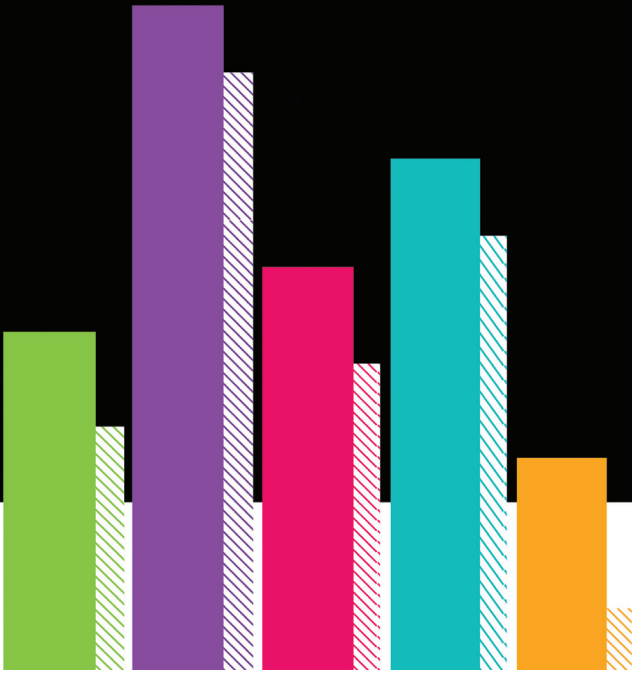


The **MOST**
INFLUENTIAL
BRANDS in Canada
2017



Results from Ipsos' 2017 Study

Steve Levy, Chief Operating Officer, Canada, Ipsos



Ipsos Marketing

What is Influence?

Visionary brands don't just sell a product or service. They promote a strong sense of purpose and shape our world while connecting emotionally with people. They have aspirational qualities as well and are always relevant. What is influence? Having a real impact on people's lives by earning their trust, respect and loyalty. Leading brands influence how we dress, communicate, travel, shop, spend our free time, celebrate and socialize. They can also help us lead more fulfilling, interesting lives by giving us tools to make informed choices, which is why, once again, the major technology brands rank so highly across all generations.

The 5 Drivers of Influence

Influence doesn't happen by accident. Top companies invest in their brands and use their elevated position to model good corporate citizenship. After seven years of assessing Canada's most influential brands, Ipsos has identified five key drivers of influence. They are: **trustworthiness, engagement, leading edge, good corporate citizenship** and a strong **presence**.

Our comprehensive study measures and ranks the most influential brands in Canada and around the globe today. We look at which generations brands are influencing most and why—essential insights for any business, whatever size or industry.



Leading Local Brands Around the Globe

We evaluate **top brands** in 17 countries around the world—those that set trends, spark buzz, wield their influence for good, inspire trust and instill loyalty. Here's what we can learn from them.

Patanjali, India

Patanjali Ayurved has taken its national market by force by putting a distinctively Indian, wholesome flair on consumer products. With 2016–17 revenue of \$1.6 billion USD, the company manufactures 800+ low-priced food and personal care products (toothpaste, soap, cosmetics, shampoo, noodles, cornflakes) sold at nearly 5,000 retail outlets. What makes the offering different than those of major competitors such as Colgate and Unilever is that Patanjali makes all products itself and uses natural components based on traditional Indian herbal medicine. The approach has been so successful, now the multinationals are emulating Patanjali. Another factor is the celebrity stardom of co-founder, TV yoga guru and Hindu holy man Baba Ramdev, *India Today's* No. 5 most powerful person of 2017.

Mobike, China

Mobike has recently debuted as one of China's most influential brands. Launched in 2015, the concept is similar to Toronto/Montreal's bike sharing platform Bixi, except this is the world's first cashless and station-free concept, with a fleet of eight million bikes and 200 million registered users in 160 cities across China. Worth \$3 billion USD, the company has expanded internationally (Manchester, Berlin and Washington D.C.). Some eight million tap the service daily. Mobike set out to solve the short-distance connection problem in big cities for treks too long to walk, but too short to drive. Users find GPS-equipped bikes, unlocked by scanning a barcode into a mobile app, and reserve them 15 minutes in advance, paying only for time used. The company has a scoring system where users get rated on things like proper parking, following traffic rules and safe riding, letting the bikeshare community encourage responsible and healthy behavior. The user's score even impacts the cost of bike rentals.

D1, Colombia

Colombia and its 50 million residents have been struggling under tough economic conditions. In fact, 2016 marked the highest inflation index in the last seven years. Tiendas D1 is a deep discount grocer, a model developed in Germany (Aldi) and France, now gaining momentum in Colombia. A large chain with 500 strategically small neighbourhood stores merchandised practically, the highly efficient company reduces costs at every stage of its operations. D1 modifies negotiation parameters with providers, innovates with logistics and distribution, keeps staff numbers minimal and takes a zero-dollar advertising approach to offer the country's lowest prices. Customers bring their own bags and stores sell a limited product range, including many single brand, single line products.

BBC, UK

A news standby since 1922, the British Broadcasting Corporation (BBC) started as radio only, then expanded to TV in 1936. It is the world's oldest and largest national broadcasting organization by employees (3,500; 2,000 are journalists) with £\$5 billion revenue (2013–14), most from "BBC World." An annual TV licensing tax paid by all households and businesses tuning in supplies BBC's revenue. BBC's channels have no commercial advertising interruptions and it provides 120 hours of quality radio and TV daily, with 50 foreign news bureaus and 250 correspondents spanning the globe. The organization is making its largest investment in a generation in children's services in order to stay relevant with today's audiences. Canada's iconic broadcaster CBC would do well to take note as it targets a new generation of consumers.

Generations

Brand influence can differ dramatically by generation. It's because we form our guiding principles and values early on, and tend to keep those throughout our lifetime. Successful marketers understand which brands resonate with different age groups and why, and customize their offerings to cater to audience tastes. Generally speaking, the older generations favour bricks-and-mortar and the traditionals, such as Canada Post, Canadian Tire and Visa, while the younger segment is swayed by online and social networking brands; namely, Netflix, Twitter and augmented reality pioneer SnapChat.

Interestingly, ubiquitous Google spans the generations, ranking No. 1 across all age groups. The story is similar with Apple and Facebook, all top 10 contenders for any age. Partial to the brands they know well and less enamored by digital newcomers, **Boomers** (1947–1965) are still big fans of the CBC. However, the broadcaster ranks only 36th with **Gen Z** (1996–2003)—socially responsible, bargain-driven info seekers and heavy website users. CBC will have to make significant adjustments to appeal to younger audiences in the years ahead.

Air Miles is most popular with Boomers, followed by **Gen X** (1966–1982), though off the radar for younger people. A Boomer standby is Canadian Tire. And while it currently ranks low with **Millennials** (1983–1995), the retailer's influence has grown year-over-year with this segment as the brand adjusts its offerings to attract younger customers.

Social media and tech-savvy, instant gratification-minded, and flexible, Millennials lived at home longer than any generation before them, and introduced the “Netflix and chill” lifestyle. They and Gen Xers can't live without Netflix. Gen X and Boomers are the biggest fans of Amazon, a top 10 for all generations. Instagram is big with Gen Z and Millennials. It's the same for WhatsApp and Nintendo—popular with Gen Z and Millennials, but at the bottom of the list for Gen X and Boomers. Spotify, Adidas and Snapchat are musts for Gen Z—though off-the-radar for older consumers.



Fast Movers—The Ones to Watch

These brands are not in the top 10 (yet), but have jumped the ranks quickly. Why?

Instagram

Trendsetting Instagram has been rising steadily over the past five years, from #74 in 2013 all the way up to #20 in 2017. Particularly popular with Gen Z and Millennials, Instagram attracts users that are extremely engaged. Requiring less commitment than Facebook, for example, Instagram is visually driven and tends to be less political, with a focus on lifestyle, food, travel and entertainment. People share their selfie photos, videos and stories with friends and followers around the world in just a few clicks. Bolstering its cachet, Instagram has become *the* place where celebrities post their musings and updates. Selena Gomez, for one, first revealed she'd had a kidney transplant last year via Instagram; Cristiano Ronaldo showed off his newborn fourth child; and Beyoncé marked the one-month birthday of her twins with an Instagram post.

TripAdvisor

TripAdvisor is the largest travel site in the world, gaining users because it's highly engaging and a one-stop site where people can book travel, plus find info, read rankings and tap into a massive database other consumers' reviews of hotels, restaurants, attractions and travel-related services for free. Content is mainly user-generated. Another pro is that users can see pricing across many booking sites to find the best deal. TripAdvisor has been ascending the rankings annually since 2012, from #80 to #32 this year, now with 450 million monthly visitors and 600 million+ reviews.

Uber

Uber is becoming so popular, it's now a verb like "Google." Founded in 2009, the convenient ridesharing app pairs customers looking for a lift with nearby drivers, both reviewed. Customers track their car via GPS and all payments go through the app. The peer-to-peer service has extended to food delivery as well. In 83 countries and 674+ cities worldwide, Uber rides numbered two billion in 2016; the international market is valued at \$1.3 billion. Still relatively unknown in Canada in 2015 when it debuted at #106, it's quickly ascending the ranks and sits at #75 in 2017.

Influence: Hard To Create, Easy To Lose

Consumers can be fickle. Any successful company will tell you that building influence takes time. It's hard to create, but easy to lose. Today's fast-paced global marketplace is one of disruption and reinvention, paradigm-shifting innovation and a "fail fast" attitude. Over the years, we've observed some brands losing influence forever, while others falter and bounce back.

Challenged Brands: Fighting For Brand Influence

Tim Hortons

Tim Hortons is coffee and doughnuts served with a dose of Canadian pride—a beloved institution named after Toronto Maple Leafs player/founder Tim Horton with some 3,600 locations Canada-wide. But the Timbits maker had a flat 2017. A combination of issues relating to Franchisees and reaction to the to the province's minimum wage hikes led to both public protests and negative press. For the first time since the inception of the Most Influential Brand program Timmies has since moved from its position in the top 10 to #16.

Subway

A February 2017 CBC Marketplace story cast sandwich maker Subway, once a top contender, in a bad light. The investigation's DNA testing found that unlike at other restaurants, chicken served at many of the fast food chain locations contained only 50% chicken versus the usual 85–90%. Media around the world repeated the story. While the chain maintained its sandwiches have 100% white meat and called the report "absolutely false and misleading," the circumstance has clearly been a challenge for the brand. Once a Top 30 brand in Canada, Subway currently sits at #69.

Comeback Kids: Winning Back Brand Influence

Air Miles

2016 proved demanding for Air Miles. Cardholders reacted when the rewards program announced it was introducing five-year expiry for points. There were also member complaints about site outages, blocked access to earned rewards and travel date blackouts. Air Miles responded by removing the expiration policy, but unfortunately, consumers who had made other plans to use their points while still valid complained. Admirably, Air Miles continued to adapt. The company removed the tiered loyalty program system to level the playing field for offers, though gold and onyx members still enjoy merchandise discounts. Air Miles also added a pay option to receive merchandise quicker, expanded to 24-7 social media customer service and issued a sincere apology note. Though the brand dropped rank in 2016 (#25), it has regained some lost ground (#22 in 2017), and maintained strong scores for engagement, leading edge and, this past year, trustworthiness.

Samsung

The tech giant grappled with high-profile technology glitches in 2016. One of the brand's signature products, the Galaxy Note 7 smartphone, was subject to a full recall due to safety concerns. Samsung took immediate action to respond to the issue—Apologies were made, additional quality and safety measures were implemented, and recalled phones were replaced quickly. Samsung went as far as to set up kiosks at Canadian airports to make the recall and replacement process as convenient as possible for customers. They followed these measures up with the launch of the Galaxy Note 8 smartphone, to rave reviews. After seeing their influence decline in 2016, Samsung is once again amongst Canada's top 10 most influential brands of 2017.

2017 was a challenging year for Tim Hortons and Subway, but the stories from Air Miles and Samsung should provide them with optimism that a comeback can be made in 2018.

2017's Top Brands

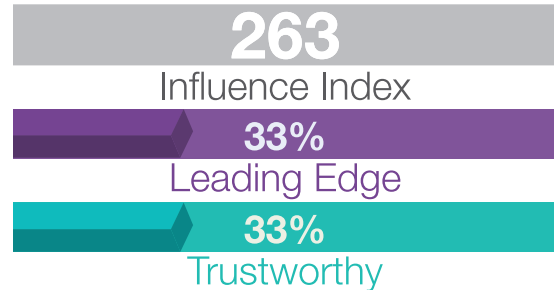
BRANDS TEN THROUGH SIX

Samsung (#10) takes the Comeback Kid award. Facing a PR debacle, they took measured, immediate action, and returned to influence—replacing CBC's position in the top 10. What's more, the company earned record profits in 2017, driven by a memory chip market boom. **Netflix** (#9) continues its upward climb, with a 60% stock rise last year, driven by international performance. The Internet entertainment service passed 100 million paid subscribers in 190+ countries (including over 5 million subscribers in Canada). **Visa** (#8) is still known by virtually every Canadian, thanks to its emphasis on secure and efficient transactions (Verified by Visa) and advanced fraud monitoring, with 3.2 billion cards in global circulation and 65,000+ transactions per second. A top 10 staple, the world's largest retailer **Walmart** (#7) continues to attract customers by delivering on its low-price, high-value proposition and for its charitable community work. The company is making good on its aggressive expansion plans into the world of e-commerce, while investing in its existing stores and adding timesaving convenience options such as home delivery service in Toronto and Vancouver. **YouTube** (#6), remains as influential as ever—vastly more popular than any television network. The site has one billion users—nearly one-third of people on the Internet—and those people watch one billion hours of video every single day.

BRANDS FIVE THROUGH ONE

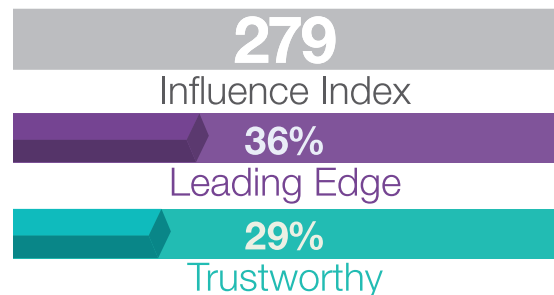
Microsoft (#5) Microsoft

A top 5 brand for seven years running, **Microsoft** remains the behemoth computing brand of choice to the world and has bolstered its Canadian presence, too. Its rigorous R&D ensures consumer trust and a leading-edge image, with recent forays into business social networking (LinkedIn). The charitable efforts of founder Bill and wife Melinda Gates only enhance its appeal.



Amazon (#4) amazon

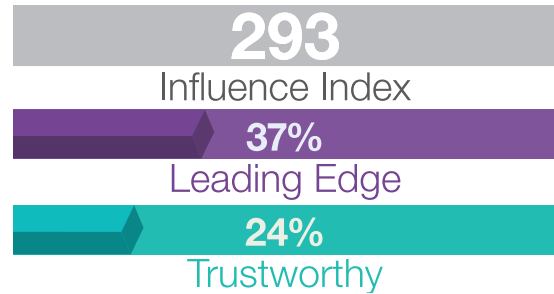
Amazon crushed 2017, capturing 44% of U.S. e-commerce sales with consumer electronics leading the charge. Indeed, it is the brand that seems to be everywhere, gaining influence almost daily. Same-day delivery service Amazon Prime has been received with open arms, with memberships on the rise. Numerous North American cities, including Toronto, eagerly await Amazon's decision on where to place its second company headquarters.



Apple (#3)



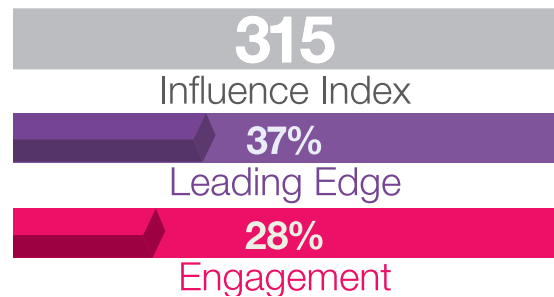
Maverick **Apple** is the largest company in the world by market cap, with the iPhone reaping 70% of its revenue. The trendsetter invested \$11 billion on R&D in 2017, up \$1 billion over the prior year, and observers speculate the multinational now wants to dominate Augmented Reality. The next generation iPhone may well allow us to overlay location-specific information onto the world around us. CEO Tim Cook predicts AR is the future with “the ability to amplify human performance instead of isolating humans.”



Facebook (#2)



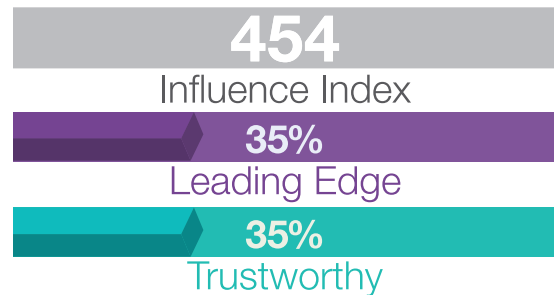
Facebook came under fire during the U.S. presidential election, but CEO Mark Zuckerberg was quick to react, underscoring that his leading social network with 2.2 billion monthly active users is still a force for good. The leading-edge company continues to innovate and adjust its offering based on its hyper-engaged users, with an eye to AI and virtual reality as the next big thing.



Google (#1)



“Googling” is an everyday verb in households everywhere and **Google’s** iron grip on the top spot is yet to weaken. The planet’s most popular Internet search site has parlayed successfully from the virtual realm into hardware. After much anticipation, the Google Home smart speaker launched in Canada during the summer of 2017) and is also investing in virtual reality. Plans are to hire thousands more employees this year, and expand office and data centres to accommodate growth. At #1 since 2012, Google’s ruling throne seems near insurmountable.



The Takeaway

Analyzing the “Most Influential Brands in Canada” every year gives us a unique perspective on brands, the power they exert and their impact on our world. Over time, we’re able to spot trends as they’re emerging. We’ve observed meteoric rises and falls, evidence of the high velocity at which today’s business world operates. We’ve also seen the continued dominance of technology, digital and social media brands, most of which, though didn’t exist even a decade ago, are integral to our work, play and personal lives every single day. Leading brands march to their own drums; indeed, their edgy, unconventional nature is what makes them stand out in a crowded, competitive marketplace. But those that can strike the right balance between the five factors—trustworthy, engagement, leading edge, corporate citizenship and presence—are likely the next big players of tomorrow.

Methodology

Ipsos conducted “The Most Influential Brands in Canada 2017” survey from January 10–22, 2018, interviewing 6,000 Canadians. We then used weighting to balance demographics to ensure the sample composition reflected Canada’s adult population according to Census data and results approximated the sample universe. Ipsos uses a credibility interval to measure online polling precision, accurate within ± 1.3 percentage points had we polled all Canadian adults. All sample surveys and polls may be subject to other sources of error, including, but not limited to, coverage error and measurement error.



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Steve Levy is a frequent public speaker at conferences and client events, and talks on an array of topical issues, including the fact that there is NO big picture, the changing digital landscape, and the transition from the big screen to the small screen.

As Ipsos COO, Steve leads a staff of almost 200 marketers and researchers that work on thousands of research assignments each year for clients across the key segments of the Canadian economy. He is involved in local product development, innovation and R&D and oversees publishing and promotion of several white papers, studies and reports.

ABOUT IPSOS

At Ipsos we are passionately curious about people, markets, brands and society. We deliver information and analysis that makes our complex world easier and faster to navigate and inspires our clients to make smarter decisions.

We believe that our work is important. Security, Simplicity, Speed and Substance applies to everything we do.

Through specialization, we offer our clients a unique depth of knowledge and expertise. Learning from different experiences gives us perspective and inspires us to boldly call things into question, to be creative.

By nurturing a culture of collaboration and curiosity, we attract the highest caliber of people who have the ability and desire to influence and shape the future.

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