TOP 50 MOST VALUABLE LATIN AMERICAN BRANDS 2012
Welcome to this first BrandZ™ Top 50 Most Valuable Latin American Brands report and analysis.

This inaugural Latin America report focuses on the five leading Latin American economies—Argentina, Brazil, Chile, Colombia and Mexico. These nations together represent GDP of about $5 trillion, the equivalent of the world’s fourth largest economy after Japan.

Because of the size of Brazil, the “B” in BRIC, we expanded our Brazil coverage into a Special Section that includes profiles of the country’s Top 50 Most Valuable Brands as well as extensive analysis.

Many of the trends in Brazil and the other four markets covered in this report pertain as well to other strong Latin American economies, such as Peru and Venezuela. We will examine these and additional Latinam markets in future.

To make this extensive intelligence easy to find and useful we organized the core of the report into three sections: the Introduction, the Top 50 Overview and the Country Reports, which are followed by the Brazil Special Section.

Introduction: We set the context for brand development in Latin America with a brief history of the region and some key economic and geographic facts. Then we examine key trends that impact brand opportunity, including the growth of the middle class and the exploding interest in digital communication and social media.

Top 50 Overview: We present Latinam’s Top 50 Most Valuable Brands in a ranking that includes country of origin, brand value and other metrics. Additional charts examine what categories are most present, how the categories vary by country, and the critical role of Brand Contribution.

Country Reports: We explore each country in depth, accompanying a brand ranking with a synopsis of key trends shaping the market and driving brand value. Profiles of each brand reveal relevant history, key trends shaping the market and driving brand value, and useful we organized the core of the report into three sections: the Introduction, the Top 50 Overview and the Country Reports, which are followed by the Brazil Special Section.

To help you sort the tremendous amount of intelligence contained in these almost 200 pages, we’ve included Take Aways on page 8. Here are just three interesting Latinam market facts that you get started:

• Latinam’s middle class grew 26 percent over the past five years.
• Brazil is the most loyal; 65 percent say they stick with brands they like.
• Colombian Internet users spend eight hours a week on social networks.

The information comes from TGI and TNS Digital Life. I present it here because it represents the breadth and depth WPP Latin American market expertise contained in this report to which the information comes from TGI and TNS Digital Life. I present it here because it represents the breadth and depth WPP Latin American market expertise contained in this report to which WPP companies. Powered by BrandZ™, the reports are based on the world’s largest brand analytics and equity database containing data gathered from more than two million consumer interviews about over 7,000 brands in 40-plus countries.

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BrandZ is a leading brand valuation and strategy consultancy in Brazil, conducted the brand valuation in collaboration with Millward Brown Optimor and using the Millward Brown Optimor methodology.

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**BrandZ™ Top 50 Most Valuable Latin American Brands 2012**

**Insights**

**Brands**

- **Opportunities**
  1. Scale: Latin America is a big opportunity. The region, including the Caribbean, is home to almost 600 million people living in more than 30 countries that together produce a GDP of around $5 trillion, which would rank the area fourth worldwide, after Japan, in national output.
  2. Diversity: Latin America is many opportunities—and challenges. It extends from the southern edge of the US to the northern edge of Antarctica. The area experienced a complex history and brand marketers need to be aware not just of national differences but also of regional differences within nations.
  3. Markets: Brazil, the “B” in BRIC, accounts for one-fifth of the Top 50 brand value.
  4. Middle Class: The market potential in Latin America is not static. The middle class is expanding throughout the region, although at somewhat different rates. The number of people now officially considered middle class improved by over 25 percent since 2006.
  5. Confidence: Not surprisingly, wealthier people feel more confident about the future—but not by much. Among the middle class, 77 percent feel optimistic. That figure increases a few points to 79 percent for the wealthy and drops for the lower income groups, but only to 67 percent.
  6. Price: Price remains important, which isn’t surprising considering that much of the population has contended with poverty and even the wealthy worry about radical fluctuations in inflation. As a long-term trend, however, more individuals report that their purchasing decisions aren’t always driven by special offers.
  7. Credit: Credit is becoming more available as banks attempt to add new customers, opening in areas underserved until recently. Retailers continue to be key sources for credit, particularly in Chile.

**Consumers**

- **Media**
  8. TV: The medium generally receives the highest level of investment, but it’s been leveling. TV is expensive and digital is growing rapidly throughout Latin America because of consumer interest and in some cases, like Argentina, government encouragement.
  9. Digital: Internet investment is still relatively low but growing sharply. PCs and laptops still dominate for accessing the Internet. That’s because of some spotty 3G coverage and the high cost of data plans.
  10. Mobile: Mobile Internet access is increasing. It’s highest in Mexico where 19 percent of the online users say they’ve accessed the Internet via mobile in the past four weeks.
  11. Social: Latin Americans are social. And social media is a good place for brands to find potential customers. Brazilians have an average of 481 friends. In Colombia, Internet users spend about eight hours weekly on social networks, compared with a global average of 4.8 hours.

**Brands**

- **Choice:** Consumers generally like choice but it varies in Latin America. Argentine economic policy and other factors have produced a relatively limited brand choice, while proximity to the US exposes Mexicans to wide brand possibilities. And Chilean consumers can choose the most luxurious European status cars or the least expensive Indian or Chinese imports.
  12. Brand Presence: Latin Americans generally think famous brands are better. That’s true of half the population in Colombia, and also in Brazil and Argentina where people are most brand conscious.
  13. Brand Contribution: Retail and lower receive the highest scores for Brand Contribution, which measures the impact of brand alone on future earnings. Sears often receive high marks, retail brands not as often. The result reflects a close bond between customers and retail brands that have played a role in providing credit to people denied bank credit until recently.
  14. Loyalty: Latin Americans overall say that when they find a brand they like, they stick with it. Mexico measures somewhat lower in loyalty, which may be because in Mexico brand choice is somewhat limited.
  15. Growth Categories: Luxury brands are discovering Colombia. In Mexico, the growing middle class is tiring of the multi-tasking life and looking for products that save time and enhance personal health. The most represented brands in the BrandZ™ Latin America Top 50 are retail and financial institutions, which comprise about half of the ranking.
  16. Social Responsibility: All nations are works in progress. But that notion applies most acutely to Latin America. Although more people are entering the middle class, a wide gap remains in income and education levels. Building a brand in Latin America is about investing in the future of a region.

**Takeaways**

- **Outlook:** The future of Latin America will be defined by social trends. While some nations are moving toward high living standards, the region’s middle class is growing and more people are making purchasing decisions based on social, political, and personal needs.
Throughout Latin America brands are rising in value and importance. High-value brands are present across most categories. Some are government owned or controlled, as often is the case in fast growing markets. Many result from entrepreneurial vision, risk and energy. Latin America’s largest markets, Brazil and Mexico, produce the greatest number of high-value brands, but smaller economies also are well represented. Latin American brands often serve multiple local country markets. A few operate globally.

This vitality did not happen easily or quickly. Centuries of economic and political tribulations preceded this relatively stable period when more people share in the region’s prosperity and enjoy access to merchandise and brands.

To successfully market brands and grow brand value in Latin America today, it helps to appreciate some of this context.

**BRANDS RISE IN VALUE AND IMPORTANCE**

A context for sustained success

To successfully market brands and grow brand value in Latin America today, it helps to appreciate some of this context.

**VARIED AND COMPLICATED**

The term Latin America—or the acronym Latam—is easy shorthand for describing an area of the Western Hemisphere that comprises 8.13 million square miles (21.07 million square kilometers) stretching over two continents and many islands with more than 30 countries and almost 600 million people.

Latin America comprises just two syllables a historical dichotomy of this region: that it’s a mix of two cultures, the Latin from European societies—primarily Spain and Portugal—but also France—and indigenous peoples who inhabited the land we call America before the explorers, conquistadors and missionaries arrived.

But Latin America is more varied and complicated. Other Europeans settled. The importation of African slaves and emigration from Asia and the Middle East added diversity. And the indigenous population comprised many different peoples along with the Aztec, Mayan and Inca.

Culture, geography, natural resources and climate vary tremendously in a region that stretches more than 5,000 miles (8,000 kilometers) from the northern border of Mexico to the tip of Chilean Patagonia. History varies as well, although several common themes prevail.

**MIGRATION**

In the early nineteenth century, after the American and French Revolutions, and around the time of the Napoleonic Wars, a series of conflicts in Latin America ended European rule. The transition to self-government proved difficult. As nations developed during the nineteenth century they remained hierarchical.

In the middle of the twentieth century, governments adopted assorted political ideologies, all promising to deliver varying combinations of prosperity, equality and stability. Too often these attempts were accompanied by the brutal repression of the regime, the violence of the resistance or both.

By 2000, democracy flourished in most of Latin America. Economies fluctuated, but were linked globally and regionally as exemplified by NAFTA (the North American Free Trade Agreement) and Mercosur (Mercado Común del Sur—the common market of Argentina, Brazil, Paraguay and Uruguay).

Sources: CIA World Fact Book, United Nations, World Bank
Latin America: A Short History

The history of Latin America is a synthesis of unique national stories informed by a common timeline beginning with indigenous civilizations and including European conquest, liberation and the struggle toward free, prosperous and equitable societies.

SUSTAINING GROWTH

Is the progress inexorable? No now is, certainly not in Latin America. And not in an interdependent world economy when weakness in the Eurozone, North America or Asia can reduce demand for Latin American commodities, for example.

Sustaining the health of Latin America’s economies depends on steadily growing and sharing prosperity. Assuming this future is an important responsibility of government, but not of government alone. Prepare the participation of all segments of society. The best way for a brand to profit from the transformation of Latin America is to be part of it.

Dramatic Improvements

Each of the five countries examined in this report illustrates both the dramatic economic and social improvements happening in Latin America and the challenges ahead.

Argentina: The country recovered from the collapse of its economy a decade ago. But the trauma of economic devastation and hyperinflation continues to impact the Argentina’s efforts to expand the economy and win the population.

Brazil: The “B” in BRIC experienced extraordinary economic growth with an economy that surpassed $2 trillion in GDP in 2010. But as the growth rate slows, Brazil faces the need to improve infrastructure and education levels.

Chile: A successful free market economy makes Chilean brands among the most widely recognized in Latin. But economic improvements have raised expectations, especially for better and more affordable living standards.

Colombia: Life is more normal with the reduction of drug-related violence that intimidated Colombians for decades in the rugged Andes, city of Lima. Battles between the Spanish and the Incas in Peru in 1533 and soon established the city of Lima. Battles between the Spanish and the Incas continued for decades in the rugged Andes, ending with the ultimate defeat of the Inca Empire in 1572.

Spain and Portuguese Settlement

The Spanish initially focused on the Pacific territory, mining silver and shipping it to customers in China, in one of the earliest examples of global trade. As European demand for crops and leather increased, attention shifted to the Atlantic coast and Buenos Aires developed as a commercial center. The Portuguese established a formal government in Brazil in 1548. By the end of the century, the economic importance of sugar production led to the importation of African slaves and the growth of São Paulo.

Independence

Events in Europe led to the independence of the Spanish and Portuguese colonies. Long disenchanted with Spanish rule, the colonists felt emboldened by the weakened power of Spanish king during the Napoleonic Wars. The first independent nation was established in Haiti, in 1804. Independence movements led by Simón Bolívar and José de San Martín liberated South America of Spanish rule by 1826. Mexico separated from Spain in 1821. Brazil severed from Portugal with significant armed struggle in 1822.

The New Millennium

In 2000, Mexicans defeated the PRI after 71 years of uninterrupted rule. Argentine leadership implemented policies to rebuild the collapsed economy. Colombian governments reduced violence from drug trafficking and guerrilla warfare. Brazil pursued parallel efforts to grow the economy and narrow social inequality. Under both liberal and conservative administrations Chile’s economy continued to expand. The region seemed on the path to greater and more widely shared prosperity.

CONQUEST

The conquist began with the arrival of Hernando Cortés on the coast of Yucatán in 1519. Supported by local alliances, Cortes defeated the Aztecs in 1521, renaming their capital, Tenochtitlan, Mexico City. A campaign against the Maya followed, and by 1526 Spain controlled most of Central America. Francisco Pizarro defeated the Incas in Peru in 1533 and soon established the city of Lima. Battles between the Spanish and the Incas continued for decades in the rugged Andes, ending with the ultimate defeat of the Inca Empire in 1572.

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With the expansion of the middle class across much of Latin America, international brands are flourishing and local brands are emerging. Brazil, with a GDP of over $2 trillion, is leading the region’s development as a favorable place for brands to invest. The mid-size Colombian economy is enjoying sustained growth for the first time in decades. Smaller nations, such as Bolivia and Peru, are taking their place in a growing regional economy. Economic uncertainty in the Eurozone and the US makes these developments even more notable.

At a time when US politics is dominated by debate about the top 1 percent and everyone else, the middle class in Latin America has expanded dramatically. During the past five years, the middle class grew by over 25 percent and the lowest income groups declined by 23 percent in eight major Latin American markets—Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

The reasons for this social and economic improvement vary somewhat by country, but generally include government programs to reduce poverty and social inequality; a sharp increase in global demand for Latin America’s commodities; flexible exchange rates that help moderate inflation; wider availability of credit, and trade policies to encourage investment.

**LATIN AMERICA IS MORE THAN TWICE THE LAND AREA SIZE OF EUROPE.**

**MIDDLE CLASS GROWTH AND CONFIDENCE**

Drive interest in brands across categories

JIMENA URIQUJO
Vice President Business Development
Kantar Media – TGI Latin America
### Latin America

#### Middle Class Growth in Latin America

Most countries have implemented programs to improve the lives of their citizens. Brazil’s national social welfare program, Bolsa Familia, provides financial support for people in need in the form of a government ID that acts like a debit card. In Argentina, the Universal Child Allowance distributes money to the unemployed or underemployed.

In the five years between 2006 and 2011, the middle class grew 26 percent and the lowest economic classes declined 23 percent.

**Consumers Feel Confident**

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<td>2011</td>
<td>7%</td>
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**People Feel Financially Secure**

Not surprisingly, people feel most financially secure in Brazil, the country that has enjoyed the greatest economic growth. The sense of financial security has improved, if more moderately, in Argentina and Colombia. Mexico is an exception, probably because its strong ties to the US economy exposed the country to the financial crisis, and drug-related violence discouraged investment and tourism. In Chile, financial security went down slightly. Chile’s private pension system suffered an estimated 20 percent loss to the global financial crisis thereby contributing to a lower sense of financial security.

**Inflation**

While wealthier people are somewhat more optimistic than the population overall, people in all income levels feel that their economic situations is improving.

**Internet Usage**

The rise in purchasing power is accompanied by a growing concern with brands. More than half of all consumers in Brazil, Argentina and Colombia think that well-known brands are better. And more than half of all consumers in Argentina and Brazil look for a brand name when purchasing.

**Airline Trips**

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Across Latin America consumers are paying attention to brands. Generally, they prefer to stick with a brand they like rather than experiment.

Related to this growing interest in brands and underlying brand loyalty, Latin American consumers are shopping slightly less for special offers. In 2011, 67 percent of consumers always looked for special offers, down from 71 percent in 2006. While the change is small as a percent, the direction is important because it suggests that as consumers feel more secure, they become willing to spend more for the products and services that they need and want. And bargain hunters may be simultaneously trading up.

These changes are significant—the rise of the middle class, the improvement in financial confidence, the increase in consumerism and concern with brand. But are these changes permanent? Predictions are always dangerous, especially in Latin America, a region known for its economic and political volatility.

The aging infrastructure needs to be improved. And people need to receive more extensive education. While education levels have improved slightly since 2006, even in Brazil, the region’s most prosperous nation, only about a quarter of the population has any university education. That’s the lowest level of any of the BRIC economies and less than half of the level in the US or Europe where, respectively, 59 percent and 55 percent of the population has some university education.

These improvements are requisite to build and sustain prosperous, competitive and just societies.
When it comes to the Internet, Latin Americans can be described as “Aspirers.” That’s a TNS Digital Life term for people who are relatively new to the Internet but eager to become more involved. “Aspirers” are one of our six Digital Lifestyles that also include, for example, “Functionals,” people who use the Internet for practical reasons like email, and “Influencers” who spend much of the day online.

In Latin America, about 38 percent of the population are “Aspirers” compared with 15 percent worldwide. These consumers access the Internet via Internet cafés and/or at home. They are highly engaged but have not been as active as they would like to be, at least until now.

Today, Latin America has relatively low Internet penetration, compared with more developed markets, with only a couple of countries approaching the 55 percent mark. While many Internet trends are consistent with other developing markets, some behaviors parallel more developed markets, such as the US and Europe.

In Latin America, as in other fast growing markets, the PC/laptop is still the dominant device for accessing the Internet, with mobile devices failing to make an impact. Mexico has the highest levels of mobile usage with 19 percent of the online population accessing the Internet by mobile in the past four weeks. At the same time, however, Mexico’s PC legacy matches that of the US, its northern neighbor with which it maintains close cultural and economic ties.

BrandZ™ Top 50 Most Valuable Latin American Brands 2012

LATIN AMERICA

GREAT DIGITAL OPPORTUNITY AWAI

TS BRANDS

Consumers aspire to expand Internet presence

INTERNET PENETRATION RELATIVELY LOW

Several factors account for the relatively low level of Internet access via mobile phones in Latin America. First, all markets in Latin America have suffered from infrastructure issues and poor coverage of 3G networks. Second, high costs of data plans and smartphone devices have impacted heavily on levels of usage, especially in markets such as Brazil. However, prices of devices and data plans are falling, with excellent offers for data even on pre-pay plans. This suggests that Internet access via mobiles is due to explode in the near future.

In Colombia, Internet users are spending up to eight hours weekly on social networks, significantly higher than the global average of 4.8 hours. Social networks, along with brand websites, are the most important digital touch points on the path to purchase in Latin America, with nearly half the population engaged at any stage. Not surprisingly, offline touch points, such as TV and word of mouth, still dominate media investment in Latin America. However, digital’s enormous potential points to the need for brands to create integrated offline/online marketing approaches.

GREAT OPPORTUNITY

Latin Americans are also keen on sharing videos, with both consumer and professionally created videos extremely popular. In fact, 72 percent of Brazilians view videos on YouTube at least once a week. Brands have the opportunity to create their own engaging videos to be shared by consumers as well as to encourage consumer generated content. If brand-made videos are sufficiently appealing, consumers will share them with a large percentage of the online population.

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www.trsdigitallife.com

INTRODUCTION

JUAN ALEXANDER
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Regional Manager
TNS Digital, Latin America

SOCIAL NETWORK GROWTH POTENTIAL

Traditionally Latin America has been a continent of the have and have-nots. However, in recent years there have been huge strides to bridge the gap with a growing middle class and increasing consumer purchasing power. Consumers who were previously excluded from conversations in areas such as politics, education, brands and products, now have a voice, and the voice is being increasingly expressed through the digital arena.

It is therefore no surprise that social networking has had a huge impact in Latin America, especially considering the social nature of many Latin Americans, for example, have an average of 481 friends on social networks, one of the highest numbers in the world, offering major opportunities for brands to share their message with large groups of consumers.

In Colombia, Internet users are spending up to eight hours weekly on social networks, significantly higher than the global average of 4.8 hours. Social networks also act as aggregators of many services including messaging, chat, sharing photos and videos and playing games. Therefore social networks offer an excellent first point of call for brands to communicate with the online consumer network.

TNS Digital Life

Digital Life is the largest global study of people’s online attitudes and behaviors. Based on conversations with over 72,000 people in 60 countries, TNS Digital Life provides insights that help marketers develop effective online strategies.

www.trsdigitallife.com

BrandZ™ Top 50 Most Valuable Latin American Brands 2012

BrandZ™ Top 50 Most Valuable Latin American Brands 2012
LATIN AMERICA

Branding Strategies for Latin America

SAVANNA CODESEIRA
Director, Trends & Futures, LATAM
The Futures Company

GILES POWDRILL
Associate Director, London
The Futures Company

A BrandZ™ Top 50 Most Valuable Latin American Brands 2012

WASHINGTON, D.C. - With its growing population, increasing income levels, and heavy technology engagement, it’s not surprising that Latin America has drawn the attention of marketers. But it is an easy continent to miss, because of the huge differences among the constituent countries and regions within each country. Brazil, for instance, is four-fifths of the size of the continent and has as many people as the world’s smallest territories. Literacy rates in Latin America vary too, from almost 100 percent in Cuba to about half the population in Haiti.

Adjusting to meet market potential

With these similarities and differences mean for brands and their marketing strategies in Latin America, The Futures Company has developed a brand strategy framework.

The “Brand Origin” axis is defined by whether the company originated in Latin America or from outside the region. The second axis, “Latin American Market Focus,” is contingent on whether the business or brand, and its marketing activities, concentrate on one particular market or span the region.

While these quadrants and their definitions are not mutually exclusive, the matrix helps to understand brands’ centers of gravity, which is critical in determining their most appropriate and credible marketing strategies in the region.

Brand Origin

Culturally attuned and aligned

Deep local insight and expertise

Market relevant strategies

Market Focus

Domestic

International

Inside knowledge and proven experience

Adjusting to meet market potential

Beauty matters, certainly in Brazil. Sales of beauty and personal care products exceed $35 billion annually. For a long time, the cosmetics giant Avon, with its worldwide million-plus army of door-to-door sales representatives has been held up as a successful case study in how to sell beauty products in Brazil. Avon has faltered recently though. While the business has had internal problems, there are also signs that Brazilian consumer culture is also changing. Pride in Brazil, and optimism about its future, have strengthened national identity. Local beauty brands also have grown faster than the multinationals over the last five years.

 hưởng trong với sự phát triển của nền kinh tế đa dạng trong Latin America. Nếu như từ thời kỳ bắt đầu, so sánh với các đối thủ khác, thì now the world’s largest producer of candies, and so well known for conservation and CSR programs, which underline both local links and re-investment in the country.

Marketing Relevant Messages

When resources, time, strategy or organizational structure prevent the creation of a tailored country campaign, it is still possible for brands to recognize the importance of local nuances, despite pronounced differences within the region. In particular, the depth of difference in terms of relative levels of income, education and infrastructure development is much greater than elsewhere.

One brand that has succeeded in delivering market relevant messaging in countries across Latin America while maintaining a consistent look and feel is Coca Cola. Recent regional campaigns have been devised as a sort of menu of different ads and slogans with the company running the most relevant local combinations in each country. The overall campaign, execution style and format remain the same across the region but the story and emphasis differ subtly from location to location.

Such campaigns are difficult to execute, but the benefits can be substantial and ensure that the brand’s values remain aligned and undiluted.

An example of a brand that has managed to stay aligned with its core values while appearing culturally attuned in a particular country is Diageo’s Johnnie Walker in Brazil. In a recent campaign, Diageo used the brand’s global platform of “Keep Walking” but made it relevant for Brazilian, tapping into the aspirational mood of the country and referencing local legend.

The Futures Company is the leading global insight and futures company. A larger version of this article, "The Coming Brands for Latin America," can be accessed as a future Perspectives Report on The Futures Company’s website, at www.thefuturescompany.com/free_thinking.
It has been more than 200 years since the emergence of the Industrial Revolution in England, that the world has seen such a powerful rebalancing of the scales of global economic power.

The emerging countries, especially BRICs—Brazil, Russia, India and China—have taken over the economic news, not because they’re in political and economic crises anymore, but because they’re important agents of global economic growth. The collapse of radical communism and the decline of wild capitalism, together with the technological evolution, promoted a more favorable environment for the blossoming of the emerging countries’ economies. People long stuck in poverty are beginning to find their space in the consumer market.

Economist Jim O’Neill created the BRIC acronym in 2001. An analyst for investment bank Goldman Sachs, O’Neill predicted that in 50 years, these four economies would be the most important worldwide. In the decade since he published his “Building Better Global Economic Brics” report, we have witnessed the growing economic and political strength of the BRICs and the weakening hegemony of the players that dominated the dynamics of the international economy during the past century: the US, Japan and Western Europe.

Brazil, the world’s largest country, has driven regional vitality and experienced 5 to 7 percent economic growth for the past few years. But Brazil is not the only Latin American country experiencing rising prosperity. The region’s economy grew an impressive 6 percent in 2010. And more than half of the population now is considered part of the middle class. However, estimates for 2012 indicate economic growth of 3.7 percent, below the 4.3 percent estimated for 2011, according to findings by the UN’s Economic Commission for Latin America and the Caribbean (ECLAC).

High inflation is one of the ghosts from the past that returns to haunt Latin America, some countries more than others. While in Venezuela and Argentina inflation is double digit, elsewhere it is around 3- to 6 percent. The price of commodities is another variable that will undoubtedly have repercussions on the region’s results for this year.

The fact remains that Latin America’s importance has grown and strengthened globally. Proof of this attainment is in the number of prestigious international conferences taking place in the region during 2012, including: Rio+20, the United Nations Conference on Sustainable Development in Brazil; the Summit of the Americas, in Colombia; the EU-Latin America Summit in Chile; and the Latin American World Economic Forum, in Mexico.

These events will take place as Latin America faces other developments and challenges, including national elections in some countries and public discontent about certain social issues, such as the quality and cost of education, as last year’s student protests in Chile illustrated. Continued economic growth will enable the countries of Latin America to welcome more of their citizens into the middle class and consumer society.
A tourist arriving in Rio de Janeiro for the first time probably would want to visit the Sugar Loaf, walk along Copacabana beach, and perhaps watch a game of football at the famous Maracana Stadium. This last option of course is not possible at the moment because the stadium that was built for the 1950 World Cup is currently being redeveloped for the next World Cup in 2014. Nevertheless, having taken in the sights and sounds of these regular tourist attractions a visitor probably would feel that he or she has received a good insight into the lifestyle of a Carioca – the name given to natives of Rio.

However, like any other city in the world, to get a more granular view of the habits and lifestyle of a resident, a quick trip to the local supermarket would be no bad thing. In the case of Rio, a visit to a Zona Sul supermarket (with its heart shaped logo), or a more price conscious Mundial supermarket, would give an equally enlightening look into the habits of a Carioca.

Obviously this type of granular view isn’t just restricted to supermarkets. The whole retail universe is a reflection of the society it serves. 

For most of the last century Latin America was on the periphery of the world’s economic and political stage. This was reflected by a retail universe that was dominated by traditional retailers that for the most part focused on offering basic products to low-income consumers in their local neighborhoods. Many of these traditional channels prided themselves on an “informal” market, which allowed them to compete on price with larger retailers.

But as Latin America’s economies have strengthened over the last decade, the consumption habits across the region moved on, and the retail landscape evolved. Non-basic consumption items have grown quickly all over Latin America led by the soft drinks and the beer categories. The opening of credit lines to consumers also has greatly changed consumption patterns, with greater spending on durable white goods (within the formal market) for the first time because the stadium that was

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By low-income consumers.

This clearly demonstrates that local knowledge still holds sway in the region, a region where the retail universe is taking place at an ever-faster rate. Supermarket chains, as well as department stores, are growing organically or through acquisitions, and gaining greater power. They are attracting more consumers, extending credit lines, gaining bargaining power with suppliers, and driving efficiencies across the supply chain.

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Limited multinational presence

Despite these advances of the modern trade, Walmart and Carrefour remain the only two multinational retail companies that figure in the Top 15 largest retailer groups in Latin America. This clearly demonstrates that local knowledge still holds sway in the region, a region where the local powerhouses grew up in difficult economic times of rampant inflation, complex supply chains, as well as competition from the informal market.

Chile, Mexico and Brazil represent the most developed retail environments in Latin America, and not surprisingly the biggest retailers in the region come from these three nations. Colombia is conspicuous by its lack of representation

(With the exception of the retailer Exito) in the top retailer list. But this has more to do with a mountainous country, which is very regionalised by topography, than with anything else.

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TOP 50 OVERVIEW
The 2012 Top 50 Most Valuable Latin American brands total $135.7 billion in value. Brazil accounts for just over one third of that value, which isn’t surprising since Brazil, one of the BRIC markets, is the world’s fifth largest country in land area, just after China, and the sixth largest economy with a GDP of $2.0 trillion in 2010, a gain of over 200 percent in a decade.

But it’s not just about Brazil. Mexico comprises 27 percent of the value of the 2012 Top 50 ranking. Together, Brazil and Mexico account for half of the brands, 14 each. Reflecting the diversity of the national economies, Brazil’s brands represent eight product categories and Mexico’s, six.

With 12 brands in the Top 50, Chile accounts for 20 percent of the 2012 Latam Top 50 total value, while Colombia with eight brands comprises 16 percent of total value. Five product categories in Chile and four in Colombia are included. In contrast, only two Argentine brands appear.

They total just 3 percent of the value of the Latam Top 50 and come from two product categories. All of the BrandZ™ Latam Top 50 most valuable brands are leaders in their country-markets. Many enjoy regional prominence. The Chilean retailers Falabella and Jumbo operate stores throughout South America. The Mexican telecom Telcel serves much of Latin America. And the financial institutions typically maintain locations in neighboring countries.

In addition, some of the BrandZ™ Latam Top 50 operate globally. Number 1 ranked Petróbras, the Brazilian energy giant, conducts exploration and refining activities in all parts of the world. The Brazilian food processors Sada and Pão de Açúcar export worldwide. Cemex of Mexico is a global building materials supplier. Chile’s LAN Airlines is in the final stages of a merger with TAM Airlines of Brazil to form one of the world’s largest carriers, LATAM.

Retail, leading the ranking

Retail is the most represented product category in the BrandZ™ Top 50, with 14 brands listed. Eight of the retail brands are Chilean, four are Mexican, Brazil and Colombia each has one. The dominance of retail reflects it’s central importance both for the distribution of merchandise and the provision of credit.

The second most represented category, financial institutions, also is fundamental to the health of Latin American’s economies. Five of the 10 financial institutions are Colombian and three are Brazilian. Mexico and Chile each have one. With eight brands in the Top 50, communication provider is the third most represented category, pointing to the influence of communications today. Five of the telecoms are Mexican.

The mix of categories in the BrandZ™ Latam Top 50 ranking is determined by geography, history, politics and economics of the various countries. Chile’s physical isolation in part inspired self-reliance and the development of retail. Brazil benefited from the richness of its natural resources. Economic turbulence and government policy has moderated the growth of brand value across most product categories in Argentina.

In some instances, the category mix suggests the influence of several powerful and wealthy Latin American entrepreneurs. Carlos Slim Helú, the Mexican financial magnate who Forbes magazine ranks as the world’s richest individual, owns substantial telecom and retail interests. Colombian Luis Carlos Sarmiento manages several bank brands under the holding company Angulo Grupo Aval Acciones y Valores SA.

Half of the brands in the BrandZ™ Top 50 Most Valuable Latin American Brands are either retailers or financial institutions, reflecting the central role of these categories in Latin American societies. Those two categories, along with communication provider, account for one-third of brands in the Top 50.
Top 100 and Telcel, Mexico’s telecom, ranks 97.

and gas company Petrobras ranks 75 in the 2012 BrandZ™ Top 100 Most Valuable Global Brands are not yet valuable enough to appear in the

Although appreciating in value, the Latam brands generally score low in Brand Contribution.

The highest scoring brands generally are retailers or beers. But Chile’s LAN Airlines and its energy brand Copiap also scored well as did Natura, the Brazilian cosmetics brand and Bimbo, the world’s largest distributor of bakery products, which is based in Mexico. Energy and industrial brands generally score low in Brand Contribution.

Reflecting their large and diverse economies, brand value is spread among many categories in the Brazil and Mexico BrandZ™ rankings. In contrast, brand value is concentrated in two categories, retail and financial institution, respectively, in the Chile and Colombia rankings.

Seventeen Latin American brands appear among the BrandZ™ Top 100 Most Valuable Global Brands and an additional 17 Latin American brands appear in the Top 1000 — 97 of which are in the Top 500. Several Latin American brands are among the Top 10 and appear at the top of their respective categories. The highest scoring brands generally are retailers or beers. But Chile’s LAN Airlines and its energy brand Copiap also scored well as did Natura, the Brazilian cosmetics brand and Bimbo, the world’s largest distributor of bakery products, which is based in Mexico. Energy and industrial brands generally score low in Brand Contribution.

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TOP 1000 LATIN AMERICAN BRANDS COUNTRY

<table>
<thead>
<tr>
<th>Category</th>
<th>Brazil</th>
<th>Mexico</th>
<th>Chile</th>
<th>Columbia</th>
<th>Argentina</th>
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<td>12</td>
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The high Brand Contribution scores of Chilean brands indicate the potential strength of brands in Latin America. Brand Contribution measures the impact on the future earning potential of brand alone, excluding other factors such as financial performance. It rates brands on a scale of 1 to 5, with 5 being the best score.

Of the 12 Chilean brands in the BrandZ™ Top 50 Most Valuable Latin American Brands, all but one received a Brand Contribution score of 4 or 5. The exception is in the energy category, which typically scores low in Brand Contribution. Brands in the other Latam countries score moderately well in Brand Contribution. Overall, 21 of the Top 50 Latin American brands scores 4 or 5 in brand contribution;

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<th>#</th>
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<th>Brand Value (US$ Mil.)</th>
<th>Brand Contribution Index</th>
<th>Brand</th>
<th>Brand Value (US$ Mil.)</th>
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**Latin America**

*Claro is based in Mexico but has no operations there.

Source: BrandEquities and Millward Brown Optimor.
ARGENTINA
Argentines live prepared for the worst. And for a good reason: just a decade ago, unemployment soared, currency devalued, violent protests erupted, wealth fled and Argentina defaulted on a major international debt.

The country rebounded strongly, with GDP improving almost 30 percent between 2000 and 2010, according to the World Bank. While the change is impressive it lags the dramatic improvement in neighboring Brazil, where GDP rose by over 200 percent during the same period. Still, personal income improved steadily as trade unions lobbied for higher wages and the government implemented social programs. The Universal Child Allowance, for example, distributes money to unemployed or underemployed families with children in an effort to reduce extreme poverty. Liberal extension of credit also enabled more people to acquire consumer goods. The Argentine economy is expected to expand by a healthy 6 percent in 2012, but that’s down several points from 2011, according to the nation’s central bank. Inflation is growing by almost 9 percent, according to the National Institute of Statistics and Censuses (INDEC). Other sources suggest that the inflation figure could be as high as 13 percent.

The Argentine economy has started to expand. Upward signs include improving exports, a strong export sector, improved investment, signs of recovery in the construction sector and a number of social programs. But policies limit brand choice. And for a good reason: just a decade ago, unemployment soared, currency devalued, violent protests erupted, wealth fled and Argentina defaulted on a major international debt.

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In the early twentieth century, Argentina was a prosperous country, although wealth was concentrated. For 30 years, from around 1916 until the ascension of Juan Perón to the presidency in 1946, the country was ruled first by a populist government and then by the military, directly or indirectly. Perón attempted to improve the lives of Argentines with a mix of policies, nationalizing certain industries and implementing social reforms. A military coup deposed Perón in 1955. He returned for a short period of leadership in the 1970s. Then a brutal and repressive military regime governed until losing power in 1983, following its defeat in the Falklands war. The economy continued to suffer under successive democratic governments. When Carlos Saúl Menem won the presidency, in 1989, the economy rebounded initially with a privatization program that included selling the national oil company, YPF. He also linked the value of the peso to the dollar. When the economy declined precipitously, the government froze personal assets and property values plummeted. Argentina defaulted on a large foreign debt in 2001.

With financial changes, including devaluation of the peso, the economy began to recover. By the time that Néstor Kirchner was elected president in 2003. He attacked corruption, introduced measures to contain inflation, made Argentines careful shoppers. Kirchner died in 2010. Current president, succeeded her husband. Nestor Kirchner in 2010.

YPF is Argentina’s leading energy company and largest fuel producer. It operates a fully integrated oil and gas business with leading market positions across the domestic upstream and downstream segments. Upstream operations include the exploration, development and production of crude oil, natural gas and propane. Downstream operations are focused on refining, marketing, transportation and distribution of oil and a wide range of petroleum products, petroleum derivatives, petrochemicals, propene and bio-fuels.

YPF operates a network of more than 1,600 filling stations and has the ability to produce 530,000 barrels of oil daily from 91 production areas transported by 2,700 kilometers (1,677 miles) of pipelines. The company was founded in 1922 and operated as a state enterprise until 1993 when a public offering reduced the government’s ownership stake to a minority position. In 1999, Spain’s Repsol acquired majority ownership of YPF, but early in 2012 the government reasserted ownership with a presidential decree to nationalize YPF.
2. PERSONAL TELECOM

Company: The Telecom Group
Brand Value: US$390 million
Headquarters: Buenos Aires
Industry: Communication Provider
Year Formed: 1990
Website: www.telecom.com.ar

PERSONAL IS THE MOBILE BRAND OF THE TELECOM GROUP.

Personal has 18.2 million customers in Argentina and nearly 70 percent of those rely on the company’s prepaid service. Personal relaunched its brand last year and introduced a distinctive new logo that features its name spelled out in letters that resemble handwriting. Personal drives brand awareness through sponsorship of signature events, such as the seventh annual Personal Fest musical festival that drew roughly 70,000 attendees over two days.

The company offers products for different segments of the market, such as the high-end Personal Black smartphone offering. The brand also seeks to drive loyalty through its Club Personal program. Personal parent company The Telecom Group was created in 1990 when the government allowed public ownership of the previously state-run enterprise. It began operations in 1990 after the government completed a transaction allowing for public ownership of the company, which now trades on the New York Stock Exchange under the symbol TEO.

3. TELECOM ARGENTINA

Company: The Telecom Group
Brand Value: US$533 million
Headquarters: Buenos Aires
Industry: Communication Provider
Year Formed: 1990
Website: www.telecom.com.ar

TELECOM ARGENTINA IS ONE OF THE MAIN NATIONAL TELECOMMUNICATION COMPANIES IN ARGENTINA.

Telecom Argentina offers local and long distance fixed-line telephony, cellular, data transmission and Internet services. The company offers mobile service through its Personal brand and Internet broadband service through its Arnet brand, which last year launched a video streaming service called Arnet Play that allows customers to watch a wide range of content on their televisions and computers at home.

The increased bundling of services, coupled with new products and service introductions in 2011, helped the company achieve a record low level of customer turnover. Telecom Argentina is one of the largest employers in the country with over 15,600 employees nationwide. It began operations in 1990 after the government completed a transaction allowing for public ownership of the company, which now trades on New York Stock Exchange under the symbol TEO.

4. quilmes

Company: Cervecería y Maltería Quilmes
Brand Value: US$681 million
Headquarters: Buenos Aires
Industry: Beer
Year Formed: 1890
Website: www.cerveceriaymalteriaquilmes.com

quilmes is argentina’s best-known beer brand.

Cervecería y Maltería Quilmes is the top brewer in Argentina and part of the Anheuser-Busch InBev brand hierarchy group’s extensive portfolio of more than 200 brands. Within the Anheuser-Busch InBev brand hierarchy, Quilmes is regarded as a “local champion” due to its leadership position within Argentina.

The company has 4,850 employees and operates five plants and eight distribution centers. The brand is active in promoting social initiatives such as “Vivamos Responsablemente,” focused on promoting responsible drinking and the “Futuro Posible” campaign which provides student scholarships and donations to hospitals and educational institutions.

5. BANCO GALICIA

Company: Banco de Galicia y Bueno Aires S.A
Brand Value: US$188 million
Headquarters: Buenos Aires
Industry: Financial Institution
Year Formed: 1905
Website: www.bancogalicia.com

 Banco Galicia is a major financial institution with 2.2 million account holders and an expanding branch network.

Banco Galicia serves its 2.2 million deposit account holders and 8.5 million credit card customers with nearly 500 branch locations. The company was founded in 1905 and ended its most recent fiscal year with 12,500 employees. The bank accounted for nearly 5 percent of loans to the private sector last year and remains a financial stalwart with year-end assets that topped 50.6 billion pesos ($3.6 billion approximately). The company’s shares are traded on the Buenos Aires Stock Exchange under the ticker symbol GALI. 
Argentina's GDP expanded by a healthy 8 percent during 2011, but is likely to slow because of both domestic and international factors. Global demand contributed to the strong economic expansion, as the price of raw materials reached historic levels. Inflation, however, remained a serious concern. Although the inflation rate was 11 percent, according to government sources, private estimates put the rate as high as 25 percent.

In fact, the price of a Fast Moving Consumer Goods (FMCG) basket grew 24 percent. Perhaps because inflation made the goods more expensive, FMCG sales remained flat, expanding by only 1 percent. Interestingly, any growth came from the middle class, but from consumers in lower income levels with purchasing power enhanced by government programs. These consumers increased FMCG spending 4 percent, while the middle class reduced its FMCG spending to afford the rising prices of other goods and services, such as education and insurance.

Because of inflation and rising prices consumers shopped for discounts. Early in 2011, deep discounts at modern retail stores drew consumers looking for maximum value during a period of rising inflation. Carmaker, for example, offered discounts of 20–25 percent to drive customer traffic on designated days. As discounting declined, however, consumers shifted back to shopping in the traditional retail channel.

Despite these challenges, effective marketing drove sales. The FMCG basket was filled with many examples of brand and product innovation, especially in the home care category, which enjoyed a sales increase of almost 4 percent. Some brands delivered more premium products and others offered value-for-money. In each case, when the strategy was clear and well communicated, results were solid.

Rising inflation is likely to continue throughout 2012. The government’s nationalization of the oil company YPF reflects a larger strategy for encouraging the development of local brands. Government policies also attempt to reduce unemployment and stimulate the economy with public spending on infrastructure. These measures should stimulate economic expansion, at least for the near term.

Media investment grew 31.5 percent year-on-year in 2011, reaching $4.2 billion (Please see chart). But, as in recent years, inflation contributed much of that improvement. In fact, the growth rate was greater than previous years mostly because of the new media law. Passed at the end of 2009, the Audiovisual Communication Services Law is intended to increase competition in an industry where power has been concentrated in a few companies.

The law, requiring a higher proportion of content to be produced in Argentina, affects advertising production because it increases the cost of TV and cable. The government’s goal of increasing the digitization of media also impacted the industry. The first digital-only television programs appeared. And many newspapers launched their digital platforms.

Media investment in Argentina increased significantly over the past few years because of inflation and the impact of the new communications law. Source: Monitor, Scopesi; Kantar Worldpanel
**ARGENTINA**

Most brands are developing digital or Internet campaigns and expanding rapidly into social media. Investment in Internet advertising almost doubled in 2011 (see chart). At the same time, the largest advertisers still rely on TV for broad communication of their campaigns, even though TV ad rates have increased substantially.

Changes in telecommunications also impacted the Argentine media industry, as the market experienced greater convergence of telecommunications and content. New platforms and devices continue to develop, with penetration growing steadily. But the rapid pace of change has raised important issues, such as the questions about intellectual property infractions.

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The Argentine population comprises people mostly of Italian and Spanish descent. The language is Spanish, the spirit, Italian. Argentina is the eighth largest country in the world.

The land is extremely fertile. There is a saying that you can drop anything anywhere, and it will grow. The land is extremely fertile. There is a saying that you can drop anything anywhere, and it will grow. Resources are also abundant: gold, silver, copper, gas, petroleum and uranium and many more, plus the country’s famous haystack. Resources are also abundant: gold, silver, copper, gas, petroleum and uranium and many more, plus the country’s famous haystack. After being one of the world’s 10 wealthiest nations at the beginning of the twentieth century, Argentina went through crisis after crisis, both economic and political—from 200 percent monthly inflation in the 1970’s and 80’s to various devaluations and currency changes. After being one of the world’s 10 wealthiest nations at the beginning of the twentieth century, Argentina went through crisis after crisis, both economic and political—from 200 percent monthly inflation in the 1970’s and 80’s to various devaluations and currency changes.

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Chile seems like the perfect test market. In a nation of only 17 million inhabitants, consumers find enormous choice across most product categories, much aimed at the broad middle class but also with price points for both the wealthy and the poor.

Cars are a good example. The choice includes not only the expected US brands, or even imports from France, the UK and Italy or Japan, but also Chinese and Indian brands. The range reflects both the nation’s openness to international brands and the ready market at all economic levels. It was not always this way.

In the 1970s, hyperinflation gripped the country. It reached 150 percent in 1973, the year of a brutal coup in which commander-in-chief of the army, General Augusto Pinochet seized power from the democratic and leftist government of Salvador Allende. During the 17 years that the repressive Pinochet regime controlled Chile it introduced a free market economy open to international trade. The free market model fit well with Chilean culture. Historically, Chile had been relatively isolated and self-sufficient, a thin ribbon of lightly populated land with few natural resources, set between the Andes Mountains and the Pacific Ocean. Local entrepreneurship emerged naturally from necessity.

Chile today is predominantly middle class. Between 2000 and 2010 GDP per capita grew 155 percent to almost $12,500, according to the World Bank. Chile has become a major consumer market. In 2010, it became the first Latin American member of the Organization for Economic Cooperation and Development (OECD), an international group devoted to improving economic and social wellbeing.

The factors that drove Chile’s rapid economic improvement include increased foreign investment. Direct Foreign Investment surpassed $15 billion in 2010, according to the World Bank.

Wide availability of affordable credit, not only from banks but also, in a distinctively Chilean phenomenon, from major retailers also played an important role. In addition, a relatively low tolerance for official corruption distinguishes Chile from some of its neighbors.

Brands are important. Chilean consumers prefer local brands for certain items such as wine. International brands are strong in apparel and luxury. People also spend disposable income on travel, with LAN, Chile’s national airline, promoting inexpensive flights to domestic destinations and neighboring countries.

Many brands market extensively, relying on traditional media to reach a mass audience. This broad-brush approach reflects the influence of some of Chile’s most active marketers, its retailers.

The major Chilean retailers all issue widely accepted credit cards, enabling the retailers to collect and maintain an enormous amount of data about customer purchases. They use this information internally for target marketing, however, and instead set the nation’s advertising tone with a focus on price promotions, usually in traditional media.


FUNDAMENTALS FOR BRAND BUILDING IN CHILE

1. Be relevant
There’s a lot of brand choice in Chile across most categories and price points. In many ways Chile resembles a developed market. Success requires being relevant.

2. Be different
Positioning at the premium or upper premium part of the range usually provides sufficient differentiation. The pressure for real difference is at the midrange.

3. Offer more than price
Price always is important but it’s not the single most important factor that it was perhaps 10 years ago. Price is one of many considerations that, depending on the category, can include product functionality, emotional appeal, design and style.

4. Think test market
Chile is a small market with a large opportunity. The country’s limited but solid consumer base makes Chile almost a test market, a place where brands can quickly expand and understand what works and what doesn’t work.

5. Know the retailers
Many of the multi-national retail leaders are absent from Chile because the market is small and the competition is tough. Chilean retailers are unusually strong and some operate throughout South America.

RETAILERS HELP LEAD CHANGE

Retail brands occupy an unusually prominent place in Chile’s economy. In the BrandZ™ ranking of Chile’s most valuable brands, eight of the Top 15 are retailers. BrandZ™ ranks two of the brands, Falabella and Sodimac, among the most valuable retail brands in the world. Founded in Chile in 1905, Falabella operates department stores and specialty outlets throughout South America. Its home improvement banner, Sodimac, also is a present outside of Chile.

The strength of the Chilean retailers, and their presence across Latin America, is complemented by the absence in Chile of some major multinational retail brands, such as Tesco and Carrefour. Wal-mart entered Chile relatively recently through acquisition. This relative lack of attention by global retail leaders can be explained in part by the small size of the Chilean market. But it also reflects the competence of the local players. Home Depot’s attempt to enter Chile in the late 1990s failed because the home improvement chain misjudged the market and Sodimac proved to be a formidable competitor.

One more feature of Chile distinguishes it in Latin America: its problems. Chile is experiencing the problems of a middle class country. Healthcare needs are high on the public’s agenda. Students are demonstrating for more equitable access to education at lower price.

Meeting citizen expectations for adequate healthcare and higher education are basic requirements in a progressive society. They come with costs, however. And the unresolved question in Chile is, who pays?
Falabella operates 40 large department stores throughout Chile and is a leading brand in the retail channel. The brand appeals to Chile’s more affluent shoppers with a consistently executed fashion-forward merchandising strategy that enables it to remain the industry leader. The brand’s first store opened in 1958. Following several decades of expansion throughout Chile, its presence was extended regionally in the 1990s. In 2011 addition of 25 locations under the banners Falabella. This major conglomerate has extensive interests across the retail industry including the Mall Plaza shopping center brand, the Sodimac home improvement brand, the Tottus supermarket brand as well as financial services offered under the Banco de Falabella brand created in 1998. The origins of the brand date back to 1889 when Italian immigrant Salvatore Falabella opened a tailor shop. Today, the brand he created is synonymous with the corporate identity of parent company SACI Falabella. This major conglomerate has extensive interests across the retail industry including the Mall Plaza shopping center brand, the Sodimac home improvement brand, the Tottus supermarket brand as well as financial services offered under the Banco de Falabella brand created in 1998. The LAN brand is instantly recognizable throughout Latin America due to the company’s extensive aircraft fleet, which features a distinctive blue and white color scheme and the signature LAN logo in large letters. The current LAN brand identity was adopted in 2004 and today the company operates a fleet of 149 aircraft that is one of the youngest in Latin American.

Falabella is the leading department store retailer in Chile. The Homecenter brand appears on 67 stores throughout Chile that are focused on serving consumer needs for home improvement products. The Homecenter brand is the most prevalent of the three formats its parent company Sodimac uses to serve the home improvement, building and construction materials market: it has augmented its presence beyond Chile, with 52 stores located in Argentina, Colombia and Peru.

Banco de Chile is one of the nation’s largest full service financial institutions. Founded in 1893, with the merger of Banco Nacional de Chile, Banco Agrícola and Banco de Vapores, Banco de Chile became the nation’s largest privately held bank. The bank remained privately controlled through the 1970s when the Chilean government asserted ownership of other Chilean financial institutions. Today, Banco de Chile, Banco Edwards-Citibank Chile, Banco de Vapores and Banco Edwards-Citibank have a combined network of 685 locations throughout Chile. The bank operates a branch network in areas outside of Santiago.

The origins of the Homecenter brand date back to the 1940s, when a small company known as Jorge began providing construction companies in Valparaiso with building materials. In 1952, the company became known as Sodimac. It entered the home improvement retail space in 1988, with the introduction of the Homecenter brand.

Banco de Chile is a commercial bank focused on serving individuals and corporations with traditional banking products and services and ranks among Chile’s leading consumer lenders and originators of mortgage loans. The bank operates a branch network consisting of 441 locations following the 2011 addition of 25 locations under the banners of Banco de Chile, Banco Edwards-Citibank Chile, and Banco de Vapores. As of a plan adopted in 2010, Banco de Chile is focused on expanding its branch network in areas outside of Chile.

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Lan Airlines SA

Banco de Chile

Banco de Chile SA

Company SACI Falabella
Brand Value US$5,263 million
Headquarter City Santiago
Industry Retail
Year Formed 1889
Website www.falabella.com

Company LAN Airlines SA
Brand Value US$7,964 million
Headquarter City Santiago
Industry Air Transportation
Year Formed 1929
Website www.lan.com

Company Sodimac SA
Brand Value US$3,318 million
Headquarter City Santiago
Industry Retail
Year Formed 1988
Website www.sodimac.cl

Company Banco de Chile SA
Brand Value US$3,109 million
Headquarter City Santiago
Industry Financial Institution
Year Formed 1893
Website www.bancochile.cl

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<th>Company</th>
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<td>PARIS</td>
<td>US$1,699 million</td>
<td>Santiago</td>
<td>Retail</td>
<td>1900</td>
<td><a href="http://www.paris.cl">www.paris.cl</a></td>
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<tr>
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<td>JUMBO</td>
<td>US$1,780 million</td>
<td>Santiago</td>
<td>Retail</td>
<td>1976</td>
<td><a href="http://www.jumbo.cl">www.jumbo.cl</a></td>
</tr>
</tbody>
</table>

**COPEC is Chile’s Leading Fuel Brand.**

COPEC has been in existence for 78 years and is Chile’s best-known brand of fuel, with an estimated market share of 62 percent. The company leveraged its petrochemical expertise to enter the market for lubricants in 1996, where its market share is estimated to be 40 percent. To enhance the COPEC network of 620 fuel stations, the company created a complementary brand called Pronto.

Pronto describes three convenience store formats where expanded assortments of general merchandise and food are offered at COPEC branded service stations under the banners of Ciudado, Pronto or Barra. COPEC also operates a chain of 200 small format non-fuel convenience stores under the Pronto COPEC brand. It was introduced in 2000 and in 2011 saw the most aggressive expansion ever with 38 units added.

**The Lider Supermarket Brand is Owned by Walmart.**

Lider operates 69 supermarkets that average 77,000 square feet (6,600 square meters), as well as 37 smaller format Express Lider stores, which average 17,000 square feet (1,600 square meters). The brand grew slowly in 2011 as Lider and Express Lider each added one unit. In early 2009, Wal-Mart Stores, Inc. expressed a controlling interest in the Lider brand’s parent company, Distribución y Servicios D&S SA. The following year D&S changed its name to Walmart Chile SA.

Under Walmart’s ownership, the Lider brand has placed an increased emphasis on everyday low prices in keeping with the long-standing strategy of its parent company. In addition, growth of the Lider brand has taken a backseat to Walmart Chile’s other food formats, Ecomundo and SuperBodega aCuentas, which serve the market in a no-frills and limited assortment fashion. Walmart Chile added 23 small format Ecomundo stores to end 2011 with 157 units. It added 13 SuperBodega aCuentas stores to the year with 51 units. Walmart Chile ended 2011 with a total of 314 food formats operating under four different banners.

**Paris is the Second Largest Department Store Brand in Chile.**

Paris is the second largest department store brand in Chile where it operates 36 stores in leading shopping centers. Paris appeals to shoppers with a differentiated product assortment that includes brands from well-known designers complemented by a range of well-established proprietary brands available in key categories such as apparel, home and electronics. To enhance its competitive positioning in recent years, Paris has sought to project a more modern and stylish image that appeals to younger shoppers.

**Jumbo Opened Chile’s First Hypermarkets.**

Jumbo opened its first hypermarket in Santiago in 1976 and three years later became Chile’s first hypermarket chain with the opening of its second location. The chain was founded by German immigrant Rudolph Haas for whom Jumbo would serve as a steppingstone to build parent company Cencosud into what today is one of Latin America’s dominant retail holding companies.

Following the addition of four new stores in 2011, there are now 32 stores operating under the Jumbo brand in Chile, including 13 in the Santiago area.
MALL PLAZA

Mall Plaza opened its first shopping center in 1990 and today it operates 11 malls throughout Chile that encompass 9.2 million square feet (855,000 square meters), and attract 18.5 million visitors annually. To create a more compelling shopping experience and encourage repeat visits, Mall Plaza has added amenities such as movie theaters, health and automotive centers and activities including art fairs and entertainment events.

Mall Plaza grew within Chile from its founding, in 1990, until opening its first location in Peru in 2007. There are now three Mall Plaza locations in Peru and the brand is on the brink of entering Colombia with a mall expected to open in the second half of 2012.

RIPLEY

Ripley is one of the major companies within the retail sector in Chile, operating 39 department stores, including 16 in the Santiago area that sell apparel and household products. The company also operates a financial services arm that offers credit cards and other financial services.

Brothers Lazaro and Marcelo Calderon founded Ripley, opening their first department store in Santiago in 1956. The brand began as a single store in Valparaíso and gradually expanded before making several acquisitions of regional Chilean operations that facilitated expansion into Santiago and other major markets.

In 2005 Ripley completed an initial public stock offering and next year it plans to enter Colombia.

SANTA ISABEL

Santa Isabel operates 157 supermarkets throughout Chile, which average a little more than 16,000 square feet (1,500 square meters). The brand began as a single store in Valparaíso and gradually expanded before making several acquisitions of regional Chilean operations that facilitated expansion into Santiago and other major markets.

In 2003, Santa Isabel was acquired by Chile’s leading retail conglomerate Cencosud, which sought a smaller format food retail operation to complement its existing large format operation, operating under the Jumbo brand. Cencosud accelerated the growth of Santa Isabel in 2011, with the opening of 23 new stores.

ARAUCO

Arauco is a major owner of timberlands and a leading producer of forest products such as logs, sawn timber, pulp, plywood and fiberboard. The company sources timber from 3.9 million acres (1.6 million hectares) of land in Chile, Argentina, Brazil and Uruguay. The brand is a leader in sustainable forestry practices and also generates enough electricity from its seven power plants, running on forest biomass, to generate revenue through the sale of carbon credits.

The brand was created in 1967 when the Chilean government’s development corporation founded Industrias de Celulosa Arauco. In 1977, the government allowed privatization of the forestry industry and Arauco was sold to Compañía de Petróleos de Chile SA, or Copes. In 1979, Copes acquired Chile’s other leading forestry company, Celulosa Constitución y Artefactos SA, or Cencosud, and merged it with Arauco to create Celulosa Arauco y Constitución SA, a wholly owned subsidiary of Copes. Subsequent to being acquired by Copes, Arauco has made numerous acquisitions that increased the company’s timber holdings, diversified its product portfolio and expanded its forest products production capacity.
Bci is celebrating its 75th year.

The bank offers a full range of financial services and enjoys the distinction of being one of the few financial institutions that remained private during Chile’s period of nationalization. Since 1984, Bci has relied on the positioning statement, “We are different.” The bank reinforces that brand identity with a distinctive and colorful logo.

The bank was founded in 1937 in Santiago and in 2012 observes its seventy-fifth anniversary. In 1956, Bci opened its first branch in Valparaíso and in 1987 the bank created its first subsidiary, Bancórdito Securities SA Agent. In 1999, the first international branch opened in Miami. Bci’s range of service offerings, and presence throughout Chile with 300 offices, has allowed it to remain one of the nation’s most important banks.

Easy is Chile’s second largest home improvement retailer.

The Easy brand was founded in Argentina in 1993 with the opening of its first home improvement store. The following year saw the brand enter Chile where it now operates 29 stores, compared with 39 Easy stores in Argentina. Easy stores offer roughly 35,000 items. A core aspect of the brand’s value proposition is low prices and Easy offers a “never pay more” guarantee that provides shoppers a 10 percent discount on comparable items if they find a lower price elsewhere.

The Easy brand extended its regional presence beyond Chile and Argentina in 2008 when the first store opened in Colombia. There are now four Easy home improvement stores in Colombia. Easy is among the leading retail brands owned by Cencosud, Chile’s largest retail conglomerate.

Cristal is the leading brand from Chile’s largest brewer.

The Cristal brand has been a market share leader in Chile for the past 20 years thanks to heavy and consistent advertising support that positions Cristal as a Chilean brand. It is regarded as the flagship brand of Compañía de Cervecerías Unidas (CCU) and in 2011 accounted for 45 percent of the company’s beer sales in Chile.

The origins of the Cristal brand date back to 1850 when Chile’s first brewery was opened in Valparaíso by don Joaquín Plagemann. It later merged with other brewers and in 1902 became Compañía Cervecerías Unidas SA. In 1992, the company’s shares began trading on the New York Stock Exchange under the symbol CCU.
During the last 10 years, Chile has managed to maintain political stability and to achieve consistent economic growth. We are now in the middle of the fifth government after democracy was re-established in the country in 1990, following 17 years of military dictatorship. These political and economic changes have made a difference in how Chile is perceived by the governments of other countries and has enabled Chile to enter into many free trade agreements. Although Chile still needs to reduce inequality in income, education and health care, there has been enormous improvement in many areas, including the availability of consumer goods and services. This important trend has been fuelled by the availability of consumer goods and social changes is the transformation of Chile into a consumer society, strongly driven by the increased purchasing power. The middle class has expanded and even lower income people have greater access to products such as cars, technology and mobile devices. This change is obvious in the development of Chilean retail during the past 15 years. Chilean consumers enjoy a range of products and level of quality unsurpassed in Latin America. The country now is shifting into a later stage of consumerism, with Chileans increasingly seeking products that satisfy not only basic needs but also self-esteem.

"SANHATTAN" SYMBOLIZES NEW CHILE

A nation of connected consumers

When the Costanera Center is inaugurated, not long from now, Chile will have the tallest building in Latin America. The 70-story tower is part of a mixed-use complex of retail and shops in the financial district of Santiago. Chileans refer to the area as "Sanhattan," a reference to Manhattan and a symbol of how rapidly the country is reaching higher levels of development, with fast highways, enormous shopping malls and tall skyscrapers.

Chileans use social networks to learn about products and services, and most of all to contact other consumers and share experiences. Social networks are already a part of daily life and consumers link to brands through Facebook users according to B4America, and almost 13 percent used Twitter.

As income increases at all socio-economic levels, people throughout Chilean society enjoy greater access to products and services that in the past were out of reach for many. Cars, smartphones and electronic devices are widely available. Going out to dine or have a drink is no longer restricted to a few; flying domestically or even abroad is not only a privilege of the richest. The consumer has become more engaged with technology. Mobile phones have long exceeded 100 percent penetration; many people now have smartphones. Notebooks, digital cameras, portable media players and tablets have become necessities rather than luxuries. Home computers and Internet connection are common.

Chilean statistics on the use of Internet and social networks—mainly Facebook—tend to resemble those of developed countries rather than regional neighbors. That’s because the shopper needs to be connected. Social networks are already a part of daily life and consumers link to brands through them. Consumers use social networks to learn more about products and services, and most of all to contact other consumers and share experiences.
Retailers have a lot to do with all these changes. They have formalized trade, moving most transactions from the traditional “mom and pop” economy to supermarkets and shopping malls. And they’ve extended their influence throughout South America. Chilean retailers operate in Peru, Argentina and Colombia and are planning expansion to Brazil and Mexico. They also have helped improve the lives of most Chileans, providing greater access to products by providing credit. Retailer credit cards are accepted widely and are twice as numerous as bankcards.

Economic progress recently has been punctuated by several major scandals involving retail chains, protests against the government demanding greater equality of opportunity. The retail scandals involved a pharmacy charged for a medicine charged with price fixing and a clothing retailer accused of raising credit debt without informing its customers. Students have held street demonstrations arguing for a more equitable credit card customers. Retailers also conditioned Chilean consumers to be value driven and accustomed to obtaining credit. Retailers enfranchised lower income consumers excluded by the banking sector from purchases, retailers enfranchised lower income consumers.

Retail has influenced Chile’s consumption patterns and overall consumer spending. By financing purchases, retailers entrenched lower income consumers excluded by the banking sector from purchases.

Chile is one of the more market-oriented economies in Latin America, characterized by a significant level of foreign trade and a highly developed retail segment that is expanding aggressively to the rest of the continent. A small market relative to its neighbors, Chile’s 17 million consumers rank among the highest in the region in mobile usage and Internet penetration. The World Bank calculated 2010 GDP at $212.7 billion and at $12,431 per capita. Although a large part of the country’s wealth comes from mining and agriculture, with commodities accounting for at least two-thirds of total exports (copper alone provides one-third of government revenue), today the fastest growing segments are service related.

High-value brands are concentrated in four service businesses: retail, airlines, shopping mall development, and banking. Within retail, Chile today is the hub for the largest retailers in Latin America, Falabella and Cencosud. In addition to operating a diversified portfolio of retail brands including department stores, supermarkets and specialty outlets, both organizations also provide insurance, travel and credit services.
Ten years ago Colombians felt like prisoners, confined to the cities where they lived, frightened by an epidemic of drug-related and political violence. The violence was a symptom of the drug wars and the battle between the government and the Revolutionary Armed Forces of Colombia (FARC), which lasted about 40 years.

Violence, the wide disparity between rich and poor and unemployment—declining but still over 10 percent in 2011—remained the country’s most serious problems. But they’re being addressed and Colombia is changing dramatically. Between 2000 and 2010, GDP almost tripled from $100.4 billion to $288.9 billion, according to the World Bank. GDP per capita increased to $6,240 in 2010, from $2,524 in 2000, during a period of moderate inflation. Credit is more widely available. One of the major utility companies, aligned with a bank, issues a credit card and coordinates payments due with monthly utility bills. The international community recognized the changed Colombia in April 2012, when the heads of state from 32 Western Hemisphere nations met in Cartagena for the Summit of the Americas. And, of course, Colombia is the first letter in CIVETS, the acronym for the next group of fast growing markets to follow the BRICs: Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa.

Like in most fast growing markets, major financial institutions and telecoms, some formally state-owned, dominate the BrandZ™ ranking of most valuable Colombian brands. With the reduction of violence, latent entrepreneurship is beginning to re surge in this nation with a tradition of democratic institutions and small shop owners.

The changes began in 2002, because of an unremitting effort to restore security and rebuild the economy led by President Alvaro Uribe and Defense Minister Juan Manuel Santos, who succeeded Uribe and now serves as Colombia’s president.

Until then Colombia received little foreign investment and few international brands were present. Fear created a mentality of inconspicuous consumption to avoid attention that might attract trouble. The Free Trade agreement signed with the US in 2006 accelerated Foreign Direct Investment (FDI). Today, the US comprises about one-third of foreign investment. Mining and petroleum account for about 61 percent of all FDI. Mexican entrepreneur Carlos Slim Helú has increased his investment in Colombia.

FDI almost doubled in 2011, with a 92 percent year-over-year gain to $13.2 billion, according to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). In 2012, Colombia’s Foreign Trade Ministry expects FDI to exceed $15 billion, compared with $2.1 billion in 2002. A wide disparity still separates the rich and poor. But the middle class is expanding. And consumption has increased among all economic groups, although in varying ways. 
COMMODITY PRODUCTS ADDED VALUE

Colombians increasingly spend money on cable TV and international vacations. Car sales exploded to almost 325,000 units in 2011, based in part on increased affordability because of a strong peso. While ultra luxury may still be the province only of the wealthy, poorer people are shifting to better quality products when possible, perhaps buying a brand shampoo, for example.

Coffee is a good example of the shift in local consumption to more up-scale products among some consumers. Ironically, since Colombia is known internationally for the quality of its coffee beans, producers had reserved the best crop for export. Until recently, Colombians considered coffee a commodity and drank the most inexpensive variety. Diet is another example of a category that was considered a commodity but today offers products that range from low price to premium. Alpina is a strong regional dairy brand based in Colombia. Local fashion entrepreneurial brands include Autors Caffe, an apparel marketer for men, Mario Hernandez, a designer of apparel and accessories for men and women, and Fasile Clothing.

Consumers often shop in modern retail stores. The hypermarkets Carrefour and Casino operate in Colombia. US retailer Office Depot recently entered the market. Chile’s Falabella department store is represented as is Falabella’s home improvement brand, Sodimac, which indicates demand for home decoration products. Exito operate hypermarkets and supermarkets throughout Colombia and is one of the country’s BrandZ™ Top 10 most valuable brands. Of the other brands in Colombia’s BrandZ™ Top 10 most valuable, five are financial institutions, three are communications providers and one is an energy company, the state-owned Ecopetrol. Colombia’s most valuable brand, telecom Comcel, is part owned by Mexico’s América Móvil, the largest telecom in Latin America.

FUNDAMENTALS FOR BRAND BUILDING IN COLOMBIA

1. Revise assumptions
   The Colombia under siege from political and drug violence is not the Colombia making rapid economic and social progress today.

2. Show respect
   Don’t look down or patronize Colombians as third-world citizens. Colombians appreciate brands and understand real value.

3. Offer quality
   Colombians are not looking for cheaper or old-fashioned brands. They’re searching for quality. Major fashion brands from all over the world have found unexpected success in Colombia during the past few years.

4. Expect competition
   Do not underestimate local brands. Understand the emotional bonds and market insights that connect these brands with consumers.

5. Anticipate diversity
   Prepare for the differences among regions in Colombia. The country consists of at least four psychographic profiles: Caribbean, Pacific, Antioquia, and Andean.

BrandZ™ Top 10 Most Valuable Colombian Brands 2012

<table>
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<tr>
<th>#</th>
<th>Brand</th>
<th>Brand Value (US$ Mil.)</th>
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<td>tiqo</td>
<td>517</td>
<td>3</td>
<td>Communication Provider</td>
</tr>
</tbody>
</table>
**1. COMCEL**

Company: Comunicaciones Celulares SA  
Brand Value: US$4,240 million  
Headquarter City: Bogotá  
Industry: Telecommunications  
Year Formed: 1994  
Website: www.comcel.com

**ECOPETROL**

A vertically integrated oil company, Ecopetrol is engaged in the exploration, production, transportation, refining, and marketing of petroleum chemicals. It employs 87,000 people. Ecopetrol was founded in 1951 as the wholly state owned company, Empresa Colombiana de Petróleos.

In 2003, the company initiated an ownership transition and restructuring process to improve its competitive position. The environmentally friendly company, Ecopetrol SA was adopted and the company became a stock holding company completely owned by the government through the Colombian Ministry of Mines and Energy. The transformation continued in 2007, when Ecopetrol conducted an initial public stock offering and shifted to what is known as a mixed economy company in which investors are allowed to own shares while the government maintains a majority ownership position.

A secondary offering last year that made shares available to only Colombian investors expanded the company’s securities by 24 percent. By law, the Colombian government maintains a majority ownership position. The company also owns Claro and other wireless brands that serve the Americas.

**3. BANCO DE BOGOTÁ**

Company: Banco de Bogotá  
Brand Value: US$4,242 million  
Headquarter City: Bogotá  
Industry: Financial Services  
Year Formed: 1870  
Website: www.bancomdebogota.com

Founded in 1870, Banco de Bogotá today is the country’s second largest bank. It serves nearly three million customers with 626 branch locations, more than 1,000 automated teller machines and approximately 9,000 employees. It is a full service bank and enjoys a leadership position with commercial lending and large business customers.

In July 2011, the bank introduced a new advertising campaign with the tag line, “Un banco hecho entre dos,” which translates loosely to “a bank created for everyone.” The campaign sought to reframe the customers’ view of the financial institution and instill the belief that working together in a close relationship with the bank will lead to a common good.

The campaign capped a 20-year-period of growth through acquisition, including notable deals involving Bancobras and Bancoamerica in 1992, Megabanco in 2006 and BAC Credomatic in 2010. Grupo Aval Acciones y Valores SA is the bank’s largest shareholder, which owns a majority position at the end of 2011. Ecopetrol’s shares are traded on the New York Stock Exchange under the symbol ECP.

**BANCOCOLOMBIA**

The bank serves more than seven million customers with a branch network that consists of 779 Banco Cobolmbia branded locations and 2,874 automatic teller machines in Colombia. To provide financial services to customers in remote areas BancoCobolmbia has a relationship with 970 non-bank locations through which it is able to provide basic financial services. In addition, the brand relies on 697 Mobile Points of Attention (Puntos de Atención Móvil) advisors who visit small towns to offer products and services. The bank and its subsidiaries employ nearly 24,000 people.

BancoCobolmbia was incorporated in Colombia under the name Banco Industrial Colombiano SA in 1945. The bank assumed its current identity in 1998, following a merger with Banco de Colombia SA that had been reinventing the combined entity BancoCobolmbia. In 2005, BancoCobolmbia enhanced it’s industry leadership position through the acquisition of mortgage bank Consorcio and corporate credit and investment bank Continental. BancoCobolmbia acquired the Bancogalpern brand in 2007. Shares of BancoCobolmbia have traded on the New York Stock Exchange under the symbol CIB since 1995. Grupo de Inversiones Suramericana SA is the bank’s largest shareholder, also. In 1995, BancoCobolmbia became the first Colombian company to enter the US market. The bank also has a presence in El Salvador, Peru, Puerto Rico, Panama and the Cayman Islands.

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**2. ECOPETROL**

Company: Ecopetrol SA  
Brand Value: US$5,513 million  
Headquarter City: Bogotá  
Industry: Energy  
Year Formed: 1994  
Website: www.ecopetrol.com.co

Ecopetrol is Colombia’s largest company in revenue.

It is the largest brand within Grupo Aval’s network of financial institutions.

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### BrandZ™ Top 50 Most Valuable Latin American Brands 2012

#### 5. Banco Popular

- **Company**: Banco Popular SA
- **Brand Value**: US$1,251 million
- **Headquarter City**: Bogotá
- **Industry**: Financial Services
- **Year Formed**: 1965
- **Website**: www.bancopopular.com.co

**Brand Popularity is a Market Leader in Consumer Loans.**

The brand was established in 1950 as a government-owned institution and began the process of privatization in 1996 when entities controlled by Colombian financier magnate Luis Carlos Sarmiento Angulo acquired the bank. In 2006, Banco Popular was acquired by Grupo Aval Acciones y Valores SA, also controlled by Sarmiento Angulo. In 2008, Grupo Aval acquired additional Banco Popular shares from the Colombian government to end 2011 with a 93.7 percent ownership stake.

#### 6. Davivienda

- **Company**: Banco Davivienda SA
- **Brand Value**: US$1,168 million
- **Headquarter City**: Bogotá
- **Industry**: Financial Services
- **Year Formed**: 1972
- **Website**: www.davivienda.com

**An Iconic Logo Makes Davivienda One of Colombia’s Most Recognizable Brands.**

The Davivienda brand’s presence in the market consists of a network of 559 bank branch locations in 176 cities, 1,445 automatic teller machines and nearly 11,000 employees that serve four million customers.

The brand was founded in 1972 as the Corporación Colombiana de Ahorro y Vivienda and initially operated as a savings and loan under the brand name Colámbaro. The brand identity changed throughout the 1980s to Davivienda in 1997 and colorful logo known as La Casita Roja (little red house) is among the most identifiable corporate logos in Colombia. The campaign complemented the brand’s longstanding focus on depositor security. In 2005, Davivienda acquired Banco Superior SA and in 2007 OrganoBanc SA-Barquero was acquired. Last year, the brand announced the acquisition of HMB’s holding operations in El Salvador, Costa Rica and Honduras. Davivienda is a part of the Sociedades Bolivariana holding company.

#### 7. Éxito

- **Company**: Almacenes Éxito SA
- **Brand Value**: US$1,168 million
- **Headquarter City**: Envigado
- **Industry**: Retailing
- **Year Formed**: 1949
- **Website**: www.exito.com

**Éxito is the Leading Retail Brand in Colombia.**

With a total of 190 stores, the company operates under various formats including the flagship Éxito hypermarket and smaller formats such as the Éxito Vencer, Éxito Super and the newest small format, Éxito Express, which opened in 2010. The range of formats allowed the Éxito brand to expand rapidly, adding 62 stores in 2011. In addition, the Éxito brand is a leveraged across the portfolio of businesses that include credit cards, travel, insurance and service stations.

#### 8. Banco de Occidente

- **Company**: Banco de Occidente SA
- **Brand Value**: US$1,43 million
- **Headquarter City**: Santiago de Cali
- **Industry**: Financial Services
- **Year Formed**: 1965
- **Website**: www.bancodeoccidente.com.co

**Banco de Occidente Focuses on Businesses and Affluent Individuals.**

Banco de Occidente is the fifth largest bank in Colombia. It offers comprehensive banking services with a special focus on serving large and medium-sized businesses along with middle and high-income clients. Accordingly, the bank’s network of 183 branches and 175 automatic teller machines are concentrated Bogotá and the central part of the country. The bank had 62,500 business customers and 441,200 individual customers at the end of 2011.

Founded in 1965 in Cali, Banco de Occidente was acquired by one of Colombia’s wealthiest individuals and major bankers, Luis Carlos Sarmiento Angulo, in 1971. The Occidente brand was extended to Panama in 1982 and in 1991 Fiduciaria de Occidente was founded to provide service in southwestern Colombia.

Grupo Aval Acciones y Valores SA, the large holding company controlled by Luis Carlos Sarmiento, acquired Banco de Occidente in 1999. In 2007, Grupo Aval Acciones y Valores SA, the bank’s holding company was acquired by Grupo Aval Acciones y Valores SA. In 2011, the brand announced the acquisition of HMB’s holding operations in El Salvador, Costa Rica and Honduras. Davivienda is a part of the Sociedades Bolivariana holding company.

Fiduciaria de Occidente and Grupo Aval Acciones y Valores SA, the large holding company controlled by Sarmiento Angulo own 85.5 percent of Banco de Occidente.
ETB IS A LEADING TELECOMMUNICATIONS BRAND IN COLOMBIA.

ETB is one of the most recognizable telecommunications brands in Colombia and last year sought to reinforce awareness of the brand and its breadth of offerings with the launch of its Inspire (Get Inspired) ad campaign. The extensive campaign used a variety of media including print, electronic, digital and out of home in shopping malls and billboards.

The ETB brand offers a wide range of services including local and long distance fixed line telephone service, Internet broadband, television and data services for corporate clients.

The origins of ETB date back to 1884 when Cuban José Raimundo Martínez created the Colombian Telephone Company. In 1932, the company became the property of the city of Bogotá and its name was changed to Bogotá Telephone Company. In 1992, the name was changed to Bogotá Telecommunications Company (Empresa de Telecomunicaciones de Bogotá). The 11.6 percent of ETB shares not owned by the city of Bogotá are publicly traded on Colombia’s stock exchange.

TIGO WAS THE FIRST COLOMBIAN MOBILE PROVIDER TO PROMOTE HIGH-SPEED 4G SERVICE.

The country’s third largest mobile brand, Tigo has nearly 4.9 mobile customers in Colombia, 80 percent of whom use prepaid service. The brand is regarded as a value offering that provides voice service coverage to more than 80 percent of the country.

The Tigo brand was introduced to the market in 2006, but its origins date back two years earlier to when UNE Telecomunicaciones SA ESP, a company owned by the city of Medellín, and Empresa de Telecomunicaciones de Bogotá ETB SA ESP, a company owned and controlled by the municipality of Bogotá, created Colombia Móvil to offer services under the Ola brand.

The brand name changed from Ola to Tigo, a condensed version of the Spanish word contigo (with you), following acquisition of a minority position by Luxembourg-based Millicom International Cellular SA, in 2006. Millicom uses the Tigo brand for its telecom services in Latin America and Africa.

Tigo is Colombia’s third largest mobile brand, with nearly 4.9 million customers. It is regarded as a value offering that provides voice service coverage to more than 80 percent of the country. The brand was introduced to the market in 2006, but its origins date back two years earlier to when UNE Telecomunicaciones SA ESP and Empresa de Telecomunicaciones de Bogotá created Colombia Móvil to offer services under the Ola brand. The brand name changed from Ola to Tigo, a condensed version of the Spanish word contigo (with you), following acquisition of a minority position by Luxembourg-based Millicom International Cellular SA, in 2006. Millicom uses the Tigo brand for its telecom services in Latin America and Africa.

MARKETERS REACH CONSUMERS WITH SOCIAL MEDIA

As consumers encounter brands more often at many multi-channel touch points, Colombia is shifting from a country where consumers simply purchase products to a market where consumers identify with brands. This heightened awareness of brands has created a more demanding shopper and a more complex marketplace with brands competing to best understand shoppers and most effectively meet their needs and wants.

Colombian consumers are rapidly becoming more engaged with brands. The change reflects the country’s new economic reality. Consumption in Colombia increased 12.8 percent during 2011, and GDP grew 6.1 percent, according to Colombia’s National Federation of Traders (FENALCO). The country’s overall economic development, including increased foreign investment and consumer access to credit, continues to stimulate strong growth.

GABRIEL CASTELLANOS
Managing Director Andean Region
Millward Brown Colombia

ECONOMIC GROWTH DRIVES BRAND AWARENESS

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Managing Director Andean Region
Millward Brown Colombia
In the last 15 years, Colombia transformed from a closed country to a partner in free trade agreements with some of the world’s largest markets. Internet and cable TV surpassed television as the preferred electronic medium, providing Colombians wider exposure to products and services—and brands.

More than 96 percent of Colombia’s online population uses social networks sites, according to ComScore. The use of social networks to communicate with consumers is experiencing double-digit growth, according to the Colombia’s Interactive Advertising Bureau. More than 96 percent of Colombia’s online population uses social networks sites, according to ComScore. The use of social networks to communicate with consumers is experiencing double-digit growth, according to the Colombia’s Interactive Advertising Bureau.

Also, among all countries in the world, Colombia ranks seventh in numbers of hours spent on digital media and brand equity research.

These findings have driven increased interest by brands to better understand how to develop the appropriate digital strategies to maximize ROI. Brand marketers have a great opportunity to reach Colombian consumers on social media for two reasons.

First, Colombian consumers are actively engaged in social media. The country has one of the highest Internet penetration rates in the region. Second, the country has one of the lowest investment rates in digital media. In 2011, only 0.9 percent of the communication investment was in digital compared with 7 percent in Mexico and 6 percent in Brazil, according to GroupM research.

There probably are several reasons for this disconnection between the high level of consumer digital engagement and the low level of investment. The most likely explanation is that Colombia’s image, as a country gripped by violence, has not caught up with Colombia’s new reality as a fast growing economy.

In a series from the 2005 film Mr. and Mrs. Smith, the characters played by Brad Pitt and Angelina Jolie meet Bogota. The movie depicts Colombia’s capital as a warm and humid place with a rural look, caught in time.

Bogota enjoys really nice weather, temperate and dry most of the year, and visitors can find high quality restaurants, excellent architecture and shops comparable to anything in the world’s most attractive cities.

The conclusion for brand marketers should be clear: In Colombia, there’s a large group of potential customers online who are interested in brands and there’s relatively little clutter preventing you from reaching them.

An action film called “Colombiana” received many negative reviews from the Colombian public last year.

People complained that the film by producer Luc Besson presented a stereotypical version of their country. No one knows about Colombia’s history of poverty and violence better than its citizens. But filmmakers usually exaggerate the imagery and shoot these scenes at locations outside of Colombia.

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MEDIA INVESTMENT INCREASES

With better business climate

In the past 10 years, Colombia has significantly reduced inflation and steadily grown GDP. Business-friendly political and economic policies, including free trade agreements, have raised the country’s profile and attracted foreign investment. We’ve seen a correlative increase in media investment. And media mix has expanded, although TV remains dominant. Because TV reaches 92 percent of the population, TV also remains the most expensive marketing medium. Advertiser demand and the existence of only two national channels keep prices high and build interest in less expensive digital alternatives.

Internet penetration has a reach of 63 percent overall and 81 percent among higher socioeconomic groups, according to TGI. Even as we explore digital, however, we remain loyal to TV and other traditional media. We simply add digital to the menu and become more multi-media. For example, one of the country’s biggest media groups, Casa Editorial El Tiempo, has

 changed dramatically in the last five years. The group publishes El Tiempo, Colombia’s most widely read newspaper. The daily newspaper continues to be important for many readers. And it’s a virtual expression of the brand. But to reach all audiences, particularly the young, El Tiempo also makes content available online anytime. These new websites or mobile options offer new spaces in which brands can participate.

Brands need to cultivate strategic relationships with media outlets that deliver content across a wide variety of touch points. The brand enjoys two key advantages: lower media costs and greater impact. Not only are prices less than TV, the possibility of coordinating electronic and print media assures message consistency and produces economies of scale.

COLOMBIA INTERNET PENETRATION HIGH

Political stability has had a significant impact on driving Colombia’s economy and on the uptake of technology devices and Internet usage. Internet penetration is among the highest on the continent and, combined with high digital engagement, it offers significant opportunities for brands.

Although usage levels are currently low, Colombians feel positively about out-of-home Internet connections, especially via mobile.

Colombians prefer consumer-created video for their online viewing, which is the case in many markets. In contrast to other markets, however, consumer-created video doesn’t dominate consumer viewing preferences. For brand owners seeking to communicate their brand messages to Colombians, this finding means that a video’s creativity and level of engagement is more important than whether it’s created professionally or by consumers.

COLOMBIA TOP 50 MOST VALUABLE BRANDS

LEONARDO SEGURA
Director of Business Planning Mindshare Colombia

Colombia’s digital life

E-commerce Market Growth

Media Investment (Billions)

BrandZ™ Top 50 Most Valuable Latin American Brands 2012

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Colombia’s digital life

E-commerce Market Growth

Media Investment (Billions)
MEXICO
Mexican consumers are resilient, cautious, interested in brands and intent on getting the most for their money. And for good reason: Relative to some of the other major economies of Latin America, personal income is rising relatively slowly. Of the total population of over 113 million, almost half lives in poverty, according to the World Bank.

Mexico’s GDP per capita, which reached $9,133 in 2010, places the country at around the same level as Kazakhstan in the World Bank ranking. Like other nations, Mexico is attempting to increase its wealth and distribute it more equitably. Geography differentiates Mexico, however. It borders the US, one of the world’s richest nations, which buys 80 percent of Mexico’s exports. Mexico is the third largest trading partner of the US, after Canada and China.

Mexico’s close relationship with its northern neighbor influences its economic development, often for good but sometimes for bad. Soon after Mexico joined the North American Free Trade Agreement (NAFTA), in 1994, the government devalued the peso to slow its appreciation. The currency soon plummeted to 50 percent of its value, setting off a severe recession. 

However, Mexico’s economic recovery was relatively rapid. With US loan support and Mexican economic reforms the economy rapidly recovered. And political leadership changed dramatically in 2000, when National Action Party (PAN) presidential candidate Vicente Fox deposed the Institutional Revolutionary Party (PRI), which had ruled Mexico without interruption for 71 years, since 1929. Mexico’s current president, Felipe Calderon, also of PAN, succeeded Fox in 2006. His government faced many economic and social policy challenges. In 2009, when much of Latin America remained relatively unaffected by the global financial crisis that battered North America and Europe, Mexico’s economy contracted 6.5 percent, because of its economic link with the US, according to Bloomberg.

Although the government introduced higher standards of transparency for business transactions, corruption has proved difficult to eradicate, as suggested by allegations that surfaced in April 2012 about Walmart’s market entry practices. The Calderon government aggressively battled the drug cartels, but drug-related deaths total almost 50,000 since the administration took office. 

Sources: CIA World Fact Book, United Nations, World Bank
**CONSUMERS EXPLORE WIDE BRAND CHOICE**

These economic and social dynamics impact the lives of the Mexican people, how they shop and their attitudes toward brands. Because of NAFTA, brand proximity to the US, Mexicans have access to a wider selection of international brands than residents in most other Latin American countries. And many local brand options are available, too.

Four of the BrandZ™ Top 15 Mexican brands are communication providers, reflecting the centralized, almost monopolistic state of this industry. Both the country’s most valuable brand, the cable network Televisa, and Telmex, which offers fixed-line and Internet services, are owned by América Móvil, an organization headed by Carlos Slim Helú, the world’s richest man. The cellular network Telcel, and Telmex, which offers fixed-line and Internet services, are owned by América Móvil, an organization headed by Carlos Slim Helú, the world’s richest man. The cellular network Telcel, and Telmex, which offers fixed-line and Internet services, are owned by América Móvil, an organization headed by Carlos Slim Helú, the world’s richest man.

Mexican consumers also prefer local brands for certain fresh foods. Similarly, in dairy products the Latin American brand Lala dominates the fresh milk category and Bimbo, an international distributor of baked goods, is a preferred brand.

Not all consumers have the income to afford the extensive brand choices. Credit is becoming more available, but at higher rates. Recently, more micro credit has helped finance entrepreneurship. And pawnshops have proliferated, enabling people to obtain small loans secured with their personal possessions.

Marketing generally starts with TV, which has enormous penetration, perhaps 92 percent. But two companies, Televisa and Azteca, control the airwaves and brands increasingly are attempting to find other media options, including mobile, although digital is just beginning to become a factor. Marketers now focus more attention on communication at the point of sale. As price promotion increases in economic hard times, they struggle to cultivate the emotional bond, too.

**FUNDAMENTALS FOR BRAND BUILDING IN MEXICO**

1. **Respect the market**
   - In the US, beer is a national category. It’s not so in Mexico. It’s not South America. It’s not the US. It’s a unique and large country—a land area and in population size and diversity. It’s the world’s largest Spanish-speaking country.
   - Three local beers—Corona, Modelo and Tecate—are among the Mexico’s Top 15 most valuable brands. Corona and Modelo are produced by Grupo Modelo in cooperation with AB-InBev, the world’s largest brewer. The brewer of Tecate is a subsidiary of Heineken International.

2. **Start in the cities**
   - With about 22 million inhabitants, Mexico City is the most populous city in the Western Hemisphere and a good entrance point. But other cities, such as Guadalajara and Monterrey, can enable brands to establish a regional presence.

3. **Know the customers**
   - Mexico is a series of local markets and in each instance the customer is somewhat different and usually responds best when the brand proposition is customized to their needs and incudes both rational and emotional components.

4. **Understand the complexity**
   - Doing business in Mexico can be complex. Distribution is a good example. Develop a strong understanding of the distribution channels for your brands and assemble the appropriate responses, which can include a dedicated sales force or distribution partners.

5. **Be patient**
   - Mexican consumers have experience with brands and like them. But success can take time. And while there are no shortcuts, you can maximize efficiency by doing the homework, defining your customer base and marketing creatively.
Corona is the number one Mexican beer sold worldwide.

To enhance its position with younger consumers in the Mexican marketplace, the Corona Extra brand consistently adapts itself in new and interesting ways with sports and music. Last year, advertising campaigns focused on boating, wine tasting, baseball and football (soccer) and the brand worked closely with Sony Music to reach young audiences with a project called Corona Music.

Telmex is the largest provider of wireless services in Mexico.

Telmex provides wireless services to roughly 65.7 million customers and enjoys a market share estimated at 68.8 percent by its parent company. Of the brand’s offering, more than 68 percent rely on prepaid services. Telmex promotes loyalty among its contract customers with a program called “Círculo Azul” that renews points for merchandise and services. Telmex serves the market with 285 Telmex branded stores as well as through a network of distributors representing more than 42,000 points of contact.

The company’s origins date to 1978 when it began installing car phones in Mexico City. After obtaining a cellular license in 1984 the company offered service in Mexico City under the name Radiomóvil Dopa SA de CV. Service under the Telmex brand started in 1989, in the Tijuana market, and nationwide expansion began the following year when corporate parent América Móvil was formed from the wireless business spun off from another Mexican telecom, Telnor.

Today, América Móvil, is the dominant telecommunications company in Mexico and throughout Latin America. Mexican business magnate Carlos Slim Helú controls the company with other members of his family, including sons Patrick Slim Domit and Carlos Slim Domit who serve as co-chairs of the board of América Móvil, a company traded on the New York Stock Exchange.

Televísa is Mexico’s leading media company.

Televísa, Mexico’s best-known television network, Televísa aired eight of the 10 highest rated television shows in Mexico during 2011, and 69 percent of the top 200 most watched programs. The company employs 24,300 people and last year produced 79,100 hours of original programming.

In addition to original content, Televísa strives to achieve industry leadership by securing rights to signature sporting events. Televísa will air the 2012 summer Olympics in London and the next three FIFA World Cups. Televísa also is a leading publisher of Spanish language magazines with 172 titles available in 20 countries and a combined circulation of 132 million.

Although the origins of the company date to 1930, when Emilio Azcárraga Villasmil created the first radio station in Latin America, it wasn’t until 1950 that the company began to reach young audiences with a project called Televísula. In 1990, the company was incorporated as Grupo Televisa and in 1991 it was listed on the Mexican stock exchange following a public offering. In 1993, Televísa was listed on the New York Stock Exchange under the symbol TV.
**Bodeguerrera is the fastest growing format of Walmart de Mexico and Centroamerica.**

The Bodeguerrera discount store brand is the dominant and fastest growing format operated by Walmart de Mexico and Centroamerica. Bodeguerrera added a second 300 units in 2011, ending the year with a total of 1,204 stores. The stores offer both food and general merchandise in three different formats sized to local market needs. The store portfolio includes 385 full size Bodeguerrera outlets, 227 medium size Mi Bodeguerrera stores and 592 small format Bodeguerrera Express locations. The brand emphasizes low prices and features a masked wrestler character named Mama Luchis. Clad in a green costume bearing the Bodeguerrera logo, she serves as “la campeona de los precios bajos” (the champion of low prices).

**Bimbo is the leading brand of baked goods in Mexico and the largest bakery company in the world.**

Bimbo’s global network of 156 plants, 42 of which are in Mexico, manufacture more than 9,000 unique products delivered to approximately two million points of sale in 19 countries. The brand is instantly recognizable in Mexico where the iconic logo of the Bimbo Bear wearing a traditional white chef’s toque has been in use since 1945. The Bimbo brand, and its parent company expanded steadily in subsequent decades, creating and acquiring new brands and becoming listed on the Mexican stock exchange in 1980.

Bimbo began exporting to the US in the mid-1980s and by the end of the decade acquired Mrs. Baird’s, a prominent regional bakery brand in the southern US. Bimbo entered Asia in 1993 with the acquisition of George Weston Foods and in 2000, expanded into the UK and the Middle East, acquiring the Bimbo Bear brand in the UK, and creating Bimbo Wm. Smith, united the two brands. That deal, along with the smaller purchases of Saffire and in 2000 the company’s name was changed to Wal-Mart de Mexico, SAB de CV. In 2001, Wal-Mart de Mexico acquired the Central de Cifra and in 2000 the company’s name was changed to Walmart de Mexico, SAB de CV. In 2002, Walmart de Mexico acquired the Central de Cifra and in 2000 the company’s name was changed to Walmart de Mexico, SAB de CV.

**Sanborns is a leading retail and food service conglomerate.**

Sanborns is a well-known in Mexico for unique outlets that combine retail and food service in a single location. Sanborns caters to middle and upper-income consumers and the brand’s distinctive logo featuring three owls perched on a branch has been in use for nearly 100 years. The brand’s slogan, “Sólo Sanborns,” defines its unique value proposition and affirms Sanborns as the place for exclusive offerings and experiences.

**The Cemex brand is a worldwide leader in building materials.**

Cemex is vertically integrated from mining to production and distribution. It operates 151 cement plants, 2,500 Construrama stores that are operated by more than 850 independent concessionaires. Founded in 1906, Cemex employs 44,000 people and has been listed on the Mexican stock exchange since 1970. In 1992, Cemex expanded its scope to Asia, and in 1995, Cemex expanded to the Middle East and Latin America, and has been listed on the Mexican stock exchange and in the Philippines. Cemex has been listed on the New York Stock Exchange since 1997 under the symbol CEMX.
### Elektra

**Company:** Grupo Elektra, S.A. de C.V  
**Brand Value:** US$1,398 million  
**Headquarter City:** Mexico City  
**Year Formed:** 1993  
**Website:** www.elektra.com.mx

**Elektra is leading consumer electronics retailer and financial services provider.**

The Elektra brand was created in 1950 when founder Hugo Salinas Rocha began manufacturing radios. Starting in 1954, he sold radios door-to-door. In 1957, Salinas opened the first Elektra retail stores and began offering an installment sales program. Today, each of Elektra’s 945 stores in Mexico includes a branch of Banco Azteca, the financial services arm of Grupo Elektra. The Elektra retail brand also operates 228 stores in Guatemala, Honduras, Peru, Panama, Brazil and Argentina.

Elektra stores focus on low to middle income consumers with the upper end of the consumer electronics and home goods market served by 55 Salinas Y Rocha brand retail stores in Mexico. Parent company Grupo Elektra is also a leading provider of financial services and consumer credit with more than 2,800 locations in Mexico and other Latin American countries. Grupo Elektra is owned by Mexican tycoon Ricardo Salinas Pliego and employs 52,000 people. Earlier in 2012 the company made its first major acquisition in the US when it acquired Advance America, a provider of short-term financial products and services with 2,600 stores.

### Inbursa

**Company:** Grupo Financiero Inbursa, SAB de CV  
**Brand Value:** US$1,344 million  
**Headquarter City:** Mexico City  
**Industry Type:** Financial Services  
**Year Formed:** 1993  
**Website:** www.inbursa.com

**Banco Inbursa is a leading financial services provider.**

Banco Inbursa is one of Mexico’s most familiar financial services brands and operates a rapidly expanding network of branch locations, 273 at the end of 2011, and automatic teller machines. The bank operates two call centers and employs 6,800 people.

Banco Inbursa was founded in 1993 when the Finance Ministry of Mexico authorized the creation of new banks to promote competition and lower borrowing costs. The bank is a subsidiary of the financial services conglomerate Grupo Financiero Inbursa that was founded in 1985. Grupo Ceres, the holding company owned by Mexican businessman Carlos Slim Helú and his family, controls Grupo Financiero Inbursa.

### Modelo

**Company:** Grupo Modelo SAB de CV  
**Brand Value:** US$1,244 million  
**Headquarter City:** Mexico City  
**Industry Type:** Retail  
**Year Formed:** 1925  
**Website:** www.grupo modelo.com

**Modelo Especial is Mexico’s most popular canned beer.**

It’s the second best selling beer brand within Grupo Modelo’s portfolio of leading beer brands, after Corona. Modelo was the first brand produced after formation of the company in 1925. The brand emphasizes this heritage in its packaging, which includes the founding date and a pair of limes that have become a hallmark of the brand.

To create contemporary appeal, advertising features former San Francisco 49er’s quarterback and four-time Super Bowl winner Joe Montana. Ads associate Modelo with Montana’s commitment to excellence. The Modelo Especial brand enjoys worldwide popularity and is available in 23 countries.

### Liverpool

**Company:** El Puerto de Liverpool SAB de CV  
**Brand Value:** US$1,156 million  
**Headquarter City:** Mexico City  
**Industry Type:** Retail  
**Year Formed:** 1925  
**Website:** www.liverpool.mx

**Liverpool is the largest department store chain in Mexico.**

The Liverpool banner appears on 61 department stores in Mexico. The brand focuses on serving the nation’s growing middle class and upper income shoppers. Liverpool generates 8.2 percent of its sales from private label products and has 2.9 million brand credit cards holders.

In addition to Liverpool branded stores, the parent company operates 23 department stores under the Fábricas de Francia brand and six Liverpool Duty Free stores. The total of 90 stores operated by Liverpool are located in 53 cities. The company opened 4 stores in 2011 and plans to open eight more in 2012. Liverpool also operates 16 shopping centers and plans to open three new centers in 2012.

Liverpool traces its origins to 1847 when company founder JB Ebrard began selling apparel in Mexico City. The company was listed on the Mexican stock exchange in 1965 and today employs 45,000 people.
### TV Azteca

**Company:** Televisión Azteca SA de CV  
**Brand Value:** US$676 million  
**Headquarter City:** Mexico City  
**Industry:** Communication Provider  
**Year Formed:** 1993  
**Website:** www.tvazteca.com.mx

TV Azteca is the second largest broadcaster in Mexico with 344 local television stations and two national networks, Azteca 7 and Azteca 13. The Azteca brand is also familiar to Hispanic viewers in the United States who receive the Azteca America network. Azteca produced approximately 64 percent of the programming it aired during primetime in 2011, including popular telenovelas and reality shows. The brand also secured content distribution deals with Disney and TV Globo to encourage viewership.

### Soriana

**Company:** Soriana  
**Brand Value:** US$589 million  
**Headquarter City:** Monterrey  
**Industry:** Retail  
**Year Formed:** 1968  
**Website:** www.soriana.com

One of the largest retail companies in Mexico, Soriana operates 558 stores under four formats in 181 cities. The brand is best known for its 234 large format Soriana Hiper stores that average 8,000 square meters (91,400 square feet). The brand’s smaller formats include 108 food focused Soriana Súper stores that average 2,500 square meters (26,900 square feet), and 136 no frills food and general merchandise Soriana Mercado stores that average 5,000 square meters (53,800 square feet).

In 2010, the brand introduced a new small format called Soriana Mercado Express, which measures only 1,500 square meters (16,100 square feet) and is designed to serve lower income consumers in smaller cities. Mercado Express format is Soriana’s fastest growing format, with 26 of the 47 total units opened during 2011. Soriana also operates 33 City Club membership warehouse stores and 232 Super City convenience stores. Soriana began trading on the Mexican stock exchange in 1987 and in 2007 acquired Grupo Gigante’s chain of 206 stores. Soriana employs more than 80,000 people.

### Tecate

**Company:** Fomento Económico Mexicano, SAB de CV  
**Brand Value:** US$563 million  
**Headquarter City:** Mexico City  
**Industry:** Beer  
**Year Formed:** 1944  
**Website:** www.femsa.com

Tecate also exports globally to 30 countries. The brand was founded in 1944 in the town of Tecate in the Mexican state of Baja California. Following an acquisition in 1954 by Cervecería Cuauhtémoc, a Monterrey-based brewer, Tecate gained national distribution and became the first canned beer in Mexico. The brand wasn’t offered in a bottle until 1983 when a screw top was introduced. An ongoing advertising campaign positions Tecate as the beer with character and a brand for hardworking people.

In 1985, Tecate brewer Cervecería Cuauhtémoc merged with the Montezuma brewery. The combined company was named Cervecería Cuauhtémoc Moctezuma and in 1990 a new brand logo was adopted that incorporated the images of the Aztec emperors after whom the companies were named. In 2010, Cervecería Cuauhtémoc Moctezuma’s holding company, Fomento Económico Mexicano, SAB de CV (FEMSA), sold its brewing operations to the Heineken Group in exchange for a 20 percent ownership interest in the global brewer.
The Mexican economy is evolving to the first and most evolved stage of economic development, a focus on innovation, according to the Global Competitiveness Report 2011-2012 of the World Economic Forum, which places countries such as Argentina, Brazil and Chile in the same category. However, there is a large group of brands that is migrating towards a “Niche” or “Specialist” space in which they serve a specific group of people. In a country as large as Mexico, it’s hard to find brands that appeal to the entire population. Two recent trend reflects changing consumer living styles and focus especially on two areas: practicality and personal health.

People are busy. They hardly have enough time in a day to get things done at home or at the office, care for family and friends, and then find time for themselves. They look for time-saving products that help them better manage their busy lives. This practicality is apparent in products like ready-to-eat meals, such as granola bars and drinkable yoghurts, as well as in all-in-one shampoo and conditioners and fast-dry, long-lasting nail polish. People also now realize that while leading busy lives they’ve adopted some unhealthy habits. They’re looking for ways to improve personal health. This interest can be seen in products such as vitamin-enhanced snacks, body lotions made with natural ingredients, low-sugar soft drinks and chocolate bars and more natural foods.

Mexico offers excellent conditions both for business and investment. With over 113 million inhabitants, Mexico is the largest Spanish-speaking country in the world. The population is geographically concentrated. One-quarter of the nation lives in one of three cities: About 20-million live in Mexico City, Guadalajara and Monterrey each have over four million inhabitants. With a median age of 26, Mexico is relatively young.

And people are connected, with 94.6 million mobile phone numbers and 11.5 million cable and satellite TV homes. Internet users total 34.9 million. Open to international trade, Mexico ranks second in the world in number of free trade agreements. These economic changes influence brand trends. These economic changes influence brand trends. "Olympic" brands such as Coca-Cola and Apple are still very popular among the general population. However, of all product categories, personal health leads in advertising spending, followed by cellphone services and banking. Genomma Lab, a pharmaceutical company, is Mexico’s number one advertiser, spending more than P&G, Unilever, Colgate-Palmolive and Bimbo, the bakery brand, together.

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**NEW IMPLICATIONS FOR GROWING BRANDS**

As Mexican consumers become middle class

Mexican consumers traditionally have been brand loyalists, despite strong competition from new and improved products, both domestic and foreign. Such loyalty doesn’t come easy—or cheap.

The most successful brands marketers understand that Mexican consumers are informed by the country’s rich heritage of indigenous and European civilizations. They also know that the Mexican consumer is changing rapidly.

Today, for the first time, the level of poverty is receding and Mexico is a middle-class country. Along with rising incomes, other factors shape the new aspirational Mexican mentality. These factors include the entry of multinational companies fostered by the North American Free Trade Agreement (NAFTA), the presence of US retailers and fast food outlets; the broadening of cable television, and access to the Internet.

The challenge ahead is to keep up with the changing needs of better-informed consumers. But certain principles for cultivating great brands remain valid. To be considered great, a brand must be relevant, self-sustained and differentiated. And it must connect to the Mexican consumer’s dreams for a better life.

**BRAND SUCCESS REQUIRES FRESH APPROACHES**

A great brand must create or shape a market. It must be an agent of change capable of transcending cultures and adapting to its surroundings. A great brand grows and penetrates our lives without us noticing. It’s the brand people believe in, the one whose name becomes synonymous with the product or service it provides.

This level of brand achievement is accomplished in part through advertising and marketing. However, there’s no doubt that today people are influenced by what those around them think and buy. Clothing, career choices, recreation sites, gadgets and more are subjected to the nation’s collective approval process.

And equally essential to consumer behavior in our country are technological advances that enable and intensify peer influence. The so-called F-Factors—Friends, Fans, Followers—powerfully affect attitudes toward brands.

Brand success requires constantly discovering out-of-the-box ways to use new technological tools and create compelling campaigns that combine traditional and new media. The challenge is great but it’s an important and positive assumption. In Mexico today, consumers eagerly want to experience new brands.

Hill+Knowlton Strategies offers wisdom on a global scale to provide clients with concrete business results that help strengthen their brands and reputations.

www.hkstrategies.com

**Commentary**

**ANTONIO TAMAYO**
President and Managing Director, Hill+Knowlton Strategies Mexico
CONSUMERS CHANGING FASTER THAN ADVERTISERS

Global companies are introducing new brands, whose international nature is attractive to Mexican consumers. These companies also are bringing new ways of marketing that have the potential to disrupt long-established norms.

Consumers are moving far faster into digital than many advertisers expected. This shift is reflected in the use of social networks like Facebook, where Mexicans are heavy participants. Curious to learn about new opportunities and aspirations, Mexicans also are above average users of search.

Brand marketers are catching up with these new consumer behaviors. The dominant media conglomerates, such as Televisa, the largest media group in the Spanish-speaking world, remain relevant and powerful, with interests spanning TV, print and radio. But they’re facing challenges from the unrelenting growth of digital and the related diversion of marketing budgets.

Mexico remains a country of huge opportunity for brands. Strong local brands now compete with international entries. And all brands contend with disruptive marketing models.

As Mexico’s consumers become wealthier, they seek new experiences and respond positively to new marketing communications. The dominant media conglomerates, such as Televisa, the largest media group in the Spanish-speaking world, remain relevant and powerful, with interests spanning TV, print and radio. But they’re facing challenges from the unrelenting growth of digital and the related diversion of marketing budgets.

Digital engagement is high in Mexico, despite relatively low Internet penetration. Nearly half of all Mexicans are fans of a brand on social network, with nearly two-thirds writing about brands online, significantly higher than the global average.

Many trends in Mexico follow those in the US, the neighbor to the north. Nineteen per cent of consumers have accessed the Internet via their mobile phone in the past four weeks, higher than any other Latin American market. As infrastructure improves, and the cost of data plans, smartphones and tablets decline, we will see a sharp increase in Internet access via mobile devices.

Meanwhile, 48 percent of the online population also accessed the Internet via an Internet café. This proportion is the largest in Latin America. Because of limited time in an Internet café, consumers focus on activities that are most important to them. With social networks acting as an aggregator of services and taking up 25 percent of consumers’ weekly time online in Mexico, investment in this touch point is vital.

Mexicans have the highest rate of Internet access by mobile phone in Latin America. However, they often access the Internet from Internet cafés, a behavior with important implications for brands. With their time restricted in an Internet café, people are likely to focus on key activities. For an advertiser, it’s important to get right to the point. Latin Americans generally consider social networking a key online activity.

Mexico witnessed the rise of the super rich. Four of Latin America’s richest people are Mexican, including Carlos Slim Hélú, who Forbes magazine ranks as the world’s richest person.

As local and international brands compete

Mexico is a nation where affluence, poverty, natural splendor and mega cities coexist in striking contrast. With over 60 ethnic groups, Mexico is among the world’s most diverse societies. It has the second largest economy in Latin America, fourteenth in the world. It’s a major oil producer and exporter of industrial products.

Economic transformation accelerated with the North American Free Trade Agreement (NAFTA), in 1994. Economic and political liberalization enabled local brands to thrive. The middle class expanded and the country’s infrastructure improved, and the cost of data plans, smartphones and tablets decline, we will see a sharp increase in Internet access via mobile devices.

As developed economies slow, many international companies are turning their attention to Mexico, pouring billions of dollars of fresh investment into the country. Foreign Direct Investment (FDI) reached almost $20 billion in 2010, according to the World Bank. This potential is being realized.

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IN-DEPTH FOCUS:
BRAZIL
Brazil is Latin America’s largest and most populous country. Its GDP more than doubled over the past decade to $2.1 trillion, and its brands account for one-third of the value of BrandZ™ Top 50 Most Valuable Latin American Brands. To better understand the forces shaping this society and driving brand value we present this In-Depth Focus: Brazil.
Ordem & Progresso. Order and Progress. These words emblazoned across the Brazilian flag capture the equilibrium that the country struggles to maintain as its economy rapidly expands.

Brands entering and trading in Brazil are challenged to comprehend and engage this constantly fluctuating market. Compared with earlier periods of disruption, however, the changes are transformative. While serious income inequities remain, almost half of Brazil’s population now is considered middle class. The dramatic shift produced a sharp rise in purchasing power with consequences for consumer and business-to-business brands that are largely positive but not entirely predictable.

This study confronts this dilemma with extensive local knowledge and perspective. A definitive look at the most valuable Brazilian brands today, the study examines brands across all categories and considers many of the social and economic forces reshaping Brazil and producing local and international brand leadership.

The BrandZ™ Top 50 Most Valuable Brazilian Brands engages the extensive global resources of WPP and the knowledge and insights of its Brazilian companies. The brand valuations were completed by BrandAnalytics in collaboration with Millward Brown Optimor. They are based on BrandZ™ methodology. BrandZ™ is the world’s largest and most comprehensive brand valuation tool. A full explanation of methodology appears on page 182.

The study explores the history, market positioning, recent developments and challenges of each of the Top 50 brands. Each brand profile includes at-a-glance facts, a summary of key developments and a photo of customers interacting with the brand. The study opens with an essay by The Futures Company that sets the socio-economic context for Brazil’s remarkable growth and, drawing on the company’s exclusive 2011 Global Monitor, describes how public optimism drives economic growth and brand acceptance.

Several other WPP operating companies in Brazil contribute local market insights. These commentaries accompany the presentations of the Top 50 brands and illuminate many of the issues surrounding effective brand building in Brazil. The commentaries and WPP experts include:

**BRAND BRAZIL**
Brazil’s economic vitality, the forces shaping it and the impact on brands. By Kantar Worldpanel, Brazil.

**THE OLYMPICS AND WORLD CUP**
Major opportunities to drive growth and confirm Brazil’s stature as a global economic force. By 9ine, Brazil.

**THE IMPACT OF DIGITAL**
The government drive for digital inclusion and Brazilians as one of the world’s most “wired” peoples. By Finsa, Brazil.

**MERGERS AND ACQUISITIONS**
Scaling up to compete, brands rely on communications specialists. By Hill+Knowlton Strategies, Brazil.

**THE RISING MIDDLE CLASS**
Improved living standards and the consequences for purchasing behavior and brands. By Millward Brown, Brazil.
IN-DEPTH FOCUS: BRAZIL

BRIC BEGINS WITH BRAZIL

A socio-economic context for brand growth

Over the past decade, Brazil has emerged as a global economic power, fueled by a combination of political and economic stability, which attracts private investment, a youthful, large population, and an abundance of natural resources, particularly oil, natural gas, rare earth elements, and timber. Brazil boasts a fast-growing industrial sector, low labor costs, dynamic agriculture, and a booming tourism market. Brazilian culture—its diverse, distinctive music, in particular—is enjoying a surprising popularity around the world. The vitality of Brazil has attracted a lot of interest from China, the other BRIC country that is now Brazil’s biggest trading partner.

Brazil is the fifth largest country in population and the seventh largest in land area, including 60 percent of the Amazon rainforest. It is the seventh largest economy today, but by mid-century it is projected to be the fourth largest. Annual GDP growth for Brazil over the period of time is projected to average 4.4 percent. By contrast, the U.S. is projected to average 2.4 percent, Germany 1.4 percent and Japan 1.0 percent.

The recent global recession did not spare Brazil, which suffered two quarters of recession as commodity-based exports fell and external credit dried up. But Brazil was one of the first countries which suffered two quarters of recession as commodity-based exports fell and external credit dried up. But Brazil was one of the first countries to rebound and as the country prepares to host the FIFA World Cup in 2014 and the Olympic and Paralympic Games in 2016, the mood among the Brazilian people is upbeat and optimistic.

OPTIMISM ABOUT FINANCIAL FUTURE

According to the 2011 Global Monitor study conducted by The Futures Company, 70 percent of Brazilians agree that, financially, things are going “very” or “fairly well” in their country. The global average is just 40 percent. This feeling, combined with real economic change, has transformed Brazil from a country best known for its carnivals to a fertile setting for brands to flourish. Brazilian brands are also finding success in the global arena, from Golden sportswear to Havanian sandals to Natura cosmetics to Skol beer.

The booming economy and government support are moving millions out of poverty and into the middle class. According to a recent report from the Getulio Vargas Foundation, a center for social policy, since 2003, nearly 40 million poor Brazilians—a nation of population of about 200 million—joined the middle class. This is largely responsible for a dramatic decline in income inequality over the same period of time. While still very high compared to other countries, inequality in Brazil has been trending down since the early 2000s while that in developed countries like the US and the UK inequality has been trending up.

Indeed, growth itself may be Brazil’s biggest challenge. Many observers are worried about the risk of Brazil’s boom overheating into a bubble, and as a result, have put Brazil high on their watch-list of emerging economies that may be growing beyond any capacity to sustain themselves. The Brazilian government has taken exception to these assessments and is taking actions on issues like inflation, currency exchange rates, fiscal and credit and debt in order to secure Brazil’s position on the global stage.

Across all income strata, Brazilian consumers are reaping the benefits of their growing economy. An Esmer magazine has reported in several in-depth articles, while wealthy consumers are enjoying more luxuries, from imported cars to designer furniture, consumers further down the socio-economic scale are benefitting from their ability now to afford washing machines and home Internet access. This variety in consumer aspirations is good news because it makes Brazil a healthy market for all sorts of products, from basic items to luxury goods. At every level of income, consumers want to have more, know more and experience more, and that means they need more of everything that brands have to offer.

The Futures Company is a consultancy specializing in futur- ing research and innovation. www.thefuturescompany.com
After years of uninterrupted growth, Brazil’s most valuable brands declined in value by 24 percent.

The value decrease in the 2012 BrandZ™ Top 50 Most Valuable Brazilian Brands followed two enormous successive increases—55 percent in 2011 and 53 percent in 2010. Despite the recent decline, most brands remain significantly higher in value today compared with 2010. Several factors account for the value loss:

- The slowdown in the world economy impacted the demand for commodities, a particular problem for commodity-rich Brazil;
- The rise in the value of the Brazilian real, up about 13 percent against the dollar, made exports more expensive;
- Market capitalization of many companies declined with an 18 percent drop in Brazilian stock exchange, the BOVESPA, and
- Certain government policies aimed at stimulating spending troubled investors.

Brazil learned that the designation BRIC earns a lot of the world’s attention, but not immunity from its problems. In 2011, Brazil’s GDP grew slowed to below 3 percent compared with 2010, when GDP grew 7.5 percent.

Despite the overall drop in brand value, the level of Brand Contribution grew 2 percent among the 2012 BrandZ™ Top 50. Brand Contribution measures the prospect of future earnings based on brand alone, exclusive of financials and other factors. Brand strength helped lessen the impact of the economic slowdown.

BrandZ™ Top 50 Most Valuable Latin American Brands 2012

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GLOBAL FORCES IMPACT BRAND VALUE

But long-term growth balances year’s decline

BrandZ™ Top 50 Most Valuable Latin American Brands 2012

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IN-DEPTH FOCUS: BRAZIL

BRANDS CAN ALSO ASPIRE TO EXPLOIT FEELING PRESSURE

The strength of the Brazilian real, which made Brazilian exports more costly, affected brands across category from basic Industry to popular fashion. The global food exporter Sadia, for example, which exports to more than 65 countries, declined 24 percent in brand value in 2011, following a 142 percent rise in a year earlier.

Even with the decline in the 2012 ranking, Sadia was valued at $11.5 billion compared with $814 million in 2010, which means the brand value is 83 percent greater today than it was just two years ago.

The fashion brand Havaianas, producer of flip-flop sandals that evoke the freedom and style associated with Brazil, was off by 35 percent in 2012. Having appreciated 86 percent in brand value in 2011, the brand value in 2012. Having appreciated 86 percent in brand value in 2011, the brand value in 2012.

Three of the risers are beers, all owned by the giant beer marketer AB-InBev. Two brands are retailers. The brands earned the confidence of both consumers and investors. They each competed in successful IPOs (Initial Public Offering), gaining funds necessary to accelerate store expansion.

Three of the Top 5 Brand Contribution leaders in the 2012 BrandZ™ Top 50 Most Valuable Brazilian Brands are beers. Successfully marketed beers typically score high in Brand Contribution.

**Brand Contribution measures the impact of brand on future earnings, exclusive of any other factors, such as finance. Brand Contribution is scored 1 to 5, with 5 the highest.**

Brazilian hold former in high regard because of its emphasis on environmentally friendly products and everyday beauty rather than glamorous. Porto Seguro is a leading insurance company with wide distribution.

FUNDAMENTALS FOR BRAND BUILDING IN BRAZIL

1. Reach out digitally
   - Brazilians are among the most wired people on the planet. This interconnected helps access the social and economic divides, which are narrowing but still exist.

2. Be prepared for competition
   - International brands entering or expanding in Brazil are likely to encounter both eager and welcoming consumers and increasingly tough local competitors.

3. Recognize distinctive cultures
   - Because Brazil is a geographically large and demographically diverse country, successful brands recognize that making an impact on consumers requires adapting to many local cultures.

4. Be emotional
   - Brazilians respond positively to brands that create an emotional bond. While rational reasons for purchasing products and services remain important to Brazilian consumers, they are especially loyal to brands that earn their affection.

5. Help build Brazil
   - Becoming a genuine and active participant in the aftermarket fashion standards and reduce inequities will ultimately benefit the brand.
### IN-DEPTH FOCUS: BRAZIL

#### BrandZ™ Top 50 Most Valuable Brazilian Brands 2012

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<tr>
<th>#</th>
<th>Brand</th>
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**NEW**

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*NEW indicates brands not included in last year's valuation.

Source: BrandEquities and Millward Brown Optimor
## IN-DEPTH FOCUS: Brazil

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<td>Pão de Açúcar</td>
<td>-2</td>
<td>332</td>
<td>391</td>
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<tr>
<td>34</td>
<td>UNIÃO</td>
<td>NEW</td>
<td>322</td>
<td>N/A*</td>
<td>N/A*</td>
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<tr>
<td>35</td>
<td>Embratel</td>
<td>-1</td>
<td>318</td>
<td>379</td>
<td>-16%</td>
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<tr>
<td>36</td>
<td>Amil</td>
<td>-10</td>
<td>318</td>
<td>532</td>
<td>-40%</td>
<td>2</td>
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<tr>
<td>37</td>
<td>Renner</td>
<td>-5</td>
<td>295</td>
<td>386</td>
<td>-24%</td>
<td>1</td>
</tr>
<tr>
<td>38</td>
<td></td>
<td>-5</td>
<td>292</td>
<td>386</td>
<td>-24%</td>
<td>2</td>
</tr>
</tbody>
</table>

*NEW indicates new brands not included in last year's valuation.
Source: BrandAnalytics and Millward Brown Optimor
1. **PETROBRAS**  
Company: Petróleo Brasileiro SA  
Brand Value: US$10,560 million  
Brand Value Change: -21%  
Headquarter City: Rio de Janeiro  
Industry: Energy  
Year Formed: 1953  

**PETROBRAS IS LATIN AMERICA’S LARGEST COMPANY AND THE THIRD-LARGEST ENERGY COMPANY IN THE WORLD.**  
Controlled by the Brazilian government, Petrobras is publicly traded and operates in 28 countries. The brand is highly regarded for its deep-sea exploration and is credited with enabling Brazil to achieve energy self-sufficiency. The company also operates oil refineries and a network of gas stations. This national presence contributes to the brand’s stature in Brazil, which is also enhanced by its reputation for social responsibility and high-profile sponsorships of sporting and cultural events.

2. **BRADESCO**  
Company: Bradesco SA  
Brand Value: US$6,690 million  
Brand Value Change: -22%  
Headquarter City: Osasco  
Industry: Financial Institution  
Year Formed: 1943  

**ONE OF THE LARGEST PRIVATE BANKS IN BRAZIL, BRADESCO OFFERS ONLINE BANKING, INSURANCE, PENSION PLANS, AND ANNUITIES.**  
Bradesco also provides credit card services, savings bonds, and personal and commercial loans. With an aggressive expansion program, Bradesco intends to become Brazil’s most accessible bank. It ended 2011 with 4,634. By acquiring a greater presence throughout Brazil the brand intends to reach potential new customers among the country’s rising middle class. Bradesco also pioneered the sale of insurance and pension plans through a subsidiary, Bradesco Seguros.
### 3. ITAÚ

**Company:** Itaú Unibanco Holding  
**Brand Value:** US$6,606 million  
**Brand Value Change:** -31%  
**Headquarter City:** São Paulo  
**Industry:** Financial Institution  
**Year Formed:** 1945

*Established more than 65 years ago, Itaú evolved to its current size as a result of the 2008 merger of Banco Itaú and Unibanco. Itaú accounts for about 11 percent of the Brazilian market for retail banking services and operates in South America, Europe, Asia and the United States. The bank has over 5,000 branches and more than 32,700 ATMs worldwide. Following the merger, Itaú is building on a reputation for innovation and efficiency, emphasizing personal service with the tagline Feito para Você (Made for You). It also intends to attract new customers from Brazil’s rising middle class, by offering credit cards to individuals who, until now, lacked access to bank credit.*

### 4. SKOL

**Company:** Companhias de Bebidas das Américas – AmBev  
**Brand Value:** US$4,698 million  
**Brand Value Change:** +3%  
**Headquarter City:** São Paulo  
**Industry:** Beverages  
**Year Formed:** 1967

*Created by a consortium of UK, Canadian, Swedish and Belgian brewers as a global beer brand, Skol is owned by AB InBev, the world’s largest beer producer. Skol has become an international brand and one of the world’s most consumed beers.*
BANCO DO BRASIL is THE OLDEST ACTIVE BANK IN BRAZIL AND ONE OF THE OLDEST FINANCIAL INSTITUTIONS IN THE WORLD.

The largest Latin American bank in terms of assets, Banco do Brasil played an important role during the recent global financial crisis. By providing credit at affordable rates to small- and medium-sized companies, Banco do Brasil strengthened financial results and customer loyalty, which resulted in a substantial increase in brand value. Founded in 1808 by Prince Regent João VI to fund the debt of a kingdom that included Portugal, Brazil, and the Portuguese colonies in Africa, Banco do Brasil is now a publicly traded company that is controlled by the Brazilian government.

NATURA IS BRAZIL’S LEADING MANUFACTURER AND MARKETER OF COSMETICS.

Formed in 1969 and first publicly traded in 2004, Natura has used a direct sales approach for more than 30 years, and now has more than 800,000 sales representatives (“consultants”) in Argentina, Brazil, Chile, Colombia, France, Mexico, and Peru. One of the first cosmetics companies to market natural and environmentally friendly products, Natura has a reputation for social responsibility. The company is also known for its emphasis on research and development and its use of ordinary people rather than supermodels in its advertisements.
7. **Brahma**

Company: Companhia de Bebidas das Américas – AmBev  
Brand Value: US$2,359 million  
Brand Value Change: +18%  
Headquarter City: São Paulo  
Industry: Beverages  
Year Formed: 1888

Brahma is well known for its innovative and witty advertising that relies heavily on sex appeal.

Brazil’s second-largest beer in market share (after Skol), Brahma is marketed in a total of 30 countries. Founded in 1888, by Companhia Cervejaria Brahma, the brand is now owned by AB InBev, the world’s largest brewer.

8. **Vale**

Company: Vale SA  
Brand Value: US$1,708 million  
Brand Value Change: -12%  
Headquarter City: Rio de Janeiro  
Industry: Mining  
Year Formed: 1942

Vale is the second-largest mining company in the world and the largest producer of iron ore.

The company gains more than 50 percent of its revenue from iron ore. Diverse mining operations, including copper, bauxite, potash and aluminum, generate the balance of revenues. One of Brazil’s largest logistics companies, with railroads, ports and fleets of ships, Vale also operates in the electric energy sector, participating in several consortia and running nine hydroelectric plants. Originally government-owned, Vale became a private company in 1997.
9. SADIA

**Company:** BRF – Brasil Foods SA  
**Brand Value:** US$1,496 million  
**Brand Value Change:** -24%  
**Headquarter City:** Itajaí  
**Industry:** Food  
**Year Formed:** 1944

**SADIA IS A LEADING PRODUCER OF PROCESSED AND FROZEN FOODS SUCH AS HAMBURGER Patties AND PIZZA. IT EXPORTS TO MORE THAN 65 COUNTRIES.**

Founded in 1944 and listed on the stock market in 1971 as Sadia Consórcio SA Indústria e Comércio, Sadia also produces dairy products and serves both consumers and commercial customers, including fast-food chains. Sadia is part of BRF – Brasil Foods SA, a public company formed in 2009 by the merger of Sadia with another food giant, Perdigão (see no.9). Exporting activities began in the 1970s with the sale of frozen halal-certified chicken to the Middle East.

10. ANTARCTICA

**Company:** Companhia de Bebidas das Américas – AmBev  
**Brand Value:** US$851 million  
**Brand Value Change:** +6%  
**Headquarter City:** São Paulo  
**Industry:** Beverages  
**Year Formed:** 1885

**ANTARCTICA IS A LEADING BRAZILIAN BEER AND SOFT DRINK BRAND.**

Launched in 1885 in São Paulo, Antarctica adopted the image of two penguins as its logo in 1935. It continues to symbolize the brand. Antarctica beer is positioned as “the beer for the good moments of life.” Antarctica’s most popular soft drink is a soda called Guaraná made from the tropical Guaraná berry. In 1999, Antarctica combined with Brazil’s other large beer brand, Brahma, to form AmBev, which subsequently joined with Belgium’s Interbrew, becoming the world’s largest beer marketer, now called AB InBev.
BRAND BRAZIL
New vitality and the forces shaping it

Brazil is one of the most multicultural and ethnically diverse nations on the planet. In its history, over 10 million people have immigrated to Brazil, mainly from Asia (China, Japan, Japan, and the Middle East). Brazil lives up to the government’s slogan: Brazil, everyone’s country. Despite being the largest country in South America, Brazil has a population of roughly 191 million. Brazil in the past lacked visibility on a global scale. But the eyes of the world are now focused on Brazil not for its beaches, Sugar Loaf Mountain and Copacabana beach, but because of its booming economy and potential for investment. Brazil is now gaining a level of attention that matches its size and resources.

Brand Brazil has come to mean vitality and joy accompanied by confidence in the future earned by overcoming a challenging economic past. Fuelled by the resourcefulness of the Brazilian people, four forces are shaping the growth of the new brand Brazil: optimism, social inclusion, international involvement and interpersonal connection.

SOCIAL INCLUSION
Brazil’s growing consumer class was the main force driving change throughout the last decade. While in 2005, low-income earners accounted for 44 percent of the population, today they represent just 35 percent. Thanks to more jobs and increased availability of credit, Brazil’s middle class continues to expand and spend, helping to drive the economy through rising domestic demand. Inflation stability and income distribution programs subsidised by the government contributed to increased purchasing power among lower-income households. The shopping baskets of Brazilians have grown, mainly among consumers who aspire to have “a lot of food on the table,” “a clean house” and the “I deserve it” attitude in their purchase of personal care products.

INTERNATIONAL INVOLVEMENT
Brazilians are opening themselves up to new experiences. Due to this, they are seen all around the world because they travel abroad more. Central Bank data shows an increase of more than 40 percent in Brazilian spending overseas. Brazil is rapidly expanding its influence in the Americas as well as forging ties with other developing nations, obtaining more international influence through the BRICS.

Brazil has truly stepped into the spotlight. Its valuable resources, growing economy and perspective hosting of the world’s biggest sporting events, the FIFA World Cup and the Olympic Games, have changed foreign perceptions of the Latin American giant. Global interest in the world’s seventh-largest economy has never been greater.

INTERPERSONAL CONNECTION
Brazil is a world leader in social networking. In the face of this trend is an obsessive need for connectivity that has materialized in the digital space through social networks (Facebook, Orkut, MySpace, Twitter). Social media is profoundly impacting people’s lives and changing the way they connect and communicate. Social media has become an essential tool for companies to reach their consumers, employees and investors, as well as to reach them in an unobtrusive way.

The first challenge is to become international brands, competing with well-established global brands. Until the 1990s, Brazilian companies didn’t have to worry about foreign competition. Now international brands increasingly invest in Brazil. The trend is further fuelled by Brazil’s role as host of the World Cup in 2014 and the Olympic Games two years later. Brazil needs to be persistent in promoting their corporate reputation and their brands overseas.

The second challenge for Brazilian brands is the digital media and social networks that are starting to play an increasingly more important role in business communications strategies. In addition to using resources such as Twitter, Facebook, Orkut and blogs to reach their consumers, employees and investors, these companies are also watching the internet channels very closely to analyze the behavior of external users and to learn more about how they purchase.

FRANCISCO CARVALHO
CEO & Managing Director
Burson-Marsteller Brazil

BrandZ™ Top 50 Most Valuable Latin American Brands 2012

Comments
BECOME GLOBAL. ACT SOCIAL.

Despite the great potential generated by the growing domestic market, Brazilian brands face two major challenges.

The first challenge is to become international brands, competing with well-established global brands. Until the 1990s, Brazilian companies didn’t have to worry about foreign competition. Now international brands increasingly invest in Brazil. The trend is further fuelled by Brazil’s role as host of the World Cup in 2014 and the Olympic Games two years later. Brazil needs to be persistent in promoting their corporate reputation and their brands overseas.

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FRANCISCO CARVALHO
CEO & Managing Director
Burson-Marsteller Brazil
11. VIVO

Company: Viva Participações SA
Brand Value: US$817 million
Brand Value Change: -5%
Headquarter City: São Paulo
Industry: Telecommunication
Year Formed: 2003

With over 60 million users, Vivo is the largest mobile phone service provider in Brazil and South America.

The result of a joint venture between Telefónica, the Spanish telecommunications provider, and Portugal Telecom (PT), Vivo invests heavily in advertising to deliver its message, “Best coverage in Brazil.” In 2010, Telefónica bought PT’s shares, and Vivo has advanced Telefónica’s strategy by building brands around the convergence of phone, TV, and Internet communication.

12. PERDIGÃO

Company: BRF – Brasil Foods SA
Brand Value: US$778 million
Brand Value Change: -60%
Headquarter City: Itajaí
Industry: Food
Year Formed: 1934

The 2009 merger of Perdigão and Salmão into BRF created the world’s largest poultry company.

Perdigão is one of Brazil’s largest food producers, specializing in frozen and chilled products. Its range of about 3,000 items is distributed throughout Brazil and to more than 100 countries. The company’s scale enables it to pursue a low-cost producer strategy. Established in 1934, as Brandalise, Ponzonie & Cie, the company changed its name to Perdigão SA in 1958. It began exporting in 1975 and went public in 1980.
13. **LOJAS AMERICANAS**

- **Company**: Lojas Americanas SA
- **Brand Value**: US$762 million
- **Brand Value Change**: +13%
- **Headquarter City**: Rio de Janeiro
- **Industry**: Retail
- **Year Formed**: 1929

**Lojas Americanas operates a national chain of discount department stores.**

One of Brazil’s largest non-food retailers, Lojas Americanas sells over 60,000 items in categories including apparel, health and beauty, home furnishings, and toys. With distribution centers in São Paulo, Rio de Janeiro, and Recife, the company has approximately 550 stores in Brazil as well as an online presence. The brand has a long heritage in Brazil—it was established in 1929—and is popular with both low and high income groups.

14. **BOHEMIA**

- **Company**: Companhia de Bebidas das Américas (AmBev)
- **Brand Value**: US$697 million
- **Brand Value Change**: N/A
- **Headquarter City**: São Paulo
- **Industry**: Beer
- **Year Formed**: 1853

**Bohemia is a leading premium beer in Brazil.**

Established in 1853, Bohemia enjoys the distinction of being the oldest beer brand in Brazil as well as the leader in the premium segment thanks to a strategy of limiting distribution to select locations and introducing limited edition offers. The Bohemia brand is available in four variations, including wheat and dark beers, which were introduced last year.

Bohemia was acquired by fellow Brazilian brewer Antarctica Paulista in 1961. The brand became part of an even larger brewer in 1999 when Antarctica Paulista and Brahma brewery merged to created AmBev. Then in 2004, Belgium-based Interbrew acquired a majority interest in AmBev to form a new global brewing giant known as InBev. Another major merger in 2008 between InBev and Anheuser-Busch resulted in Bohemia becoming part of a still larger company known as Anheuser-Busch InBev whose shares are traded on the New York Stock Exchange under the symbol BUD.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Brand Value</th>
<th>Brand Value Change</th>
<th>Industry</th>
<th>Year Formed</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Ipiranga</td>
<td>US$670 million</td>
<td>-20%</td>
<td>Energy</td>
<td>1937</td>
</tr>
<tr>
<td></td>
<td><strong>Ipiranga is Brazil’s largest private fuel distribution company, with a network of approximately 5,500 service stations.</strong></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>After expanding in rural Brazil during the 1960s and 70s, Ipiranga became a national brand through its acquisition of Atlantic in 1993. In 2008, Grupo Ultra bought both Ipiranga (in most regions) and Texaco, as Chevron was known in Brazil, and began to consolidate the gas stations under the Ipiranga banner. Because the brand name enjoys strong equity, it plays a role in swaying consumer decisions in a highly commoditized category where convenience is often the key driver.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>OI</td>
<td>US$600 million</td>
<td>-15%</td>
<td>Telecommunication</td>
<td>1998</td>
</tr>
<tr>
<td></td>
<td><strong>OI is Brazil’s leading telecommunication provider, offering landline, mobile phone, and internet services.</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Following the acquisition of Brasil Telecom in early 2009, Oi became one of South America’s largest providers of fixed-line services. The company operates in three Brazilian regions that together represent 190.5 million people and 99.8 percent of the country’s GDP. Oi was the first telecommunication services provider to use GSM technology in Brazil.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
17. **Casas Bahia**

- **Company**: Grupo Pão de Açúcar
- **Brand Value**: US$589 million
- **Brand Value Change**: -39%
- **Headquarter City**: São Paulo
- **Industry**: Retail
- **Year Formed**: 1957

A retail chain specializing in furniture and home appliances, Casas Bahia was acquired in December 2009 by Grupo Pão de Açúcar. The acquisition positions the company to benefit from spending by Brazil's rising middle class. Since its establishment, in 1957, Casas Bahia has appealed to low-income customers with store credit and a reputation for quality and affordability. By 2010, Casas Bahia reached customers throughout Brazil, with more than 500 stores and a Web presence.

18. **Totvs**

- **Company**: Totvs SA
- **Brand Value**: US$569 million
- **Brand Value Change**: -3%
- **Headquarter City**: São Paulo
- **Industry**: Information Technology
- **Year Formed**: 1969

Known for its innovation and high level of customer service, TOTVS has been raising its brand profile with extensive advertising featuring a Brazilian media personality. The company, which traces its origins to a service bureau called SIGA (Sistemas Integrados de Gerência Automática Ltda, formed in 1969), has been growing rapidly and delivering strong financial results. In March 2006, in advance of an IPO, the company changed its name from Microsiga Software SA to TOTVS SA.
13. TAM

Company: TAM SA
Brand Value: US$560 million
Brand Value Change: -30%
Headquarter City: São Paulo
Industry: Airlines
Year Formed: 1961

Although TAM is now known for its domestic and international passenger service, the airline began in 1961 as an air freight company, operating small one-engine planes from its base in Marília in the state of São Paulo. As the company grew, it acquired regional carriers and developed a reputation for good customer service. In 2010, the company signed an agreement with LAN, the Chilean airline, to form the LATAM Airlines Group.

14. CIELO

Company: Cielo SA
Brand Value: US$555 million
Brand Value Change: -13%
Headquarter City: Barueri
Industry: Credit Cards
Year Formed: 2009

Formed in 1995 by several financial organizations, including Visa International, Bradesco, Banco do Brasil, Banco Real and the now obsolete Banco Nacional, Cielo was initially known as Visanet. The company was renamed in advance of its initial public offering (IPO), which was the largest in Brazil’s history. In an industry challenged by deregulation, Cielo surpasses its competition in profitability thanks to its competitive pricing and its reputation for a high level of customer service.
The events happen only once every four years, but your consumers are there everyday. To be meaningful and capitalize on the benefits the Olympics and the World Cup can bring, it is important not to wait until those events arrive, but to work side-by-side with your customers now. Particularly as the events become an important daily topics of interest, your brand can invite consumers to participate in this conversation and transform their engagement into sales.

What brand or company doesn’t want to be part of the World Cup or the Olympics? Like for athletes competing, brands that want to be present during these events face trials, and the one clear guideline is no pain, no gain.

Sounds easy to pay billions of dollars to set your logo up alongside the big brands that are the Olympics and the World Cup, but to really get it right, things are not that simple. Imagine the brand as an athlete facing a hurdle race: there is a good strategy, lots of preparation and you can picture many possibilities for hotel chains, online companies and entertainment enterprises.

Most of the time, official sponsors are more likely to fight for space than to join forces. In a world where cooperation is key for economic success and co-creation rules all marketing initiatives, it makes no sense for a brand to work alone. To increase exposure and gain other synergies, a service brand can work with a retail sponsor or a retailer can partner with a consumer goods brand. The key to make this happen is to find the right interlocutor.

Assuming that the first hurdle, acting strategically is cleared, the work must begin as soon as possible. Some companies organize entire departments just to activate these events properly. At least three years before the events, brands should have their plans, campaigns and activities designed to consolidate their positioning and their presence as a sponsor.

Half of Brazil’s consumers cannot associate a single brand with the Olympics and the World Cup, but to really get it right, things are not that simple.

The focus of this article is to how brands can work with their customers now to participate in these events properly. At least three years before the events, brands should have their plans, campaigns and activities designed to consolidate their positioning and their presence as a sponsor.

Brazil has finally emerged as a powerful player in world markets and it is here to stay. Having said this, Brazilians have been savvy marketers for many years and are recognized globally for their creativity and strategic prowess.

Some of the world’s most famous brands, across many sectors, are Brazilian, such as TAM (airlines), Brahma (beer), Banco Bradesco (banking), Petrobras (energy), Pão de Açúcar (supermarkets) and Casas Bahia (specialty retailing). Brazilian brands are influential both globally and locally.

At the same time, leading global brands play an increasingly important role in Brazil too, so they have invested in understanding the people and culture. With the World Cup and Olympic events coming soon, “Cool Brazil” is leading the “Decade of Latin America.”

RONALDO NАЗÁRIO
President
9ine

This is a leading, Brazil-based sports and entertainment marketing agency. www.9ine.com.br

IN-DEPTH FOCUS: BRAZIL

THE OLYMPICS & THE WORLD CUP

A hurdle race for brands

What brand or company doesn’t want to be part of the World Cup or the Olympics? Like for athletes competing, brands that want to be present during these events face trials, and the one clear guideline is no pain, no gain.

Sounds easy to pay billions of dollars to set your logo up alongside the big brands that are the Olympics and the World Cup, but to really get it right, things are not that simple.

Imagine the brand as an athlete facing a hurdle race: it has to overcome each and every hurdle to get to the end as a champion.

Most of the time, official sponsors are more likely to fight for space than to join forces. In a world where cooperation is key for economic success and co-creation rules all marketing initiatives, it makes no sense for a brand to work alone. To increase exposure and gain other synergies, a service brand can work with a retail sponsor or a retailer can partner with a consumer goods brand. The key to make this happen is to find the right interlocutor.

Assuming that the first hurdle, acting strategically is cleared, the work must begin as soon as possible. Some companies organize entire departments just to activate these events properly. At least three years before the events, brands should have their plans, campaigns and activities designed to consolidate their positioning and their presence as a sponsor.

There are business opportunities everywhere, most of them are outside the arenas. Think about the digital environment and you will see lots of opportunities, considering that Brazil is one of the countries with the best rates for social and commercial engagement online. Think about how big Brazil is, that the tourism industry grew 15 percent in 2011, and you can picture many possibilities for hotel chains, online companies and entertainment enterprises.

Finally, think about new business that can be created just to supply new needs that can show up during these next years. Just to manage your event, you need to know how to make real money out of these very special moments. There are business opportunities everywhere; there is only a good strategy, lots of preparation and you can picture many possibilities for hotel chains, online companies and entertainment enterprises.

Some of the world’s most famous brands, across many sectors, are Brazilian, such as TAM (airlines), Brahma (beer), Banco Bradesco (banking), Petrobras (energy), Pão de Açúcar (supermarkets) and Casas Bahia (specialty retailing). Brazilian brands are influential both globally and locally.

At the same time, leading global brands play an increasingly important role in Brazil too, so they have invested in understanding the people and culture. With the World Cup and Olympic events coming soon, “Cool Brazil” is leading the “Decade of Latin America.”

This is a leading, Brazil-based sports and entertainment marketing agency. www.9ine.com.br

Commentary

ON THE WORLD STAGE AS GLOBAL PLAYERS FIND ROLES IN BRAZIL

RICCARDO FERRARIS
Chief Executive Officer
Grey Latin America

BrandZ™ Top 50 Most Valuable Latin American Brands 2012

BrandZ™ Top 50 Most Valuable Latin American Brands 2012
21. **MULTIPLUS**

<table>
<thead>
<tr>
<th>Company</th>
<th>Multiplus SA</th>
</tr>
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<tbody>
<tr>
<td>Brand Value</td>
<td>US$519 million</td>
</tr>
<tr>
<td>Brand Value Change</td>
<td>18%</td>
</tr>
<tr>
<td>Headquarter City</td>
<td>São Paulo</td>
</tr>
<tr>
<td>Industry</td>
<td>Loyalty Programs</td>
</tr>
<tr>
<td>Year Formed</td>
<td>2010</td>
</tr>
</tbody>
</table>

**MULTIPLUS PROVIDES A NETWORK OF LOYALTY PROGRAMS ACROSS DIVERSE BUSINESS SECTORS.**

The sectors include airlines, hotels, rental cars, retail, banking and gas stations. Multiplus members enjoy the flexibility of earning and redeeming points without restriction within the network. TAM Airlines formed the company in 2009 to expand and strengthen its own frequent flyer program. Today, besides TAM, participating brands include Oi, the telecommunications giant, L'Oréal, Brazil's largest cosmetics brand, and the hotel management firm, Accor. Multiplus also provides services for managing, administering, interconnecting and operating customer loyalty programs.

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22. **PORTO SEGURO**

<table>
<thead>
<tr>
<th>Company</th>
<th>Porto Seguro SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Value</td>
<td>US$500 million</td>
</tr>
<tr>
<td>Brand Value Change</td>
<td>63%</td>
</tr>
<tr>
<td>Headquarter City</td>
<td>São Paulo</td>
</tr>
<tr>
<td>Industry</td>
<td>Insurance</td>
</tr>
<tr>
<td>Year Formed</td>
<td>1945</td>
</tr>
</tbody>
</table>

**ONE OF BRAZIL'S LEADING INSURANCE COMPANIES, PORTO SEGURO OFFERS A COMPREHENSIVE PORTFOLIO OF INSURANCE PRODUCTS.**

With products spanning vehicle, health, casualty, life and personal injury insurance, Porto Seguro offers policies to individuals, families, companies, and governmental agencies in Brazil and Uruguay through direct and indirect subsidiaries. Since the company established an alliance with Itaú in August 2009, Porto Seguro products are now available at the bank's branches.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Brand Value</th>
<th>Brand Value Change</th>
<th>Headquarter City</th>
<th>Industry</th>
<th>Year Formed</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.</td>
<td>Magazine Luiza SA</td>
<td>US$479 million</td>
<td>N/A</td>
<td>São Paulo</td>
<td>Retail</td>
<td>1957</td>
<td>Magazine Luiza is one of Brazil’s largest appliance retailers. The chain focuses on serving the nation’s low-to-middle income consumers. It employs more than 21,000 people and operates a network of 728 stores, including 103 small format virtual stores where sales associates help customers order merchandise online. The company’s stores are located in 16 Brazilian states and supported by a network of eight distribution centers. Magazine Luiza opened 124 stores in 2011, including 24 new units and 100 stores acquired from Lojas da Bú. The company also completed an initial public offering with shares traded on the Brazilian exchange. An early adopter of the multichannel approach to retail, Magazine Luiza is Brazil’s second largest online retailer and an innovator in the use of social media to drive online sales, which grew 40 percent last year and now account for 11 percent of total company sales.</td>
</tr>
<tr>
<td>24.</td>
<td>GOL SA</td>
<td>US$450 Million</td>
<td>-23%</td>
<td>São Paulo</td>
<td>Airlines</td>
<td>2001</td>
<td>GOL is a budget airline serving Latin America. A subsidiary of Gol Linhas Aéreas Inteligentes, GOL enjoys two key competitive advantages: its strong presence in Brazilian airports and its low-cost strategy. The only low-fare airline providing frequent connections to Brazil’s major cities, GOL also flies to key destinations in South America and the Caribbean. Like the rest of the industry, the company should benefit from improvements in airport infrastructure made in advance of the World Cup and Olympic games in Brazil.</td>
</tr>
</tbody>
</table>
25. **REDECARD**

Company: Redecard SA  
Brand Value: US$439 million  
Brand Value Change: -29%  
Headquarter City: Barueri  
Industry: Credit Cards  
Year Formed: 1970

Redecard is Brazil’s second-largest company for developing a network of merchants that accept particular credit cards.

The brand was created in 1996 by three financial institutions—Citibank, Itaucard and Unibanco—to spin-off merchant acquisition and payment processing from a credit card company that the three partners had founded in 1970. Today, Redecard is now the leader in merchant acquisition for MasterCard and Diners Club International in Brazil.

26. **NET**

Company: NET Serviços de Comunicação SA  
Brand Value: US$436 million  
Brand Value Change: -34%  
Headquarter City: Rio de Janeiro  
Industry: Communication  
Year Formed: 1996

Net is Latin America’s largest multi-service cable company, offering pay TV, broadband internet access, and voice services.

Merged with Embratel, Brazil’s second-largest telecommunications company, after being acquired by communications entrepreneur Carlos Slim in 2010, NET Serviço serves more than 11.3 million homes in 93 cities. The combination of NET’s cable business with Embratel’s phone service created an integrated telecommunications giant.
### Extra

**Company**: Grupo Pão de Açúcar  
**Brand Value**: US$412 million  
**Brand Value Change**: -31%  
**Headquarter City**: São Paulo  
**Industry**: Retail  
**Year Formed**: 1989  

Extra operates about 115 hypermarkets called Extra Hiper. The convenience store banner Extra fácil offers a limited selection of about 3,000 items. In addition, the company operates about 83 full-line supermarkets called Extra Supermercados, as well as pharmacies called Extra Drogarias, which are located within existing Extra outlets. Similarly, the brand operates Extra gas stations at some retail locations. It runs home appliance stores as well, and is present online as Extra.com.br.

**Extra is a multi-sector banner of Brazil’s largest retail conglomerate, Grupo Pão de Açúcar.**

### BM&F Bovespa

**Company**: BM&F Bovespa SA  
**Brand Value**: US$386 million  
**Brand Value Change**: -26%  
**Headquarter City**: São Paulo  
**Industry**: Stock Exchange  
**Year Formed**: 2008  

One of the largest stock exchanges in the world in terms of market value, BM&F Bovespa was created in 2008 through the integration of the Brazilian Mercantile & Futures Exchange (BM&F) with the São Paulo Stock Exchange. BM&F Bovespa introduced stock investment to a wider popular audience while at the same time gaining credibility in the corporate segment with its record of successful IPOs.

**BM&F Bovespa is the leading stock exchange in Latin America and the second-largest in the Americas.**
**29. Banrisul**

Company: Banrisul SA  
Brand Value: US$383 million  
Brand Value Change: +11%  
Headquarter City: Porto Alegre  
Industry: Financial Institution  
Year Formed: 1928

*BANRISUL IS THE LARGEST BANK IN BRAZIL’S SOUTHERNMOST STATE, RIO GRANDE DO SUL.*

With 434 branches, the bank covers more than 80 percent of the state’s cities and serves 2.9 million account holders. Its positioning as “the local bank of Rio Grande do Sul” connects the bank to the particular culture and values of the customers in the region it serves. Banrisul was founded in 1928 as a public agricultural loan and mortgage bank whose main activity was long-term mortgage loans.

**30. Hering**

Company: Cia Hering SA  
Brand Value: US$351 million  
Brand Value Change: -14%  
Headquarter City: Blumenau  
Industry: Fashion  
Year Formed: 1880

*HERING IS BRAZIL’S LARGEST MANUFACTURER AND MARKETER OF CLOTHING FOR MEN, WOMEN, AND CHILDREN.*

Its merchandise is sold throughout South America in both company-owned and franchise stores as well as online. The brand is represented in 347 stores in Brazil alone. Sales grew dramatically during the past several years, suggesting that customers value the brand’s combination of quality casual apparel and enjoyable shopping experience. Two German immigrants formed the company, then called Hering Textil, at the end of the nineteenth century.
**THE IMPACT OF DIGITAL**

Broadband inclusion transforms a nation

In Europe, the economy is troubled, in the US it’s struggling and in Brazil... In Brazil the economy is growing. The contract has produced a 180-degree turnaround in migration flow. In the 1980s and 90s we watched tens of thousands of Brazilians escape the nightmares of hyperinflation to pursue their dreams in other countries. Today, Brazil’s the destination—and the dream—of many.

We witness the change daily—during work meetings and in crowded restaurants, where crosscutting conversations echo the myriad language of Brazil’s growing international population. Everyone is welcome in Brazil. Brazil is a heterogeneous country. We have pluralistic cities like São Paulo. Salvador, one of the oldest cities in the Americas, is renown as a center of Afro-Brazilian culture. Many people with an indigenous heritage inhabit Maranhão, a city in the Amazon region. And cities in the South are considered European gems set in the “New World.”

This mixture is part of what makes us Brazilian. We believe that diversity fosters energy and creativity. And it’s easily because of this Brazilian characteristic that we welcome people of all backgrounds. We are open and affective folks. We accept differences. Here you will find people from just about every nation and every religion living together peacefully. We like that.

**DIGITAL CAN BE AGENT OF POSITIVE CHANGE**

For the first time, a national plan for broadband has been addressed seriously. Broadband will take distance learning to the most remote areas of the country, and e-commerce will take creative capitalism to hidden corners of the Amazon.

Digital has the potential to make the lives of Brazil’s better and the nation’s economy stronger. It will help our citizens become better educated and more prepared to improve their lives economically, participate in the political process and enjoy the widest possible choice of brands and consumer goods.

The starting point is the Brazilian soul itself. We are already the most connected people in the world. No longer a country that revolves around its cities like São Paulo axis, Brazil will become a fully connected nation. No longer ashamed of being underdeveloped, Brazil will become proud as one of the world’s largest economies. As a Brazil of total digital inclusion, we will become Brazil 3.0, not merely a receiver of ideas and information, but a country that thinks, influences and has a voice in world affairs.

**LEGACY OF POVERTY PRESENTS SIMPLIFIED CHALLENGES**

The problem, as composer Tom Jobim and author of the famous song “The Girl From Ipanema” put it, “Brazil is not for amateurs.” We live with great complexity. Although we are growing economically, we have not yet rid ourselves of the old legacy of poverty.

Despite all the virtue, Brazil still has not taken large strides towards making mobility widely available. In 2011, around 70 percent of Brazilians were inhibited by some level of illiteracy. This situation is tragic and unacceptable and it affects business, marketing and communication.

Although there is no quick fix—literacy cannot be imported as the newest product—digital provides a great opportunity. Brazilians are connected. Almost half the population uses the Internet. That makes us the highest among the BRIC countries. And it can be even higher.

Internet is already the second most significant source of information in the country, following TV, and the most influential in terms of purchase. Brazilians spend an average of 48 hours per month on the Internet, the highest usage in the world. And Brazilians are avid users of social media, with...
31. **IGUATEMI**

- **Company:** Iguatemi Empresas de Shopping Centers
- **Brand Value:** US$349 million
- **Brand Value Change:** +3%
- **Headquarter City:** São Paulo
- **Year Formed:** 1979

**IGUATEMI IS ONE OF THE LARGEST SHOPPING MALL OPERATORS IN BRAZIL.**

The company designs, develops and operates regional centers throughout the country. Formed in 1979, the company initiated its shopping center activity with the acquisition of Construtora Alfredo Matias SA. The transaction included an ownership interest in Iguatemi São Paulo, which was constructed in 1966 as the first shopping center in Brazil. The Company also developed the first shopping center in the Brazilian countryside—Iguatemi Campinas—and the first shopping center in the southern region of Brazil—Iguatemi Porto Alegre. Iguatemi is among the 500 largest companies operating in Latin America.

32. **ODONTOPREV**

- **Company:** Odontoprev SA
- **Brand Value:** US$342 million
- **Brand Value Change:** +29%
- **Headquarter City:** Barueri
- **Year Formed:** 1987

**ODONTOPREV IS THE LARGEST DENTAL BENEFITS COMPANY IN BRAZIL, WITH OVER 5 MILLION MEMBERS.**

The organization develops dental plans for corporate, institutional and not-for-profit clients. The OdontoPrev network includes approximately 25,000 certified dentists, of which roughly 16,000 are specialists and post-graduates, located in more than 2,000 cities throughout Brazil. To reach people in the underserved rising middle class, OdontoPrev recently launched an initiative to sell dental plans directly to consumers. Since its Initial Public Offering in 2006, the company’s success has been rewarded with strong stock appreciation.
33. PÃO DE ÁCUCAR

Company: Grupo Pão de Açúcar
Brand Value: US$332 million
Brand Value Change: -15%
Headquarter City: São Paulo
Industry: Retail
Year Formed: 1948

PÃO DE ÁCUCAR OPERATES AROUND 200 SUPERMARKETS THROUGHOUT BRAZIL.

A part of the giant retail conglomerate Grupo Pão de Açúcar, which began as a pastry shop in 1948 and now includes more than 1,800 stores, Pão de Açúcar is known for quality, innovation, and strong customer service. The chain enjoys high levels of shopper loyalty, and was among the first supermarkets to offer imported products during the 1990s.

34. UNIÃO

Company: Cosan Ltd.
Brand Value: US$322 million
Brand Value Change: N/A
Headquarter City: São Paulo
Industry: Sugar
Year Formed: 1910

UNIÃO IS THE LEADING BRAND OF SUGAR IN BRAZIL.

The União brand has existed for more than a century and became part of Cosan Ltd. following a 2009 acquisition of União parent company NovAméricas. The União brand was established in 1910, by Giuseppe and Nicola Puglisi Carbone who organized the sugar refiners of São Paulo to create a single company and launch the União brand, which translates as “Union” in English.

Today, the brand is providing a broader range of sweeteners for both the consumer and the industrial and food service channels. União parent company Cosan is a vertically integrated renewable energy company focused on the ethanol and sugars markets. Founded in 1936, its shares began trading on the New York Stock Exchange in 2007, under the symbol CZZ.
35. **EMBRATEL**

- **Company**: Embratel SA
- **Brand Value**: US$318 million
- **Brand Value Change**: +16%
- **Headquarter City**: Rio de Janeiro
- **Industry**: Telecommunication
- **Year Formed**: 1998

Embratel is Brazil’s second-largest telecommunication company, offering voice and data service, internet, and pay TV.

Present throughout Brazil, with about five million broadband lines and six million voice lines in more than 4,000 cities, Embratel was formed in 1998 as one of the holding companies resulting from the spin-off of the Telebras System. In 2004, Teléfonos de México S.A. de C.V. (Telmex) acquired Embratel because it fit with Telmex’s strategy of communication convergence.

36. **ANHANGUERA**

- **Company**: Anhanguera Educacional Participações SA
- **Brand Value**: US$318 million
- **Brand Value Change**: -40%
- **Headquarter City**: Valinhos
- **Industry**: Education
- **Year Formed**: 1994

Founded in 1994 by a group of professors, Anhanguera Educacional Participações provides post-secondary education to prepare individuals for productive roles in Brazil’s fast-developing economy. With more than 50 campuses and hundreds of long-distance learning centers, the organization serves more than 300,000 students, many of whom come from lower-income and rural backgrounds.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Brand Value</th>
<th>Brand Value Change</th>
<th>Headquarter City</th>
<th>Industry</th>
<th>Year Formed</th>
</tr>
</thead>
<tbody>
<tr>
<td>37</td>
<td>Amil</td>
<td>US$295 million</td>
<td>-24%</td>
<td>Rio de Janeiro</td>
<td>Health Care</td>
<td>1972</td>
</tr>
<tr>
<td>38</td>
<td>Lojas Renner</td>
<td>US$292 million</td>
<td>-24%</td>
<td>Porto Alegre</td>
<td>Retail</td>
<td>1912</td>
</tr>
</tbody>
</table>

**Amil**

Amil is Brazil’s largest provider of managed health care.

From its beginnings in 1972 with the acquisition of Casa de Saude Sao Jose (a small maternity clinic in the city of Duque de Caxias), Amil has expanded both organically and through strategic acquisitions and now has about five million members. The company provides medical plans for both individuals and businesses, and its network of providers includes more than 3,000 hospitals and tens of thousands of clinics, private practices, and laboratories.

**Lojas Renner**

Lojas Renner is Brazil’s second-largest department store chain.

It expanded rapidly during the past few years following a public offering in 2005, when the US department store JC Penney divested its interest. Lojas Renner now operates around 130 stores in 21 of Brazil’s 26 states and in the Capital District. The organization began in 1912 as AJ Renner, a retailer specializing in outdoor gear for gauchos in rural areas. The style became popular with city customers. The company transformed into a department store retailer, with an expanded range, during the 1940s. It was renamed Lojas Renner in 1963 and became publicly traded in 1967.
39. **MRV**

**Company** MRV Engenharia e Participações
**Brand Value** US$266 million
**Brand Value Change** -42%
**Headquarter City** Belo Horizonte
**Industry** Real Estate
**Year Formed** 1979

Operating in 85 cities in 14 states as well as the Federal District, MRV focuses on building affordable housing for middle-class and low-income customers. In 2010, growth in market capitalization and brand equity made the MRV Group the most valuable Brazilian real estate brand.

40. **Marisa**

**Company** Marisa SA
**Brand Value** US$258 million
**Brand Value Change** -7%
**Headquarter City** São Paulo
**Industry** Retail
**Year Formed** 1948

The size designation is based on number of stores, which totals 280 located throughout Brazil. Marisa is known for designing and selling fashionable merchandise at competitive prices. The company recently extended the brand to lingerie (Marisa Lingerie) and menswear. The company tag line “From Woman to Woman” reflects the composition of Marisa’s staff, which is 70 percent female. The company opened its first store, Marisa Bolsas (Marisa Handbags), in 1948 under the leadership of its founder, Bernardo Goldfarb.
Brazil is experiencing an intense period of corporate consolidation. As the economy grows dramatically, Brazilian companies seek the scale necessary to compete effectively both at home and abroad. This activity has significant implications for brands and brand communications.

The number of mergers and acquisitions surpassed several records in 2010, when the KPMG audit recorded 707, beating the previous record of 699 in 2007. The government’s more free-market policies, compared with the past approaches, in part drive the activity. Between the 1950s and the 1980s, the government supported protectionist principles, restraints of trade, nationalization, and granting incentives to stimulate the private sector.

The surge in consolidations touches brands across many sectors including financial, aviation, telecommunications, communications, technology, retail and food. It has heightened concern about effective corporate communications, where public relations firms and other outside professional consultancies can improve the process with objective perspective and strategic vision.

As Brazil’s period of consolidation continues, and perceptions of companies remain subject to sometimes unpredictable fluctuation, the role of brands and the need for effective and sophisticated branding will become even more important.

Brazil’s Largest Recent Mergers and Acquisitions

<table>
<thead>
<tr>
<th>Company 1</th>
<th>Company 2</th>
<th>Industry</th>
<th>Year</th>
<th>Value (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Itaú</td>
<td>Unibanco</td>
<td>Finance</td>
<td>2009</td>
<td>65.7 Bil.</td>
</tr>
<tr>
<td>AmBev</td>
<td>Interbrew</td>
<td>Beverages</td>
<td>2004</td>
<td>53.4 Bil.</td>
</tr>
<tr>
<td>Vale and Inco</td>
<td>Mining</td>
<td>2006</td>
<td>US$ 21.0 Bil.</td>
<td></td>
</tr>
<tr>
<td>Tereos and Bunge</td>
<td>Food</td>
<td>2007</td>
<td>US$ 17.7 Bil.</td>
<td></td>
</tr>
<tr>
<td>Submarino and Americanas</td>
<td>E-commerce</td>
<td>2006</td>
<td>US$ 6.3 Bil.</td>
<td></td>
</tr>
<tr>
<td>Oi and Brasil Telecom Participações</td>
<td>Telecommunications</td>
<td>2009</td>
<td>US$ 3.9 Bil.</td>
<td></td>
</tr>
</tbody>
</table>

In 2012, the BrandZ™ Top 50 Most Valuable Latin American Brands report ranked Brazil as the leading country in the region in terms of brand value, with 19 brands from the country making the list. The report highlighted the importance of strong brands in driving economic growth, and the need for companies to invest in building and protecting their brands in a competitive market.

Brazil’s Brands Industry Sector Year Value

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Year</th>
<th>Value (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Itaú</td>
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Hill+Knowlton Strategies, a leading international communications consultancy serving local, multinational and global clients, has been active in Brazil since 1994. www.hillandknowlton.com.br

IN-DEPTH FOCUS: BRAZIL 

MERGERS AND ACQUISITIONS 

And the need for effective brand communications

Brazil is experiencing an intense period of corporate consolidation. The country’s growing economy has led to a surge in mergers and acquisitions, with the KPMG audit recording 707 deals in 2010, surpassing the previous record of 699 in 2007. The government’s more free-market policies, compared with past approaches, have contributed to this activity. Between the 1950s and the 1980s, the government supported protectionist principles, restraints of trade, nationalization, and granting incentives to stimulate the private sector.

The surge in consolidations touches brands across many sectors, including financial, aviation, telecommunications, communications, technology, retail, and food. It has heightened concern about effective corporate communications, where public relations firms and other outside professional consultancies can improve the process with objective perspective and strategic vision.

Corporate success can pivot on making the right branding decision. A brand builds the company image. Over time, the image builds reputation, and reputation is confirmed by the opinions of the company’s audiences, or stakeholders, which in turn brings credibility. That’s why successful companies make brand management a cornerstone in their overall mergers and acquisition strategy.

As Brazil’s period of consolidation continues, and perceptions of companies remain subject to sometimes unpredictable fluctuation, the role of brands and the need for effective and sophisticated branding will become even more important.

Critical Characteristics that people associate with Brazil include: creativity, flexibility, professionalism and the continuous quest for improvement and opportunity. Brazilian brands should make the most of the country’s exponentially growing visibility in the world to highlight these key elements of Brazilian culture. It is also important for Brazil’s global brands to incorporate knowledge and technology from other countries, and adapt and improve them for use in Brazil.

SHEILA MAGRI
General Manager
Hill+Knowlton Strategies Brazil

COMMENTS

LEAD FROM STRENGTH, LEARN FROM COMPETITION

Characteristics that people associate with Brazil include: creativity, flexibility, professionalism and the continuous quest for improvement and opportunity. Brazilian brands should make the most of the country’s exponentially growing visibility in the world to highlight these key elements of Brazilian culture. It is also important for Brazil’s global brands to incorporate knowledge and technology from other countries, and adapt and improve them for use in Brazil.

DEBORAH JACOB
Account Executive Director/VP
Hill+Knowlton Strategies Brazil
41. **DuraFloor**

**Company**: Duratex SA Indústria e Comércio  
**Brand Value**: US$249 million  
**Headquarter City**: São Paulo  
**Industry**: Flooring  
**Year Formed**: 1951

*DuraFloor is the first laminate flooring brand manufactured in Brazil.*

DuraFloor is the leading brand of laminate flooring in Brazil and is available in nine different product lines. The brand is readily identifiable by its iconic charging rhinoceros logo which symbolises key product attributes such as toughness and durability.

The DuraFloor brand is manufactured by parent company Duratex, a leader in the home improvement and building materials industry that also markets brands with the rhinoceros logo under the Duratex, Doo and Hydra names. The company’s logos received extensive exposure in 2011 as Duratex observed its sixtieth anniversary with an advertising campaign called Rhino Mania that included a series of free concerts.

Controlled by the financial and industrial conglomerate Investimentos Itaú SA and Companhia Ligna de Investimentos, Duratex is a publicly traded company on the Brazilian stock exchange.

42. **Arezzo**

**Company**: Arezzo Indústria e Comércio SA  
**Brand Value**: US$231 million  
**Headquarter City**: Campo Bom  
**Industry**: Retail  
**Year Formed**: 1972

*Arezzo is a leading retailer of women’s fashion footwear.*

Two brothers, Anderson and Jefferson Birman, created the Arezzo brand in 1972. Today Arezzo is Brazil’s leading retail brand of women’s fashion footwear and accessories. The brand focuses on high quality and contemporary designs and introduces about eight new collections annually. Arezzo operated 288 Arezzo brand franchising stores and 14 company stores along with five outlets at the end of 2011.

The brand was present in almost 1,000 other locations in Brazil. The Arezzo Company also markets under three other brands: Schutz, Anacapri and Alexandre Birman (including these brands, the company is present in about 2,000 points of sale. An initial public stock offering last year on the Brazilian stock exchange raised capital to fund further store expansion.)
43. **GERDAU**

Company: Gerdau SA  
Brand Value: US$232 Million  
Brand Value Change: -19%  
Headquarter City: Porto Alegre  
Industry: Steel  
Year Formed: 1901

**GERDAU IS THE LEADING PRODUCER OF LONG-ROLLED STEEL IN THE AMERICAS AND NUMBER TWO IN THE WORLD.**

Long rolling is a process that presses steel bars into sheets or plates. The company serves the auto, construction and agriculture industries. Founded in 1901, Gerdau now has operations in 14 countries: Argentina, Brazil, Canada, Chile, Colombia, the Dominican Republic, Guatemala, India, Mexico, Peru, Spain, the United States, Uruguay and Venezuela.

44. **DROGASIL**

Company: Drogasil SA  
Brand Value: US$219 Million  
Brand Value Change: -40%  
Headquarter City: São Paulo  
Industry: Retail  
Year Formed: 1935

**DROGASIL IS BRAZIL’S SECOND-LARGEST RETAIL DRUGSTORE CHAIN BY SALES REVENUE.**

It operates more than 280 stores in five Brazilian states and more than 75 cities. The company has been a retailer of pharmaceutical healthcare, skin care and personal care products for the past 75 years. Since its IPO in 2007, the financial results have earned the company a positive reputation in the investment community.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Company</th>
<th>Brand Value</th>
<th>Brand Value Change</th>
<th>Headquarter City</th>
<th>Industry</th>
<th>Year Formed</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>Swift</td>
<td>JBS SA</td>
<td>US$217 Million</td>
<td>-29%</td>
<td>São Paulo</td>
<td>Food</td>
<td>1855</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Since 2007, the brand has been owned by Brazil’s meat processing multinational JBS Friboi, which is present on all continents, with major operations in Brazil, Argentina, Italy, Australia, the United States, Uruguay, Paraguay, Mexico, China, and Russia. The company has business interests in other food categories as well as in leather, pet products, and biodiesel.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Havaianas</td>
<td>São Paulo Alpargatas SA</td>
<td>US$216 Million</td>
<td>-35%</td>
<td>São Paulo</td>
<td>Fashion</td>
<td>1907</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It sells roughly 200 million pairs annually in about 80 countries. The company introduced the sandals in the early 1960s, adopting a Japanese design made from rice straw and producing it in rubber. With an emphasis on color and design, starting in early 1990, Havaianas transformed the shoes from inexpensive and utilitarian to fashion statements.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
47. **DECA**

**Company** Deça SA  
**Brand Value** US$215 million  
**Brand Value Change** N/A  
**Headquarter City** Belo Horizonte  
**Industry** Bath products  
**Year Formed** 1947  

**Deça is a leader in the Brazilian home furnishings market.**

Deça is the leading brand in Brazil for bathroom fixtures and accessories and also provides finished materials to the building construction industry. The Deça brand is positioned as a quality product offering focused on design and innovation. The brand was created in 1947 by engineers Olavo Egydio Setubal and Ronaldo Reinhart and was originally called, “Artefatos de Metal Deça.”

The Deça brand is part of the Duratex company, which is one of the main industrial companies within the diversified portfolio of Itaúsa, Brazil’s major financial and industrial holding company.

48. **PDG REALTY**

**Company** PDG Realty SA  
**Brand Value** US$200 million  
**Brand Value Change** -37%  
**Headquarter City** Rio de Janeiro  
**Industry** Real Estate  
**Year Formed** 2003  

**PDG, a large Brazilian real estate company, develops and manages major commercial and residential projects.**

Present in 100 cities in Brazil and also operating in Argentina, PDG Realty is Brazil’s largest real estate company in market value. The company’s portfolio includes properties suitable for all income groups. Founded in 2003 as a real estate division within an investment bank, PDG became an independent publically traded company just a few years later.
**LOCALIZA**

Company: Localiza SA  
Brand Value: US$187 million  
Brand Value Change: -29%  
Headquarter City: Belo Horizonte  
Industry: Car Rental  
Year Formed: 1973

**LOCALIZA OPERATES THE LARGEST CAR RENTAL NETWORK IN BRAZIL.**

It has 422 branches in 246 cities throughout Brazil and eight other countries in Latin America. The franchising of Localiza’s branches, which started in 1983, enabled the company to expand its operations beyond Brazil. The fleet totals over 72,000 cars. Along with car rentals, Localiza is present in two related businesses: commercial leasing and used car sales. Localiza established its rental operations in 1973, with six used and financed Volkswagen Beetles in the city of Belo Horizonte.

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**RIACHUELO**

Company: Guararapes  
Brand Value: US$185 million  
Brand Value Change: -45%  
Headquarter City: Natal  
Industry: Retail  
Year Formed: 1947

**RIACHUELO IS BRAZIL’S LARGEST FAST FASHION RETAILER, WITH 128 STORES LOCATED THROUGHOUT THE COUNTRY.**

Established in 1947 as a chain of small shops selling fabric, Riachuelo shifted its focus in 1979 when Guararapes acquired the business. The company has gained a reputation for making affordable fashion available to men, women and children, and since 2007 has attempted to sustain its competitive edge by manufacturing its own clothing.
The rising middle class

Brazil’s rising middle class increasingly drives the growth of brands. More than 100 million people, or about half the country’s population of roughly 191 million, now are considered middle class. These households earn an income of at least 1.13 Reais per month (US$514). Those in Class E earn less than 486 Reais per month (US$727), which locates them in socio-economic Class C, Brazil’s official designation for middle class. Many of these households have recently risen from poverty, which the Brazilian government calls Classes A and D. Households in Class D earn around 798 Reais per month (US$514); those in Class E earn less than 486 Reais (US$313).

Even with fluctuations in the economy, these changes are narrowing the inequities of Brazilian society, expanding the number of people in the middle while reducing the ranks of both the very poor and the very rich, and expanding many more people to consumer goods and brands for the first time.

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**Brands Offer More Than Basics**

Brands traditionally treated the middle class as if it represented limited sales potential. Brands served these consumers with smaller packaging and smaller stores, offering the basic benefits of the respective category and no added value, with the intention of keeping prices affordable.

Today, the nature of the middle class has changed. Middle class individuals desire premium products and can afford them. Brazilian consumers prefer the leading brands, with appealing advertising, strong equity and good distribution.

Disposable income not only has increased purchasing, it has changed the composition of the shopping basket. Certain items, such as dairy cream, ready sauces, facial and body creams, seasonings, chocolate mixes and yogurts, had been purchased only occasionally. Now they are part of the family’s habitual grocery list.

**The Economic Stability**

The economic stability resulting from the Plano Real (1994) drastically reduced the runaway inflation of prior years at acceptable levels. With inflation under control, Brazilian consumers feel more inclined to save or purchase on credit. Other factors that contribute to the health of Brazil’s economy and the overall rise in income and purchasing power include:

- The steady growth of GDP (US$2.2 million; US$10,800 per person), demonstrating the evolution of the country’s productivity.
- The availability and ease of obtaining credit; and
- The strength of the Brazilian Real, which facilitates access to imported brands and opens up the possibility of tourism outside country.

Particularly significant is the government’s anti-poverty program called Bolsa Familia, which provides supplemental financial support to more than 12 million underprivileged families throughout Brazil. The families access the funds through a government-issued ID that acts like a debit card. Bolsa Familia changes how people shop and spend their money. Using the card frees a family from shopping daily with available cash or being dependent on store-issued credit, sometimes at high interest rates.

**Policies and Programs Drive Change**

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METHODOLOGY

BRAND VALUATION

In collaboration with Millward Brown Optimor, Brand Analytics, Brazil’s leading brand valuation and strategy consultancy, provided brand analysis and valuation for this BrandZ™ Top 50 Most Valuable Latin American Brands report.

The Brand Analytics approach to brand valuation is based on a brand’s economic impact—for example, its ability to generate long-term earnings for shareholders and sustained demand among customers.

This approach is consistent with the methodology used by Millward Brown Optimor for its BrandZ™ Top 100 Most Valuable Global Brands and related studies. BrandZ™ is the only valuation that peels away all of the financial and other component factors of brand value and gets to the core—how much brand alone contributes.

BrandZ™ valuation starts with the corporation. In some cases, a corporation only owns one brand. Therefore, all corporate earnings come from the brand. In other cases, a corporation owns many brands. Therefore, we need to apportion the earnings of the corporation across a wide portfolio of brands.

STEP 1: CALCULATING BRANDED EARNINGS

To make sure we apply the relevant portion of Corporate Earnings to the brand we first obtain financial information from annual reports and other sources, such as Kantar Worldpanel. Then, by multiplying Corporate Earnings by a metric called the Attribution Rate we arrive at Branded Earnings. Branded Earnings refer to the amount of earnings attributed to a particular brand. For example, then half the Corporate Earnings are identified as coming from that brand.

STEP 2: CALCULATING FINANCIAL VALUE

What happened in the past or even what’s happening today is less important than the prospects for future earnings. Predicting future earnings requires adding another component to our BrandZ™ formula. This component assesses future earnings prospects as a multiple of current earnings. We call this component the Brand Multiple.

It’s similar to the calculation used by financial analysts to determine the market value of stocks (Example: 6 X earnings or 12 X earnings). Information supplied by Bloomberg data helps us calculate a Brand Multiple. We take the Branded Earnings and multiply that number by the Brand Multiple to arrive at the future earnings potential, which we call Financial Value.

STEP 3: DETERMINING BRAND CONTRIBUTION

Now we have the value of the branded business. But this value is still not quite the core that we are after. To arrive at Brand Value, we need to peel away a few more layers, such as the rational factors that influence the value of the branded business, for example price, convenience, availability and distribution.

Because a brand exists in the mind of the consumer, we have to assess the brand’s uniqueness and its ability to stand out from the crowd, generate desire and cultivate loyalty. We call this unique role played by brand, Brand Contribution.

We have the only brand valuation methodology that obtains this customer viewpoint by conducting worldwide on-going, in-depth quantitative research, online and face-to-face, building up a global picture of brand on a category-by-category and a country-by-country basis. Our research now covers over two million consumers and more than 50,000 brands in over 30 countries.
DCS is a full-service advertising agency based in the south of Brazil, with a remarkable performance even though away from the country’s economic center. Founded in 1986 DCS has a long history of building leader brands in categories like footwear and shoewear, and internationally recognized with awards in Cannes, LIA, Clio, Lions, Clio Awards, Effi e Awards and Wave Festival.

DCS is a full-service agency that believes in the mobility of people, disciplines and ideas. It develops strategic media and creative work for clients like Magazine Luiza, the second largest retailer in Brazil. DCS joined the WPP Group in 2007 operating under the Ogilvy & Mather Brazil Group.

www.dcsh.com.br

GOLDFARB CONSULTANTS

Goldfarb Consultants is a research-based consultancy founded in 1965, providing insights and information for leading companies in industries including automotive, technology and retail. Goldfarb Consultants services include custom research solutions to clients in areas such as brand equity, customer loyalty, communication effectiveness, market segmentation, product development, digital strategy and innovation. Goldfarb Consultants Mexico has helped global brands to establish and grow in Mexico and Latin America since 1995, providing effective strategies to overcome challenges and take advantage of the best business opportunities.

www.goldfarbmexico.com

IPS

IPS is a full-service agency that believes in the mobility of people, disciplines and ideas. It develops strategic media and creative work for clients like Magazine Luiza, the second largest retailer in Brazil. IPS joined the WPP Group in 2007 operating under the Ogilvy & Mather Brazil Group.

www.ips.com.br

GREY GROUP

Grey Group ranks among the world’s top advertising and marketing organizations. The company operates in 154 cities in 96 countries with 10,000 employees and serves one-fifth of the FORTUNE 500 under the banner of “Grey Promotus Effective Since 1917.”

www.grey.com

H-K Strategies seeks to expand its global reach by offering stellar senior strategic counseling services, providing world-class research and case studies and earning timely, well-executed results for our clients. H-K Strategies has been in the wisdom business for more than 80 years. Our world-class teams of trusted advisors and creative experts are experienced in strengthening our clients’ brands, reputations and bottom lines.

www.hkstrategies.com

JWT

JWT is the world’s best-known marketing communications brand. Headquartered in New York, JWT is a true global network with more than 200 offices in 90 countries, employing nearly 10,000 marketing professionals. JWT’s creative philosophy of making things inspired by the world enables the agency to forge deep relationships with its clients.

www.jwt.com

Kantar Media

Kantar Media provides a broad range of insights to more than 20,000 of the world’s leading brands, publishers, agencies and industry bodies, helping them to navigate and succeed in a rapidly evolving media industry. This range includes audience research, competitive intelligence, vital consumer behavior and digital insights, marketing effectiveness and online influence.

www.kantarmedia.com

Kantar Worldpanel

Kantar Worldpanel, the world leader in consumer knowledge and insights based on continuous consumer panels. Its High Definition Inspiration™ approach combines market monitoring, advanced analytics and tailored market research solutions to deliver both the big picture and the fine detail that inspire successful actions by its clients.

www.kantarworldpanel.com

Mindshare

Mindshare Worldwide and MediaCom are two leading global media agencies. MediaCom Worldwide, MEC Global, Mindshare Worldwide and MARSU. The focus of GroupM is the intelligent application of volume and scale in trading, innovation and quality of services, in order to bring benefit to clients and the companies it operates.

www.mediacom.com

JWT

JWT is the world’s leading full-service media investment management operation, was created by WPP to oversee its assets in this sector. These assets include MediaCom Worldwide, MEC Global, Mindshare Worldwide and MARSU. The focus of GroupM is the intelligent application of volume and scale in trading, innovation and quality of services, in order to bring benefit to clients and the companies it operates.

www.jwtn.com

Kantar

Kantar is a leading global insights and information brand. Kantar helps the world’s leading brands, publishers, agencies and industry bodies, helping them to navigate and succeed in a rapidly evolving media industry. This range includes audience research, competitive intelligence, vital consumer behavior and digital insights, marketing effectiveness and online influence.

www.kantar.com

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www.mediacom.com

Ogilvy

Ogilvy & Mather Brazil Group is one of the world’s leading media agencies. Ogilvy & Mather is a people-driven agency. Our People First philosophy makes us different from other media agencies. It means we focus on people: consumers, clients and staff. It means we look at all areas of consumer life, understanding the connections and implications of their world and how they as individuals interact with clients’ brands. Our services include media planning and buying, interactive planning and buying (including digital, direct and search), ROI research (encapsulating direct response media), online/search engine marketing, consumer insights, media strategy and branded content. Specialist divisions include MediaCom Interaction and MediaCom Business Science.

www.mediacom.com
MILLWARD BROWN

Millward Brown is one of the world’s leading research agencies and is expert in effective advertising, marketing communications, media and brand equity research. Through the use of an integrated suite of validated research solutions—both qualitative and quantitative—Millward Brown helps clients build strong brands and services. www.millwardbrown.com

MINSHARE

Minshar is a global media and marketing services network with 113 offices in 82 countries throughout North America, Latin America, Europe, Middle East, and Asia Pacific, each dedicated to forging competitive marketing advantage for businesses and their brands. Minshar is a part of GroupM, which oversees the media investment management sector for WPP. www.minshareworld.com

OGLY & MATHER

Ogilvy & Mather is one of the largest marketing communications companies in the world. Through its specialty units, the company provides a comprehensive range of marketing services including: advertising, public relations and public affairs, branding and identity, shopper and retail marketing, healthcare communications, direct, digital, promotion and relationship marketing. Ogilvy & Mather services Fortune Global 500 companies as well as local businesses through its network of more than 450 offices in 130 countries. www.ogilvy.com

TGI

Established in 1969, TGI (Target Group Index) is a global network of singlesource market research surveys conducted face-to-face or online. They provide invaluable, comparable consumer insights into products and services, demographics, media, attitudes and beliefs to aid client marketing and advertising decisions. TGI is present in over 67 countries across 6 continents, conducting over one million interviews annually representing over 1.3 billion consumers. TGI is present in eight countries in Latin America and has been operating in the region since 1999. www.globaltgi.com

THE FUTURES COMPANY

The Futures Company is the leading global foresight and consultancy, formed from the coming together of The Henley Centre, HeadlightVision and Yankelovich. Through a combination of subscription foresight services and custom research and consultancy, we help clients unlock new sources of growth and take control of their future. www.thefuturescompany.com

Y&R

Y&R is one of the world’s leading full-service advertising agencies, distinguished by our proprietary knowledge, analytic rigor and creative solutions. Y&R sparks brand energy through big ideas — before and beyond advertising. Y&R pioneered integrated marketing more than 30 years ago. Through our collaborative efforts with our Young & Rubicam Brands partners, we are uniquely positioned to help our clients with best-in-class solutions. www.yr.com

Millward Brown Optimor is the global brand strategy and financial consultancy of Millward Brown. The organization helps companies maximize the financial returns on their brand and marketing investments. Millward Brown Optimor developed the methodology and performs the valuations for the BrandZ™ most valuable rankings, including the Global Top 100, the most comprehensive annual ranking of brand value, and the China Top 50. We collaborated on this Latin America Top 50 report with BrandAllytics, a leading brand valuation and strategy consultancy in Brazil.

www.millwardbrown.com/milpoptimor

Fine is a collaboration between WPP and Ronaldo Luiz Nazário de Lima Ronaldo Fenômeno). Fine is based in São Paulo, Brazil, but has global reach. Its mission is to give clients support and consultancy to exploit the great marketing opportunities surrounding sports in Brazil, home of the 2014 FIFA World Cup and 2016 Rio Olympic Games. The Fine offering includes branded events, activation, public relations, and other marketing and communications activities. www.fine.com.br

OgilvySiyon is the activation arm of the Ogilvy Group with 82 offices across 61 countries and over 2000 employees. We are focused on better understanding consumer behaviour and how shoppers decide what to buy so we can develop creative ideas that will help our clients sell more of their brands. We call it “Creating Purchase Behaviour”. www.ogilvyiyon.com

TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and stakeholder management, based on long established expertise and market-leading solutions. With a presence in over 80 countries, TNS has more conversations with the world’s consumers than anyone else and understands individual human behaviors and attitudes across every cultural, economic and political region of the world.

www.tnglobal.com

Y&R is one of the world’s leading full-service advertising agencies, distinguished by our proprietary knowledge, analytic rigor and creative solutions. Y&R sparks brand energy through big ideas — before and beyond advertising. Y&R pioneered integrated marketing more than 30 years ago. Through our collaborative efforts with our Young & Rubicam Brands partners, we are uniquely positioned to help our clients with best-in-class solutions.

www.yr.com
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BRANDZ™ ON THE MOVE - FREE APPS

Get the BRANDZ™ Top 100 Most Valuable Global Brands, China Top 50, and Latin America data, brand news and a lot more on your smart phone.

To download the apps go to www.brandz.com/mobile (for iPhone and Android).

THE TOP 50 MOST VALUABLE GLOBAL BRANDS 2012

The report includes brand valuations along with analysis and insights about building and sustaining strong brands worldwide.

BRANDZ™ ON THE MOVE - FREE APPS

Get the Top 50 Most Valuable Latin American Brands report, in collaboration with Millward Brown Optimor (Please see WPP Contributors).

Branding Trust, Engaging Consumers in the Post-Recession World

Trust is a new metric for understanding and strengthening the bond between consumer and brand.

VALUE-D: BALANCING DESIRE AND PRICE FOR BRAND SUCCESS

Value-D is a critical tool for finding the most productive balance between Desires and Price.

BrandAnalytics, a leading brand strategy consultancy in Brazil, produced the brand valuations and analysis for this BrandZ™ Top 50 Most Valuable Latin American Brands report, in collaboration with Millward Brown Optimor (Please see WPP Contributors).

BrandZ™ is the world’s largest brand equity database. Created in 1998 and continually updated, BrandZ™ is an invaluable resource, containing data on brands gathered from interviews with over two million consumers in 41 countries and covering more than 200 different categories. Calculations use financial data from sources including Kantar Worldpanel and Bloomberg.

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WITH THANKS

BrandAnalytics provides expert analytical and quantitative support for branding programs. It focuses on brand valuation/scorecards, brand strategy and ROI. By combining thorough analytics with an understanding of financial, marketing and strategic issues of the business, BrandAnalytics produces evidence-based branding recommendations that are linked to shareholder value generation.

For further information, please contact:

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WPP is the world’s leading communications services group, providing national, multinational and global clients with advertising, media investment management, consumer insight, public relations & public affairs, branding & identity, healthcare communications, direct, digital, promotion & relationship marketing and specialist communications. WPP companies provide communications services to clients worldwide including 344 of the Fortune Global 500, 43 of the NASDAQ 100 and 33 of the Fortune e-50. Collectively, WPP employs over 158,000 people (including associates) in 2,400 offices in 107 countries.

www.wpp.com
Cecilie Østergren is a professional photojournalist whose extensive travels in China resulted in two in-depth photo series, one on Mongolian Coalminers and one on the roots of Kung Fu. She has collaborated with Danish book publisher Politikens Forlag on three occasions, producing travel books across India, Greece and Denmark, her native country.