

Brand America

What does “America First” mean for brands?

Introduction

Last year’s presidential election raised profound questions about America and its relationship with the wider world.

How is America now perceived abroad? What about American brands? With talk of travel bans, building walls, and “America first,” is the United States still open for business? And what relationship will American brands have with the current administration?

J. Walter Thompson commissioned a survey involving 500 people each from China, India, Mexico, Russia, the United Kingdom and the United States (for a total of 3,000 respondents).

40% or more of respondents from Mexico, Russia and the United Kingdom—all countries which have been directly affected by the first months of the Trump administration—have a negative view of America, directly linked to the events of the past year and mostly driven by the actions of the US government.

However, China and India have a much more positive outlook: 90% of Indian respondents view the United States very or somewhat positively. By contrast, only 83% of Americans hold a positive view of their own country.

But while the reputation of “Brand America” has suffered recently, American brands are still thought of favorably. In the six countries surveyed, approval ratings of US brands range from 78% in the United Kingdom to 93% in India and China, again higher than the percentage of US respondents who view their own country’s brands favorably (90%). There has been little change since 2012, suggesting that consumers at home and abroad distinguish between “Brand America” and American brands.

The future of US brands

When asked for the first terms that spring to mind when describing American brands, the global respondents most frequently used words such as “quality” and “innovative,” as well as “expensive.” Brands themselves were frequently named. When the world is asked to think about American brands, the first ones that come to mind are Apple, Coca-Cola, Ford, McDonald’s, Microsoft and Nike.

The follow-up question “Which of the following brands do you believe are American brands, if any?” yielded some surprising results:

- 31% of Indian respondents think Ford is American
- 40% of Chinese respondents think Facebook is American
- 59% of Britons think Amazon is American
- 62% of Americans think Apple is American
- 63% of Mexicans think Coca-Cola is Russian

It’s a reminder of the complexity of the concept of an “American brand” in 2017. In Mexico, Coca-Cola is made with cane sugar rather than corn syrup, making “Mexican Coke” a specific item on many American shelves.

Ford in India is a wholly owned subsidiary of the Ford Motor Company. China has its own tech companies and has banned Facebook, at least for now. Facebook, Google, or Amazon feel local to your country; your friends, your news, your currency.

What do customers care about?

Quality, trustworthiness, and familiarity are the biggest drivers of brand affinity across all six countries, mentioned by 55%, 51% and 46% of respondents respectively. The focus placed on country of origin is more surprising: 10% of the consumers value a local brand, compared to 43% who prefer a global brand. Only 15% say it matters whether a brand comes from a country the consumer thinks highly of. So, while consumers value a global brand, it doesn’t have to be an American brand.

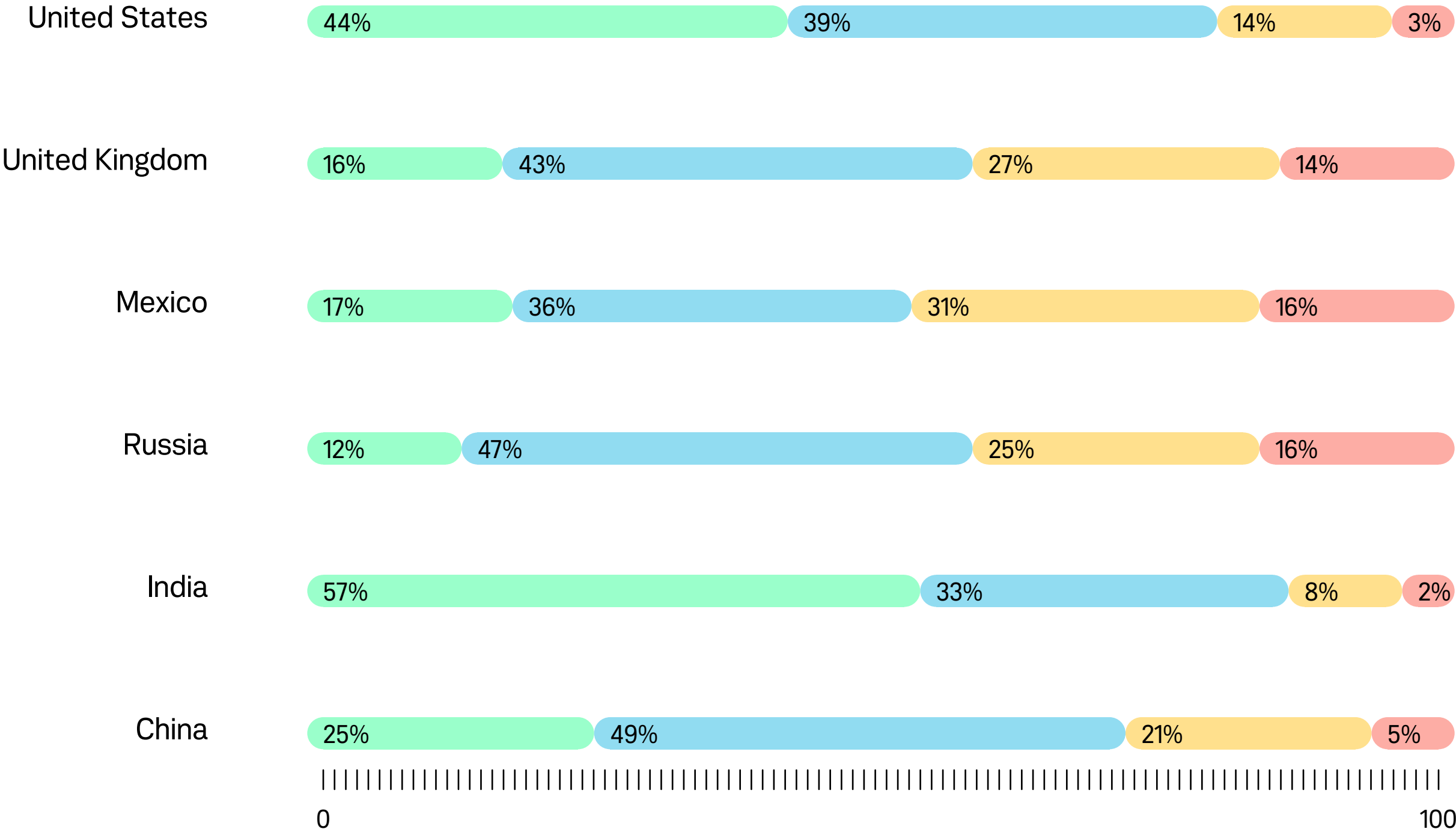
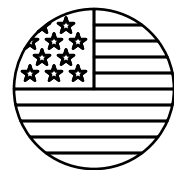
There is also evidence that a social conscience matters.

- 40% want a brand that values its customers
- 22% want a brand that tries to do good in the world
- 19% want a brand that cares about more than just making money
- 19% want a brand that is environmentally conscious
- 17% want a brand that treats its employees fairly

Factors such as these, according to Tom LaForge, a futurist who specializes in the business world, will become increasingly important. This is also an area where American brands can lead the way, as such values are firmly part of the country’s DNA.

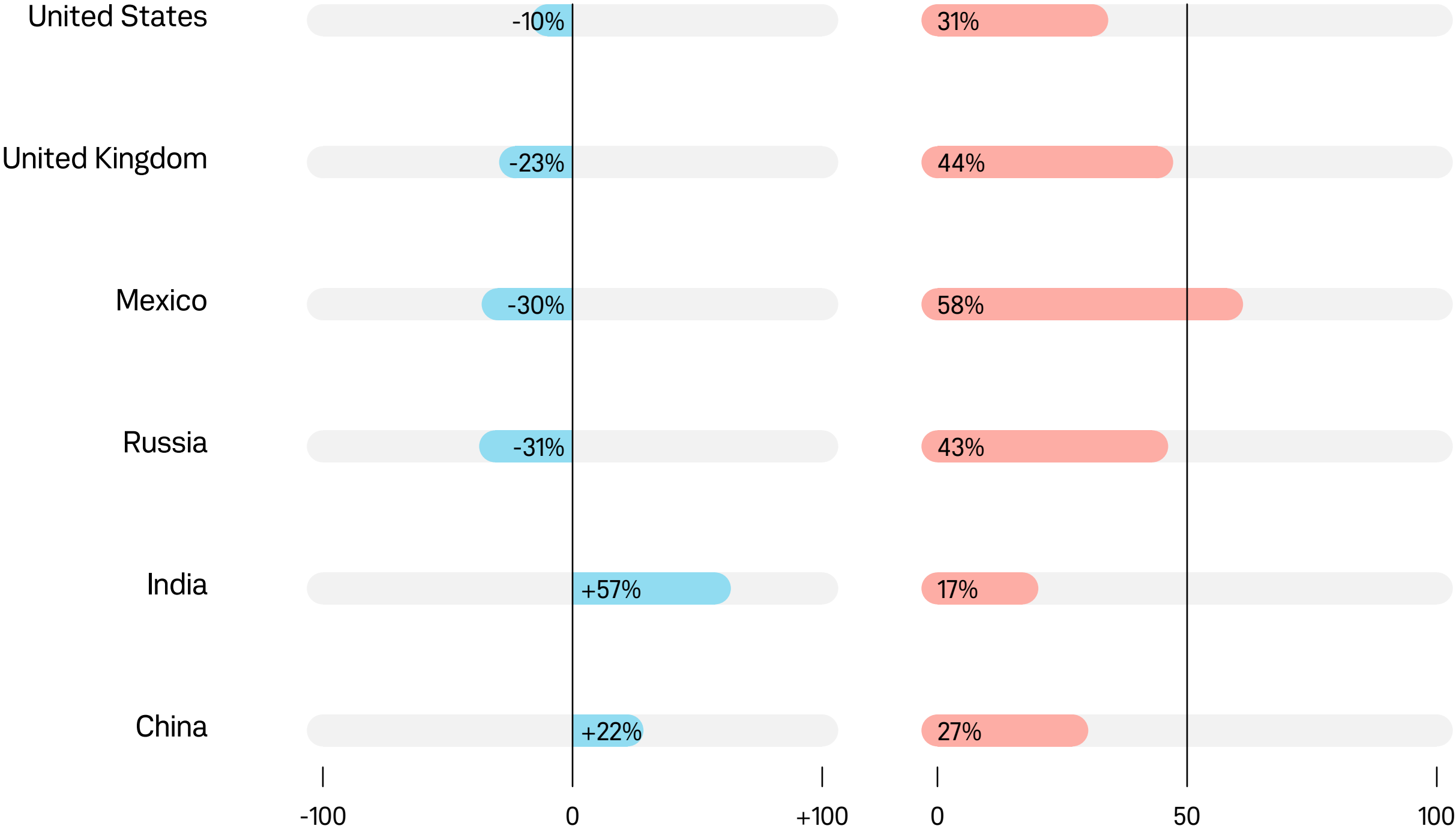
His advice is simple: “Being a big company is automatically seen as being evil. Prove you’re good.”

Overall, Mexicans, Russians, and Brits are most negative about America. Indians and Chinese have a more positive view of the country.



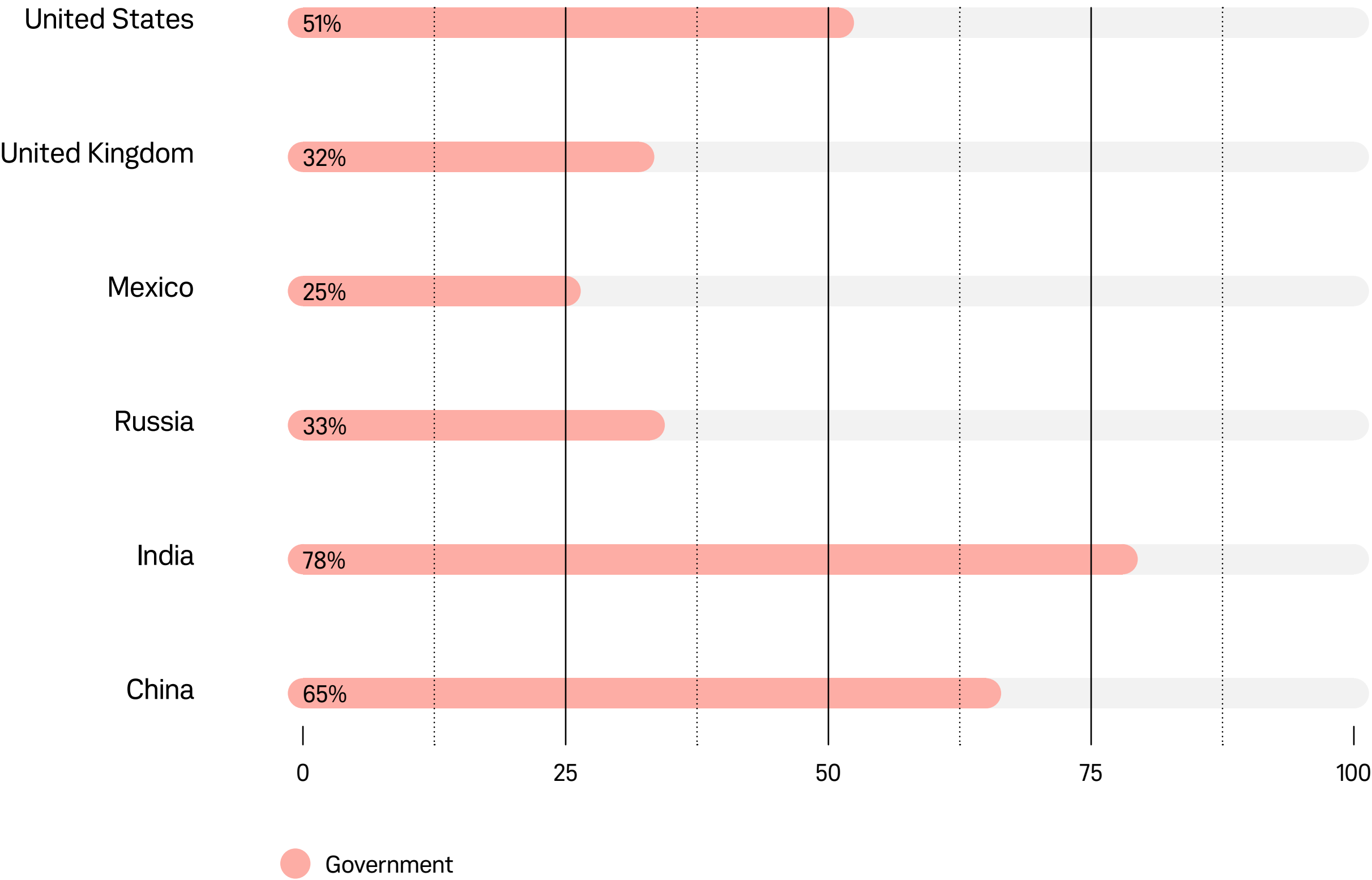
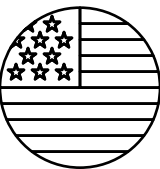
Very Positive Somewhat Positive Somewhat Negative Very Negative

Those in Mexico, Russia, and the UK indicate that this change in perception has largely happened over the past year.

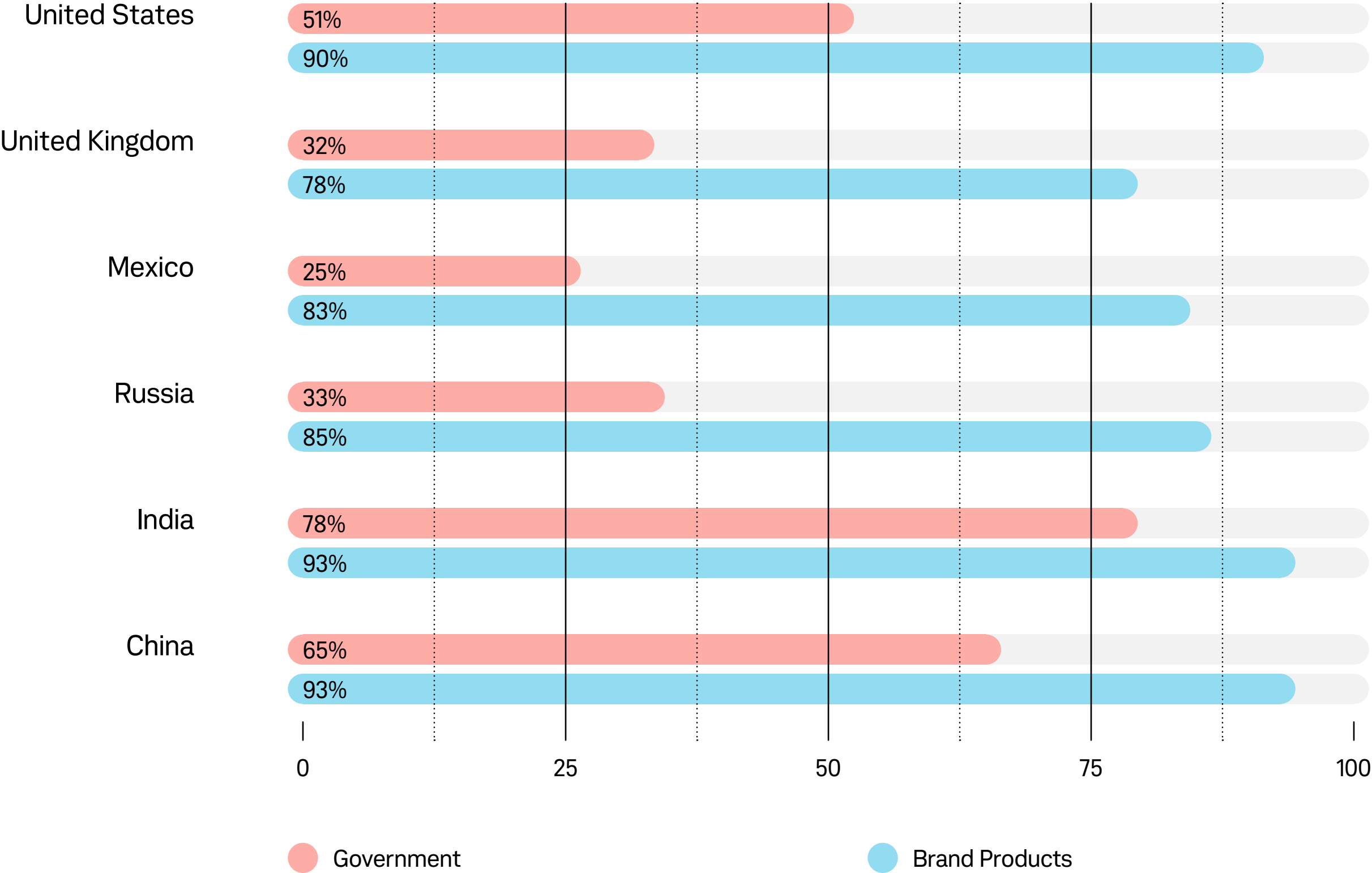


● Change in opinion of America (% more positive - % more negative) ● % much/somewhat more negative

Negative perceptions of America are mostly driven by the government.
In the UK, Mexico, and Russia, no more than a third of consumers have a positive view of the US government.

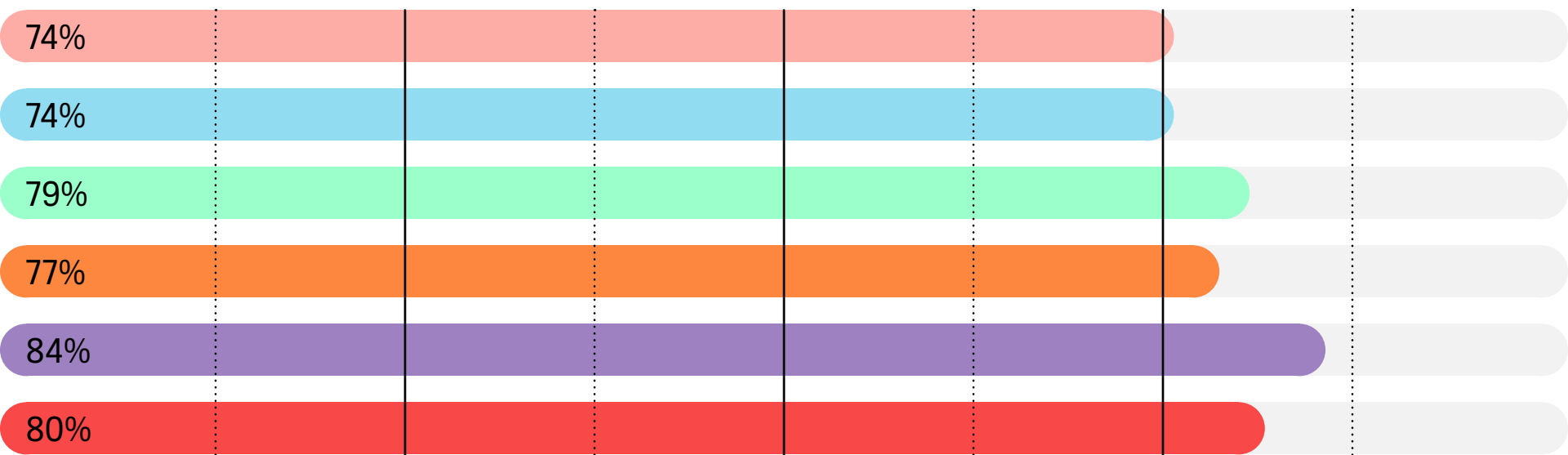


But negative perceptions of the American government generally do not translate to lower perceptions of American brands/products, which are rated quite positively around the world.

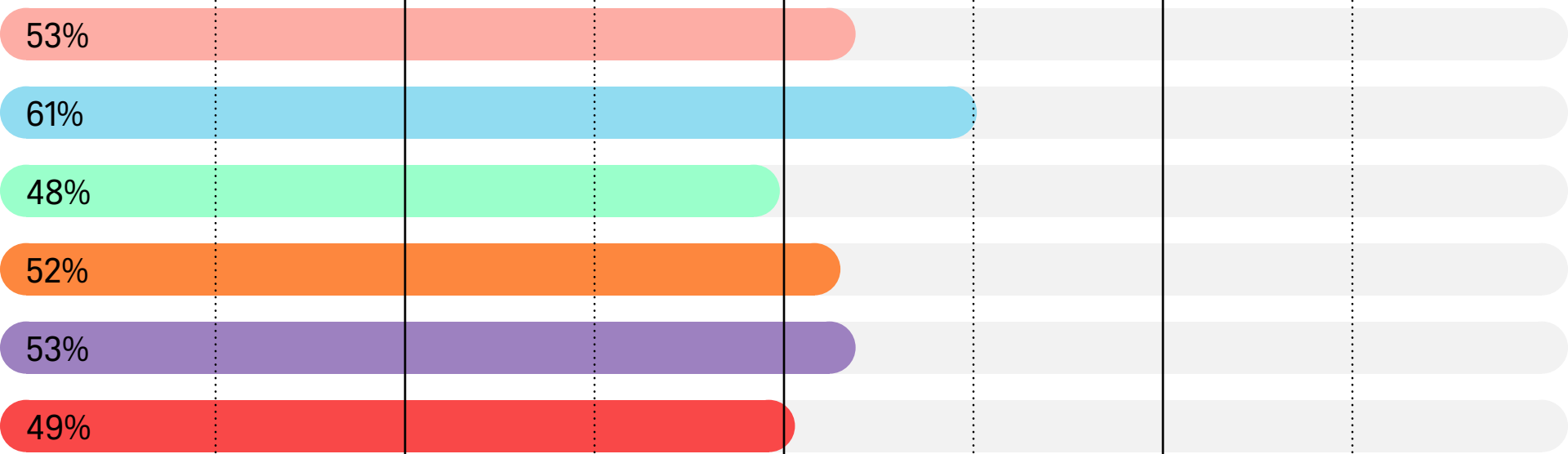


The majority of consumers in all markets say they like American brands more than they like the American government.

I like American brands more than I like their government



I don't pay attention to whether a brand is American, or not



United States

United Kingdom

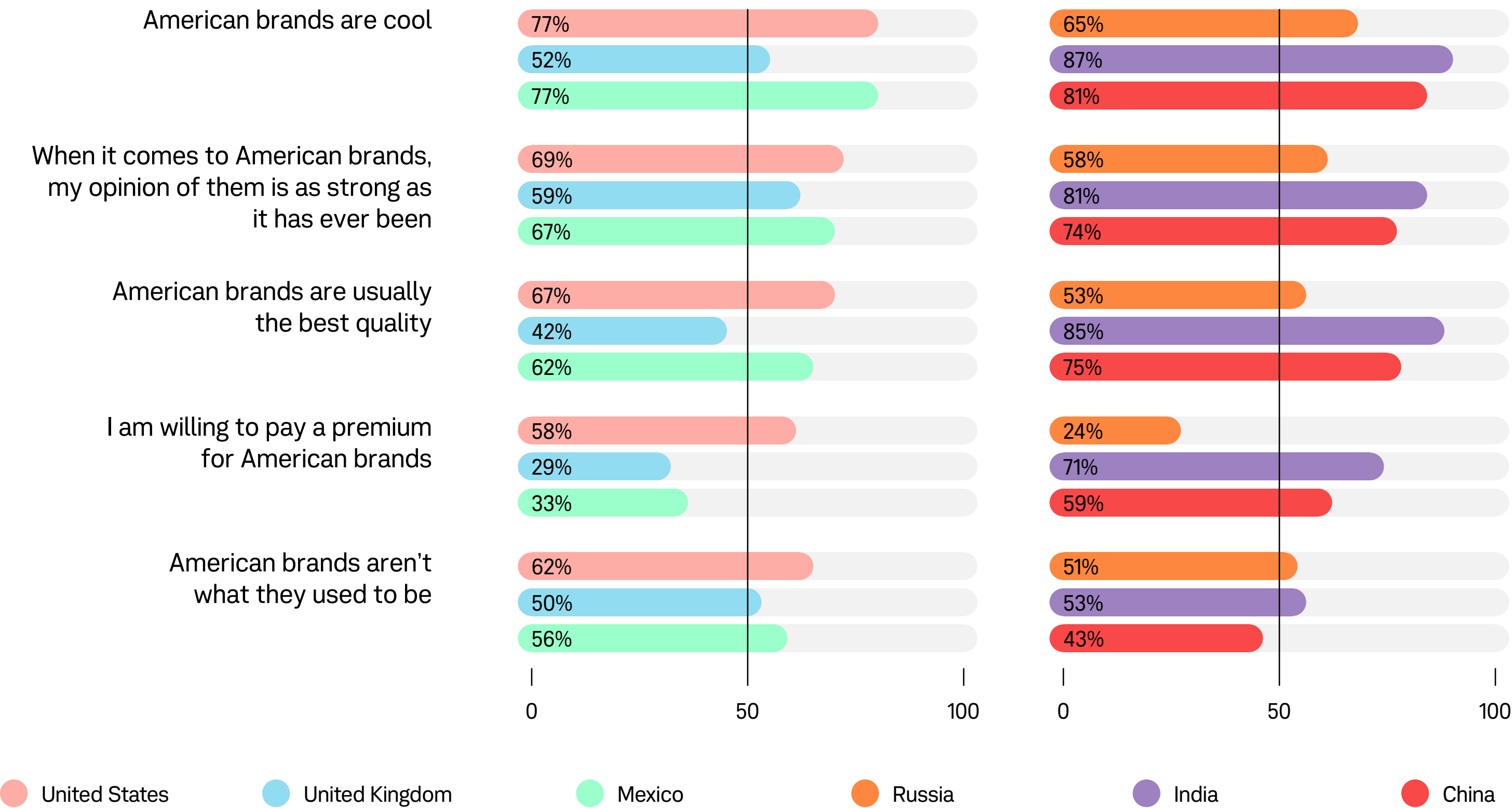
Mexico

Russia

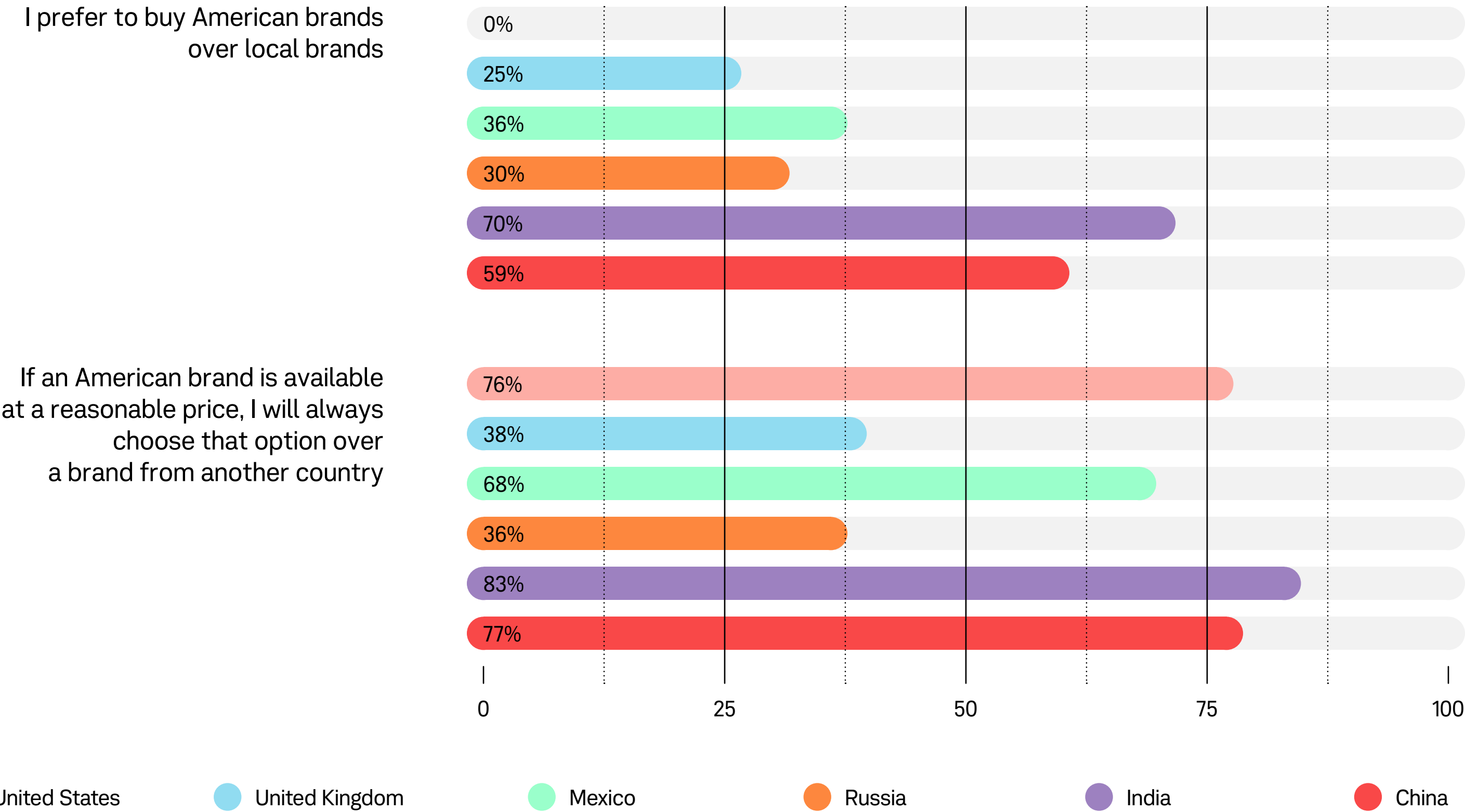
India

China

And a majority of consumers say they think American brands are cool and feel as strongly about them as ever. Indian and Chinese consumers are most positive towards American brands, and also most likely to pay a premium for them.



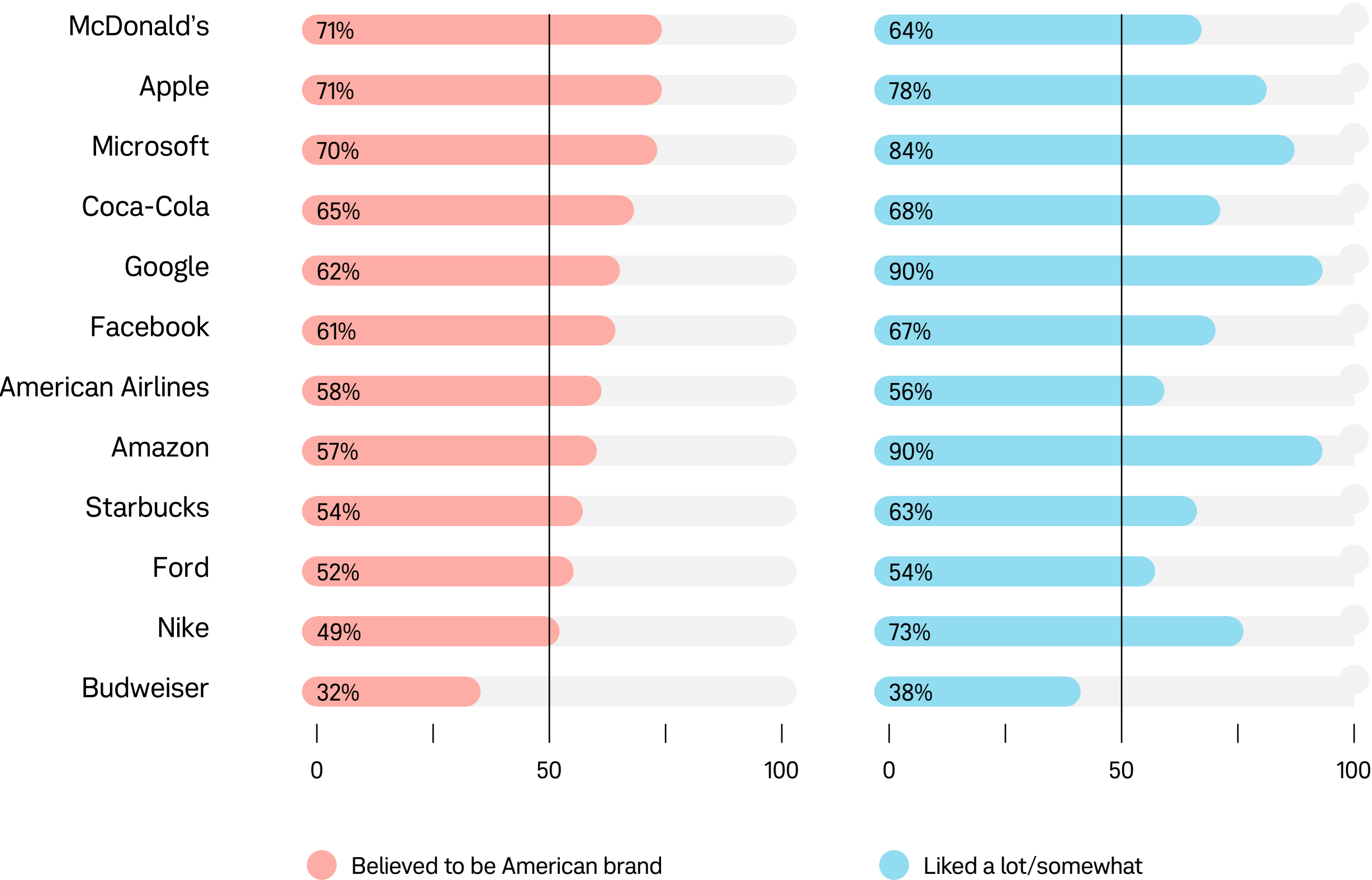
Brits, Mexicans, and Russians are less likely than Indians and Chinese to prefer American brands over local brands.



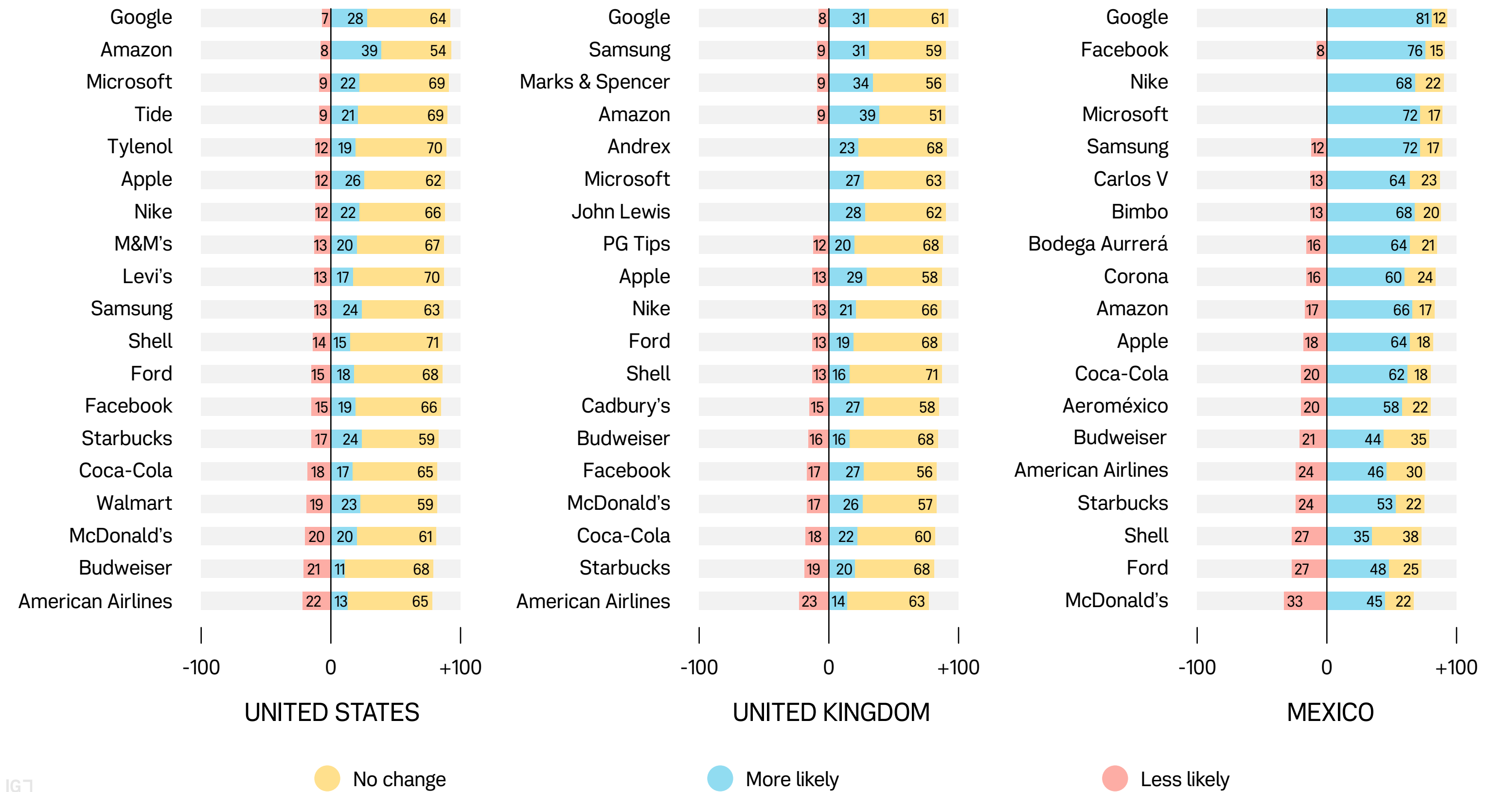
Some brands like McDonald's and Coca-Cola are generally known to be American brands, while others are not as well known as being American.



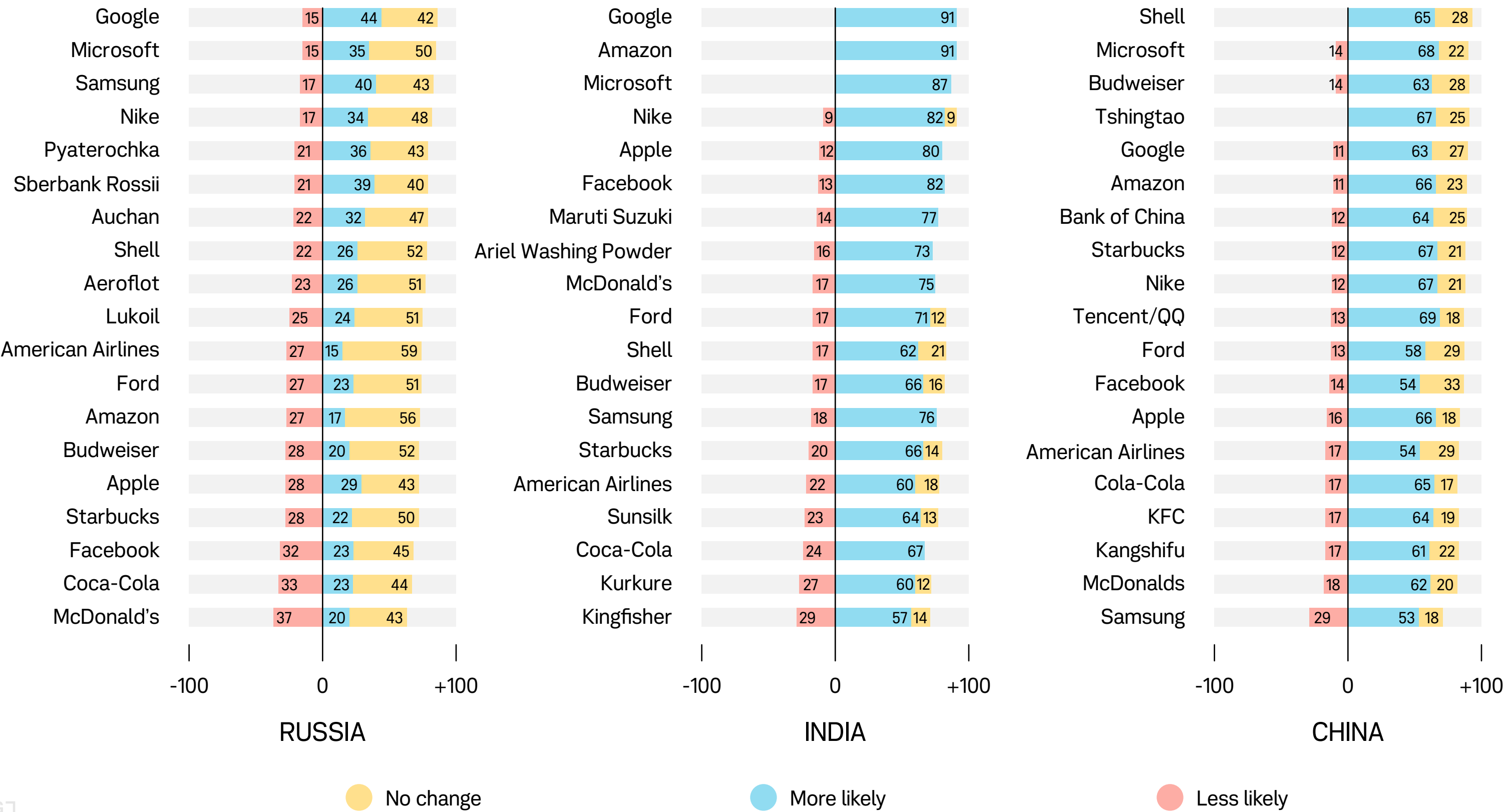
Brands that are most associated with being American tend to be well-liked.



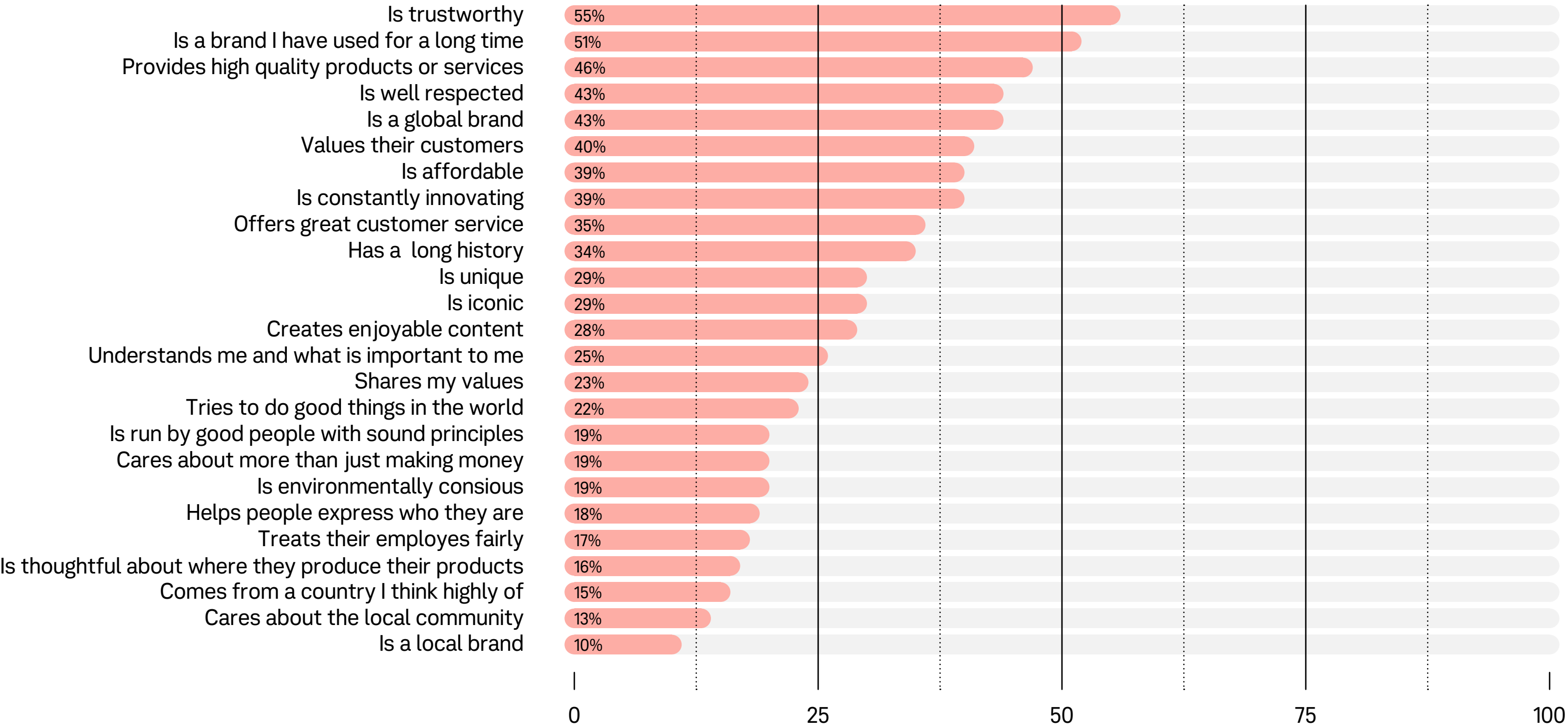
And the vast majority of consumers say they are more likely or just as likely to purchase/use American brands today as they were a year ago...



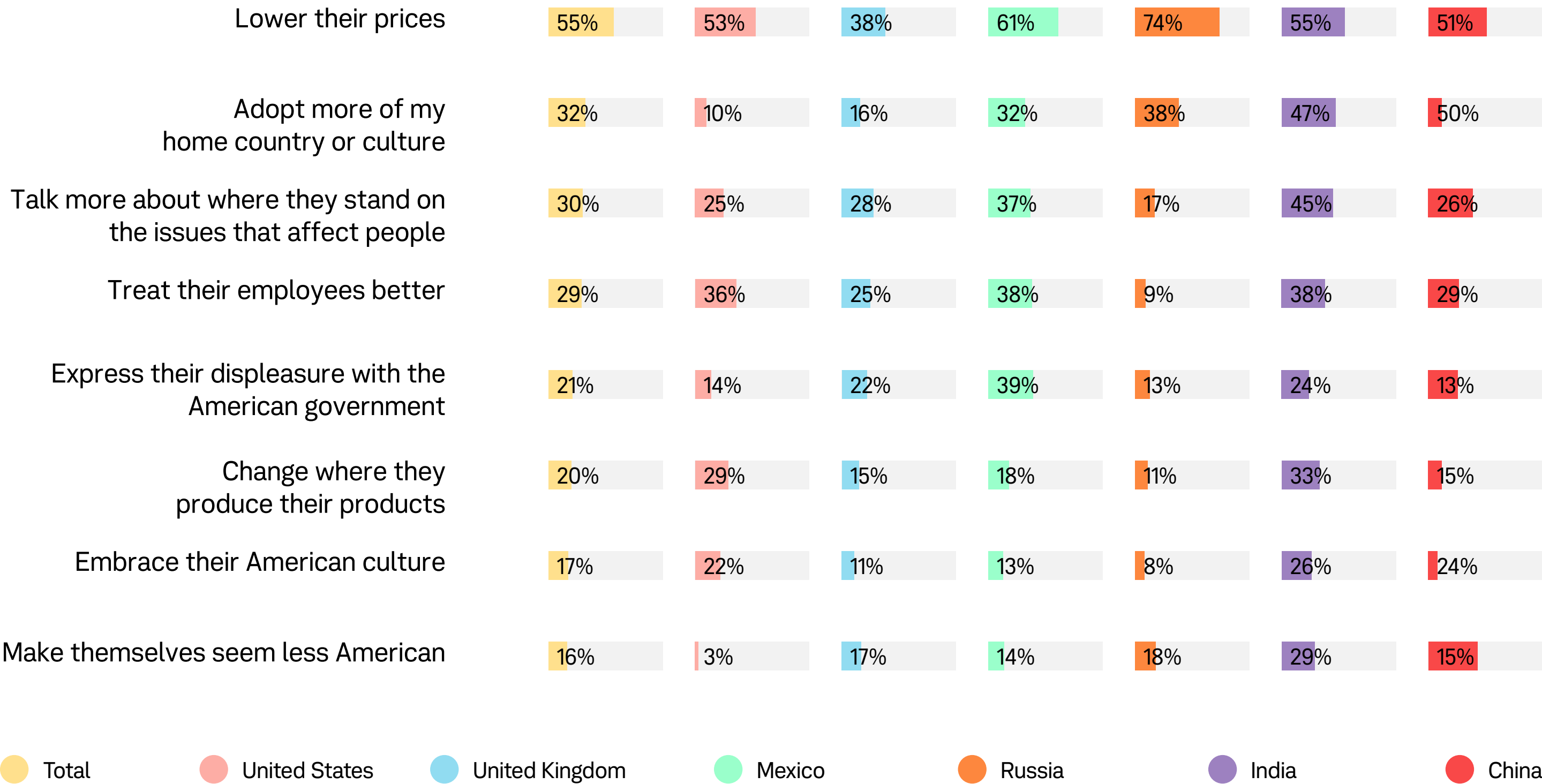
...with those in India and China especially likely to say they are more likely to buy/use American brands.



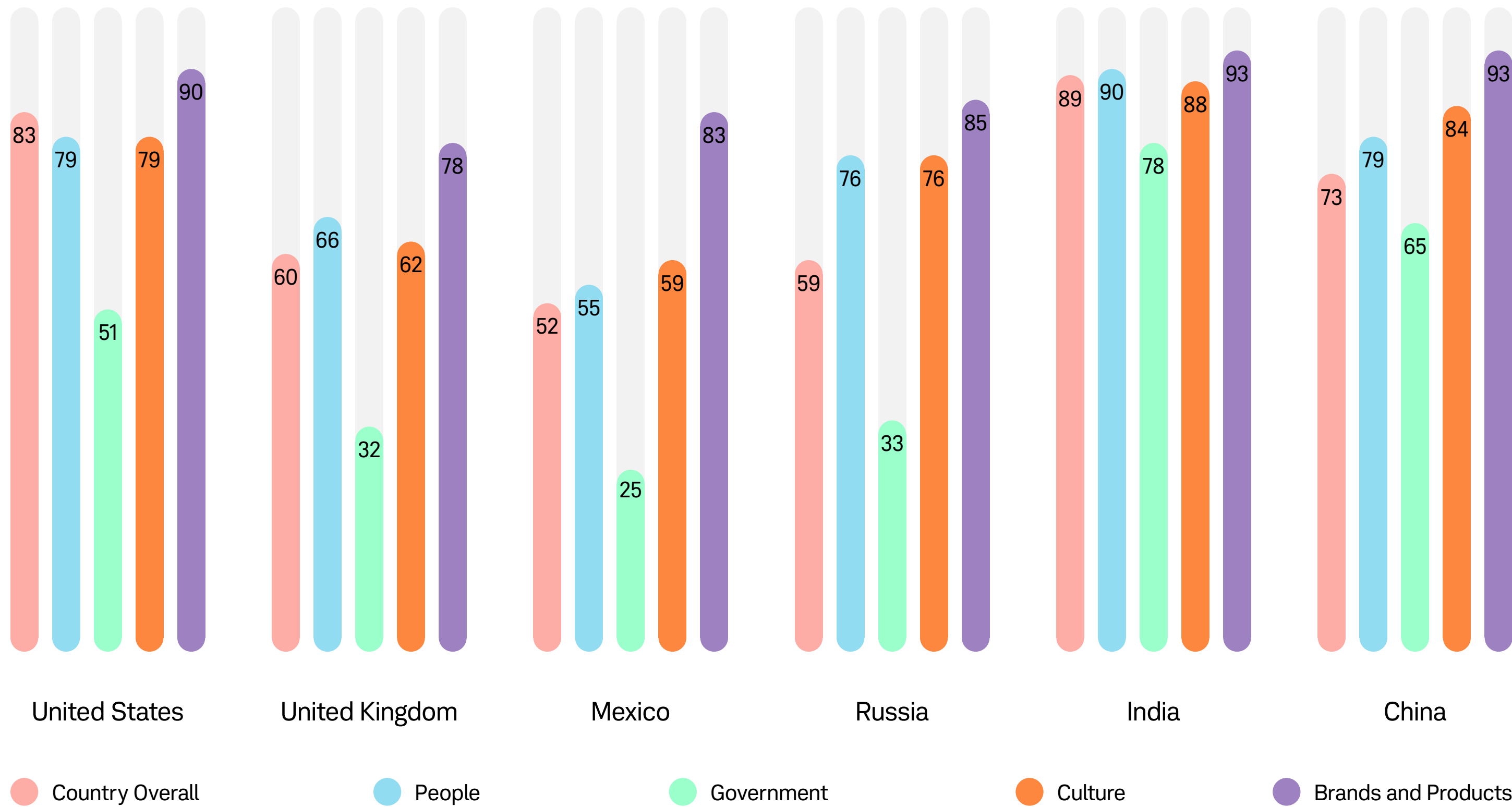
The brands that consumers love most are trustworthy and high quality.
Consumers are more likely to have strong positive feelings for global brands over local brands.



As might be expected, consumers say lower prices would increase consideration of American brands. But beyond that, those in China, India, and Russia would like to see them adopt more of their cultures.

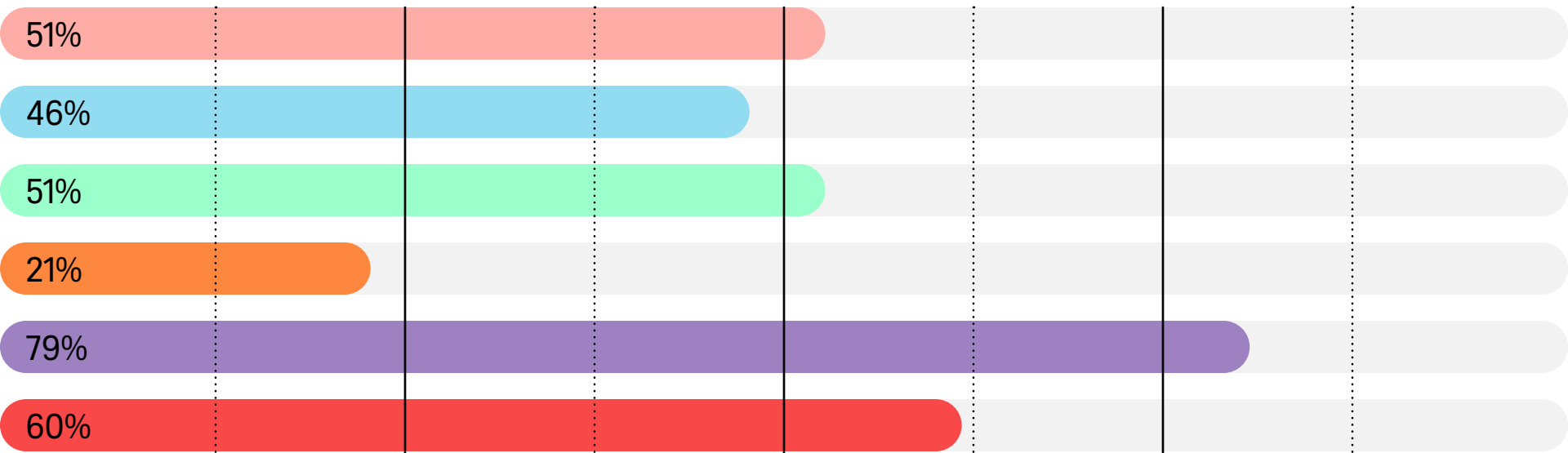


Ratings of America (% very/somewhat positive)

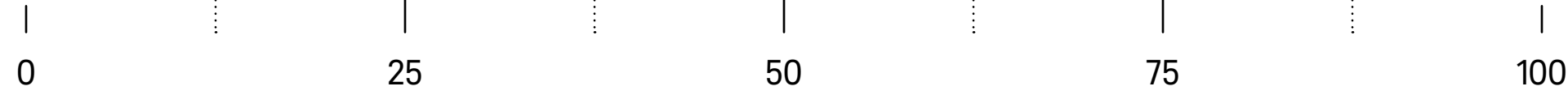
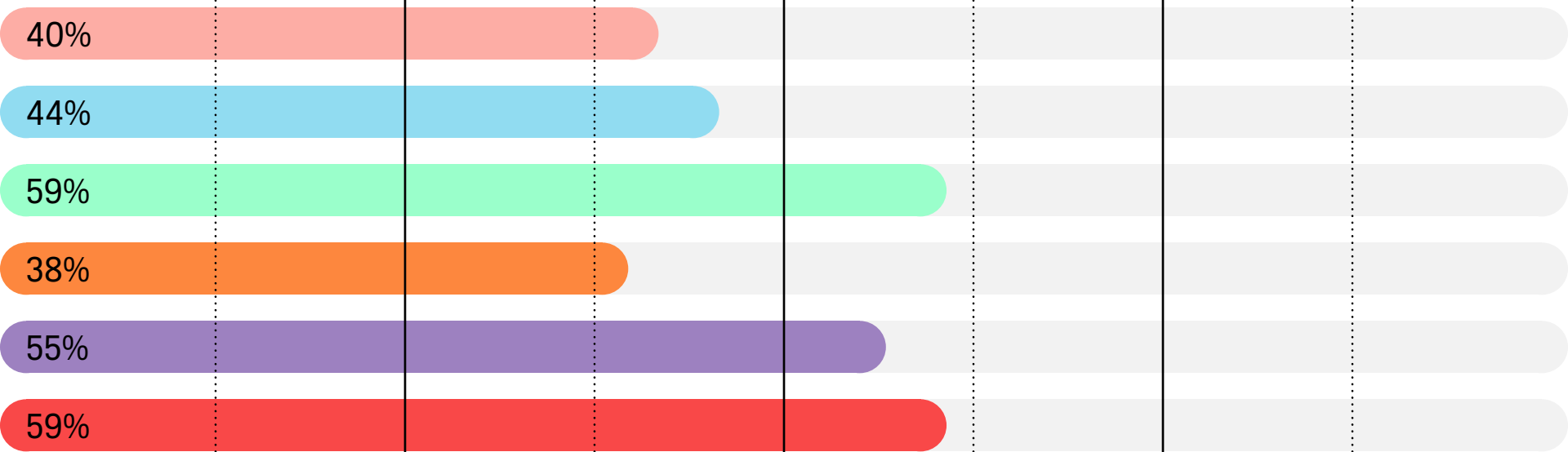


Attitudes towards American brands (% strongly/somewhat agree)

Among those with positive perceptions of America



Among those with negative perceptions of America



The Innovation Group is J. Walter Thompson’s futurism, research and innovation unit. It charts emerging and future global trends, consumer change, and innovation patterns—translating these into insight for brands. It offers a suite of consultancy services, including bespoke research, presentations, co-branded reports and workshops. It is also active in innovation, partnering with brands to activate future trends within their framework and execute new products and concepts. It is led by Lucie Greene, Worldwide Director of the Innovation Group.

The Innovation Group is part of J. Walter Thompson Intelligence, a platform for global research, innovation and data analytics at J. Walter Thompson Company, housing three key in-house practices: SONAR™, Analytics and the Innovation Group. SONAR™ is J. Walter Thompson’s research unit that develops and exploits new quantitative and qualitative research techniques to understand cultures, brands and consumer motivation around the world. It is led by Mark Truss, Worldwide Director of Brand Intelligence. Analytics focuses on the innovative application of data and technology to inform and inspire new marketing solutions.

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