

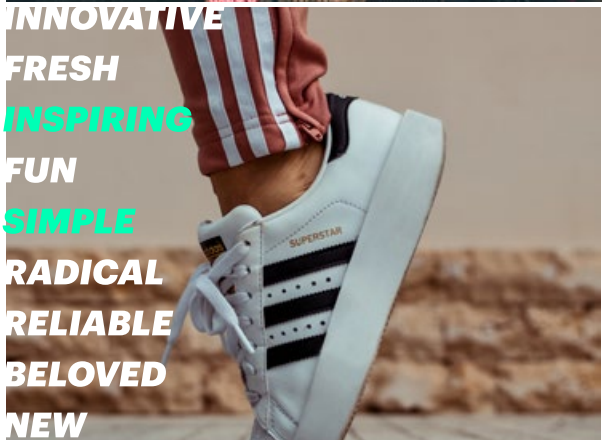
2018

United States
United Kingdom
Germany
China

prophet.com/relevantbrands-2018

PROPHET 铂慧

Brand Relevance Index™



INNOVATIVE
FRESH
INSPIRING
FUN
SIMPLE
RADICAL
RELIABLE
BELOVED
NEW

PUSH
THE
STATUS
QUO

2018

United States
United Kingdom
Germany
China

prophet.com/relevantbrands-2018

RELEVANT BRANDS

INSPIRE PEOPLE





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Introduction



At Prophet, we believe that the strongest brands are the ones that are relentlessly relevant and are making a difference in consumers' lives. We surveyed nearly 13,000 consumers from 47 cities on 249 brands across 33 industries to develop our customer-based brand relevance ranking.

Defining Relevance

What is Brand Relevance?

Relentlessly relevant brands engage, surprise and connect. They delight, disrupt and deliver. They are restless. They push themselves to earn and re-earn customers' loyalty — and they define and redefine what's possible in their categories and in our world. Those companies that have built relentlessly relevant brands generally have...

FOUR COMMON PRINCIPLES...

A person is shown from the chest up, seen from the side and back, with their arms raised in a celebratory gesture. They are holding a microphone in their right hand. The background is a vibrant, colorful nebula or star field, transitioning from deep red on the left to bright blue and white on the right. The overall atmosphere is energetic and inspiring.

Four Principles of Brand Relevance

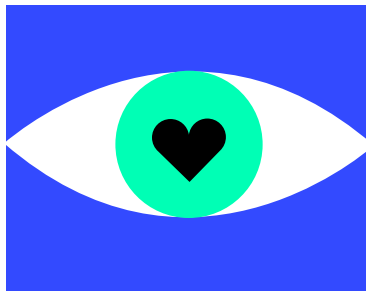
- 1 Customer Obsessed
- 2 Ruthlessly Pragmatic
- 3 Distinctively Inspired
- 4 Pervasively Innovative

1

Customer Obsessed

Brands we can't imagine living without

Everything these brands invest in, create and bring to market is designed to meet important needs in people's lives.



Four Principles of Brand Relevance

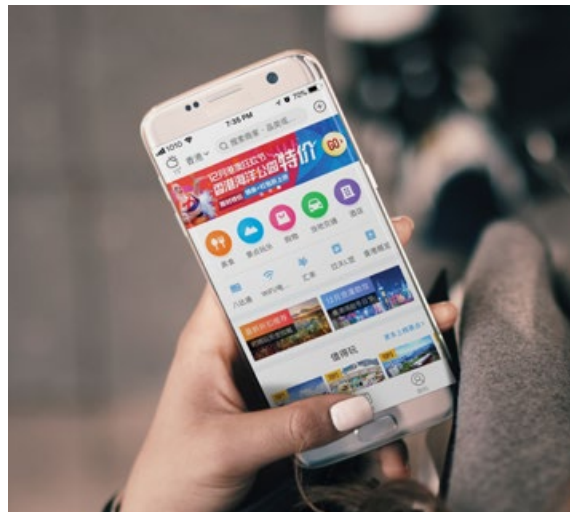
- 1 Customer Obsessed
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- 4 Pervasively Innovative

2

Ruthlessly Pragmatic

Brands we depend on

These brands make sure their products are available where and when customers need them, deliver consistent experiences and simply make life easier for their customers.



INSPIRING
FUN
SIMPLE
RADICAL
RELIABLE
BELOVED



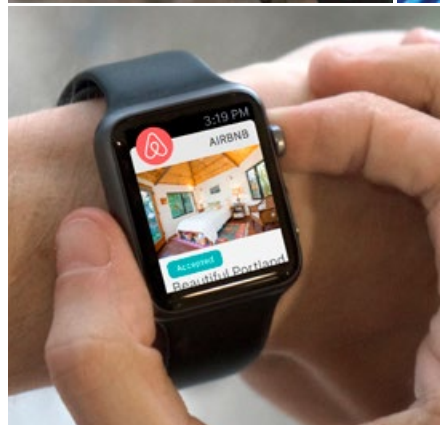
Four Principles of Brand Relevance

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③ Distinctively Inspired

Brands that inspire us

These brands make emotional connections, earn trust and often exist to fulfill a larger purpose.



"Life gets a little bit better when people can make more out of their moments—whether it's cooking a new recipe, trying a different hairstyle, or redecorating their home. In the moments, *people tell us they feel a spark of creativity and more confident.* And they like that they can be themselves. We're humbled that so many people have made Pinterest a part of their lives and made our brand relevant. We remain committed to helping them discover what they love and do those things their real life."

Four Principles of Brand Relevance

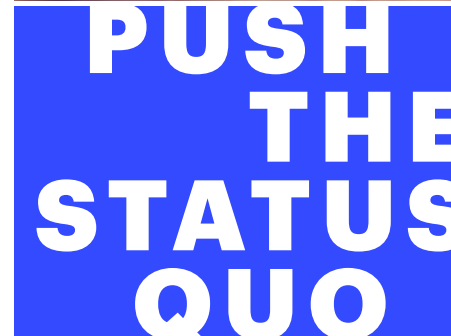
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- 2 Ruthlessly Pragmatic
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- 4 Pervasively Innovative

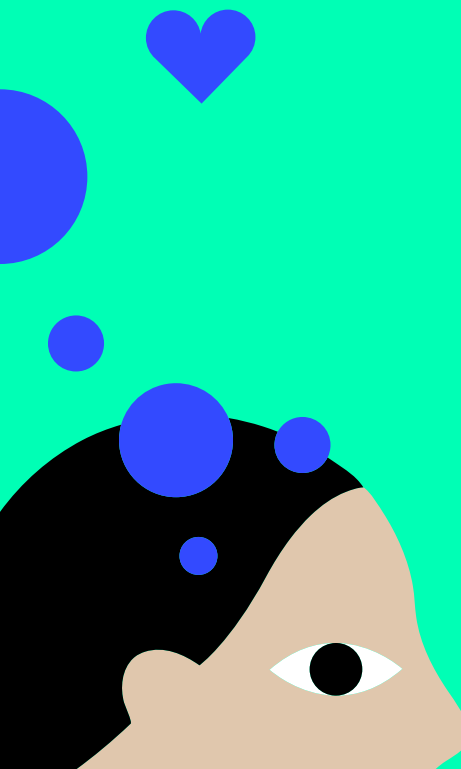
4

Pervasively Innovative

Brands that consistently innovate

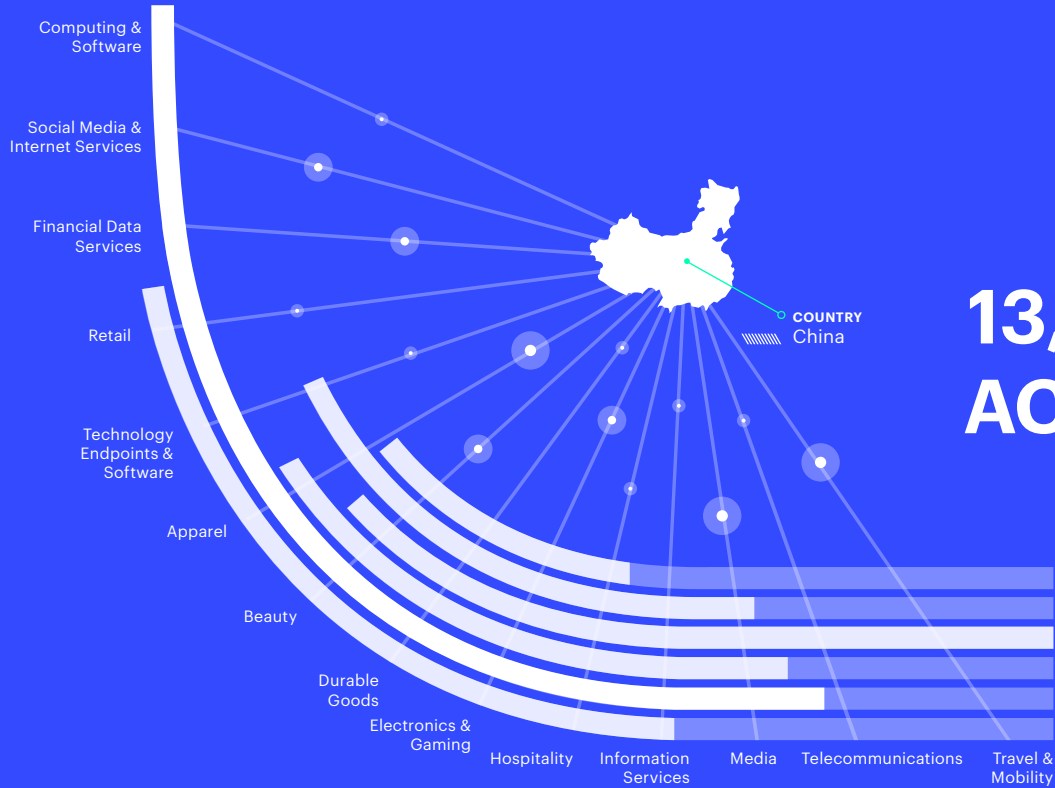
These brands don't rest on their laurels. Even as industry leaders they push the status quo, engage with customers in new and creative ways and find new ways to address unmet needs.



A stylized illustration of a person's head in profile, facing right. The head is light brown with a large black eye. Above the head are several blue circles of varying sizes, representing thought bubbles, and a blue heart shape. The background is a solid light blue.

“It’s clear to be successful, brands need more than size and ubiquity. They must create a product that people love enough to integrate into their everyday lives. The brands that inspire this level of loyalty will ultimately grow the fastest because they are relevant in the moments that matter most to consumers.”

SCOTT DAVIS
CHIEF GROWTH OFFICER
Prophet



**WE SURVEYED
13,000 CONSUMERS
ACROSS 249 BRANDS**

How it Adds Up

The Top 50 Brands in China



The Results are in...

Who is Winning
Across the 4 Principles
of Brand Relevance

Customer Obsessed

Brands we
can't imagine
living without



淘宝网
Taobao.com

Ruthlessly Pragmatic

Brands we
depend on



美团
meituan.com

Distinctively Inspired

Brands that
inspire us

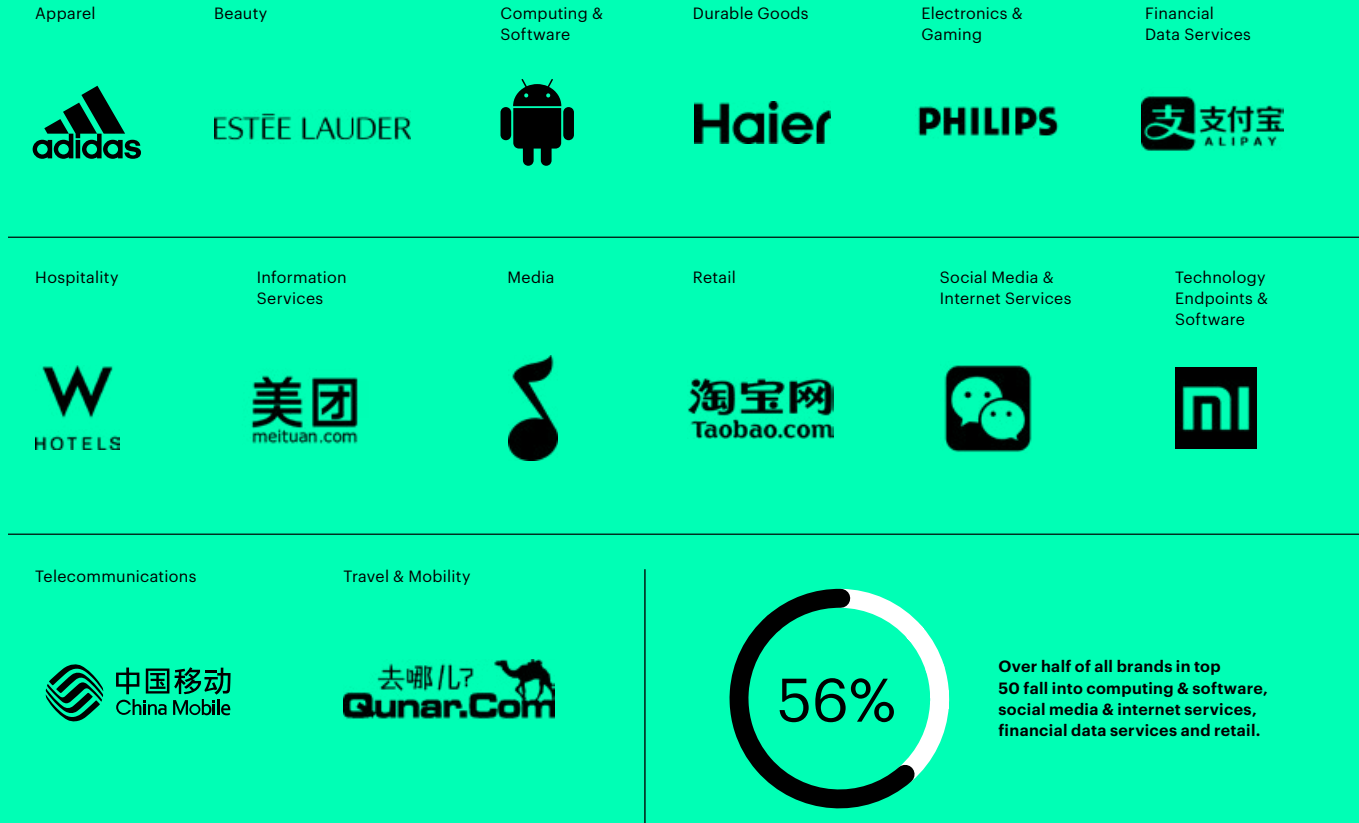


Pervasively Innovative





Brands that
consistently
innovate








Industry Leaders








Top Brands Among Males

1.  支付宝
ALIPAY
2. 
3. 
4.  HUAWEI
5.  intel®






Top Brands Among Females

1.  支付宝
ALIPAY
2. 
3. 
4.  Microsoft
5.  HUAWEI

Top Brands Among Millennial

1.  支付宝
ALIPAY
2. 
3. 
4. 
5.  淘宝网
Taobao.com

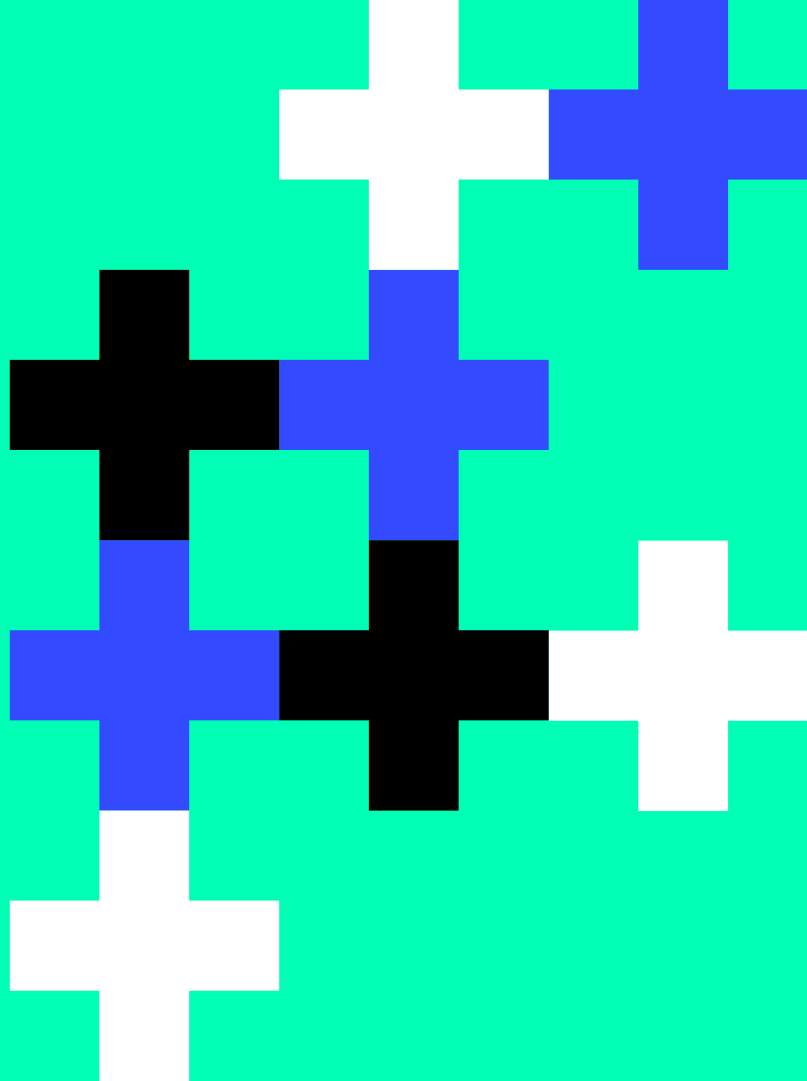
Top Brands Among Non-Millennial

1.  支付宝
ALIPAY
2. 
3. 
4.  HUAWEI
5.  Microsoft

Key Findings →

An Evolving Brandscape

In several ways, the 2018 Brand Relevance Index is pointing towards a more sophisticated Chinese consumer who has more faith in Chinese brands.



Key Findings

Local Brands Rise...

First, local brands now constitute of the majority of the BRI's Top 50 brands. Two years ago, 32 of the Top 50 brands were multinational (MNC) brands. Today, 30 are from the mainland. New local brand categories run the gamut from consumer electronics, to retail, digital media and travel & hospitality.

...Fueled by Innovation

Second, for the first time, innovation – not basic price/value reassurance – is propelling the momentum of local brands. In 2017, when AliPay and WeChat were included in measurement of “pervasive innovation,” local brands boasted a large advantage. But when those two power brands were excluded, MNCs took the lead. In 2018, that lead evaporates. It is important to note, however, the local brands still score lower on “distinctive inspiration,” indicating the lack of long-term brand purpose, the lynchpin of loyalty and price premiums.

Less Bling, More Confidence

Third, the appeal of in-your-face bling amongst consumers in first-tier cities may be wearing thin. Apple (#11) and Huawei (#4) flip in ranking nation-wide compared to last year and Apple ranks higher in third-tier cities than in glittering coastal capitals. On the other hand, aspirational MNC brands from hospitality and auto industries rank only in the top 50 in third-tier cities. The fact that most consumers in these markets are not yet able to afford these brands is likely indicative of future optimism.

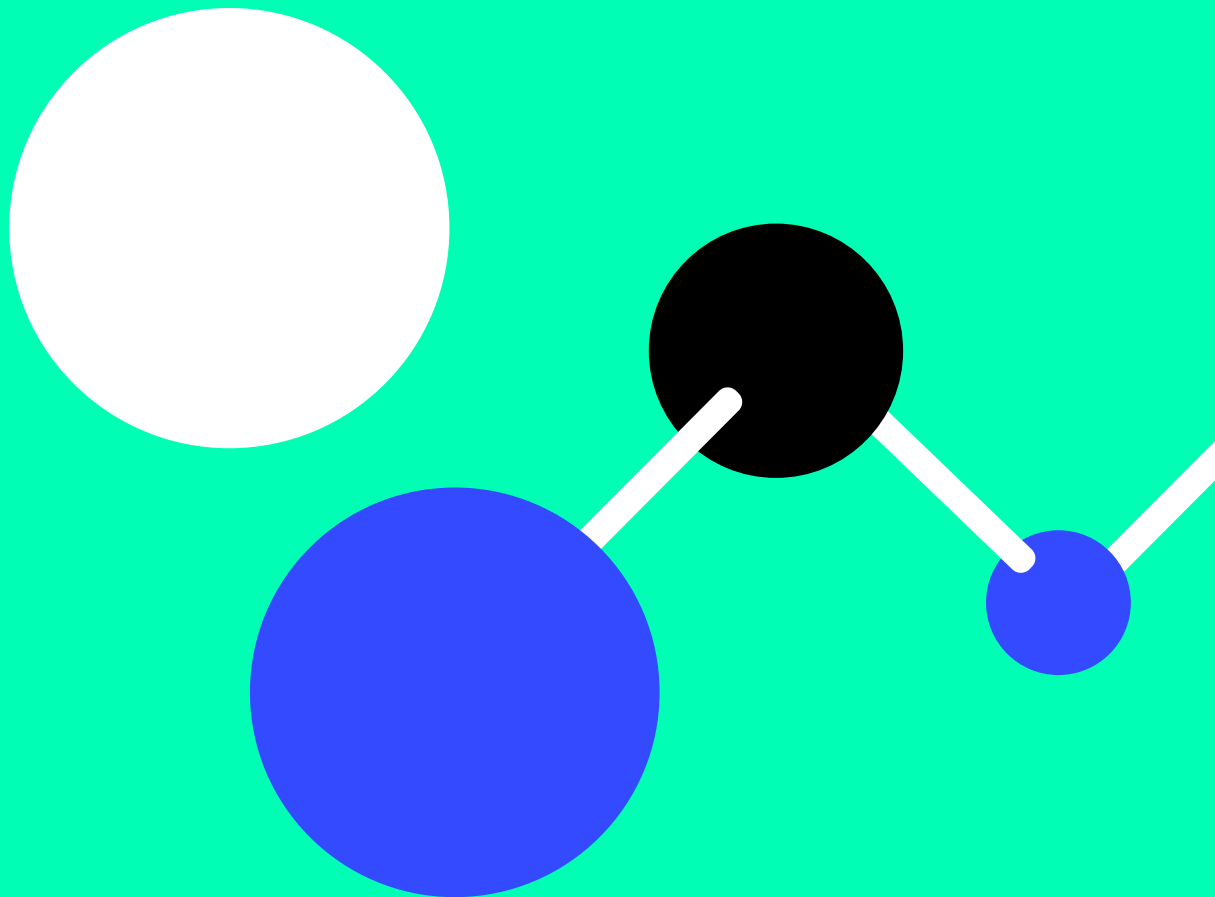
Eternal Pragmatism

Finally, Chinese consumer remain fundamentally practical. Of the four BRI principles – pervasive innovation, customer obsession, distinctive inspiration and ruthless pragmatism, the last pulls the most weight (7% more than average). This reflects a basic cultural truth: Chinese want brands that will help them advance in life, products that are means to an end.

Themes →

When we looked at the highest performers, we observed that they have FIVE WAYS of continually reinventing themselves.

The top brands have the commitment to stay ahead of customer needs and market trends—and they have the discipline to execute on the insights they develop. These insights form the foundation for ideas that become game-changing innovations.



Themes

1
Ignite

2
Liberate

3
Enrich

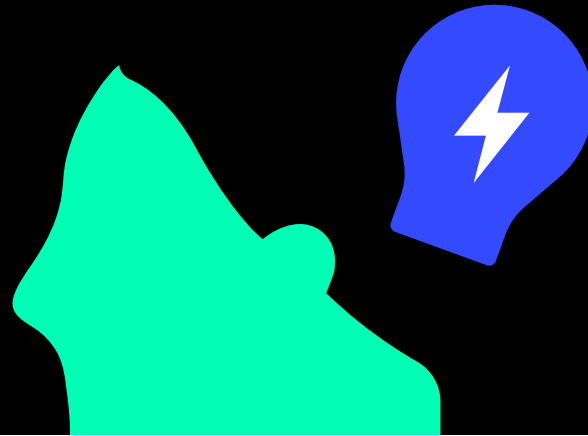
4
Foster

5
Empower

1

Ignite

Ignite meaningful and tangible innovations



Scale and speed no longer defines success in China, innovation does. With Internet bringing booming access to information, Chinese consumers are growing to be more strategic in their purchase - they value new, meaningful benefits from a brand beyond its heritage equities. Home-grown brands in China used to win on broad penetration and speed to market, but are now realizing innovation will fuel the next round of growth. Who used to be perceived as followers of international leaders has redefined themselves as a group of new homegrown heroes, through continuous tangible innovation - they are outpacing their international peers, winning the heart of Chinese consumers, and catching attention from the broader world.

2018 is the first year we see domestic brands starting to take a lead on “pervasively innovative” in some

categories - Huawei (#4) and Xiaomi (#15) marked this exciting shift by outperforming Apple (#11) in smartphones. Huawei P20 Pro is the first phone in the world that carries a triple rear camera. Xiaomi's Mi Mix launched back in 2016 showed the world near-bezelless design long before iPhone X did. These brands keep inspiring the consumers by introducing new design and feature innovations, and staying ahead in the category.

Chinese technology giants are also keeping innovating and redefining how business and consumers could connect and engage with each other today and in the future. WeChat (#3) fully launched Mini Programs in 2017 to connect businesses and consumers on a unified platform through a seamless experience.

Innovation is something easy to claim yet just difficult to deliver. Successfully cutting through the clutter requires meaningful and tangible innovation that is based on in-depth consumer insights rather than innovation for the sake of innovation or marginal features improvement. The question is, do you know what is meaningful and tangible to consumers?

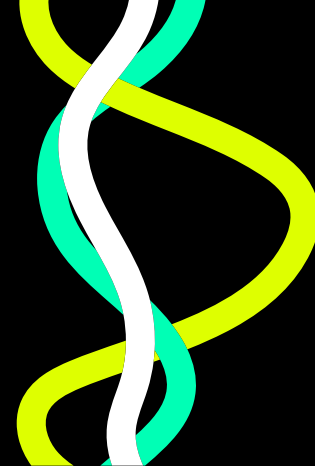
Themes

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Ignite2
Liberate3
Enrich4
Foster5
Empower

2

Liberate

Liberate lifestyle with connectivity



The speed of connectivity innovation in 2018 has passed through an inflection point. The Chinese no longer are happily surprised at the lifestyle enrichment different platforms offer. Instead, they now demand them.

First, every aspect of daily life is now integrated in one-stop apps that offer unprecedented seamlessness. Meituan (#8), until recently a food delivery and restaurant review app, recently merged with Dianping, to broaden offerings to include everything from ticket booking to travel arrangements. The March 2018 acquisition of Mobike, a dockless biking giant, further allows consumers to discover their world.

Second, technology also liberates by connecting like-minded subtribes, people who share similar

passions. Adidas (#14) has created the “Republic of Sports,” a full-range of omni-channel experiences. Fans of specialty sports from rock climbing to a mountain biking to marathon racing gather both virtually and offline to compete and share skills. Meitu (#39), a photo-beautification app, has morphed into a “social photo” platform for aficionados to follow similar, often offbeat, trends. Its soft launch of “Social Circle” has been a success with users spending an average of 25 minutes on the site.

Third, online and offline retail worlds have been connected, further reinforcing seamlessness. JD.com (#35), the Amazon of China, introduced a “full service” luxury platform, Toplife. It implemented an end-to-end high-end experience -- from

customized online stores to deliveries at home. Hema Fresh (#43), owned by Alibaba, has been such a hit property prices near its stores have risen. Every product is bar-coded, providing information to both provide reassurance regarding ingredient quality and highlight brand provenance. Thirty-minute delivery is guaranteed, supported by state-of-the-art logistics.

Themes

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Ignite

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Liberate

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Enrich

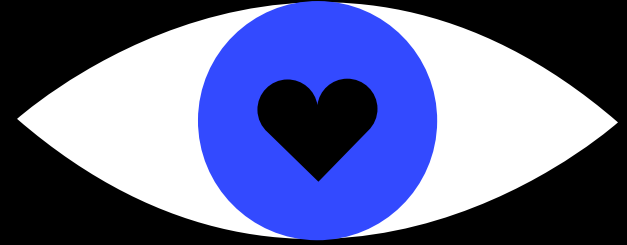
4
Foster

5
Empower

3

Enrich

Enrich experience through
curated content



Nowadays, consumers not only trade up their “material needs” but also their “spiritual consumption”. They seek emotional connection and express their authentic self through content. Some of the most relevant brands curate content based on in-depth consumer insight and commercialize this opportunity whilst creating an entire community surrounding this. Thus, we witnessed that paid content market which has reached 40 billion sales in 2018 and is expected to keep growing at double digits in China.

Being one of the first to start paid subscription service, the first to buy overseas programs, and the first to produce its own IP, iQiyi(#49) now has over 76 million viewers on PC and 158 million on mobile devices. Recent self-produced shows such as “Rap

ESTÉE LAUDER



of China” provoked the “hip-hop” spirit among the youth and redefined the way of self-expression; “Idol Producer” generated strong emotional ties between performers and viewers by making people believe that the success of an idol is a collective result of every viewer’s contribution. For these hit TV series, iQiyi developed tie-in themed mobile games and side-line products to enhance user stickiness in consumers’ life beyond the standard viewing time.

Brands who originally were retailers or commerce platforms, spare no efforts to re-engage with millennials and even Gen Z with curated content. As a brand boasting 71 years of heritage, Estee Lauder (#22) successfully repositioned itself as a relevant brand for the youth by identifying the perfect national celebrity influencer, Yang Mi,

and generating buzz and curiosity around the brand. Beyond the existing fan community, it kept attracting new members through offline free trials and encouraging them to share real feedbacks on social media platforms. Similarly, Taobao.com(#6) established community-based verticals and enable consumers to navigate their shopping experience by their passion points, which “tempted” lifestyle goods in consumers’ minds and resulted in even higher conversion rate.

As we see the continuous rise of high quality content consumption, are you ready to build relevance with our next wave of consumers via this content-centric ecosystem?

Themes

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Ignite

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Liberate

3
Enrich

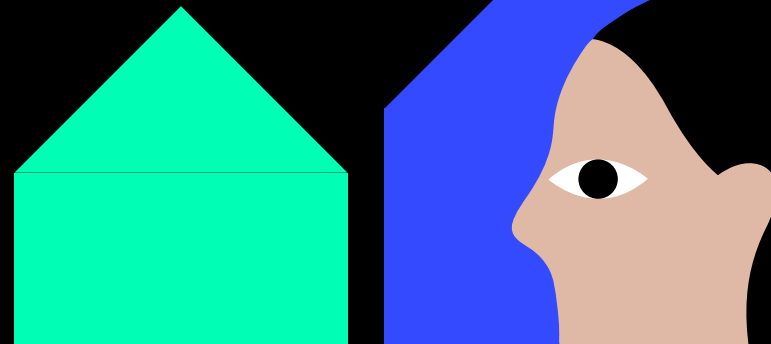
4
Foster

5
Empower

4

Foster

Foster happier healthier home



Haier



PHILIPS

Home has become the new center of gravity in the life of the rising Chinese middle class. With 200 million middle class households, and continued increase in home ownership across all city tiers, home has become the hub for better living. Some of the most relevant brands have capitalized on this opportunity, providing solutions and experiences that make home a better place to be--A more connected place, a means for discovery and self-expression, a center for entertainment, an oasis for health and well-being.

Haier (#21) has rolled out its smart home solution in 2018, which allows consumers to control all their appliances at their fingertips. Centered around the four most important physical spaces in the home – living room, kitchen, bathroom and bedroom – it provides seven comprehensive solutions –air, water,

clothes care, security, voice control, health and information. Midea (#33) 's new kitchen appliances, provide and guide consumers through menus based on food available in the pantry and fridge, and can suggest recipes that are personalized, more balanced and healthier through advanced sensor technology. Xiaomi (#15), enables better living at home, bringing health and entertainment solutions, following three fundamentals, Smart, Beautiful Design, Affordable prices. It has rolled out entertainment products such as Mi Box and Mi VR Play and gamified the user interaction with its smart speaker "Little AI". Lastly, aware of the impact of lighting on consumers' mood and happiness, Philips (#24), has partnered with Xiaomi (#15) to design and develop connected LED luminaires and lamps to fit and create the right mood for your Home.

Home is not just the playground of tech and appliance giants. It is an opportunity which every business leader and marketer need to consider, to build more relevant consumer value proposition and experiences. Do you have what it takes to win "At Home"?

Themes

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Ignite

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Liberate

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Enrich

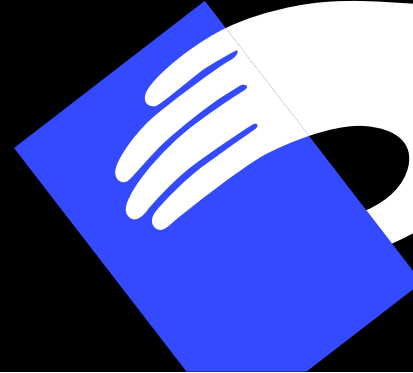
4
Foster

5
Empower

5

Empower

Empower global citizens



From January to June 2018, the number of Chinese outbound traveler has reached 71.31 million, increasing 15% from the same period in 2017. Evolving from 'go to see' to 'go to experience', Frequent Independent Travelers (FITs) no longer take shopping as their main purpose when going abroad. Instead, they are seeking more authentic experience by eating as local, commuting as local and living as local. However, while open to try something new, FITs don't expect big surprise and appreciate brands to provide Chinese friendly product and service without hurting the local authenticity to give them sense of security.

Alipay (#1) goes beyond a payment channel even outside of China. It is an APP with multi-functions around peripheral products and services for travel,

including insurance, tax refund, shopping loan and wifi/internet packages. It is devoted to making overseas experience hassle-free by making the process simpler, smarter and more digital. On top of discounted price paying with Alipay, its collaboration with location-based service providers such as Koubei and Yelp enables it to recommend best places to eat / shop / play for Chinese overseas.

By March 2018, UnionPay (#23) card has reached 90 million pieces, covering 200 countries and regions and more than 23 million merchants overseas. It forms strong alliance with smart phone payment brands such as Huawei Pay and Apple Pay to release consumers from taking physical cards when travelling. It continues to strengthen its 'UnionPay your way' campaign with premise marketing based

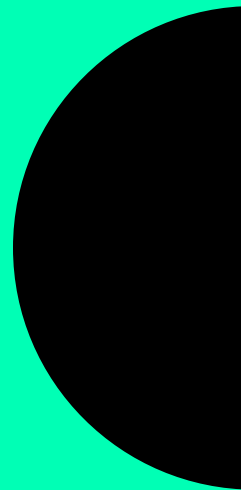
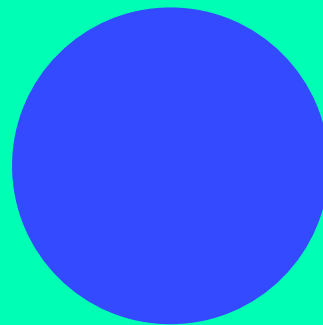
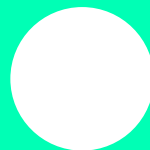
on the big data analysis of Chinese passion points in and out of China.

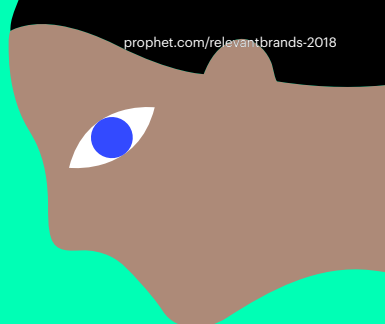
Chinese travelers are spoiled by being taken care well in their home country. Expecting to see more, know more and experience more, they don't want to scarify too much the comfort and convenience. Are you ready to go beyond Chinese sales / service assistant and Chinese signage to deliver the 'home experience' away from home'?

Spotlight on the Top 25 Relevant Brands in Consumer's Lives

PROPHET

Brand
Relevance
Index®





Undoubtedly, relevance with consumers is fundamental in building a strong brand. This year, we are glad to see more home-grown brands making striking progress in being pervasively innovative while remaining ruthlessly pragmatic. However, global brands still play a leading role in ‘distinctive inspiration’ and ‘customer obsession’. At the end of day, it is the in-depth consumer understanding that helps decide the focus of brand-building, whether the brand strives to take its advantages to the next level or offset its weaknesses.



LEON ZHANG
PARTNER
Prophet

Alipay

1



China's leading payment platform and more

Alibaba's online payment platform once again trumps all others in China, scoring top marks for all brand relevance principles.

In its home market, Alipay allows users to "smile to pay" with integrated facial recognition function. Overseas, Alipay provides millions of Chinese tourists an omnipresent shopping experience through expanded country coverage and service innovation such as an instant tax refund. Alipay held a 53% market share of China's mobile payment market as at 3Q17¹ with over 520 million users, making it China's leading payment service and a "must have app" for consumers and businesses alike.

The 4 Brand Principles

Customer Obsessed

Ruthlessly Pragmatic

Distinctively Inspired

Pervasively Innovative





Android

2



Dependable and highly customizable

With over 70% of market share², Android dominates China's smartphone operating system market.

Android's open architecture allows consumers to benefit from a highly customized interface designed by each smartphone brand and reassures consumers with a strong sense of familiarity even if they switch brands. Meanwhile, Chinese Android-based smartphone brands such as Huawei and Xiaomi are outperforming and continuing to take market share from the IOS-based iPhone³, further driving Android adoption among Chinese consumers.

The 4 Brand Principles

Customer Obsessed	●
Ruthlessly Pragmatic	●
Distinctively Inspired	●
Pervasively Innovative	●

WeChat

3



China's super app

Since its release in 2011, Tencent's messaging and mobile payment app has evolved into a "super app" due to its wide-ranging applications and platforms.

WeChat ranked second overall as the most pervasively innovative brand in our Index with consumers noting that the app keeps growing into a more complete ecosystem. WeChat launched "mini programs" in 2017 – embedded apps which require no installation – to allow businesses to connect with consumers directly and give them exposure to a wide range of user experiences, including shopping and gaming. Over 1 million mini programs are now available on WeChat with daily active users for mini programs expected to reach 400 million by the end of 2018⁴.

The 4 Brand Principles

Customer Obsessed	●
Ruthlessly Pragmatic	●
Distinctively Inspired	●
Pervasively Innovative	●

Huawei

4



China's mid-to-premium smartphone maker

In the June-July 2017 period, Huawei passed Apple to become the world's second-largest smartphone maker by sales⁵, after Samsung.

According to our survey, consumers view Huawei as the second-most trustworthy brand and one that can be relied upon. Consumers aspire to own Huawei phones due to its premium image, following successful launches of the Mate 10 Porsche Design and Mate RS models. Huawei has also partnered with high-end lifestyle brands such as Leica and GoPro to improve its brand perception. Its new P20 Pro smartphone, announced in March 2018⁶, features a 3-lens camera and inbuilt artificial intelligence (AI) system, highlighting the company's technological innovation and ability to compete with other global smartphone brands.

The 4 Brand Principles

Customer Obsessed



Ruthlessly Pragmatic



Distinctively Inspired



Pervasively Innovative



Microsoft

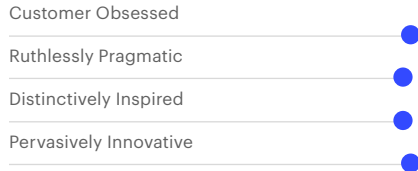


Seamless and reliable inside out

Since entering the Chinese market in 1992, Microsoft has been working to localise its products and interfaces.

The company's focus on customer innovation is paying off. When Microsoft introduced the Surface, it upgraded it each year, forcing itself from back stage to the center stage. It has also signed enterprise partnerships with a broad range of companies such as Huawei, Tencent, Lenovo, Mobike and BYD in order to stay relevant and offer the consumer a wide range of solutions.

The 4 Brand Principles



Taobao

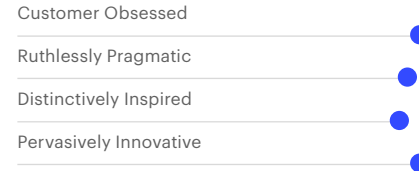


The go-to online marketplace

Alibaba's Taobao has grown to become the online shopping destination of choice for Chinese consumers, featuring hundreds of millions of products and services.

The online shopping platform has made a large leap this year in our Index with consumers noting that Taobao makes their lives easier and has better products and services than its competitors. To tap its global reach, Taobao has become a worldwide partner of the Olympic Games and has opened its first offline shopping mall "More Mall" (亲橙里) to build on its offline presence and "New Retail" concept. To become more family-friendly and provide a one-stop service platform to the consumer, Taobao has launched its "Family Account" function. In 2017, Taobao's Singles' Day reached a record CNY168.2 billion⁷ in sales.

The 4 Brand Principles



Intel

7



Broadening its appeal

To appeal to a wider audience, Intel is transforming from a PC-centric to a data-centric company, changing its slogan from “Intel Inside” to “Amazing Experiences Outside”; building the foundation for a data-driven future.

Consumers view Intel as a dependable brand that pushes the status quo, continuing to innovate although it is already regarded by many as an irreplaceable brand. For example, Intel is using its AI and drone technology to help analyze, map and preserve the Great Wall of China. It has also worked with famous Chinese entertainer and fashion icon Chris Lee to release the first music video using Intel’s AI technology. These campaigns highlight how Intel leverages its technology beginning with the brand platform, applying innovation and linking this back to commercial usage to provide a remarkable consumer experience that enhances daily life. These campaigns have also improved Intel’s reputation as a hip and cool brand, creating a strong brand affinity with consumers.

The 4 Brand Principles

Customer Obsessed



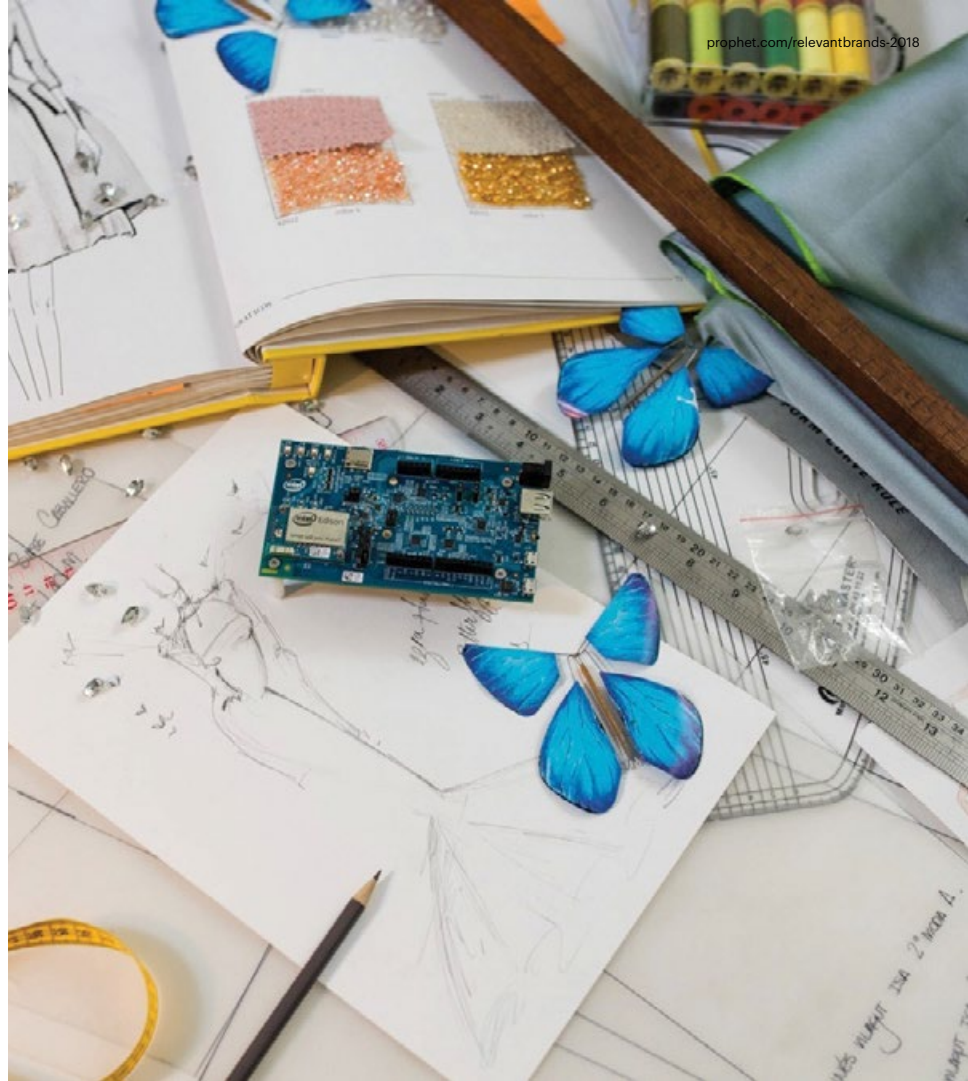
Ruthlessly Pragmatic



Distinctively Inspired



Pervasively Inspired





Paul Lu
CHINA'S DIRECTOR OF BRAND,
CREATIVE, EVENTS AND
OLYMPICS MARKETING
INTEL

Intel: delivering amazing new experiences

Benoit Garbe, Senior Partner at Prophet sat down with Paul Lu, Intel China's Director of Brand, Creative, Events and Olympics Marketing, to understand what makes Intel one of top Chinese Relevant Brands, per Prophet's BRI.

Prophet: Can you tell us more about Intel's business and how you see this changing in the future?

Paul: Most consumers still view Intel as a PC chip manufacturer, but we are shifting from a PC-centric to a data-centric business (i.e. data centers, Internet of Things [IoT] and programmable solutions). In terms of product mix – the PC segment used to make up 80% of revenue. Today, our investments in the data-driven market

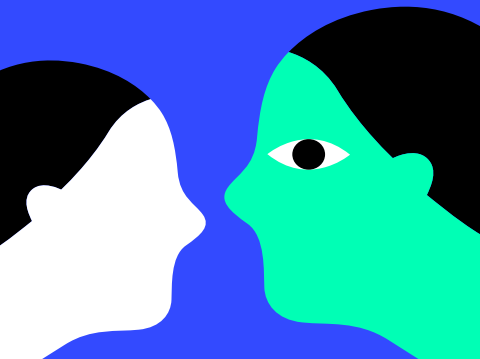
are paying off, with data-centric business revenue now approaching 40% of total revenue. We expect this to increase further over time.

We are also investing significantly in other cutting-edge technologies such as artificial intelligence (AI), 5G, drones and virtual reality expertise. We aim to be the leader in these technologies even though they do not contribute a significant portion of income as yet.

Our goal is to continue our corporate transformation, delivering more products and technology, which help with the processing, storing, analyzing, and sharing of data, to enable amazing new experiences.

Prophet: What is the role of the Intel brand in achieving the business ambition?

Paul: We always aim to align our brand with our business. When our business evolves, our brand must also change accordingly. For example, we changed our tagline two years ago from "Intel Inside" to "Amazing Experiences Outside". This is because we believe that technology development should also promote human progress. We want to let our customers know that we are using technology to bring them incredible experiences.



Prophet: What have you learned building the Intel brand in China?

Paul: We have learnt that we need to leverage our current technology to work with our external partners. For example, we have used AI technology to help create Chris Lee's Music Video. We have also used our data processing technology and drones, to assess and help restore far stretched parts of The Great Wall of China. We want to show the world and consumers, how our technology makes a difference.

In terms of our process – first, we ask ourselves what kind of amazing experiences we want to deliver. Then we review our internal capability and create solutions. The answer is often new approaches and technologies.

For example, in our “Tiger in the Forest” project, we utilize AI technology to monitor endangered tigers. We have now expanded this solution to help save other endangered animals across the globe, but we also see many new use cases cross industries.

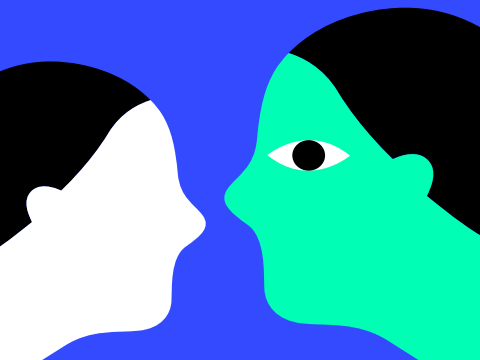
Prophet: How do you explain Intel being one of the most relevant brands in China, in particular your high scores on pervasive innovation and ruthless pragmatism principles?

Paul: To me, those two pillars make great sense. Intel is relevant because we deliver amazing experiences that matter to consumers. Every Chinese person has a connection with The Great Wall, most Millennial consumers know and admire Chris Lee's creativity and talent.

With regards to innovation, this reflects our brand building efforts, both locally and globally. We are demonstrating our technology leadership in everything we do. In terms of pragmatism, consumers trust Intel products for its quality and dependability.

Prophet: What is the key message you want consumers to take away from Intel?

Paul: That Intel is a leading technology company, and innovation is in our DNA. We want to continuously innovate, by leveraging n our technology to provide amazing experiences which also improve our everyday life.



Meituan

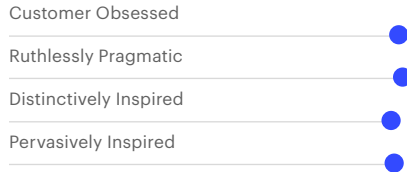


One-stop app for life-related services

China's home-grown group-buying and food delivery app Meituan has evolved its brand promise from "Eat Better, Live Better" to "Eat, Drink and Play Together".

Consumers praise the app for being "Available where and when I need it" and its better range of products and services than competitors. By leveraging big data for food orders, the company can analyze consumption and taste preferences of different customers across China and customize its services accordingly. Recently, Meituan has entered the ride-sharing and bicycle-sharing markets and opened its first offline "Ella" supermarket in Beijing in May 2018. The supermarket provides fresh food, grocery and dining and delivery services, making life easier for consumers.

The 4 Brand Principles



QQ

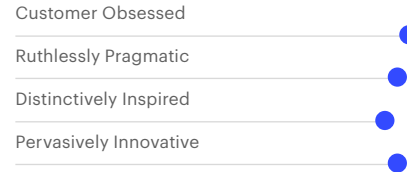


It's hip to QQ

Compared to WeChat, Tencent's instant messaging QQ targets a younger audience.

To stay relevant, it has continuously launched new emojis and features such as the "Smart Pic" and "Smart Interaction" for users who enjoy taking selfies. QQ's innovative tech offers consumers a fun and unique experience and acts as a gateway for consumers to other Tencent services. For example, QQ has developed several augmented reality games to better interact with its audience. To connect with younger consumers and encourage them to follow their dreams, the company launched QQ X Project in 2017 to inspire young people to go on exploration missions and share their experiences with internet users worldwide. QQ had 850 million active monthly users as of August 2017⁸.

The 4 Brand Principles





Tmall

10

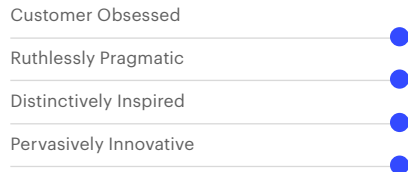
天猫 TMALL.COM

Bringing premium brands to the masses

With consumers becoming increasingly aware of authenticity and quality, Alibaba's online retail platform for brands recently launched its new app to emphasize product quality and build a premium brand image among consumers.

Consumers praise Tmall for being pervasively innovative and delivering a consistent shopping experience. By utilizing its all-around digital capabilities (cloud computing, big data and media) Tmall aims to bring the "new retail" concept to life. Tmall has also launched a smart speaker "TmallGenie" 天猫精灵 in order to enter into the living room of consumers and provide a seamless brand shopping experience. Tmall is one of the world's most popular sites with over 500 million monthly active users as of September 2017⁹.

The 4 Brand Principles



Apple

11

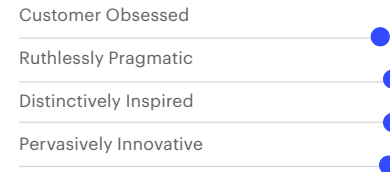


The premium smartphone brand

Apple has faced multiple challenges in China including market saturation, perceived lack of innovation, domestic competition and handset subsidy cuts from carriers.

Nevertheless, Apple continues to be viewed by millennials as a must-have item in order to build on their social currency. The higher retail price of iPhone X has helped Apple reinforce its premium image, while consumers believe the brand pushes the status quo and provides better quality products than its competitors. To engage with Chinese consumers, Apple launched a new ad campaign during the 2018 Spring Festival titled "Three Minutes", which was fully shot on the iPhone X, highlighting its functional and emotional benefits. Apple ranked fourth in China smartphone market share at 14.3% as of Q1 2018¹⁰.

The 4 Brand Principles



Qunar.com

12

去哪儿?
Qunar.Com

Innovative travel platform

Baidu-backed Qunar is China's leading travel search engine, providing instant search results for flights, hotels, packages and other travel-related information.

Its accessible and easy-to-use technology helps to make consumers' lives easier. To target its core youth market, the brand holds frequent omnichannel campaigns (including video streaming, pop-up stores, and its 419 Hotel Festival). Qunar has also launched numerous sites targeting tier 3 and below cities to give consumers greater accessibility to the brand. To build a shared-membership ecosystem, Qunar has partnered with a number of hotel groups. Notably, its app has 1.7 billion downloads while its tier 3 and 4 city travel business increased 90% in 2017. In March 2018, Qunar partnered with BFORCE to create a virtual reality room view on its app to enable consumers to have a more vivid experience and have more transparent information.

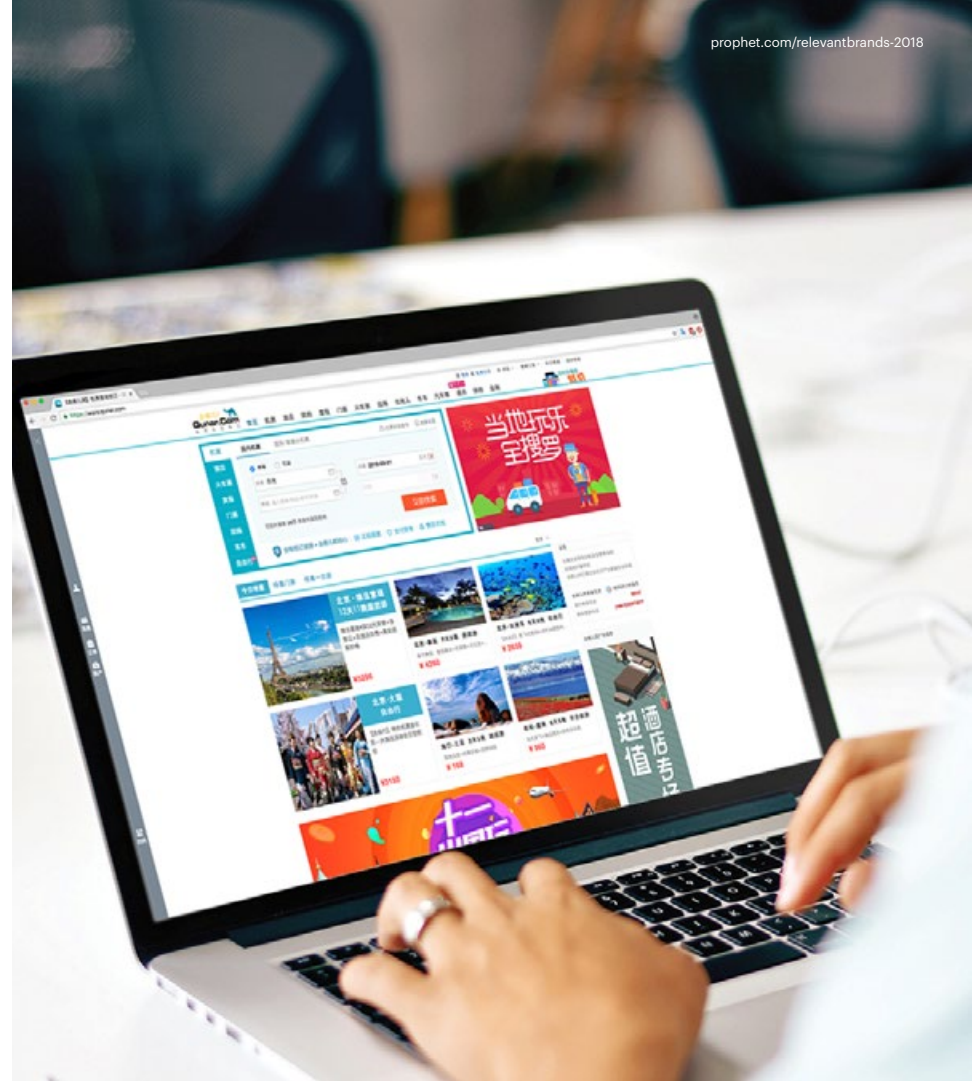
The 4 Brand Principles

Customer Obsessed

Ruthlessly Pragmatic

Distinctively Inspired

Pervasively Innovative



NetEase Cloud Music

13

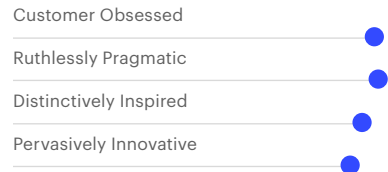


China's leading social music platform

NetEase Cloud Music is the largest social music platform in China with over 400 million users.

It has increased audience engagement by encouraging users to generate comments, playlists, short videos, moments and other user content, which, in turn, has helped to boost sales of digital albums. According to our survey, consumers view NetEase Music as a service that can be relied on. In 2017, NetEase launched an annual user activity report which was a major success on social networks, enhancing the emotional connection between users and NetEase Music.

The 4 Brand Principles



Adidas

14

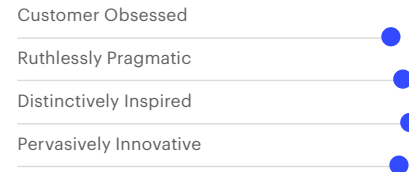


Aspirational lifestyle brand

To continue raising its profile, Adidas is working closely with China's education ministry, providing training for Chinese sports teachers who will then teach soccer skills in schools.

The cooperation is part of a broader expansion strategy into new cities and online retail. Consumers say that Adidas inspires them to lead a healthy lifestyle, and that the brand is something that the youth aspire to become. To help its aspirational image, Adidas has continued to add key opinion leaders (KOLs) to its ambassador portfolio including pop singers Lu Han (鹿晗) and Jackson Yee (易烱千玺) and launched limited edition and collaboration products to increase its status in the youth market. Adidas was also one of social platform Douyin's early partners, using the platform to communicate the brand to its youthful audience.

The 4 Brand Principles



Xiaomi

15



Advanced but affordable tech brand

Xiaomi is the world's fifth largest seller of smartphones and is known as China's home-grown smartphone, tablet and smart home brand.

Consumers view Xiaomi as pervasively innovative and a brand that “Pushes the status quo”, offering products with advanced technology but at an affordable price. It recently launched Youpin, a retail platform with both online and offline presence to capture quality-driven customers and has expanded its Internet of Things ecosystem by launching smart devices such as AI-enabled smart speakers. Xiaomi's IPO in July 2018 and a series of campaigns has raised greater attention and recognition from the public. Xiaomi's success on the international stage has helped to break the stereotype of Chinese brands as copycats, with consumers now aware that Chinese brands can deliver a quality experience as good as their international counterparts.

The 4 Brand Principles

Customer Obsessed

Ruthlessly Pragmatic

Distinctively Inspired

Pervasively Innovative





QQ Music

16



Curating content, talent and happiness

Tencent-owned music steaming service QQ Music operates under a “freemium” model, encouraging users to purchase its VIP subscription service for premium content.

QQ Music ranked third overall among all brands in terms of “consumer happiness” with consumers also adding that the service made their lives easier. To inspire consumers and further promote its brand, QQ Music held a music event called “Love connected with Music” (音乐连接爱) to communicate its brand ideals and connect with users. QQ Music also released four short videos profiling 4 different users, which became a hit on social media. To leverage its brand to consumers, it holds its annual QQ Music Awards, which recognizes outstanding achievements in the music industry. As of 2018, QQ Music had over 700 million users with around 120 million subscribers.

The 4 Brand Principles

Customer Obsessed

Ruthlessly Pragmatic

Distinctively Inspired

Pervasively Innovative



Vivo

17

vivo

Cutting edge innovation for millennials

Chinese smartphone brand Vivo continues to be on the rise.

On top of its active growth within and beyond China, it excels on being perceived as “a brand that pushes the status quo”. Its flagship model X21 UD is the first smartphone in the world with an under-screen fingerprint scanner, and Nex with built-in lifting lens. Vivo’s innovation is also clearly targeted – it aims to offer affordable, yet cutting-edge innovation for millennials. From various Chinese and Korean young celebrity spokespersons, leveraging Marvel’s popular IP, to focusing on visual and audio entertainment as key USPs, Vivo has successfully positioned itself as a top choice for millennials by being consistent and targeted in every aspect.

The 4 Brand Principles

Customer Obsessed



Ruthlessly Pragmatic



Distinctively Inspired



Pervasively Innovative



W Hotel

18

Inspiring, on-trend local hub

Known for its resident DJs, fashion shows and hip decor, luxury hotel brand W Hotels has undertaken a major expansion in China, opening 8 properties including Guangzhou, Beijing, Shanghai, Suzhou and most recently Xi’an.

W Hotels’ unique take on modern interior and dynamic experience has made generating social buzz part of its gene, and help position the brand beyond the “travel” occasion to a local destination. It is therefore highly recognized as a brand that “Makes me feel inspired”. To further amplify this advantage, W Hotels launched its official WeChat account in September 2017, and offers destination-based mini-games to deepen consumer interactions. This youthful, inspiring brand is becoming an aspirational destination for affluent millennials both in local life and global travel.

The 4 Brand Principles

Customer Obsessed



Ruthlessly Pragmatic



Distinctively Inspired



Pervasively Innovative



Airbnb

19



A consistent experience for lodging and beyond

As an open platform, Airbnb is known as a brand that “Delivers a consistent experience” globally. It keeps strengthening the level of consistency and bring it to China through a series of new products and experiences after the Chinese brand name being introduced in 2017.

The primary reason behind is quality assurance actions – Airbnb has made great efforts to ensure quality by closely auditing and removing listings that do not meet their standards. With over 80% of users under 35, Airbnb also takes action to enable a seamless travel experience beyond just accommodations – in 2017, the “Experience” product under Airbnb covers over 40 different ways to explore the essence of Beijing and Chengdu, and 100 different ways to experience Shanghai. With its undergoing expansion plan in all Tier 1 cities, Airbnb now aims to makes a greater impact with its consistent, enriched experience.

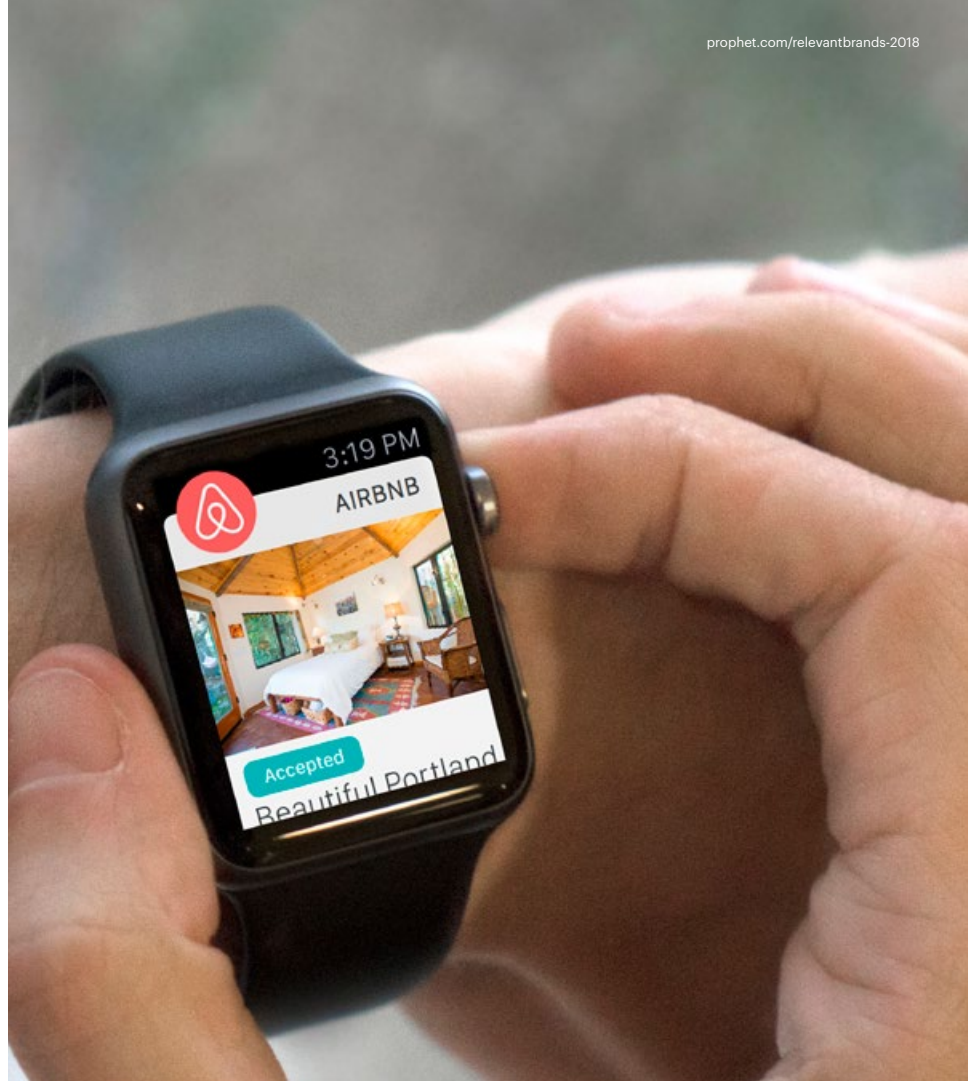
The 4 Brand Principles

Customer Obsessed

Ruthlessly Pragmatic

Distinctively Inspired

Pervasively Innovative





Mia Chen
HEAD OF MARKETING
AIRBNB CHINA

Airbnb: building authentic connections

Airbnb ranked among the Top 50 brands in Prophet Brand Relevance Index™ for China for two consecutive years.

Prophet sits down with Mia Chen, Head of Marketing for Airbnb China to discuss how this relatively new brand connects with consumers in China.

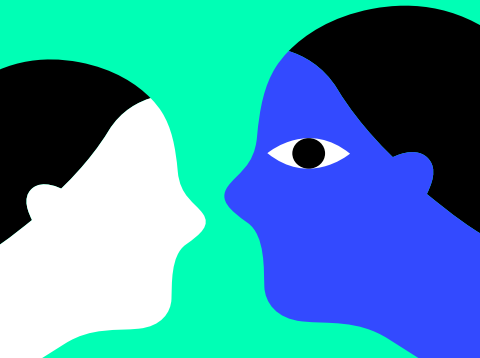
Prophet: How does Airbnb, a relatively new brand with an innovative lodging idea, access the Chinese market and build relevance with the local consumers?

Mia: China is one of the most important markets for us, and the local business is growing rapidly. Airbnb is still a new concept to Chinese consumers. We wanted to be known as a new friend, and as a brand that gets them. In 2017, we announced our Chinese name, “Aibiying”,

meaning “embrace each other with love”. Following that, we kicked off a cross-platform campaign with our first video commercial in China introducing us to Chinese consumers. Millennials are our target audience, therefore our marketing strategies are built upon in-depth insights into their lifestyle and telling stories that appeal to them. We also launched a series of seasonal marketing events targeting different consumer sub-groups. The campaigns notably raised Airbnb’s brand awareness and boosted page view.

Prophet: Is the competitive landscape different in China than overseas? Do you think it will be relatively difficult for Chinese consumers to accept Airbnb? If yes, what are your strategies for addressing?

Mia: Millennials are our target audience. Our findings showed that they desire to be inspired, and to gain new ideas, experiences and knowledge by interacting with others. It matches our vision. Our biggest mission is to help consumers travel beyond physical and geological boundaries via our technology and products, to better connect them with the world, to help them explore and gain new ideas and experiences, and to create a world where you “belong anywhere”. Airbnb is a platform that is committed to meeting these consumer psychological needs and enabling consumers’ sense of belonging.



Prophet: Did branding and marketing campaigns lead to growth in Airbnb's users and business? How do you evaluate the results?

Mia: Our marketing campaigns aimed to raise brand awareness among target audiences. Creative ideas and marketing content were centred around the core business, targeting sales conversions through multiple channels. All our videos were shot in real homes, as we wanted to present a genuine Airbnb experience to viewers. Airbnb hosts were a piece of the content creation process. We actively sourced hosts with an interesting story to tell and created videos in which these hosts presented their way of living in a specific city. We delivered these marketing campaigns on our home

page leading to a boost in traffic and reservations from the exposure.

Prophet: Can you share with us strategies to win over Chinese consumers?

Mia: First, people should always be the centre and the priority. We are sharing a "home", rather than just a place to stay. A "home" is less about location or size, but more about the residents and the people who are willing to share their lives with others.

Secondly, we understand consumers' interests and passion points. Integrating products online and experience offline, we deliver a seamless experience for consumers. The unique positioning of our brand is translated into our products,

which explains why Airbnb Experiences is a hit among the young.

Airbnb's vision is to enable users to feel they belong anywhere and we are focused on fostering connections, trust and sense of belonging among people of different culture and lifestyles.

China Mobile

20

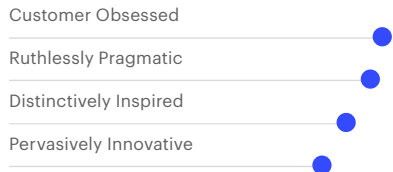


Capturing a greater share of life

As a carrier with the world's largest subscribers base, China Mobile is highly recognized as a brand that "Makes my life easier".

In recent years, China Mobile has built capabilities to go beyond traditional carrier services by integrating voice, data and content streaming. This enables the brand to take a larger share in consumers' life. Now with China Mobile, travelling abroad is easier - It has significantly reduced its international data and voice roaming fees as part of the "Everyone can afford a phone call" initiative; streaming sport is also easier - its Migu app was a key platform to stream the 2018 World Cup with news feed. China Mobile is now leading the way of carrier transformation in China by making a greater impact on the life of over 900 million subscribers.

The 4 Brand Principles



Haier

21

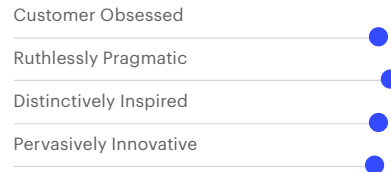
Haier

Elevating to smart home solutions

Haier continues to expand its business and use technology to improve consumers' lives as it transitions from home appliance maker to lifestyle brand.

From our survey, Haier is viewed as the most dependable home appliance brand based on its high score for "I know I can depend on". Highlighting its commitment to technology, Haier has developed a total smart home solution, covering 161 user cases from the living room, kitchen, bedroom and so on, and has sold over 3 million holistic smart home solutions as of May 2018. It also recently launched a campaign for its smart oven to encourage consumers to trial its functionality and share their experiences on social media. By looking to enhance efficiency with smart solutions/innovations, the brand enables consumers to lead a seamless life.

The 4 Brand Principles





Estee Lauder

22

ESTÉE LAUDER

Inspiring and innovative cosmetics brand

Premium cosmetics brand Estee Lauder witnessed a 40% YoY increase in sales in China in Q4 2017, partly driven by the influence of popular social media bloggers on such sites as Weibo, Youku, iQiyi and Todou.

Perceived as a dependable and trustworthy brand by consumers, Estee Lauder uses brand ambassadors to inspire and educate, while embracing technology to encourage innovation and trial. It recently recruited new brand ambassadors to attract millennials including Karlie Kloss (global) and Yang Mi (China). Millennials contribute around 35-40% of brand sales in China and the company has acquired Too Faced and Becca, in order to attract a younger generation. As part of its innovation, Estee Lauder has developed a make-up AR robot that allows users to try cosmetics online and has partnered with Tmall to sell its products, allowing consumers to experience a convenient and seamless shopping experience.

The 4 Brand Principles

Customer Obsessed

Ruthlessly Pragmatic

Distinctively Inspired

Pervasively Innovative



UnionPay

23



Accepted almost everywhere

UnionPay is the largest card payment organization globally, based on payment transactions, and is accepted in 200 countries and regions.

UnionPay scores highly among consumers as a brand “I know I can depend on”, with Chinese consumers finding it reassuring that it is accepted in almost every country in the world. To enhance its payment platform and make it easier for consumers to complete purchases, it has partnered with Huawei Pay, Apple Pay and Mi Pay to promote its near-field communication UnionPay Touch payment system. And to make overseas payments easier UnionPay now allows users to receive an instant tax refund in the downtown shopping areas of 14 countries and over 1000 stores, enhancing its efficiency and allowing consumers to gain instant benefits by using its service.

The 4 Brand Principles

Customer Obsessed

Ruthlessly Pragmatic

Distinctively Inspired

Pervasively Innovative



Philips



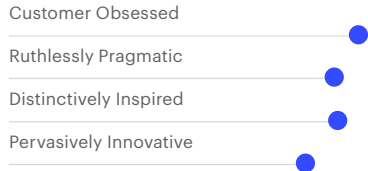
PHILIPS

Modern, aesthetic and health-driven products

Consumer lifestyle brand Philips is acknowledged by consumers as a brand that “Makes my life easier”.

The brand aims to help Chinese consumers build a healthy lifestyle and has partnered with major online ecommerce players to reach lower-tier cities to increase its sales and speed up innovation. Continuing its investment and innovation in lighting, Philips Lighting and Xiaomi have joined forces on a smart home lighting venture in China. The new joint venture will design and develop connected LED luminaires and lamps for Xiaomi’s wireless smart home platform, including apps for controlling lights via Android and iOS-based smartphones. Philips was also the sales champion in the personal care, purifier and beauty appliances categories during the 6.18 shopping festival in 2018. This is because Philips products often give Chinese consumers a sense of satisfaction due to its products’ modern and aesthetic appearance.

The 4 Brand Principles



Dell

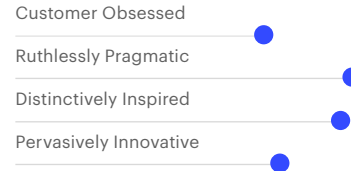


Computers to fit every lifestyle

Computer and peripherals brand Dell makes a large leap in this year’s survey, with consumers praising it as a brand “I know I can rely on” and one that has better products than its competitors.

To target China’s fast growing gamer market, Dell recently launched six new gaming laptops in conjunction with its subsidiary Alienware based on the latest high-performance Intel processors, promising a premium product that gamers can rely on. Dell also launched its G Series laptops, designed specifically for users who prioritize performance and gameplay, at an affordable price. By providing a range of price points, Dell allows consumers to choose the right computer that best fits their lifestyle. In 1Q18, Dell ranked third overall in worldwide PC shipment market share at 16.9%, behind HP and Lenovo¹¹.

The 4 Brand Principles



“Microsoft is seeking to fulfill technology’s ultimate promise to help empower everyone to achieve more. We believe an important aspect of creating and maintaining brand relevance lies in **empowering people and providing technology that helps transform how they pursue their passions.** There are many people using our technologies to make a difference, achieve their dreams, and we are humbled by the opportunity to participate and tell their stories.”

JEFF HANSEN
GENERAL MANAGER
MICROSOFT BRAND STUDIO



Methodology →

Why Did We Do This?

Our clients have often asked for our perspective on the value of brand rankings. And while there are several brand lists and rankings out there today, none speak directly to consumers to find out which brands are the most indispensable to their lives—the ones consumers simply cannot imagine living without.

We created the BRI to help business and brand leaders measure the relevance of their brands, and provide them ways to improve it.



Methodology

How were the included companies selected?

Companies from all industries that contribute materially to household spend in each respective market were included in the study. 30 categories were selected based on the data from P.R.C. Bureau of Statistics' March 2017 Report on Consumer Expenditures and Goldman Sachs' Report on The Rise of China's New Consumer Class. Within each category, leading companies with top market share were included within their respective industries. In some instances, smaller companies that have been driving change in these industries were also included given their significant traction with consumers. Given the methodology for brand selection, not all brands in every category could be included.

How did you develop this Index?

Prophet helps organizations grow better by building brands, transforming business and moving society. Over the last several years, our clients have asked for our perspective on other brand rankings and how they could use them to better their brand. We felt there was a void in the marketplace for a brand ranking that truly reflected the consumer's perspective, so we created the BRI to help business and brand leaders measure how relevant their brands are to consumers and learn ways to improve their standing and drive growth.

How many brands were rated?

249 brands were rated in total. Brands not included were those in the tobacco and firearms categories and companies engaged solely or primarily in business-to-business (B2B) categories.

Does the study build upon Dave Aaker's IP & points of view on relevance?

Yes, of all the characteristics of a brand, the one that is most necessary for its success is relevance. Dave Aaker's core point that brands have to create new subcategories and dominate them to the extent that no other alternatives are even considered is central to the idea of relevance. And it's central to our definition of a relevant brand.

What does it mean for a brand to be relevant?

At Prophet, we believe that relentlessly relevant brands do four things well—first, they're customer obsessed. Everything they invest in, create, and bring to market is designed to meet important needs in people's lives. Second, they're pervasively innovative. They don't rest on their laurels, even as industry leaders—they push the status quo, engage with customers in new and creative ways, and find new ways to address unmet needs. Third, they're ruthlessly pragmatic. They make sure their products are available where and when customers need them, deliver consistent experiences, and just make life that much easier for people. And, finally, they're distinctively inspired. They've made emotional connections, earned trust, and often exist to fulfill a larger purpose.

PROPHET

Let's Talk.

We'd love to sit down and talk about how you too can build a relentlessly relevant brand.

Please Contact Us Today:

Leon Zhang

Partner

Prophet

l_zang@prophet.com

Research Now SSI is the world's leading global provider of first-party consumer and professional data based on extensive, proprietary market research panels. Around this core asset of opted-in, managed data, the company has built innovative data services and solutions that bring the voice of the individual to the entire marketing spectrum, from research to marketing to advertising. Research Now SSI serves more than 5,800 market research agencies, media and advertising agencies, consulting and investment firms, and healthcare and corporate customers in the Americas, Europe, and Asia-Pacific. For more information about our range of data-driven offerings, go to www.researchnow.com and www.surveysampling.com.

Our Partner:



Want to know more about Prophet or the BRI, please get in touch with us at one of our offices below.

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PROPHET

Our Core Work

Brand & Experience
Digital Transformation
Growth Acceleration

Prophet is a consultancy that helps clients find better ways to grow by focusing on three important areas: creating relevant brand and customer experiences, driving accelerated growth strategies and leveraging digital as a transformative force in their business.

Want to learn how Prophet can help you unlock growth by building a relentlessly relevant brand?

prophet.com

Cusotm Index & Actionable Work Session

Like what you see in the Brand Relevance Index? Seeking to apply it to your customer targets to learn how your brand measures up among the audiences you care about most? Join up with us using an agile, analytical, and actionable hackathon-style approach to identify a series of ideas to drive growth for your business. Contact [Leon Zhang](#) for more details on our custom research and co-creation session.