



#DONTWAITINLINE

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WORLD-CHANGING BRANDS DON'T WAIT IN LINE.

**THEY STEP OUT OF LINE, LEAVE INDUSTRY
NORMS BEHIND, CREATE HAVOC,
REDEFINE SECTORS, AND ARE KILLING IT
IN THE MARKETPLACE.**

**FIND OUT WHAT 2014'S
TOP 25 CANADIAN BRANDS
ARE MADE OF.**



Are we all just
standing in line?

by Carolyn Ray

DON'T WAIT IN LINE

OUR MANTRA FOR 2014

Interbrand Canada is proud to present our fifth biennial ranking of Canada's most valuable brands. As Canadians, we are proud that our brands have demonstrated such an irrepressible resiliency, with a gain of almost \$3 billion in brand value since 2012, despite striking shifts in the business landscape.

As expected, this year's ranking includes some well-loved Canadian brands, but we're also encouraged to see several new and exciting entrants across diverse sectors making their debut. These new entrants all have one thing in common: they follow a different path; they place the customer at the centre of all they do; and they empower their employees to deliver meaningful, authentic experiences.

Equally as compelling, our top-ranked Canadian brands leverage their heritage – to persuade, influence and inspire loyalty – but they do more than simply rely on past success. Instead, they look to the future with bold ambition, courage and vision. These brands understand their purpose, their relevance to customers, and have the confidence to stand out. In

doing so, they break away from traditional norms, challenge conventional thinking, and surprise and inspire their stakeholders – both inside and out. More significantly, their reach penetrates into our economic, environmental and social values.

Canadian brands are faced with extraordinary challenges – change is an imperative, not a luxury; and integration, innovation and sustainability are constant and enduring pressures. It is necessary and vital that our brands embrace their new realities and maximize every possible avenue to entice and captivate their audiences.

Our heartfelt congratulations to all the Canadian brands in this year's ranking. It gives us great pride and satisfaction to see that so many brands have the courage and confidence to step out of line – and reap the rewards of business success. Our message to the rest: Don't wait in line – the time is now to set a new course and advance your legacy for the future. We look forward to seeing even more new entrants and risers on the 2016 Best Canadian Brands. Until then, remember – some lines were meant to be crossed. Enjoy!



Carolyn Ray
Managing Director

DEFEATING THE DARK FORCES

World-changing brands step out of line. They flout the tried and true, shake sectors up, turn norms upside down. Most importantly, they resist the groupthink, rigidity, and conformity that conspire to keep brands in line. These “dark forces” make up the shadow side of organizational dynamics – conscious and unconscious behaviours and attitudes that stifle creativity, discourage healthy risk taking, and, ultimately, undermine success.

Though building strong brands for the future is each CMO’s purpose, in the bleakness of 2008, they were under intense pressure to respond to the financial exigencies of the day. When they failed to hit immediate targets, they often paid the price. It’s no surprise that the average CMO tenure then was just 28 months.

Today, things are looking brighter. The average tenure has risen nicely from just over two years to almost four years – heartening news for both CMOs and the brands they tend to. But this trend isn’t necessarily a reflection of companies allowing their CMOs to focus more freely on long-term brand building. It’s at least as much about the recovering economy. While today’s marketers are being given more time to be effective, the pressure to stay in line and focus on the present never goes away.

What is so bad about staying in line? And what are the dark forces working against your brand’s future? Let’s shine some light on these questions.

THE SEVEN DARK FORCES OF UNSUCCESS

DARK FORCE #1 – THERE IS NO TOMORROW

Hit today’s numbers. Meet your monthly goals. Don’t think too long-term or get distracted by “pie-in-the-sky” innovative thinking. Because while you’re pondering a brighter future for your brand, your competition is strolling away with your lunch. Brands that stay in line focus solely on the now, and measure success against daily criteria. This malevolence darkens the doorways of most CMOs every morning, hindering creativity and dashing great visions.

DARK FORCE #2 – GMOOT

Get Me One Of Those. This acronym achieved meme status in 2008, when many a CMO’s approach to marketing was, “I probably won’t be here much longer than 28 months (if that), so get me something that one of our competitors has already proven effective – y’know, like a viral video – and let’s run with that.” Brands that stay in line allow GMOOT-thinking to lure them into copycatting a competitor’s successful initiative instead of creating something inspired and original.

DARK FORCE #3 – SAME AS IT EVER WAS

It worked before, it will work again. Roll out the same thinking year after year, dress it up with a swipe of lipstick and hope no one notices. It works for Hollywood – shouldn’t it work for your brand? Trouble is, while your brand clings to a proven formula, the world doesn’t. It changes. Technology advances. Needs and desires evolve. Values shift. Consumers age, move, drop Facebook and pick up Snapchat. Brands that stay in line recycle their old ideas without overhauling or updating them to be relevant – the Hollywood sequels of the marketing world.

DARK FORCE #4 – FAILURE IS NOT AN OPTION

Innovative ideas rarely spring to life fully formed and flawless. In fact, the ones that succeed usually do so *because* they fail during development, each setback a critical step in the ongoing refinement of the idea. Brands that stay in line lack the fortitude and will to embrace failure as a key aspect of innovation and growth.



And what are the dark forces working against your brand's future?

DARK FORCE #5 – NOBODY ASKED US FOR IT

In this age of brand co-creation, it's tempting to believe that consumers will tell brands *exactly* what they want. But it's not that easy. Brands that stay in line wait to hear the answers from consumers rather than *listen* for the insights beneath the words. They accept pyrite truths rather than delving deeper to unearth genuine gold nuggets.

DARK FORCE #6 – MY NEPHEW DOESN'T LIKE IT

Whether it's a name change or a new CSR initiative, all ideas are subject to some form of informal focus group testing. But when we rely on sample sizes of one, or test and validate without rigor, we risk dismissing truly world-changing ideas for the wrong reasons. Brands that stay in line fall into the *beauty contest* trap by asking people which idea they like best rather than testing it against a range of creative and strategic criteria.

DARK FORCE #7 – EVERYONE IS OUR TARGET

Ideas targeted at everyone are designed to fail. They don't always fail – and sometimes they're even successful. But without a deep understanding of your target audiences and insight into what drives their behavior, universally-pleasing ideas have little potential to resonate with the stakeholders that matter most. Brands that stay in line aim to attract all the people all the time, and risk engaging none.

WARDING OFF THE DARK

Brands that change the world are constantly fighting off the dark forces conspiring to keep them in line. IMAX, Virgin, Four Seasons, Alfred Sung, lululemon,

Apple, Nortel, and Google – all made history by creating new sectors or transforming existing ones. And while it makes for a good story to suggest these brands were lone visionaries operating in isolation, all were highly attuned to their consumers' needs, desires, and values.

Steve Jobs famously said, "...people don't know what they want until you show it to them." But what he shared during the 1997 Worldwide Developers Conference yields a more informative look into his way of thinking: "You've got to start with the customer experience and work backwards to the technology..."

Great brands don't wait. They listen. They learn. And then they act. With an eye toward the future, they innovate constantly – because they know that to do anything less would put their leadership into question. Isadore Sharp, who founded Four Seasons Hotels and Resorts in 1960 and went on to become one of Canada's greatest brand builders, made achieving the balance between short- and long-term goals sound remarkably easy: "Our corporate costs escalated over these last few years. But that's a short-term problem that will straighten itself out." Sharp never let his focus stray from the bigger picture, learned through trial and error, and built one of the world's most highly regarded luxury brands. By stepping out of line, he, like so many business leaders we admire, didn't just succeed – he set a whole new standard. He showed us all that the dark forces can be defeated with the light of innovation and a commitment to daring.

CAPTURE THIS

Lady Gaga releases a new perfume called Fame, which is a dramatic black liquid that sprays clear. A 10-minute video and spectacular event launch the perfume. Five months later, 30 million bottles have been sold.

Dyson capitalizes on the success of the bagless vacuum cleaner by adding a ball that greatly increases maneuverability, creating an entirely new cleaning experience that positions the company as the UK's most popular brand. Apple's glass "cube" store on New York's Fifth Avenue isn't just a retail space – it's both a cultural icon and the most photographed building in the city.

What do these stories all have in common?

They make a statement, grab our attention, impress and elevate brands to a whole new level in our minds. These stories inspire us to share them, pin them, tweet them, link them and talk about them. What brand wouldn't want this kind of attention?

Welcome to the 21st century of brand experience.

Brand experience as we once knew it was all about the senses. The unique feel when opening a particular pop bottle. The tactile sensation of a book's surface. The visual appeal of a website. Or the connection of a handshake with a brand representative. From walking through an environment to casting your eye on a certain billboard, brand experience was made up of the familiar touchpoints that helped customers form an understanding of, and bond with, your brand.

Now that's all changing. For the past five years, brand experience has evolved into something much more powerful. Now it sets out to entertain you, create vivid memories, generate intrigue and fuel conversations. This is *brand experience thinking* in

action, and it will challenge the creative industry to engage consumers through immersive interaction rather than through traditional communication media.

Creating today's version of brand experience takes guts. It takes passion. And it takes a whole lot of non-traditional creative thinking. But done right, brand experience thinking will revolutionize the future of branding for both consumer and business brands.

BRAND EXPERIENCE ISN'T NEW, BUT HOW BRANDS THINK ABOUT IT IS

Unlike the one-off gimmicks or guerrilla advertising of the early 2000's, today's brand experiences are driven by long-term solutions and evolving ideas. Some brand experiences impact consumers' lives in an everyday way, while others have the potential to engage the entire world.

Like the blue car syndrome, you'll recognize examples of this new form of brand experience everywhere. Some may be subtler than others, but all represent transformative creative thinking.

How do business brands utilize brand experiences? By creating undeniably shareable moments that help them own the entire conference rather than just showing up. A talking head video doesn't cut it anymore. Business brands are re-inventing the showroom, producing new customer-centric business tools, customizing the dealer experience, changing the meaning of service, and sharing stories. These are bigger, smarter, ever-

Creativity makes it memorable, effective, entertaining, inspirational, and transformative.



evolving experiences that get clients talking about them rather than the other way around.

What about consumer brand experiences? They're all around us. Coke's happiness truck. Burberry's first-ever digital fashion show. Volkswagen's drive-safe hotel suites. GE's Focus Forward short films that invite clever people outside of the organization to tell stories of what it is like to work on world challenges. They get photographed, tweeted, posted, written about and, if they're brilliant enough, studied. A fantastic side effect in our user-generated content world is the fame brands gain through the capture and sharing of an experience. The ability to generate an actionable experience that's memorable and shareable across social networks is critical for building brand loyalty and adoption among existing and new audiences. It is today's version of *word-of-mouth* – one of the most trusted channels through which people learn about and are recommended to choose brands and products.

Not long ago, we believed "Mobile First" would be the revolutionizing force of branding and marketing. Coined back in 2009 by Luke Wroblewski, it was introduced as a useful way to think about digital content. The basic idea: make communication media accessible on mobile devices or you will lose your audience. It has since become the rallying cry of every creative director, marketing executive, and business leader today. But "Mobile First" sidesteps a crucial truth about people: they want more than content. They want involvement. They want to share compelling

brand experiences with the rest of the world. Mobile is *how* they share – brand experience is *what* they share.

Evolving brand experience is a new idea that challenges business leaders to encourage innovative thinking, support the creation of ingenious business promoting ideas, and think *talking points* rather than *touchpoints*. In essence, by creating talked about, tweetable, linkable, photographable and shareable experiences for your audience, you will reach more screens and devices than you ever imagined possible. These are the ideas that will not just encourage consumer engagement, but will jolt us all out of our everyday, passive relationships with brands, entertaining and engaging us in brilliant new ways.

CREATIVITY WINS

Creativity makes it memorable, effective, breathtaking, different, interesting, intelligent, entertaining, inspirational, brave, and transformative. It's the courageous, forward-thinking businesses that will push, provoke and encourage such ideas from their brand consultancies. And the brand consultancies will be challenged to think much more experientially about the brand experience.

We are at a tipping point. The next era of branding will be won not through image, but through action.

DON'T JUST COMPLY, CREATE

How leading companies are strengthening their business and brand by creating shared value

Today, *quarterly capitalism* continues to prevail. Even with the financial crisis behind us, business leaders remain focused on maximizing short-term results. This current business reality is permeating organizations across Canada, shaping many aspects of decision-making – particularly in corporate citizenship efforts.

A review of the CSR reports of leading companies reveals that some organizations are simply going through the motions by reporting back regulatory compliance or recasting standard business practices through a politically expedient lens. In both instances, they deny themselves a larger opportunity to enhance both their business and society in a more meaningful way. They are not seeing major societal issues such as climate change, growing income inequality and childhood obesity as critical threats to the health of their business. It also signals that these companies do not appreciate the immediate opportunity that creating shared value represents to their business and brand.

WHAT IS SHARED VALUE?

Shared value is the idea that a company can create measureable business value by addressing social issues that directly intersect with its business. The notion goes beyond philanthropy or sustainability efforts to identifying specific challenges that will grow the company's profits while creating positive outcomes for society. Michael Porter and Michael Kramer, who coined the term, identified unique ways companies can create these shared value opportunities, including product innovation that

focuses on societal benefits, efficiencies in the supply chain that reduce environmental impact, and supportive industry relationships in the communities a company operates.

Many leading companies have realized the benefits of creating shared value, such as GE. Since launching its Ecomagination business in 2005, the company has earned over \$105 billion in revenue from associated products and services. Additionally, the Ecomagination business, which is focused on building innovative solutions for today's environmental challenges, has grown at twice the rate of the rest of the company. Other companies such as Nestlé, Unilever and Walmart have realized similar success with their own shared value initiatives. Walmart, most notably, in its efforts to reduce product packaging and optimize delivery routes, lowered its carbon emissions while saving \$200 million in costs – a clear and dramatic example of redefining productivity in its value chain.

SHARED VALUE AND BRAND VALUE

But beyond driving revenue and improving margin, shared value initiatives provide companies with the opportunity to build brand value. No matter what the goal – from enhancing employee clarity on the company's purpose to differentiating the brand or improving perceived authenticity and relevance – creating shared value fortifies the attributes that strengthen B2B or B2C brands. The result is a brand better able to drive choice, enhance loyalty and ultimately increase brand value.



MEC understands it must go beyond providing equipment and play a role in conserving the outdoor spaces within Canada that are so vital to the country's existence.

Some leading Canadian companies are leveraging the notion of shared value today, using it as a powerful driver to inform their business strategy and corporate citizenship efforts. They are stepping outside of the status quo, and in turn, building brand value.

SHARED VALUE AND INTERNAL CLARITY

A key tenet to any strong brand is an internal sense of clarity. After all, how can employees be responsible for delivering a brand they don't understand? This includes being aligned with what the brand stands for – its purpose in the world – so they can engage fully and deliver on its promise. Studies show that companies enjoy significant benefits from highly engaged employees, and frequently see uplift in every business performance indicator: profitability +16%, productivity +18%, customer loyalty +12% and quality +60%.

One brand that truly understands its purpose in the world and motivates employees accordingly is MEC. Put simply by CMO Anne Donohoe, "Our mission is to inspire Canadians to be active outdoors." But to fulfill this mission, MEC understands it must go beyond providing equipment and play a role in conserving the outdoor spaces within Canada that are so vital to the country's existence. This commitment is demonstrated through involvement in local communities and outdoor industry associations, and in its five-year integrated business and sustainability strategy. In this effort, MEC truly embodies a key tenet of shared value: building supportive industry clusters that create, develop and innovate opportunities

within their market, while ensuring employees understand the brand's purpose.

SHARED VALUE AND DIFFERENTIATION

As is well understood, the Canadian telecommunications industry has become increasingly commoditized. With ongoing regulatory reform and the recent threat of new entrants from south of the border, Canada's leading telecommunications brands have struggled to differentiate and drive consumer choice beyond price. One brand, however, stands out for making significant strides to separate itself from the pack. With the launch of Bell's Let's Talk initiative in 2010, the company has made progress to put an end to the stigma surrounding mental health by raising national awareness and committing \$62 million in funding. While Let's Talk is playing a vital role in bringing attention to one of the most widespread health issues in this country, it is also helping Bell to engage with consumers in a more meaningful way – on the very devices they provide to them. This effort differentiates the brand in a way that has been proven to drive consumer choice and loyalty.

SHARED VALUE AND AUTHENTICITY

The importance of brand authenticity was made clear in 2013 by lululemon, whose series of mishaps eroded market capitalization and brand value through behaviour that was contrary to how consumers understood the brand. For authenticity to ring true, a brand's communications must consistently align with its actions. For instance, as Canadian financial services

Some leading Canadian companies are leveraging the notion of shared value today, using it as a powerful driver to inform their business strategy and corporate citizenship efforts.

brands send messages of partnership and support to customers, consumer debt levels head to a forecasted all-time high in 2014 – largely due to easy access to credit. One exception is National Bank.

With its ClearFacts initiative, National Bank provides consumers with a plethora of free advice to help Canadians make more sound financial decisions today and tomorrow. Guidance spans from how to best manage daily expenses, such as cell phone data usage, to longer-term considerations like buying a home and planning for retirement. By creating a service that supports the financial health of consumers, National Bank is strengthening the authenticity of its brand as a sound partner to customers.

SHARED VALUE AND RELEVANCE

The global childhood obesity epidemic has reached Canada. It is estimated that today, one in three Canadian children has an unhealthy weight, and most adolescents do not outgrow the problem by the time they become adults. If this trend continues, 2 out of every 3 Canadians will be overweight or obese by 2040. This issue will have significant impact on expected industries such as healthcare and insurance, yet one brand taking on childhood obesity today represents a different sector altogether.

In 2013, Canadian Tire launched a national advertising campaign bringing broader awareness to childhood obesity, encouraging parents and kids alike to embrace sport and outdoor activity to live better. Canadian Tire extends this effort far beyond ad campaigns by continuously supporting its Jumpstart initiative. Founded in 2005, Canadian Tire Jumpstart enables financially disadvantaged kids to participate

in sports by helping to cover the cost of registration, equipment and transportation. These cumulative efforts notably enhance the brand's relevance with Canadians by driving interest and engagement in sport, and ultimately, health and well-being.

The concept of creating shared value is equally relevant to the non-profit sector. In focusing on new ways to partner, non-profit organizations along with their corporate sector donors are transforming traditional corporate philanthropy into shared value opportunities. One NGO taking on this approach is Plan Canada. "We're finding more and more opportunities to engage with our corporate partners, moving beyond donations to engaging their employees more holistically," says Paula Roberts, Executive Vice President, Marketing & Development at Plan Canada. Not only does this approach support Plan Canada's work in various regions across the globe, but it also strengthens employee engagement levels within its corporate partner base, a proven metric to enhance both productivity and profitability within a business.

In creating shared value, the aforementioned brands demonstrate the opportunity at hand: to be leading corporate citizens while strengthening their organizations' bottom line and brand value. By stepping outside category norms, each has shown how doing what is beneficial for society can in turn be beneficial to the business and brand. As more companies move from compliance to embracing shared value in their strategic business planning, we will hopefully see an exciting evolution in category norms altogether.

**BRANDS THAT
DON'T WAIT
CHANGE THE WORLD**


BEST CANADIAN BRANDS 2014

25 LEADING CANADIAN BRANDS

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


Percentage change based on 2012 valuation

01



Brand Value \$10,795 MM
 ▲ 11%

02




Brand Value \$10,531 MM
 ▲ 33%

06




Brand Value \$3,340 MM
 ▲ 9%

07



Brand Value \$3,193 MM
 ▲ 0%

11




Brand Value \$2,739 MM
 ▲ 17%

12




Brand Value \$2,189 MM
 ▲ 10%

16




Brand Value \$971 MM
 ▲ 17%

17




Brand Value \$880 MM
 ▲ 16%

21



Brand Value \$631 MM
 NEW

22



Brand Value \$617 MM
 ▲ 36%

03



Brand Value \$8,279 MM
▼ 13%

04



Brand Value \$7,695 MM
▲ 94%

05



Brand Value \$3,899 MM
▲ 13%

08



Brand Value \$3,165 MM
▲ 6%

09



Brand Value \$2,920 MM
▼ 10%

10



Brand Value \$2,888 MM
▲ 46%

13



Brand Value \$1,708 MM
▼ 9%

14



Brand Value \$1,305 MM
▼ 30%

15



Brand Value \$1,273 MM
NEW

18



Brand Value \$867 MM
▲ 6%

19



Brand Value \$763 MM
▲ 12%

20



Brand Value \$736 MM
NEW

23



Brand Value \$580 MM
▼ 4%

24



Brand Value \$545 MM
NEW

25



Brand Value \$324 MM
▼ 11%



Sector Financial Services
Brand Value \$10,795 MM
▲ 11%

2012 Rank: **1**

With such a well-established creative theme, TD is in an excellent position to step out of line and boldly elevate the meaning of comfort.

01 For thirteen years running, TD has been assuring Canadians that banking can be as comfortable as a green leather chair. For eight years, J.D. Power has ranked TD "Highest in Customer Satisfaction among the Big Five Retail Banks." In a sector perceived as largely undifferentiated, TD does stand out to a degree. That's not to say TD no longer has disgruntled customers, however.

Canadians continue to believe that all banks prioritize profits over customers and lag behind in innovation. But there has been a recent uptick in customer satisfaction ratings, primarily because the Big Five and mid-size Canadian banks are doing a better job of explaining their fees and services. Does this mean comfort is simply having an understanding of fees and services? Shouldn't that level of clarity be table stakes for all banks?

With such a well-established creative theme, TD is in an excellent position to step out of line and boldly elevate the meaning of comfort, so that it doesn't just refer to addressing confusion. For instance, it could restructure the actual mechanics of its fees and services to be more comfortable for consumers. Or it could launch a social media-driven campaign that invites customers to define what comfort means to them – and then deliver on those definitions.

The pay-off would go beyond creating sharper brand differentiation for TD. It would raise the bar for all Canadian banks, putting them in the somewhat uncomfortable position of having to deliver an entirely new level of service and innovation.



Sector Financial Services
Brand Value \$10,531 MM
▲ 33%

2012 Rank: 3

02 Canadian banks rarely stand out, but CEO Gord Nixon gave Canadians a reason to see RBC differently with an open, honest letter to Canadians pledging not to send work offshore as a salary-saving tactic.

RBC also has a track record of doing right for the environment and diversity. In 2013, it was recognized as the “best place to work for LGBT equality” by the Human Rights Campaign.

As a business, RBC continues to be a profit-making juggernaut, maintaining a position of first or second in market share for all product categories in Canadian banking. It is now the world’s sixth largest global wealth manager.

How could RBC stand out further? Gord Nixon could have pledged support of Canadian workers before the scandal broke. But with programs like the new RBC Career Launch Program, the bank is demonstrating its commitment to a stronger Canada.



THOMSON REUTERS™

Sector Business Services
Brand Value \$8,279 MM
▼ 13%

2012 Rank: 2

03 Thomson Reuters (TR) has been trying to reverse a slow decline by transforming the company into an enterprise-driven organization with an integrated go-to market strategy, common processes, shared assets and centres of excellence. These rather expected initiatives could be applied to any number of companies. To step out of line and turn the enterprise around, senior leaders need to go beyond the expected and explore new possibilities.

In today’s marketplace, there is an oversupply of data and an undersupply of relevant, insightful and actionable information. This is where TR can deliver the unexpected.

By listening intently to clients, TR can deliver actionable results that help professionals make smarter, faster decisions. This would guide meaningful innovation in areas that matter most to clients, and inspire TR employees to make better decisions that drive TR business forward.

More analysis is available at bestcanadianbrands.com
Percentage change based on 2012 valuation

The *Richness Is* extension met a value shift head on by evolving a functional proposition into a values-based notion that portrayed richness as being able to live an emotionally enriching life.

04 In 2006, Scotiabank launched a new campaign based on the notion that *you're richer than you think*. The idea was simple: You have financial potential and Scotiabank can help you tap into it. Fast-forward three years. The global financial crisis is raging, and *you're richer than you think* is drawing satire and ridicule. But instead of scrapping the tagline, the bank refined the idea to reflect the value shift the recession had triggered. With portfolios plummeting, people had begun to wonder if *richness* should be a reflection of well-being and a life well lived rather than money and wealth.

The *Richness Is* extension of the campaign met this value shift head on. It evolved the proposition from functional to values-based and portrayed richness as being able to live an emotionally enriching life.

Scotiabank's commitment to the original idea yielded excellent returns – as of 2012, its tagline was the most recognized among banks in Canada, with an 85% recall among consumers. This commitment extends to a consistent voice that demonstrates Scotiabank's vibrant personality through sponsorship of the arts, music, movies, hockey, as well as soccer and cricket in Latin America and the Caribbean.

Still, Scotiabank has yet to crack the code on customer satisfaction. But there has been progress – the bank has been ranked highest in satisfaction among small business owners for two years running.

Now Scotiabank needs to step out of line and apply those winning practices across the board to prove richness includes a consistently happy bank experience for every customer.



Sector Retail
Brand Value \$3,899 MM
▲ 13%

2012 Rank: 6

05 Everybody loves Timmy's. Want proof? 27% of all money handed to quick service restaurants (QSR) in Canada is spent at Tim Hortons and 42% of all QSR traffic walks into one of 3,588 Tim Hortons outlets. That's more than the next 15 QSR brands combined.

Meanwhile, some competitors have been challenging and elevating consumer expectations over the past five years by dramatically blurring the lines between QSRs and sit-down restaurants. That's

the kind of creativity we want from Tim's. We want our favourite doughnut shop to think beyond menu extensions and geographic expansion.

In the movie *Field of Dreams*, Ray Kinsella hears, "if you build it, they will come". What if Tim Hortons built a new sit-down restaurant? Or a new food truck concept? The customers are fanatically loyal, and sure to explore any idea their beloved Tim Hortons is willing to dream up.



Sector Telecommunications
Brand Value \$3,340 MM
▲ 9%

2012 Rank: 9

06 Tough year for Bell. Telus became the 2nd largest wireless carrier by subscribers, and Rogers has exclusive rights to the NHL nationally for the next 12 years.

Despite the headwinds, Bell managed to increase its brand value by 9% over 2012, topping the list in the telecommunications segment.

What has Bell been doing right? One clear answer is the *Let's Talk* campaign. Bell has embraced the kind of issue most companies shy away from. It is leading the

charge to break the stigma around mental health, and doing so in a way that fits naturally with its core offerings.

Bell, keep coming up with daring new ways of putting people at the centre. Be relevant to your customers in ways that reflect their values. Achieve leadership by earning a loyal, committed, and satisfied customer base.

Give them something positive to talk about.



Sector Retail
Brand Value \$3,193 MM
▲ 0%

2012 Rank: 8

07 Today, the merger of Shoppers Drug Mart (SDM) with Loblaw Companies (Loblaw) plays out in-store with PC products adorning end-aisle displays in Shoppers and Life products featured in Loblaws. The big question is: What's next?

We've seen U.S. players dramatically change the Canadian retail environment. Canadian Tire had to reimage itself and Zellers simply disappeared. Could a combined Loblaw and SDM fight back as the new Canadian super retailer?

Large format SDM/Loblaw stores could provide true one-stop shopping, but the existing network of smaller, more urban SDM locations could be this new super-brand's true point of differentiation, because Canadian Tire, Target and Walmart stores don't easily fit into urban spaces.

This unique ability to satisfy urban and suburban customers, coupled with a new online offering, could defend against the U.S. intruders and redefine the retail landscape – here and around the world.



Sector Retail
Brand Value \$2,920 MM
▼ 10%

2012 Rank: 7

09 If true character really is revealed in the face of adversity, millions of lululemon loyalists were sorely disappointed with what they saw from the beleaguered brand in 2013.

Considering the string of outrageous Chip Wilson comments and PR pratfalls, the yoga-inspired athletic brand had a very bad year indeed. Major changes resulted, most notably the departure of founder Wilson and lululemon CEO Christine Day.

The personality of lululemon does not reside solely in its leadership. It lives in the teams working at store level. In the communities the brand serves. And in the loyal customers who draw so much inspiration from the brand.

We're hopeful that new CEO Laurent Potdevin will read those hallmark messages of inspiration that appear at various touchpoints. As one of them teaches, "Life is full of setbacks. Success is determined by how you handle them."



Sector Telecommunications
Brand Value \$3,165 MM
▲ 6%

2012 Rank: **10**

08 New Rogers CEO Guy Laurence states, "We must strengthen our value proposition to ensure our customers can answer 'Why Rogers?'" Yet Rogers seems to work towards and against this goal simultaneously.

On one hand, Rogers invests heavily in content, wireless infrastructure development and product development, and advertising.

On one hand, Rogers invests heavily in content, wireless infrastructure development and product development, and advertising.

On the other hand, Rogers is slow to acknowledge the changing media consumption habits, and have difficulty creating and sustaining positive consumer sentiment.

To give consumers the right answers to the question, "Why Rogers?," Guy Laurence must provide internal stakeholders with clarity on what the brand is going to stand for. He must empower them to consistently create customer experiences that deliver on the brand's promise. If not, technology and market dynamics will provide customers with alternatives.



Sector Telecommunications
Brand Value \$2,888 MM
▲ 46%

2012 Rank: **13**

10 It's not in Telus' DNA to get in line with industry trends and norms. Unlike industry leaders Bell and Rogers, Telus has taken a much different tack with its customer service and actually put the customer at the centre of what they do, taking every opportunity to involve the customer to build relevance.

And the results are clear. At the end of 2013, Telus became the second largest wireless carrier, surpassing Bell. With all of their success, what's next?

Compared to Rogers and Bell, Telus is missing national cable service and media content. Does Telus go the expected route and acquire a company like Shaw or Corus Entertainment? Or do they acquire a deeper understanding of how people want to consume media and create a visionary new model of a Canadian telecom?

Our gut says the latter.



Sector Financial Services
Brand Value \$2,739 MM
▲ 17%

2012 Rank: **11**

11 BMO CEO William Downe says, "We take pride in the fact that people choose to bank with BMO because we make money make sense." But is the bank taking its own promise seriously?

A series of videos on BMO's YouTube channel provides parents with concrete guidance on teaching kids about money. However, the videos are not tagged

with *Making Money Make Sense*. This, and the television campaign's absence in 2013, could be signaling BMO's lack of commitment to its own brand idea.

With all Canadian banks perceived as profit-focused and lagging behind in innovation, how can BMO stand out? One way would be to deliver a more meaningful campaign that genuinely helps people understand banking.



Sector Retail
Brand Value \$1,708 MM
▼ 9%

2012 Rank: **14**

13 A lot has changed in Canadian retail industry since 2012. But Canadian Tire has held its own in a field crowded by new U.S. entrant Target and the expanding footprints of Walmart, Costco and Amazon. The iconic retailer has long played to its Canadian heritage in advertising and recently reshaped its in-store and online experiences to better align with its reputation. But how does the nearly 100-year old retailer accelerate its leadership, get out of line and challenge the industry norms?

We believe the biggest opportunity for Canadian Tire lies in the assimilation of the customer experience. By building on the early success of its lifestyle hub The Canadian Way, coupled with learnings from the mixture of the offline and online experience at sister brand SportChek, CT can create a compelling and fully connected destination for Canadians.

With the right integration, Canadian Tire can take the driver's seat and leave Target, Walmart, Costco and Amazon in its rearview mirror.



Sector Financial Services
Brand Value \$2,189 MM
▲ 10%

2012 Rank: **12**

12

In 2013, CIBC was focused on a deal that split the Aeroplan credit card between them and TD, putting a significant portion of CIBC customer relationships at risk and likely distracting CIBC from its long-running *ForWhat Matters* campaign.

By not investing in brand, CIBC continues to be seen as undifferentiated – one of the Big Five prioritizing profits over people and lagging in innovation. Despite CIBC being the only Canadian

bank currently offering payment via mobile phone, it is no longer recognized as Canada's Best Mobile.

How to respond? Provide meaning into the *For What Matters* campaign. Engage people through social media to uncover what really matters. Leverage those insights to deliver a more relevant experience for consumers. CIBC could be the one bank seen as valuing relationships over profits and truly listening to what matters to customers.



Manulife Financial

Sector Financial Services
Brand Value \$1,305 MM
▼ 30%

2012 Rank: **15**

14

Manulife has had a tough couple of years. The overall business has seen sharp declines, and as a result, overall brand value has been cut in half. However, it soldiered through admirably compared to direct competitor SunLife, which fell off our list this year.

Through the turbulence, Manulife did a good job of maintaining awareness, but it did so in a generic and undifferentiating way. If Manulife aspires to

compete with the Big Five banks on the investment management and retail banking businesses, the brand must swim clear of the financial services sea of sameness and define their brand on truths that resonate deeply with consumers.

As a potential challenger brand, Manulife has the opportunity to listen intently to people and react to new consumer trends. Others are surely considering a similar strategy, so they need to get going.



Sector Retail
Brand Value \$1,273 MM
NEW

2012 Rank: N/A



This brand stepped out of line right from the beginning by breaking virtually all of the established retail rules.

15 When Canadians think of big retailers, brands like Canadian Tire, Loblaw, Shoppers Drug Mart, Target, Costco and Walmart jump to mind. But our highest-ranking new Best Canadian Brands entrant is going all out to ensure they grace that list as well.

To be clear, Dollarama is not a typical mass-market retailer. This brand stepped out of line right from the beginning by breaking virtually all of the established retail rules.

Dollarama doesn't advertise – except to promote new store openings. They don't put items on sale. They don't run in-store promotions. There's no loyalty program rewarding its customers for their patronage. And coupons? Not accepted.

When we explore Dollarama's store design and brand identity, we don't believe that either will make the cover of any magazine for innovative design thinking. But that is exactly the point.

Instead, Dollarama has stripped away all of the above to offer its customers – first-timers and diehards alike – an experience that is practical, straightforward and value driven. Dollarama offers a consistent product selection of everyday household items from national brands and private labels, along with assortment of unique and seasonal items.

The results speak for themselves: 800+ stores across Canada (more than 5x its most direct competitor), a dedicated and growing customer base, and significant growth opportunity within the Canadian marketplace.

Dollarama is a remarkable study in successful rule-breaking. The challenge ahead for Dollarama is to stay out of line with retail norms, and hold true to its unique brand and values.



Sector Financial Services
Brand Value \$971 MM
▲ 17%

2012 Rank: **18**

16 Quebec's dominant player has changed its name from National Bank of Canada to simply National Bank, which may tell us its sights are set on the world stage and not the rest of Canada.

National Bank invested in brand through a website and visual identity overhaul. It has also continued its commitment to a range of corporate citizenship initiatives focused on financial literacy and youth.

Well understood in its market for almost a century and a half, National Bank's leadership may not feel the urgency to stand up and declare what it stand for and why it's relevant – in Quebec, across the rest of Canada or around the entire world. It should. National Bank is a strong and impressive financial institution that we should all know more about.



Sector Telecommunications
Brand Value \$880 MM
▲ 16%

2012 Rank: **20**

17 Over the last two years, Shaw has been busy unveiling a new brand promise, corporate identity and extensive advertising campaign. And with it, a commitment to utilize the Shaw brand as a strategic tool to differentiate and compete in the competitive telecom and media industry.

With a competitive landscape that features brands with deeper pockets and greater propensity to advertise, Shaw can step out of line by building their

brand through their corporate social responsibility program and define a new media alternative.

Consumers are gravitating towards brands that look beyond the bottom line to the overall impact a brand has on the community. Building on a good corporate social responsibility track record, Shaw is creating a brand experience that is authentic, new and innovative. Ultimately driving choice and creating loyalty with consumers at a level that no traditional or online media campaign could deliver.



Sector Beverages
Brand Value \$867 MM
▲ 6%

2012 Rank: **19**

18 Could it be that half of Canada's drinking age population is not partaking of products from a beloved brewery?

Few brewers have cracked the code on marketing to women. When Molson Coors launched the ill-fated Animée in 2011, beer writer Melissa Cole said, "We do not need to make beer for women, we need to make beer more accessible for women."

With the launch of Molson Canadian Cider in 2013,

it looks like Molson is really getting it right. No watery recipe, no cutesy name. And instead of relying on traditional marketing tactics, Molson sent a six-pack to blogger LaQuita at JustUsGirlsBlog.com, who deemed it "delicious" and encouraged her friends to try it out.

By committing to this approach, Molson could become the first beer marketer to successfully and consistently reach women - on terms that women appreciate.



Sector Transportation
Brand Value \$736 MM
NEW

2012 Rank: **N/A**

20 WestJet is the quintessential get out of line brand. This is partially because of the brand's youthful exuberance. It's also because WestJet's mission, vision and values are played out daily in its behaviours and the experiences the brand delivers to enthusiast customers.

WestJet's commitment to employee profit sharing ensures that every worker is focused on the most important aspect of their business – delighting customers throughout their journey.

As a result, WestJet employees are consistently committed to making the experience memorable for the customer. Just ask those lucky passengers who met Secret Santa last December!

WestJet customers are brand enthusiasts who appreciate its renegade feel. WestJet employees are passionate and feel a part of something larger. These are substantial victories. How many other airlines in Canada – or even the world – can claim to be flying consistently at this altitude?

The logo for Winners, featuring the word "WINNERS" in white, uppercase, sans-serif font inside a dark rectangular box.

Sector Retail
Brand Value \$763 MM
▲ 12%

2012 Rank: **21**

19 Winners consistently provides customers with the thrill of the find. But the discount retail landscape is evolving, and Winners needs to take stock of the changes.

Online, standalone flashsalers like Beyond the Rack, Gilt Group and RueLaLa are gaining traction, as are American Express (Vente Prive) and Nordstrom (HauteLook). Chasing a great bargain is no longer about being in the right store at the right time. It is

simply about shopping at the right time.

Winners' online deficiencies may be signaling a larger problem. TJX Companies (TJX) has grown the chain from five stores to 227. But this is a Canada-only operation. Has Winners reached a saturation point?

As more Canadians shop online, unhampered by geographic borders, can Winners remain the leader in discount designer retail? Or will competitors – and even other TJX brands – take the mantle?

The logo for Canadian Pacific Railway (CPR), featuring the letters "CP" in a bold, red, stylized font.

Sector Transportation
Brand Value \$631 MM
NEW

2012 Rank: **N/A**

21 Since appointing E. Hunter Harrison CEO in June 2012, Canadian Pacific Railway (CPR) has transformed itself by challenging countless industry conventions. The focus has been primarily on becoming a service led organization that provides a premium, reliable and efficient transportation solution. Those may sound like obvious goals, but changing the culture of an organization like CPR is anything but easy.

By sharpening internal brand clarity and responsiveness, CPR has aligned the organization's entire culture towards achieving its ambitions.

While the strategy has been in place for only a short time, CPR has realized significant increases in hard and soft metrics – revenue and margins, and employee engagement and satisfaction. These also serve to increase returns to shareholders.

CPR is clearly on the right track to innovation. Now they must make sure they continues to pick up steam along the way.

More analysis is available at bestcanadianbrands.com
Percentage change based on 2012 valuation



Sector Financial Services
Brand Value \$617 MM
▲ 36%

2012 Rank: **23**

22 In today's world of ranking sites and social network opinion-sharing, you cannot find ratings on financial planners. This anomaly is an opportunity waiting for a brand.

With Investors Group increasing its brand value by 36% and climbing one spot to #22 over 2012, and doing well in results, relationships and reputation, it is ideally positioned to become the first financial advisory brand to encourage client feedback on its

financial planners through tangible metrics. Such a scorecard would include financial results, investment philosophy and alignment with brand values.

This bold new level of transparency and engagement would change the way clients select a financial planner. It would create a true point of differentiation in a highly commoditized space. It would also help Investor Group leadership ensure that their reputation and relationships are being maintained while driving short and long-term results.



Sector Retail
Brand Value \$545 MM
NEW

2012 Rank: **N/A**

24 In a field crowded with entertainment options, Cineplex has transformed a once passive experience into an engaging event.

It all starts with SCENE – Cineplex's loyalty program that actually drives choice and creates loyalty. The program is simple and delivers value at every interaction and long-term rewards.

Not satisfied with simply showing movies, Cineplex introduced TimePlay – a trivia game – into the pre-theater experience that challenges audience members

to compete with one another for prizes. Cineplex also shows cultural and entertainment events, giving like-minded enthusiasts the chance to share in an experience as if they were there.

Sharing has become an important part of the entertainment experience. While it's still about being in the same place at the same time, the technology has enriched that experience. Cineplex needs to continue to leverage technological advancements and integrate them into a seamless, single-channel experience.



Sector Technology
Brand Value \$580 MM
▼ 4%

2012 Rank: **22**

23 IMAX hasn't just seen the future. It has been creating it for nearly 50 years.

Today an IMAX movie commands a premium of \$3 to \$6 over a normal movie ticket in movie theaters across North America. The cameras necessary for creating an IMAX film are proprietary. So is the conversion technology that brings a third dimension to existing 2D films. IMAX is expanding briskly into China and Russia – and into consumers' living rooms. The home version will cost you anywhere between \$250,000 and \$2.5 million.

As IMAX grows in global presence and strength, so will competition. IMAX now needs new strategies that push brand loyalty levels even higher. How about an IMAX installation you actually participate in? One that lets you experience exactly how the characters in "Gravity" felt.

The future this brand could create is virtually limitless.

La SENZA

Sector Retail
Brand Value \$324 MM
▼ 11%

2012 Rank: **25**

25 Between 2012 and 2014, La Senza shrunk from 230 to 148 stores in Canada. Conversely, sister brand Victoria's Secret grew from 16 to 31 stores over the same period. What does this mean for La Senza?

Frankly, the outlook is grim. Senior leadership is clearly focused on building marquee brands Victoria's Secret and PINK in North America and beyond. Is it time to sell La Senza?

Along with financial buyers, we can see a number of strategic partnerships that could be successful. Would Bonnie Brooks find La Senza a good home among Hudson's Bay Company's offerings? Does Loblaw Companies need a counterpart to Joe Fresh, giving them opportunity to further expand their retail fashion footprint?

Maintaining the status quo is not an option. To survive, this brand needs a true visionary to step into the role and create a new future.

IT'S WHAT'S INSIDE THAT COUNTS

HOW CANADIAN BRANDS CAN LEAD BY EXAMPLE

Last summer, Verizon turned up the heat on Rogers, Telus, and Bell by considering an acquisition that would land the U.S. brand smack in the middle of the Canadian market. The CRTC liked the idea as a way to increase competition, and encouraged the move. Our big three telecoms, however, were not so encouraged. All complained that they would lose a sizable portion of their 90 percent market share. They were so unnerved that they launched the "Fair for Canada" campaign in an effort to get consumers on their side and oppose Verizon's entry. The Canadian government was accused of giving preferential treatment to new entrants. The CRTC was flooded with complaints from both sides of the debate. Verizon ultimately walked, saying they were only considering the idea. They called the whole story "way overblown."

Why is Canada's telecom industry so afraid of new competition? To a large degree, it's because competition would force them to carve out definitive points of differentiation – which they likely don't regard as necessary in our cloistered market. But our market is changing.

The borders of business are dissolving. A steady stream of new entrants are arriving in Canada. Organizations must now compete on a more global stage. Against this backdrop, many Canadian brands are stalling, choosing instead to rest on laurels or fight tides rather than step out of line and forge new paths to differentiation.

We believe that strongly differentiated brands start from within – that in order to excel externally, they must first succeed internally. With a clear sense of what a brand stands for and how it differentiates, companies and their employees are empowered to represent the brand's values and promote its unique positioning – giving them the tools to compete. The question remains: Are Canadian businesses building strong brands with the power to win long-term?

At Interbrand, we measure the internal strength of a brand on four factors:

- 1. Clarity:** Are we clearly articulating what the brand stands for across the organization?
- 2. Commitment:** Is the brand supported internally?
- 3. Protection:** Are we protecting the brand in its space against existing and emerging threats?
- 4. Responsiveness:** Is our brand built for tomorrow?

Let's look at the Canadian business landscape as a whole. How well do homegrown brands perform on each internal brand strength component? Are there shining stars who are bucking the trends and charting their own course?

CLARITY

Canadian brands tend to score at the extremes on clarity – high performers and low performers. Looking at financial services, overall clarity is low. Most banks tend to talk about the functional features and benefits of their offerings. Scotiabank "[helps]



How well do homegrown brands perform on each internal brand strength component?

customers by providing practical advice and relevant financial solutions.” Important? Yes. But this is a table stakes offering from any bank – and not a point of differentiation. However, one bank is breaking through.

TD pulled away from the pack years ago with its steady focus on comfort and flexibility. Its point of difference is well understood by consumers and employees alike, and is used as an internal filter for behaviour every day. Delivering “WOW moments” to customers is so much a part of TD culture that internal platforms have been put in place to allow employees to celebrate each other’s achievements and successes. This drives employee engagement while aligning and incentivizing the TD team to deliver on-brand experiences at every opportunity.

COMMITMENT

Canadian organizations frequently don’t score well on internal commitment to brand. But as competition intensifies and regional barriers break down, investment in brand becomes more critical than ever – and potentially more lucrative. Why the low score here? Many Canadian companies fail to incorporate brand as an integrated aspect of their business strategy. CMOs are rare and CBOs (Chief Brand Officers) are even more elusive. Branding is often relegated to the marketing department or misunderstood as another word for advertising. But there are standouts who know how to invest wisely in brand.

Hudson’s Bay Company is a global company now, expanding coverage at home while acquiring competitors like Saks Fifth Avenue and Lord & Taylor to extend its reach abroad. In 2013, it breathed fresh life into its hallmark Canadian brand by evolving the name from *The Bay* to the more refined *Hudson’s Bay*. The makeover included a refreshed logo and visual system. This, paired with the addition of a new CMO, reinforced the company’s commitment to branding. Positioned for future success, HBC is writing the next exciting chapter of its richly storied brand history.

PROTECTION

Canadian brands score well on protection – perhaps due in part to our inherently risk-averse nature. Geographically, Canadian brands expand intelligently, deftly avoiding over-dependence on a single market. Kudos go to Canada Goose, however, for both maintaining *and* expanding its brand presence in an increasingly competitive market. Imitators and copycats are emerging, but no competitor has yet to equal Canada Goose’s quality and design. And they want to maintain that leadership position.

Canada Goose is actively pursuing counterfeiters through all legal means. More importantly, they are educating consumers on policies and agreements they have in place for the distribution of Canada Goose products globally. They want to make sure that anyone who wants an authentic Canada Goose product knows exactly where to find it. The organization is doing a

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DESIGN IS A POWERFUL TOOL

WHY AREN'T MORE CANADIAN BRANDS WIELDING IT?

Design seduces, opens minds, and challenges convention. Sometimes design is the first thing you notice; other times, it's shaping your experience without your conscious awareness of it. Subtle or overt, functional or decorative, great design allows brands to capture customer attention, differentiate from the competition, and command a premium.

From product innovation to package design, it's a tool that has changed industries, defined eras, and created icons. Again and again, design-led brands have shown us they have the power to shape the brand experience, change people's lives, and dramatically influence our culture.

While many of us intuitively recognize the value of design, its effects are hard to quantify. But could it be that design actually enhances business performance? To answer this question, The Design Management Institute created an index of 15 design-centric public companies and compared their performance to the market. Over the period of 2003 to 2013, the S&P index grew 75 percent, while the Design Value Index grew a whopping 299 percent. Reinforcing these findings, three of the five top most valuable companies on Interbrand's Best Global Brands list are on the Design Value Index: #1 Apple, #3 Coca-Cola, and #4 IBM. Other design-centric companies on both lists include Ford, Nike, Disney, and Starbucks.

Looking at the 2013 Best Global Brands list, you'll notice something disconcerting – Thomson Reuters is the only Canadian company on the list of 100. Further, the 2014 Best Canadian Brands list only includes one truly design-centric company, lululemon. Admittedly, when it comes to utilizing and expressing through design, brands on the Canadian list lack the quality of design seen in their counterparts on the global list. On the bright side, we're seeing more of our domestic brands successfully leveraging design to break into tough markets.

Toronto-based airline, Porter, is a great example. With its cheerful imagery and loveable raccoon mascot, the brand's unique appeal is shaped as much by design as it is by details like messaging and the distinctive voice in Porter's radio spots. The airline's core business may have little to do with design, but it permeates all touchpoints regardless. From newspaper ads to the in-flight magazine and crew uniforms, design differentiates this brand. No opportunity is missed. Even in-flight meal packaging projects the unique brand personality. The result? Glowing online reviews show that Porter is doing a lot of things right – not least of all the care it takes to bring its brand to life through design.

So why don't more Canadian brands commit this deeply to design?

The first reason is cultural. Unlike nations revered for their arts and crafts such as Italy, Germany, or Japan, Canada does not have a deep heritage of art and design, nor has design been a driving force of its primarily natural resource-dependent economy. While Canada is in many ways playing catch-up, it has, nonetheless, produced many world-class designers. Known for his bold use of color and prolific output, Karim Rashid is called "the most famous industrial designer in all the Americas." The great architect Moshe Safdie and fashion superstars Dean and Dan Caten of Dsquared2 are world-renowned, as are graphic designers Bruce Mau and Don Watt. Yet, in Canada, we do not celebrate their success as many nations would.

Porter's core business may have little to do with design, but it permeates all touchpoints regardless



Additionally, those who follow design have likely noticed that Canada does not generally provide the support that would allow many of these designers to work locally and flourish in our market. So many take their talents elsewhere – places where their craft is perceived as valuable and rewarded accordingly. Some rationalize that Canada's relatively small market size is to blame for its lack of investment in the arts, but with sufficient industry and government support, design can thrive in smaller markets like Canada. The Netherlands is a prime example.

From the moment you arrive at Schiphol airport, you can already sense that the Netherlands is a design nation. The architecture, signage, and use of colors make an immediate impression. Schiphol even has an art museum in the airport terminal – free of charge – featuring Dutch themes and paintings by the nation's famed artists. Design is central to Dutch culture and is used consistently to communicate the history, heritage, and sensibilities of the nation. But how does an entire country come to embrace the arts like this?

To start, design is a valued aspect of the Netherlands' national identity. The country excels in graphic and industrial design, and reveres craftsmanship and the arts. Commitment to design is strong throughout the Netherlands' excellent education system, while government consistently provides support through funding for visual arts, design and architecture. Modern-day design is even being leveraged to attract visitors, as evidenced by the "I amsterdam." tourism communications.

In Canada, we can learn from the Dutch and do more to promote design education as a serious and important area of study. As is already being demonstrated in other parts of the world, design will help Canada compete and excel in initiatives around innovation and sustainability. From individuals to entire cities, design has social benefits. It also has economic benefits. At a time when cities – and brands – are in global competition with one another, having a vision and making products and key spaces attractive, sustainable, and user-friendly is simply smart business.

Fortunately, the foundation for 21st Century success-through-design is already set in Canada. We have an impressive array of schools such as Alberta's ACAD, Emily Carr University of Art and Design, OCAD University – Canada's "university of the imagination" – and the internationally recognized Nova Scotia College of Art and Design. In the field of design thinking, the Rotman School of Management is world-renowned. In fact, in 2007, it was included, along with Ontario's George Brown College, on the Bloomberg Businessweek list of the World's Best Design Schools. Indeed, as the world's business landscape evolves, both design colleges and business schools such as Rotman are teaching a new generation of global corporate leaders to think differently – and more creatively.

Design thinking is the designer's application of a human-centric, collaborative and experimental

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process to any challenge – design-related or not. It is a creative approach to problem-solving intended to maximize innovative outcomes. It can be applied to everything from developing a new product to building business strategies or developing solutions that address social problems. With so much potential to move and shake the world, it's no wonder this interdisciplinary approach is creating buzz in the business community. Case in point: Roger Martin, the former dean of the Rotman School of Management, was recently named the third most influential business thinker in the world by Thinkers50 in London.

As these facts make evident, Canada is producing talented designers ready to bring their ideas to life in the workforce. Now it's time for industries to see the advantage good design can bring to their businesses. Are there signs that this is already happening? Yes – and one unlikely example embodies the trend toward greater design-focus.

Now a standout in its category, the LCBO (Liquor Commission Board of Ontario) is connecting with people through thoughtful imagery and rich visual storytelling. Store layouts, promotional materials, and the ever-popular quarterly magazine, *Food and Drink*, bring the customer's journey to life in a unique and

compelling way. With a virtual monopoly, the LCBO might not feel a burning need to invest so much in brand. Yet the fact that it has speaks to an appreciation of the importance of brand and a desire to offer its customers a high-quality experience.

Though Canada is still developing as a design nation, that doesn't mean brands can't step up *right now* and start reaping the rewards design brings to business. With the biggest Canadian brands increasingly competing on a global playing field, it is more important than ever that they leverage design to differentiate, enhance customer journeys, and command attention. From the look and feel of websites to retail store environments and promotional materials, design shapes the consumer's experience with a brand. Indeed, the most iconic brands in the world tend to conjure up positive feelings for many people, and design is a big reason why.

So take a chance, get ahead of the competition and consider what thoughtfully designed branding can do for your business. Perhaps in the years to come, we'll see more Canadian brands – with design on their side – leading at the top of the Best Canadian Brands list and pushing their way onto the world stage.

Continued from page 29 – It's What's Inside That Counts

first-rate job of protecting and maintaining its competitive advantage.

RESPONSIVENESS

Canadian brands often fail to keep pace when positioning for the future. Our banks were once recognized as leaders in internet and mobile banking. Now – with the exception of National Bank – they are seen as lagging behind. Today, too few Canadian brands are proactively developing technologies, innovations, and offerings. Instead, they simply react to current consumer needs. But some Canadian brands do have the foresight to spot and capitalize on emerging trends.

DAVIDsTEA recognized the burgeoning tea boom early on, and arguably took a hand in shaping it. The brand now supports locations across Canada, a robust online business and rapid expansion into the U.S. Cousins David and Herschel Segal anticipated a great opportunity and acted quickly. They acknowledge that, "It seemed like a simple idea, but (we) couldn't find anyone else that was doing it." Today, you can't walk more than a few blocks without spotting those bright turquoise cups. And DAVIDs pace of growth is only increasing.

DAVIDsTEA has been characterized as the Starbucks of the tea industry. But the Segals don't see it that way. "Starbucks is more of a restaurant than a retail store," they explain. "We're more focused on retail; people buy our products and take them home." Who knew a brand could step out of line with a just humble cuppa?

Canadian brands should be inspired by how far and how fast DAVIDsTEAs has come. Their success is ample proof of how a brand that's clearly defined internally can differentiate and thrive externally. Canadian companies should bring on CMOs and CBOs. As the ultimate advocates for brand, they can shift the internal mindset from thinking about brand as *advertising* to recognizing it as a *strategic asset*. They can build teams that are fully aligned, engaged, and inspired to be brand ambassadors.

Our brands have both the need and the opportunity to step out of line now. They must shape the landscape of their respective industries rather than follow in the footsteps of others. They just have to make sure they've got what it takes *inside*.

MADE IN CANADA

THESE TECH COMPANIES ARE SHAKING THINGS UP

Boundaries beware – you’re about to be pushed. These Canadian brands refuse to be confined, constrained or held back in their quest to reshape category norms. While they are still in their nascent years, the signal they are sending to the marketplace is loud and clear: we will transform the Canadian business landscape.

The entire country’s reputation will benefit as a result of these brands working to dispel the notion that Canada is somewhat of an innovation laggard.

While these brands occupy different sectors, the common thread between them is that they anticipate needs and embrace risk to deliver accordingly. They know they have to step out of line to get ahead of the rest.

SHOPIFY

Initially launched as a simple solution for business owners to get their online stores up and running, Shopify is now poised to become the all-in-one commerce solution for small and medium-sized business owners. The upstart is Canada’s first Internet startup since the dot-com crash to reach a billion-dollar valuation. It is expanding rapidly through innovative services such as Shopify Plus – a one-stop, e-commerce solution for large and high-volume companies. It is also appearing in the bricks and mortar space with its POS solution mobile card reader. And Shopify is showing no signs of slowing down. This impressive organization is unafraid of risk and laser-focused on becoming the unchallenged leader in its category. We look forward to watching this bold Canadian brand flourish on the global stage.

WATTPAD

Wattpad is revolutionizing the way we create and consume fiction. The world’s largest community of writers and readers is the brainchild of CEO Allen Lau – an avid reader who simply wanted a better way to discover and read stories on the go. Since its 2006

launch, Wattpad has attracted 28 million active users, who have invested 41 billion minutes reading, writing, and sharing stories on the innovative social reading platform. Wattpad is completely different from the reading platforms we know and use now. It empowers users to influence and shape the very stories they read, thereby generating authentic engagement and participation between the brand and its enthusiasts. With a recent cash infusion of \$46 million, Wattpad is positioned for increased growth and success as it changes the world for those who love to read and those who love to write.

FRESHBOOKS

Freshbooks has come a long way since its early and humble beginnings in the basement of its co-founder, Mike McDerment. Freshbooks offers a simple, intuitive solution to online accounting for small to medium-sized businesses. As straightforward as that sounds, the brand provides an elevated user experience that’s unique and appealing – a satisfying and very human experience that competing brands simply don’t deliver. With a mandate to “Execute on extraordinary experience every day” deeply engrained in their culture – every Freshbooks employee, regardless of title, must take a month-long course in customer service delivery. As a result of that dedication, the brand has won multiple customer service awards, has over 5 million users in 120 countries, and is routinely praised in the marketplace. Freshbooks is relentlessly committed to its brand promise – demonstrating that building your brand from the inside-out can make all the difference.

THE PRIVATE SIDE OF BRANDS

The challenge for many public companies and their brands is the quarterly scorecard that investors use to measure their success and effectiveness. That is not the case for private companies.

Senior leaders of privately held companies are given a longer time horizon to implement and execute their strategy. We are profiling three Canadian brands from the private sector whose focus on the long term has created brands that lead their respective industries in Canada and internationally.

Four Seasons, McCain, and Aldo all compete in very competitive and dynamic industries. All have implemented their strategic visions differently. However, there are several common ingredients that go into their recipe for success: (1) clarity about what the brand stands for, (2) unwavering commitment to their people, and (3) an awareness that in order to lead, you cannot follow. We welcome all three to the unofficial Best Canadian Brands list.

FOUR SEASONS HOTELS & RESORTS

What is luxury and how is it defined? This is a hotly debated topic in many business, academic, and consumer circles. In our view, one of the most credible authorities on the subject resides not in Italy or France, but in Toronto, at the Four Seasons.

This iconic brand stays above any discussion on luxury, choosing instead to deliver luxury in its own unique way. The Four Seasons steps well out of line by charging each of its representatives to *treat others as they'd wish to be treated*, and create experiences for guests that exemplify the *sentiment* and *emotion* of luxury rather than any functional definition.

With sharp clarity about how and what defines the Four Seasons experience, employees have carte blanche to determine how to make each customer's experience personalized and unique. In contrast, many other luxury brands attempt to control the experience, as if following a script, from beginning to end.

Four Seasons' belief in its people and that the training they receive is what makes the brand special and unique. This approach inspired the creation of the Four Seasons Private Jet Experience – a personalized travel journey on a retrofitted Boeing 757 jet designed to bring to the sky the same luxurious comfort and service Four Seasons is known for on the ground – with stops in gateway cities and sublime resort destinations.

This positions Four Seasons as one of the world's foremost experts in luxury. The brand doesn't define luxury by a general approach. It defines luxury by allowing its employees to make each moment – big or small – into a memory that lasts a lifetime.

MCCAIN

A pervasive notion in the food community today is: *Act local, think global*. Typically, the focus is placed largely on the food itself. But what about the farmer and countless others who play a part in bringing food to local grocery stores and farmers' markets each and every day?



With sharp clarity about how and what defines the Four Seasons experience, employees have carte blanche to determine how to make each customer's experience personalized and unique.

These are the people McCain prioritizes first and foremost. It's not because the food itself isn't important. It's that the food is one core element in a chain that also strongly emphasizes relationships. A simple ethos guides McCain's supply chain: *Good food comes from good ingredients. And good ingredients come from good people.* Good food, in other words, ultimately begins with the actions of good people.

This is where McCain steps out of line. By focusing on people first, the brand is able to remain connected with what is unique and important to the individual while unifying everyone towards a common goal of *making people smile*.

So how many people are smiling because of McCain? Think of it this way: French fries are the single most loved food in the world today, and one in every three fries around the world is from McCain. That's a lot smiles and a lot of happy people.

ALDO

When people think about shoes, many international images come to mind – Italian leather loafers, French sparkly high heels, and Spanish strappy sandals. The one that doesn't come to mind often is Canada. But it should. With over 1,350 stores around the world, Canada is home to the world's leading fashion footwear brand, Aldo.

How did Aldo achieve this vaunted distinction? Owner and namesake Aldo Bensadoun answers in one word: "people". It's the people of Aldo that

bring the ideals of its founder – compassion, ethics, and understanding the customer – to life at every touchpoint in the customer's journey.

Nothing is more fleeting than fashion – particularly shoes. However, by remaining grounded in the principles of the brand, the people of Aldo can continually respond to changing consumer tastes. This is its secret to remaining relevant *and* differentiated in the increasingly competitive world of fashionable footwear for 40+ years.

So what's next for Aldo? In light of the Dhaka factory collapse, 2013 marked a turning point in the retail world with a push for greater transparency in the supply chain. With the principles of compassion and ethics clearly entrenched, Aldo needs to step out of line once again and provide visibility about where and how its customers' favourite footwear is being produced.

Often, the road less travelled is the road to success. You don't just need food, shelter and good shoes for the journey. You need vision, ingenuity and fortitude to travel a path without familiar signposts for guidance. We hope Four Seasons, McCain and Aldo continue to explore these roads and inspire others to deliver great products, services and experiences for consumers to enjoy.

EVALUATING THE BEST CANADIAN BRANDS

OUR METHODOLOGY

Interbrand's brand valuation methodology determines, in both customer and financial terms, the contribution of the brand to business results.

As a strategic tool for ongoing brand management, it brings together market, brand, competitor, and financial data into a single framework within which the performance of the brand can be assessed, areas for improvement identified, and the financial impact of investing in the brand quantified. It also provides a common language around which a company can be galvanized and organized.

We believe that a strong brand, regardless of the market in which it operates, drives improved business performance. It does this through its ability to influence customer choice and engender loyalty; to attract, retain, and motivate talent; and, to lower the cost of financing. Our approach explicitly takes these factors into consideration.

CRITERIA FOR INCLUSION

There are several criteria for inclusion in Interbrand's Best Canadian Brands ranking.

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

All brands in the set were then subjected to the following criteria that narrowed the candidates:

1. The brand's country of origin must be Canada.
2. There must be substantial publicly available financial data. If the company does not produce public data that enables us to identify the financials of the branded business, as is often the case with privately held companies, it cannot be considered for the list.
3. Economic profit must be positive, showing a return above the operating costs, taxes, and capital financing costs.
4. The brand must have a broad public profile and awareness or the brand must be positioned to play a significant role in the consumers' purchase decision.

There are three key components in all of our valuations: analyses of the financial performance of the branded product or service, the role the brand plays in the purchase decision, and analysis of the competitive strength of the brand.

FINANCIAL ANALYSIS

This measures the overall financial return to an organization's investors, or its "economic profit." Economic profit is the after-tax operating profit of the brand, minus a charge for the capital used to generate the brand's revenues and margins. A brand can only exist and, therefore, create value, if it has a platform on which to do so. Depending on the brand, this platform may include, for example, manufacturing facilities, distribution channels, and working capital. Interbrand allows for a fair return on this capital before determining that the brand itself is creating value for its owner. We build a set of financial forecasts over five years for the business, starting with revenues and ending with economic profit, which then forms the foundation of the brand valuation model. A terminal value is also created, based on the brand's expected financial performance beyond the explicit forecast period. The capital charge rate is determined by reference to the industry weighted average cost of capital.

ROLE OF BRAND

Role of Brand analysis is about understanding purchase behavior – the brand's influence on the generation of demand through choice. It measures the portion of the decision to purchase that is attributable to the brand, relative to other factors (for example, purchase drivers like price, convenience, or product features). The Role of Brand Index (RBI) quantifies this as a percentage.

Customers rely more on brands to guide their choice when competing products or services cannot be easily compared or contrasted, and trust is deferred to the brand (e.g., organic foods), or where their needs

are emotional, such as making a statement about their personality (e.g., luxury brands). RBI tends to fall within a category-driven range, but there remain significant opportunities for brands to increase their influence on choice within those boundaries, or even extend the category range where the brand can change consumer behavior.

RBI determinations for this study derive, depending on the brand, from one of three methods: primary research, a review of historical roles of brand for companies in that industry, or expert panel assessment. RBI is multiplied by the economic profit of the branded products or services to determine the earnings attributable to the brand (brand earnings) that contribute to the valuation total.

BRAND STRENGTH

Brand Strength measures the ability of the brand to create loyalty and, therefore, to keep generating demand and profit into the future. Brand Strength is scored on a 0–100 scale, based on an evaluation across 10 key factors that Interbrand believes make a strong brand.

Performance on these factors is judged relative to other brands in the industry and relative to other world-class brands. The strength of the brand is inversely related to the level of risk associated with the brand's financial forecasts. A proprietary formula is used to connect the Brand Strength Score to a brand-specific discount rate. In turn, that rate is used to discount brand earnings back to a present value, reflecting the likelihood that the brand will be able to withstand challenges and generate sustainable returns into the future.

ABOUT BRAND STRENGTH

A LOOK AT EACH FACTOR

Internal & External

Our experience and knowledge show that brands in the ideal position to keep generating demand for the future are those performing strongly (i.e., showing strength versus the competition) across a set of 10 factors that are outlined below.

Four of these factors are more internally driven and reflect the fact that great brands start from within. The remaining six factors are more visible externally, acknowledging the fact that great brands change the world. The higher the Brand Strength Score, the stronger the brand's advantage.

Internal Factors

1. CLARITY

Clarity internally about what the brand stands for and its values, positioning and proposition. Clarity, too, about target audiences, customer insights and drivers. Because so much hinges on this, it is vital that these are articulated and shared across the organization.

2. COMMITMENT

Internal commitment to brand, and a belief internally in the importance of brand. The extent to which the brand receives support in terms of time, influence and investment.

3. PROTECTION

How secure the brand is across a number of dimensions: legal protection, proprietary ingredients or design, scale or geographical spread.

4. RESPONSIVENESS

The ability to respond to market changes, challenges and opportunities. The brand should have a sense of leadership internally, and a desire and ability to constantly evolve and renew itself.

External Factors

5. AUTHENTICITY

The brand is soundly based on an internal truth and capability. It has a defined heritage and a well-grounded value set. It can deliver against the (high) expectations that customers have of it.

6. RELEVANCE

The fit with customer/consumer needs, desires, and decision criteria across all relevant demographics and geographies.

7. DIFFERENTIATION

The degree to which customers/consumers perceive the brand to have a differentiated positioning distinctive from the competition.

8. CONSISTENCY

The degree to which a brand is experienced without fail across all touchpoints or formats.

9. PRESENCE

The degree to which a brand feels omnipresent and is talked about positively by consumers, customers and opinion formers in both traditional and social media.

10. UNDERSTANDING

The brand is not only recognized by customers, but there is also an in-depth knowledge and understanding of its distinctive qualities and characteristics. (Where relevant, this will extend to consumer understanding of the company that owns the brand.)

CONTRIBUTORS



Carolyn Ray

Carolyn Ray joins Interbrand Canada as Managing Director in time for the launch of Best Canadian Brands 2014. A former member of the Interbrand family, Carolyn led the global Brand Engagement practice from 2004 to 2008. She is an established innovator and leader with over 25 years experience leading branding, communications, and marketing mandates for top Canadian firms.



Meghann Fraser

As Director of Strategy, Meghann couples the discipline of brand strategy with her insatiable curiosity to develop compelling, business focused strategies for her clients. Meghann believes the strongest brands in the future will have a clear purpose at their core, ensuring they deliver value to consumers, investors, employees and communities alike.



Chris Armstrong

As Design Director, Chris is responsible for leading creative teams and managing development of strategic design solutions. Chris's approach is both creative and analytical, based on the belief that brand expression must work as a holistic system, where images, words and symbols come together to create a distinct brand persona.



Nicholas Lakas

As Director of Strategy, Nicholas is a forward-thinking brand strategist with an appetite for creation, transformation and reinvention. His experience stretches across a wide range of brands, products and experiences. Nicholas embraces all challenges as equally creative and strategic.



Amanda Caswell

As a Consultant of Verbal Identity, Amanda helps brands speak at their best. She puts words together with dogged curiosity and a keen eye for detail. Her passions lie in the sweet spot of sound strategy, great content and unique user experiences.



Ellen Wilson

As Senior Program Manager, Ellen nurtures client relationships, inspires through team leadership, and guides projects to success. She has the energy and ability to keep the most challenging projects on track, and balances creativity with rigor to consistently achieve excellent results.



Mark Dwyer

As Director of Verbal Identity, Mark puts words to work to create compelling brand strategies, brand stories, names, messaging themes and voice principles. Over the past two decades, he has worked with brands of all shapes and sizes, across a variety of sectors around the world.

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Founded in 1974, Interbrand is the world's leading brand consultancy.

With nearly 40 offices in 27 countries, Interbrand's combination of rigorous strategy, analytics, and world-class design enables it to assist clients in creating and managing brand value effectively—across all touchpoints, in all market dynamics.

Interbrand is widely recognized for its annual Best Global Brands report, the definitive guide to the world's most valuable brands, as well as its Best Global Green Brands report, which identifies the gap between customer perception and a brand's performance relative to sustainability. It is also known for having created brandchannel.com, the award-winning resource for brand marketing.

Headquartered in Toronto, Ontario, Interbrand Canada celebrates 15 years of helping brands across industries solve their most pressing business challenges. With our exceptional knowledge of the Canadian business environment, the firm offers full service branding solutions including strategy, analytics, design and implementation focused on creating and managing brand value. Interbrand Canada is rated #1 for client satisfaction in our global network, demonstrating that we consistently keep the client at the heart of everything we do.

For more information on Interbrand, visit:

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For more information on this year's Best Canadian Brands, visit:

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