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## Japan Builds Brands to Last

Ten years ago, I joined an advisory board that helped design Brand Japan, a long-term research project that tracks brand equity for more than 1,000 Japanese brands. Produced by Nikkei BP Consulting Inc. in Tokyo, it now has the data for nine years, and there are some interesting results and learnings about branding to glean from it.

The database reflects two surveys. The first is a consumer survey, to which 35,000 respondents contributed last year, involving 20 measures such as a brand's perceived friendliness, innovativeness, charm, aggressiveness, quality and how much the respondent knows about, likes and is familiar with the brand. The second is a survey of about 20,000 contributing business managers asking about the strength of the business behind the brand that involves some 17 measures, such as the extent to which the business is visionary, successful and foremost in its area. It also asks whether the business is an organization with good management and a desirable place to work.

One finding is that brand equities in Japan are remarkably stable. Each year, I comment on the new data and, while some of the same brands are always at the top, there are some changes. The rank order is not identical, but the top brands out of 1,000 are always eerily familiar.

Every single year there are four brands in the top 20 and usually in the top 10: Disney; Studio Ghibli, an animated studio much like Pixar; Panasonic, known as Matstushita until two years ago when Panasonic became the business name; and Sony. For much of this time, Sony and Disney vied for the No. 1 spot; currently, Sony is No. 4, while Disney is No. 13.

Four more brands were in the top 20 in at least seven of the nine years: Tokyu Hands, a store that includes hands-on items you would find at Home Depot, a game store and a craft store; Nissin, a noodle company; Muji, the anti-glitzy retailer I wrote about in my January column; and Microsoft Windows. Another set of 10 brands were in the top 20 for more than five years: Uniqlo, a Gap-like retailer with very low prices; Toyota; Sharp; Yahoo; Seven-Eleven; Canon; Fuji TV, a TV network; Kirin, a beer brand; Google; and National, an appliance brand now renamed Panasonic.

In the business survey, the stability was even more striking. Four brands were in the top six every year: Toyota, Honda, Panasonic and Sony. These brands may have been respected in part because they represent the Japanese economic machine of the last several decades—automobiles and consumer electronics. Microsoft, Canon, Nintendo and Sharp were brands among the top 20 in seven or more years, and Suntory, Apple, Nissan and Oriental Land (the owners of Tokyo Disney Resort) were in the top 20 in six or more years.

In summary, 25 to 30 brands dominate the top spots in the survey of 1,000 brands year after year. Only one brand, Nintendo, really broke into this rarified atmosphere during the decade: It went from No. 135 in 2005 to No. 1 in 2008, which was very much the singular exception.

Another finding is that the overall value of the brand equities in Japan have fallen in the last five years, and even more sharply in the last two years. That mirrors a similar finding in the BrandAsset Valuator database of Young & Rubicam Inc., as reported in *The Brand Bubble*,

a book by John Gerzema and Ed Lebar. They report trustworthiness is down 40%, quality perception is down 24% and even awareness is down 20% in the last dozen or so years. However, they also show that the trend is reversed for those brands that have a lot of energy. This mirrors the resilience of high-energy brands as demonstrated by the repeated performers in the Brand Japan database.

Whether it comes from offering innovation, energizers or even advertising and promotion, energy is becoming a key to business success. ■



### There are a host of implications for marketers.

**1** Brand equity is based on decades of performance, so there is little question that the value of brands like Sony is due to their performance in the '80s. Customers just don't forget previous brand experiences. Simply look at Toyota's recovering sales numbers for reference. A heritage of delivering against expectations and innovation will linger.

**2** Brand building is a long-term project. If the payoff is spread over decades using monthly, quarterly or even annual financials as the main measure of brand health, it will miss most of the value of building a brand asset.

**3** It is difficult to break into the top echelon of brands. However, the best way to create a strong brand like GE is to start by inventing something as novel as the light bulb, which it did over a hundred years ago. Nintendo, meanwhile, created a whole new game category for a broad audience with breakthrough software and hardware. That set the bar high.

**4** It is hard to destroy top brands. Look at Harley-Davidson, Apple and AT&T, all of which went through periods when the businesses to which they were attached faltered. However, when the business models corrected themselves, the brands were still as strong as ever.

**5** Heritage and past experience matter. A brand that has a heritage and some latent equity might be a candidate for revitalization.