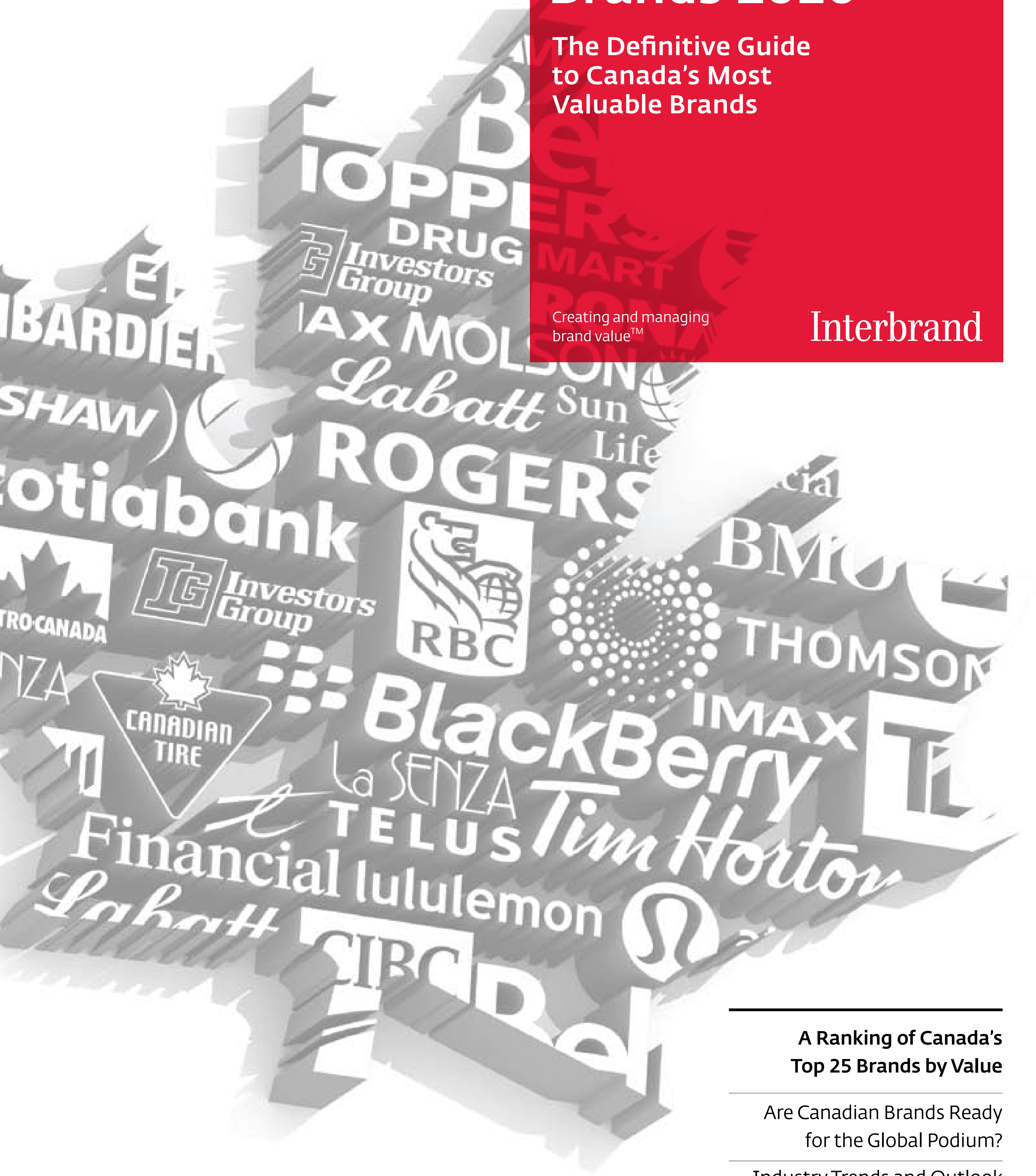
Best Canadian Brands 2010

The Definitive Guide to Canada's Most Valuable Brands



Creating and managing brand value™

Interbrand

A Ranking of Canada's Top 25 Brands by Value

Are Canadian Brands Ready for the Global Podium?

Industry Trends and Outlook

Brand Advocacy: Who's Telling Your Brand Story?

Interbrand

About Interbrand

Interbrand began in 1974 when the world still thought of brand as just another word for logo. We have changed the dialogue, redefined the meaning of brand management, and continue to lead the debate on understanding brands as valuable business assets.

We now have nearly 40 offices and are the world's largest brand consultancy. Our practice brings together a diverse range of insightful right- and left-brain thinkers making our business both rigorously analytical and highly creative. Our work creates and manages brand value for clients by making the brand central to the business's strategic goals.

We're not interested in simply being the world's biggest brand consultancy. We want to be the most valued.

About Best Canadian Brands

Interbrand's third Best Canadian Brands ranking uses the same brand valuation methodology as our Best Global Brands report. Published every two years, Best Canadian Brands ranks the top 25 Canadian brands according to value and provides insight into their ability to manage brands effectively as a contributor to business performance.

Interbrand pioneered the technique for valuing brands in 1984 and has continued to improve upon our methodology. Our valuation techniques have long been recognized by businesses, academics, and regulatory bodies as uniquely valuable strategic tools. Our annual Best Global Brands report, published in partnership with *Businessweek*, has been voted one of the three most influential benchmark studies by business leaders. As a firm, we have conducted over 5,000 valuations for clients around the world to provide guidance in managing their most valuable asset – their brand.

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All values in this report are expressed in Canadian dollars unless otherwise indicated.

A Defining Moment for Canadian Brands?

Interbrand is pleased to present our third biennial ranking of the Best Canadian Brands by brand value. Following the last 18 – 24 months of global economic dislocation, it is very encouraging to report that Canadian brands have fared extremely well through the turmoil, with this year's top 25 increasing by an aggregate value of $14.9 billion, or 35% over our last study in 2008.

Our past rankings were conducted during strong growth periods, when most brands will create some incremental value. But in the recent uncertain environment, where short-to-medium term profits have been under significant pressure, the imperative for all brands is to reassess their proposition and better understand their customers' perceptions of value. The dramatic shifts in demand and business sentiment have altered the landscape for most companies. With continued pressure for performance, the temptation is to curtail brand investment and compromise the quality of the experience that customers have been promised. However, erosion of long-term value is certain if the integrity of the brand's promise is put at risk to drive short-term results. Fortunately, Canadian brands have for the most part stayed true to the pillars that form the foundation of their ability to create value.

Conservatism and aversion to risk have often been considered inherent Canadian traits. Particularly as demonstrated by our financial institutions, these characteristics have served us well and shielded us from some of the dramatic government interventions and resulting burdens that have been required in other developed countries. This is certainly something to be proud of, and yet, will a cautious approach enable us to move to the next level of development where brands will have to move more aggressively beyond our borders to grow and compete successfully?

Our fiscal stability and relative success in managing through the downturn has raised our profile internationally. Suddenly the world is looking to Canada as a model of good governance, sound regulatory frameworks, and prudent business management. At the same time, the Winter Olympic Games in Vancouver have demonstrated to the global community that Canada can compete with the best international athletes, "own the podium", and set a new standard in organizing and hosting a world-class event. These accomplishments have led to a swelling of national pride and newfound confidence, a "new patriotism" that sets the stage for Canadian brands to leverage their nationality and boldly grow and win in new markets.

If now is indeed a defining moment for Canada, our brands can seize the opportunity to capitalize on this momentum. We need look no further than the example of the leader on this year's ranking. The confident acquisition of Reuters by the Thomson Corporation in 2008 serves as a model of how a Canadian enterprise can become a global powerhouse, and build a brand that establishes it at the top of its sector. Organically, BlackBerry continues its dominance in the smartphone category around the world, and brands as diverse as Lululemon and Bombardier have gained recognition and success in global markets. A wider reach gives these brands greater growth opportunities, enhancing revenue generation and reducing risk to their earnings profile. And as more Canadian brands successfully compete in the global arena, they will create greater awareness of Canada's strengths and capabilities and contribute to a clearer definition of this country.

While our study focuses on the economic value created by strategic brand management, many of the brands on our ranking have demonstrated their ability to create social value as well. The best brands understand that their values must align with the values of those they expect to support them. There is a new moral standard on business behaviour and risk, and our tolerance for both companies and individuals to say one thing and do another is rapidly diminishing. In an age of transparency where consumers now control the narrative about how brands behave, actions speak louder than words, and beyond delivering a superior experience around products and services, corporate social responsibility and sustainability commitments are now fundamental to building strong and lasting relationships with all stakeholders.

We congratulate all the brands that are included on the 2010 ranking, and wish them continued success with their brand-building efforts in the future. The changes of the last two years have brought challenges as well as new opportunities. It is an exciting time, and we believe Canadian brands are poised as never before to capitalize on the new realities of the global economy and, like our outstanding athletes, compete with the best and win.

Bev W. Tudhope
Chief Executive
Interbrand Canada Inc.

Are Canadian Brands Ready for the Global Podium?

By Debbie Bolton

Few Canadians would dispute that the 2010 Vancouver Winter Olympics were a defining moment in Canadian history. Our athletic community set an audacious and controversial goal: Own the Podium. How very "unCanadian" of us. But our Olympians pitted themselves against the best talent in the world and proved that they can indeed prevail against world-class competition.

Since our Best Canadian Brands study in 2008, some of Canada's top 25 brands have also proven themselves to be world-class competitors. Thomson Reuters, our top-ranked Canadian brand and BlackBerry, both moved onto Interbrand's Best Global Brands list in 2008, and in the 2009 global ranking they stood at #40 and #63, respectively. Our banking sector has outperformed its international peers, and specifically our top two financial brands, TD and RBC, are viewed as models of prudent risk management by the international banking community. More Canadian brands are earning global reputations – are they becoming more competitive globally?

How strong are our brands?

Our 2010 Best Canadian Brands study shows that Canadian brand values for the most part have been growing strongly. Despite challenging economic conditions, our top 25 have gained $14.9 billion in aggregate value, increasing by 35% since 2008. When contrasting that gain to the -2.5% drop in overall value of the top 25 brands in Interbrand's Best Global Brands from 2008 to 2009, we should feel both proud and relieved. In fact, only four of our top 25 brands lost value and two others fell from the list due to performance. In a rough comparison to Interbrand's Best Global Brands 2009, where 14 of the top 25 brands lost value, it's an incredible achievement, and good news for Canadian brands.

The increase in brand value is making more Canadian brands comparable in value to those on Interbrand's global ranking. The lowest brand value in our 2009 global study was over US$3.0 billion (#100 Campbell's). In 2010, five of our top Canadian brands now have values in excess of $3.0 billion. Even as some of the traditional global brand engines of growth have slowed or even choked during the past 18 months of economic turmoil, Canadian brands have grown and are starting to catch up. We have momentum, but what will we do with it?

Our brands are growing stronger but are we competitive globally?

This is a difficult question. How many of our top 25 Canadian brands could conceivably climb the steep stairs to the global brand podium? The answer still remains: very few.

To qualify for consideration as one of Interbrand's Best Global Brands, a brand must earn at least one-third of its revenues outside its home country. Despite our recent success in building brand value, many Canadian brands still remain focused on national, not international, markets. Sixteen of our top 25 Canadian brands have operations outside Canada. Fourteen have operations outside North America. And only a few have well-developed brand recognition outside Canada. In many cases, Canadian brands remain domestically focused, selling their wares and telling their stories primarily within our own borders. But there are positive signs on the horizon.

Canadian brands have cracked the global glass ceiling

Our global success stories, BlackBerry and Thomson Reuters, have demonstrated what is possible for Canadian brands. In 2009, BlackBerry had acquired an estimated 20% share of the world's extremely competitive smartphone market primarily through an aggressive organic growth strategy. BlackBerrys are now sold in more than 160 countries around the world, and consumers as far away as Indonesia carry their BlackBerry as a badge of status.

Thomson courageously acquired and integrated the venerable Reuters brand and rocketed to the top of our Canadian ranking. Thomson Reuters now operates in more than 100 countries and

is the world's leading source for business information. Thomson Reuters, with a brand value of $9.4 billion, and BlackBerry, with a brand value of $6.0 billion, are clearly competitive global franchises.

Other strong brands are starting to compete globally

Our top two financial brands, TD and RBC, also deserve congratulations. Both these brands are great Canadian icons that are attracting global attention. TD's strong financials, its US acquisitions and disciplined brand management have made it a top 10 North American financial institution and pushed it past its Canadian peers.

TD and RBC brand values have increased an astonishing $2.9 billion and $2.0 billion, respectively, since 2008. TD's brand value of $6.7 billion and RBC's of $6.2 billion now place them clearly ahead of the buffeted global financial giant UBS which, after losing approximately 50% of its 2008 brand value, sank to US$4.4 billion in Interbrand's 2009 Best Global Brands study. TD's value also edged past Morgan Stanley at US$6.4 billion.

TD and RBC are on the journey to becoming global brands. Their conservative financial practices have helped them weather the global economic crisis admirably. As other financial institutions have faltered, they have gained strength and profile on the world stage. But will their momentum continue as the global economy recovers? And do high brand values equal global success?

Despite significant growth internationally, TD and RBC continue to earn the majority of their revenues in Canada and their brands are still most recognizable on home soil. In 2009, TD earned about 32% of its total revenues outside Canada and is gaining traction in the US. While RBC operates in 53 countries outside of North America, it still only generates approximately 40% of its total revenues beyond Canadian borders. These brands have to leverage their current strengths to gain the recognition they need to push ahead to true global status.

We have brands that need to tell a compelling global story

Other top brands have not yet achieved the broader consumer recognition they need outside Canada. Tim Hortons and Manulife are good examples. Despite recent brand value erosion, Manulife is still one of the world's largest insurance brands. But is the Manulife brand well known outside Canada? How many people know that Tim Hortons is now one of the largest publicly held quick-service restaurants in North America? Canadians embrace Tim's as an iconic Canadian brand, but as it continues to expand in the US, will Tim's be able to duplicate its Canadian success without the emotional appeal of a Canadian story?

Our smaller brands need time to develop global momentum

A number of Canadian brands are still relatively small but have a growing presence both in Canada and abroad. Lululemon specifically has grown at an astonishing rate since it started delivering its unique brand promise in markets in Canada, the US, Australia and Hong Kong. Since fiscal 2008, its revenues outside Canada have grown 241% and now account for 40% of total revenues. With time, brands such as Imax, La Senza and Lululemon could represent our next wave of high-profile global players.

Brands fighting off competitors at home

In the flattened world of our global economy, brands cannot rely on borders or even governments to provide protection. Retail brands such as Rona and Canadian Tire are increasingly battling the Walmarts, Home Depots and Lowe's of the world to maintain their share of mind, heart and wallet with Canadian consumers. Canada is not a safe haven for brands. Remember Eaton's?

Successful communications brands such as Rogers, Bell, Telus and Shaw have been historically protected from foreign competition by government regulation. But these brands are starting to face a new reality as the regulatory walls are breached by new wireless entrants. Fierce competitors nationally, now Canadian firms must also battle global players such as Orascom's Wind Mobile. These savvy consumer-focused marketers have honed their skills in aggressive markets around the world. Our brands will need to adapt to a new game with new contestants and rules.

Why does winning globally matter?

Global brand success is not just about brand bravado or achieving international admiration. Global competitiveness is the key to growth, financial success and brand protection. In Canada, brands face the challenges of a large geography sprinkled with a small population. Brand ambitions can quickly outstrip our national market potential. Our borders have also become increasingly porous. A Canadian brand can no longer stick its head in the sand in its home market and expect to flourish and be left in peace. If a brand does not actively seek to compete globally, global competitors will seek it out either as an acquisition target or a competitor.

Like our Olympic athletes, our brands must become elite performers. Thomson Reuters and BlackBerry have valuable lessons to teach. They have sought out and seized global opportunities. They have persevered in the face of foreign obstacles. Their brands address universal customer needs and they deliver on their brand promises in a multitude of languages every day. But perhaps most importantly, they have travelled beyond national complacency to compete with the best because they realize that their brand success now depends increasingly on beyond-the-backyard thinking. In fact, both of these brands now earn the greatest proportion of their revenues outside Canada, and increasingly outside North America. They are not just valuable brands, they are global brands. Like our Olympic athletes, they have pushed hard to win on the world stage. Who will be next?

Defining Brand Canada – With Confidence

By Erin O'Keefe

How do we understand the brand of Canada? What does it encompass today, and what do we want it to represent in the future? As we head towards our 150th anniversary as a country, what can Canadians do to make our country brand into something that we're proud of – and something that reflects our evolving character as a nation?

Canada is not a country that takes self-definition lightly. We've grappled with our identity over decades, listening to our cultural and civic leaders tell us how to see ourselves, but also listening to people outside Canada tell us how we're perceived.

There are countless assessments by authors, politicians, actors and athletes to sum up our positioning as a nation. Former Prime Minister MacKenzie King's famous assessment was that "if some countries have too much history, we have too much geography," and author Margaret Atwood was quoted as saying that "if the national mental illness of the United States is megalomania, that of Canada is paranoid schizophrenia."

To put it plainly, we've been told that we're stuck in the wilderness, lack a sense of where we've come from, have delusions about who we are today, and are more likely to believe the voices that we hear, instead of trusting our own. There may be some kernels of truth in these ideas. But in the last few years – and especially following on the "New Patriotism" that began to take shape during the Vancouver 2010 Olympics – we seem to have found a new voice, and a new sort of confidence in our country brand, or Brand Canada.

Part of this new patriotism is our appetite for, and loyalty to, brands that build iconic Canadian images into their character and personality. The strongest are the Canadian brands that go beyond the stereotypes we have grown up with and push us to embrace our evolving character as a nation. These emblematic brands may even help us expand Brand Canada, whether it be through experiences and causes that we value, people we want to believe in, and/or places that help us define our identity.

Too much geography, or a geography that brings us together?

Rather than thinking of our geographic reach as a disadvantage, we've learned to think of the resilience it takes to live here as essential to our history. Over the past year, numerous brands were featured in campaigns that tied their identity to our geography. For example, Rona positioned itself as the builder of our country based on contributions to building Olympics facilities. Its ad campaign featured a measuring tape that connected us from coast to coast and explained how the home and building retailer provided materials that made our athletes' achievements possible.

Rona also contributes to our communities by investing in youth development programs – building confidence through capabilities in 12 to 30 year olds. This kind of smart alignment between the brand's positioning and its corporate social responsibility efforts suggests a commitment to building and sustaining communities across an expansive environment. At the same time, when we reward the Rona brand for exhibiting hard work and commitment in the long term, we are signalling the value of these themes to us as Canadians. Ultimately, this contributes to the positioning of Brand Canada.

Bombardier is another brand that uses its relationship to geography as a way to signify its Canadian character. Bombardier's trains are increasingly recognized as a Canadian product that enables physical connections across international geographies. This hardworking brand is about dependability and consistency, and uses its global presence to tell stories at home, through ads that feature its trains travelling across other parts of the world.

Few sponsorship efforts are as evocative and inspiring as the Olympic torch run, when Bombardier's torches were carried across the longest torch run in Olympic history. Every Canadian was invited to participate in following the flame that connected us across communities and landmarks, all carefully chosen to bring Canada's physical identity to life.

We are also connected by our ability to withstand the physical environment. Brands that share in our experience of bracing against the elements feel inherently Canadian, and consequently, we've rewarded them with extreme loyalty. Tim Hortons knows how to reference our relationship with winter in a positive light. It never strays from its positioning as the brand that is always fresh and always available, and may be the reason parents can get up at 5am to take their kids to hockey practice. Leveraging themes of consistency in experience and commitment to quality, Tim's has been rewarded with a place in Canadian iconography and most certainly contributes to Brand Canada.

While these themes of consistency, commitment and resilience are important to older generations, Tims is introducing these themes to new Canadians as well. That's why it has expanded its target market beyond those who grew up spending hours at community ice rinks; it is now presenting itself an essential part of the introduction to Canada.

A recent Tim Hortons campaign features a vignette that is highly evocative of Canada's ever-evolving cultural mosaic. The TV ad, which was launched during the Olympics, features a man whose family arrives at the airport from a much warmer climate. Before they put on their new winter coats, the husband puts a Tim's coffee cup in his wife's hand. Here, resilience is also about the ability to take on challenges, whatever the future holds. Instead of geography and natural elements outshining our history, it has become a proud point of differentiation. The story helps incorporate multiculturalism into the narrative of our country, and emphasizes that an evolving and diverse population is building the characteristic of resilience into Brand Canada.

Brands that emphasize the importance of our geography and the need to preserve it also feel inherently Canadian. Commitment to the environment is a powerful way for Brand Canada to grow beyond a country that offers natural resources as exports, into one that embraces its natural world as a place to be preserved, admired and explored.

The Canadian Tourism Commission has made great strides in advancing Brand Canada for tourism purposes through the expression of "Keep Exploring". This brand wants Canadians – and the world – to keep exploring our country, but it expands the definition of exploration to include our urban spaces and cultural destinations.

The keep exploring experience has been deftly executed in the digital environment to shape and expand what we know about our country, including a Facebook feature that sends daily alerts to subscribers of the different, unexpected and interesting destinations across Canada.

Thanks to keep exploring, we can advance Brand Canada as a place where the environment is valued and cared for – because the more we know about our physical and cultural geography, the more likely we'll be to connect with it, experience it, and join together in the interest of preserving it.

Misguided about who we are, or unsure about who we want to be?

Referencing our shared identity based on geography is one way for us to create a sense of commonality among Canadians old and new. But beyond geography, what else informs Brand Canada?

We certainly have our share of stereotypes. Classic Canadiana includes iconic images of Mounties and mountains, hockey players and hosers, all of which have been referenced and over-referenced for decades, and seem indivisible from Brand Canada. We even played with these concepts at the closing ceremonies for the Olympics – tongue in

“When we pay attention to our true nature, we have the best opportunity to win. Brand Canada benefits when we embrace a healthy tension between seeing ourselves for who we are today, and taking a bold, assertive step towards who we want to become. Just like many of our Olympians, it means being open to a little more risk when we decide that it matters.“

cheek, of course – making them a part of the comedic delivery. While efforts to clarify our national identity in a humorous way may be part of our self-deprecatory nature, it's unclear whether it does us any good.

If we are one of the most multicultural countries in the world, should these stereotypes, built on ethnographic snapshots, really inform our national identity? It may be that these images are preventing us from expanding Brand Canada into what we want it to be.

Perhaps we haven't found a way to focus on our evolving character inside Canada. And perhaps we lack a clear identity because we haven't stopped looking for cues about what others think of us beyond our borders.

If you made it here, it doesn't mean you can make it anywhere

One of the challenges of being content with our evolving Canadian brand is that we still aren't convinced that what constitutes success inside Canada is actually successful enough. We love to be known for our successful celebrities – Hollywood actors, business leaders who have made a mark in international markets, and professional sports stars who come home from time to time to tell Canadian kids that they too can really “make it”.

Seen in that light, the campaign for the Province of British Columbia launched in Winter 2010 may be of debatable merit. Likely modeled on a recent campaign for the state of California that features celebrities who love their lives in the sunshine state, Canadians such as Steve Nash, Kim Catrall, Michael J. Fox and Nellie Furtado share their connection to the province to prove to the world that important people have come from Canada.

Perhaps this cause célèbre will truly benefit tourism for BC and for Canada, but isn't it possible to build richer profiles of our country through the strengths we develop at home? Importantly, it sets up a critical imperative: We need to invest in the people, organizations and causes that we value if we intend to build a country brand that is truly reflective of us and helps us compete and win globally.

Success among global leaders – on our own terms, in our own way

The sense that a person or thing has more value when validated externally is no less true when it comes to corporate brands. Consider the Best Canadian Brands in 2010 that gained significant market share beyond our borders. Success in the US market includes TD and Lululemon, with Tim Hortons making a notable entrance as well. Brands that have reached beyond North America to become true global players are BlackBerry and Thomson Reuters. We're proud of these successes, and we need more strong Canadian brands on the world stage.

But the lesson is not to look at international success as an indicator of what makes us valuable – it's to learn what these Canadian brands share in terms of character that expand what Brand Canada stands for, and to help other Canadian brands achieve similar breakthrough success.

All of these corporate brands have grown in unique ways, and have been able to win in competitive environments due to a strong character that's built on many of the aforementioned themes. Whether expansion happened through acquisition or cautious organic growth, top Canadian brands exhibit consistency in their effort and execution, commitment to a long-term vision, and resilience in the face of adversity.

There is one more theme to add to the list: confidence. Yes, Canada, confidence. A word often used to describe other celebrities, other Olympic athletes, other business leaders, and even other countries. Now it is becoming part of our character, and it's not coming from external validation. It's coming from within.

In this year of Olympic glory, bolstered by “Own the Podium” and a surprising discovery of this thing we're calling the “New Patriotism”, we became known to the world because of what we are starting to think and say about ourselves. We are finally seeing ourselves for who we really are and who we want to become.

When we pay attention to our true nature, we have the best opportunity to win. Brand Canada benefits when we embrace this healthy tension. Just like many of our Olympians, it means being open to a little more risk when we decide that it matters.

Jon Montgomery was confidence personified when he walked through Whistler village after his gold medal bobsled run, and later at the ceremony when he jumped onto the podium to receive his medal. We need more Jon Montgomery in Brand Canada, with all his wacky charm and quirky confidence. We need to build on our resilience against tough conditions, embedding in it a passion and zeal for overcoming challenges. Sometimes, we need to put everything on the line. We've started to show that being nice doesn't have to mean resigning to second place. We need to learn from mistakes and believe it matters to press on as a nation brand.

Approaching our 150th anniversary, we are rewarding brands that help define Brand Canada through references to a new sort of Canadian character, built on our natural and cultural history, but expanded to include a diverse and evolving population. Brand Canada connects us through shared experience and mindset: commitment, resilience, consistency and a newfound confidence. And the more we stop looking for validation externally, the more we will take on the world confidently. That's a country brand to be proud of.

Not-for-Profits Need to Understand How Brand Can Support the Cause

By Heather Cartwright

Not-for-profits are essential to society. In Canada they contribute over $100 billion in revenue, employ over 2 million people and draw on more than 2 billion volunteer hours. They help, they serve, they protect, they heal, they educate. When not-for-profits succeed, we all do. When not-for-profits face challenges, it is in the best interest of all of us to ensure their success.

The journey has begun

Powerful forces have converged on the not-for-profit world – a simultaneous increase in competition and demand for services along with a decrease in available resources. These three forces are causing not-for-profits to struggle with enhancing relevance, securing loyalty and driving innovation and sending them on a journey to do more with less.

1. Rapid increase in competition
While several hospitals, universities and charities come to mind as the dominant players in the sector, there are over 160,000 non-profit and volunteer organizations operating across Canada. The success of new entrants in the category is remarkable. Brands such as Rethink Breast Cancer, The Michael J. Fox Foundation for Parkinson's Research, and Pathways to Education are relatively new, yet they have made a substantial impact in a short time.

In the corporate world, the rise of Corporate Social Responsibility (CSR) and sustainability initiatives have added more prominent brands to the consideration set. TD Friends of the Environment Foundation, The Tim Horton Children's Foundation, Canadian Tire Jumpstart and CIBC Run for the Cure are just a few examples of Canadian brands that are more prominently connected to causes for social good, leveraging familiarity of their brand and adding more choice to the space.

Success on the home front is not enough. Technology and social media have made local and global choices equally accessible for donors. In the online world it is just as easy to support a run for a local hospital as it is to support an international relief effort. The global playing field is something that all not-for-profit organizations today need to keep in mind. Leading Canadian institutions such as The Hospital for Sick Children and The University of Toronto must continue to stand out on a stage that goes well beyond our national boundaries. Says Alex Usher, President of Higher Education Strategy Associates, "Over the past decade, the competition for talent and prestige in higher education has become much more globalized. Canadian institutions that fail to show global ambition, that remain wedded to a regional or even national role, are inevitably going to suffer in the battle for top academics."

2. Greater demands
Gone are the days when funding partners would simply cut cheques. Today, corporate partners and major donors are looking for alignment both in strategy and in organizational values. They seek a true partnership where parties can work together to achieve common goals.

At the micro level, individual donors, members and volunteers have much more choice and therefore have higher expectations of what they will get in return. Customers in general are more sophisticated and expect more, so anyone who interacts with a not-for-profit organization has a heightened expectation of service in this new reality.

3. Less support
While choice has grown, sources of funding have been tightened. Between government cuts, poorly performing endowment funds and reductions in corporate and individual donations, the need for non-profit organizations to focus on relevance, loyalty and innovation has intensified.

A new direction

In the past, not-for-profit organizations have survived on the strength of their mission and the passion of their stakeholders. Many have not embraced brand strategically because it hasn't been necessary – fewer alternatives, less demands and more support. This is no longer the case. The rules of engagement have clearly changed. Not-for-profits that cling to the fallacy that this too shall pass are missing the warning signs. Those that have the courage to examine a new direction will be set to reap the rewards. Brands are one of the most powerful and valuable assets that for-profit organizations own. A unique approach to brand-building in the not-for-profit context is critical to unlocking the benefits of strategic brand management and ensuring an efficient and effective journey.

Enhance relevance
A consistent brand promise will help not-for-profits be better known and better understood, allowing a more efficient deployment of resources. Not-for-profit organizations have unique operating structures and governance models. It is not uncommon to have very

disparate units within a single organizational brand communicating many different (and sometimes conflicting) messages. These different and often opposing approaches dilute the brand and make it challenging to develop a common understanding among stakeholders, not to mention the inefficiency and wasted resources in promoting fragmented messaging. When today's financial and competitive pressures are added, the need for organizations to be clear and consistent in what they promise is essential. This does not require a change in organizational structure, it simply requires collaboration, communication and a good fact base to build consensus for the right change.

Secure loyalty
Using brand as a filter to create the right stakeholder experiences can help keep all stakeholders engaged and advocating for the cause. It is always a risk to make a promise without the ability to deliver. Because not-for-profit organizations are exceedingly complex, the act of agreeing to a common promise can be hard work. As such, the temptation is to stop there and let the delivery fall where it may – a dangerous strategy that risks pushing the organization back into a disorganized, fragmented state. However, with the competitive pressure and the ability of new players to succeed, literally overnight, many non profits are struggling with loyalty – how to secure stakeholder commitment over time. This is not an impossible task but it requires consideration of all groups the not-for-profit touches (employees, donors, those they serve, etc.) and an examination of the experience they have with the organization. It is critical to move beyond a satisfactory user experience towards an on-brand, unique and memorable experience that keeps stakeholders emotionally connected.

Drive innovation
A source of innovation is one of the primary rewards for non-profits that have invested in brand. When times are challenging, organizations must look for new and creative ways to be successful. If they have clearly defined a promise and created an on-brand customer experience, they earn permission from stakeholders to stretch into something new. When this stretch is based on a strong existing brand, there is equity to leverage into the next venture: for providing a foundation for innovation, for developing an offering that aligns to the organization to support ongoing growth, and for securing revenue streams.

The roadblocks

1. Managing complexity
There are unique challenges to using brand as a strategic tool in the not-for-profit space. The myth about non-profits is that they simply lack business sophistication and corporate management practices. The truth is that non-profit organizations are more complicated

than their similar-sized corporate counterparts. Typically they have three objectives (raise funds, serve and advocate) vs. the corporate world which is mainly concerned with one – generating returns to shareholders. There are multiple, diverse and equally important stakeholder groups (government, donors, members, employees, volunteers, those who are served and partners) in the not-for-profit area compared to the corporate world which is primarily focused on revenue generating customers also have a range of different governance structures and typically require greater collaboration and input from a much larger and collective decision-making body. In the corporate world, there is clear and often singular executive leadership. The fundamental differences between not-for-profit and for-profit entities have implications in strategic brand management. Turning a blind-eye to what makes not-for-profit organizations special exposes the brand to unnecessary risk and distracts from the unique opportunities not-for-profit brands have for greatness.

2. The "B" word: Brand

The important reality about non-profits is that they are mission-driven and that they are doing the "good" that society heavily relies on. However, there exists within these organizations an aversion to the word brand. The reality that "brand" means many things to different people makes the situation that much more difficult. There is the belief that the nobleness of not-for-profit deeds should be sufficient and that strategic use of brand somehow diminishes the cause, which should be clear enough in and of itself. There is the perception that branding is for consumer products, goods that require some convincing beyond their merits. In addition to being misunderstood, "brand" must compete for resources. In organizations whose energies are used to "save the world", the case for investing time and money in brand can be difficult. As the not-for-profit industry continues to face forces that demand a strong brand, brand investment will become less of a "nice to do" and more of a serious contender for resources alongside finance, operations, information technology and human resources.

3. Competition is a dirty word

Not-for-profit organizations need to work in partnership. This is the essence of who they are and how they must operate in order to be successful. The purpose of brand strategy is to enable organizations to attract and grow successful relationships with stakeholders. Understanding and defining the brand involves determining what makes an organization most special or unique compared to others. For those in the non-profit world, identifying partners in the competitive context can be very uncomfortable. Says Laura Palmer Korn, Senior Vice President of YMCA Canada, "It's important for us to understand what unique value our stakeholders see in the YMCA, but we do not view other charitable organizations as competitors since they are also our key partners."

The shortcuts

1. Inspiration

While not-for-profit organizations have unique challenges and need to consider their own path to gain the benefits of strategic brand development, they also have two main advantages in strategic brand building. First, a strong brand requires an inspiring and emotive idea. While some corporate organizations struggle with finding the inspiration in what seems like basic business, not-for-profits have a significant advantage in their mission-driven purpose. Their reasons for being are naturally inspiring and emotive, resulting in authentic brand propositions.

2. Engagement

The second advantage not-for-profits have in brand management is in the engagement process. Not-for-profits have a natural engagement approach with other stakeholders. It may take more time to get brand management in gear, but the result is a much higher level of buy-in with key groups such as staff, donors and volunteers. Greater engagement drives a better experience and a better experience helps secure loyalty.

Like it or not, the not-for-profit industry is being sent out into a new reality. The not-for-profits who choose complacency will struggle as the conditions in which they operate continue to change. Those organizations that embrace a new and unique path towards strategic brand management, while avoiding the roadblocks and taking full advantage of the shortcuts, will enjoy greater relevance, loyalty and growth – and that is a trip worth taking.

Can Social Media Lead to Deeper Engagement for B2B Brands?

Social media is currently top of mind for many brand owners. Not a day goes by without the appearance of headlines trumpeting new eye-popping growth stats (Facebook has grown to over 300 million users in less than five years), huge changes in where people go to get breaking news (Twitter became the *de facto* source of information when Iran expelled all foreign journalists during the last election), and massive shifts in marketing budgets (Forrester Research predicts US online marketing spend to reach US$50 billion by 2014).

While social media promises efficient connection with a new type of engaged stakeholder, it also represents a real risk to companies that come down on the wrong side of the digital mob for a perceived transgression. Some companies have also been skewered online for trying to use social media as any other broadcast channel, pushing their key messages at a group of people, hoping that they can generate more positive impressions about their brand. For example, Kmart recently sponsored a pay-per-post campaign for influential people on Twitter. This move met with much criticism, as it betrayed the spirit of what makes word of mouth so effective – i.e., unprompted, authentic recommendations for a product or service. As a result, many companies have been treading lightly while the medium continues to evolve, with their marketing, HR, IT, and legal departments continuing to slowly weigh the risks.

To date, the consumer products sector has been the most visible participant in the social media realm and, as such, is also reaping most of the rewards. Dell reportedly generated US$ 3 million in revenue since 2007 from its DellOutlet Twitter feed, and Nike has seen a double-digit market share gain in the running category as a result of the Nike community, which encourages runners to log in and record their times while competing with other users. Lubricant maker WD-40 has increased sales volume to existing customers by creating a site that takes user-generated suggestions for further uses of the product. To get a sense of the scale of participation in social media, consider that Gartner estimates that 60% of the Fortune 1000 will experiment with some sort of brand community in 2010.

So what about social media and B2B?

Social media encompasses the entire digital landscape where core content is user generated and the community often dictates the evolution of the space (e.g., brand communities, blogs, podcasts, wikis, and social networking). The key success factor is a high degree of participation.

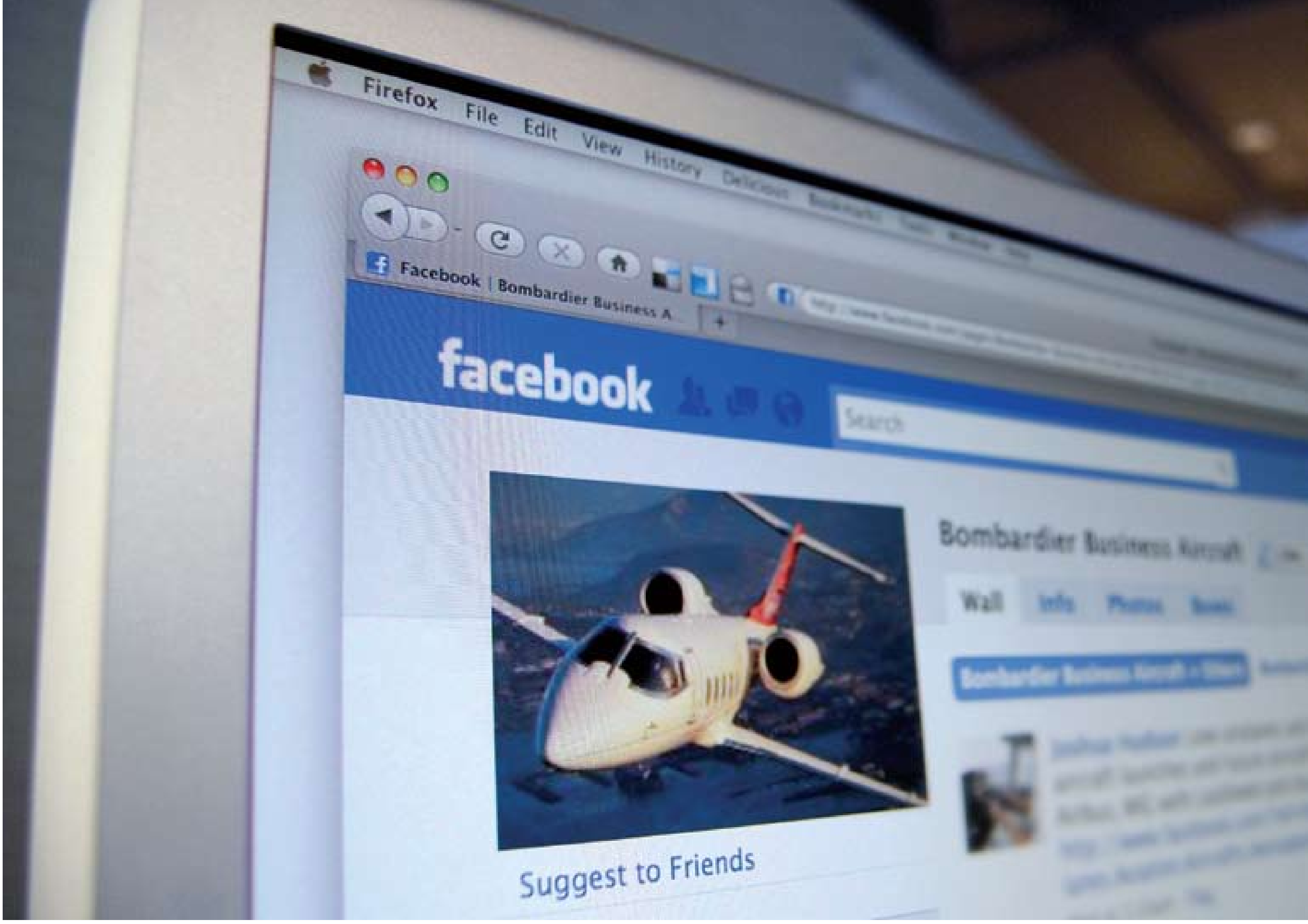
Contrary to what one might naturally expect, business-to-business (B2B) is a sector that should be critically reliant on the key capabilities delivered by social media participation (content generation, community building, and decision support). Forrester, for example, notes that 91% of B2B decision makers participate in social media, and 69% use this technology for business purposes. B2B customers and prospects also tend to maintain much longer relationships, and in sectors such as enterprise software, ongoing upgrades and service contracts are often the key to profitability.

Somewhat surprisingly, many B2B businesses have already been involved with social media for years, but out of the public eye and under different names. While B2C companies have been recently building up very visible external networks, B2B companies have had a long run with developing internal networks. Employee intranets, client extranets, supplier sites, and customer forums were all early precursors of social media in terms of community-building and user-generated content.

While B2B companies understood early on that they needed deeper engagement with customers and partners, to avoid risk they deliberately limited access to these sites to a select and carefully controlled group that could contribute. But this risk aversion has limited the potential that can only be achieved by high levels of participation and minimal, if any, supervision (e.g., crowdsourcing, innovations, and participatory marketing).

Understandably, what most B2B firms have been trying to avoid are social media blunders, which can easily occur when engagement is not done properly. Some embarrassing mistakes they've seen others make in the past involve disguised company representatives posting "AdverQuestions" (thinly veiled advertisements) to forums targeted to a particular set of customers/users. Honest peer-to-peer knowledge sharing is extremely valuable in a B2B context (think of industrial engineers finding other industrial engineers to share innovative new uses for an existing product), but this can become frustrating if you have to wade through questions like "Does anyone know where I can buy that great new product from Company X?"

So what can B2B companies learn from both the positive and negative examples of businesses trying to engage with social media? There are three key ways to get started: listen, experiment, and evolve.



1. Listen
A conversation about your company is already taking place online. Invest the time and money to find out what's being said and understand how that might be influencing others. Monitoring software from companies like Sysomos and Radian6 have made it incredibly simple to give you an early warning of what is being said about your brands online. They offer sentiment readings and help you gain valuable insights into what makes people bond with your brand or reject you outright. You can also see how you're doing relative to the competition with tools like Twitalyzer, which ranks brands based on how they score against elements such as the ratio of positive to negative citations, number of unique individuals referencing your brand, and the likelihood that individuals talking about your brand will do so repeatedly.

2. Experiment
Don't put all your bets on the latest shiny new social media object. Friendster was usurped by MySpace, which was overtaken by Facebook, which is currently being overshadowed by Twitter (in the media at least). Engage with multiple social media sites and networks. Create a fan page on Facebook for recruiting. Develop an alumni group on LinkedIn to share news, gain input, or generate referrals. Encourage employees to use Twitter as a way of sharing ideas and generating new ones. Companies should also syndicate their own digital content by creating RSS feeds for news, events, and job postings so that it can be easily found and shared by the numerous other social media sites.

3. Evolve
Try to remove "push" and "broadcast" from your vocabulary. The advantages of social media only come when the participants have a real role to play and are not just passive recipients of your corporate key messages (good examples include Intuit or Amex OPEN communities). Ask questions that you don't know the answer to, try to answer other people's questions, post links from other people and brands that inspire you, be conversational, be honest, and have a point of view.

Recently a research firm called the Altimeter Group released a widely cited study called ENGAGEMENTdb which used the Interbrand list of the 100 most valuable global brands as the basis for examining the level of engagement top brands had across social media channels (measuring factors such as a company's likelihood to respond to blog posts). While Interbrand's methodology for this particular ranking excludes firms that are exclusively B2B, it is interesting to see that two providers of business services (Thomson Reuters and SAP) found themselves in the top 10 of "engaged" brands (a list that includes Starbucks, Nike, and Google). The lesson here is that these firms are committed to engaging. In other words, once you open the door to dialogue, you must respond, and you need the resources to handle this responsibility.

Much of this advice presupposes that you have thought carefully about your brand from creation through to the ongoing management of its value. This will help you answer the question, "Does a social media approach make sense for my particular business at this point in time?" In particular, you should carefully consider whether you've aligned the promise and delivery of your brand because, if you haven't, this massive online, engaged constituency is sure to tell you…and the rest of the world.

Brand Advocacy: Who's Telling Your Brand Story?

By Debbie Bolton

In an online and connected world, brand success increasingly depends on what others say about brands, not just what brands say about themselves. Audiences have become authors and brand stories travel exponentially further and faster. So how can companies ensure that the stories being told about the brand always work for the brand? The short answer is… they can't. But a committed effort to create brand advocates who are willing to promote and recommend your brand can encourage the type of stories that will help your brand grow.

Advocacy is a powerful but underutilized tool

A strategic approach to creating advocacy is worth the effort. Research from Bain and Company has shown that brands with the highest level of advocacy outgrow their competition in their category 2.5 times.

The power of advocacy stems from the trust people place in others. Nielsen's Online Global Consumer Study of April 2009 listed this ranking of information sources based on trust:

1. Recommendations from known people
2. Consumer opinions posted online
3. Brand websites
4. Editorial content (news articles)
5. Brand advertising

The study's results are not startling. Word of mouth, good or bad, has always influenced perceptions of brands. Online consumer opinions have also gained importance as new communications channels have emerged. But it is surprising that marketers continue to spend more time and budget battling for awareness and pushing information at targets rather than building trust with potential advocates and nurturing their recommendations and opinions. So how do you find advocates and how do you motivate them to tell the story you would like them to tell?

Advocacy starts close to home

The most powerful brand storytellers are influencers with credibility and extensive reach who can share their halo with your brand. Oprah telling the world she used her BlackBerry to write an article about First Lady Michelle Obama is a great brand story. But it is unlikely that a brand can capture Oprah's attention without first building a strong base of brand supporters.

Brands must start by creating advocates in the world around them. If you gain the passionate support of customers and employees, their enthusiasm for the brand will spill over into words and actions. If they trust the brand, they will stake their reputation with others by endorsing it. If you channel them effectively, you can help build a groundswell of support that will ensure loyalty and help draw new customers and employees.

Make customers and employees part of the brand story

Transforming customers and employees into advocates requires new thinking that puts them at the heart of the brand. Zappos, the online clothing and shoe retailer, has employees who are valued and empowered partners in creating and delivering the customer experience. Interactions between employees and customers become unscripted and engaging experiences that often transcend the transaction of buying shoes. Delighted customers and passionate employees play an important part in creating and telling brand stories.

Zappos uses these stories to develop an inclusive and appealing brand culture. Some TV spots launched in March 2010 are actual customer service calls. "I heart Zappos" stories are posted online. CEO, Tony Hsieh, tells brand stories on his numerous speaking tours. Zappos has helped build its brand through stories starring its customer and employee advocates.

Deliver an experience that gets them talking

Creating brand advocates requires persistence and effort. Keeping customers and employees satisfied and loyal is not enough. Loyalists can be quiet and passive and remain in the brand boat either through lack of choice, inertia, or in the case of an employee, a paycheque. Even the most loyal customers and employees do not always promote the brand to others. Microsoft is a great example of a brand with captive loyalty.

On the other hand, Apple's advocates go beyond loyalty to actively promote the brand. Followers of Steve Jobs swarm Apple stores to buy the latest "iCreation" and have made Apple's phones and computers hot topics of conversation. But Apple has earned this enthusiasm. It consistently develops and delivers innovative products and services and thinks differently about consumer needs and how they can be satisfied. It engages people emotionally in the brand and delivers the experiences that its advocates want to talk about.

Outperform when they care the most

For most brands, today's consumers are a tough crowd. They are skeptical, overwhelmed with choice and information, often underwhelmed by brand delivery, and too busy to care about most brands most of the time. Employees, too, are often cynical, indifferent, and worn down by employers who appear to put profits before people. It is extremely difficult to push the brand into the minds and hearts of these individuals. How can you turn them into advocates?

Every contact you have with customers and employees is an opportunity to build, maintain or damage your brand's potential for advocacy. But the secret to creating advocates is to outperform for brand participants when they most need it. If you truly understand the customer and employee experience with your brand, you can optimize the critical touchpoints when they are most willing to invite you into their lives.

Understanding and solving problems is universally one of the most effective ways to create brand advocates. Problems get you on the radar of busy or indifferent people. You have their undivided attention. They are emotionally invested because the outcome truly matters to them. How you treat them at this critical point is pivotal. Whether you are dealing with a problem on the scale of Toyota's recalls, a customer's upcoming presentation to their boss, or a disgruntled employee, a brand's treatment of problems can provide fodder for stories that will enhance or detract from its reputation.

From monologue to dialogue

It's not news that the old rules of brand communication no longer apply. Brand users have become content creators. Virtual word of mouth can exponentially expand reach and frequency. New forms of media and new influencers reign. Social media is the new frontier for many brands.

The world has changed but many marketers still bring old thinking to new spaces and pitch the brand in corporate monologues on their websites, Facebook and Twitter. They are losing opportunities to encourage meaningful dialogue, provide value to stakeholders and gain brand insights.

Brands need to keep their finger on the fast-beating online pulse. Good news can travel fast online but bad news can travel even faster and further. The infamous Domino's employees' YouTube video had 760,000 views within 24 hours. A recent Google search for "Toyota fail" yielded over 15 million hits and a Twitter search for "Toyota quality concerns" pulled up "Did Twitter topple Toyota?" Brands need to monitor and deal with unfavourable brand stories effectively and quickly.

Some brands are adapting well. Companies such as Method cleaning products are creating opportunities for dialogue with brand participants, listening and acting on insights they obtain online. Comcast employees use social media to help customers solve problems. And many brands are creating brand platforms or communities for advocates to share their stories. More than 4,800 Tim Hortons enthusiasts have shared tales in the "Every Cup Tells a Story" section of the website. But many brands are still at the early stages of fully understanding and building advocacy.

Where can you start?

1. **Develop an advocacy strategy.** Understand who your potential advocates are, how you will gain their attention and support, how you will activate them, how you will recognize their help, and how you will measure success.
2. **Use experience audits** to understand the critical touchpoints in the customer and employee brand experience. What are they doing and why? How are they feeling?
3. **Measure satisfaction** with brand performance at these critical touchpoints. You might be surprised. Research by Bain and Company showed that 80% of companies believe they are providing above-average customer service but only 8% of their customers agree.
4. **Make outstanding experiences the norm** for customers and employees at important touchpoints. Create buzz by adding value and excitement. Turn problems into opportunities.
5. **Transform employees into passionate and empowered partners.** Engage them in the brand. Listen to them, train them, empower them and reward them for creating and delivering value-added brand experiences.
6. **Make it easy and appealing for advocates to tell their stories.** Create opportunities for customers and employees to talk about their brand experiences in online communities and two-way channels of communications. Recognize and acknowledge your advocates for their support.
7. **Use social media wisely.** Participate, don't preach. Create dialogue, not monologue. Monitor, listen, learn and act quickly on insights and problems.
8. **Measure your progress.** Track your performance regularly and in ways that encourage candour and provide actionable solutions.

Why does brand advocacy matter?

A brand advocacy strategy is not just a "feel-good" approach that brands should bolt onto their traditional marketing plan. Brand advocates can help attract new customers and employees inexpensively through recommendations and referrals. Their loyalty reduces churn and rewards the brand with more stable and profitable long-term business and growth. Brand advocacy is a smart business strategy that effectively and efficiently builds and protects both revenue and profits.

Brand advocacy should be the Holy Grail for brand marketers. In today's online world where brand messages can come from anyone and everywhere, brands cannot expect customers and employees to listen and accept only what brand marketers choose to tell them. Brand success now depends on the willingness of others to tell the brand story, and the nature of the stories they tell. One of the top indicators of business success is captured in Fred Reichheld's *The Ultimate Question*: "Would you recommend this company to a friend or colleague?" Shouldn't your customers and employees be saying yes?

Evaluating the Best Canadian Brands – Interbrand's Methodology

The Interbrand method for valuing brands is proven, straightforward and profound. It examines brands through the lens of financial strength, importance in driving consumer choice and the likelihood of ongoing revenue generated for the brand's owners.

To start, Interbrand compiles a list of Canadian brands from our marketing database based on more than 25 years of valuing brands and nearly four decades of consulting with organizations in Canada and around the world.

We then narrow the candidates based on the following criteria for consideration:

1. The brand's country of origin must be Canada.
2. There must be substantial publicly available financial data.
3. The brand must have a broad public profile and awareness or the brand must be positioned to play a significant role in the consumers' purchase decision.
4. The Economic Value Added (EVA) must be positive, showing that there is revenue above the company's operating and financing costs.

Based on these criteria, certain brands you might expect to see in this ranking are not included. Roots and Cirque du Soleil, for example, are privately held and do not have publicly available financial data. Additionally, you will not find certain industry sectors included in our study. Airline brands, for example, have capital-intensive structures, which make it quite challenging to generate positive EVA (see criterion #4 above).

For brands that do meet the Interbrand criteria, we next look at the current financial health of the business and brand, the brand's role in creating demand, and the future strength of the brand as an asset to the business. This method is defined on the opposite page.

Financial Analysis

We begin by forecasting the current and future revenue specifically attributable to the branded products. We subtract operating costs from this revenue to calculate branded operating profit. We then apply a charge to the branded profit that is based on the capital a business spends in order to generate those forecasted returns. This gives us a business's economic earnings.

All financial analysis is based on publicly available company information. An estimate for financial reporting is established from a wide range of analysts' reports.

Brand Revenue
– Operating Costs
– Taxes
– Capital Costs

Economic Earnings

Role of Brand Analysis

The Role of Brand is a measurement of how the brand influences customer demand at the point of purchase. This is applied to the economic earnings to arrive at the revenue that the brand alone generates (Branded Earnings). We use in-house market research to establish individual brand scores against our industry benchmarks to help us define the role a brand plays within the category. For example, we know that Role of Brand is traditionally much higher in the luxury category than in the energy and utilities sector. The brand, not the business, is arguably the principle reason why consumers choose these goods and services.

Brand Earnings:
The revenue that the brand alone generates

Brand Strength Score

Since we view brands as assets, when valuing them, we need to assess their ability to secure future earnings on behalf of the businesses that own them. Brand strength is a measure of the brand's ability to secure that demand, and therefore earnings, over time. Securing customer demand typically means achieving loyalty, advocacy, favourable levels of customer trial, and in many cases, maintaining a price premium.

Our method generates a discount factor that adjusts the forecasted brand earnings for their riskiness based on the level of demand the brand is able to secure.

We calculate brand strength by assessing the brand's performance against a set of critical dimensions. Examples are as follows:

- Quality and brand experience
- Distinctiveness of its proposition
- Relevance to the customers it serves
- Capacity to deliver the promised brand experience
- Ability to evolve and lead within its category
- Positive buzz it enjoys in the media and among consumers
- Level of importance the organization places on brand
- Consistency across all its touchpoints

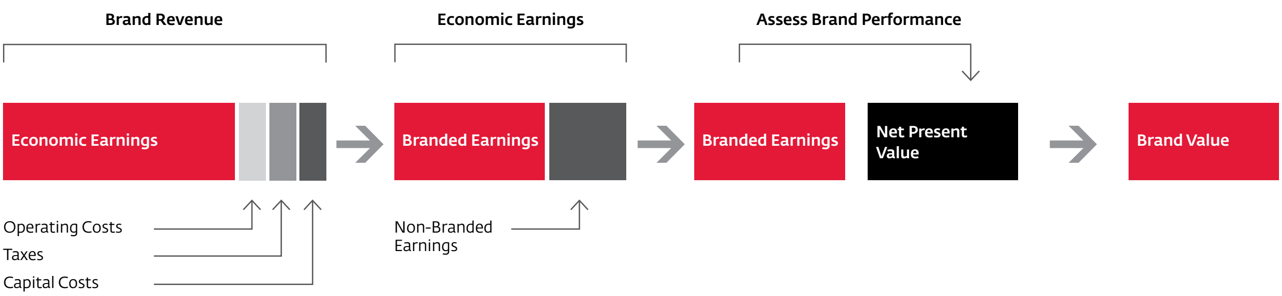
Through this analysis, we also develop deep insights about how a brand creates value and what it can do to increase that further.

Brand Value

A brand's value is a financial representation of the business's earnings due to the superior demand created for its products and services through the strength of its brand.

Brand value is the absolute financial worth of the brand as it stands today. Accordingly, the brand's value can be compared to the total value of the business, e.g., as the business would be assessed on the stock exchange.

Brand value can also be compared to other tangible and intangible assets owned by the business. We adjust the business's earnings based on future risk to the strength of the brand (i.e., the net present value or dollar value in today's money). In doing so, brand value becomes a key performance indicator for brand strategy and serves as the overall performance measure for all branding activity and investment.



Best Canadian Brands 2010

A snapshot of the brand values for the 25 leading brands

All values in this report are expressed in Canadian dollars unless otherwise indicated.

Rank	Brand	Value	Change	2008 Rank
01	Thomson Reuters	9,413 $m	NEW	2008 Rank NEW
02	TD	6,668 $m	↑ 43%	2008 Rank 3
03	RBC	6,171 $m	↑ 33%	2008 Rank 2
04	BlackBerry	6,000 $m	↑ 7%	2008 Rank 1
05	Shoppers Drug Mart	3,425 $m	↑ 8%	2008 Rank 4
06	Tim Hortons	2,654 $m	↑ 40%	2008 Rank 10
07	Bell	2,452 $m	↓ -3%	2008 Rank 7
08	Rogers	2,276 $m	↑ 33%	2008 Rank 12
09	Scotiabank	2,159 $m	↑ 13%	2008 Rank 8
10	BMO	1,972 $m	↑ 19%	2008 Rank 11
11	Canadian Tire	1,906 $m	↑ 4%	2008 Rank 9
12	Manulife	1,801 $m	↓ -42%	2008 Rank 6
13	Bombardier	1,704 $m	NEW	2008 Rank NEW
14	CIBC	1,491 $m	↑ 47%	2008 Rank 17
15	Telus	1,241 $m	↓ -6%	2008 Rank 14
16	Sun Life	1,035 $m	↑ 1%	2008 Rank 15
17	Lululemon	827 $m	↑ 57%	2008 Rank 22
18	Molson	784 $m	↑ 6%	2008 Rank 18
19	Suncor/ Petro-Canada	606 $m	↓ -87%	2008 Rank 13
20	Rona	500 $m	↑ 3%	2008 Rank 19
21	Shaw	459 $m	↑ 41%	2008 Rank 25
22	Investors Group	436 $m	↑ 13%	2008 Rank 20
23	Labatt	383 $m	↑ 25%	2008 Rank 24
24	IMAX	330 $m	NEW	2008 Rank NEW
25	La Senza	282 $m	NEW	2008 Rank NEW

01

9,413 $m NEW

Thomson Reuters

Thomson Reuters is a bold new entrant to the Canadian brand rankings. After two years of commitment to unifying the company under a strong corporate brand since Thomson acquired Reuters in 2008, the company has continued to drive success across its diversified portfolio of innovative products and services for highly specialized customers. Innovation is central to the Thomson Reuters brand and the company continues to gain ground in business services through a range of new offerings across its product portfolios. Industry buzz and excellent press abound for Reuters Insider, a unique application that consolidates news from more than 150 global partners into an efficient platform for news and analysis and is customizable by users in the financial sector. Other notable new offerings include WestlawNext for the legal sector, the Elektron enterprise data distribution service, web content accessibility tools, and unique applications for the Sony eReader, Apple iPhone and iPod. Thomson Reuters has also proven its CSR credentials, ranking in the Corporate Knights Top 50 Best Corporate Citizens, and Ethisphere Institute's World's most Ethical Companies in 2009.

02 ↑

6,668 $m 43%

TD

Achieving one of the most notable increases in our 2010 ranking, TD Bank Financial Group has advanced its brand both in Canada and the US. Its actions have engendered trust in spite of the challenges to the financial services sector over the past two years. Since its acquisition of Commerce Bank and Bank North, TD has demonstrated an ability to develop and execute complementary brand strategies and campaigns across its two key markets – expressed as "America's Most Convenient Bank" at US locations and sustained in Canada under the "Banking Can Be This Comfortable" positioning. Jumping ahead in the rankings required this brand to combine strong financial results with delivery of a promised brand experience. TD is considered one of the most approachable financial institutions, and sees employees' ability to "wow" the customer as so fundamental to its brand experience that it is currently attempting to register the word WOW as a trademark on both sides of the Canada/US border.

03 ↑

6,171 $m 33%

RBC

RBC's globally recognized success in weathering the economic downturn can be attributed to strong brand management as well as prudent, cautious business decisions that have served to benefit both customers and shareholders. RBC continues to reinforce its "First for You" positioning through experiences across multiple channels for retail and institutional clients. Making an effort to develop programs that are "first" in terms of their impact on individuals and communities, RBC supports unique CSR initiatives such as the Blue Water Project and has been a sponsor of Canadian Olympians since 1947. Few other brands built stronger associations between themselves and their country brand at the Vancouver 2010 Olympics, generating emotional connections that should contribute to long-term loyalty. In addition to sponsoring the torch relay and the games themselves, RBC benefited from close association with VISA during the Olympics through shared touchpoints, all of which yielded both domestic and international presence for the brand.

04 ↑

6,000 $m 7%

BlackBerry

BlackBerry has continued to grow in the smartphone market both at home and globally. It has received kudos as one of the world's fastest growing companies and most powerful brands. It was one of only two Canadian brands to enter Interbrand's Best Global Brands ranking in 2008 at #73 and in 2009 held the #63 spot. Despite increased competition from Apple's iPhone, BlackBerry subscribers have more than doubled since 2008. BlackBerry still remains true to its enterprise customer base, but growth has been fueled at least in part by its increased penetration of the consumer market, with the free BlackBerry Messenger feature holding special teen appeal. A new focus on non-telco sponsored consumer advertising, consumer friendly initiatives such as mobile albums for U2 and ties to the 2010 Black Eyed Peas tour show that BlackBerry means business beyond the boardroom.

05 ↑

3,425 $m 8%

Shoppers Drug Mart

Shoppers Drug Mart has flourished economically as one of the most trusted brands in Canadian retailing. It has broadened its reach of Canadians with an aggressive store expansion program including bigger stores and six Murale cosmetics stores which provide an engaging and well-researched customer experience. An ever-expanding product line of private label brands and food and electronics has blurred the lines of competitors to include not only pharmacies but also mass merchandisers and grocery retailers. Marketing support is focused on aggressive promotions and successfully targets its Optimum card database of 9.5 million active users. But recent Ontario rule changes regarding the pricing of generic drugs could shake the foundations for this brand if the financial repercussions impact brand delivery through store closures and reduced service levels.

06 ↑

2,654 $m 40%

Tim Hortons

Tim Hortons continues to wrap its brand in Canadian imagery and remains firmly entrenched in the hearts and mouths of Canadians from all walks of life. It continues to expand in Canada and is now positioned to take a bigger bite of the breakfast market with its new English muffin sandwich. But Tim's is not just resting on its Canadian laurels. It is North America's fourth largest publicly traded quick-service restaurant based on market cap. Its US expansion has gained momentum with more than 500 current locations and additional locations planned. Tim's is also testing the waters of co-branding and an expanded offering by introducing Cold Stone Creamery premium ice cream in the US and six test locations in Canada.

07 ↓

2,452 $m -3%

Bell

With a new high-speed 3G network, Bell has been implementing change and shaking off some cobwebs. Bell has renewed its commitment to customers, rebranded and made a big push with its "Better" campaign. As official telecommunications partner, Bell played an integral part in the Vancouver Olympics and Paralympics and its strong advertising presence during the Games has been followed up with direct mail and ongoing campaigns. Bell acquired The Source in 2009 to beef up its retail presence. Record wireless subscriber growth at the end of 2009 has been tied to holiday sales and aggressive promotion. But Bell still needs to fight off tough competition from other Canadian telcos, cable companies like Shaw, and new competitors such as Wind Mobile to maintain its market position.

08 ↑

2,276 $m 33%

Rogers

Rogers has entered a new era after the passing of its visionary founder, Ted Rogers. New leadership under CEO Nadir Mohammed is focused on building from a strong heritage and economic base while transforming Rogers into a one-stop company that is easier for customers to do business with. After receiving lots of buzz for its exclusive iPhone launch in 2008, competition has heated up with the entry of new lower-cost wireless providers, and the launch of Bell and Telus' 3G network which led to the loss of the iPhone monopoly. However, Rogers continues to push forward with aggressive marketing support while it seeks to regain the technological edge by investing in innovative 4G technology which will push mobile data offerings to the next level.

09 ↑

2,159 $m 13%

Scotiabank

Scotiabank's value has increased since 2008, due in large part to the brand's ability to consistently execute against a clear brand strategy across multiple geographies. With an established international presence including Mexico and Central and South America, Scotiabank has also made Asia a priority, where its operations in 12 countries are benefiting from that region's earlier financial recovery. Domestically, the brand has invested for years in an approach that positions it to customers as an informed friend and partner. "You're Richer Than You Think" continues to resonate in short-term product marketing efforts such as "Bank the Rest", a program to help customers increase short-term savings. Scotiabank is highly consistent across digital, print and retail banking touchpoints and has won awards for Internet banking usability.

10 ↑

1,972 $m 19%

BMO

BMO has made solid efforts in the past two years to improve its overall approachability and appear more customer-centric. The brand has adopted some clever strategies aimed at an investment-savvy audience including making some forays into social media with talks by its BMO Capital Markets division on YouTube featuring experts sharing their perspectives on changes in the economic climate. BMO has also invested in understanding and improving the retail banking experience with new branches designed and reinvented with a new layout that is much more open and approachable. This suggests BMO is taking its promise of "Making Money Make Sense" through to an engaging in-person experience.

11 ↑

1,906 $m 4%

Canadian Tire

Despite a growing range of competitors and a slower economic climate in 2009, Canadian Tire continues as a stalwart presence and leading corporate citizen of communities large and small across Canada. It is estimated that about 90% of Canadians live within a 15 minute drive of a Canadian Tire store. But new management plans to revitalize the brand. It has retired its long-term suburban shopper, Bob, from ads and launched an updated and more broadly targeted new campaign with the tagline "For days like today."
The future plan is to refocus on the core business of sporting goods, hardware and automotive, with more emphasis on customer service and new, more productive "smart store" formats. Online shopping home delivery was discontinued in 2009 but may be revived.

12 ↓

1,801 $m -42%

Manulife

Manulife has been dealing with the 2009 financial challenges of strengthening their balance sheet and increasing their capital base. Under the new leadership of Donald Guoloien, this world-class insurance company is on the road to recovery. Recent financial reports have been positive. The brand is moving forward by expanding its geographic reach both in North America and Asia and is broadening its product offering to become a full services financial institution. However, there is still work to be done. Manulife needs to invest in changing its brand perception as Canada's largest insurance company to a financial brand that can challenge Canada's big five banks for customers across a wider product range.

13

1,704 $m NEW

Bombardier

As designer of this year's Winter Olympics torch, Bombardier reinforced its leadership position in engineering ingenuity, supplemented with a dose of Canadian spirit. A television advertising campaign generated broad awareness by clearly articulating the values of this growing Canadian brand to a national audience. While it continues to endure pressure from the curbed demand for business jets as a result of the global recession, the company has won contracts to supply commuter trains to France and high-speed trains to China. Bombardier has also ramped up its presence in India to capitalize on ambitious plans to transform the country's rail system, making it one of the few Canadian brands to gain a foothold in the Indian market. Bombardier supports its positioning as a leading manufacturer of innovative transportation solutions with its development of environmentally conscious products and services, its commitments to corporate social responsibility and notable investments to develop local roots in key markets to protect the brand as it travels into the future.

14 ↑

1,491 $m 47%

CIBC

CIBC has begun to signal its emergence from the credit crisis, after its exposure to US subprime mortgages and other troubled assets led to significant write-downs. It has pursued cautious growth opportunities through foreign investments and potential joint ventures. Strengthening its brand presence in its core domestic market under the promise of "For What Matters", CIBC communicates its understanding of unique customer needs. CIBC has improved its digital capabilities – introducing Canada's first mobile banking app and being awarded the best Canadian consumer Internet bank by *Global Finance Magazine*. A recent campaign featuring employees telling stories about their personal efforts to help customers has strengthened the employer brand, which also benefits from a strong digital presence, including an intuitive careers website and Twitter feeds.

15 ↓

1,241 $m -6%

Telus

Telus has a good track record as an admired company and employer with a strong brand presence. It has emerged from a challenging economic year that saw its wireless and data growth offset by declines in traditional voice services. Telus is increasing its marketing and public relations to stem its loss of wireless customers to an increasing number of low-priced competitors. These efforts allied to investments in Canada's largest 3G network, expansion of HDTV coverage and the introduction of Telus TV's new Microsoft Mediaroom should start paying off in 2010.

16 ↑

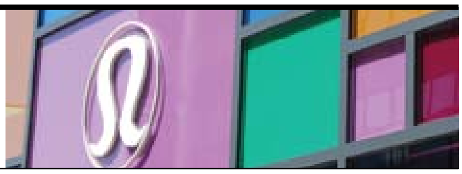
1,035 $m 1%

Sun Life

Sun Life has a relationship with one out of every five Canadians but it hasn't stopped there. With operations in the US, UK and Asia, Sun Life is continuing to build its global presence. The buzz associated with Sun Life acquiring the renaming rights to Miami Dolphins Sun Life Stadium just prior to the 2010 Super Bowl has helped spotlight this brand. A recognized sustainable company and good corporate citizen, Sun Life's mission is to help customers achieve financial security. It is using social media strategically to drive traffic to its website and its blog, where it offers tips for consumers dealing with today's economic challenges. An Advisor Match program launched in 2009 and supported by advertising is an innovative way for consumers seeking a financial advisor to find a good fit.

17 ↑

827 $m 57%



Lululemon

Tagged as a rising star in our 2008 study, Lululemon pulled through the recession strongly, coming out ahead of most retailers and achieving category-leading annual same-store-sales growth of 9%. How did the Vancouver-based activewear company do this? While other retailers ran recession-driven discounts to drive sales volume, Lululemon invested in its operations, including an expanded and innovative running line, a more streamlined supply chain and a new e-commerce site. Exposure from the Vancouver Winter Olympics, along with the addition of pop-up stores and new showrooms in Canada and the US, has had yoga enthusiasts bending over backwards to get their hands on Lululemon's gear.

18 ↑

784 $m 6%

Molson

Many mainstay Canadian beer brands have slipped from the radar, but Molson Canadian has been bucking the trend by investing in a new positioning, logo, packaging and communications that play up its "Canadian" identity. Aggressive marketing that capitalized on its Olympics sponsorship gained attention and created positive buzz both before and after Vancouver. From its gold online jersey app to its "Made from Canada" campaign to Molson Hockey House and three-litre bottles of Canadian beer for medalists, it was hard to miss Molson during these defining Canadian moments. It didn't hurt the brand's profile that President Obama owed Prime Minister Harper a case of Canadian after Canada's gold medal hockey win.

19 ↓

606 $m -87%

Suncor/Petro-Canada

Suncor Energy's blockbuster combination with Petro-Canada in 2009 created Canada's largest energy company. Initial post-merger results were disappointing as CEO Rick George focused on digesting the acquisition and creating a "new Suncor". Since then, though, the company has rebounded well, suggesting it may soon realize the anticipated benefits of the marriage. Suncor will gradually phase out its Sunoco brand of gas stations and convert the sites to Petro-Canada. Defined as "Canada's gas station", Petro-Canada enjoys high recognition as an iconic Canadian brand, and its social media initiatives have proven successful in engaging consumers. Operational excellence coupled with strong brand equity suggests the recent drop in brand value will likely be short-lived.

20
500 $m 3%

Rona

Lower consumer confidence slowed the renovation and construction industry but Rona, Canada's largest hardware retailer, has started to regain momentum due to the RONAdvantage home renovation tax credit program and industry recovery. The launch of three new STUDIO by RONA stores and the My RONA Home TV reality show have positioned them well to the home and decorator market. But Rona hopes its commitment to the 2010 Winter Games will have a long-term and tangible impact on the brand. Rona supported 100 athletes and helped build more than 12 Games venues. Their visible "Made in Canada" campaign has helped raise Rona's awareness as the Canadian alternative to the increasing competition from US-based hardware retailers such as Lowes and Home Depot.

21
459 $m 41%

Shaw

Shaw has diversified its holdings with its acquisition of CanWest assets, and has signalled its intentions to enter the wireless market with its $190 million spectrum buy. Shaw has many fans in its local markets, and a reputation for better customer service than its competitors. No longer merely a regional player, Shaw still faces increased competition as Telus introduces TV services in some of Shaw's traditional territories. Its roll-out to new geographies is anticipated to be paced and occur on a city-by-city basis.

22
436 $m 13%

Investors Group

Investors Group has continued to steadily grow both its number of advisors and its assets under management since our last report in 2008. A good corporate citizen, Investors Group now offers financial services and planning to about 1 million Canadians through its network of over 4,600 independent consultants. The brand continues to be primarily delivered and communicated by entrepreneurs operating locally rather than through a strong national presence. However, Investors Group has kept its finger on the financial pulse and has expanded its offerings to address the economic conditions and evolving needs facing Canadians while providing one-stop solutions in banking, investing and insurance.

23
383 $m 25%

Labatt

Although Labatt's traditional flagship brand, Labatt Blue, is still the best-selling Canadian beer in the world, it has lost some of its fizz in its home market. Blue is promoted with "The good stuff" tagline but its relevance to younger Canadians is questionable. Historically, Labatt has been an Olympic sponsor, but the Vancouver opportunity was passed to Molson. However, Labatt still carries corporate cachet in Canada. The brand is a good corporate citizen that undertakes a broad range of responsible activities. Labatt's Better World program addresses three main areas: responsible drinking, the environment, and community-building through a number of its own initiatives and support of Canadian charities.

24
330 $m NEW

IMAX

After three years of net losses, IMAX emerged in 2009 to post a profit, no easy feat in a poor economy for a company that charges up to $5 more than the price of a conventional movie. The release and tremendous global success of James Cameron's Avatar undoubtedly played a significant role. Since release, it has gone on to generate over $200 million in gross ticket sales for IMAX. Approximately one-third of that revenue has come from outside of North America, and that ratio will likely increase in the future. By 2012, IMAX plans to double its presence in China and Japan by introducing 30 new theatres. Expansion through new sales and joint ventures has picked up significantly in 2010, with 41 new contracts reported in the first quarter, up from 35 for all of 2009. With the emergence of 3D technology, a new 20-picture licensing deal with Warner Bros., and mega-titles such as Twilight, Harry Potter, Batman 3 and Toy Story 3 on their way, this big screen is poised for international success.

25
282 $m NEW

La Senza

Many specialty retail clothing brands struggled in 2009, and while La Senza was no exception, it has rebounded faster than most, already showing healthy same-store increases in sales. The brand extension, La Senza Girl, under fire from its inception over the perceived sexualization of girls aged five to 12, officially closed all of its stores, citing misalignment with the brand's strategic focus. It will be interesting to watch how parent company, Limited Brands, manages both La Senza and Victoria's Secret in Canada, with the latter slated to open up its first four stores in Canada this year. Will Limited Brands put them in direct competition, or will the brand strategy of La Senza be altered in any way? With over 500 independently owned stores in 49 countries outside of North America, this Canadian leader in intimate apparel is dressed for international success.

Other Prominent Brands

There are many Canadian brands that are not eligible for our Best Canadian Brands table (see criteria in our methodology section on page 18). This section recognizes some of the other prominent brands who have been influential in driving the Canadian brandscape forward over the last two years.

Canadian Tourism

Changing consumer perceptions of a brand that has repeated the same message for over 40 years is a major undertaking. Yet that was the task confronted by the Canadian Tourism Commission (CTC), stewards of Canada's tourism brand, when it set about reimagining Canada's position from a place to see mountains, moose and Mounties to one that offered exciting experiences to the curious traveller.

Bolstered by the Olympics, which placed the Canadian tourism brand in the world's shop window, the "Keep Exploring" message has changed the way the world views Canada. In addition, the "Locals Know" campaign has been seen by millions and inspired many Canadians to take a "staycation" instead of going abroad.

Supported by a dedicated YouTube channel, social media activities and a tone of voice that is traveller-to-traveller, the CTC was voted *Marketing Magazine*'s Marketer of the Year for 2009. All of this has served to rank Canada second in one of the world's most prominent country brand indexes, measuring 28 different criteria.

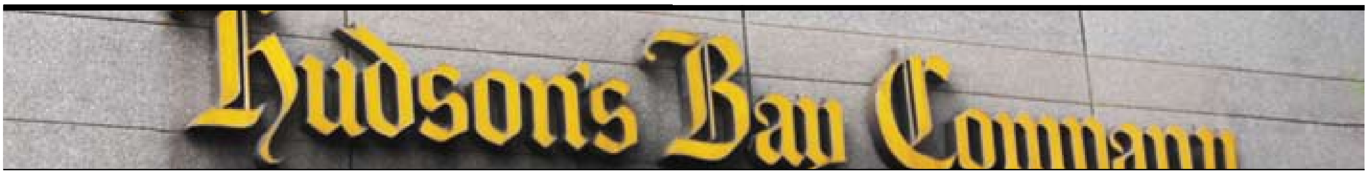
Cirque du Soleil

Often credited with reinventing the circus for modern audiences, Cirque du Soleil founder and former stilt-walker and fire-eater, Guy Laliberté, became Canada's first space tourist in September 2009. Images from space of Laliberté wearing a red clown nose were reportedly seen by over 800 million people and generated over $500 million worth of media coverage. Celebrating its 25-year anniversary in 2009, Cirque du Soleil is a brand known worldwide for creating spellbinding acts that combine high-energy acrobatics with inspiring imagery. Having created a business model based on uncontested new market space, the company has grown to become one of the world's most successful entertainment brands and one of Canada's best-known exports.

Four Seasons

Luxury hotels and resorts have suffered badly over the past two years. Many companies reduced non-essential business travel, while others spent less to avoid the appearance of excess. As conditions change, Four Seasons has ambitious plans to expand its global presence. With its first hotel in Beirut and preparations for a property in the UAE, Four Seasons intends to have six properties in the Middle East by 2015. With seven new properties in various stages of development, the European market is also a priority where brand recognition could attract travellers from the US, China and India. Four Seasons will need to demonstrate as strong a commitment as ever to its brand to maintain its renowned level of service excellence, given operations in new geographies and changing travellers' expectations in a post-recession environment.


HUDSON'S BAY COMPANY
Compagnie de la Baie d'Hudson
ESTABLISHED 1670 / CONSTITUÉE EN 1670
CANADA
E SIMPSON TOWER



Hudson's Bay Company

Jeff Sherman, retiring CEO of Hudson's Bay Company, has much to be proud of since taking the helm almost two years ago. The oldest retail brand in Canada has benefited from a number of strategic efforts to entice shoppers back to a department store shopping experience. Sherman's decisions include positioning Bonnie Brooks, CEO of The Bay, as spokesperson, adding 150 higher-end fashion labels and removing 700 underperforming brands to enhance the re-launch of The Room as an alternative to boutiques, as well as bolstering its Signature Shop with Canadiana-cool: HBC striped blanket garments designed by top Canadian designers.

The HBC brand has also done extremely well as a leading sponsor at the Vancouver 2010 Olympics. HBC's contribution of $4 per pair from the sale of the now-famous red mittens to "Own the Podium" resulted in positive goodwill for the brand and served to support Canada's record 14 gold medals. Originally capping the contribution of funds from mitten sales, HBC decided to contribute the overage back to sport, including Paralympic athletic endeavours. Early reports indicate that positive experience relating to the Olympics may be reason for customers to try The Bay again. Here's hoping HBC will deliver a truly differentiated store experience that delivers on the idea that they themselves are "made for this".

Roots

Long considered a Canadian retail brand darling, the Roots brand remains strong and differentiated in 2010 and has demonstrated a commitment to international growth. As a rugged-yet-refined sports and lifestyle brand and with a legacy of providing athletic wear to Olympic teams, some might have considered Roots a likely candidate for 2010 Olympic sponsorship. Instead, Roots launched its International Collection, featuring the flags of many nations on jackets and scarves, helping extend its reach beyond Canadian borders, and emphasizing the brand's multicultural personality.

Roots also works to deliver on the idea of being a brand that unifies – across cultures, geographies and sports. Advertising aired during the Olympics featured Right to Play, its principal charity, which is an international humanitarian organization that trains coaches and community leaders to work with more than 700,000 children to develop basic life skills through sport in the most disadvantaged regions of the world.

Air Canada, WestJet and Porter Airlines

Although airlines are not considered for inclusion in our Best Canadian Brands (historically low or negative forecasted profitability yields little in terms of intangible assets), it would be remiss not to highlight the three leaders in Canadian air travel, Air Canada, WestJet and Porter Airlines. The world's 14th largest carrier, Air Canada no longer dominates the Canadian market as it once did – just 10 years ago it held a 77% market share – but it is still the market leader with an estimated 55% share. WestJet has been quickly filling up those seats, growing from only 7% a decade ago to nearly 40% today. And while some analysts project parity with Air Canada in the next five to 10 years, a fundamental shift in WestJet operations may be required. It will be interesting to watch how new fleets of planes, increased headcount, and partnerships with other carriers (like its Southwest alliance, now slated for 2011) will impact the brand and its loyal "owners".

Sleek and stylish Porter has been able to achieve success by carving out a niche market and delivering on its promise of convenience, speed and service. And Porter is ramping up quickly, investing $45 million in Toronto City Centre/Billy Bishop Airport, introducing new routes to both major US cities and smaller Canadian ones alike, as well as increasing the number of daily flights to places like New York and Boston. But while growth is good, new challenges arise. At what point does Porter's simple fare structure no longer make economic sense? What effect will Air Canada's proposed encroachment on the Toronto City Centre Airport have on route offerings? Porter will be able to offset this latter challenge by acting as the airport's landlord and forcing Air Canada's Jazz to lease gate space, but as this soon-to-be public company looks to build on its profitable 4th quarter of 2009, sustaining profitability and growing steadily will be a challenge. Like WestJet, Porter must navigate a path of expansion without straying too far from its brand promise, otherwise it risks diminishing its nascent franchise.

Sector Overview: What's Driving Change?

By Gabriel Cohen and Alfred DuPuy

Category dynamics are constantly evolving. There are some brands that drive change in their sector and others that respond to it.

When we speak of Canadian brands that have reshaped their industries, we are referring to game-changers such as BlackBerry and Lululemon. Sectors can be influenced by single breakaway brands that have blazed a trail within a category, often redefining the customer experience.

When changes in external factors reshape an industry, this usually affects a number of brands within an entire category. In these circumstances brands are forced to react quickly because the same factors are impacting all of the brands at the same time. Brands that succeed in the face of external influences need to be nimble, responding to changes and seizing opportunities quickly. Since our 2008 report, external factors, such as the financial meltdown and expected changes in the telecommunications regulatory environment, have altered the outlook of certain Canadian industries and the brands within them.

We have identified three sectors that we believe are worth keeping an eye on in the next couple of years. Each features brands that are striving to build differentiated offerings in highly competitive environments where consumers have typically struggled to view brands as more than commodities. Some (finance and telco) have been influenced by external forces while the other (airlines) is gearing more towards changing the experience from the inside out.

While these sectors may not yet possess a BlackBerry or a Lululemon, it will be interesting to see if any one brand will emerge as the clear leader.

Banking and finance – Moving beyond the borders

Canada's financial brands have emerged from the global financial crisis as beacons of responsible business and brand management. Whether it is because of sound governance, tight regulation, or inherent risk-aversion, our institutions have embraced long-term growth, rejecting short-term financial gain and placing themselves in an enviable position vs. their global peers. At a time when many financial services brands have experienced significant declines in their businesses and suffered serious reputation damage, all five of the major Canadian banks increased their brand value, in aggregate by 33% since 2008, from $12.1B to $18.5B. This increase accounted for 42% of the growth of the top 25 brands in our study.

This position of strength has resulted in a slow but steady move to greater expansion south of the border. TD has been busy consolidating its successful integration with Commerce Bank and making additional acquisitions. Meanwhile, BMO has acquired the North American rights to Diners Club – with the intention of reestablishing a once iconic brand and enhancing its position in the US. BMO has also just announced the acquisition of over 50 Amcore Bank branches which will be folded into its Harris Bank. Additionally, RBC has begun signalling through recent executive appointments that, while the dust settles with US financial regulation, it may be contemplating a significant acquisition.

Telecommunications – Beating down the barriers in wireless

In 2008, if you wanted to buy a post-paid wireless plan, you would have been faced with three brand choices – Bell, Rogers or Telus. You would have paid some of the highest rates in the world, and had to sign a three-year contract for the privilege. Fast-forward two years and the scenario changes dramatically. A spectrum sell-off by the government has encouraged new entrants of various shapes and sizes to enter the market.

In addition to new brands such as DAVE and WIND, the latter recently launched to much fanfare (though early subscription take-up has disappointed), consumers will soon be able to pick from regional telecom powerhouses such as Shaw and Vidéotron, both due to launch their offer soon. The reaction from the three incumbents so far has been to improve customer service and offer lower prices by ongoing promotion of bundled products (wireless, Internet, digital cable and home phone).

However, these moves are far from revolutionary. Consumers are still waiting for the game-changing play in telecom that meets consumer expectations for new experiences. In order to avert a price war and soaring European-style churn rates from becoming a reality, telecom brands are going to have to find a way of driving loyalty by appealing to these deeper-rooted needs. Until then, expect consumers to benefit from lower prices as the battle for subscribers heats up between the brands.

Airlines and travel – Beyond rewards

With the loonie hovering at parity with the greenback and forecasted to remain so for the majority of 2010, Canadians are expected to make the most of favourable exchange rates by travelling more, particularly for leisure.

This should be good news for the Canadian airline business, where competition has been heating up. Canada's airlines have responded to one of the worst years in aviation history by going on the offensive. Each one has taken a distinct angle with a view to creating a differentiated experience and securing customer loyalty.

Air Canada has expanded routes and placed bets on attracting passengers by ensuring that they are kept entertained during flights with a wide selection of movies and TV shows through a best-in-class in-flight entertainment offering available to all.

With its recent "care-antee" program that builds on its customer-focused culture, WestJet is making aggressive moves to capture market share by introducing its long-awaited loyalty program in partnership with RBC.

But the biggest airline industry development in the last two years has been the emergence of Porter Airlines, which is attracting a large fan-base by bringing a sense of refinement back to air travel. Whereas most US airlines provide a generic experience, Porter promises to deliver quality throughout all of its passenger touchpoints – check-in, lounge and in-flight. Porter has expanded its routes and its impending IPO is a sign that it aims to provide stiff competition to WestJet and Air Canada in the years to come.

Whether Porter can maintain this level of service while it scales up its business is yet to be seen. In the meantime, the emergence of a customer-friendly airline is good news for Canadians who prefer to travel by air.

What's Happening in 2010?

Interbrand's sector experts offer their global perspective

The last decade is behind us – we can all breathe a collective sigh of relief. But now that the new one is underway, what's next? Here are some of the emerging opportunities and challenges that our sector experts have identified for 2010 and beyond.

The Energy Sector

by Tom Zara

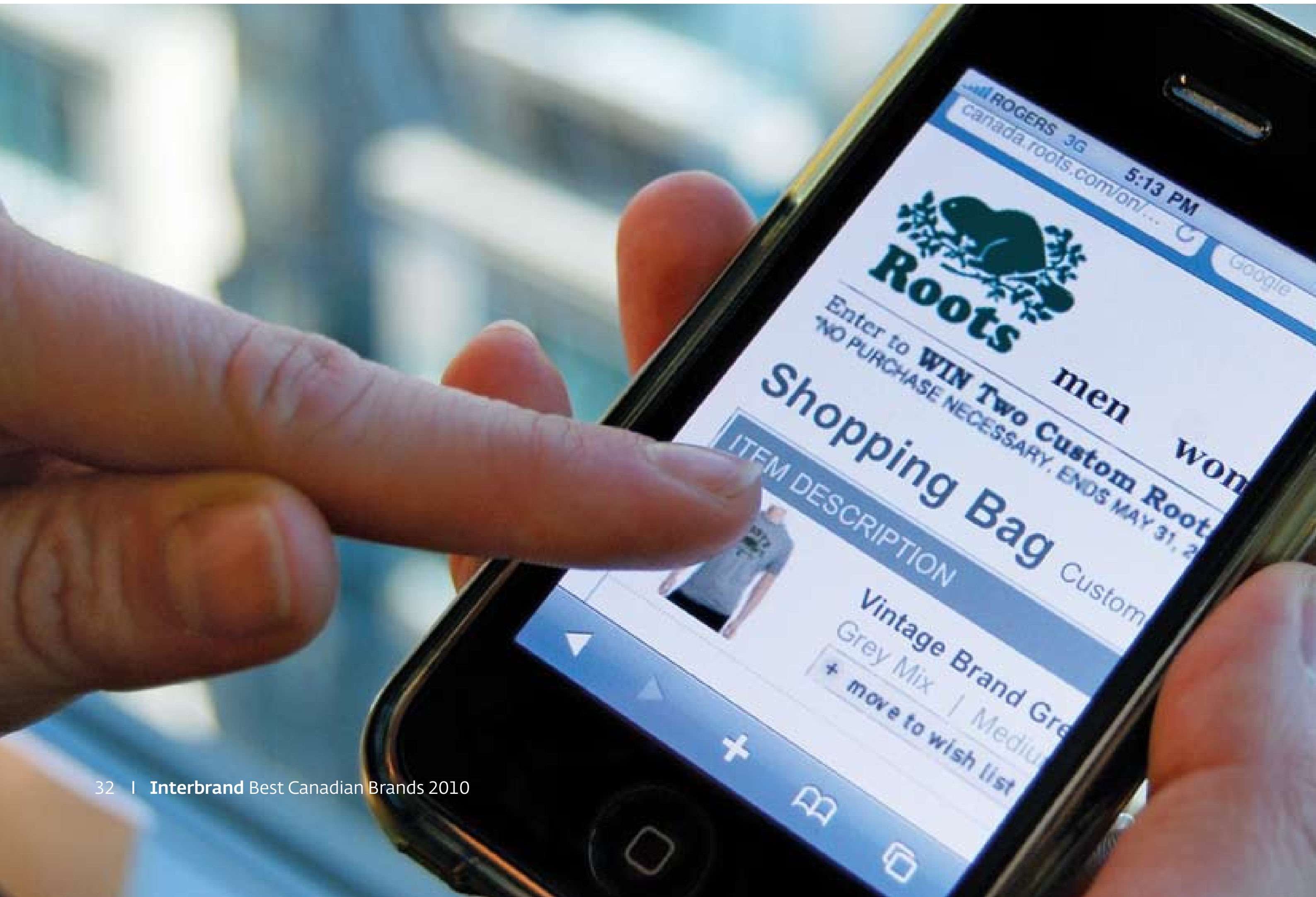
Climate change will continue to be a compelling and profound global issue in 2010. As a result, we'll see the energy sector begin to define and implement policies and initiatives to stem the growth of carbon pollution. This will be evident in both developed economies and emerging sectors, especially the BRIC countries. As new demands for electricity increase with economic growth, global prosperity, and hybrid and electric cars, Energy and Utilities' brands will be focused on creating technology that is more energy efficient. In 2010, expect the daunting obstacle course of regulatory and zoning nightmares to discourage alternative energy's expansion. At the same time, those brands that invested the time and money in grid management and energy-efficiency technology will emerge as the darlings of the VC's /Wall Street – they see this as a vibrant growth segment of the world economy, especially in the Western Hemisphere.

The Professional Services Sector

by Josh Feldmeth

In professional services, the battle for talent was eased with the global economic crisis and the downsizing that occurred in many sectors. However, attracting and retaining the best people will continue to be a challenge as economies rebound. More than ever, having a strong employer brand with a compelling employee value proposition will be essential.

Like the accounting sector more than a decade ago, it is likely that the big global firms will capture the most opportunities. The demand for global capability is increasing and major projects are becoming larger and more complex. Mid-weight players will need to scale up or be acquired by the super firms.



Expect to see organizational transformations. The dynamic nature of the contemporary business environment, the pace of technological change, and the scale and complexity of organizational challenges will require a fresher, more agile, and more innovative approach to management consulting. Companies from other sectors – from IDEO to IBM – have demonstrated new ways to shape organizational transformation for clients. Management consulting brands will need to follow. The question is: How will they fund this?

The Retail Sector
by Bruce Dybvad

Traditional retail will continue to lose share to e-retailers. In order to draw shoppers, retailers will focus more on creating a compelling experience in the physical environment. Smart retailers will also accelerate efforts to build online social communities and develop empowering mobile applications that drive shoppers' connection with the brand outside the store.

Value meaning cost-benefits will remain a big driver of purchase decisions. More shoppers will be interested in getting the best product for the best price. They will be less loyal and change how retailers manage margins across their entire businesses. Brands will look for new ways to be disruptive. We'll see more innovation around how and where they come to market. One area that's particularly ripe for experimentation is the automotive sector, where automobiles and other vehicles are being sold through non-dealer, retailer-merchandised environments as lines are blurred and vehicles start looking more like consumer electronic products.

The Hotel and Hospitality Sector
by Iain Ellwood

Smartphone applications will revolutionize the travel experience. Not only will they take some of the pain out of delayed flights and changes in plans, but impact the richness of travellers' experiences. Imagine walking through the streets of Venice and pointing your smartphone at a building to discover it was the home of Venetian Master Architect, Andrea Palladio. A double click downloads a short film about his life and influences, while a GPS route map shows where you can view his buildings across Venice. A swing of the camera around the Piazza lets you discover and tag like-minded fans, and connects you with a local Palladian Architecture social network.

To reshape their business models, hotels will outsource non-essential or highly specialized services. This will allow operators to strengthen their core capabilities around experience, design, service standards, brand and customer management. They will pursue the model of many of the world's leading brands like Nike and Apple – whether that's outsourcing spa facilities to Elemis within a hotel, or partnering with Giorgio Armani to build an exclusive hotel in the world's tallest building: the Burj Khalifa. Some of the world's biggest brands (Hilton International and British Airways, for example) are considering space hotels, clothing, activities holidays and experiences. Space has always been a sublime, enchanting idea and it may provide some well needed glamour to the beleaguered travel industry.

Consumer Packaged Goods Sector
by Fred "Dyfed" Richards

The technology behind ordering and delivery will become more sophisticated and convenient to meet the growing demands of online shopping. Consumer expectations will shift as brands will no longer be required to compete side by side on shelf, but perform a newer role of helper, advocate and enabler within the home.

Continuous scientific developments will result in packages that you can simply bury in your own back garden to repurpose as worm and plant food. The first brand that truly demonstrates a meaningful and comprehensive sustainable model that resonates with consumers will be the ultimate winner. Any brand owner would be wise to start this immediately, before consumers or governments mandate it.

The Food and Beverage Sectors
by Greg Silverman

Food safety will become a major brand protection concern. Brand marketers will start investing in a corporate social responsibility audit that will look across their entire supply chain of activities to ensure that best practices are being applied and that the business is protected, should products become tainted.

Healthy + Budget = Less. Portions and pricing will adjust to reflect new sensibilities. Out of the home, lower pricing and smaller portions will emerge in markets facing recession, and higher prices and stable portions will occur in markets pushing local and organic consumption. In the home, portions will be smaller reflecting both budget and wellness issues.

Fast moving consumer goods companies will look to create tailored product offerings to match the fragmentation of the population. Restaurants will experiment with recipes and flavour profiles to create unique signatures that tie more directly to brand ideas, not just broad market appeals.

Acting Like a Leader: The Art of Sustainable Sustainability

By Jez Frampton and Tom Zara

Sustainability has become a catchphrase, applied to anything from cars to economics to agriculture. It is everywhere: in magazines, newspapers, corporate brochures, and on the front and back of consumer packaging. It is used so much and in so many contexts, that its meaning has become muddled and diffused.

And nowhere is confusion more visible than among marketers. While many understand the moral obligation of going "green," most lack a clear definition of what sustainability means to their brand. This represents a missed opportunity to create a meaningful proposition and long-term value.

Sustainability, brand and behaviour

The 1987 United Nations World Commission on Environment and Development report "Our Common Future" defined sustainability as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." In other words, behave responsibly, don't take more than your share, and put back what you use.

While this may seem like a simple enough request, in reality it demands a profound change in perspective. After all, as consumers, we are used to making day-to-day choices based on what we want and need at that moment, and sustainability demands we do just the opposite: It asks that we consider our individual actions as part of a sustainable whole. This is in part, why, according to Deloitte, 95% of shoppers say they would consider buying a green product, but 47% of shoppers see green products and don't purchase them.

While changing behaviour is no easy task, brands have an opportunity to help forge a better future. They can influence behaviour by informing the choices we make both rationally and emotionally. Brands have an opportunity to contribute to the sustainability movement in a visible and demonstrative way by creating demand for products and services that better our world.

Sustainability and brand value: a changing landscape

And yet, more than an opportunity, devising a smart sustainability strategy is a necessity. This is because sustainability is not just another trend. A number of factors are contributing to a changing landscape in which sustainability figures prominently.

The first is the increased pressure on individuals to "do good." This was perhaps best distilled by U.S. President Barack Obama when he hailed this era the "new age of responsibility." His words hit a nerve with the general public – not just in the U.S. but globally as well.

Awareness is also on the rise. While purchase decisions may not yet reflect this, consumers are thinking about the excesses that led to today's economic situation and are actively beginning to seek out a "less is more" lifestyle.

Even more than raised awareness, regulatory pressure is forcing more organizations to conduct business in a sustainable way. As a result of these regulations, sustainability is even becoming a cost of entry to doing business.

This is evident in Europe, where, 14 years ago, the packaging directive known as 94/62EC proposed new restrictions on manufacturers, including reduced packaging weight and an increased use of recycled materials. Despite a continuous growth of packaging units in the European market, the French environment and energy management agency ADEME confirms that package waste is now decreasing as a result of this measure and a major part of the manufacturers' investment is dedicated to recycling.

Regulatory pressure has also impacted India. In July 1998, the Supreme Court ordered the Delhi government to implement compressed natural gas (CNG) or LPG (autogas) fuel for all autos and for the entire bus fleet in and around the city. Delhi observed a dramatic improvement in the quality of air with the switch to CNG. Pakistan and Sri Lanka have seen similar results since they each passed their own CNG law.

In addition to regulation and the increased pressure to do good, incentivization is also changing today's landscape. In Switzerland, the government has imposed strictly enforced recycling and anti-littering regulations. Further, citizens are given a financial incentive to recycle as much as possible, since recycling is free. As a result, Switzerland has become one of the top recyclers in the world. The incentivizations have reinforced good behaviour as well, sparking interest in citizens who voted for even more environmental regulations.

Change is also being motivated by profit. ENERGY STAR, the joint program of the US Environmental Protection Agency and the US Department of Energy, helps save money and protect the environment through energy-efficient products and practices. Businesses have jumped on board because of both the cost-saving benefits and prestige.

Lead, don't follow the pack: how to create the right sustainability practice for your brand

Regulation, incentivization, profit, raised awareness and an obligation to do social good are changing the landscape and working together to create real, lasting change. Businesses need to act now to create a sustainability initiative relevant to their business, or lose out.

Unfortunately, many businesses do not know where to begin when creating a sustainability practice. A March 2009 National Environmental Education Foundation Business and Environment Program study shows that for most companies, there is no single department that is entrusted with sustainability implementation. In fact, only one in 10 employees who participates in these programs feels completely prepared to tackle sustainability head on (*Fresh Marketing 2008*). The majority want more education and resources on corporate sustainability.

Other businesses have implemented initiatives in a haphazard manner. Feeling the pressure to follow, they have looked to others – the few leaders that have taken charge in recent years – and mimicked their practices. While these companies may be getting away with riding coattails for the time being, as awareness increases, more businesses will be held accountable by public expectations and government regulations. A line between those who are sustainable and those who are not will become abundantly clear. Businesses that have simply "greenwashed" – said but not done – will be identified immediately and cast out, not just by environmental groups, but by the general public as well. We'll increasingly see sustainability becoming a table stake rather than a differentiator. Sustainability will become ingrained in the fabric of how all companies do business; they will not be able to do without it.

That's why it is so important to craft a distinctive, relevant and lasting sustainable proposition that will differentiate your brand. Do the right thing and do it right. It is not about saying that you are going to build a proposition that separates you from the rest; it's about building a proposition that is right for your brand and relevant to your industry.

Sustainability through the lens of brand

If you look at any of the Best Global or Best Canadian Brands, you'll see that the top brands create value by generating demand, reducing risk, and securing future earnings for their business. They do this by translating to customers what is relevant in today's world and influencing buying behaviour. Due to distinct offerings, they develop a strong relationship with customers, and this leads to repeat purchasing. We need to begin to view sustainability with the same lens.

If we can combine the rigour of branding with the necessary aspirations of sustainability, we can begin creating long-lasting impact that is not only necessary, but also inevitable. Real change – the kind we've seen brands influence – will come about when we see corporations start actively integrating and managing sustainability as part of their business strategy and delivering it through the brand strategy.

This does not mean just reporting carbon emissions and showing transparency. While these are great steps, they do not contribute to changing behaviour. On the other hand, if businesses begin intercepting consumers' lives, approaching sustainability as they do brand, making their products and services the vehicles to deliver the message, they will create change. Indeed, the brands that have the most successful sustainability initiatives are changing and innovating their products and services to support the message.

Where to start

While no formula will be the same for every business, three essential points should be taken into consideration.

1. Set the highest standard for your industry.
While there's no one-size-fits-all formula, you can plan and execute against the realities of the business that you are in. Your goal should be to actively and consistently uphold the highest standards in your industry and continue to push your success to higher standards. This is the definition for sustainability that's sustainable.

2. Measure the impact of your actions.
This is no small task, particularly in this economic climate when market values are fluctuating. However, you can measure the effectiveness of your sustainability efforts through the impact your brand has on influencing behaviour. This is where you will derive the most value.

3. Communicate your platform appropriately.
Communicate your platform appropriately so that you are always "saying what you do and doing what you say." Today's socially conscious consumer is increasingly holding brands accountable. A balanced message that communicates your aspirations but acknowledges reality is the right approach.

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As Chief Executive in Toronto, Bev oversees the business and strategic direction of Interbrand Canada. A member of the Canadian Marketing Association and the Toronto Board of Trade, Bev is an internationally recognized leader in brand strategy and design, and has provided thought leadership, strategic planning and creative counsel to leading corporations for more than 25 years.

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Debbie is Director of Strategy in Toronto, leading the firm's customer experience practice and developing business-focused brand strategies. With over 20 years of experience building capabilities in brand strategy and communications, Debbie believes that understanding the experience stakeholders have with brands is critical to developing and delivering successful strategies.

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As Director of Strategy, Brand Engagement, Erin enables organizations to deliver on their brand promises. Clients learn how to drive innovation and change through strategic, creative experiences that produce measurable results for the brand and business.

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As the Senior Strategy Director, Heather leads the brand strategy team for Interbrand Canada, working with clients to provide fact-based recommendations that align an organization's brand strategy to its business strategy. She delivers creative and strategic solutions for clients by drawing on her diverse experience with consumer, business-to-business and not-for-profit brands.

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As Executive Director of Brand Analytics and Valuation, Alfred concentrates on client and project management by leading complex engagements, mentoring consulting teams and driving integration globally. His experience with international brands brings value to clients through the utilization of firm resources and a deep understanding of Analytics. His proven background delivers top-quality strategies that inspire.

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A Senior Consultant in Brand Valuation and Analytics, Gabriel is responsible for integrating analytics with all other practice areas. His work informs strategic brand decisions by translating brand results into actionable insights that create brand value for Interbrand's clients.

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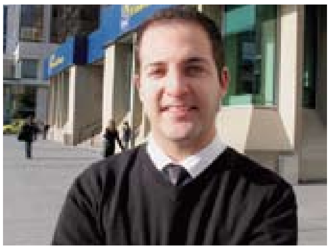

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As Strategy Consultant, Stephen brings an inspired artistry to his analytical thinking on brand strategy and brand development, weaving a creative flair through a solid fact base to present relevant and engaging observations. He works with a diverse range of clients, helping them manage and create brand value.

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