradable, made in Italy from vegetable products. The bags are the result of supply chain collaboration with Novamont, Ticinoplast and Carton pack, the result being a distinctive pack that stands out at the shelf because of its "milky" appearance and bold graphics emphasizing the sustainability credentials of the product and its packaging.

This kind of thinking takes bravery. The good news is not just that consumers respond more warmly to brands that show Purpose and focus on sustainability, although this is good news in itself, without doubt.

The other big benefit, in addition to making a contribution to a better world, is to brand equity.



How Purpose fuels brand value growth



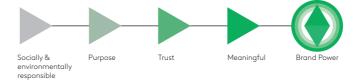
Reputation, trust and sustainability – all linked to results

It is useful to zoom in on the way that a brand's focus on sustainability ultimately leads to results.

A reputation for being socially and environmentally responsible creates a strong perceived sense of Brand Purpose. That tends to engender trust on the part of consumers, and in turn leads to a brand being seen as Meaningful – it meets people's needs in a way that builds an emotional affinity between consumer and brand.

Brands that work their way up this value chain are rewarded with Brand Power, the BrandZ[™] measure of how predisposed consumers are to select one brand over another. Brand Power correlates with both sales and brand value growth.

BrandZ[™] path analysis - relationship between responsibility and Brand Power



Corporate reputation is the result of consumer perceptions of current and past performance. The BrandZ[™] measure of corporate reputation, RepZ, divides these perceptions into four components: success (strong financial results), fairness (good pricing and practices), responsibility (positive engagement with the environment, employees and society) and trust (reliably delivers on promises).

Responsibility is now three times more important to corporate reputation than it was 10 years ago.

When consumers appraise the reputation of the company behind a brand, they now base almost half of that decision on the extent to which the company and its brands are responsible (primarily regarding their work on environmental and societal issues). Success, leadership and fair pricing have gradually become a smaller part of the equation.

RepZ is a critical indicator for companies at a time when consumer distrust of brands and large institutions is high, and negative opinions travel quickly on social media.





Putting it all together – Italy's most sustainable, most trusted and most reputable brands Source: BrandZ™ Italian Categories

Sustainability

Leading Italian brands for Sustainability 2021

Consumer Trust

Leading Italian brands for Consumer Trust 2021

Rank 2021	Index Score	Rank 2021	Index Score
enel	159	IRELLI	134
cccp	151	nutella	133
eni	143	enel	132
nutella	139	LAVALLA TORINO, ITALIA, 1895	131
enigaseluce	136	Kinder	129
ARMANI	134	TACHIPIRINA®	128
LAVATLA TORINO, ITALIA, 1895	134	ARMANI	125
Barilla	133	eni	125
IRELLI	132	çcop	124
Kinder	132	Barilla	124

Reputation

Leading Italian brands for Reputation 2021

Rank 2021	Index Score		
enel	141		
nutella	138		
Barilla	135		
LAVATTA TORINO, ITALIA, 1895	131		
Supervari	130		
ccop	130		
Kinder	129		
eni	129		
ARMANI	126		
IRELLI	125		





The role of communications in sustainability success

The use of an environmental or social message in communications can help a brand to differentiate themselves and build brand affinity. But there's a catch.

Advertising that promotes environmental or social messages tends to perform no better than ads without a sustainability theme. According to Kantar Link studies of advertising's ability to be persuasive, enjoyable and credible, there is only a very slight (almost imperceptible) advantage to "doing the right thing" in advertising.

So, if consumers want brands to make sustainability commitments, and they want to know what they are in order to inform their purchase decisions, why don't ads that promote sustainability perform better in our tests?

The answer, it seems, is in being genuine; in developing a sustainability message that sounds authentic to consumers and that fits with what consumers already know about a brand.

A clear link to what the brand does and how it is already perceived by the target audience is critical to landing a purposeful message in terms of sustainability.

When there's a good fit between Purpose-driven advertising and what the brand is already known for, persuasion rockets to 63 percent of consumers (compared to 27 percent when there's thought to be a bad match with the brand). Similarly, enjoyment shoots up from 34 percent (for a bad fit with the brand) to 76 percent for a good fit, and credibility levels hit 81 percent (compared to 32 percent for brands that don't have a good fit with their sustainability messaging).

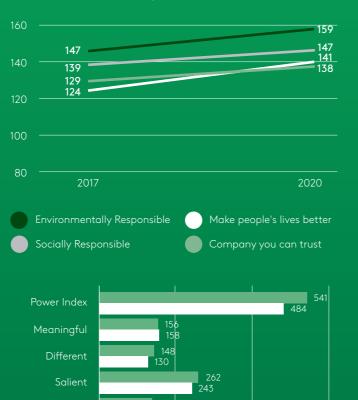
Powering up – A closer look at Enel

enel

Ranking in BrandZ[™] Top 30 2021: 2 Brand Value: \$13,581 million Change since 2020: +41%

Enel is an Italian multinational producer and distributor of electricity and gas – not the most obvious of brands to be a strong performer on sustainability. But Enel has, gradually over recent years, changed the way the business works – and the way it communicates. It promotes a culture of technological and cultural innovation within the company, and has a strong focus on innovation linked to sustainability. Enel has used sustainability as a key asset in its brand positioning since 2018, asking "What's your Power?". Through its acquisitions and investments it is shifting towards renewable sources of energy; Enel expects that in 2021, 62 percent of the energy generated by the group will generate zero emissions, compared to 48 percent in 2018. Electric-powered mobility is a key area of focus for Enel's Enel X division; the brand supports and sponsors the Formula E motor-racing championship, and has made significant investments in projects to encourage the use of electric cars. Its Enel X division has developed smart electric vehicle charging solutions that use clean energy.

How Enel has recharged its brand equity



Purpose

Communication

Experience

Sustainability

Current

Love

Previous

Sustainable Luxury

Green is the new black

One of the fastest-growing brands in the Italian Top 30 this year is the luxury goods producer Fendi.

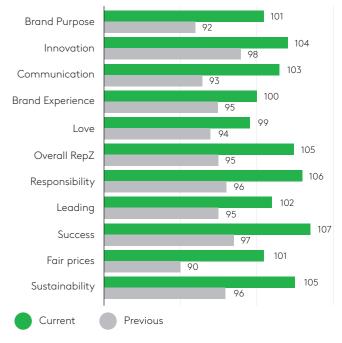
The brand's focus on strong corporate citizenship and evolving its offering and business practises in line with changing consumer views on sustainability has helped it achieve strong double-digit growth in brand value, despite the many trading challenges that 2020 presented.

FEND

Ranking in BrandZTM Top 30 2021: 8 Brand Value: \$3,187 million Change since 2020: +48%

Fendi is a growing luxury fashion house whose specialities include ready-to-wear clothing, leather bags and accessories, shoes, fragrances, eye wear, and timepieces. In recent years it has focused intensely on efforts to develop and promote a clear and strong sustainability strategy involving three key pillars: the environment, the supply chain and production, and the community. The business created a new factory in the process of carrying out a complete and transparent revamp designed to make Fendi more sustainable, from the sourcing of raw materials to the launch of a collection. Two of its most iconic designs, the Peekaboo and Baguette handbags, have been given a sustainability overhaul, made from recycled materials and launched as part of Fendi's FF Green Interlace capsule collection in late 2020.

Fendi's purpose the data behind the perception



Top 30 Most Valuable Italian Brands 2021

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RANK 2021	BRAND		RANK CHANGE	VALUATION CATEGORY	BRAND VALUE 2021 US\$m	% BRAND VALUE CHANGE 2021 VS 2020	BRAND CONTRIBUTION INDEX 2021	PARENT COMPANY
11	GENERALI	GENERALI	-2	Insurance	2,658	-4%	3	ASSICURAZIONI GENERALI SPA
12	BOTTEGA VENETA	BOTTEGA VENETA	5	Luxury	2,209	54%	3	KERING SA
13	ARMANI	ARMANI	-1	Luxury	2,141	3%	4	GIORGIO ARMANI SPA
14	INTESA SANPAOLO	INTESA 🚾 SANDAOLO	-1	Banks	1,802	-2%	3	INTESA SANPAOLO SPA
15	BVLGARI	BVLGARI	6	Luxury	1,582	27%	4	LVMH MOET HENNESSY LOUIS VUITTON SE
16	WIND-TRE	WINDTRE	2	Telecom Providers	1,535	11%	2	CK HUTCHISON HOLDINGS LTD
17	PIRELLI	IRELLI	-2	Tires	1,340	-12%	4	PIRELLI & C SPA
18	UNICREDIT	ØUniCredit	-2	Banks	1,220	-19%	3	UNICREDIT SPA
19	SALVATORE FERRAGAMO	Jalvatore Ferraganno-	1	Luxury	1,116	-11%	3	SALVATORE FERRAGAMO SPA
20	FIAT		4	Cars	1,097	-4%	3	STELLANTIS N.V.
21	BARILLA	Barilla	4	Food	1,089	1%	5	BARILLA GROUP
22	FASTWEB	FASTIJEB	4	Telecom Providers	1,077	11%	3	SWISSCOM AG
23	APEROL	APEROL	7	Alcohol	1,050	54%	4	DAVIDE CAMPARI-MILANO NV
24	A2A	🏟 a2a	-1	Utilities	1,004	-19%	3	A2A SPA
25	LAVAZZA	LAVALLA TORINO, ITALIA, 1895	3	Beverages	974	24%	5	LUIGI LAVAZZA - SPA
26	BANCA MEDIOLANUM	mediolanum	3	Banks	763	-1%	3	BANCA MEDIOLANUM SPA
27	CAMPARI	CAMPARI	N/A	Alcohol	739	N/A	4	DAVIDE CAMPARI-MILANO NV
28	FINECO	FINECO B A N K	N/A	Banks	725	N/A	2	FINECOBANK BANCA FINECO SPA
29	ESSELUNGA	ESSELUNGA	N/A	Retail	708	N/A	4	ESSELUNGA SPA
30	SAN PELLEGRINO		N/A	Beverages	704	N/A	4	NESTLÈ SA



and Brand Building



The Power of Purpose

Why brands need focus, especially now

Purpose should not be a short-lived, trendy buzzword: it is fundamental to the success of any brand.

Purpose is the reason why a brand exists, a commitment to making consumers' lives better. This can happen because of the product or service the brand offers, unmatched in terms of innovation, design, functionality or service (think of Amazon). Or it can be the result of a social cause the brand makes its own, embedding it in its DNA and bringing it to life **Invest in it!** every day (Toms shoes, Patagonia).

Moreover, purpose can have different levels of depth within a brand and organization, from being an isolated tactic to a broader movement which guides the economic growth of the company and at the same time delivers a positive social impact. It can be born with a brand, or added later.

Whichever the angle and whatever the depth, successful brands with a purpose that is recognized by consumers have a brand, it is evident in product-focused ads as well. proven to be more valuable and exhibit stronger growth than those without. Indeed, looking at the last 12 years of <u>global BrandZ</u> data, brands with a recognized purpose have recorded brand value growth 2.5 times higher than those not seen as having a strong purpose. This means purpose pays off from a business standpoint, with higher value coming both from new customers and the loyalty of existing ones.

So, purpose has value, but focus is key to delivering purpose successfully, as best-in-class businesses show.

Purpose is everywhere.

It should live in each element or experience that contributes to a brand. Each decision the company takes should have purpose on the checklist, from components and ingredients, to service design and the user experience, not forgetting the role of the people in the organization.

Communication and touchpoint management are key to delivering purpose, which needs to be sustained to leave a lasting, meaningful impression of a brand. This does not mean purposeful brands should no longer use product advertising. Rather, it means a balance between more product-oriented ads and brand-building ones should be the goal. In any case, when purpose is truly embedded in

adidas is a great example of a brand with purpose at its core. Its web site states: "We believe that, through sport, we have the power to change lives. We are obsessed with helping athletes of all levels to make a difference - in their game, in their lives, in their world." The brand has focused all its efforts and initiatives towards this aim, striving for continuous improvement of its whole offer in ways that can change lives. Initiatives include producing an innovative shoe for professional soccer players and collaborating with Parley to transform polluting ocean plastic into high-performance apparel and footwear. Having communicated its strong purpose effectively, adidas entered the BrandZ Global Top 100 ranking for the first time in 2018.

Make it a top business priority.

Bringing purpose to life is the mantra in successful organizations. Regardless of seniority and tenure, everyone knows they are working towards the same objective, and having a positive outcome on people. It is such a priority that it can even imply partnering with competitors, if that is necessary to bring purpose to life.

Tony's Chocolonely has disrupted the market to become the number one chocolate brand in the Netherlands, fueled by their purpose "Together we make 100 percent slave-free the norm in chocolate".

The company is open to collaboration with others to achieve its purpose in the fight for slave-free cocoa, so much so that anyone in the whole cocoa supply chain – including Tony's competitors – is invited to join forces and help make that vision come true.

Maintaining focus in times of crisis is essential.

The pandemic has prompted consumers to expect concrete action, not just positive messages (though these are very much welcome considering the times!). And if your brand wants to have a meaningful, successful relationship with younger generations, bringing purpose to life really is a must: 20 percent of people aged 18 to 43 feel brands should "guide change" (play an active role in making the world a better place), a figure that rose to 27 percent over the course of lockdown (source: Kantar - COVID-19 Barometer 2020).

As our COVID-19 Barometer reports, what is really resonating with people right now is empathy demonstrated through practical support - 80 percent of Italians want brand communications to demonstrate ways that a brand can be helpful in the new everyday life. Many brands embraced this in 2020. Think of Ikea's #TogetherAtHome campaign, with tips on how to make the most of our multi-purpose homes, or Unipol's initiative to refund one month of car insurance to every customer, as nobody was using their cars.



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Changing Times

Being Meaningful across the Generations

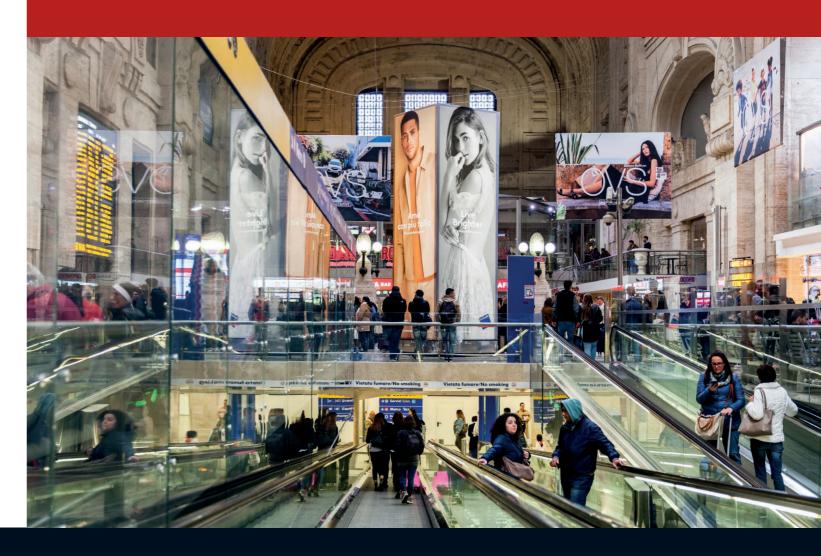
Being Meaningfully Different is a very hard task for brands these days, considering that each generation of consumers has different values, acquired throughout their life. Is it possible to be Meaningful to all of them?

A good starting point is to stop trying to be everything to everyone, and instead understand the behaviors and need states of different generations: Boomers, Gen X, Millennials, Centennials and Gen Alpha.

- Boomers grew up during the Italian Miracle, a positive and fruitful period in which the economy flourished and a new way of thinking emerged: this was a period of cultural renaissance, of rebellion against institutions, of fighting for freedoms. Boomers developed their values around meritocracy, change and identity. To them, a brand is a badge, something that helps represent what they have achieved, on merit. For this reason, 63 percent of Boomers say they buy products that have a sense of history or tradition about them.
- The formative teenage years for Gen X came in the 80s, years defined by the fall of the Berlin Wall, the Cold War, but also the globalization of brands. This was the period of radical choices: white or black, Coke or Pepsi, Nike or adidas. Brands were synonymous with image and belonging. Brands aligned themselves with the aspirations of this generation, fostering the values of ambition, appearance and achievement. For this generation, brands represent status, a simple way to express themselves and define their image. But bear in mind these teens of the 80s now face many pressures. They have a lot of business to manage, and work, family and personal time to balance. That's why 65 percent of Gen X say it's important to escape their everyday worries; they need a break in order to balance their mental and physical health.
- Millennials have grown up alongside the rise of digital culture. The boom of social media, the democratization of knowledge thanks to the birth of Wikipedia, and the birth of a new European currency, the Euro. All these events fueled the development of a set of values oriented towards sharing, connection, and a deep searching for the meaning of things. To engage with Millennials, brands have to be a mirror, providing opportunities for consumers to contribute and co-build their values, led by the need for meaning, passion and inspiration. Among Millennials, 70 percent agree that "having a meaningful, once-in-a-lifetime experience is always better than owning something"!
- Centennials are the youngest generation with spending power. Our current teenagers – or a bit older – are the ones who once again changing the rules of marketing, orienting everything around purpose, sustainability and ethical choices. This most realistic and pragmatic generation looks for expertise and specialization. They want to be free to express their identity and they seek ways to make their mark on the world. Around 30 percent of Centennials say they are driven to achieve success or something important in life, and for this reason brands should work to be enablers, to help Centennials achieve their goals.
- Gen Alpha, the youngest generation, are still growing up, but they are already showing some distinctive traits focused on wellbeing. They are already influencing decisions made by other family members.

But how has COVID-19 affected these generations and what each expects from brands? • Gen Z is a generation led by purpose and, due to the pandemic situation, other generations are also becom

- Boomers seek credible icons and models, someone capable of demonstrating why a brand is worth their time or their money; 29 percent think brands should offer practical help in everyday life.
- Gen X is aspirational; 25 percent of this generation would like brands to confront the crisis and show that it can be fought.
- Millennials need to foster communities they can fit into, embracing their desire for diversity, and Gen Z want businesses to balance comfort with change and pragmatism. This is the reason why the 27 percent of "Post Millennials" (Millennials and Centennials) say brands should set an example and guide change.



• Gen Z is a generation led by purpose and, due to the pandemic situation, other generations are also becoming more sensitive to what brands stand for. This suggests it is now vital to provide them all with meaningful content.

Brands have always played a pivotal role in sensitive and critical moments in history, accompanying people as they react to change, and inspiring them as they look ahead. The current pandemic situation gives brands chance to show their true purpose, and to take a strong position that makes them Meaningfully Different in the eyes of their core target.



LORENA COCOZZA

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Going (more than) Green

Creating a credible sustainability value chain

We all know that sustainability is a hot topic right now and we are all aware that many companies, in many markets, have embarked on a journey in order to embrace, reinforce and communicate their sustainability positioning.

We have moved past the days of asking "naïve" questions like: are consumers aware of sustainability issues? Do people feel these issues are relevant to them? Are they willing to pay a premium price for sustainable products or brands?

Here are just few pieces of supporting data:

- Eco-conscious consumers account for 73 percent of shoppers in the household cleaning and personal care categories, while in food they are 61 percent of the total in Italy, and are close to 50 percent in many other markets (Global Web Index 2018)
- **People's willingness to pay more** for eco-friendly products rises from 51 percent of middle agers to 58 percent of Centennials and Millennials (Kantar Global Monitor 2020)
- During the COVID crisis, in Italy, 53 percent of the population said environmental issues were as important as they had been before the pandemic, and 27 percent said that they were now more critical than ever (Kantar Covid Barometer 2020)

- 49 percent of corporate reputation is driven by responsibility – this has grown from 17 percent 10 years ago (BrandZ 2020)
- There is a clear and measurable concrete benefit to considering sustainability: between 2006 and 2010, the top 100 sustainable global companies experienced significantly higher average sales growth, return on assets, profit before taxation, and cash flows

Given this data, it's no surprise that the current challenge for all brands is to find a way to incorporate this topic in their marketing activities and to make it an organic part of their value chain.

Kantar's view is this strategic objective should be considered as a journey, and should start with the infusion of sustainability in a brand's purpose, to avoid perceptions of "greenwashing" or "socialwashing". A shortcut, achieved by superimposing sustainability values on a brand that has previously taken little interest, is very often recognized as such and punished by consumers. It is clear that a one-size-fits-all strategy for building a credible and relevant sustainability mission doesn't exist; each business has to create synergies with:

- Their current brand equity and their company heritage
- The markets in which it competes, because Kantar research shows clear differences in how consumers in different markets consider sustainability issues and rate their importance
- Their way of working and their employees' attitudes and mindset
- The prevalence of "eco" attitudes among their target audience and among their prospects

Once a brand has found its specific and unique purpose, this can become both the inspiration and the fuel for the consequent key steps:

Purposeful innovation

This means using the brand purpose both as a lens and as a gateway to guide the innovation process in the direction of products and services that are "sustainability native".

Inspiring communication

Building on the brand's purpose, this includes the right key messages and each brand's distinctive tone of voice, because communication on sustainability issues is currently an overcrowded market, making it vital to find and defend a brand's unique approach.

3 Customer change

Here the challenge is to move from listening and understanding clients to inspiring and guiding them on the topic, with the ambition of becoming a sustainability leader.

4 Employee inspiration

Often forgotten but crucial, staff are an important way of building credibility into a brand's purpose (and to prevent risky slips coming from inside the business).

We can see that the success of such a journey depends strongly on consistency, internally and externally, on clear backing from the board and CEO of the business, and a commitment to working across the entire company, not just in a "sustainability department".

As the journey progresses, it is crucial that brands carry out a solid method of measurement and learning. Generating a sustainability-infused purpose is not a goal reached once and for all stakeholders; it requires discipline and continuous adjustment due to the nature of the topic, which is inextricably linked to major social and cultural phenomena.

To be "sustainability-proof" means carefully building a brand's strategy by considering key "people" concerns, category-specific concerns, creating a path that demonstrates action and leadership in a category, and making it easy for everyone to adopt your solutions.



ANDREA CORTI

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Finding Focus

Balancing Investment between Performance and Branding

Communicating in this "new normal" context means taking note of the "new" that is emerging, and revisiting marketing strategies and messages in harmony with the needs of the target audience. Of course, the big priority is rebuilding demand, while at the same time growing consumer predisposition towards the brand, and building meaning and differentiation.

One of the things that has remained unchanged despite all that has happened is that brands are still, and will continue to be, a reference point for consumers.

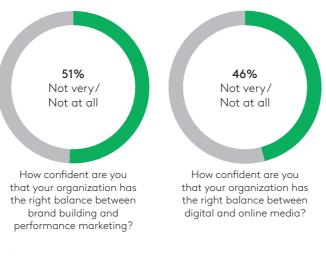
But when we listen to industry experts, we see that only 51 percent* of global advertisers are confident their organization is striking the right balance between long-term brand building and short-term performance marketing.



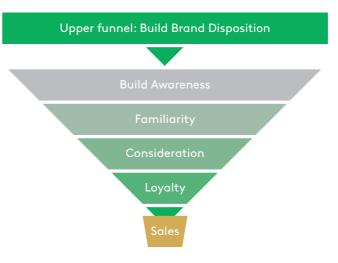
Believe having the right balance is essential

*Kantar Media Reactions / Marketers - 2020 Report

Marketers want balanced investment, but what actually happens is that the focus tends to be skewed towards shortterm results. As a result, most marketers don't feel they have the balance right when it comes to media strategies:



Before we look under the ROI microscope, consider what lens we should use to review each marketing vehicle according to the role it plays. Media plays different roles at each stage of the consumer journey. Channel strategy and media tactics need to be tailored to address business objectives.



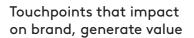
For this reason, it's so important to orchestrate consumers' experiences at each phase of the brand cycle (experience, exposure, activation) and communication plays a key role in this. In fact, every communication initiative has an effect on both today and tomorrow: the first is quickly evident as there is a direct impact on sales. The second is perhaps less obvious but is crucial to the success of the brand: we communicate to share a message, which creates brand identity. So communication builds equity and equity supports longer-term sales.

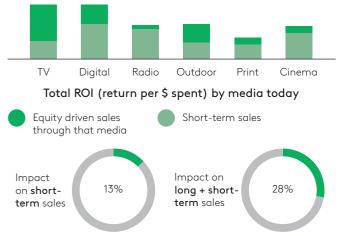
The brand is a staple in difficult times and the strongest brands lose less in sales and manage to recover to their precrisis levels much faster than other brands.

In addition, equity plays a decisive role in the ROI of investments in communication, with a multiplier effect on sales. Analysis of our databases indicates a 13 percent direct increase in sales from media investments, a figure that rises to 28 percent if we also take into account the effect of brand equity built thanks to that investment.









Our belief in the long-term power of brand equity means including brand in every step of marketing mix optimization. Incremental brand sales reflect should be seen as reflecting the short-term response to the brand – merely the tip of the iceberg – and base brand sales as reflecting the long-term equity of the brand. Stronger brands are able to generate a higher response from marketing investments than weaker brands. This is the greater mass of the iceberg, beneath the surface.

Kantar's mission is to help build an agile and comprehensive marketing guidance system to enable end-to-end planning from strategic decisions to tactical execution. Balancing the short-term and long-term effect is essential if brands are to maximize their return on media investment. To do this, it is necessary to stay in tune with consumers, enhance the context to make content more relevant, favor predisposition to the brand by building meaning and distinctiveness: to sum up, balancing performance and branding activities to meet the urgent needs of turnover today... while building for the future.



FABIO DA COL

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Can you feel it?

Emotions in advertising are not an option, they're a given

Who doesn't like to feel emotions? Don't you like to feel pleasure when eating a good meal, or feel delighted, moved or intrigued by a great book, or perhaps a movie or series on Netflix?

So why should it be any different for consumers when looking at advertising? Especially when you consider that the on sales. Unfortunately, this rarely happens. We see many meal, book or movie you consume is usually something you have chosen, which is rarely the case for advertisements. We need to accept the fact that most people are not particularly interested in brand advertising.

We generally watch TV to be entertained. We surf online for the same reason, or to seek information, or interact with our friends... so the likelihood that we accept, remember or even notice an ad or what it says is generally limited. Therefore, brands need to do everything possible to increase their chances of being noticed and remembered – and their likelihood of generating a return on their investment.

An ability to stand out is strongly correlated with the capacity of an ad to elicit an emotional reaction from consumers. Modern neuroscience and psychology have clarified the relationship between emotion, memory and decision making.

Advertising generating an emotional response is generally more effective than purely rational advertising as it helps establish motivating memories and contributes to consumers' brand response, both at the time and later. There are rare cases of rational ads doing a good job, but this is mostly when they have great information, news or an innovation to announce. The reason why purely rational communications seem to have only a modest impact on

sales is because the approach tends to focus on specific benefits or reasons to believe; they are dull in tone and often lack real storytelling.

Communication should be designed to build a brand's emotional relevance, which has a much greater impact advertisers still delivering product messages in a very rational way, which is counter-intuitive, given the emotion-led way that we make decisions about brands most of the time.

Advertisers often complain they are constrained by a need to focus on short-term results. However, this does not justify producing advertising that fails to provide creative engagement. If you feel you need to promote your product's specification and features, fine, but do it in an emotional way, telling a story to your consumers. Emotional stories have the power to cut through – and to have an impact on sales in the short term.

We pay more attention to emotionally charged events, so we are more likely to get involved with emotionally charged ads. The empirical evidence for this is very strong. Involvement scores for videos in our global database clearly show that ads that take an emotional route have a better chance of breaking through the brain's filters. Emotional cues are often processed automatically, which means consumers absorb the essence of an ad even if they are not giving it their full attention. And emotional responses send a signal to the brain telling us we should pay attention. This is why ads that generate emotional responses (as measured by people's facial expressions), are more likely to generate an effect on sales.



It's also important that brands tell consumers a story. People are fascinated by stories: they continue to buy books and get hooked on TV series. Stories present the opportunity to engage with audiences, to leave lasting memories, and to provoke emotional (and rational) responses. Stories can be very powerful for brands.

Our work has shown that ads using storytelling are more engaging, and help make ads more noticeable and more memorable, both of which contribute to sales. And we've seen that ads that feature stories create stronger emotional responses, which we know has a direct effect on sales.

So, there is no debate to be had about whether brand communications should focus on a product-related message or an emotional one. To be as engaging as possible, great communication needs to include both. In this way, it can ensure a good return on your investment, even in the short term.



In the context of COVID-19, brands should stick to these rules, but they should not misinterpret the need for emotion as a need to refer specifically to COVID-related emotions for the sake of it. In the past year we have seen many brands trying to be emotional but in the wrong way, specifically designing adverts around emotional support by talking about how they are "there for you" now and "we will all get through this if we work together" without being linked to any real help. As a result, they were ineffective.

Tell stories about your brands to consumers that draw on emotions and are respectful of the brands' DNA and purpose. If the messaging is meaningful to people specifically in this crisis, they will connect the dots on their own.



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A Revolution in Retail

Preventing a dangerous race to the bottom

Private labels have become fully fledged brands and – in some cases – have gone premium. Post-pandemic, promotions and price cuts might reduce other brands' meaning and their ability to differentiate. There is therefore a risk of commoditization among brands that might jeopardize the deep bonds they have built with shoppers.

In the eyes of consumers, the grocery retail world in Italy is very clear: supermarkets are fully fledged brands and their private labels (but who still calls them that?) meet different and multiple needs. This is a view so strongly held that these goods sometimes even attain a more premium positioning than more "traditional" or "real" brands, as consumers call them, and perhaps this is not a coincidence.

In the past year, brands have largely been focusing their communication on tactical promotions and reduced prices: a new standard that might turn the sector towards risky commoditization and negatively impact on both margins and their relationship with customers. The transformation of retailer brands is easy to see from a look at recent creative work by some of Italy's leading supermarket chains. Esselunga positions itself as a food company, evidencing the high quality of its products, produced with care and dedication. Coop has a strong and direct advertising spot on the subject of sustainability being at the center of its interests – and yours, if you choose to be a Coop customer. Conad has long been concerned with the community and creating a social network in which no one should ever feel like an island. Lidl (yes, the discount store, but remember that to Millennials, the word "discount" no longer makes any sense) uses its communication to highlight the "Italianism" of its range (quality, choice of local brands). And these are only a few examples of grocery retailers who think of themselves as a brand. Indeed, they are brands!

Here in Italy, the grocery retailers are building a clear and potentially strong pact with people:

- They say who they are, they take a position and they generate expectations
- They clearly segment shoppers not only according to geo-marketing and socio-demos but also to specific needs, and are perfectly on-trend (localism, wellbeing, and so on)
- They seek out a more dynamic and high-spending target audience
- They pursue disintermediation, reaching shoppers with their own FMCG brands rather than those of third partiess



This conveys an important challenge in the immediate future. Grocery retailers have what it takes to be brands, with the advantage of being directly and physically connected with the people who "live" the supermarket (or other retailer touchpoints). And it is this advantage of direct contact that becomes a powerful opportunity to build authentic relationships, living up to the expectations of being a brand. Will this be difficult? Yes. Impossible? No. It is no longer enough to have satisfied customers, although of course that is essential. Today, we must have customers who live or experience our brands and their purpose.

This is important in the current situation, yet most brands' recent communications focus only on a tactical response to the crisis. They lack branding and engagement, hence they are limiting their memorability and ability to influence even shortterm decision-making by forgetting to nurture brand equity.

Propositions that give brands a commercial advantage are vital at any time, and especially now. However, they must be conveyed in a way that chimes with the established purpose of a brand. Remember, not everyone can win with a "lowest price" promise and a loud TV campaign. A focus on quality rather than price might be a better option for some players, as would a rethink on the most effective touchpoints for each brand.



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Mind the Trust Gap

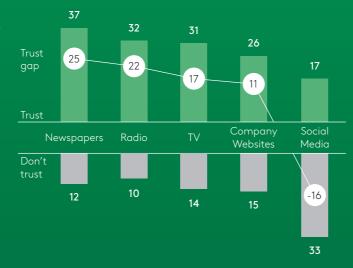
The sources of news people really believe

Consumers are using more connected personal devices to organize, curate and discover media. In other words, in theory, consumers can go anywhere they want for news and information. The content and communications industry is responding, and is designing offerings to cater to these personal preferences. This presents many new opportunities to brands, but it also comes with challenges. How do brands know which sources their target consumers use and trust for news and information?

We asked connected consumers how much they trust each media channel for news and information sharing.

They told us they trust the news and information they see in print and broadcast media more than what's on social media. Company websites are also more trusted than not.

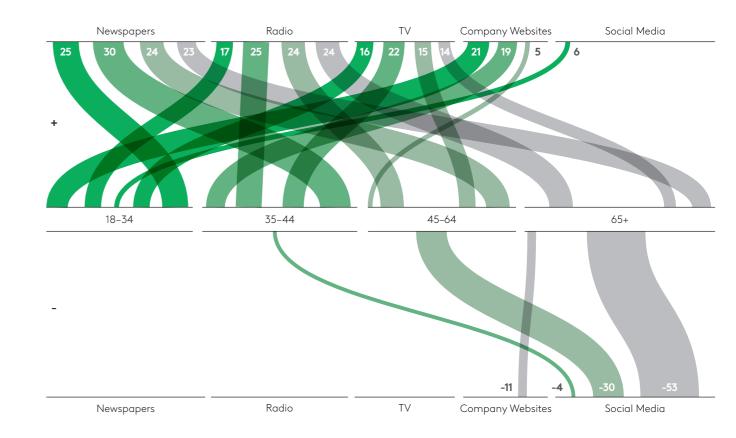
Social media is the only media form with a trust deficit across the total sample. By that we mean that more people distrust it than trust it. To be fair, the range of content posted online is enormous. The opportunity for incorrect information to be posted and reposted, giving it a patina of "truth", is increasingly recognized by consumers. There has also been widespread news coverage around incorrect and/or misleading information being posted on social media sites. News and information - The trust gap (in %)



The generation gap

It is fair though to say that trust differs significantly by audience group, especially by age, and in particular with regard to trust in social media. Some will trust those within their closed social media network more than those outside it. This trust in the news and information "echo chamber" is particularly evident among connected consumers aged 18–34. Only in this age group is social media more trusted than not.

That said, people in this age group also trust newspapers. Newspapers score well on trust across all age categories.



- Social media is most trusted for news and information sharing among those aged 18–34, and least trusted among those aged 65+. This incorporates both closed platforms (such as Facebook) and open platforms (like Twitter).
- Newspapers are the most trusted medium for news and information sharing across all age groups, with no discernible decline among 18–34s.
- Company websites are trusted as a source of news and information sharing except among the over 65s, who are less trusting than other age groups of all mediums except radio programmes.

The lack of trust in certain media forms is an important consideration for brands and public organizations planning communication strategies.

The geographical gap

While managing your reputation is a global issue, consumers' trust in media for news and information sharing varies by market. We believe this is a reflection of local media environments.

The media themselves tend to be locally regulated, structured and funded, all of which have an impact on the degree to which they're trusted as a source of news and information. As an example, the trust gap for social media is much deeper in Germany than it is in the UK or Italy.

PR and communication plans must be sufficiently flexible for such local differences to be taken into account.

Size isn't everything

The size of audience attracted to a media form is still important in public relations. But the degree of consumer trust in that medium and its content is increasingly significant.

The positive effects of trust make it an important consideration – and a responsibility – for those safeguarding a brand or organization's reputation when planning PR strategies.

For media owners too, consumer trust in their news and information capabilities is important.

To avoid damage to their business, they must manage their own reputations – not only in respect of those consuming their content but also in respect of those pitching content to them.



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III BrandZTM Resources



Kantar BrandZ™ Brand Valuation Methodology

Introduction

A BrandZ[™] ranking of brand valuations lists the brands making the largest absolute \$ contribution to the total value of their respective parent companies, considering both current and projected performance.

This is the true value of brand building and we want to isolate and reward the brands making the largest contributions to the success of their parent companies.

A company may have huge overall business value but the absolute \$ contribution made by the relevant brand(s) that the company owns may not be a comparatively large figure – at least not a large enough figure to qualify for the given BrandZ[™] ranking of brand values.

The brands that appear in this report are the most valuable brands in Italy. They were selected for inclusion in the Kantar BrandZ[™] Most Valuable Italian Brands 2021 report based on the unique and objective BrandZ[™] brand valuation methodology that combines extensive and on-going consumer insights with rigorous financial analysis.

The BrandZ[™] valuation methodology can be uniquely distinguished from its competitors by the way we use consumer viewpoints to assess brand equity, as we strongly believe that how consumers perceive and feel about a brand determines its success and failure. We conduct worldwide, on-going, in-depth quantitative consumer research, and build up a global picture of brands on a category-bycategory and market-by-market basis.

Globally, our research covers over 3.8 million consumer interviews in over 500 categories, and more than 17,000 different brands in over 50 markets. This intensive, in-market consumer research differentiates the BrandZ[™] methodology from competitors that rely only on a panel of "experts", or purely on financial and market desktop research. Before reviewing the details of this methodology, consider these three fundamental questions: why is brand important; why is brand valuation important; and what makes BrandZ[™] the definitive brand valuation tool?

Importance of brand

Brands embody a core promise of values and benefits consistently delivered. Brands provide clarity and guidance for choices made by companies, consumers, investors and other stakeholders. Brands provide the signposts we need to navigate the consumer and B2B landscapes.

At the heart of a brand's value is its ability to appeal to relevant customers and potential customers. BrandZ[™] uniquely measures this appeal and validates it against actual sales performance. Brands that succeed in creating the greatest attraction power are those that are:

Meaningful

In any category, these brands appeal more, generate greater "love" and meet the individual's expectations and needs.

Different

These brands are unique in a positive way and "set the trends", staying ahead of the curve for the benefit of the consumer.

Salient

They come spontaneously to mind as the brand of choice for key needs.

Importance of brand valuation Part 1 - Calculating

Brand valuation is a metric that quantifies the worth of these powerful but intangible corporate assets. It enables brand owners, the investment community and others to evaluate and compare brands and make faster and betterinformed decisions.

Brand valuation also enables marketing professionals to quantify their achievements in driving business growth with brands, and to celebrate these achievements in the boardroom.

Distinction of BrandZ™

BrandZ[™] is the only brand valuation tool that peels away all the financial and other components of brand value and gets to the core – how much brand alone contributes to corporate value. This core, what we call Brand Contribution, differentiates BrandZ[™].

The valuation process

Brand Z^{TM} valuations isolate the value generated by the strength of the brand alone in the minds of consumers i.e. with all other elements removed.

To achieve this, we calculate and combine two important elements: Financial Value and Brand Contribution

- **i** Financial Value the proportion of the total \$ value of the parent company that can be attributed to the brand in question, considering both current and projected performance.
- (i) Brand Contribution quantifies the proportion of this Financial Value that is directly driven by a brand's equity. i.e. the ability of the brand to deliver value to the company by predisposing consumers to choose the brand over others or pay more for it, based purely on perceptions.

Note: this does not include the proportion of consumers who choose the brand for reasons other than this predisposition e.g. those attracted by price promotions, a particularly prominent display etc. Such purchases are not due to the brand's equity and so are removed as part of the process.

Part 1 – Calculating Financial Value

Calculating Financial Value is a three-step process:

Step 1

We begin with the brand's **parent company**, which generates earnings from:

- i Tangible assets (assets with a physical form, which include *fixed* assets - e.g. buildings, machinery, land & current assets e.g. cash and inventory)
- (ii) Intangible assets (such as patents, trademarks and brands)

Example - 'Volkswagen AG' is a parent company that generates earnings from tangible assets like its manufacturing plants and equipment, as well as its intangible assets - the brand names under which the cars are sold – Volkswagen, Audi, SEAT etc.

To determine the proportion of earnings directly derived from the company's intangible assets we begin with **Corporate Earnings** - sourced from Bloomberg, which represent the latest annual earnings reported by the parent company. Then by using other financial data from the same source, we calculate and apply a metric called the **Intangible Ratio**.

By multiplying Corporate Earnings by the Intangible Ratio, we are left with **Intangible Earnings**, which represent earnings derived from intangible assets.

Step 2

Next, we need to determine the proportion of these **Intangible Earnings** that are directly attributable to the brand we want to value.

To do this we take the Intangible Earnings identified in Step 1 and apply the **Attribution Rate**, which literally attributes a proportion of the parent company's Intangible Earnings to the brand we want to value.

The Attribution Rate is determined by analysis of brand level financial information from the parent company's published financial reports and other credible sources, such as data from Kantar.

Once the Attribution Rate is applied to Intangible Earnings, we are left with **Branded Intangible Earnings** i.e. the proportion of the parent company's Intangible Earnings that can be attributed to the specific brand in question e.g. this step would attribute a proportion of Volkswagen AG's Intangible Earnings to Volkswagen, Audi, SEAT etc.

Step 3

The final step is to consider the projected earnings of the brand in guestion, which measures the brand's ability to generate earnings in the future and requires the addition of a final component – the **Brand Multiple**, which is also calculated from financial data sourced from Bloomberg. It's similar to the calculation used by financial analysts to determine the market value of stocks (Example: 6X earnings or 12X earnings).

When we multiply the Branded Intangible Earnings from Step 2 by the Brand Multiple, we reach the brand's true Financial Value – i.e. the proportion of the parent company's \$ value that can be attributed to the brand in question accounting for current and projected performance.

Part 2 – Determining Brand Contribution

To arrive at the true value of the brand (i.e. the asset in the minds of consumers) we need to quantify its strength relative to competitors i.e. to isolate the Financial Value that is directly driven by its BRAND EQUITY. This allows us to understand the proportion of the Financial Value that is explained by the brand alone and hence the total \$ value of the brand itself.

A brand's equity can impact consumer behaviour and contribute value to a corporation in three ways:

- () Current demand based on the strength of its equity alone a brand can influence consumers to choose it over others in the present – generating volume share
- ii) Price premium based on the strength of its equity alone a brand can influence consumers to be willing to pay more for it over others – generating value share and profit
- **(iii)** Future demand and price based on the strength of its equity alone a brand can influence consumers to buy the brand more in future or to buy it for the first time at the desired price - increasing volume and value share in future

Using BrandZ[™]'s unique survey based brand equity model (The Meaningfully Different Framework) we are able to quantify a brand's abilities in each of these three areas relative to competitors, with a survey based measure:

- **(**) Current demand = **Power**
- (ii) Price Premium = **Premium**
- iii) Future demand and price = Potential

Each of these measures contributes to the proportion of the company's total value accounted for by the brand's equity alone - i.e. the BRAND CONTRIBUTION

Part 3-Calculating Brand Value

Brand Value is the \$ amount that the brand contributes to overall business value of the parent company. This is calculated as follows:

BRAND VALUE = FINANCIAL VALUE x BRAND CONTRIBUTION

This is the final brand value figure that appears in the valuation, and positions the brand within the ranking as one of the country's strongest, most valuable brands.

ELIGIBILITY CRITERIA

Brands ranked in the Kantar BrandZ[™] Most Valuable Italian Brands 2021 meet the following eligibility criteria:

• The brand originated in Italy

- The brand is owned by an enterprise listed on a credible stock exchange, or its financial information is available in the public domain
- A brand is classified within the sector / category where it generates the majority of its revenue, e.g. Amazon sits within the Retail sector as it generates most of its revenue from retail activities

Why BrandZ[™] is the definitive **Brand valuation methodology**

All brand valuation methodologies are similar - up to a point.

All methodologies use financial research and sophisticated mathematical formulas to calculate current and future earnings that can be attributed directly to a brand rather than to the corporation. This exercise produces an important but incomplete picture.

What's missing? The picture of the brand at this point lacks input from the people whose opinions are most important – the consumer. This is where the BrandZ™ methodology and the methodologies of our competitors' part company.

How does the competition determine the consumer view?

Interbrand derives the consumer point of view from different sources like primary research and panels of experts who contribute their opinions. The Brand Finance methodology employs a complicated accounting method called Royalty Relief Valuation.

Why is the BrandZ[™] methodology superior?

BrandZ[™] goes much further and is more relevant and consistent. Once we have the important, but incomplete, financial picture of the brand, we communicate with consumers, people who are actually paying for brands every day, regularly and consistently. Our on-going, in-depth quantitative research includes 3.8 million consumers and more than 17,000 brands in over 50 markets worldwide. We have been using the same framework to evaluate consumer insights since we first introduced the BrandZ™ brand building platform in 1998 which allows historical understanding of the change in brand equity.

What's the BrandZ[™] benefit?

The BrandZ[™] methodology produces important benefits for two broad audiences.

- Members of the financial community, including analysts, shareholders, investors and C-suite, depend on BrandZ[™] for the most reliable and accurate brand value information available.
- Brand owners turn to BrandZ[™] to more deeply understand the causal links between brand strength, sales and profits, and to translate those insights into strategies for building brand equity and fuelling§ business growth. Since we have been using the same framework to measure these insights, this enables historical and cross-category comparisons.

Supercharge brand and business growth

Access a suite of customized reports and data packages from BrandZ[™], the world's largest brand equity platform via Kantar Marketplace.

Custom Reports

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

Brand Purpose

- Corporate Reputation
- Consumer Trust
- Brand Equity

KANTAR

Data Packages

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

Contact: BrandZ.Marketplace@kantar.com

www.kantar.com/marketplace

KANTAR

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Our BrandZ[™] country reports contain unparalleled market knowledge, insights, and thought leadership about the world's most exciting markets. You'll find, in one place, the wisdom of Kantar brand building experts from all regions, plus the unique consumer insights derived from our proprietary BrandZ[™] database.

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BrandZ[™] Top 100 Most Valuable Global Brands 2020

This is the definitive global brand valuation study, analyzing key trends driving the world's largest brands, exclusive industry insights, thought leadership, B2B trends and a look at Emerging Brands.



BrandZ[™] Top 75 Most Valuable Global Retail Brands 2020

Changing consumer priorities and a rapidly shifting shopping landscape present the world's retail brands with unprecedented challenges. This exclusive report looks at how the leading brands are adapting, and provides insights into key trends and analysis of emerging opportunities.



BrandZ[™] Insights 2021 US Edition

This series of reports analyzes changing consumer attitudes and behaviors, and the resilience of American brands, during a year disrupted by the global pandemic along with a divisive presidential election and the struggle for racial justice. These special sector reports focus on Retail, FMCG, Banks, Business Solutions & Technology, and Media & Entertainment.





BrandZ[™] Top 40 Most Valuable Canadian Brands 2020

As one of the most moderate, politically stable and diverse countries in the world, Canada has been a bastion for trust, transparency and pluralistic values in recent years. But how is it faring economically? Find out in our first ever BrandZ[™] Canada report!



The report profiles the most valuable brands of Argentina, Brazil, Chile, Colombia, Mexico and Peru and explores the socio-economic context for brand growth in the region.



BrandZ[™] Top 50 Most Valuable German Brands 2021

Germany has become synonymous with excellence in design and engineering, not just in motor cars... but in other categories that have exported what Germany itself represents. In an uncertain geopolitical landscape and time, find out how diversity has driven growth in this fascinating market.



BrandZ[™] Top 30 Most Valuable Italian Brands 2021

Modern Italy is no longer just the home of fine art, rich history, and la dolce vita. While Italy hosts some of the most recognized and coveted brands on the planet, this report highlights how Italian engineering, design and creativity are powering world-class Italian brands, both old and young.

BrandZ[™] Top 50 Most Valuable



BrandZ[™] Top 50 Most Valuable French Brands 2021

France is one of the largest economies in the EU, seventh largest in the world, and has proved itself as being adept at managing change. This latest report explores a landscape in transition, and how its rich heritage and expertise can help define the path for French brands in the future.



BrandZ[™] Top 30 Most Valuable Dutch Brands 2021

Netherlands is one of the world's leading exporters of agriculture, with prime transportation links, and a strong open-market policy. This report identifies what's driving growth in one of the most liberal and culturallyvibrant countries in Western Europe.





BrandZ[™] Top 30 Most Valuable Spanish Brands 2020

This report identifies the key forces driving growth in one of the largest, most influential and dynamic markets in Western Europe, built on centuriesold strengths, and adapting to new and challenging conditions.



BrandZ[™] Top 75 Most Valuable UK Brands 2020

As the UK embarks on a tumultuous period of transformation and uncertainty, this ranking explores the UK's most iconic brands, successes, and identifies the key forces driving growth in this market.



BrandZ[™] Top 75 Most Valuable Indian Brands 2020

This in-depth study analyzes the success of powerful and emerging Indian brands, explores the Indian consumer's shopping habits, and offers insights for building valuable brands in the world's largest democracy.



BrandZ[™] Top 30 Most Valuable South African Brands 2020

Our South African brands ranking is one of our most diverse, with brands from several categories covered from banks and hospitals to beer, fast food and entertainment. Explore brand building in the 'rainbow nation'.



BrandZ[™] Top 40 Most Valuable Australian Brands 2019

Our latest Australian ranking highlights an economy dominated by retail, telecoms, insurance and banks. But what's missing from Australia's brand mix? Explore Australia's most successful brands, the innovation gap, and key lessons for building strong brands that stand the test of time.

BRANDT TOP

BrandZ[™] Top 50 Most Valuable Indonesian Brands 2019

Now in its fifth year, this study analyzes the success of Indonesian brands, examining the dynamics shaping this fast-developing market, and offering insights for building valuable brands.



BrandZ[™] Top 50 Most Valuable Japanese Brands 2021

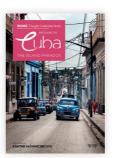
This ground-breaking study ranks Japan's most valuable brands, identifies their strengths, and explores the key factors that are driving growth in the market and changes in the Japanese brand ecosystem.



BrandZ[™] Top 30 Most Valuable Emirati and Saudi Brands 2020

The Middle East has long been an enigma for many brands; a region steeped in history and tradition, yet fast adapting to changing consumer lifestyles and shifting priorities. Our latest Middle East ranking is one of our most dynamic, including brands from multiple categories including food & drink, real estate, and energy.

Spotlight series



BrandZ[™] Spotlight on Cuba

Cuba is a market unparalleled both in the Caribbean region and the world. Brand awareness among Cubans is high but gaining access to them uniquely challenging. Now is the time to plan your Cuba strategy.



hidden gems.



international brands to gravitate toward this fast-growth market and make a beeline for one of Asia's

BrandZ[™] Spotlight on Vietnam

BrandZ[™] Spotlight on Vietnam Check out the latest Spotlight report on this fascinating, fast-paced market. Whether you're interested in food and beverages, have a passion for fashion, or would like an insight into Vietnam's financial services, this is your first stop!

The BrandZ[™] **China Insights** Reports

In-depth brand-building intelligence about today's China

The opportunity to build brands in China is greater than ever. But so are the challenges.

The fastest growth is happening deep in the country, in less well-known cities and towns. Consumers are more sophisticated and expect brands to deliver high-quality products and services that show real understanding of local market needs.

Kantar has been in China for many years. We know the Chinese market in all its diversity and complexity. This experience has gone into our series of BrandZ[™] China reports. They will help you avoid mistakes and benefit from the examples of successful brand builders.







BrandZ[™] Top 100 Most Valuable Chinese Brands 2020

The report profiles Chinese brands, outlines major trends driving brand growth and includes commentary on the growing influence of Chinese brands at home and abroad.

Brand Builders 2020 In association with Google

This groundbreaking study aims its radar at the edge of the Chinese brand universe, exploring developed country markets where only a few Chinese brands have dared to go - so far.





The Power and Potential of the Chinese Dream

"The Power and Potential of the Chinese Dream" is rich with knowledge and insight, and forms part of our growing library of reports about China. It explores the meaning and significance of the "Chinese Dream" for Chinese consumers as well as its potential impact on brands.



Using research and case studies, the report examines the shopping attitudes and habits of China's rising middle class and explores opportunities for brands in many categories.



BrandZ[™] Top 50 Chinese Global

Unmasking the Individual Chinese Investor

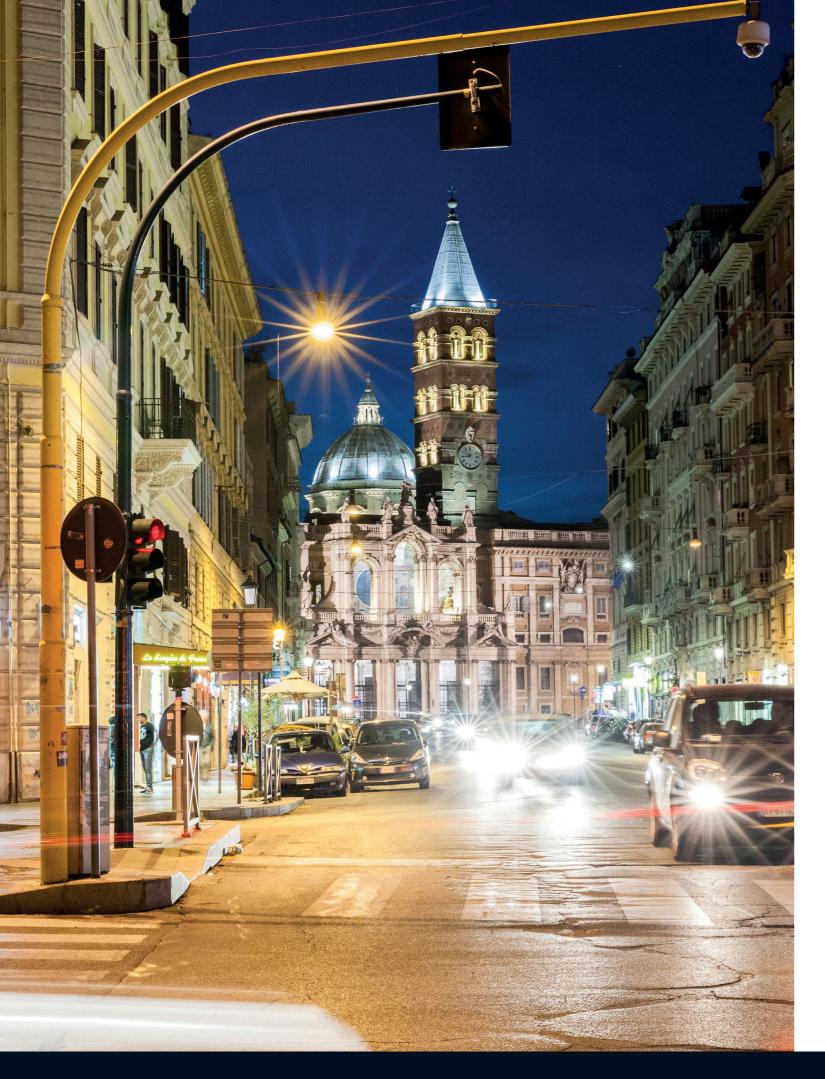
This exclusive report provides the first detailed examination of Chinese investors, what they think about risk, reward and the brands they buy and sell. This will help brand owners worldwide understand market dynamics and help build sustainable value.



The Chinese New Year in Next Growth Cities

The report explores how Chinese families celebrate this ancient festival and describes how the holiday unlocks year-round opportunities for brands and retailers, especially in China's lower tier cities.

For the iPad magazine search for BrandZ^{\rm TM} Chinese New Year on iTunes



BrandZTM Perspectives

BRANDZ Brand Personality

Brand Personality – NEW!

Premium

Understand the emotional side of your brand through personality archetypes to aid strong and consistent communication with your consumers.

Premium – NEW!

Strategic pricing to increase your brand's profitability; compares pricing and perception to identify your potential risk or opportunity.

BRANDZ[™] Consumer Trust

This report allows you to take a

deep dive into brand integrity,

brand's trust credentials.

summarising and diagnosing your

Consumer Trust

BRANDZ[™] Corporate Reputation

Corporate Reputation

Gain an invaluable insight into your brands' corporate reputation. Find out why it matters, and how you can influence it, using the latest analysis.





BRANDZ[™] Brand Purpose

Brand Purpose

How a brand can be more than a profitable asset. Understand why your brand exists beyond profit, and your role in consumers' lives.



BRANDZ Perspectives

Corporate Reputation

Why corporate reputation matters and how to influence it

www.kantar.com/marketplace/solutions/brand-insights/corporate-reputation-report

BRANDZ Perspectives

Consumer Trust

Why consumer trust matters and how to influence it

www.kantar.com/marketplace/solutions/brand-insights/consumer-trust-report

KANTAR

Get the BrandZ™ Perspective on Corporate Reputation, Consumer Trust and Brand Purpose on Kantar.com/Marketplace

- of new BrandZTM Perspectives reports
- countries and versus competitors
- to drive brand and business success

BRANDZ Perspectives

Brand Purpose

Why brand purpose matters and how to influence it

- Understand the evolving influence of Consumer Trust, Brand Purpose and Corporate Reputation in this series

- Review your brand's performance over time, across

Access recommendations grounded in insights proven

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KANTAR In Italy

Kantar is the world's leading evidence-based insights and consulting company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks, our innovative analytics and technology, we help our clients understand people and inspire growth.

To learn more about how to obtain valuable insights applicable to all business areas, please contact:

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You can also keep updated on the latest news and studies from the Kantar network in Italy through the Kantar portal:

kantar.com/it

🎔 Kantar ITA

In Insights by Kantar







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The BrandZ™ Italy Team

These individuals created the report, providing research, valuations, analysis and insight, editorial, photography, production, marketing and communications



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A journalist for 20 years, Jo worked

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in business writing with a focus on

branding and marketing. She has

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since worked in Italy and the UK, as



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Gabriella is Italy's Marketing Director of Insights at Kantar, leading the local marketing communications, PR, and launch event activities for the new ranking.

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Halina is the BrandZ[™] Marketing Director at Kantar, Insights Division, where she is responsible for the PR, marketing and communications on the BrandZ[™] projects.



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Jo Bowman

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Raam is the Global Projects Director for BrandZ[™] at Kantar. He led the production of the Kantar BrandZ[™] Most Valuable Italian Brands 2021 report, as well as marketing communications for other BrandZ[™] projects.

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KANTAR

Make better, faster brand decisions to win the battle for market share

Get ahead of your competition, using an agile brand guidance system that gives you the crucial insights you need, when you need them. Understand your current brand performance, and use leading-edge analytics to simulate where it is heading.

Contact your local Kantar team to find out how you can:

Optimize and justify marketing investments Strengthen your brand equity and sales conversion Grow your brand now and in the future

KANTAR

The Kantar Sustainable Transformation Practice

The world is at an inflection point; at the heart of these challenges is a need to understand people

Environmental and social challenges dominate the news, and consumer and employee activism are the new normal. In response, the financial community is demanding action to de-risk business models. These changing values and expectations create risk for both private and public organizations.

The Kantar Sustainable Transformation Practice brings together expertise and tools from across Kantar to support organizations - both commercial and public - to better understand people and empower them in the definition, activation and measurement of their impactful sustainability strategies. Kantar has a diverse portfolio of research in this space, helping brands and organizations develop human-centric transformation programmes.

To find out more about the Kantar Sustainable Transformation Practice and how it could support your organization, please visit www.kantar.com/expertise/sustainability

"We are dedicated to leveraging our expertise in human understanding to identify how to translate values and purpose into meaningful action"

Jonathan Hall, Managing Partner, Kantar Sustainable Transformation Practice

Kantar's brand guidance systems



Mobility Futures

How mobility will be shaped by the world's great cities

The great cities of the world are energising places to live. But mobility – how people travel to, across and within the city landscape – remains a challenge. Congestion, air pollution, accelerating urbanisation, shifting working patterns and new technologies are all forces which affect the future of mobility.

Kantar's Mobility Futures study reveals which cities are leading the way in mobility transformation and uncovers what drives people's mobility decisions. It provides clear recommendations to help mobility players and municipalities seize tomorrow's opportunities – and shape a more sustainable future.

20,000+ interviews | 53 expert perspectives | 31 cities | 1 forward-facing study

To find out more, contact **mobilityfutures@kantar.com** or visit **www.kantar.com/mobility-futures**

KANTAR

Kantar's consumer panels help brands find the shoppers they need to grow.

Providing the most-detailed picture of consumers' purchasing habits and usage occasions by monitoring what they buy, where, when, how often, which brands, at what price and why.

Tracking changes in behavior and accurately predicting how they might evolve in the future and advising you how best to spend your marketing budget.

Discover which retailers, people, occasions, categories and trends will generate sustainable growth for the future.

Build a plan to grow categories and brands in every retail environment, making the most of traditional and emerging retail channels.

KANTAR

Kantar tracks 750,000 shoppers who provide us with invaluable information on their household's

- We measure all FMCG categories and +125,000 brands in 52 countries
- We track every purchase, in every store, at any time, and on a continuous basis
- All channels and retailers covered from modern to traditional and emerging, including e-commerce and out-of-home
- A cutting-edge online platform to access data 24/7 and run live analytics

Kantar.com

Brand valuation contact details

The brand valuations in the Kantar BrandZ[™] Most Valuable Italian Brands 2021 report are produced using the latest market data from Kantar, along with Bloomberg.

The consumer viewpoint is derived from the BrandZ[™] database. Established in 1998 and constantly updated, this database of brand analytics and equity is the world's largest, containing 4 million consumer interviews, and almost 18,000 brands in over 50 markets.

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You can also find out more on the BrandZ[™] offer at:

kantar.com/brandz





BRAND VALUATION SERIES

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