

BRANDZ™ TOP
30
MOST VALUABLE
Italian
BRANDS 2019

BRANDZ TOP 30 MOST VALUABLE Italian BRANDS 2019

Total Value of Top 30
\$96,861M
 2019 vs. 2018
+14%

#18 BEST COUNTRIES
 out of 80 countries

USNews VMLY&R BAV Wharton

To find out more about BEST COUNTRIES visit:
<https://www.usnews.com/news/best-countries>

The Italian Top 10 Most Valuable Brands 2019
 # = Rank in Top 30 \$ = Brand Value in Millions



Leaders on Brand Contribution

Brand contribution is the proportion of value driven by brand equity rather than other in-market factors (such as promotions or distribution). It tends to be a key driver of business growth and is measured on a scale of 1 to 5, with 5 the highest.

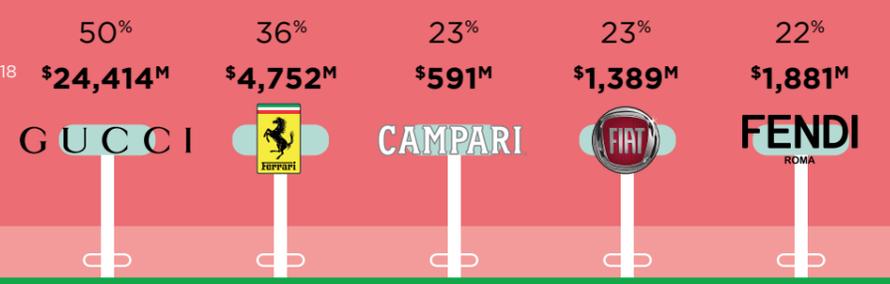


The Italian Top 30 Breakdown by Category
 \$ = Category Value in Millions



Top Risers

\$ = Brand Value in Millions
 % = Year on Year change 2019 vs. 2018



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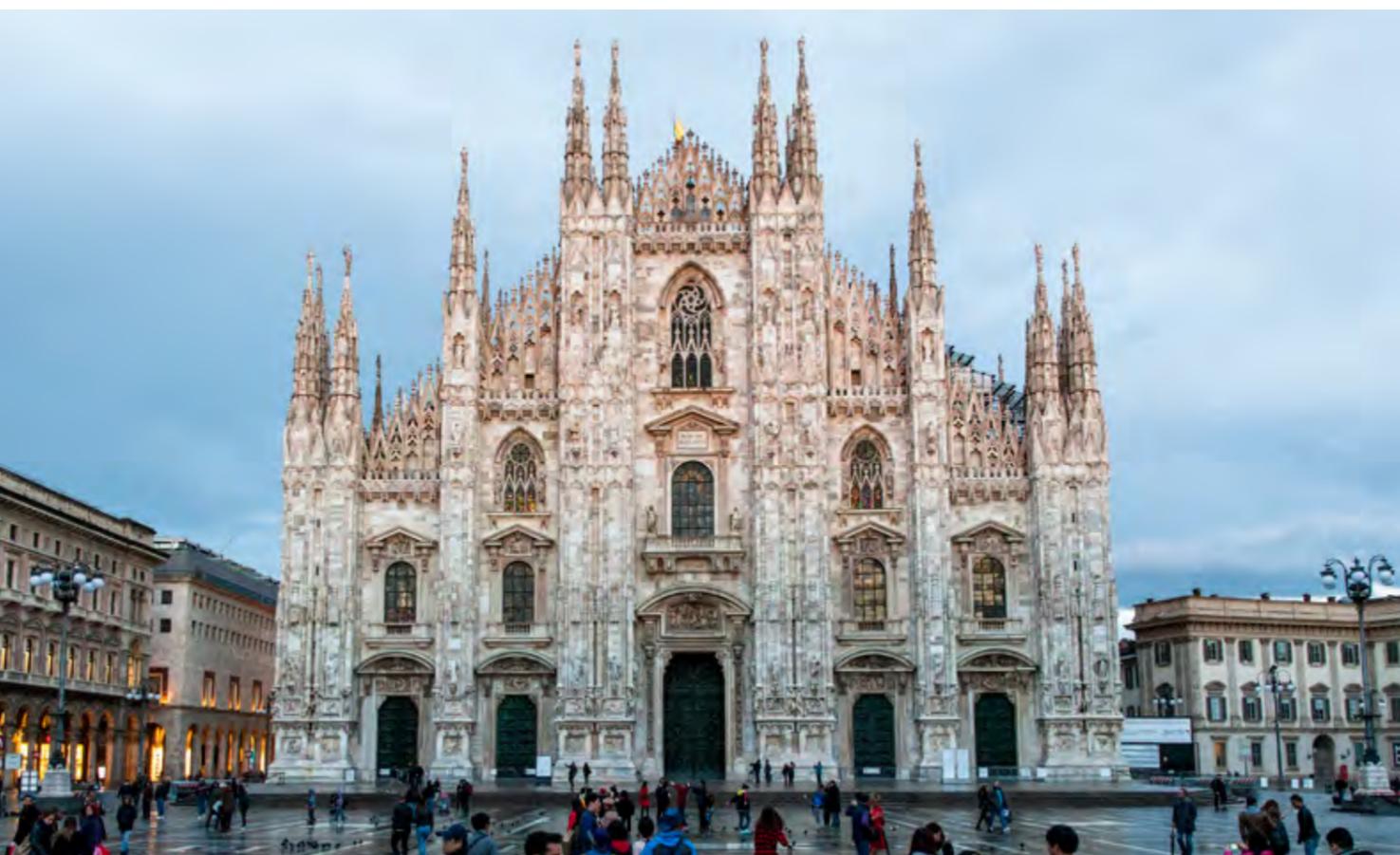
Welcome

A fresh take on tradition

Creative innovation proves key to brand value growth



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Thank you for joining us as we celebrate the brands in the second annual WPP BrandZ™ Top 30 Most Valuable Italian Brands ranking.

Many of these are not just outstanding domestic brands but what have come to be seen as world leaders in their respective fields – taking with them and building upon what Italy itself has come to represent.

There is a great sense of tradition among many Italian brands; a celebration of heritage and taking care to do things “the right way”.

But there’s another Italian tradition underpinning the strength of many of our BrandZ™ Top 30 brands: a tradition of pushing boundaries, having a global vision, being bold, and focusing on quality craftsmanship and aesthetics.

Italian tradition is not, therefore, about simply doing more of the same. And, as this year’s stellar growth in Italian brand value shows, this is a competitive world in which fortune really does favor the brave.

In this report, we go beyond the ranking itself to understand the varied strengths of the best performers. Our expert analysis covers the many factors that together fuel brand strength and strong financial returns – two key business indicators that BrandZ™ research globally over more than a decade has proved are closely linked.

This year’s report also highlights areas where Italian brands should focus in order to lift their brand value growth trajectory. What clearly emerges is that innovation is a factor driving growth in brand value like no other.

Innovation is about leading a category and offering something fresh and creative – being brave in undertaking something new, and then being bold enough to shout about it. We explore three key elements of innovation – disruption, creativity and leadership – and guide brands in how to do more of what matters most.

Our data shows that a perceived lack of creativity is at the heart of the “innovation gap” between Italian brands and the top brands from other markets. By improving their creativity credentials, Italian brands can influence consumers’ perceptions of innovation and, ultimately, unlock value growth.

On-the-ground expertise

In this report, we look at emerging consumer trends that are shaping new media consumption habits and shopper behavior.

There’s insight from across the WPP companies into subjects as varied as: the role of reputation in consumer decision making, the importance of employee engagement in brand building, and the implications of the “on demand” economy.

We also see how Nutella shows brands how to remain true to their heritage and stay relevant, and there’s even a lesson for brands from the world of Italian politics. Yes, really!

This report sheds light on global citizens’ perceptions of what “Made in Italy” means to them. We present exclusive analysis of the latest data from the “Best Countries” global study, undertaken by VMLY&R BAV Group, with partners US News and the Wharton Business School.

This captures the views of ordinary consumers and business leaders on what “Brand Italy” represents, and provides insight into how Italian brands can use this to their advantage.

WPP has 2,500 talented people working in Italy, providing advertising, marketing, research and PR expertise. Our companies work together to provide clients with cutting-edge insights that help position brands for market-beating growth.

The global WPP network now extends to 112 markets, and our BrandZ™ publications catalogue is expanding all the time.

If you enjoy this Italy report, I invite you to browse our long-running Top 100 Most Valuable Global Brands annual study, as well as our rankings and reports into the leading brands in the following markets: China, India, Indonesia, France, the UK, US, Germany, Spain, Australia, the Netherlands and South Africa. All are available from www.BrandZ.com and through our interactive mobile apps, at www.BrandZ.com/mobile.

To talk to someone about how WPP’s expertise could help your brand, feel free to contact any of the WPP companies who have contributed to this report – their details are on page 138. I’d also be delighted to hear from you directly.

Sincerely, David Roth

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THE STORE

WPP

The Store is part of WPP, and acts as a global retail hub that provides insights to clients regarding consumers, retailing, marketing and sales activation, and technology.

www.thestore.wpp.com

Overview

Turbulent times deal a blow to confidence

A combination of economic and political upheaval over the past year has given consumers and investors in Italy a case of the jitters.



A stand-off between Rome and Brussels, coupled with rising unemployment and economic uncertainty, has sent consumer and business confidence plunging to among their lowest levels in years.

All aspects of the national consumer confidence index lost ground at the end of 2018, National Institute of Statistics data shows.

The overall index dropped in December for the third consecutive month; personal confidence was down, and there

was a “pronounced worsening” in expectations that unemployment levels would come down. Youth unemployment is over 30 percent, and the overall rate of unemployment is 10.6 percent.

The institute reported “a broad deterioration in confidence among businesses”, amid dampened demand for manufacturing, construction and services.

All change

The backdrop to this has been a year of high-profile political upheaval, as the populist government led by Giuseppe Conte

and Matteo Salvini came to blows with the European Union over its budget plans for 2019.

The feud was finally resolved in December, when the two sides agreed a deal that would leave Italy with a budget deficit of 2.04 percent of GDP, down from the 2.4 percent in the Italian government’s original plans. This was achieved by putting off a range of plans for spending totalling €2 billion, including delaying the introduction of a basic income scheme until later in 2019.

But investor nerves are still severely frayed. Italian bond yields have been driven to their highest levels

since the Eurozone debt crisis; the country must sell €226 billion of debt, the majority of which is bonds that need to be refinanced this year.

With outside investors nervous of buying, even with the high yields on offer, the government has been looking at alternative ways of raising the money, including urging Italian citizens to buy their government’s bonds.

New chapter

Italians – and those who watch and invest in the country – have grown used to feeling like there’s a revolving door on the office of the prime minister; the country

is famous for having had more leaders since the end of World War II than any other.

Yet the rise of the populist Five Star movement and anti-illegal-migrant League party are seen as having marked a turning point not just for Italy but for the European Union more broadly.

Both parties were, until recently, seen as being on the fringes of national politics, but their rise signals widespread voter dissatisfaction with the status quo. Both parties are sceptical of the country’s relationship with the EU, and share common ground on

controversial domestic issues, such as compulsory vaccinations for children.

A hard line on assisting refugees seeking to reach southern Italy by boat has proved popular among many voters.

But this is a market where one day’s fresh face and vision of voter hope so often proves to be quickly consigned to history; with European and several regional elections coming up in May, the balance of power in Rome could well shift again before long.

Highlights

Italy's strongest brands post 14% growth

The country's most valuable brands have beaten slow growth in the national economy to post 14 percent growth in value in the past year - on a par with that seen in other mature European economies in the past year. The Top 10 have done even better, growing by a combined 18 percent. But the average value of the Top 30 Italian Brands lags some way behind the averages elsewhere, and this indicates there's a strong opportunity in Italy to create growth by investing in brand.

Gucci leads the way with record value boost

Not only is Gucci the most valuable Italian brand for the second year running, it's also leading in terms of value growth, posting a 50 percent rise in brand value to almost \$25 billion in 2019. The brand is driven by what it calls a "wholly modern approach to fashion", which helps it stay relevant to new generations of consumers, even as it approaches its 100th birthday.

Food, telcos and cars represent life in modern Italy

Sectors with strong representation in the Top 30 include food and dairy (which contributes 14 percent of the ranking's value this year), followed by telecommunications providers (12 percent) and cars (6 percent). These leading brands reflect the strengths of the national economy, and what Italy has come to represent on the world stage.

Top 30 brands worth US \$96.86 billion

About two-thirds of brands in the ranking grew their brand value over the past 12 months, with 10 posting a decline. The brands in the Top 10 added to their brand value at a significantly higher rate than the next 20. Six brands overall posted growth rates of more than 20 percent for the year.

Luxury brands tell the world what Italy represents

The strength and scale of luxury brands in the Italian Top 30 set this ranking apart from the rest of the world. France is the only other country in which luxury brands are so dominant. Luxury brands account for nearly 40 percent of the Italian Top 30's total brand value. But what makes Italian luxury brands distinct from other European countries is brands' sense of being sexy, rebellious, playful and fun - attributes many people associate with Italy itself.

Global presence provides strong, stable growth

Italian brands typically have a strong global presence; there are 10 brands in the Top 30 that have 90 percent or more of their overall exposure outside Italy. This helps them not just guard against the risk of slowing demand from the domestic market, but also capitalize on growth in fast-developing markets where disposable income is shooting up. Only French brands among our BrandZ™ markets have a greater proportion of their exposure from abroad than do Italian brands.

Italian brands are fighting fit - but need to be more brave

Brand health as measured by BrandZ™ has a direct effect on a brand's ability to grow. The healthiest among this year's Top 30 have grown in value at double the pace of those brands we class as being "frail". There are lessons here for all brands in how to improve their vital signs - and boost their brand value at the same time.

Fastweb knocks retailer out of Top 30

This mobile phone and broadband provider has entered the Italian Top 30 in 27th place, with a brand value of \$891 million. The brand is widely seen as shaking up the telecoms sector with its promise to deliver "like nothing before"; its advertising focuses on the speed of connections and the transparency of Fastweb deals. The brand's entry into the Top 30 has had the effect of knocking out Esselunga, the only retail brand from last year's ranking. Italy is now the only country in the BrandZ™ series not to have any retail brands in its Top 30.

Sense of difference fuels value growth

The most valuable and fastest-growing brands are from a diverse range of sectors, but what they share is a clear sense of difference from competing brands in the minds of consumers. What we call "Meaningful Difference" - standing out in a way that consumers appreciate and like - has turbo-charged growth for brands. The most meaningfully different have grown 43 percent more than the least meaningfully different brands.

Creativity a way to bridge innovation gap

Innovation is a key contributor to a brand being seen as meaningfully different, and in Italy it's a major catalyst for brand value growth. Yet the Top 30 overall compare poorly against other countries' Top 30 brands on innovation. Being creative is one factor in being seen as innovative, and it's the area where Italian brands have significant scope for improvement.

Cross-Category Trends

1

E-commerce still has room to grow

The number of Italians doing their shopping via a screen rather than a store is still rising – and just over half the population does at least some of their spending online. But what’s most exciting to brands and retailers is the potential that still remains for further growth, particularly in specific categories. Online grocery shopping, for instance, has a very low take-up by world standards, but while only 5 percent currently buy food online, a further 64 percent say they’re interested and could be convinced to start. What needs to happen in order for them to switch – at least for some of their grocery shopping missions – is for delivery to be faster, easier and ideally free of charge. Consumers are also looking for a better selection of products, coupled with easier online navigation. Clothing is another sector ripe for growth, with 40 percent of shoppers saying they’d consider buying online if the terms and choices were right. Personal care, pet food and household care items also have a large proportion of people we call e-commerce prospects.

2

Voice tech promises to shift the conversation

The launch in late 2018 of Amazon’s voice-activated, Alexa-powered devices in Italy is likely to change the way consumers search for information and do their shopping – just as they have in other markets. The Echo devices understand and speak Italian, and already feature “skills” enabling users to converse with leading brands including Rai, Giallo Zafferano, Giunti and BTicino. Voice enables consumers and brands to have a different kind of relationship – brands can project their personality and have a more natural conversation – a deeper, more human interaction. Brands can go beyond answering questions via voice (store opening hours and the like), providing information about promotions and new products, and tailoring information and entertainment to what it knows about the user. There’s also an opportunity for brands to lock in consumer loyalty by becoming the default brand in a category when a user says “add juice to my next supermarket order”.

3

Circles of influence are changing

The role of influential individuals in giving brands visibility and credibility among their target audience is well understood by most brands, which are seeking out stars of social media in addition to more traditional celebrity endorsement. But it’s not just the people with the greatest number of Facebook or Instagram followers who are shifting consumer perceptions; in fact, it’s often people with smaller headline figures online who can make a deeper impression on their fans. These “micro-influencers” have a closeness to their audience that online megastars tend to lack, and are seen as having real expertise – therefore views that count and can be trusted – in a certain area, whether that’s fashion, haircare, baking or travel. What matters is depth of engagement with an online influencer, not just the size of the fan base.

4

A mission must be more than a mission statement

Consumers in mature markets like Italy take certain things for granted when they make a purchase – it will be safe, and it will do the job for which it was created. All brands are expected to provide this as a bare minimum. Now, sophisticated consumers are differentiating between brands not just based on what their products do, and on the price, but also on how the business behaves and the values the brand represents. In Italy, 41 percent of people believe brands should take a stand on issues. Consumers want to associate themselves with brands that support the same good causes that they do, and this is particularly important to younger people. Environmental concerns are an obvious area where many brands can take an appealing position, but there are wider consumer interests in issues such as fairness in the workplace, and support for social and humanitarian causes. Promises must be real and transparent; if they are found to be faking their goodness, they should expect a backlash.

5

Going green is becoming the norm

Linked to the need to stand for something good is the need to do good things, especially regarding the environment. Global brands are heeding the consumer call to reduce packaging, industrial waste, the miles involved in transporting goods from source to shopper, and Italian brands are increasingly doing the same. Globally, adidas are making 1 million shoes from recycled ocean plastic, and Procter & Gamble have pledged to use 25 percent recycled plastic in its haircare product packaging. Closer to home, Negozio Leggero has 13 stores stocking more than 1,500 package-free products across Italy and Switzerland. And the supermarket Conad has made environmental advances behind the scenes, with its “green” lightweight pallets made from recyclable plastic, which promise to reduce CO2 emissions during transport by lightening loads. Look at ways a brand’s range – and its supply chain – could be greener.



Economy and Demographics

Economy

GDP (2018 est.)¹
\$2,086 TRIL.

GDP Growth Rate (2018)¹
0.9%

GDP Growth Forecast (2019)¹
0.5%

Ease of Doing Business
(51 out of 190 countries -
was 50 in 2018 ranking)⁴

51

1 190

GDP per Capita
(2017)³
\$39,823

US **\$59,535**

Germany **\$50,705**

UK **\$43,857**

France **\$42,698**

Spain **\$38,017**

China **\$14,338**

GDP per Capita¹
(by area, 2017)

Northwest
€35,400

Northeast
€34,300

Center
€30,700

South and Islands
€18,500

Imports (2017)²
\$432.9 BIL.

Exports (2017)²
\$496.3 BIL.

Main Import Partners

Main Export Partners

Major Industries

Automotive Ceramics Clothing Food Production Footwear Iron and Steel Machinery Tourism

Demographics

Population (2018)
60.5 MIL.

Unemployment Rate (2018)¹
10.6%

Median Age (2017)²
45.5 YEARS

Life Expectancy (2017)
82.3 YEARS

Germany **47.1**

Spain **42.7**

France **41.4**

UK **40.5**

Australia **38.7**

US **38.1**

China **37.4**

Australia **82.3**

France **81.9**

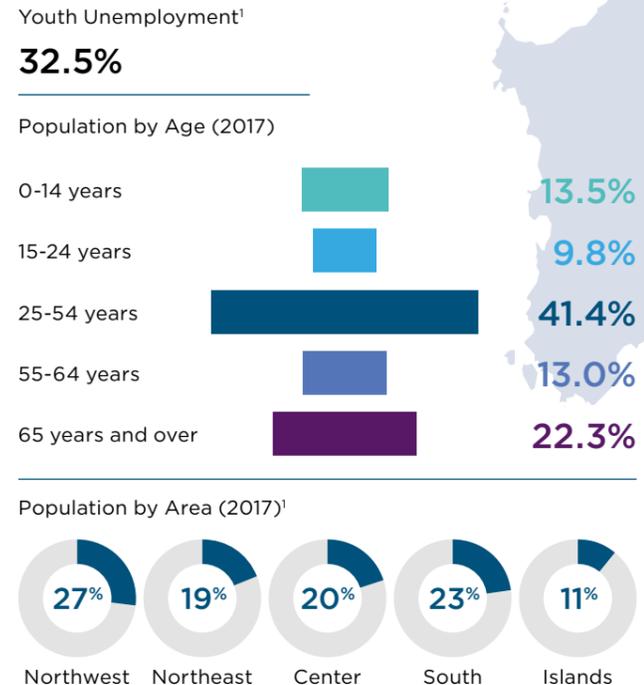
Spain **81.8**

Germany **80.8**

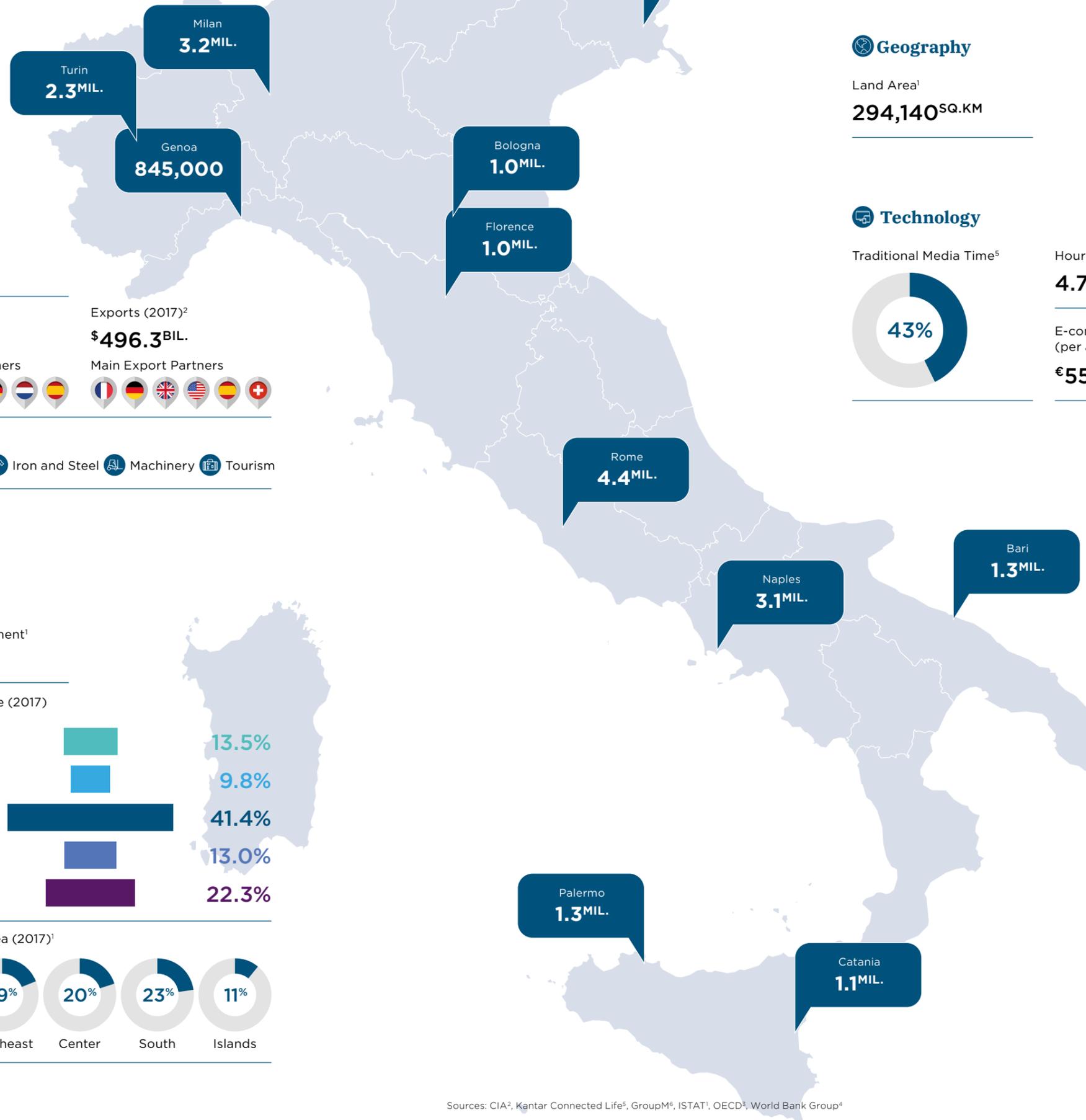
UK **80.8**

US **80.0**

China **75.7**



Centers of Population¹



Geography

Land Area¹
294,140 SQ.KM

Technology

Traditional Media Time⁵
43%

Hours per day spent online⁵
4.7 HOURS

E-commerce Spend⁶
(per adult per year)
€559

Key Takeaways

1

Offer value, but don't be cheap

Discounters are still on the rise in Italy; Aldi has opened 50 stores in its first year here, ahead of its target of 45, and Lidl continues to expand, with two recent store openings in Sicily, taking the total to 45 on the island alone, as well as new branches in Bologna and Bergamo. And the discounter MD has announced plans to open 180 new stores by 2021. Consumer spending is subdued in the current economic and political climate, adding to the appeal of stores promising bargains. But a good deal isn't always the cheapest. Balance quality with affordability.

2

Private label is growing in new ways

Pressure on household budgets is part of the reason why private label purchasing grew by around 2 percent in 2018, taking private label sales to almost 20 percent of the grocery total. But it's not all low-priced options winning share, in fact many private label product prices have risen. Premium, organic and other specialist options are broadening the appeal of private label. For instance, the premium private label from Unes supermarkets, Il Viaggiatore Goloso, has now become a self-supporting brand with its own stores. And Penny Market's new "Vicino - Prodotti del tuo territorio" private label range focuses on local, sustainable fresh produce.

5

Fit to full screen

While mobile phone use is close to ubiquitous, this is still a multi-screen online market. In fact, Kantar TNS's Connected Life study shows Italians spend more time online using a desktop computer or laptop (48 percent) than they do a mobile (41 percent), and 11 percent of online time is via a tablet. This means that while websites and advertising needs to be adapted to the small screen, it must work on other screens, too, and must be tailored accordingly.

6

Multiscreening is yet to take off

Italian consumers are well equipped when it comes to connected gadgets, with every adult having an average of between three and four devices - higher than the global average. And while many people are looking at their phone at the same time as watching TV, the amount of multiscreening going on in Italy is much lower than elsewhere - only 26 percent of people say they use more than one device at once, compared to 35 percent globally.

3

Views about mobility are shifting

There's growing interest in high-tech vehicles, and well over half of Italians say they're keen to have an electric vehicle and for their car to be internet-enabled, providing access to apps and relevant services. Less appealing, at least for now, is the idea of having access to a car-sharing service rather than owning a car. Kantar TNS Connected Car research shows only 35 percent of Italian consumers are currently interested in this.

4

Organic is increasingly mainstream

Spending on organic food and drink is growing apace, up by 6.5 percent in the first half of 2018, building on record 10 percent growth for 2017. On average, nine out of 10 Italian families have bought at least one organic product in the past 12 months. Fresh produce and cereal-derived foods such as pasta account for more than half of organic sales, while interest is booming in organic milk and other dairy, eggs, meat and fish.

7

Plastic peril proves divisive

The launch of a ban on plastic shopping bags and a requirement that stores charge shoppers at least one cent for a biodegradable one has sparked fury in some quarters, with consumers and shopkeepers complaining on social media that the charge is unfair. The need to deal with plastic is clear to most, however, and the Tremiti islands off the eastern coast of Italy have banned plastic cutlery and plates to stop picnickers further harming what is a protected marine reserve. Many consumers want to do "the right thing", but if it costs them money, enthusiasm can wane.

8

There are new ways to pay

Cash has always been king in this market, but growing numbers of retailers are now offering more modern alternatives for payment. The supermarket chains Esselunga, Bennet and Lidl have launched the option for shoppers to pay with Google Pay, while Auchan is gradually introducing the ability to pay for groceries using PayPal - for now only in selected cities and regions, but with plans for a broader rollout.

Key Takeaways

9

Techies don't always want more tech

Don't assume that the early adopters of new technology necessarily want to adopt all things new and digital. In fact, the most digitally active customers are often the most discerning about the products and services they're willing to try, and their attention is hardest to grab. So, don't rely solely on broad demographic stereotypes. Within these target groups, there can be a huge diversity of behavior and attitudes, and even those with the most open minds need convincing.

10

Remember to be human

This is a well-connected market, but there's unease about allowing technology to penetrate more deeply into consumers' lives. Already, 30 percent of Italians feel they spend too long on their phone – slightly above the global average – and 48 percent object to devices that monitor their behavior, even if it means making their lives easier. Technology is both exciting and a little frightening, so be aware of when the human touch is required. Only a small minority are happy to pay for everything online.

13

There's wariness about wearing tech

Concerns about the sharing of personal data might be behind the slow takeup of wearable devices such as fitness trackers and smartwatches. Only around 14 percent of Italians currently have a wearable device of some kind, compared to a global average of 17 percent. Again, reassurances need to be made about how highly personal data are used and stored if consumers are to be convinced this kind of technology is for them.

14

Views on sugar are changing

There are plans to introduce a sugar tax on fizzy drinks in order to reduce other taxes and provide more funding for universities, though this comes at a time of declining consumption of carbonated soft drinks. Summers may have been getting progressively hotter, but sales have dropped by a quarter in the past decade as consumers become more health-conscious. That said, health concerns aren't stopping Italians treating themselves to a sweet indulgence. Sales of Christmas confectionery in 2018 were reported to be 7 percent higher in 2018 than in 2017.

11

Social marketing isn't just one thing

Brands can use social media to inspire, inform and lead consumers to interact (and transact). The key to success is knowing which consumers are using which platform for what. Social video is a great source of inspiration – fashion and home decorating ideas, for instance – and that's best done on YouTube, while Facebook is better suited to imparting information – upcoming discounts, free delivery and opening hours. The extent of a platform's reach matters less than matching the right branded content to the platform's users.

12

Big brother is watching

There are major concerns about data protection in Italy, with over half of people here worried about how much data companies have about them, and almost the same number lacking confidence in the government to use personal data in order to improve services. Be utterly transparent about how data will be used and protected, and demonstrate clear value in return for it being shared. Already, the use of ad blockers here is higher than the global average, and rising each year.

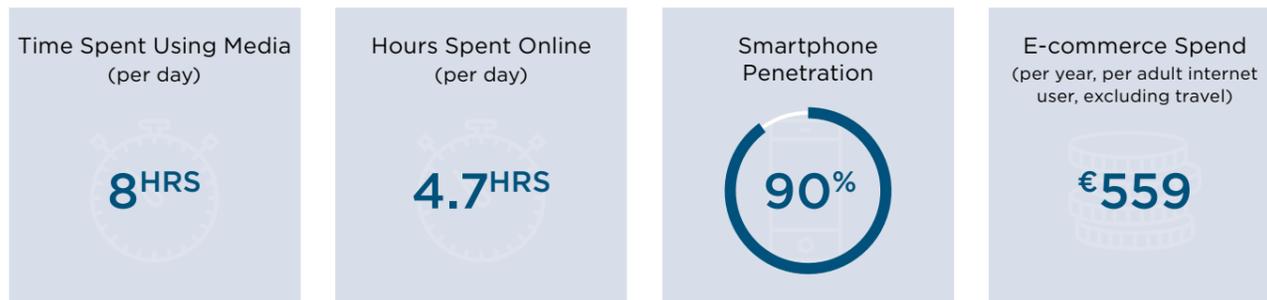


Media

Adspend rising as brands combine online and TV

Advertisers are increasing their investment in attempts to target Italian consumers

Fast Facts



Source: GroupM Interaction, GroupM This Year Next Year and Kantar Connected Life

Total advertising spend in 2018 grew by 2.7 percent to almost €7.9 billion, with digital channels the main beneficiary and by far the fastest-growing medium, up 7.8 percent for the year.

While marketing budgets for fast-moving consumer goods are still constrained, the market more broadly has been buoyed by intense competition in the telecommunications sector and continuing privatization of energy suppliers, giving consumers even greater choice.

It was also another big year for sporting action, which always results in a spending surge by advertisers; Italy's national team failed to qualify for the World Cup in Russia, so investment was not as strong as it might have been, but

football fans were still buying TV sets, mobile streaming services, snacks and drinks, and brands were vying for their loyalty.

Online might be winning a growing share of advertiser budgets – it now takes nearly €28 of every €100 spent on advertising, up from just €6 a decade ago – but this is still an incredibly strong television market.

Half of the time the average Italian adult spends with any medium is spent watching television, which explains why 49.9 percent of every advertising Euro spent in the country went on TV last year.

Radio is holding steady, taking 6.4 percent of advertising spend. This sounds low when you consider that nearly a third of consumers' media time is spent tuning in, but the cost

of radio advertising is lower than many other media.

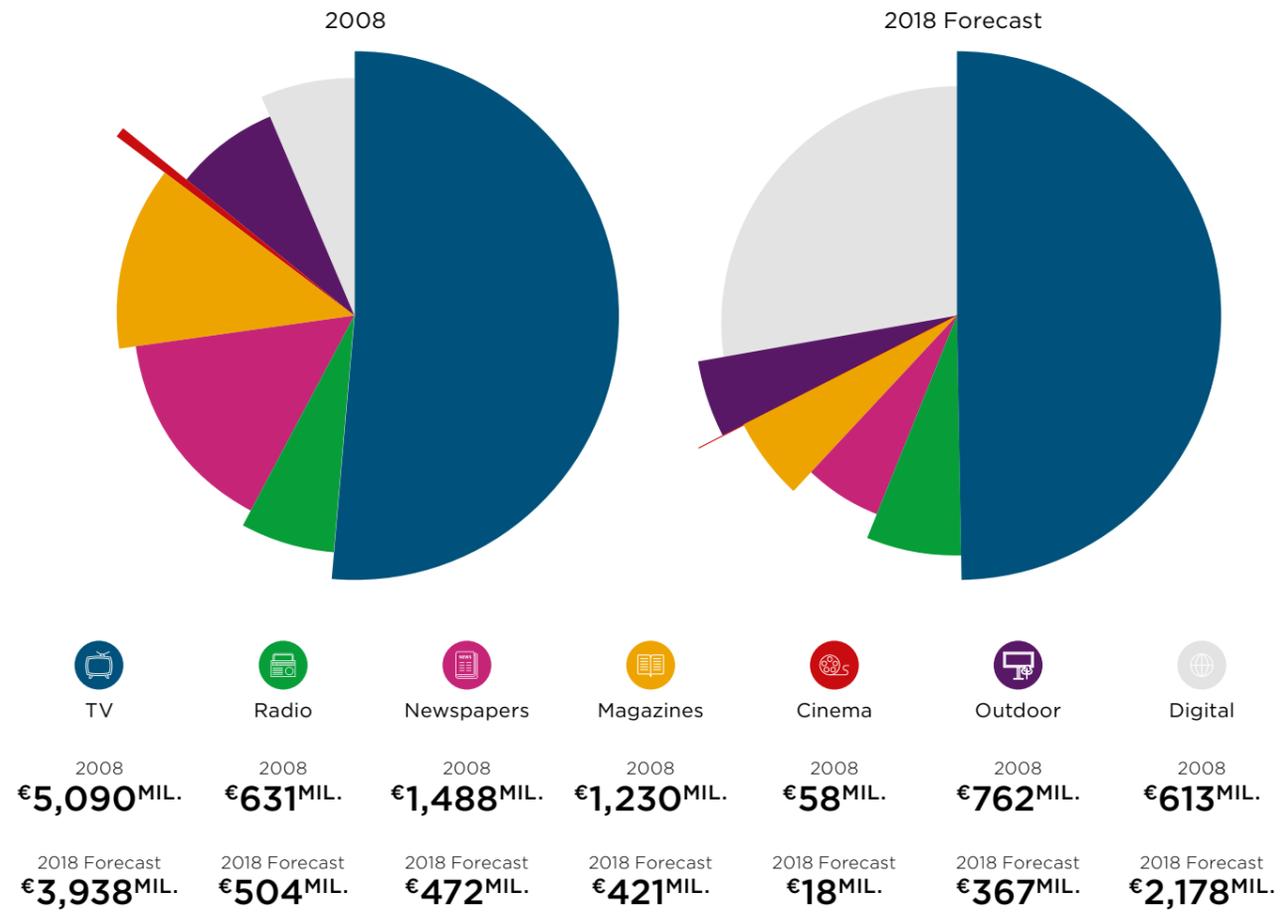
Print is continuing its slow decline (only 2 percent of adults' media time is spent with a newspaper or magazine, down from 5 percent 10 years ago), and outdoor too is seeing its share of the pie reduced each year.

The proliferation of new media channels and a growing range of devices on which to access them is making media planning an increasingly complex business for brands. Consumers, too, are torn between so many choices, yet many are finding the solution is just to find more time. Italians a decade ago spent seven hours a day with one form of media or another; now, it's over eight hours.



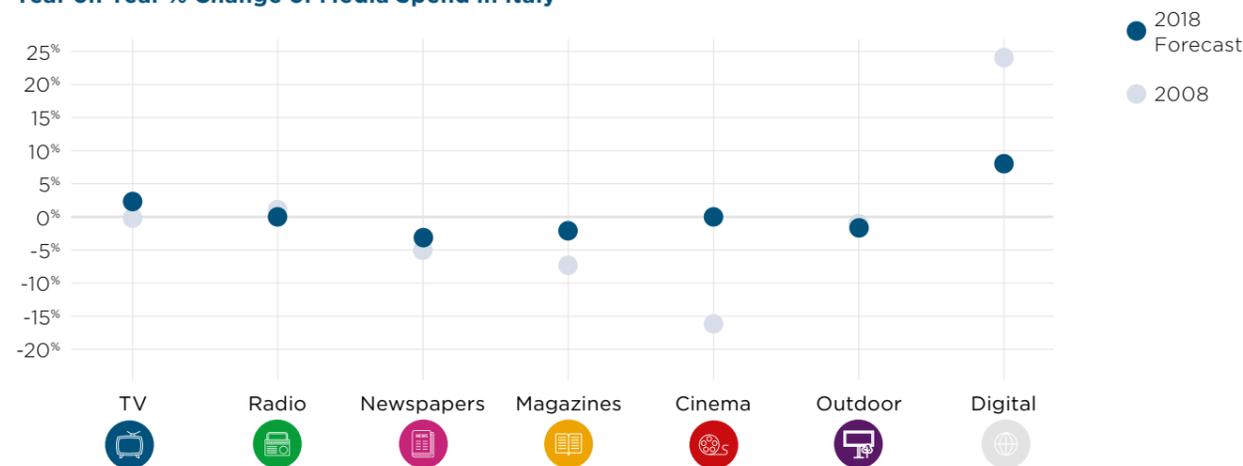
Media

Media Spend in Italy



Source: GroupM, This Year Next Year

Year on Year % Change of Media Spend in Italy



Source: GroupM, This Year Next Year

6 Rules for Success

#1

Make the creative, creative. Consumers feel bombarded by advertising so you need to do something different and inspiring in order to stand out.

#2

Be consistent. Ensure campaign cues and characters are integrated across different platforms, so that the effect is consistent and cumulative.

#3

Start at the beginning. That means with a killer idea – not a TV ad that’s then adapted.

#4

Remember that every piece of content counts. Test executions in all major media.

#5

Choose channels wisely. More isn’t necessarily better, so select only those with a clear role, and target judiciously so individuals aren’t overwhelmed.

#6

Customize carefully. Adapt content to fit the channel, with enough novelty to create engagement, but sufficient familiarity and consistency to ensure clear integration.



Taking the Plunge

The Unlimited Red + video shows gives a heart-stopping demonstration of Vodafone’s glitch-free, high-speed internet connection. Italian downhill cycling champion Francesco Colombo negotiates the steep slopes of Mount Etna at high speed, wearing a blacked-out helmet on a red Vodafone-branded bike. His only view of what’s ahead comes via an integrated VR headset powered by a Vodafone 4.5G “Giga Network” connection.



Food for Thought

The video campaign “1936. The Original San Carlo Recipe is back”, has a romantic, retro feel, beginning with the parting of young lovers on a Milan train platform in 1936. As the train pulls away, the woman snatches the man’s bag of San Carlo potato chips and waves goodbye. The man returns to the platform, apparently waiting for her return, and is seen aging as the decades pass. Eventually, his face lights up as what he has waited 80 years for comes into view – and he snatches a stranger’s bag of San Carlo chips. A humorous way of relating a story about brand heritage.

Brand Value

Local heroes fuel stellar growth

Fast-paced growth by some of Italy's strongest global brands has powered the Top 30 Most Valuable Italian Brands to a total value of US\$96.86 billion – an increase of 14 percent in the past 12 months.

The Top 10 have done even better, rising in value by 18 percent, on average.

The combined brand value of these leading brands – many of which household names and category pioneers around the world – equates to around 5 percent of Italy's GDP.

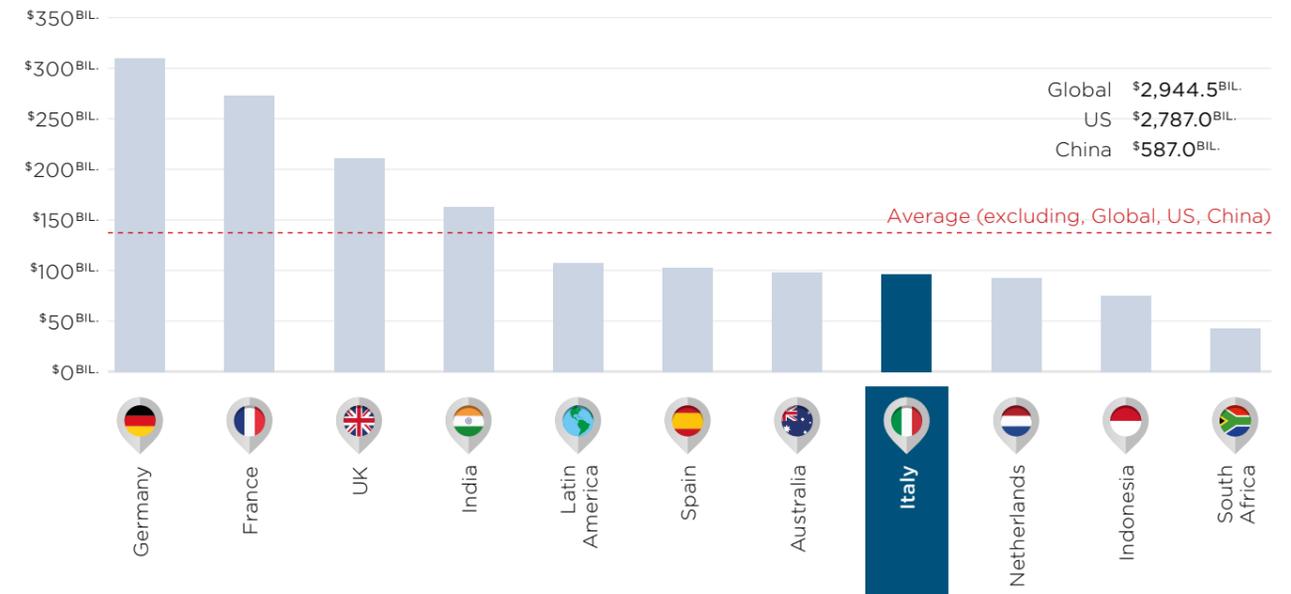
The pace of growth is healthy compared to that seen in other mature markets; growth in the BrandZ™ Top 30 rankings for France was 23 percent, in Germany 7 percent and the UK 5 percent.

Opportunity knocks

While the pace of growth is on a par with that in other developed economies, the value of Italian brands in the ranking is significantly below that in other markets. The average value of a brand in the Italian Top 30 is \$3,229 million – less than half the value of the average Top 30 UK brand, and just over one-third the value of a German Top 30 brand.

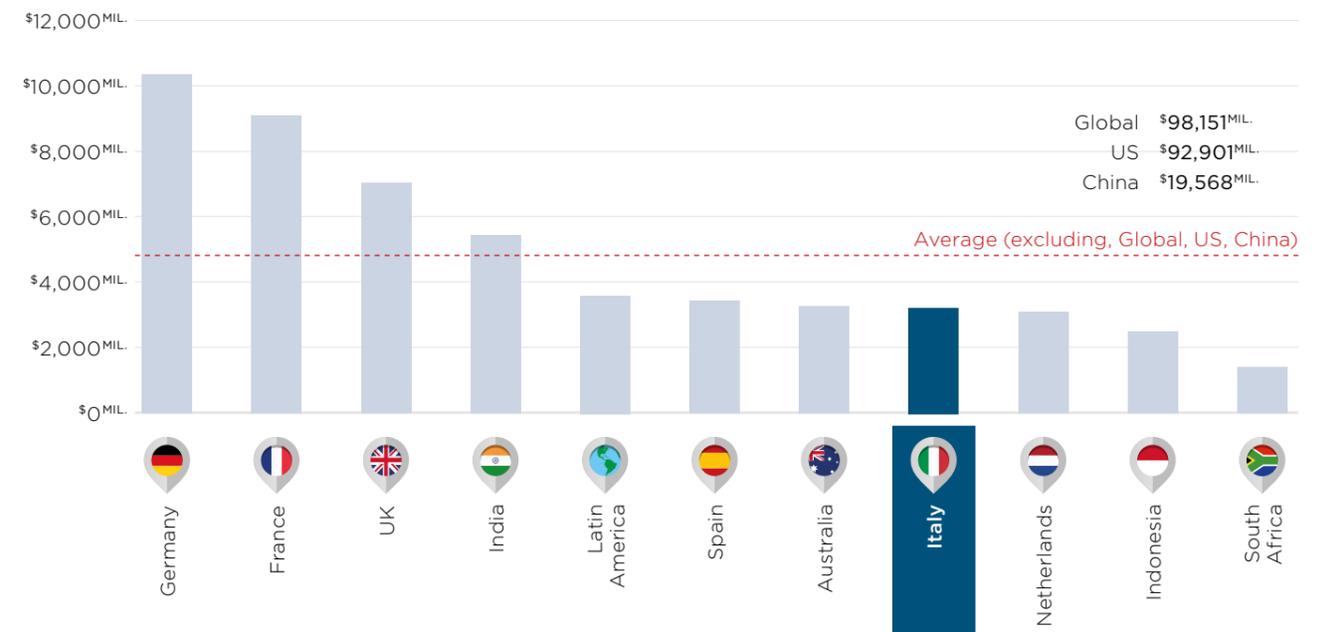
This means Italian brands are contributing less to their businesses on a brand-for-brand basis. It signals a significant growth opportunity for Italian businesses that are willing to invest in developing the strength of their brands.

Total Value of BrandZ™ Top 30 Brands
(Total value in US\$ Billions)



Source: BrandZ™ / Kantar

Average Value per Top 30 Brand
(Average value in US\$ Millions)



Source: BrandZ™ / Kantar

Brand Value

Passport to success

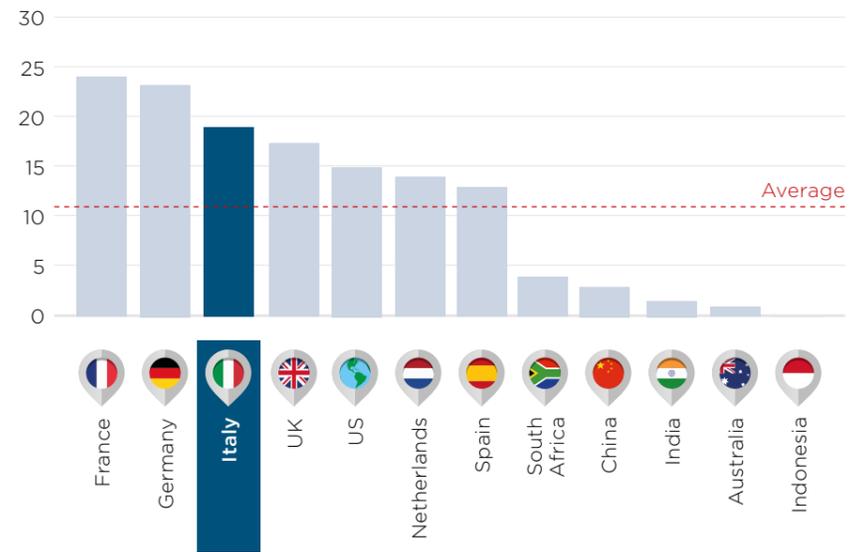
The most valuable Italian brands have a strong presence on the global stage, and typically over half of their exposure lies overseas. In fact, the average exposure of Italy Top 30 brands in international markets is 60 percent - a figure beaten only by France (72 percent), which benefits from international demand for luxury goods.

Moving beyond a brand's home market requires ambition

and bravery - attributes long associated with Italian businesses.

By taking an international approach to building a brand - with local adaptations of a strong central brand mission - brands not only broaden their potential audience base. They also spread their exposure to risk; when demand in one market declines, the probability is that it is balanced out by heightened demand elsewhere.

Number of Top 30 Brands with Majority Overseas Exposure



Source: BrandZ™ / Kantar



Brand Value

Global names, local legends

High-end fashion and travel brands top the list of Italian brands generating the majority of their business overseas.

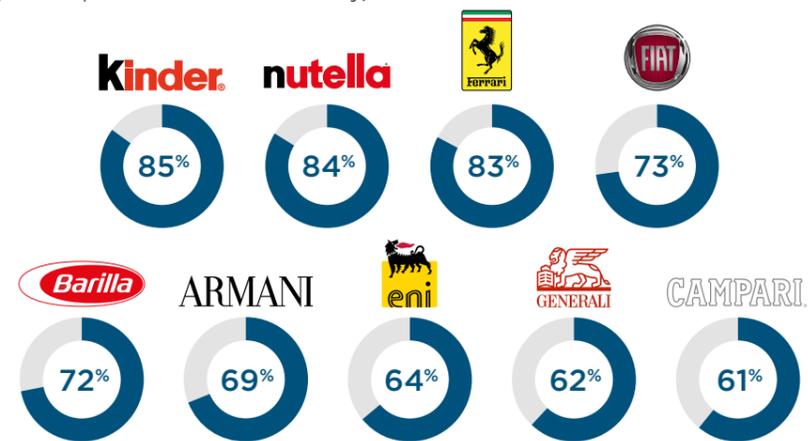
These are brands that are almost as well known in other markets as they are at home, and they have taken with them - and helped nurture - much of what "Brand Italy" has come to represent: glamor, design, quality craftsmanship, sexiness and fun.

Italian Top 30 brands with 90%+ overseas exposure



Other Top 30 Italian Brands with majority overseas exposure

(% of exposure from outside Italy)



Source: BrandZ™ / Kantar

Fastest Risers

The fastest-growing brands in the Italian Top 30 come from three different categories: cars, luxury, and alcoholic drinks.

The diversity of categories among the fastest risers is significant because to some extent, brands ride a wave - or get knocked around by one - that affects their entire business sector. Deregulation of an industry, or the entry of a

game-changing new technology or competitor, tends to have a similar effect on brands across the board.

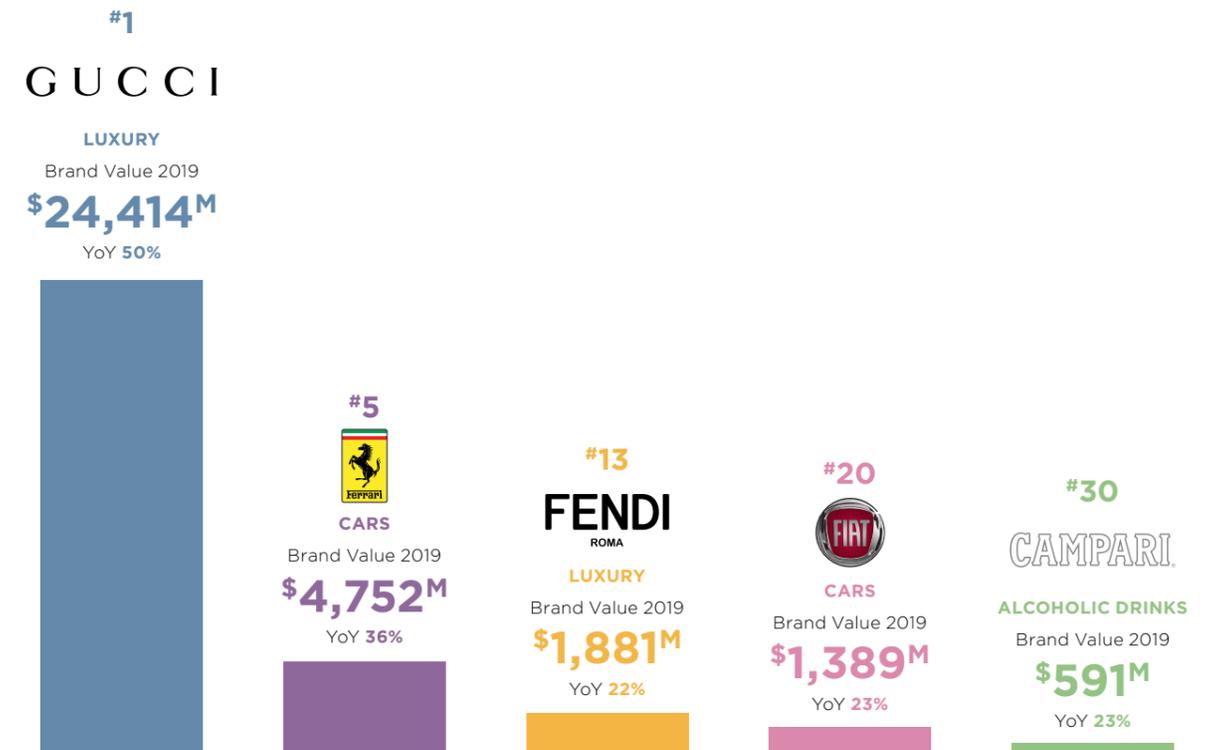
But the brands that have done especially well in Italy this year have outperformed the rest of their sector by some considerable margin. There's more at play here than big, industry-wide shifts.

In essence, these leading brands have made their own luck.

Gucci is demonstrating new ways to make a heritage brand appealing to new generations of consumers. Campari's growth is powered by high-quality communications, desirability and fun. Ferrari is a highly differentiated, distinctive brand, which delivers an outstanding brand experience, and Fiat is a very well-known brand with a clear, positive personality.

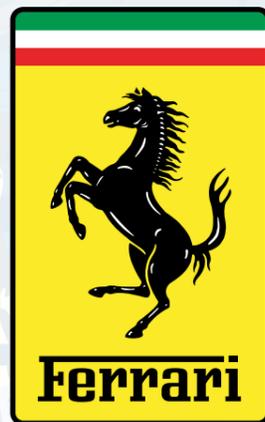
The Italian Top 30 Fastest Risers

= Top 30 Rank \$ = Value in Millions



Source: BrandZ™ / Kantar

Spotlight on...



This “prancing horse” logo of Ferrari is synonymous with speed, luxury, performance, innovation, an outstanding driving experience - and even the color red. In the past year, the business has benefited from a double-digit increase in sales of cars and spare parts, led by V12 models, the convertible LaFerrari Aperta, and the entry-level Portofino, which replaces the best-selling California.

In BrandZ™ analysis, Ferrari achieves outstanding scores for innovation - it is set to launch the first Ferrari SUV in 2020 and has set out plans for a hybrid range. It offers a brand experience perceived to be 20 percent higher than the average brand in Italy, and a strong sense of purpose.

Other attributes on which Ferrari significantly over-indexes are: sexiness (129), desirability (130), design (125) and being different (178).

CAMPARI®

This is a drink that has barely changed since its launch back in 1860, yet it innovates and communicates in such a way as to feel highly relevant to the lives of consumers today. Following the philosophy of Campari, that “every cocktail tells a story”, the new campaign “Entering Red” marks the beginning of celebrations for the 100th anniversary of Negroni, the iconic cocktail celebrated all over the world with Campari as its key ingredient. The brand is shortly due to release a limited-edition product, Campari Cask Tales, which will reinforce the brand’s premium image and desirability.

Within BrandZ™, Campari is an especially strong performer on measures of communication and brand love. It has a Meaningful Difference score of 122, which is 22 points higher than the average Italian brand.

Campari also over-indexes on sexiness (125), fame (112), leadership (112), fun (111) and desirability (111).

Brand Health

A prescription for improving brand value

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

Attaining Meaningful Difference is critical to brand value growth. The most Meaningfully Different brands in the Italian ranking this year grew at a 43 percent faster rate than the rest.

The Top 10 most valuable Italian brands are significantly more Meaningfully Different than the next 20. And these Top 10 brands grew their value at a pace 57 percent faster than the next 20, on average.

So, how can the low scorers become high scorers on Meaningful Difference? By improving their health.

Just as there are many contributors to human wellbeing, there are multiple factors that contribute towards a healthy brand.

BrandZ™ analysis has identified five key attributes shared by healthy, strong and valuable brands.

It starts with having a **purpose** (making people's lives better). MSC Cruises, Costa Cruises, Barilla and Enel are among the Italian brands with an especially strong sense of purpose.

Brands must be **innovative**, which means they're seen as leading the way in their sector and shaking things up. The cruise brands are again strong performers on this measure, along with Barilla and Enel.

They must also be creative, with powerful, memorable advertising and **communications**. Think here of local brands Barilla, Costa Cruises and MSC Cruises.

They provide a great brand **experience** that meets consumers' needs, and are available when and where consumers need them. The two cruise brands, Enel and Nutella are great at providing a memorable brand experience.

Over time, consumers develop a strong sense of **love** towards the brand. Consumers feel a strong emotional attachment to brands such as Nutella, Enel, Barilla and Lavazza.



Top 10 brands from Italian Top 30 on Purpose

	MSC CRUISES	139
	COSTA	137
	BARILLA	132
	ENEL	131
	PIRELLI	131
	NUTELLA	126
	ENI	118
	ARMANI	118
	LAVAZZA TORINO, ITALIA, 1895	117
	TIM	115

The average score of all brands is 100



Top 10 brands from Italian Top 30 on Innovation

	COSTA	121
	MSC CRUISES	121
	BARILLA	120
	ENEL	118
	ARMANI	117
	PIRELLI	113
	LAVAZZA TORINO, ITALIA, 1895	113
	TIM	113
	NUTELLA	112
	GUCCI	112

The average score of all brands is 100



Top 10 brands from Italian Top 30 on Communications

	BARILLA	156
	COSTA	153
	MSC CRUISES	151
	LAVAZZA TORINO, ITALIA, 1895	139
	TIM	138
	NUTELLA	136
	ENEL	124
	WIND	122
	PIRELLI	119
	ENI	119

The average score of all brands is 100

Source: BrandZ™ / Kantar



Top 10 brands from Italian Top 30 on Experience

	MSC CRUISES	132
	COSTA	130
	ENEL	128
	NUTELLA	127
	BARILLA	124
	PIRELLI	123
	FERRARI	120
	LAVAZZA TORINO, ITALIA, 1895	119
	TIM	117
	ARMANI	117

The average score of all brands is 100



Top 10 brands from Italian Top 30 on Love

	NUTELLA	133
	ENEL	132
	BARILLA	132
	LAVAZZA TORINO, ITALIA, 1895	132
	MSC CRUISES	131
	COSTA	125
	PIRELLI	123
	KINDER	121
	RAI	117
	FERRERO ROCHER	116

The average score of all brands is 100

Source: BrandZ™ / Kantar

Brand Health

5 ways to better brand health

When a brand is strong on all five of the attributes contributing to Meaningful Difference, they have healthy “vital signs” and we say they’re healthy brands overall.



We combine scores on all five of the attributes contributing to Meaningful Difference into a single “Vitality Quotient”, or vQ score. The average vQ score of all brands is 100. Healthy brands have a vQ score of 110 or higher.

If a brand is lacking in any one of the five contributors to vQ (scoring 99 or less against an average of 100), they are at risk of damaging their brand health and underperforming in the market. We describe these brands as being “frail”.

The correlation between brand health and rising brand value has been proven around the world over many years.

Among the BrandZ™ Top 100 Most Valuable Global Brands, tracked over a 13-year period, we see that the healthy brands have grown in value by 254 percent.

The frail ones – and remember these are still some of the strongest brands in the world – have only increased by 50 percent over more than a decade.

It’s clear this link applies here in Italy, too. Healthy Italian brands have grown at double the rate of the others over the past 12 months.

A picture of health – the highest vQ scores in the Italian Top 30

	135
	133
	133
	127
	127
	124
	122
	119
	115
	115

The average score of all brands is 100

Source: BrandZ™ / Kantar

Average vQ score for Top 30 Brands in European markets



Source: BrandZ™ / Kantar

Brand Health

Spotlight on...



Purpose

MSC Cruises has a passion for the sea and for hospitality excellence. The desire to provide passenger satisfaction and share that love of the sea infuses the brand's operations and its commitment to cutting-edge technology. Newly launched ships blend indoor and outdoor spaces for greater passenger interaction with the sea, and a focus on environmental initiatives is behind a new class of MSC cruise ships fueled by low-impact, LNG-powered engines.



Innovation

This is an innovative brand within an innovative category. Costa Cruises focuses on providing a highly desirable on-board dining and entertainment experience, and does so in a light-hearted way that connects well with its brand promise: "Benvenuti alla Felicità al quadrato" (Welcome to Happiness, squared). The brand delivers a message consistent with this brand identity across all touchpoints, from the sales material in travel agencies to crew interaction with guests.



Communications

The familiar blue boxes of Barilla pasta are a store-cupboard staple in so many Italian homes, providing daily brand communication in themselves. Yet Barilla invests significantly and consistently in familiar messages – its tagline "Dove c'è Barilla, c'è casa" (Where there is Barilla, there's home) is known nationwide – and the brand communicates its innovative responses to emerging food trends. Recent advertising focuses on Barilla's insistence on quality in the supply chain, and its transparency chimes well with current consumer demands for authenticity. The brand is working with tennis champion Roger Federer, giving a new, modern take on a classic product.



Experience

A great brand experience with an energy supplier starts with reliable provision of power – and continues with easy and efficient communication, fair billing, and access to information when there's a question to be asked. Enel has focused on simplifying consumers' lives by digitizing much of the relationship, making it quick and easy for them to handle their accounts and ask questions. Enel has also launched "Elen", a chatbot that can handle many queries without the need to wait for human assistance on Messenger and @EnelEnergy Bot, the new simple and fast way to autonomously take, for example, meter readings, check bills and contracts.



Love

This is a product that hasn't changed for decades, precisely because people love it just as it is. But the love Italians feel for Nutella goes beyond enjoying the taste. Nutella balances reassuring familiarity with a sense of playfulness and innovation. Personalized packaging has helped consumers feel the brand is truly theirs, and a hackathon with Milan Polytechnic to discover ways of using empty Nutella jars led to around 1,000 highly creative ideas. Nutella lovers from 114 countries have also shared their own "Nutella Stories" online.

Category Growth

Picture of stability paints image of Italian daily life

The brands and categories represented in the Top 30 are little changed from the inaugural Italian ranking launched a year ago. They paint a vivid picture not just of the strengths of the national economy, but also of Italian daily life.

After luxury, food and dairy is the greatest contributor of value to the 2019 ranking. Food is at the heart of so many Italian traditions, and Italian cuisine is one of the country's strongest exports. Around the world, Italy doesn't just represent great-tasting food, it represents the joy of sharing a meal, family togetherness, tradition and refinement.

The presence of Kinder and Nutella in the Top 10 - alongside the likes of Gucci, Ferrari and Prada - not only reflect Italian daily life and the importance of

food to Italian culture. They also show the effectiveness of Italian entrepreneurs who have turned what are essentially single-product brands, little changed over decades, into global category giants. In the case of Nutella, it is a category entirely to itself.

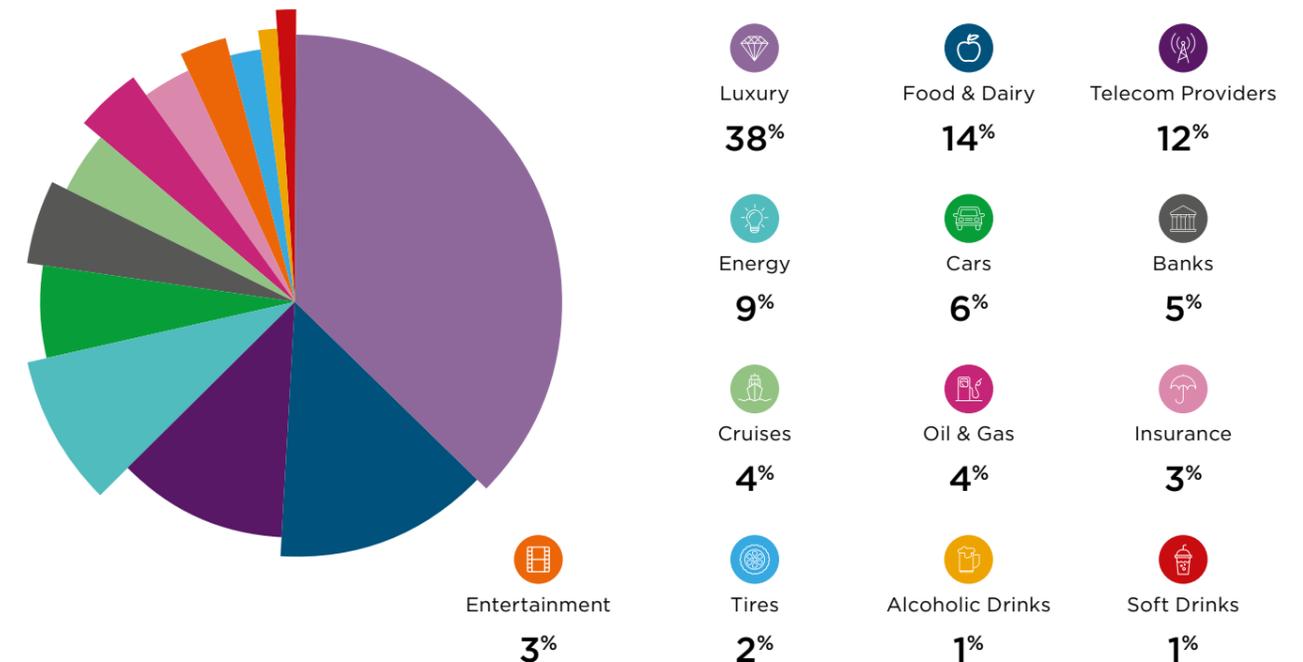
Telecom providers are the next-biggest category in this year's ranking; telecoms is an increasingly competitive sector in Italy, and it's here where we see the only new brand to enter the Italian ranking this year, Fastweb.

The energy sector, powered by just two brands - Enel and A2A -

is another big source of value, accounting for 9 percent of the Top 30's value. Both brands increased their value in the past 12 months, Enel by 8 percent and A2A by 10 percent.

Cars, hugely important to the Italian economy, are represented by two brands that each represent Italy to the world, although in different ways. Ferrari, which takes fifth position in the Top 30, stands for boldness, passion, exclusivity, energy and power. Fiat, meanwhile (in 20th place) is the more approachable, friendly face of the Italian motor industry.

Value Contribution by Category 2019



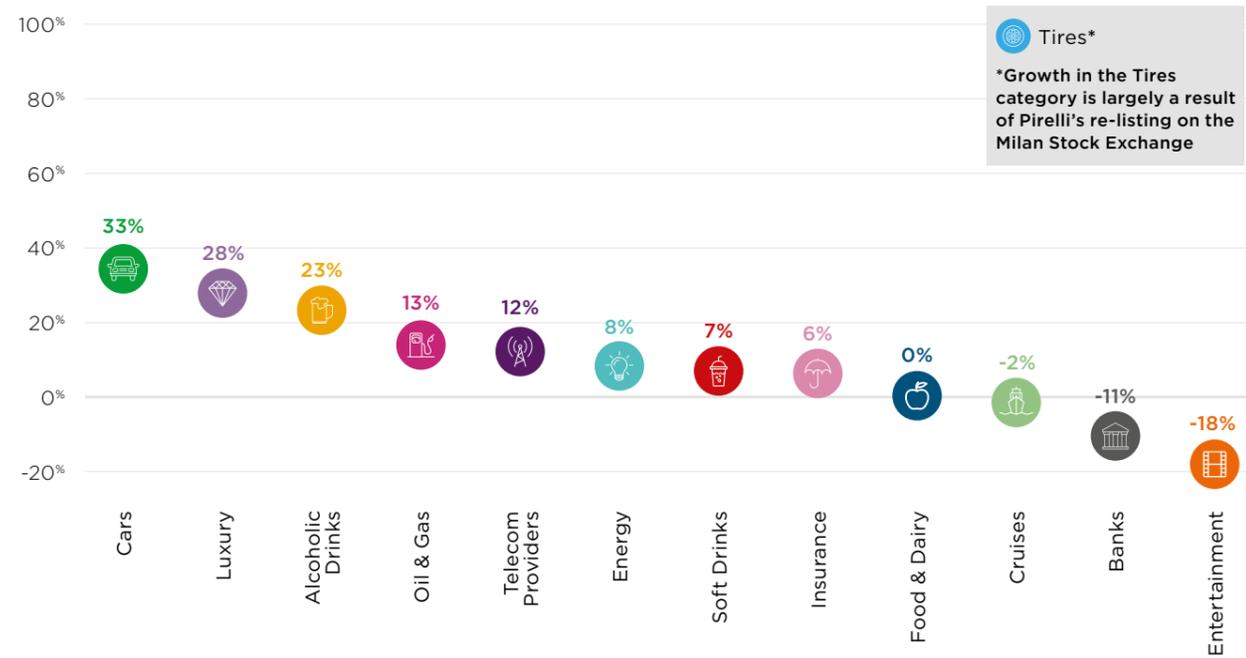
Source: BrandZ™ / Kantar



Category Growth

Growth 2018-2019

% = Year on Year Change



Source: BrandZ™ / Kantar



Something Missing?

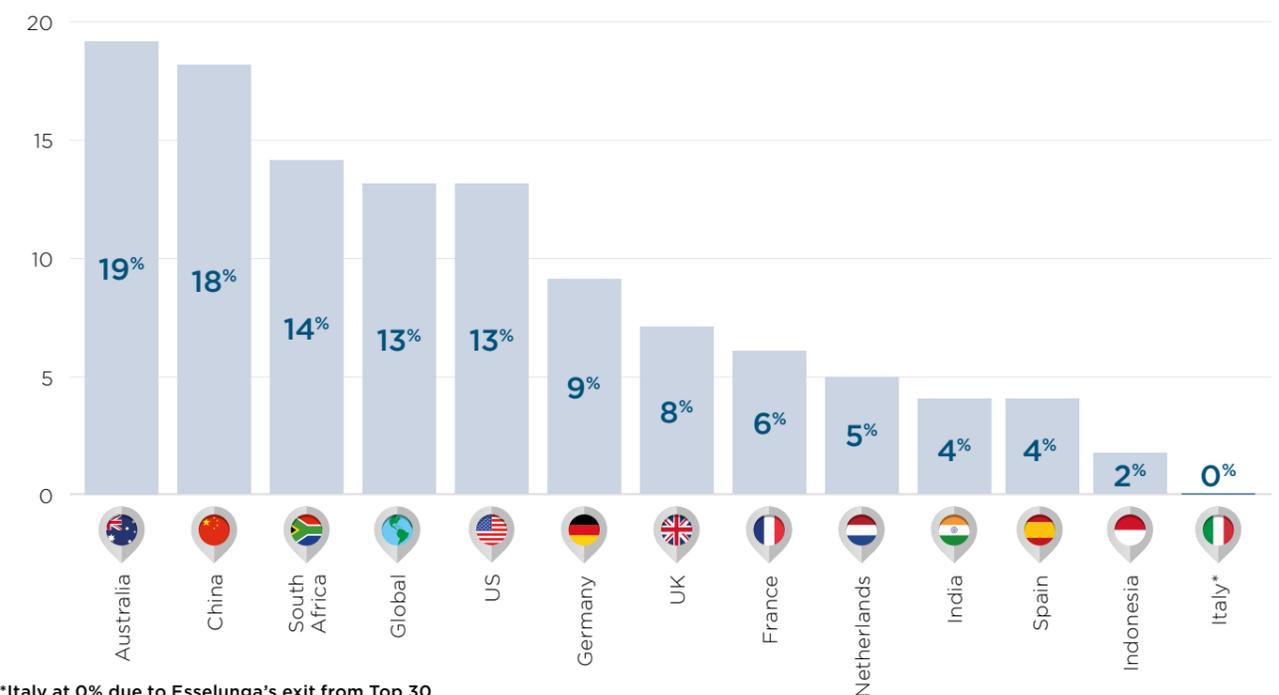
Supermarket chain Esselunga's absence from the Top 30 ranking this year means Italy is now the only BrandZ™ market in which there's not a single retail brand. Esselunga was in 30th place in the 2018 ranking, and has been knocked out by the entry this year of Fastweb, which is in 27th place.

It doesn't necessarily mean there are no strong retail brands in Italy - brand value is a combination of financial strength and the "power in the mind" that's generated

by a brand's products, experience and communications. This means that a small retail brand, however brilliant it might be, will not have the financial might to enter the ranking.

However, retail is a lively and highly competitive sector with some sizable players, and this would usually lead to intense brand-building activity and a powerful affinity between shoppers and their favorite stores.

Retail % Value of Top 30 Ranking



*Italy at 0% due to Esselunga's exit from Top 30

Source: BrandZ™ / Kantar

Got any change?

The BrandZ™ data provides a stark warning for Italian banking brands, which this year contribute 5 percent of the ranking's value – but 11 percent less in dollar terms than just one year ago.

All three bank brands in the Top 30 have suffered a drop in brand value this year, and our data shows that banks in Italy more broadly underperform against other categories on a range of factors that contribute to health and growth. Innovation and communication are two key contributors to the love that consumers often feel for brands, and banks score extremely poorly on both of these measures.

And, when it comes to brand experience, Italian banks rank bottom out of 30 product and service categories – just behind insurance and tobacco.

Banking brands in other countries also tend to perform poorly on many of these measures when compared to other categories; it seems to be an industry problem rather than a uniquely Italian one. Yet Italian banks compare badly, even to other poor performers, with brand health scores lower than banks in other European markets, as well as those in India, Australia and the US.

The financial services sector is ripe for change; in many markets, newcomers from outside the category are shaking things up with innovative alternatives to traditional products and services. If Italian banks want to stay relevant – and not be sidelined by new financial technology players waiting to lure away their customers – they need to act now.



amplifon

Sound of Success

There are some product categories that seem inherently exciting – perhaps technology, cars and fashion. But over a decade of BrandZ™ experience shows that the category in which a brand operates is no barrier to brand-building excellence. Think of a certain Swedish flat-pack furniture brand, much loved by the world's consumers. Pampers is another star performer in a perhaps-unlikely category.

Italian brand Amplifon operates in a category not covered by BrandZ™ research, hearing care retail, and one that isn't by its nature an exciting one. But it demonstrates how a focus on purpose, customer experience and communications can lead to satisfaction and business success.

Recent efforts include extending the product portfolio with brand-name hearing aids, the launching of an app to support setting-up and correct usage of products, and the OneCRM program, to support customized CRM campaigns in multiple markets.

Amplifon has also launched an innovative "Customer Experience Transformation Program", designed to improve the customer experience – and inform customer-centric innovation – based on client feedback.

And it advertises in a way that draws on emotion and experience – the effects of its services, rather than the technical specifications. A recent campaign asks: "What's the first thing you have heard again, with Amplifon?"

Amplifon now has a network of over 10,000 points of sale in 21 countries on five continents. In December 2018, Amplifon entered the FTSE MIB, the main benchmarking index of the Italian Stock Exchange.

Value Growth

Gucci leads luxury trailblazers

Gucci is the jewel in the crown of the Italian Top 30. It is the country's most valuable brand for the second consecutive year, and in the past 12 months has extended its lead over the brands that follow, with a 50 percent increase in brand value, to almost \$25 billion.

The brand leads other top Italian brands by a never-before-seen margin in the history of BrandZ™. It is more than 2.5 times the size of second-placed brand TIM, establishing the biggest gap between first and second place of any BrandZ™ market.

Gucci is a brand approaching its 100th birthday; it remains true to its core purpose, but stands out, even among other leading Italian luxury brands, for being brave enough to innovate with creativity, and disrupt not just the sector but also consumers' expectations.

The brand is one of seven luxury brands to make the 2019 Top 30, which together account for 38 percent of the ranking's total value. Italian luxury brands account for the second-largest proportion of any ranking globally, behind only France's luxury sector, which comprises 49 percent of the French Top 30's value.

Luxury is not just a growing category (up by 28 percent overall, driven by Fendi, Armani, Bulgari and of course Gucci), it's also a distinctly Italian one.

When the most valuable Italian luxury brands (including Versace,

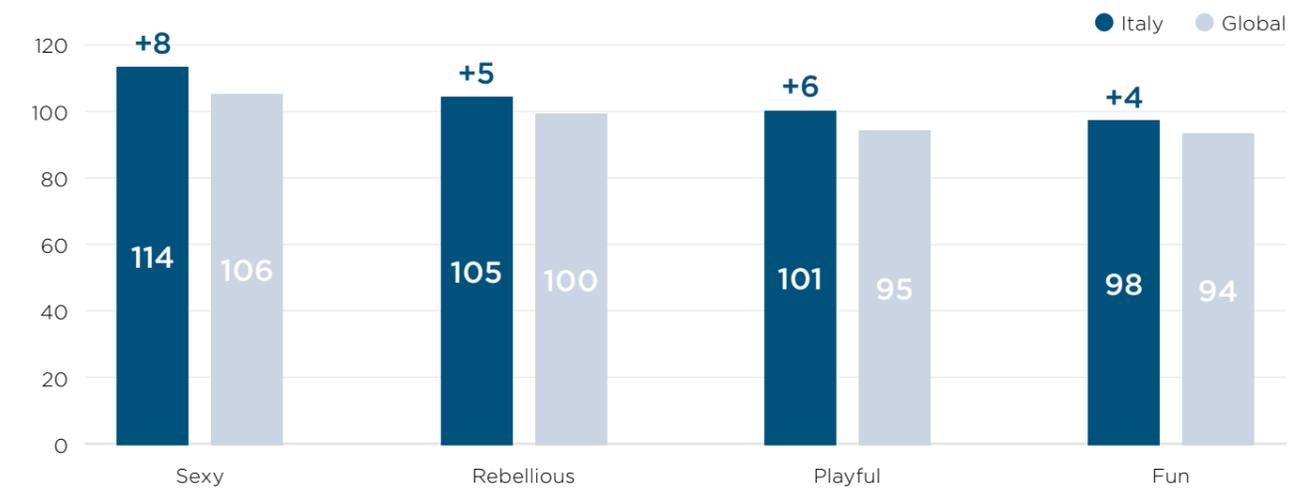
which does not make the 2019 Top 30) are compared against the top eight luxury names from outside Italy, the clear personality of Italian luxury becomes evident.

Their desirability comes from sexy playfulness and a sense of fun. This image resonates well with international audiences and chimes well with the characteristics that consumers tend to associate with Italy itself.

This all makes Italian luxury fantastically exportable. Among the seven luxury brands in the Italian Top 30, an average of 91 percent of their exposure was generated overseas.

Attributes of Italian and international luxury brands

The average score of all brands is 100



Source: BrandZ™ / Kantar

GUCCI

Diary of a Winner

The phenomenal rise of Gucci is not simply a case of a strong heritage brand living off a reputation built decades ago.

In fact, what sets Gucci apart is its willingness to depart from what it has done before – and to strike out as a leader in its category – most recently under the direction of Creative Director Alessandro Michele.

His vision for Gucci is to take a “wholly modern approach to fashion”. This has led to strong double-digit sales growth around the world, with standout success in Asia-Pacific and North America.

The brand has also taken a fresh approach to retail, with investments in key locations such as London's Heathrow and Sydney airports, as well as the Gucci Garden in

Florence, which features one-of-a-kind items in an exhibition-style environment.

Gucci's success in the Far East comes from its appreciation of local habits and preferences; it has, for instance, targeted so-called Moonlight Clans – young Asian consumers who spend all their disposable income on luxury items. Last year, Gucci also released a special collection of totes, sweaters and jackets inspired by the Year of the Dog on the Chinese zodiac.

Gucci has bolstered its sense of purpose and innovation in the past two years, and this is reflected in the way consumers perceive the brand.

Its Innovation score on BrandZ™ has gone up from 104 to 112. Within this, creativity went up from 110 to 123, leadership rose from 103 to 107, and disruption from 98 to 105.

Innovation, Creativity, Bravery

Fortune favors the brave

Innovation is the engine room of brand value growth in Italy. The most innovative brands in the past year have posted average growth of 17 percent, while the least innovative have grown by just 1 percent.

This is compelling evidence for a business to rethink its approach to innovation.

When we talk about brand innovation, we don't advise tearing up a winning recipe, fragrance formulation or approach to design. Innovation for its own sake – or so a brand can issue a press release – is not true innovation at all, and could actually be damaging to a brand.

Meaningful, powerful innovation is about staying relevant to existing audiences and appealing to new ones over the long term. It's about leading a category and offering something fresh and creative – being brave in undertaking something new, and then being bold enough to shout about it, so that the innovation is recognized by consumers.

Overall, perceived innovation is by far the largest driver of brand growth in Italy – driving brand value growth at double the rate of any of the other Vital Signs (purpose, communication, experience and love).

In this year's Top 30, the leading 10 brands have grown at 4.8 times the rate of the next 20 – and they score, on average, significantly higher than the next 20 on innovation.

Yet the average innovation score for the Italian Top 30 is the lowest of any of the Vital Signs.

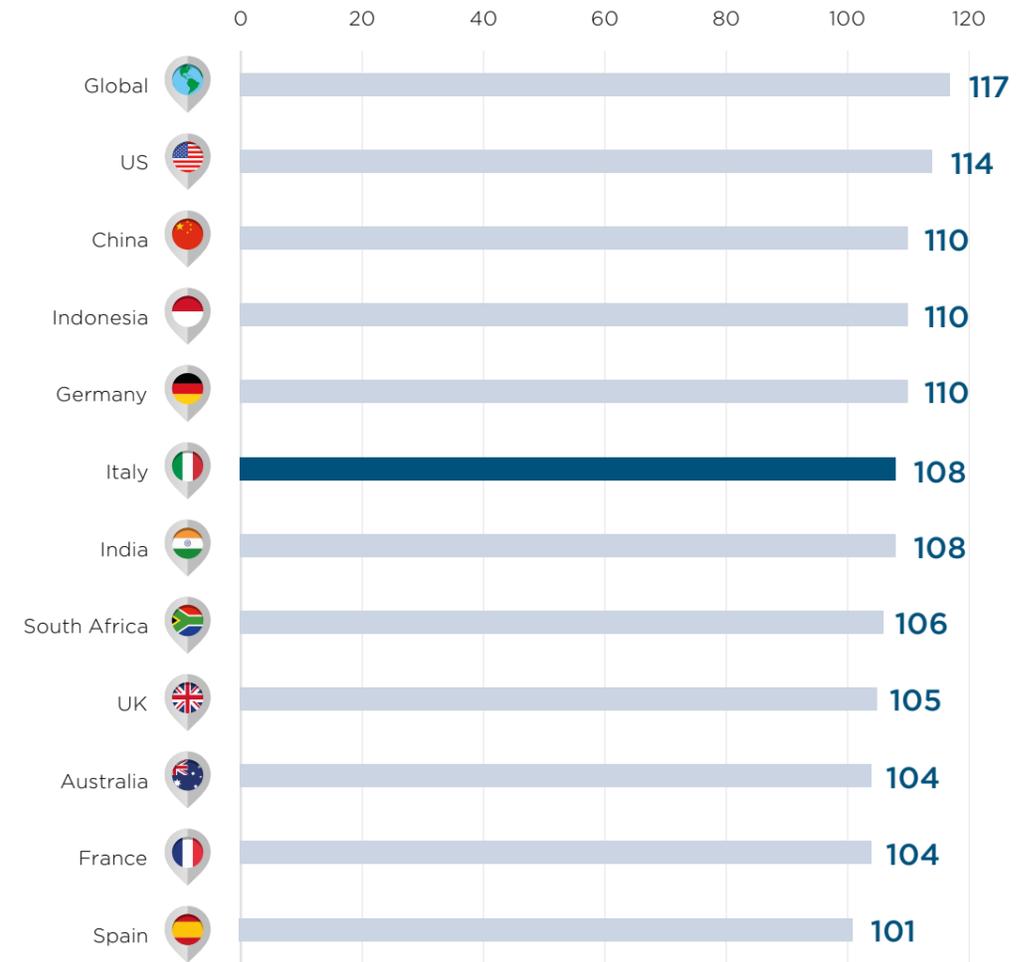
And, when the performance of leading Italian brands on innovation is compared to that of other markets' brands, Italy is a laggard. In fact, Italy ranks only fifth on the world stage.

There is, therefore, a significant opportunity for Italian brands.

Brands perceived to be both innovative and Meaningfully Different are much more likely to grow. Innovations must therefore be meaningful to the consumer in order to fuel brand value growth.

World Leaders on Innovation

Average Innovation Scores of Top 30 Brands. The average innovation score of all brands is 100.



Source: BrandZ™ / Kantar

Innovation, Creativity, Bravery

Time to get creative

So, how does a brand improve consumer perceptions regarding innovation?

There are three aspects of innovation, and strength in any or – ideally – all of them can help boost a brand’s reputation for innovation.

They are:

1 Disruption
Shining examples in Italy include MSC Cruises, Costa Cruises, Barilla, Ferrari and Enel

2 Creativity
In Italy led by brands like Armani, Gucci, Bulgari, Bottega Veneta and Salvatore Ferragamo.

3 Leadership
Think here of Enel, TIM, Barilla, MSC Cruises and Costa Cruises.

All three of these innovation factors are closely linked, and while the Top 30 Italian brands compare well against the rest of the world’s top brands for leadership, average creativity scores for the Italian Top 30 are only marginally higher than the average for all Italian brands. Almost all the creativity is seen as being in the luxury brands.

This perceived lack of creativity is at the heart of the innovation gap for Italian brands. By improving their creativity credentials, Italian brands could influence consumers’ perceptions of innovation and, ultimately, unlock value growth.

Spotlight on...

ARMANI

Armani is the most creative brand in the 2019 Top 30, and has earned its reputation in this field through a bold approach to design, coupled with a willingness to extend a brand rooted in fashion into entirely new spheres. Having conquered the accessories, footwear, jewelry and cosmetics sectors more traditionally associated with fashion, Armani then moved into home interiors, and now has two Armani hotels and a number of restaurants around the globe.

In the fashion world, Armani has been pushing boundaries, with the launch this year of a men’s

vegan fur range featuring coats, boots and a shawl. The latest Emporio Armani collection for men launched at Milan Fashion Week in January, but not at the men’s event, rather in a “coed” runway show during the women’s event.

In its home city of Milan, the brand uses a converted granary, called Armani/Silos, to host art exhibitions and display pieces from past Armani collections. There is also a digital archive, and each year the center hosts Armani/Laboratorio, a training scheme for young creatives. The most recent course focused on cinema.

Make It Happen – Action Points for Innovation

#1
Consider scrapping the ‘I’ word. The word “innovation” can be intimidating, and make the process feel off limits to all but a few individuals or department. “Ideas” is more inclusive, as everyone can come up with ideas.

#2
Think beyond product renovation. The great innovators are smart in developing incremental changes to their products and services, but only the greatest think about delivering a new brand experience on top.

#3
Let consumer needs and desires be the driving force. Focus on purposeful innovation that serves real human desires, needs and feelings. This is how many startups are disrupting established brands.

#4
Look afresh at your organization, not just new tech. Technology can be a great way to deliver innovation or make it possible, but it’s rarely the tech itself that makes a difference to someone’s life. Every brand touch point plays a role in perceptions of innovation so pay attention to them all, not just the newest and shiniest. There may be a need for more fundamental change – inventing new institutions, creating networks and partnerships, not hierarchies.

#5
Shout about your innovations. The first step is to innovate, and the second is to shout about it. The brands perceived as being the most innovative are often those that communicate clearly and frequently about what they’re doing.

Building brands in the era of Millennials



Massimo Costa
Country Manager
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Being part of WPP gives me a privileged opportunity to observe and sometimes foresee how society and our clients' consumers are evolving. Among them, the first generation of "digital natives" - the "Millennials"- occupy an increasingly important place in markets all over the world, and, of course, in Italy.

Many brands are still wondering about the best approach to establishing a relationship with this new breed of citizens, who will soon be the largest generation of consumers ever to have inhabited our planet.

Evaluating Millennials' changing approach to consumption of products and services, analyzing their expectations, and understanding how to take part in the discussions that unite them, is at the core of our daily conversation with clients. To help brands make better-informed decisions, we constantly monitor and interpret the deep cultural change that's under way.

The BrandZ™ Top 30 Most Valuable Italian Brands ranking is recognition of those brands that are already demonstrating their ability to connect with this fast-moving target.

In addition to recognizing many well-established global leaders, many of the brands featured in our ranking are what we call "industry heroes": a typically Italian business model that is helping more Italian brands become global names. They are a cluster of agile, interconnected businesses, driven by a strong entrepreneurial spirit dictating the pace of growth and innovation in their business. These businesses are focused on their own category - and striving to transcend it. As a result, they, too, are establishing themselves as global leaders, thanks to a more dynamic, less codified, and more iterative approach.

Nevertheless, these brands are often characterized by a low public profile that stops them from achieving their full growth potential. We hope that this study will help convince them of the importance of investing in their brand to further drive business.

In the Thought Leadership pieces ahead, we feature a sample of the expertise and insight that WPP offers in Italy. Our team of 2,500-plus professionals applies the most innovative resources and technologies to the challenges of our clients.

With commitment and pride, I congratulate the Top 30 brands, and invite you to enjoy our insights.

WPP

WPP is the world's largest communications services group with billings of US\$74 billion and revenues of over US\$19 billion. Through its operating companies, the Group provides a comprehensive range of advertising and marketing services.

www.wpp.com

Content intelligence and measurement

How to build value-driven projects

Content is the driving force behind a positive customer experience. Now, with content intelligence technology, it can be focused and measured.

For years now, customer experience has established itself as a key playing field on which brands compete for attention. Brands seek to control this psychological space in which individuals' purchase decisions are shaped, where their commitment towards the brand's vision is nurtured, and within which some develop a sense of pride in associating themselves with the brand logo.

All this occurs in an ever-shifting landscape, in which the voices and opinions of millions of consumers and brand ambassadors intersect and resonate with those of leading influencers.

It is broadly agreed that a strong customer experience features three elements: effectiveness – consumers must see that the experience has helped them achieve their desired outcome; ease – the experience must be perceived as simple and frictionless; emotion – the customer must feel positively about the experience, and feel they have been part of something unique and tailored specifically to them.

Content plays a vital role in meeting these requirements. Content has always been a natural setting for interaction between people and brands. Through content, brands can speak about themselves—their vision, style and offering. But from a “customer experience-driven” perspective, content acquires a new, richer meaning.



Antonella Sannella

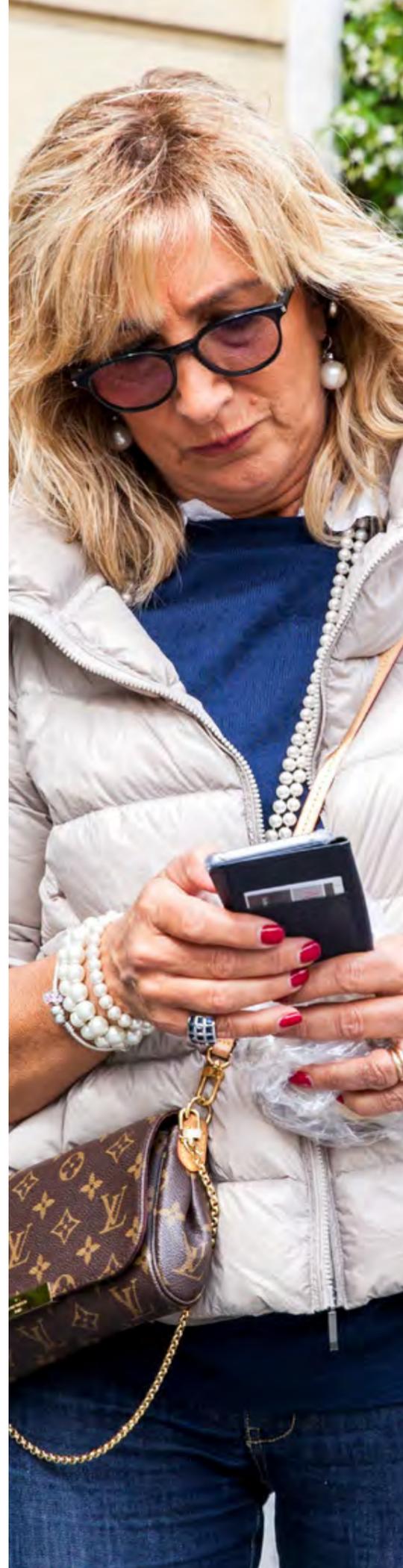
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AKQA is a next-generation design and communications company. We collaborate with forward-thinking clients to create the future of their customer experience.

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From a storytelling element that can thrill, motivate and engage, content has evolved, within this new perspective, into the key component in the complex mechanism of the overall customer experience. It is then given the task of making things happen, and the more it reflects the specific needs of the user – following a one-to-one approach – the higher the chances of it succeeding in this task.

If, on the one hand, companies have grasped this extraordinary opportunity by investing in content creation, on the other, they have mostly neglected to implement tools and models capable of customizing its delivery, providing a cost/benefit analysis, or assessing content's role in achieving company goals.

Intelligent content

We believe content should be at the heart of a system that encompasses both creation and value measurement. A useful tool in this regard is content intelligence (CI): artificial intelligence applied to digital content. CI provides insights to help companies assess goals and achievements, as well fine-tuning content to enhance its performance in providing a valuable customer experience.

By analyzing interactions, content and channels, CI allows companies to generate highly detailed clusters of user interests, which can be associated with their profiles.

Through CI, companies can intercept and identify the content users are genuinely interested in, both online and across their physical touchpoints (if they have been “augmented” via digital technology). This is achieved by correlating content with the goals of each step in the brand's contact strategy, as well as those of other relevant strategies.

Content intelligence has thus become a litmus test to assess the effectiveness of the flow of content, which has been developed piece by piece with the aim of satisfying microneeds that have been identified and mapped. Visitors' microinteractions are the foundation of a permanent analysis panel, a window on their interests and the relationships that govern them.

Furthermore, thanks to the information gleaned from CI, brands can create granular user profiles for each visitor, which can be used for tailored marketing automation, reflecting the goals of the current contact strategy step.

This is a key element towards achieving a scalable, automatic customization of the user experience. From a technical standpoint, the effort required is low, with the technology being applicable to all kinds of development frameworks.

Guiding investment

Lastly, when properly integrated in a brand's decision-making system, CI can help drive content performance, and guide investment towards areas that deliver the most value, with the aim of increasing campaign ROI. In fact, performance analysis allows brands to identify the most effective formats and content, in order to deliver more of them, with ever-increasing levels of performance.

The secret behind a successful content strategy, one capable of engaging the public and boosting their confidence in the brand, appears to be in the unification of creativity and technology. Technology can uncover the complex paths of user behavior across owned digital touchpoints, while creativity can draw from this invaluable information to trace new, exciting routes. In this thrilling intersection lies the opportunity of crafting future-proof experiences.

Retail 4.0

10 rules for surviving the digital shopping era

Our world is changing at the speed of an algorithm. Many industries have been disrupted by new business models enabled by digital technology. This is causing a fundamental shift in the way retailers conduct business. More stores closed their doors last year than in any previous year. In parallel, once-pure-digital players like Amazon and Alibaba entered the physical space.



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Wunderman Thompson is a creative, data and technology agency built to inspire growth for its clients.

www.wundermanthompson.com

Physical retailers need to figure out ways to operate more efficiently and transform the customer experience. They need to deeply understand the customer journey of the different personas that they serve and optimize both online and “on-land”, understanding the role of each and every touchpoint.

Retail has become a highly complex category, including big-box stores, online giants, specialty players, theme parks, airports, banks, grocery stores, coffee shops and an array of B2B companies undergoing “B2C-ification”.

All these players are experiencing some form of digital transformation, and different business models lead to different approaches. However, every company that deals with the end customer should pay attention to some guiding principles that can help them successfully navigate this paradigm shift.

1 Be Invisible

Technology is only as good as its application. The idea of putting a technology before the purpose it is intended to serve constitutes a short-sighted approach aimed more at obtaining a cosmetic solution than a true innovation. The main aim should always be to simplify people’s lives, hiding technological complexity and reducing any cognitive effort.

2 Be Seamless

There’s no longer any difference between a “customer” and a “digital customer”. As a result, all touchpoints must be seamlessly combined within a unified omnichannel ecosystem with a unified approach to customer experience.

3 Be a Destination

The role of brick-and-mortar stores must evolve. Today’s shoppers expect a leisurely, recreational, or informative experience when visiting a shop. The store must therefore evolve into a “point of experience” – a place they want to visit, rather than one they have to visit.

4 Be Loyal

This means establishing, cultivating and maintaining a relationship of reciprocal loyalty with everyone who comes into contact with a business, whether a customer, staff member or supplier. Loyalty programs should evolve from a mere “earn-and-burn” process into an ecosystem of valuable experiences provided by the retailer, in order to nurture the bond and the affinity between customers and brands.

5 Be Personal

People tend to be less willing to consider brands, products and services that do not meet their expectations. Retailers should mix customization (the possibility for the client to select a specific combination from among a given number of alternatives) with personalization (the use of data to anticipate their preferences).

6 Be a Curator

We live in a world of virtually infinite choice. Brick-and-mortar stores can’t compete with e-commerce in terms of assortment. However, physical merchants have the opportunity to become “curators”. That is to say that the merchant’s traditional selection, assortment, and sales skills must be supplemented with all those necessary to create an emotional connection and give added value to the purchase experience.

7 Be Human

With the rise of “digital”, the human factor will be likely to represent the main competitive advantage in many sectors. It means considering three different “human” dimensions: customer experience (human-centered design), community (stores as meeting places), sustainability (ensure that the use of resources, the investment plan, and the orientation of the technological development are in harmony with the world and the development of future generations).



8 Be Boundless

This means definitively overcoming the idea that stores are bounded by walls and situated in a specific location. Technological development and progress in logistics allow companies to serve customers in an ultra-flexible manner. We are seeing a number of different formats, including temporary stores, moving stores and a plethora of delivery options such as click-and-collect, click-and-try, click-and-reserve, click-and-commute, click-and-subscribe.

9 Be Exponential

Consumers appreciate brands and retailers who are capable of constantly fine-tuning their offer through a mix of technology, services, products and experiences. Retailers should consider open innovation, in order to augment their value proposition, by teaming up with different third parties including startups, universities, business partners, customers and even competitors.

10 Be Brave

In today’s world, change is the only constant, and playing it safe is the riskiest thing you can do. Instead, established companies should adopt a more flexible approach to innovation. A good option to consider is the lean startup process, which favors experimentation over excessively elaborate planning, and focuses upon consumer needs and feedback rather than the intuition or creative flair of the manager (who nevertheless remains extremely important).

The 10 Guiding Principles have been developed by Philip Kotler and Giuseppe Stigliano. For a more complete discussion of this topic, please refer to the book we have recently published - *Retail 4.0 | 10 Regole per l’Era Digitale* (Mondadori, 2018, Italian edition). *The English version of the book will be published later in 2019 as Retail 4.0 | 10 Guiding Principles for the Digital Age.*

Humanizing brands

It all starts with a purpose



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The boundaries between technology and humans are rapidly blurring, changing the dynamics of the relationships between people and organizations. The rules won't magically change in the near future, but how organizations engage with customers will continue to evolve dramatically.

The blurring of physical and digital boundaries, the ever-present nature of communication, the rapid pace of technological change, the massive volumes of content being produced, and the misguided supremacy of data over decorum guiding interaction, make digital marketing today frustrating for consumers and marketers.

More importantly, it's inefficient. Investment is wasted on ads that are a nuisance, poorly articulated content that is viewed suspiciously, and misguided customer service interactions that are unfulfilling.

Business leaders face unprecedented complexity, constant disruption and profound questions: customers and employees demand more transparency and value from the brands and companies they do business with.

Brands need to re-examine their relationships with people — what the brand stands for, how they present themselves, what they say, how they say it, and how they behave. But there's hope. Brands just need to learn to be more ... human, because brands with high emotional intelligence win.

When brands behave more like humans, in a more nuanced way, with appropriate intent, demonstration of value, relevance, good timing and emotion, they develop stronger bonds with consumers. To understand how to better engage with consumers, businesses must start with brand purpose.

In the words of Keith Weed (Unilever Chief Marketing and Communications Officer), "Brand purpose is a deep and intrinsic connection to the brand and what it stands for. Purpose must sit at the core of the brand, driving everything it does. It cannot be an add-on or something that comes and goes according to whim or budget. It's this authenticity that consumers recognize and reward, because today's consumers, especially Millennials, can smell bullshit a mile away."¹

Purposeful positioning is all about how your brand makes a positive impact on people's lives and the world they live in. It must go beyond what you sell, transcending the product category but having a natural connection to it.

Unlike the corporate social responsibility programs of yesteryear, brand purpose today serves to empower organizations through the concerted focus of efforts around a singular idea that connects core capabilities to a wider social impact.

Think of Tesla's focus on accelerating the world's transition to sustainable transport, Dulux's desire to add color to people's lives. Less about "do-good" moralism, brand purpose today acts as a corporate compass with practical implications. When brands have a "why" to address, it focuses resources, guides decision-making, eliminates inefficiencies and inspires innovation. When done right, it adds to the bottom line.

The value of brand purpose to businesses today is no longer questionable; it is quantifiable.

Research and experience show that purpose is required to sustain an enduring competitive edge in consumer preference, talent acquisition and business growth.

In the Marketing 2020 work completed by Kantar Consulting, and first published in the Harvard Business Review in 2014, interviews with 600 CMOs and 15,000 consumers worldwide identified "purposeful positioning" as a key driver of marketing success, behind only "big insights" and "total experience".

The BrandZ™ Top 100 Most Valuable Global Brands ranking shows that of the 87 brands evaluated in both 2008 and 2018, brands in the top third for brand purpose grew 212 percent in value, compared to 77 percent growth for those in the lowest-scoring third.

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And according to Kantar Consulting's Purpose 2020²,

- **Top brands better deliver on all three aspects of brand purpose - functional, emotional and societal.**
- **Looking to the future, almost two-thirds of Millennials and centennials, who are fast becoming the economic engine, express a preference for "brands that have a point of view and stand for something".**

Getting purpose right can be a struggle for marketers, but when the bar for marketing success is set ever higher by our "search, skip and share" culture, purpose provides the basis for a compelling and consistent platform on which to build an integrated set of content likely to engage and motivate an otherwise-uninterested audience.

¹ <https://www.theguardian.com/media-network/2016/mar/21/unilever-keith-weed-brands-sustainable-business> (The Guardian, March 2016) by Keith Weed, Unilever CMO²

² To read the full Purpose 2020 report, visit: <https://consulting.kantar.com/purpose2020/>

Passion, surprise and expertise

What Millennials really want from brands and retail

When working on many projects I meet, listen to and interact with Millennials, and the most recurring theme, evident not only in what they say but also in their behavior, is their desire to connect with brands that are passionate, surprising and expert. This is especially the case when they are shopping, whether that's in supermarkets and other physical stores or shopping online. You find the same trio of demands: passion, surprise and expertise. But what do these three words mean to them?

“Passionate”: brands that make me feel something immediately and intensely. An intense passion, centered on the present moment. Professor Michele Oldani, a psychologist who interacts on a daily basis with Millennials, clearly describes what passion is for Millennials: “Let us remember when we, Gen X, wanted our first bicycle. We desired it, we waited for and dreamt of it ... we got excited at the idea of the bicycle, which arrived after longing for it; today something different happens, because the bicycle arrives immediately or more quickly, so desire is more concentrated and becomes an experience.”

If we consider passion through the lens of retailing, this means that if a brand can create an exciting experience in the supermarket, or in an electronic retail chain, a millennial consumer feels that that brand is there for them. To be passionate, a brand must entertain people, enabling them to live an experience in a physical or digital space.



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“Surprising”: for Millennials this is the ability of a brand to do something they didn't expect; something that sparks something new in them ... it stimulates them, opens them up to new things. In short, it's still a question of being able to provoke a reaction, spark a thought, a reflection and, indeed, also an action. If we think about retail brands, it means offering a service at a time that's relevant to the individual; one that allows them to improve their life. And this ability to surprise also becomes synonymous with intelligence – the ability to pick up weak or unexpressed signals of need.

But it only comes full circle if there is also **“Expertise”:** expertise is the basis on which a millennial will take your brand into consideration: “You are what you do, you know how to do what you do, and I respect you.” In the supermarket I want to find you and your expertise, the one thing that you know how to do better than anyone else; be it the selection of products; be it the human contact of your people who help me in my choice. One area of expertise is enough, but you must be 100 percent expert at that. This is your brand purpose, the bond that you, the brand, forge with the consumer.

So, it's better to be less passionate and surprising than to do something just for the sake of it, because if Millennials find out that your passion and surprise are hollow – simply an end in themselves – the castle comes tumbling down. Millennials do not compromise on this point.

And as in relationships between people, if these three ingredients are nurtured with continuity and conviction, brands can build long-term relationships with Millennials that last beyond the honeymoon period.

In the retail world, this means leveraging services to connect with Millennials. After all, what could be a more solid foundation to a relationship than a service that adds value? This can be the key to a long and vibrant relationship.

The influencer era

How to be effective in a new age of information

First there was print, later came radio and television, and now it's digital. The evolution of advertising has always – and obviously – followed technological and social evolution.

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Kantar Millward Brown specializes in advertising, marketing communications, media and brand equity research. With offices in 55 countries, Kantar Millward Brown focuses on building brand strategies.

www.millwardbrown.com

But the digital era brings an extra level of complexity: consumers have a sophisticated understanding of advertising that may weaken its power. People are tired of seeing advertisements designed purely to sell, and this is true regardless of the media used to communicate them.

Social media culture has changed consumers' approach to media and information. In an information-rich environment, social media gives people the ability (for better or worse) to have selected for them the information that most closely matches their network, interests and consumption habits.

This type of screening is replicated by consumers in their broader digital lives and beyond; they opt only to see information that is likely to be useful or entertaining to them.



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What does this mean for advertisers? We know that most people skip or scroll past advertising as soon as possible (on YouTube after five seconds), so we should adapt advertising accordingly.

We need accept that in the social world, we must gain consumers' attention – and keep it, frame by frame.

Brands do not just compete against others in their category, or solely against other brands. The entire world of information is their competition now – political news, music stars, sport stars, memes, web stars, and updates from friends and family. Each has a different degree of relevance and engagement; think of a social post from a friend compared to a post from a brand.

The social media game is complex; brands need to pay in order to have an impact, but that doesn't mean they have earned consumers' attention. They need to do more.

Brands can't just make claims about themselves or their products. They need to "become the news", and be useful or relevant, or they will simply be ignored. Regardless of what has been invested in achieving prominence in a news feed, without relevance they will be skipped at the first opportunity.

How to tackle this complexity? Alongside other digital strategies, one of the most effective ways is to use social influencers – the broadcasters of our age.

When using influencers within your digital strategy, it is essential not to use the same approach as with more traditional communication, where your brand is usually only a "guest". Implementing it in the right way is essential.

When using more traditional advertising, we often say that your brand should be the hero of the story you're telling, well integrated within the storytelling and essential to it.

It's not so different when using influencers; the role of the brand within the influencer story should be clear and necessary, telling a story in line with the influencer's usual activities, creating the perception of a testimonial. Choose your influencers wisely; coherence is always a driver of success.

When people are looking for information about a brand or product, they usually regard friends and family members – their peers – as the most reliable sources.

This is one of the advantages of social influencers (famous in the online world) over other celebrity endorsers (who have become famous through other media); consumers regard them more like peers, which makes them more trusted as advisors. They are perceived as authentic, sharing a common interest with the viewer, and they're on the most important media platforms we have today. The approach a brand might use with a traditional celebrity endorsement does not apply to online influencers.



An influencer-based communication strategy is only a part of the solution for the digital world. Synergies with more traditional advertising are key, and the role of each is different.

With more traditional digital advertising (such as video and banners), brands can raise awareness and spark curiosity. Influencers' role is to help brands "go deeper", working on motivation and brand associations with a smaller target audience. Selecting the right influencers for the brand is essential, taking into account consumers' habits and passions, and the influencers' connection with your brand.

To sum up, we can highlight three key points:

1 Digital is a complex environment that reflects societal behaviors. There is no simple solution when communicating here.

2 Influencers are an effective way of communicating your brand or product, as they're perceived as trustworthy advisors. Use them wisely, with different objectives compared to traditional advertising and with coherence with your brand image.

3 An effective digital communication strategy should use a blend of digital techniques – influencers, video advertising, teasing, banners and more – working together in synergy and coherence.

What's happening to our kids?

Changing the conversation for future consumers

No, they haven't suddenly become Martians! They are the result of an evolutionary process that started long ago and that is changing the essence of being a child.

If we want to understand the consumers of tomorrow, we need to get closer to the youngest generation – those born since 2010 – and understand what is affecting their emotional, cognitive and social development.

Let's start with some key facts:



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Kantar TNS provides expertise in growth strategies around new market entry, innovation, brand switching and customer strategies; and has a presence in over 80 countries.

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1 Virtual and real are the same biosphere, in continuous dialogue with each other. Kids' environment is incredibly expanded and fluid, rich and full of infinite possibilities. Time and space have new boundaries; new meanings.

2 The experience of living is the way kids get into things. Everything is mediated by experience, providing multiple inputs from different environments and languages. This means learning processes are no longer linear but simultaneously blended and immersive. In this sense, it will be appropriate to reconsider the role of emotion and sensory stimulation.

3 Mobile: what else? For kids, this means being connected all the time, everywhere, and that leads to us considering the individual as a hub of relationships and connections, and less as an isolated individual.

4 Kids are spending increasing amounts of time indoors and alone. As a result, they are experimenting with new forms of virtual socialization.

5 They are growing up with a new parenting style that focuses on emotional bonding and enhancement of their talents. That means children are growing up with a high level of self-confidence and a new awareness of their abilities, family roles, society and their mission in life.

Timetables are full. Children increasingly live according to structured agendas that give rise to a new kind of time period – the gaps between one scheduled activity and the next. These once “dead” times today give kids an opportunity to explore their most instinctive and liberating needs.

True and false are mixed together. It's difficult to discern the difference and go back to objective facts. Looking at the facts that involve today's children and that affect their development, what can we expect from these children when they become adults? How will brands gain their trust and earn the right to be chosen? How can brands make themselves irresistible?

Today's children are still growing and evolving, but we can hypothesize about what is likely to be important to them and what will characterize them as consumers.

This generation will be strongly disengaged from the linear processes that earlier generations have grown up with, and that will have an impact on future learning processes, on purchasing paths, on social living. Their way of proceeding will be more associative than logical and sequential. To be relevant, brands will have to create valuable connections for them; to put Nutella in the Saccottino pastries and Smarties in Kinder eggs, because this generation doesn't understand why brands wouldn't collaborate and share their values!

We'll intercept them everywhere and always, because they will have learned to create value at the “interstitial” time, the period that exists between one activity and another.

Emotion and sensory stimulation will have a great influence on the processes of choice: tomorrow's consumers will buy fewer products but more experiences. It is no coincidence that Airbnb is now adding experiences to its offering, in addition to places to stay.



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It will be hard to conquer this generation because it will be difficult to surprise them. But they will be generous thanks to a strong predisposition towards co-creation and constructive collaboration.

For this new consumer, hyper-connected, used to dialogue with the objects that provide them with infinite information in real time, to satisfy any desire, to choose what is best for them, brands will no longer be just fascinating storytellers. They will have to equip themselves with a point of view that they embody and explain.

They will also have to be willing to let themselves be transformed by a consumer who plays with the brand and adds “pieces” of themselves, because the creativity of today's children does not reside in imagining worlds that do not exist, but in creatively recombining everything that already exists and is available to them. This is the attitude that will define their future.

Finally, it will be increasingly important for brands to become credible and authoritative publishers of their purpose and mission in the world. In the future, trust and reputation will be key elements of consumers' decision on whether to accept a brand's proposal.

Breaking with tradition?

What does the future hold for 'old' media?



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With the digital sector powering the growth of advertising investment and monopolizing the attention of advertisers who seek to understand its workings, it seems all too easy to focus on what is simplistically referred to as "new media".

"Old media", and television in particular, is still present and prominent within Italian households, despite the number of audio-visual devices multiplying each year. So, how should a "traditional" media type, such as television, inspire the whole of the media sector in its future strategies?

The resilience of historic media

To understand the complexity of the media landscape, Kantar Media's global Dimension study cross-referenced the opinions of connected consumers with those of the sector's leaders. While television programmes are progressively branching out beyond television sets, nearly 95 percent of each demographic group across five of the largest media markets in the world - the US, UK, France, Brazil and China - still watch them on their "traditional" television set.

The focus is on the rapid development of video on demand (VOD), and the end of several cable channels has been announced, to the benefit of formats better adapted to "new screens"; however, it is clear that traditional television remains a solid and relatively resilient medium.

"Traditional" media as a whole are not being replaced by their digital versions; each complements the other and is used differently. The rise of new media is undeniable, but the Dimension study brings some perspective to the sometimes-hasty conclusions made about their rapid rise. It is important to highlight how much of a rich, mixed and varied media landscape we live in.

The impact of TV

As the leading medium for product launches, television is, after the press, the media format in which advertising is most widely accepted; 33 percent of consumers interviewed in the survey say they enjoy watching ad spots on TV, compared with 25 percent for online spots. Sector leaders have interpreted this phenomenon as being less related to media formats than to the difference in quality between "online" and "offline" advertising content. On this point, they agree with consumers, and recognize that content initially produced for offline media is not sufficiently well adapted to online media.

In the era of micro-targeting and programme-based approaches, television is still at the heart of cross-media strategies. As the media sector evolved, consumers acquired new content viewing habits, and their attention span is now suffering the consequences. Their average attention span for adverts has been reduced to five seconds, which explains why viewers are increasingly critical of the content with which they are bombarded.



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In front of their television set, consumers' attention, a rare commodity, is maybe even more focused than elsewhere: no information flows obstruct the visibility of ad spots; channel-hopping, which is now less systematic, is not comparable to the "click reflex" used to avoid ads online. Their levels of annoyance may even be declining as they wait for the end of an advertising break. All things considered, the good old screen may be the key format to focus on when learning to frame consumer expectations.

The key aim now is to learn how to capture people's interest, using audience measurement to make the most of the broadcast environment during their campaigns, as well as on different ways to convey emotion right from the first few seconds of an ad spot. Television is a research, analysis and implementation platform like no other.

The Dimension 2018 study insists on the need for brands to adapt to new consumer attention span norms, and to respond to them through increased creativity, relevance and adaptation to different media. The audience's perception of the quality of advertisers' communication campaigns has declined slightly over the last year, showing that much remains to be done in order to increase the sector's standards vis-à-vis end consumers.

For a global perspective on market issues, see the full Dimension 2018 study here: <https://www.kantarmedia.com/it/considerazioni-e-risorse/blog/dimension-2018>

Engagement is a two-sided game

Why customer and employee journeys must be interlinked

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Build a strong, client-focused culture. Introduce new ways of working. Grow your people. Enable them to be agile and adaptive. Harness the potential of diversity across the organization. These are just some of the challenges your HR department faces today.

In the meantime, employees are changing. The younger generations are looking for a sense of purpose from their job: they are attracted by the employer brands that they admire as consumers. And, by choosing to be employed by a brand, they are signaling their values, and the beliefs they stand for.

That's why the employee experience is as critical to business performance as the customer experience. Whilst employee

engagement is often a task delegated to HR leaders, there is no reason to keep it separate from the customer engagement practice. But unfortunately, it often happens.

The risk is a misalignment between the promise you broadcast externally and the day-to-day reality of working for your company, creating disillusion amongst your employees and dissatisfaction amongst your customers.

In other words, there is no useful distinction between an employee brand and a customer brand: they are two sides of the same coin. And the word "brand" is not used by chance: the brand is central because it is the only thing that can effectively align the purpose and execution of the employee's and the customer's journeys.

With customer journey mapping emerging as a vital discipline for sales, service and marketing teams, there is much that the wider business could apply from this burgeoning skillset. Here are some suggested steps:

1 Identify who are the "personas" you want to attract and retain in your organization: what are their profiles, needs, beliefs and expectations?

2 Involve them in assessing their current experience, and learn from competitors and category best practices. How can the employee experience be improved?

3 Use the brand as a filter to design a differentiating employee experience, from first impressions, to the application and the selection process, whatever the outcome ends up being (positive or negative). Does this convey an honest portrayal of what it will be like to work for your company?

4 Make newcomers proudly wear the team shirt. How can you shape the induction process in order to make your new staff feel part of something great and different?

5 Involve managers in the process of developing the "employee journey". They know how to have an impact on their employees' daily life. How best to value their contribution?

6 Test the employee journey with end users. Does the entire system and its individual components work, or can they be improved?

7 Don't forget the "ex". The community of former employees and managers is of paramount importance in forging a company's reputation. How to keep them in the loop?

8 Finally, support the employee journey with rituals, symbols, and stories. People will recognize them as tangible manifestations of your culture. This will foster belief and commitment across the whole organization – and better business results over time.



Businesses need to change their approach to employee engagement by focusing first on the brand in order to develop the culture, and not the other way around. They need to model brand-led behaviors around a carefully designed employee journey, because beliefs are a consequence, not a goal.

Brand equity and value are no longer created just by the impact you have on your customers, but more and more by that which you have on your employees.



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Decisions, decisions

Why brands must become architects of experience

As David Ogilvy used to say: “The consumer isn’t a moron, she is your wife.” Nowadays, this observation couldn’t be more relevant. Consumers’ expectations of brands and their services have never been so high, so we are moving past the era in which people shape where, when and how a product or service is communicated. Instead, we are approaching a new scenario in which consumers are shaping the product itself.

Ogilvy

Ogilvy is an award-winning integrated creative network that makes brands matter for Fortune Global 500 companies and local businesses across 131 offices in 83 countries.

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In fact, we live in a world where everything could, or rather, should be customizable. Consumers could buy shoes whose shape, fabric and color are completely tailor-made to fit their own preferences; insurance companies could offer policies specifically designed for individuals; vitamin pills could be created based on the buyer’s DNA; sets of clothes designed to meet the unique measurements of your body, and media content adapted to your mood and the time you have available.

Even that great bastion of standardization, McDonald’s, is now offering totally customizable hamburgers. It’s a world where everyone has the power to choose everything. In this scenario, where can brands find new opportunities?

Now that everything is a matter of decision, understanding the inner motivation behind people’s judgment becomes increasingly important. In fact, new professional profiles are emerging. Among them, “choice architects” are increasingly involved in marketing

and communication processes in order to offer more effective solutions that start from a deeper understanding of human behavior.

This profession is based on psychological theories coming from behavioral economics and, in particular, from Kahneman & Tversky’s Prospect Theory: contrary to the assumptions of traditional economics, human choices are not always the outcome of optimal decisions. Our judgments and, consequently, our behavior, are influenced by the way in which options are framed. In other words, the environment that surrounds us shapes our choices, and it has a strong influence on the decisions we make.

This psychological theory is having a huge influence on current economic thinking. In fact, it is no coincidence that last year’s Nobel Prize in Economics went to Richard Thaler for his Nudge Theory, which has its roots in Kahneman’s previous studies. Essentially, a nudge is any aspect of the choice architecture that alters people’s



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behavior in a predictable way, without forbidding any options or significantly changing their economic incentives*.

Prospect Theory, Nudge Theory and, more generally, behavioral economics, can provide extremely valuable insights through which brands can turn consumers’ alleged irrationality and into a business opportunity. In fact, the main novelty of behavioral economics consists in making human irrationality understandable and therefore, more predictable.

Brands could be considered emblematic of consumer irrationality: in fact, given two products of equal quality, we are often more willing to buy the one from a familiar brand, even if that means paying more. Behavioral economics explains this apparently

irrational behavior using the concept of heuristics. These are mental shortcuts that people use thousands of times a day to make fast, automatic decisions. In other words, brands are considered time-saving mental shortcuts that guide our purchase decisions.

This deeper understanding of human behavior is not an end in itself. On the contrary, having a better understanding of human behavior is the first, necessary step towards anticipating it and therefore, guiding it. How? With a nudge, of course, which means modifying the environment in which a choice is made in order to change the choice itself.

Brands need to reinvent themselves as architects (choice architects, to be precise) and start working on the environment (physical and

digital) so as to shape consumer experience. In other words, working on the experience is the great contribution of behavioral economics. And its relevance is confirmed just by looking at how consumers’ expectations towards brands are changing: they don’t want better tools, they want better ways of doing; they care more about the value or impact of a product or service than the product or service itself. A product or service completely tailored to their needs is a way of providing something truly useful to an individual.

In a world where consumers’ purchasing habits are evolving towards a wider dimension, that is personal choice, nudge and behavioral economics become the ultimate weapon for turning brands into something bigger: experiences.

Plan for a happy marriage

Boosting creativity in the age of data-driven decisions

Every industry has been affected by the increasing use of data, and the marketing and communication industry is no exception. From audience profiling to measurement, data has taken agencies and companies by storm in any number of ways. But this seems at odds with what is, even today, the most powerful lever for brands: creativity. This innately human process is at the heart of marketing, generating emotional connections between brands and consumers.

So, is the culture of data killing creativity? Is there a way to combine and create a symbiotic relationship between human factors and data techniques?

The debate rages on. Creative people believe creativity is an instinctual process of building emotional bonds with consumers and fear that quantitative analysis could kill the magic of creativity, while data scientists claim to have come up with a more analytical approach to marketing decision making.

Until now, managing this tension has meant keeping the creative and data worlds apart. We have assigned different stages of the purchase journey to each world; creativity to the upper funnel and data to the lower. We have created different disciplines to manage these worlds; creativity is the business of brand marketers, and data is the business of performance marketers. We have then given them different weapons, and measured them in different ways.



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In the meantime, some savvy, forward-looking companies have begun linking the two disciplines – data and creativity – to unlock business growth.

Brands such as Coca-Cola, adidas and Sky are using machine learning to build social media plans, using trends, events, news and even the weather to discover what consumers might desire or need, based on algorithms making sense of patterns in everyday conversations and culture.

Perhaps the development by Netflix of “House of Cards” best illustrates how the use of data can “de-risk” the creative process. Netflix was able to safely invest millions of dollars upfront, almost certain the show would be a hit; the algorithms had shown it would be.

The truth is that creativity without data is largely ineffective, and data without creativity is irrelevant. This does not mean data will eventually replace human creativity, but the marriage of both is what will make brands’ connections with consumers more relevant, meaningful, engaging and – ultimately – truly genuine.

Collaboration between creative and data people at WAVEMAKER is being used to generate more meaningful communication ideas for brands.

For example, we are using tools that recognize and disentangle visual elements of brands’ digital content, particularly their social assets, to help creative strategists understand what best drives engagement and conversations.

The results have been significant and include:

- Analysis of more than 1,000 pieces of content to help an automotive client understand which visual elements matter most to consumers, leading to the use of cockpit elements and grey shades in content.
- The launch of a new talent show matching artists with drawing techniques, based on content analysis, generating 8x leads for an entertainment client.
- Analyzing 600 images to understand what most drives social engagement around apparel. This was used by the brand client to determine which products to place in its shop windows.
- In the luxury fragrance market, data and neuromarketing techniques helped brand creatives understand the emotional power of the color red, a color not well used by other brands.

These are just a few examples of how creativity and data can coexist. But perhaps the more existential question that the rise of big data prompts for marketers is not “how can we continue being so creative” but rather, “how creative do we really need to be?”.

But beyond uncertainty about the structure of the communications industry, what matters most is what happens to business and marketing effectiveness. A recent McKinsey study showed that when companies truly unite data and creativity in their marketing processes, revenues grow at twice the average rate of S&P 500 companies in the US.

So, how do marketers go about making this marriage happen? Here are some first steps:

1

Treat data and creativity as equal partners. This is especially important in the areas of customer experience and purchase journey.

2

Encourage collaboration between marketing and IT people. This should go beyond individual projects and start with a shared vision of the role that data has in the company. The role of CTO should be elevated within the company.

3

Leverage and integrate agency creative and data capabilities in the same marketing flow process.

4

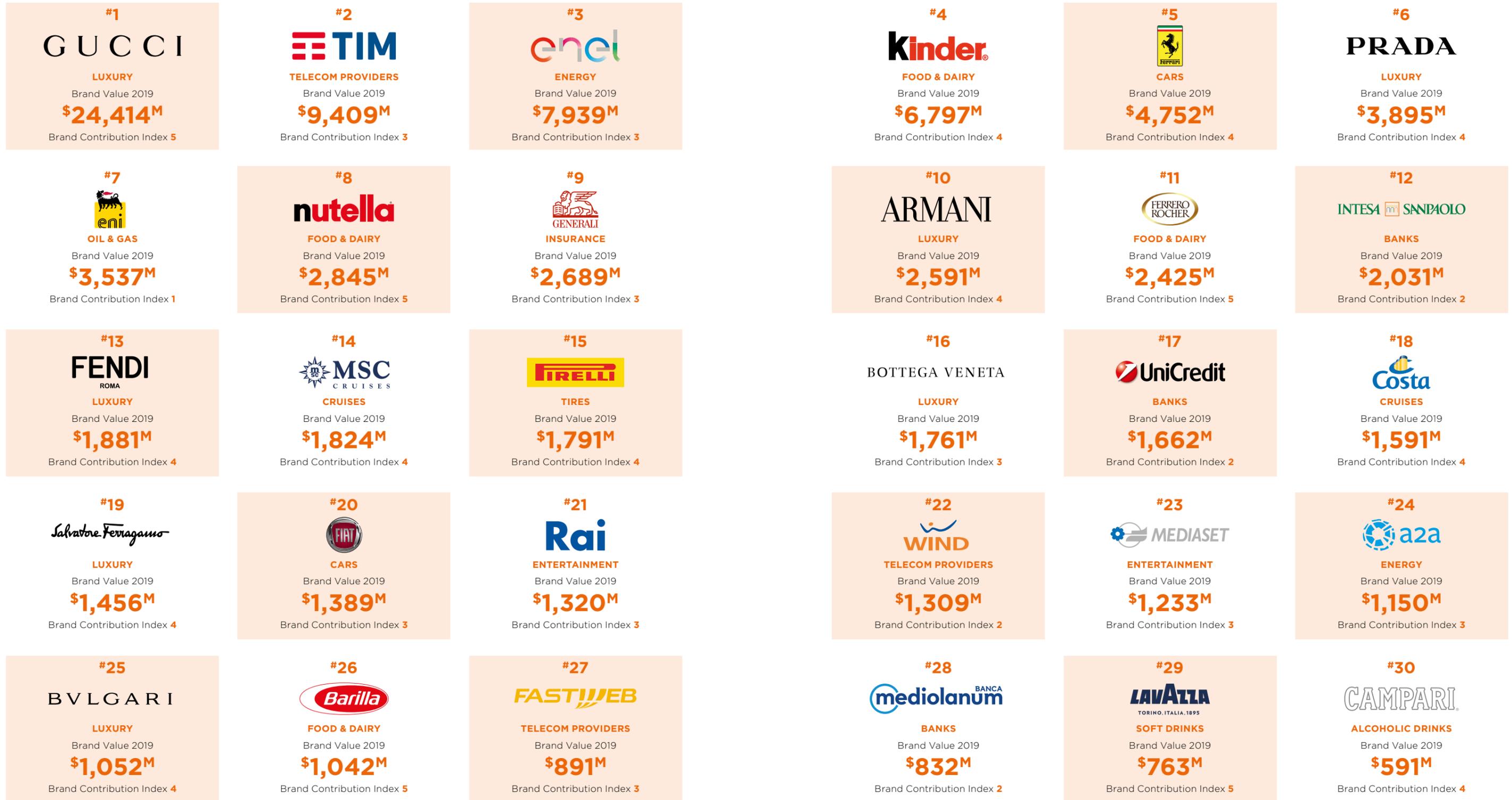
Scale up A/B testing techniques and dynamic creative optimization processes. In digital it is crucial to run several tests to understand what matters most to people.

WM
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BrandZ™ Top 30 Most Valuable Italian Brands 2019



Brand Profiles

GUCCI

TIM

enel

Kinder®



PRADA

#1

Company
Kering SA

Brand Value
\$24,414 million

Change since 2018
50%

Headquarter City
Scandicci, Florence

Category
Luxury

Year Formed
1921

#2

Company
Telecom Italia SpA/Milano

Brand Value
\$9,409 million

Change since 2018
2%

Headquarter City
Rome

Category
Telecom Providers

Year Formed
1995

#3

Company
ENEL SpA

Brand Value
\$7,939 million

Change since 2018
8%

Headquarter City
Rome

Category
Energy

Year Formed
1962

#4

Company
The Ferrero Group

Brand Value
\$6,797 million

Change since 2018
-2%

Headquarter City
Luxembourg

Category
Food & Dairy

Year Formed
1968

#5

Company
Ferrari NV

Brand Value
\$4,752 million

Change since 2018
36%

Headquarter City
Maranello

Category
Cars

Year Formed
1947

#6

Company
Prada SpA

Brand Value
\$3,895 million

Change since 2018
-5%

Headquarter City
Milan

Category
Luxury

Year Formed
1913

The Gucci brand was launched by Guccio Gucci, who designed premium-quality luggage, other leather goods, fashion and accessories. It is now among the world's leading names in luxury, embodying quality craftsmanship as well as elegance, romance and eclectic influences. Gucci has around 300 directly operated stores around the world, and – since the appointment of Alessandro Michele as creative director in 2015 – an increasing focus on online sales. The brand's "wholly modern approach to fashion" has fueled innovative social media partnerships and store refits, including a new look for the Milan flagship store. In 2018, the Gucci Garden was launched in central Florence, a new retail concept with one-of-a-kind items, a restaurant and exhibition room. Gucci President and CEO Marco Bizzarri in 2018 announced fur was banned from Gucci collections as part of the brand's mission to be more socially responsible. Gucci advertising often has a dreamlike feel to it; the summer 2018 collection featured nostalgic 1980s references, in collaboration with games console brand Sega.

TIM began as the mobile division of Telecom Italia, and now offers mobile and landline services, internet connections and television content under a single brand. It has 45 percent market share of business connections, 30 percent of the mobile market and 52 percent of landlines. Its brand promise is "Connessi alla vita. Sempre. Ovunque. Meglio." (Connected to life. Always. Everywhere. Better.) In its communication, TIM positions itself as a technological pioneer, and advertising has featured endorsements from local celebrities as well as the inventor of the internet, Tim Berners-Lee. The brand has become strongly associated with its highly successful "dancer" campaign, which featured YouTube dancer Sven Otten. TIM sponsors the Italian national soccer team, the Serie A soccer league and the Sanremo Music Festival.

Enel is an Italian multinational producer and distributor of electricity and gas, operating in more than 30 countries and serving 64 million customers. Enel was formerly the National Electricity Board, which was a publicly owned body until privatization in 1999. Enel now operates in a highly competitive energy market, and differentiates itself by focusing on innovation and improving the lives of individuals and communities. Electric-powered mobility is a key area of focus for Enel; the brand supports and sponsors the Formula E motor-racing championship, and has made significant investments in projects to encourage the use of electric cars, such as its e-Mobility and e-SmartLife programs. A new Enel logo was launched in 2016 featuring a cursor, which represents "Open Power", followed by a colorful trail of energy. Advertising more recently has focused on establishing the Enel brand as what brings together all the specialist elements of the business, under the Open Power umbrella.

The Kinder brand is most strongly associated with the Kinder Surprise chocolate egg, but also covers a range of other chocolate products including cake-based snacks. The original Kinder bar was developed to provide a sweet snack with high milk content in a small portion suitable for children's little hands. To mark the brand's 50th birthday in 2018, Kinder ran a cross-platform campaign, "Made of Happy", including competitions and special editions of products from across the range, building on the Kinder tradition of being playful in its communications and focusing on family happiness. Kinder is known for being innovative, and recently announced that it would soon launch Kinder ice-cream in France, Germany, Switzerland and Austria in three product formats. Kinder and parent company Ferrero have committed to using only palm oil from sustainable sources and are part of a movement to restore forest areas damaged by cocoa production.

Ferrari has become a global sports car brand synonymous with style, speed, luxury and the color red. It is one of the most successful Formula 1 teams in history; Ferrari has won the highest number of world championships for drivers and constructors. The company has announced a new strategy since the death of Sergio Marchionne and the appointment of new CEO Louis Camilleri. There will be a significant increase in the average price of vehicles, and 15 new models are due to launch by 2022 in four key categories: sports cars, Gran Turismo, Special Series and Icon. The broader range is designed to satisfy existing buyers of Ferrari as well as bring in new fans. The first Ferrari SUV, called Purosangue (Pure Blood), is also on the way, and 60 percent of all Ferraris will be hybrid by 2022, including all sports cars.

Prada is a global high-end fashion brand specializing in leather handbags, travel accessories, shoes, ready-to-wear fashion, perfumes and other fashion accessories. Handbags and shoes are Prada's mainstays, with the brand recognized for using fine materials and for its quality craftsmanship. The brand sees itself as an ambassador of culture, and the Prada Foundation was founded in 1993 to promote "the most radical of intellectual challenges in art and contemporary culture", organizing exhibitions and events. Prada uses films to present its new collections; the autumn-winter 2018/19 collection featured in a neon-lit representation of Las Vegas at night. Called "Ultravision", the campaign also promotes freedom for women. The brand, together with Pirelli, is sponsoring Luna Rossa in the next America's Cup yacht race. In December 2018, Prada co-CEO and head designer Miuccia Prada received the Outstanding Achievement Award at the British Fashion Council's annual awards, for her contribution to the global fashion industry.

WPP Company Expert Insights

Creative PR in the Purpose Era

Not so long ago, it would have been impossible to imagine a dialogue between a creative professional and a PR professional, but that must now become a daily reality for brands wanting to keep up with the world.

All aspects of a brand need to focus on purpose – its reason to exist – so the two cultures must come together. We now have a Creative Strategy Director and a PR Practice Leader in the same agency.

Purpose-driven storytelling is a step-change for brand communication. It opens up a full range of comms possibilities

beyond traditional advertising – and beyond traditional PR. It truly takes the best of both disciplines to create something completely new.

What's the difference between a marketing idea and a PR idea? You might say that through PR, brands can become more generous, producing ideas about what is relevant for people and not just for



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themselves. They become less self-oriented. More responsible. And this is key to today's communication.

Historically, a PR agency was the go-to place for one-to-one communications, while long-term creative strategies were designed elsewhere. In the era of purpose, we can – and must – have both.



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Loyalty Beyond Loyalty Schemes



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Transactional loyalty schemes have had their day. Today, the key objective is emotional loyalty: brands are shifting from one-size-fits all incentives to an affinity model.

This requires loyalty to be designed into the brand's purpose and values, and for interactions to be positive and personalized, offering one-of-a-kind experiences and creating an integrated ecosystem across devices for frictionless brand experiences.

Customer loyalty is being earned by brands exceeding customers' functional expectations; engaging them at an emotional level. People expect brands to be useful and

caring partners, predictively helpful and supporting their needs. The promise of some future benefit is no longer enough: customers expect brands to recognize them, surprise them, always anticipating their wishes and preferences.

Digital innovation such as artificial intelligence, blockchain and new payments methods are useful tools to help deliver the loyalty principles. But even though technology can help reach short-term benefits, staying ahead of competitors is extremely difficult. Long-term loyalty remains an outcome driven by a deeper sense of belonging to everything a brand does and stands for. That's why brands need to think like a loyalty brand, not a brand with a loyalty program.



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Brands and Hamsters

It's quite clear that the digital transformation is going to change the world as we know it. The increasing preference for experiences and services access over the ownership of goods will totally change the way we purchase and the decision journey we'll go through.

It's very likely we'll have no stores, no shelves, no product variants from which to choose; be they cars (or mobility solutions), biscuits or smartphones. We won't choose products; we'll probably just choose services. These services, connecting with manufacturers, will order the products that best fit our attitudes, desires or needs. We'll only have to receive and consume accordingly.

Algorithms will not only define our consumption patterns but also if and when they should change. We'll delegate almost everything to our personal apps because we'll all be empowered by our own personal, omnichannel, omnipresent AI assistant that will constantly take care of our days. Choices will follow an intricate decision pattern based on the millions of data points

aggregated by all the smart objects we interact with. No wonder that our smart toothbrushes will tell the grocery server not to buy sugary foods until the dentist's office says it's OK.

Marketing and brands will have no reason to exist. Every new service that will be released will immediately connect with one's own artificial intelligence, which will evaluate its suitability. If it will improve the life of the customer, it will be bought and paid for without the user even noticing. The change might cause a cascade of different choices, and a new kind of biscuit might land on our differently textured table the next day.

Brands will die, marketing will be replaced by API and humans by hamsters ... eating biscuits.

Brands need purpose, and purpose needs bravery

In recent years, a noble word has secured its place in marketing and communications vocabulary: purpose.

When we look at brand value, we help a brand to define its identity, or we ponder a campaign idea, we try to understand what drives its choices. We ask ourselves why a company acts in a certain way, which values motivate its behavior, and what kind of consumers might embrace its promises.

But purpose alone is not enough. We risk codifying it very clearly in

a branding strategy that works in theory, but is not so compelling in real life.

Italian companies have to understand that purpose is about the role that a brand plays in the world; in our society. They have to take an active role in local and cultural conversations. They must adapt to the changing social context, choose a position, and state their fearless opinion - in the

most credible and relevant way possible. People expect this from them. So, next time we start a conversation with clients about this topic, we should say: "OK, let's talk about your purpose. But do you have the courage to bring it alive?"



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Brand Profiles



#7

Company
Eni SpA

Brand Value
\$3,537 million

Change since 2018
13%

Headquarter City
Rome

Category
Oil & Gas

Year Formed
1953

#8

Company
The Ferrero Group

Brand Value
\$2,845 million

Change since 2018
0%

Headquarter City
Luxembourg

Category
Food & Dairy

Year Formed
1964

#9

Company
Assicurazioni Generali SpA

Brand Value
\$2,689 million

Change since 2018
6%

Headquarter City
Trieste

Category
Insurance

Year Formed
1831

#10

Company
Giorgio Armani SpA

Brand Value
\$2,591 million

Change since 2018
5%

Headquarter City
Milan

Category
Luxury

Year Formed
1975

#11

Company
The Ferrero Group

Brand Value
\$2,425 million

Change since 2018
2%

Headquarter City
Luxembourg

Category
Food & Dairy

Year Formed
1982

#12

Company
Intesa Sanpaolo SpA

Brand Value
\$2,031 million

Change since 2018
-8%

Headquarter City
Turin

Category
Banks

Year Formed
2007

Eni is involved in the exploration, processing and supply of oil, gas and electricity. It is best known to Italian consumers through its network of local filling stations, though the business operates in more than 70 countries. The gas and electricity business is growing rapidly, and Eni is also pursuing sustainable energy projects, such as a solar-powered water system in Ghana. Eni is a leading sponsor of sport, and sponsors the 17 teams of the national football league. It promotes sport as a meeting point for people of different cultures and a way to promote team spirit, health, social integration and mutual respect. Its campaign around the time of the 2018 World Cup, for which Italy failed to qualify, was a moving story called “150 grams” (the weight of the national team’s shirt). It featured World Cup winner Fabio Capello talking about the pride and passion woven into those 150 grams. A broader campaign, “CaldaiaNoStress” (“BoilerNoStress”), also ran in 2018.

Nutella is a hazelnut and chocolate spread that has become popular around the world; Ferrero says that you could circle the globe 1.8 times with the jars of Nutella sold in just one year. The brand has more than 30 million Facebook followers. Nutella advertising, primarily via television and online, focuses on the emotional connections people have with the product. In recent years, the packaging itself has become a brand-building tool, with consumers able to personalize the labels on their own jars of Nutella. A TV-style online series called “Spread the Happy” was created in partnership with Nutella, and premiered at the 2017 Tribeca Film Festival. Season 2 of Spread the Happy ran in 2018. Also, in 2018, new limited-edition jars were launched in conjunction with a cross-platform campaign #ParlaComeSpalmi “#SpeakLikeYouSpread”, inspired by the language of the most famous memes on the web to express love for Nutella with lighthearted irony. World Nutella Day is celebrated on February 5 each year.

Generali is the largest insurer in Italy and the third-largest in the world. It is present in more than 60 countries, primarily in Europe, the Middle East and East Asia, and employs nearly 71,000 people. In late 2018, Generali unveiled a new strategic plan, through which it positions itself as a “life-time partner” to customers, offering innovative, personalized solutions thanks to an unmatched distribution network. The brand is continuing to focus on digital innovation, and in the past year has launched a dedicated cyber insurance function and the CyberSecurTech startup. It has also upgraded its flagship health product, Global Choice, by adding a new wellness app called Bria, which helps members identify health risks and take steps to prevent them. The 2018 advertising campaign “Il futuro inizia prima” (“The future starts before”) underlines the brand’s positioning as a partner to customers, and a focus on prevention and support. Its “Protezione Solidale” (“Supportive Protection”) campaign promotes help in the event of natural disasters such as floods. Generali sponsors major cultural, social and sporting events.

Armani is a globally successful fashion house founded by designer Giorgio Armani, with more than 2,000 stores around the world. The brand designs, manufactures and retails haute couture, ready-to-wear, leather goods, shoes, watches, jewelry, accessories, cosmetics and home interiors. The Armani name also extends into perfumes and eyewear, and there are two Armani hotels, in Dubai and Milan. The first Giorgio Armani restaurant opened in Paris in 1998; in 2018 it was awarded a Michelin Star, and is now one of more than 20 worldwide. There is a range of sub-brands under the Armani banner, including the top-end Giorgio Armani range, Emporio Armani for trendy ready-to-wear lines, the more casual Armani Jeans, A|X Armani Exchange for young, urban styling, and Armani Junior for children. In 2015, Giorgio Armani opened Armani / Silos, an exhibition space to celebrate the 40th anniversary of his career. The latest spring-summer brand campaign, by photographer Sarah Moon, presents models in soft focus against abstract backgrounds for an evocative, ethereal effect.

The Ferrero business behind Nutella hazelnut spread and Kinder chocolate launched the individually wrapped Ferrero Rocher chocolate in 1982. The product was immediately distinctive, with a spherical shape, layered construction and instantly recognizable gold packaging that added to the premium feel of the brand. Its popularity quickly gained momentum across Europe, in part due to a highly successful series of print and television campaigns that positioned Ferrero Rocher as the chocolate to share at high-end dinner parties, where they were seen as “a sign of good taste”. The brand is now closely linked to luxury and pleasure around the world, especially at Christmas and New Year. In recent years, the brand has switched its focus from indulgence to sharing and celebrating. Ferrero Rocher were first sold in the US in the late 1980s, launched in China in 1994, and Russia in 1996. Around 24 million Rocher are now produced per day. The Grand Ferrero Rocher encloses two Rocher balls in hazelnut-studded chocolate.

Intesa Sanpaolo is one of the largest retail banking networks in Italy, serving 11.9 million customers through around 4,400 branches. The bank was formed by the merger of Banca Intesa and Sanpaolo IMI, a move designed to increase opportunities for growth, enhance services for retail customers, support the development of businesses, and make an important contribution to Italy’s growth. Intesa Sanpaolo uses TV, print, online ads and sponsorships – including sponsorship of the X Factor talent show – to communicate openness, transparency and sharing, with a particular focus on the youth market. Online advertising tends to be more light-hearted than the more traditional TV work. Intesa Sanpaolo operates in 12 countries in Central and Eastern Europe, the Middle East and North Africa, and has a network of customer support specialists in 25 countries where Italian companies are most active, including the United States, Brazil and Russia.

Brand Profiles



#13

Company
LVMH Moët Hennessy Louis Vuitton SE

Brand Value
\$1,881 million

Change since 2018
22%

Headquarter City
Rome

Category
Luxury

Year Formed
1925

#14

Company
MSC Cruises SA

Brand Value
\$1,824 million

Change since 2018
14%

Headquarter City
Geneva, Switzerland

Category
Cruises

Year Formed
1960

#15

Company
Pirelli & C. SpA

Brand Value
\$1,791 million

Change since 2018
N/A

Headquarter City
Milan

Category
Tires

Year Formed
1872

#16

Company
Kering SA

Brand Value
\$1,761 million

Change since 2018
-10%

Headquarter City
Lugano, Switzerland

Category
Luxury

Year Formed
1966

#17

Company
UniCredit SpA

Brand Value
\$1,662 million

Change since 2018
-11%

Headquarter City
Milan

Category
Banks

Year Formed
1998

#18

Company
Carnival Corp

Brand Value
\$1,591 million

Change since 2018
-15%

Headquarter City
Genoa

Category
Cruises

Year Formed
1854

Fendi is a luxury fashion house whose specialties include fur, ready-to-wear clothing, leather bags and accessories, shoes, fragrances, eyewear and timepieces. It is best known for its use of fur and for its iconic Baguette and Peekaboo handbags, and its goods are sold through more than 240 stores worldwide. The business is still based in Rome, where it began nearly a century ago, and the brand has donated more than €2 million towards the restoration of the world-famous Trevi Fountain in the heart of the city. It has also signed a partnership with the Galleria Borghese to support the museum's exhibitions. Fendi's latest Fall 2018 advertising campaign stresses both simplicity and the powerful, bold personality of a Fendi woman. Captured by the house's creative director, Karl Lagerfeld, the images feature supermodels Adwoa Aboah, Abbey Lee, and Gigi Hadid. The brand describes the campaign as paying homage to Fendi's innovation, modernity, energy, and inspiration to today's powerful women.

MSC Cruises is a global cruise line with 15 ships boasting a range of innovative technologies. An additional 10 cruise ships are due to join its fleet by 2026. MSC has recently christened three new ships: MSC Meraviglia is the largest ship ever built by a European ship owner; MSC Seaside was launched in late 2017; and the MSC Seaview – featuring an innovative design to encourage passengers on to open decks and walkways – launched in mid-2018. MSC advertises with the promise “Not an ordinary cruise” to underline its premium offering, which includes partnerships with other high-end brands on board. These include having Technogym equipment in the fitness centers. The on-board experience is usually at the heart of communications, along with their range of exotic destinations and high-quality service. Sophia Loren was “godmother” to both the Seaside and Seaview at their launch events. In November 2018, MSC Cruises became Chelsea Football Club's official global cruise partner.

Pirelli is one of the biggest names in automotive tires in the world, sold in more than 160 countries through a network of around 12,500 distributors and retailers. It is a premium brand known for its long history, production excellence and innovation. Pirelli has been the exclusive tire supplier to the Formula 1 championship since 2011, and supplies the FIM World Superbike Championship. The Pirelli Calendar has been published since 1964, and “The Cal” that began as a corporate gift for Pirelli partners quickly evolved into something the brand positions as an artistic cultural statement featuring work by some of the world's most famous photographers. The 2019 calendar, called “Dreaming” and focusing on dreams of the future, was shot by Scottish photographer Albert Watson. Pirelli sponsors Inter Milan football team, is the title sponsor of the Spanish and Hungarian Grand Prix, and supports sailing, young rally drivers and winter sports. In October 2017, Pirelli returned to the Milan stock exchange ahead of schedule and is now in the FTSE Italia Brands index, which includes the best Italian brands in terms of creativity, excellence, entrepreneurial intuition and innovation.

Bottega Veneta has become known worldwide for its high-quality leather goods, and there are now 251 Bottega Veneta boutiques in 43 countries, including one recently opened on New York's Madison Avenue. The attention to detail that goes into Bottega Veneta goods has become the brand's signature, along with its distinctive “intrecciato” leather weave. The range includes women's and menswear, jewelry, interiors and furniture. In mid-2018, Tomas Maier, who had been the brand's creative director for 17 years, stepped down and Daniel Lee, previously of Celine, took over the role. The spring/summer 2018 collection was launched with an innovative, digital-first campaign in which six short films created by director Fabien Baron, cinematographer Philip Le Sourd and musician Johnny Jewel were released one by one for immersive and emotional storytelling. In the spirit of Bottega Veneta's iconic tagline “When your own initials are enough”, the collaborators were only identified by their initials in the film credits.

UniCredit is a pan-European banking and financial services business serving 26 million customers. It promotes its ability to meet the evolving needs of its clients with an offering that makes links between its different business divisions, including corporate and institutional banking, commercial banking, and wealth management. It has both local and international expertise, focusing on 14 core markets in Europe and a further 18 countries worldwide. UniCredit is a significant investor in advertising, which tends to position the brand as an innovator in the sector. The focus of their communications is primarily on UniCredit's attention to each individual customer and their needs, with the tagline “La Banca per le cose che contano”, which means “The bank for things that matter”.

Costa Cruises operates 15 cruise ships providing holidays in the Mediterranean, Northern Europe, the Caribbean, the Indian Ocean, the Middle East, South East Asia and South America. It is the only international cruise line operating under an Italian flag, and as one of the oldest cruise brands in the market, it is well known at home and abroad. Communications focus on the on-board experience, particularly dining and entertainment, in a light-hearted way. Chef Barbieri from TV's Masterchef features in ads, and singer Shakira and actress Penelope Cruz have helped promote on-board entertainment in the “Benvenuti alla Felicità al quadrato” (“Welcome to Happiness. Squared”) campaign, which has been running since 2016. Costa Cruises is part of Carnival Corp.

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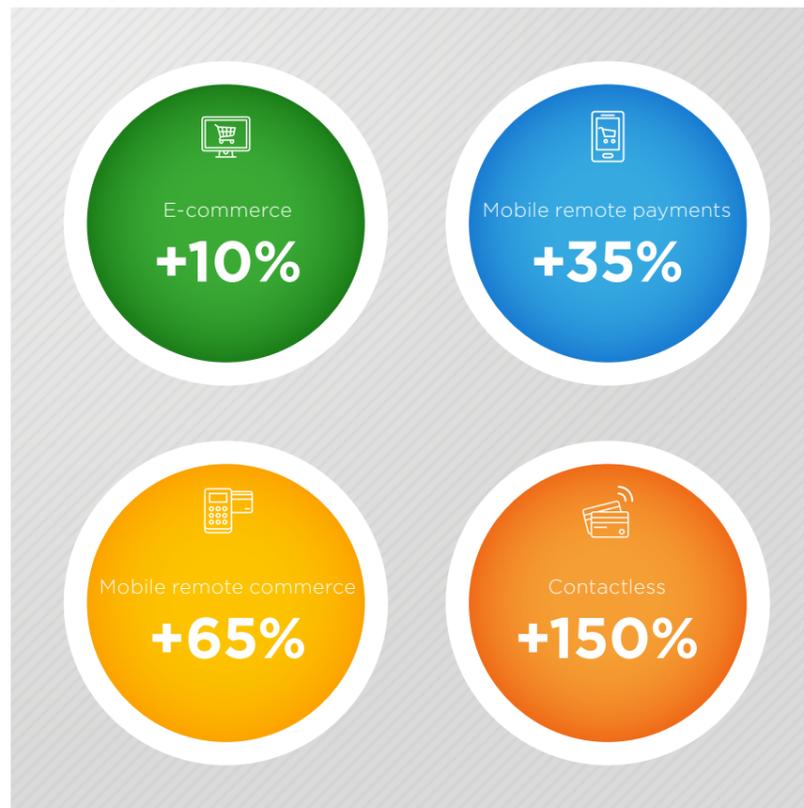
Mobile payment poised for take-off

Among all the areas affected by digital disruption, payments are perhaps – together with IoT and robotics – the one most talked about, and with good reason.

Data shows that take-up of some innovative payment methods is more than doubling each year*. Many improvements have been made by the “offer side” – product innovation, security and CX – leading to growth in merchant acceptance and customer usage on the “demand side”. However, the path to universal adoption of digital payments is still long in Italy, a country where cashless payments are less widely used than in other European markets.

In this context, the growth of contactless payments, mobile remote payments and e-commerce is key to the creation of a fluid purchase experience.

For mobile payment in Italy, the two key elements for service activation are: curiosity about innovative/digital systems and convenience. The experience has to



Source: *Observatory Mobile Payments & Commerce - Politecnico di Milano - 2017

be immediately accessible, flexible and fast compared to traditional payment methods.

Among consumers who use these new options, satisfaction is high. However, expectations seem to be growing: better

knowledge of digital payments and benchmarking against other apps further raises the bar of the experience consumers expect. Brands must work on fluidity and ease of use, providing a pleasant and frictionless purchase experience to consumers.



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Make Connections to Earn Trust

Trust has been always a crucial area of focus for brands, but the concept of trust keeps evolving.

Today, we deal with increasingly sceptical consumers looking at products, brands and communications (Kantar’s Connected Life study shows that only around 20 percent of Italian people trust global brands). And Millennials and Centennials are

even less loyal and trusting than average.

So, how should our brands earn the trust of today’s consumers? Trust is the result of multiple complex factors, but we can reasonably say that the concepts of connection and closeness play a crucial role in this area. We can trust only when a connection is made, and a relationship established between us and our audience. And these

connections are themselves the result of the multiple interactions with a product or a brand.

Interactions lead to successful relationships when a brand behaves in a coherent and consistent way, when it behaves in a human way (listening as well as talking), and when it treats consumers as equals. But beware, in the millennial Era, nothing lasts forever. Relationships and the rules around them need to be constantly nourished.



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Once upon a time, there was the drive for standardization. Buying a brand meant adhering to the brand’s values and being identified with a style or type of people.

Today, the situation is reversed, and brands should represent the values of consumers. Millennials are

Personalization is the new black!

the most demanding in this regard; since they want to feel special and unique, they want brands to enable them to express their values, their attitudes and behaviors. They want to be a co-creator of a brand’s image.

This “topsy-turvy” approach has the effect of creating a strong bond between brand and consumer, but it’s difficult to implement.

What’s the solution? Search for ways to fulfil consumers’ wish to

feel special, and give them the chance to personalize, whether that’s through packaging, colors, graphics, textures or ingredients.

Recent personalization success stories include diets adjusted to a person’s DNA, and customized hamburgers made by Instagram Stories. There are personalized discounts, coded couture, customized shopping bags and made-for-you make-up. Imagine ways your brand could deliver the personal touch.

Brand Profiles



#19

Company
Salvatore Ferragamo SpA

Brand Value
\$1,456 million

Change since 2018
-14%

Headquarter City
Florence

Category
Luxury

Year Formed
1928

#20

Company
Fiat Chrysler Automobiles NV

Brand Value
\$1,389 million

Change since 2018
23%

Headquarter City
Turin

Category
Cars

Year Formed
1899

#21

Company
Rai - Radiotelevisione Italiana SpA

Brand Value
\$1,320 million

Change since 2018
-20%

Headquarter City
Rome

Category
Entertainment

Year Formed
1954

#22

Company
CK Hutchison Holdings Ltd

Brand Value
\$1,309 million

Change since 2018
16%

Headquarter City
Milan

Category
Telecom Providers

Year Formed
1997

#23

Company
Mediaset SpA

Brand Value
\$1,233 million

Change since 2018
-17%

Headquarter City
Milan

Category
Entertainment

Year Formed
1987

#24

Company
A2A SpA

Brand Value
\$1,150 million

Change since 2018
10%

Headquarter City
Milan

Category
Energy

Year Formed
2008

Salvatore Ferragamo is a global name in high-end shoes, known for its creative use of design and materials. The brand turned 90 years old in 2018, and is still based in the shop in Florence where it began. Beyond shoes, Salvatore Ferragamo also designs ready-to-wear clothing, eyewear, perfume, belts, scarves, bags, watches. In the past year it has also launched a fragrance collection it says reflects the essence of Salvatore Ferragamo and its home region, Tuscany. The brand is now present in over 90 countries via branded stores and third-party retailers. Salvatore Ferragamo is strongly associated with the color red, and with its iconic “Gancino” clasp, which is used on clothing, accessories and jewelry. The 2018 collection was launched with a campaign featuring diverse models selected to reflect “the glorious multiplicity of today”. Salvatore Ferragamo received the 2018 Art of Craftsmanship award at the Green Carpet Fashion Awards, which promote sustainable luxury.

Fiat cars are an integral part of the history of Italian mobility and the national economy. The brand is widely recognized at home and abroad as the car of Italian people, offering a wide range of vehicles with distinctive Italian styling, and a specialist focus on the compact category. Long-time CEO Sergio Marchionne, who oversaw the launch of fresh versions of classic Fiat models such as the iconic Fiat 500 and the Panda, died in 2018 and is succeeded by Mike Manley, who previously led the Jeep division of parent company FCA. The updates of classic models were designed to rejuvenate the brand and help it build appeal among Millennials. Italian rapper Fabio Rovazzi is the brand ambassador for the Panda City Cross – an affordable urban crossover vehicle – featuring in a campaign running across traditional and social channels. Shortly before his death, Marchionne set out a strategy under which Fiat in Europe would be represented exclusively by the 500 and Panda ranges, while in South America the entire range would be renewed.

Rai is the Italian national state-owned public broadcaster and is the largest TV and radio broadcaster in the country in terms of the number of services offered and audience share. It has 15 TV and seven radio networks nationwide, and is half-funded by licence fees paid by the Italian public, and the rest through advertising. Rai viewership is rising: channels average more than 36 percent audience share on TV, and 38 percent in prime time. The “Festival della Canzone Italiana di Sanremo”, or “Italian song festival of Sanremo”, is Rai’s most popular show, with the most recent final reaching more than 12 million people, achieving 58.3 percent share of viewers. Catch-up viewing is available via the free, on-demand online service RaiPlay. Rai was the media partner of the Venice Film Festival 2018, and the Rai Movie channel was the official TV channel of the 2018 Cinema Biennale. The opening ceremony was broadcast live on www.raimovie.it and streamed on RaiPlay.

Wind began as a mobile phone service provider and now also offers landline services for businesses and households. It is seen as a value-for-money brand in a competitive market, promoting a fun image with the help of celebrities, mainly using TV and online advertising. Giorgio Panariello, an Italian comic actor, has been a brand ambassador for Wind since 2008. Other celebrities featuring in Wind advertising include comedian and presenter Fiorello, and the comic trio Aldo, Giovanni e Giacomo. At the recent launch party of a new Wind shop in Milan, brand ambassador Madalina Ghenea greeted customers. In 2018, Wind Tre produced a branded content video, “Christmas today vs. Christmas in the 90s”, which reminds viewers how Christmas has changed, and how technology and social networking have transformed everything. Wind Tre is a partner in the 5GCITY project, funded by the European Commission within Horizon2020, the European Framework Program for Research and Innovation.

Mediaset is a TV broadcasting brand launched by former Italian prime minister Silvio Berlusconi. Now the largest commercial broadcaster in the country, it is still controlled by Berlusconi’s family’s holding company, Fininvest. One-third of Mediaset programming is internally produced, and Mediaset channels on average generate 30 to 35 percent of daily TV viewing in Italy. In 2018, Mediaset launched two new free-to-air channels: a movie and series channel called 20, and a factual entertainment channel, Focus. Also, in 2018, Mediaset and Sky Italia signed a multi-year agreement aimed at extending the multi-platform coverage of premium channels and ensuring closer collaboration between the two companies. The deal enables Mediaset to become a content producer across all platforms, including the Sky satellite pay TV platform, and to create new value thanks to the use by third parties of its pay platform. The move is in keeping with a process of digital transformation set out in the company’s Mediaset 2020 plan.

A2A is the largest multi-service energy company in Italy, serving consumers with electricity, gas, heating services and environmental services. The brand was formed by the merger of two independent energy companies in 2008: AEM (Azienda Energetica Municipale) of Milan and ASM Brescia (Azienda dei Servizi Municipalizzati) from the northern city of Brescia. The brand’s tagline in communications is “Shaping the future today” and advertising has a serious yet warm style. The brand is not a prominent advertiser, however, and usually focuses instead on below-the-line communications. In 2018, however, A2A launched a national communication campaign to inform people about changes to the structure of the energy market. The campaign was called “Ascolta un amico!” or “Listen to a friend!”, and advertisements featured Italian comedian Claudio Bisio, who explains in a simple, lighthearted way the changes due to take place in the coming months. A2A is also present in Spain, France, the UK, Montenegro and Greece.

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The Cultural Clash Between Luxury and The Social Media Age

Luxury, from fashion to jewelry, fast cars and experiences, has always played the role of social marker. The luxury paradigm is based on social stratification and it must inevitably be selective: you are in the luxury world, or you are not.

But then Millennials and the social era came along. How, then, does the luxury world, and its dynamics built on social distance, align with a world in which everything

is shared, closer and accessible? In luxury fashion, there are three ways to manage this apparent contradiction. First, like Gucci or Louis Vuitton, is to leverage the power of social networks, with celebrity ambassadors helping create a massive presence. The second way is not to go with the flow but instead make the brand increasingly rare to boost its desirability, like Chanel and

Hermès. Last is the non-strategy: being traditional and unprepared to change, like Prada and Salvatore Ferragamo.

There's no single way to solve this cultural clash, but careful chemistry combining a brand's assets and consumer trends can highlight the way.



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'Disruptive creativity' accelerates brand growth

We know that the best recipe for a brand's financial growth is to have a point of difference that is highly meaningful and salient. Disruption can nourish this sense of difference, and communication is one of the ways in which a brand can be disruptive.

When you look globally at the change in brand value over a 13-year period for brands that people

describe as "shaking things up" and as having a creative personality, there's growth of 154 percent. For brands that are creatively disruptive and that are perceived to have good advertising (brands can be creative in other ways and have poor advertising), that growth rate increases.

When we are disrupting creatively, we need to make sure that we

balance that disruption with consistency. Brands must stay true to their DNA – otherwise the brand's associations could become fragmented and consumers confused.

And while being creatively disruptive might be perceived as a risk, it doesn't need to be. Pre-testing your content can turn it into a calculated risk.

To share or not to share?

Consumers are becoming more conscious of the value of their behavioral data, generated by everything from connected cars to voice-controlled speakers – a rapidly growing range of connected items in our "always on" lives.

The implementation in Europe of GDPR (the General Data Protection Regulation) has increased public awareness about both the power and risks related to individuals' data. We are all eager to embrace innovation, but at the same time wary of giving too much knowledge and power to businesses.

New companies are offering consumers ways to reclaim control over their data – and even monetize it! One example is Weople by Hoda: an app to manage personal rights, compliant with GDPR, in complete security. It also helps consumer generate value from their data, by exchanging anonymized information in return for tailored commercial offers.

Trust is a big issue, and it threatens to slow the pace of adoption of connected and personalized experiences. According to Connected Life 2018, a Kantar TNS study, 48 percent of Italian people do not want connected devices monitoring their activities, even if it would simplify their life (vs a global average of 43 percent).



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In addition, 57 percent of Italian consumers are worried about the quantity of personal data available to companies, even if those businesses are using data to offer more tailored services thanks to a better understanding of the individual.

Being able to interact with transparency – and earning consumer trust – will be the winning element in reassuring people and leveraging the value of "data".

Breaking down age barriers

People often rely too heavily on gut feeling when judging different age groups – especially in advertising. "Young people do this, Millennials that, and everyone else is too old to even understand what we're talking about."

In meetings you hear: "That older age group doesn't chat/use social media/engage online that way - they are completely out of target." There's nothing less insightful and more socially colorblind than comments like these. There are exceptions, of course. Some platforms are aimed at younger audiences - but this shouldn't

exclude certain age groups just because "they're old".

It's surprising how most people actually act the same way with technology, regardless of age. Your Mom probably uses emojis on WhatsApp, your Dad has shared a meme about Mondays, and you've probably spoken to both of them with a video call because it creates a stronger connection than a simple phone call.

Next time you're in a meeting, remember to look outside and really observe people. It can be so refreshing, and help reframe a project to make it more effective.

Maybe it's time that all brands started thinking this way: to be less judgemental and more inclusive.

Brand Profiles

BVLGARI



#25

Company
LVMH Moët Hennessy Louis Vuitton SE

Brand Value
\$1,052 million

Change since 2018
16%

Headquarter City
Rome

Category
Luxury

Year Formed
1884

#26

Company
Barilla Group

Brand Value
\$1,042 million

Change since 2018
7%

Headquarter City
Parma

Category
Food & Dairy

Year Formed
1877

#27

Company
Swisscom AG

Brand Value
\$891 million

Change since 2018
NEW ENTRY!

Headquarter City
Milan

Category
Telecom Providers

Year Formed
1999

#28

Company
Banca Mediolanum SpA

Brand Value
\$832 million

Change since 2018
-17%

Headquarter City
Basiglio, Milan

Category
Banks

Year Formed
1982

#29

Company
Luigi Lavazza SpA

Brand Value
\$763 million

Change since 2018
7%

Headquarter City
Turin

Category
Soft Drinks

Year Formed
1895

#30

Company
Davide Campari-Milano SpA

Brand Value
\$591 million

Change since 2018
23%

Headquarter City
Milan

Category
Alcoholic Drinks

Year Formed
1860

Bulgari is a luxury name in jewelry, watches, fragrances, accessories and hotels, available via a network of around 300 stores in the most exclusive shopping districts in the world. The current logo was first used in 1934 in the central doorway of the Via Condotti flagship store in Rome. In reference to ancient Rome, the “U” was replaced with the letter “V”, and a logo, written BVLGARI, was born. The brand has come to be associated with Italian style, quality and authenticity, often inspired by the city of Rome and its art. In its 2018 campaign, Bulgari encouraged women to make their own rules and to think big, in a series of shots starring two bold and confident supermodels, Bella Hadid and Lily Aldridge. In a further tribute to femininity and women’s evolving tastes, Bulgari held an exhibition of 500 items of Roman jewelry. The brand has since 2009 partnered with Save the Children on the #Madereal programme to empower children through education.

Barilla pasta has become the best-known pasta brand in the world, with over 160 shapes and sizes sold in more than 100 countries. Barilla is in its fourth generation of Barilla family ownership and is controlled by three brothers, chairman Guido Barilla, and vice-chairmen Luca Barilla and Paolo Barilla. The brand’s blue box is instantly recognizable, and it has come to signify Italian cuisine and know-how. The brand’s communications in Italy for many years featured the tagline “Dove c’è Barilla, c’è casa” (“Where there’s Barilla, it’s home”), and internationally Barilla is advertised as the choice of Italians. Barilla’s pasta recipe was upgraded in 2016 and communications since then have focused on quality of ingredients and of the pasta, and corporate transparency through the social media campaign “Guarda tu stesso” (“Look for yourself”). In 2018, sportsman Roger Federer became Barilla’s brand ambassador, adding a more international outlook and promoting a modern take on Italian cuisine and the brand.

Fastweb is a mobile phone and broadband internet provider focused on innovation and the quality of its infrastructure. It has 2.5 million customers and has been growing rapidly, particularly in the mobile sector, offering “new generation” mobile services based on 4G technology and 4G Plus. In 2018, Fastweb launched 5G trials in the cities of Rome, Bari and Matera, with the goal of leveraging existing infrastructure to rapidly deploy a national 5G network. Fastweb’s ultra-broadband is delivered via a national fiber-optic network comprising over 4 million km of fiber, reaching 21 million households. The brand has been strengthened by its “Niente Come Prima” (“Like nothing before”) communications strategy, which focuses on the brand’s offers and its relationship with consumers, based on trust, clarity and fairness. Advertising features sprinter Filippo Tortu, linking to the brand’s promises regarding the speed of its connections. Fastweb sponsors the Italian Federation of Athletics (FIDAL).

Banca Mediolanum provides consumer banking, insurance and asset-management services to more than 1.2 million customers in Italy. It was founded as Programma Italia SpA in 1982 by current company President Ennio Doris, and became known as Banca Mediolanum in 1997. Ennio’s son Massimo recently became Managing Director, and his daughter Sara is President of the charity (ONLUS) Fondazione Mediolanum. The brand’s mission is to provide “Freedom in Banking”, and it positions itself as an innovator, providing personalized services adapted to consumers’ needs. Online advice is available, as well as through a network of 4,250 affiliated advisors around Italy known as “family bankers”. The brand is active online and on television, and ads have for many years featured Ennio Doris, then Ennio and Massimo together, and now just Massimo. Ads always follow a similar format, with a very clear explanation of the services available and end with the message: “Costruita Intorno a Te”, or “Built around You”.

Lavazza has become one of the best-known coffee brands in the world, selling loose ground coffee and individual portions or pods, both through bars and coffee shops as well as directly to consumers, in over 90 countries. Lavazza claims to have invented the art of blending coffees from different growing areas to achieve a superior flavor; it has a research center devoted to the study of espresso, and a global network of coffee schools. In Italy, Lavazza is considered a mass-market brand and advertising tends to be humorous, while internationally, as the brand is more premium, communication focuses on Lavazza’s rich Italian heritage. Since 1991, the now-famous annual Lavazza Calendar has featured fashion imagery from some of the world’s leading photographers. The Lavazza Foundation works with the Rainforest Alliance on the Tierra project, which aims to improve conditions for people in coffee-producing countries.

Campari is an alcoholic spirit mainly used as a mixer, and is best known for its dark red color and its unique bitter taste. It is an essential ingredient in the classic Negroni cocktail, which will celebrate its centenary in 2019. It also features in the Garibaldi, the Americano, and the spritz, and is a highly popular aperitif in northern Italy. Today, Campari is distributed in over 190 countries. Advertising for Campari positions the brand as refined and luxurious, with a dream-like aesthetic focused on the color red. Campari’s tagline has for many years been “Red Passion”. Following the success of the TV advertising campaign “Campari Red Diaries”, directed by Paolo Sorrentino, in 2019 the brand will launch another TV campaign. This will feature Hollywood actress Ana de Armas (of Blade Runner 2049) with the Italian actor Lorenzo Richelmy, directed by award-winning local director Matteo Garrone.



BEST COUNTRIES



Italy down 3 places as fast-moving rivals climb the league ladder

Italy ranks 18th out of 80 countries, compared to 15th last year, in the latest global Best Countries ranking, an international study identifying the strengths, weaknesses and changing perceptions of countries.

How people around the world feel about other countries is of huge significance for brands, because consumers tend to apply their sentiment regarding a place to the products, services and even the people who come from there.

The annual Best Countries study found that 77 percent of people around the world “prefer to purchase products when I know which country they were made in”.

The Best Countries Report is now its in fourth year. It is the world’s largest study of nation brands, based on research among more than 21,400 people. Best Countries is a project by U.S. News & World Report, BAV Group and the Wharton School of the University of Pennsylvania.

The rankings evaluate 80 countries across a range of categories, from economic influence and military might to education and quality of life, to capture how nations are perceived on a global scale.

Why the drop?

Italy has been pushed down the ranking by Singapore and China, both of which have surged ahead due to improved perceptions of them being “open for business” and being “movers” – a measure of a country’s future growth based on per capita GDP. The arrival of Belgium in the ranking, newly included for 2019, also pushes Italy down, as Belgium debuts at #17.

This all reflects the increasing competitiveness of global markets, and the importance of not just creating but maintaining positive consumer perception about a market. It shows that while Italy has achieved fairly steady scores relative to a year ago, this is not enough in such a competitive world. Standing still means moving backwards.

What probably hasn’t helped Italy’s international standing is that news headlines relating to the country in the past year have generally related to political upheaval and instability. Economic growth has been sluggish, unemployment remains a major concern, and the birth rate is low – with clear implications for the national economy as the population ages.

Best Countries

How Italy compares to the world

Italy's brand reputation, according to the Best Countries Report, is centered around its culture and heritage.

The country ranks #1 in the world out of 80 countries on the cultural influence and heritage sub-rankings, and is #2 for adventure.

It is also first in the world for having great food, appealing fashion, being culturally accessible and trendy. Its friendliness (#2 out of 80) and rich history (#3) also contribute to its image around the world.

The 9 elements of a country's brand

- Adventure**
A country is seen as friendly, fun, has a pleasant climate, and is scenic or sexy.
- Citizenship**
It cares about human rights, the environment, gender equality, is progressive, has religious freedom, respects property rights, is trustworthy, and political power is well distributed.
- Cultural Influence**
It is culturally significant in terms of entertainment, its people are fashionable and happy, it has an influential culture, is modern, prestigious and trendy.
- Entrepreneurship**
It is connected to the rest of the world, has an educated population, is entrepreneurial, innovative, and provides easy access to capital. There is a skilled labor force, technological expertise, transparent business practices, well-developed infrastructure, and a well developed legal framework.

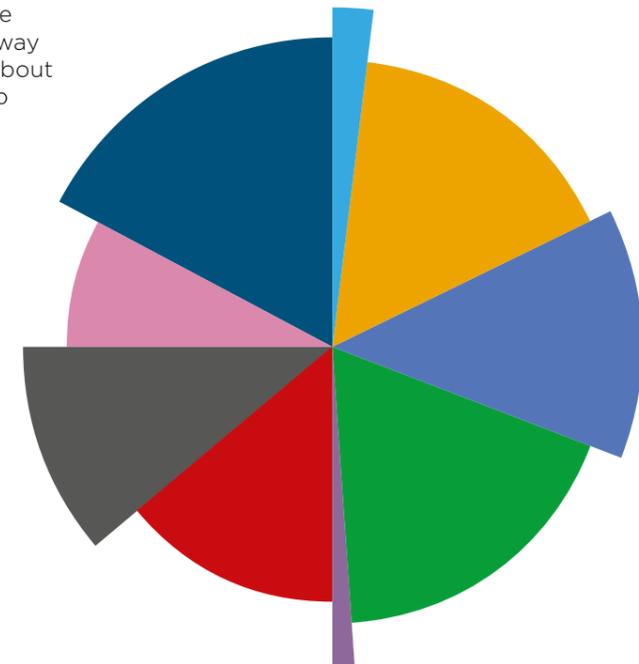
- Heritage**
The country is culturally accessible, has a rich history, has great food, and many cultural attractions.
- Movers**
A metric predictive of a country's future growth in terms of per capita (purchasing power parity) gross domestic product.
- Open For Business**
Manufacturing is inexpensive, there's a lack of corruption, the country has a favorable tax environment, and transparent government practices.
- Power**
It is a leader, is economically and politically influential, has strong international alliances and a strong military.
- Quality of Life**
There's a good job market, affordable living costs, it's economically and politically stable, family-friendly, safe, has good income equality and well-developed public education and health systems.

Each of the nine measures is given a weighting in its contribution to the total score for each country, as follows:

The weight of each category in the final index is determined by the strength of its correlation to per capita GDP (at purchasing power parity). As seen in the graphic below, a nation focused on providing great quality of life for its people, which cares about rights and equality, and has a focus on entrepreneurship, is seen as having the most powerful nation brand. This reflects how the world has changed; no longer is it just tanks and banks that give a country influence around the world. Hard power is making way for softer power that comes about as a result of entrepreneurship and cultural exports.

In addition to the eight categories above, a momentum metric called "Movers" represents 10 percent of the index, measuring how different, distinctive, dynamic and unique a country is seen to be.

To see the full Best Countries methodology, visit: <https://www.usnews.com/news/best-countries/articles/methodology>



Best Countries

How Italy scores on each of the 9 elements

Score scale 1-10



Italy ranks...



Top of the world

The Top 5 countries in the world on the Best Countries ranking have not changed in the past year, though there has been some shifting of positions.

Switzerland is once again at the top of the list, fueled by a strong sense of citizenship, entrepreneurship and being widely seen as open for business.

Japan has risen to #2 ahead of the 2020 Summer Olympics, due to take place in Tokyo. The country is seen as the most forward-looking nation in the world, and also ranks #1 for entrepreneurship.

Canada, Germany and the UK round out the Top 5, as they did a year ago. The US is in eighth position, but its performance on trust has fallen, as have perceptions of the country as a country that cares about human rights. The US is still seen as first in the world for power, followed by Russia at #2.

The Nordic countries put in another strong performance, based on measures of "soft power" - influence and desirability unrelated to traditional indicators of strength, such as financial and military might. Sweden and Norway both make the Top 10 this year; Sweden is the best country for green living, for women, and for raising children.

Other top performers include New Zealand as the best country for retirement, and Canada for quality of life.

The Best Countries Top 20 in 2019



Best Countries

Add to basket? Depends where it's from

This year's Best Countries research for the first time asks people explicitly about how they feel about products based on their country of origin.

This has led to a new ranking: the Origin Index, which ranks consumer preferences across a range of product categories.

Here, Italy is a strong performer. Its long-earned credibility for culture and heritage has helped it secure top Origin Index rankings in the categories of food, wine and fashion. This aligns closely with the country's current profile of exports. Italy also stands out in the Origin Index for automobiles (ranking #3 in the world), powered by iconic Italian brands such as Ferrari and Lamborghini, which reflect perceptions of Italy around style.

The Origin Index - how Italy performs



What Italian brands should know

While brands with obvious cultural links - food, wine and fashion brands, for instance - can most easily use their Italian heritage to create a competitive advantage, car, cosmetics and healthcare brands can also take advantage of Brand Italy. Italy is still developing its reputation in technology, and Italian tech companies have an opportunity to shift perceptions of their home country as they grow on the world stage, ultimately paving the path for even more development in that area.

BAV Group, a division of WPP's VMLY&R, recommends brands:

- Borrow from their country's strengths
- Shield themselves from their country's weaknesses
- Know which attributes should be developed from within
- Understand the commonalities a brand shares with impressions of its country of origin

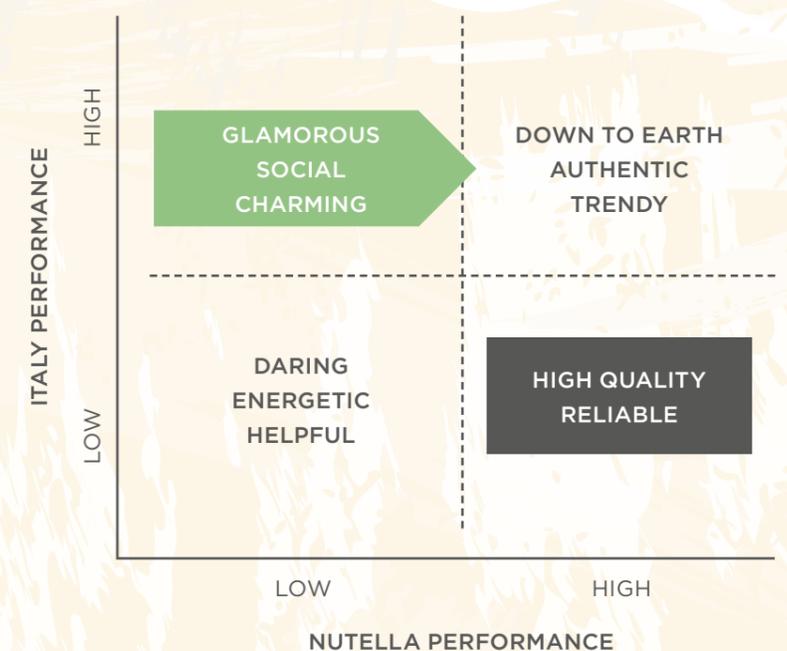


Case in Point

BAV has assessed the way one of Italy's best-loved exports measures up against Brand Italy in the minds of consumers. Perceptions of the chocolate-hazelnut spread Nutella in the United States in many ways echo the way Americans think of Italy itself. Both Nutella and Brand Italy are seen as authentic, trendy and down to earth.

Brand Italy has certain attributes that Nutella could draw on: the country is seen as being glamorous, charming and sociable. In seeking to expand in the US market, Nutella can draw on Italy's reputation for charm, sociability and to some extent glamor. The Origin Index (OI) Matrix below indicates the relative strength of association between attributes and both Brand Italy and the Nutella brand. It shows how attributes associated with Italy but not yet with Nutella can help the brand broaden its reputation - and those personality traits that are strongly linked with Nutella but not Italy itself are best pursued by the brand without making the link with its Italian heritage.

OI MATRIX



- Nutella should lean into its Italian-ness for these attributes
- Nutella should continue to develop on its own

Salvini's lessons for brands



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At the time I was writing this article, Matteo Salvini had just passed the 50 percent mark as Italian citizens' preferred political leader.

His rise has been rapid, up from an already-impressive 17.4 percent approval rating in March 2018. His success comes from his ability to win over new audiences – first those from Forza Italia (his allies during the 2018 political campaign) and from the huge pool of swinging voters, then Five Star supporters (his allies in government). He has even renewed interest in politics among people who abstained on polling day in 2018.

I don't want to take a political position, but I draw attention to Salvini because his success so far is a tribute to some of Kantar's learnings about how brands grow:

- Brands grow when they gain saliency, differentiation and meaningfulness among consumers
- Effective communication generates unique and lasting memories
- Gaining new and different consumers is key for growth: penetration really matters

Salvini's ability to dominate social and traditional media has played a huge role in building his salience. Like many iconic brands, which draw their power from a deep-seated cultural tension, in 2018 he used every opportunity to position himself as the "uncandidate" versus the establishment.

Salience and his ability to navigate both old and new media were part of Salvini's success, but he also dominated on "difference". Salvini started as the anti-establishment choice, against Italian politicians, the financial system and European institutions, then gained a greater following by tapping into other tensions in Italian citizens' lives. Concerns about immigration, employment, banks and taxes all helped him be seen as meaningful as he proposed solutions to pressing challenges. He was different, in a meaningful, relevant way.

We know that communication generates results for brands when it makes lasting memories. Again, Salvini exemplified this. He knew what his audience cared about and preached to the choir, tapping into cultural tensions and crafting his message to appeal to his audience's deeply felt beliefs. As new audiences were drawn to him, the message was adapted.

He also kept the message very simple but highly emotional, knowing that it's the impression that really counts. He drew on his persona as the anti-establishment candidate in order to drive the perception that he could effect change, and limited the role of external forces and influencers.

Salvini also acted like a winner. He was intuitively and deliberately associated with being confident, due in part to his bullish public statements. It should be noted that neither he nor his rival was previously very well-liked or trusted, so these associations clearly played a vital part in Salvini's success.

This was about the power of branding and communication. It's clear: Salvini can teach most of us something about gaining relevance and traction among consumers.

There's more to this story: Salvini can also teach us how to make our brands grow. The answer is simple: we need to be hungry. There was a turning point in Salvini's career that clearly demonstrated his ambition to be known and loved by as many people as possible; that was the time when his hidden dream became real.

Our analysis of thousands of brands shows that brand penetration is king. Brand value and its growth are driven by the number of buyers of our product; how often they buy it is of less importance. The Kantar Brand Footprint ranking shows that 79 percent of brands that grew in the past year did so by recruiting more shoppers. Of those that declined,

some 84 percent lost shoppers. Only 2 percent of brands we analyzed reached more than 80 percent of a country's households and nearly one-third commanded less than 5 percent penetration.

Most buyers will only buy your brand once or twice, and this is universal to all brands and categories. While these light buyers might seem insignificant, their collective contribution to your brand's success is invaluable. Understandably, brands with a higher penetration rate almost always see an accompanying increase in purchase frequency.

Salvini's story tells us the same thing. All those voters who said "this is just a protest vote" or "I'll only vote for him this time" are those who, together, delivered his success.

Did you ever imagine you'd learn so much from politicians? From Italian politicians?

It's time to challenge our marketing and to face the new world. The marketplace is splintering, not with a whimper but with a bang. Old dynamics fail; the new are disruptive. The diversity of tastes, values, ideologies and lifestyles has exploded. Niches are the new scale, bringing more promise and yet more pitfalls. Opportunities for differentiation and innovation are bigger than ever, yet difference and diversity have ignited divisiveness and polarization, too.

Amongst all this, though, there is a new, emerging structure for success; new growth opportunities come from a precise and obsessive understanding of what can make a brand salient, different and meaningful to the largest possible audience, summing up those different niches and tribes under the same, strong and powerful tent that we call "brand".

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A higher purpose

Why brands need to get their hands dirty

+ WUNDERMAN THOMPSON

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There's tremendous interest around the topic of brand purpose, and for good reason. In the current era of distrust, purpose is a powerful tool for creating and nurturing bonds with consumers. This is especially so for younger people – Millennials and GenZ who give preference to those brands they feel say something positive about them, their values and their beliefs.

But while purpose is frequently discussed, there are many different definitions of it.

One of the most widely used, borrowed from the world-famous Ted talk of Simon Sinek, is that purpose is the reason a business exists beyond making money.

This first expression allows us to understand that purpose is something that shapes everything the brand does, and it requires a lot of consistency.

Think of Dove's purpose – to help women develop a positive relationship with the way they look. This inspires everything the brand does, not just an event or ad to support woman's self-esteem.

Patagonia's purpose – to use business to inspire and implement solutions to the environmental crisis – is much more than a simple program to decrease the carbon footprint of its supply chain. Its mission extends to the point where consumers are dissuaded from buying new items from the brand if they don't really need them. There are free repair services and second-hand swapping initiatives as valuable alternatives to buying new.

If a purpose doesn't shape everything a brand does, then however noble, generous and idealistic it seems, it's just a CSR plan.

As a consequence, brand purpose can be created by the marketing team, but it must become a commitment for the whole company at every level.

Another important characteristic of brand purpose is that it has an ethical value: regardless of whether it relates to a tiny specific target or to the vast majority, it is a way for the brand to significantly improve people's lives or the health of the planet.

Indesit's campaign "Do it together" is not born from a general statement about celebrating everyday family life; it comes from the will of "fostering a healthier and happier environment for every member of the family". It addresses families but with an ethical approach.



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It's necessary for brands to choose an ethical cause, but this alone is not enough. Credibility is key when it comes to purpose, and the brand must be able to identify a purpose that is consistent with its story, values and – last but not least – with the category in which it operates.

It's quite a tricky point in the definition of the brand purpose: in order to achieve a social relevance, you must take a step away from what your brand actually does, yet you must remain anchored in it to be authentic and credible.

In this sense, one of the most brilliant examples is Persil, whose purpose is to foster children's development by allowing them to live in a more spontaneous, joyful and fulfilling way. The wonderful line – "Dirt is good" – expresses this purpose and maintains a strong link with the product functionality. In this way, it supports the brand's credibility, showing that what the brand does gives it the authority to pursue that specific purpose.

Brand purpose can be a very powerful tool, but it implies a deep analysis of the brand's true capabilities to sustain it, and a big commitment in order for it to be brought to life in a successful way.



Brands and cultural context

Lessons from the success of Viagra and Cialis



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In prescription pharmaceuticals, the role of brand differs from other product categories mainly because the relationship with the consumer is mediated by a doctor, and because there is rarely an opportunity to advertise. Under such conditions, it is very difficult for a drug to reach the popularity and evocative power of an iPhone, for instance. But sometimes it happens.

For almost 20 years, the word “Viagra” has been used to mean “erectile dysfunction drug”, despite the fact there are now many such drugs, and for several years the market leader in Italy and globally has been Cialis, a brand which is certainly very well-known, but not as deeply ingrained in the collective mind as Viagra.

Of course, having been the first oral medication for erectile dysfunction has played a crucial role in granting the “little blue pill” the status of icon. However, this makes the success of Cialis particularly interesting, as it was achieved during a period of rapid change in how this issue was discussed, particularly in Italy.

At the end of the 1990s, when Viagra was launched, erectile dysfunction “did not exist”, in the sense that very few people understood the meaning of the term. In order to be understood, you had to speak of “sexual impotence”, but this was difficult as men felt totally uncomfortable discussing it. Conducting market research on “impotent” patients was a challenging task: samples were very limited despite the fact that the disorder is widespread, and it took interviewers with special skills to manage psychological barriers during questioning. There were situations in which patients burst into tears during interviews, revealing that it was the first time they had spoken of their problem despite years of suffering.

In fact, erectile dysfunction was implicitly perceived as an indelible, unmentionable stigma; those suffering from it were seen as lost, damned souls, forced to hide their condition, not least because there was no real solution for them.

The prospect of marketing Viagra suddenly opened a gap in this silent abyss. A condition that had always been treated and discussed exclusively in private suddenly became an extraordinary public phenomenon. Through the anonymity of TV, talk shows were registering shares equivalent to a Champions League final every time they spoke of the new “miraculous” product, and that wave of cheerful enthusiasm spread to everyone: the sick, the insecure, the ambitious and the simply curious alike. The boundaries between normality and pathology were thus entirely removed, and the Viagra brand became the collective symbol of guaranteed sexual power for all men.

This is precisely what then revealed itself as the limit of the blue pill, which exploited but was also hampered by the socio-cultural context of the time. The popularity of Viagra did not allow the company to drive sales as it

might have done, despite the fact that the potential market was enormous, and it was substantially a monopoly.

The doctor often became a sort of “bottleneck”, an obstacle that forced one to discuss, with embarrassment and euphemisms, one’s difficulties in order to obtain a prescription. It is not by chance that for a long time, sales were limited: the Viagra phenomenon had become a very public discussion, but you still had to face the doctor by yourself.

When Cialis made its appearance on the market, it was not faced with a competitor, but a true institution that polarized through its brand everything linked to sexual performance. Under these conditions, it was complicated to conquer large shares of patients, made more complicated because the pharmacological characteristics of the Lilly product were not obviously advantageous. If Cialis overturned the sector equilibrium in the space of a few years, it is because the company interpreted the needs and trends of the time in the best of ways, merging them in its favor.

This was done firstly by concentrating activities on the role of the specialist, who had almost been excluded from the “Viagra hurricane”, and returning

to specialists their primary role of competence on what is at any rate a male urogenital disorder.

But it was mainly done by putting couples at the centre of the discussion. The world of Viagra, which was one-dimensional and aimed at a great performance, was essentially male. The woman had a secondary role, which was passive and not necessarily relational. And perhaps it could not have been otherwise during the times described above, in which a patient’s only need was that of achieving a consistent erection.

The importance of life as a couple and the celebration of carefree domestic relations were the ingredients that led to the success of “the weekend pill”, transforming a potential problem into a value that was really meeting the needs of many people who in the meantime had become more knowledgeable on a topic which had itself become less dramatic.

Currently, Cialis and Viagra share the majority of a satisfied and crowded market. A brand wishing to try to impose itself must take into account, alongside the fierce competition, a socio-cultural context that has changed considerably. Nowadays, “erectile dysfunction” is a term understood by everyone and very few people giggle or feel uncomfortable when it is mentioned. At the bar you can hear older people arguing over whether Viagra or Cialis is better; 20 years may have passed, but this is indeed a new millennium.

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Redefining the shopper journey

Immersive, memorable and social: a new era of commerce



In the '60s, Dylan sang "Then you better start swimmin', or you'll sink like a stone, for the times they are a-changin'." A general notion of change that can easily be applied to the current state of things.

A decade after the global financial crisis, the Italian economy is recovering, but at a slower pace than other European countries. The reasons for this are many: unstable economic and political conditions, but also an aging population.

With a median age of 46, Italy has the second-oldest population in Europe, behind only Germany. Add to that a moving population thanks to rising numbers of refugees, asylum seekers and migrants from Eastern Europe, and all this influences Italians' economic decisions.

Polarized and divided, Italian people show a range of attitudes depending on their spending power, but also depending where they live in, their age, employment status, level of education and their lifestyle; nonetheless, we can identify some long-term ways to engage customers and influence their buying behavior:

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Moments of Truth are countless - anytime, anywhere

Over the years, different Moments of Truth (MOT) have been identified: in 2005, A.G. Lafley, Chairman and CEO of P&G described what he called the First and Second Moments of Truth. Later, Google identified the Zero Moment of Truth, and more recently Amit Sharma, CEO of Narvar, defined the Actual Moment of Truth.

By "Moments of Truth", we mean the different occasions when customers/shoppers meet brands: starting from their first experience with the product (which includes searching online for product details), to the post-purchase experience.

Nowadays, those first experiences of a brand can even take place live, interacting with stories from Snapchat, Facebook, and Instagram, and involving other people (followers) in your seamless experience. Understanding winning moments for brands means knowing how and when shoppers want to be contacted. Identifying moments that really matter, and properly activating them along the path to purchase, is crucial to turning a follower into a buyer.

The experience economy is not a joke

In 1998, B. Joseph Pine II and James H. Gilmore defined experience as the fourth economic offering (besides commodities, goods and services). Great experiences are memorable and enable people to engage on an emotional, physical, intellectual, or even spiritual level; that's why youngsters are choosing experiences over things.

Now, 20 years after Pine and Gilmore's paper, Starbucks has opened its first ever branch in Milan. Coffee-drinking has long been an essential part of local culture; nevertheless, people willingly join the queue to be part of the memorable Starbucks experience: an historic spot, where you can discover all sorts of coffee brewing methods while sipping coffee from a premium black cup. A unique theater that makes you feel special ("Every coffee we roast is as unique as you are").

Bear in mind that "experience" does not have to mean the absence of digital resources. In fact, the more retail becomes digital (thanks to AI, connected speakers and assistants), the more it becomes invisible to shoppers and this will ultimately facilitate more personal retail experiences, in a more intuitive and human way.

O2O commerce is impacting the customer decision-making process

As consumers divide their time between media channels (such as Facebook, Instagram, WeChat*) and real O2O platforms (such as Deliveroo and Glovo), there are now faster way to shop (even directly from Instagram Stories, by integrating products into branded stories content). S-commerce, like that proposed by Instagram, is a fact and it's mainly based on exclusivity and personalization, as the stories are immersive and full-screen format. You can't even see notifications at the top of the screen while watching an Instagram story.

Chris Murphy, head of a digital experience at adidas US, recently said, "We no longer live in a world where it has to be either brand or commerce. Consumers don't think that way, and neither should we." What's better than buying clothes, products and other stuff directly proposed by your favorite influencers, while catching up with friends?



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Banking on better CX

The value of focusing on brand experience

Everybody knows that we live in the “Age of the Customer”, but few companies have so far been able to create brand experiences that are truly customer-centric.

Businesses know, though, about the importance of CX (customer experience) in driving brand success, considering that:

- a totally satisfied customer contributes 14 times as much revenue over time as a somewhat dissatisfied customer;
- investing in CX is now the main focus of 68 percent of marketers.

Nevertheless, only 19 percent of banking consumers, just to name a service-intensive market as an example, perceive they are getting a satisfying customer experience.

Look at Millennials: they are the current and future consumers of many brands and, based on our research, 72 percent of them prefer to spend their money on experiences rather than on “material things”. Think about the increasing traction that the “experience economy” is getting, especially among younger generations. The concept of “everything as a service” is becoming the winning business model within a number of traditional sectors that are being digitally disrupted, in a world where hyper-personalization and localization win out over mass marketing and commoditization.

So why are most of the traditional – “non-digital native” – brands failing to intercept these trends? Because, in the new digital ecosystem, they are no longer able to fully deliver on their brand promise.

First, do they even have a clear brand promise? Have they worked on a thorough definition of an overarching brand purpose that allows them to define what they stand for and why they are good to society and communities overall, besides being good to their shareholders?

Let us suppose they do, and that their marketing team is doing a great job of building awareness and directing people down the purchase funnel. But did they also design a CX vision that reflects this brand promise, and if so, are they able to deliver it consistently across all the moments and touchpoints that matter most to their customers?

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Most traditional brands – and financial services providers are a good example – have made the mistake of massively investing in moving from offline to online delivery. But they have done this with the sole intent of increasing their operational excellence, hence their profitability, through digital channels and automation, while shrinking the human factor that used to contribute the most to the emotional components of their brand experience.

However, as the recent acquisition of physical stores from Amazon shows, consumers do not really distinguish between physical and digital any more; they only want a seamless experience as they shift between online and offline, and vice versa. Therefore, traditional brands undertaking their digital business transformation must remain focused on the human factors that make them successful in those moments that matter the most to their customers, regardless of whether they are online or offline.

Positive emotions in the moments that matter lead to memorable experiences, which in turn activate positive associations for your brand, hence your brand becomes preferred over your competitors. Such preference, along with a good performance at each relevant

touchpoint, sustains a strong relationship with customers, which results in loyalty and repurchase.

On the flipside, if the experience you deliver does not reflect your brand promise, chances are you will not activate this loyalty loop at all.

United Airlines is probably one of the best examples of what not to do when turning a brand promise and CX vision – they call it “Fly the friendly skies” – into actual experience. When, in 2017, their passenger David Dao was forcefully removed from an overbooked flight, they lost \$1.3 billion of market value in one day as consumers reacted vigorously on social media with the hashtag #unfriendlyskies.

This shows clearly how underperforming on CX – focusing on profitability at the expense of customer care – can damage brand image and financial results, sometimes irreversibly. Humanizing CX does not necessarily imply using humans instead of machines: if humans do not apply emotional intelligence in executing policies (as they did with David Dao), then AI might be better than a human at being empathetic.

All in all, marketers need to consider their brands as the sum of every brand interaction, and

this includes advertising, word of mouth, customer service, the retail environment, marketing communications, consumer reviews and all other touchpoints. They should determine which of these contributes the best ROI, and strive to deliver on their promised benefits, especially at these high-ROI touchpoints, because these are the moments that matter most.

Successful brands – including many of those in this year's Top 30 Italian Brands ranking – continuously delight consumers with positive emotions and consistent experiences. This is what differentiates them from the competition and helps building brand success in both the short and longer term.



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More intimate approach can build life-long bond

Insurers need to change the conversation to survive disruption

Insurance is dead. Long live insurance!

That's how we might summarize the fallout from the gloomy debates that have inflamed the industry in recent years.

Faced with the less-than-promising incomes of Millennials, in addition to the rise of "insurtech", self-driving cars and DNA-based medicine, the insurance sector has in many ways never seemed so close to Doomsday.

Yet we who work with the industry every day, listening to customers' needs, fears and wishes, are confident that insurance has a long, bright future ahead. That's on the condition that insurers are willing to radically change the way they see themselves and their mission.

It's said that the words we possess deeply frame and influence the way we think. The time has come for insurance brands to dramatically refresh the words they use to talk to customers. Even more importantly, they must rethink the words they use to describe - to the world and to their own staff - the role they can play in our lives.



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We urge our insurance clients to find new words; new words that reflect what makes people tick. If they are to manage disruption, they must generate cognitive dissonance in customers, using dramatically different words from those used in the past. And then they must live up to the new concepts they introduce.

Don't talk about the future, talk about the present. We live in the age of immediacy, people want everything now. In this respect, the insurance industry belongs to the 20th century; customers of the 21st century want to see the benefits of the brands in their lives today and every day. Our research shows that the relevance of service-based insurance solutions has soared in recent years, and the rise of IoT (the Internet of Things) can finally turn customers' expectations into reality.

It's not about money, it's about time. They say time cannot be bought, but are we sure? New apps crop up every day that offer to do chores on our behalf, so we can spend our time doing other things. Indeed, when people face unexpected events - the kind covered by insurance - they complain about the loss of time they face more than anything else (from filling in paperwork to buying replacement goods). Thanks to insurance products focused more on prevention than on repaying damages, time can be bought after all. And that really is priceless.

Don't judge me, coach me. As in the famous Andy Warhol prophecy, we do live under the impression (illusion?) of being a little bit more powerful, because the internet means we can publicly have our say whenever we want. A look at voter comments and behavior shows there is a prevailing anti-institution sentiment across many markets. We cannot underestimate the consequences of the narcissistic character of today's consumers for an industry such as insurance, which is seen as among the most distant and judgmental sectors. Customers connect with brands they feel show them respect, which treat them like peers, and which help them become the best version of themselves, but in a non-judgmental way. To thrive, insurance cannot continue to be seen as the distant censor that - reluctantly - patches up our mistakes or misfortunes. Rather, it must be an ally, a "coach" that enables me to live my life to its full potential. Once again, technology can be a game changer for the best: from wearable devices to driving apps, there is more than saving money (by avoiding accidents) at stake for customers. Feeling empowered and rewarded is what it's all about, and this means moving the relationship with insurance to the next level.

Ultimately, these new words we suggest the insurance industry adopts all link to one crucial concept: intimacy. Let's just put our mind to the number of meaningful

potential touchpoints a newly conceived insurance service could have with its customers over a lifetime, compared to the scattered, mostly negative ones (only accidents, payments, possible complaints and controversies) of most traditional insurers. The difference is striking both in quantity and in quality of opportunity.

We can imagine a completely new way of doing (or rather being) insurance: always in my pocket, always present and vigilant in my life as an ally, ready to act on my behalf when I cannot be there for my loved ones, capable of making a difference to my life in the here and now.

If the industry succeeds in achieving this kind of transformation, there really will be disruption. But for the best.

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Spreading inclusivity and respect

Lessons from Nutella in how to stay relevant



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A look at one of Italy's most iconic and best-loved brands, Nutella, can provide some guidance.

Turning questions into opportunities

The idea of embodying personally relatable messages is tempting for brands that want to leave a mark. Nutella has seized the opportunity to build a stronger relationship with its consumers, making it more intimate and truthful. But it didn't do it via speeches or manifestos. Instead, it chose to start right from its foundations, to identify common ground where brand values and personal values could meet.

Going back to fundamentals

Having been present on families' tables for more than 50 years, Nutella had a huge, familiar asset it could capitalize on: its iconic jar. The so-called "pelikan" is a recognizable asset worldwide, and is a point of daily contact between the brand and consumers.

That's why the jar itself has been developed in a series of yearly limited editions that, since 2014, have addressed consumers directly. First, the jar was customized with names, so everyone could find their own jar of Nutella. Then jars featured short messages, such as "I love you" or "thanks", in order to allow people to express and share their emotions. And then came Italian regional idioms, to celebrate everyone's local identity.

The next step was to widen the message and connect with people on a deeper level: embracing universal values, bringing to life a shared, welcoming and caring attitude.

Delivering a universal message

This was the goal behind "Unica", the first limited-edition comprising 7 million (yes, 7 million) unique jars, distributed via supermarket shelves.

An algorithm programmed to combine a limited series of patterns and colors, and a custom printer to transfer them to the labels, made this plan a reality: every jar was different from every other. With a serial number printed on the back, every single one represented and celebrated every person's uniqueness.

The campaign itself was a celebration of everyone's one-of-a-kind-ness: a series of portraits of people of different colors, ages, gender and even attitudes or passions, each one holding a jar. Instead of a call for action, the campaign helped form a multicultural, open, collaborative and integrated community, where people of all backgrounds get together in the same place.

Checking for relevance and consistency

Standing for multiculturalism and respect is surely a good way to relate to people's deepest beliefs. Brands can also be a powerful driver in shaping popular culture, bringing those values (and the need for related action) to people's attention.

This is possible under two main conditions: the first one, of course, is the social and political context at the moment the campaign is aired; the campaign needs to reflect ongoing conversations and tensions.

The second, and most important, is staying true to the brand's DNA, to make the message consistent and trustworthy. A welcoming and caring culture has always been part of the Nutella DNA and, together with previous limited editions, the Unica campaign felt like a natural evolution of the brand purpose, alongside the evolution of its consumers' needs.

Many brands struggle to stay relevant to their consumers. This is not just the result of generational change; it's a combination of changes, including variations in shopping habits, and shifting values and behavioral patterns.

In our increasingly fluid lives, people's choices are more and more influenced by online information and reviews, and people are less prone to growing attached to products and brands that define them, unless it helps them make a statement about their views or offers an ideology they embrace and support.

This panorama forces brands to ask themselves a series of questions: how can we connect with our customers? How do we stay relevant to their lives? And, as societies change, how do we picture ourselves in the next five or 10 years?



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The voice of the future

Transforming research in the 'on demand' economy

We live in a world where everything is possible via a single click. We've got used to being able to immediately obtain our favorite songs and movies thanks to Spotify and Netflix, and we're now spoiled by the ability to have almost any item we want delivered directly to our homes in just a few hours, thanks to Amazon Prime, Deliveroo and other services. It's the "on demand" economy; first it changed the relationship between people and companies, and it is now redefining the role of information and channels available to link people with brands.

This has happened over three main periods of evolution. At the beginning of the new millennium, the internet was used to establish the online presence of brands; 10 years later, social networks and instant messaging shortened the distance between people and brands. Now, we are now entering a new cycle linked to conversational commerce: a new approach that allows people to gather information, obtain support and make purchases by asking simple questions, by writing, or even by simply using their voice.

This is transforming the way people research products. Since the 90s, we have been able to find answers to our needs through search engines and websites. This is a modern take on what human beings have done for centuries: going to libraries and browsing shelves to find the most appropriate content to answer their questions.



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Wavemaker is a next generation agency that sits at the intersection of media, content and technology.

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And it works. According to ConsumerBarometer.com, 23 percent of people in Italy regularly take a ROPO approach (research online, purchase offline), while 34 percent research online then buy using e-commerce.

Searches have become more and more accurate; results can be adapted according to a user's profile, whether they have been exposed to ads or not, and they can show the nearest store address or provide ways for shoppers to talk directly to store staff.

Analysis of the effectiveness of online activation in terms of "real world" sales is one of the priorities for brands: on average, most advanced retailers are registering store visits at around 5 to 10 percent of people who have clicked on advertising; algorithms are now optimizing media delivery across video, display and search to automatically optimize store footfall.

But the on-demand economy requires more: companies are answering with the introduction of chatbots on their sites and social pages, so they can answer us immediately, 24/7.

With the arrival of personal assistants - accessible today via smartphones and smart speakers and tomorrow via cars and connected objects - the links between people, content and products will be more immediate, and the interface will be the human voice.

A survey held in 2018 by Wavemaker showed that in Italy, 80 percent of respondents have heard of voice assistants such as Google Assistant or Siri, 20 percent use them, and only 5 percent have considered using them to make shopping lists - pure conversational shopping. According to eMarketer, this compares to usage of voice assistants in the United States of 95 percent; around 40 percent of people there use voice search for information on shops, and 25 percent use it to find out about products.

Smart speakers in particular are transforming the relationship between people and content: for the first time, we can interact without touching an electronic device.

It is clear that we are still in the early stages of the use of voice interfaces, at least in terms of "conversational shopping". If we focus on "conversational shoppers", the majority does research through their smart speaker (51 percent), while 36 percent add products to their shopping list, 30 percent check the status of their deliveries, 22 percent make a purchase, and 20 percent use it to score or review a product.

What are the implications for brands?

It is still early days, but conversational shopping promises to revolutionize the way we as consumers do research: today we look for something on a search engine and what we find (or not) depends on the effectiveness of organic positioning (SEO) and paid search investment (SEA).

Tomorrow's consumer research will be "filtered" by a personal assistant, a form of artificial intelligence that learns and remembers our habits and preferences: being relevant on a site (SEO) and paying to be visible (SEA) simply won't be enough to ensure a brand is found.

If brands want to compete, they will have to go back working on their top-of-mind positioning: their products will be smart speakers' first suggestion only when they are explicitly named in a search, such as "Alexa, buy X-brand coffee pods", rather than "Alexa, buy coffee pods".

The implications for companies are clear: they will have to work again on branding, (re)creating a strong association to a specific product to overcome the logic of algorithms and appear at the top of consumers' preferences.

Procter & Gamble taught us in the early 2000s that the first moment of truth is when people stretch their hands in front of the shelf and choose our product instead of a rival one; a few years later Google introduced the "zero" moment of truth, in which people update themselves on the web and get an idea of what to buy before going to the store. Maybe today we have to start talking about "minus one" moment, in which people must have in mind the product-brand association, which will lead them to explicitly ask their machine assistant for that specific product rather than a proposed default. The minus one moment will be the true measure of marketing effectiveness.



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