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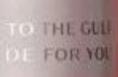
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INNOVATION J. WALTER THOMPSON GROUP ____ INTELLIGENCE





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
- \cdot 40% of Chinese respondents think Facebook is American
- 59% of Britons think Amazon is American
- 62% of Americans think Apple is American
- \cdot 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.

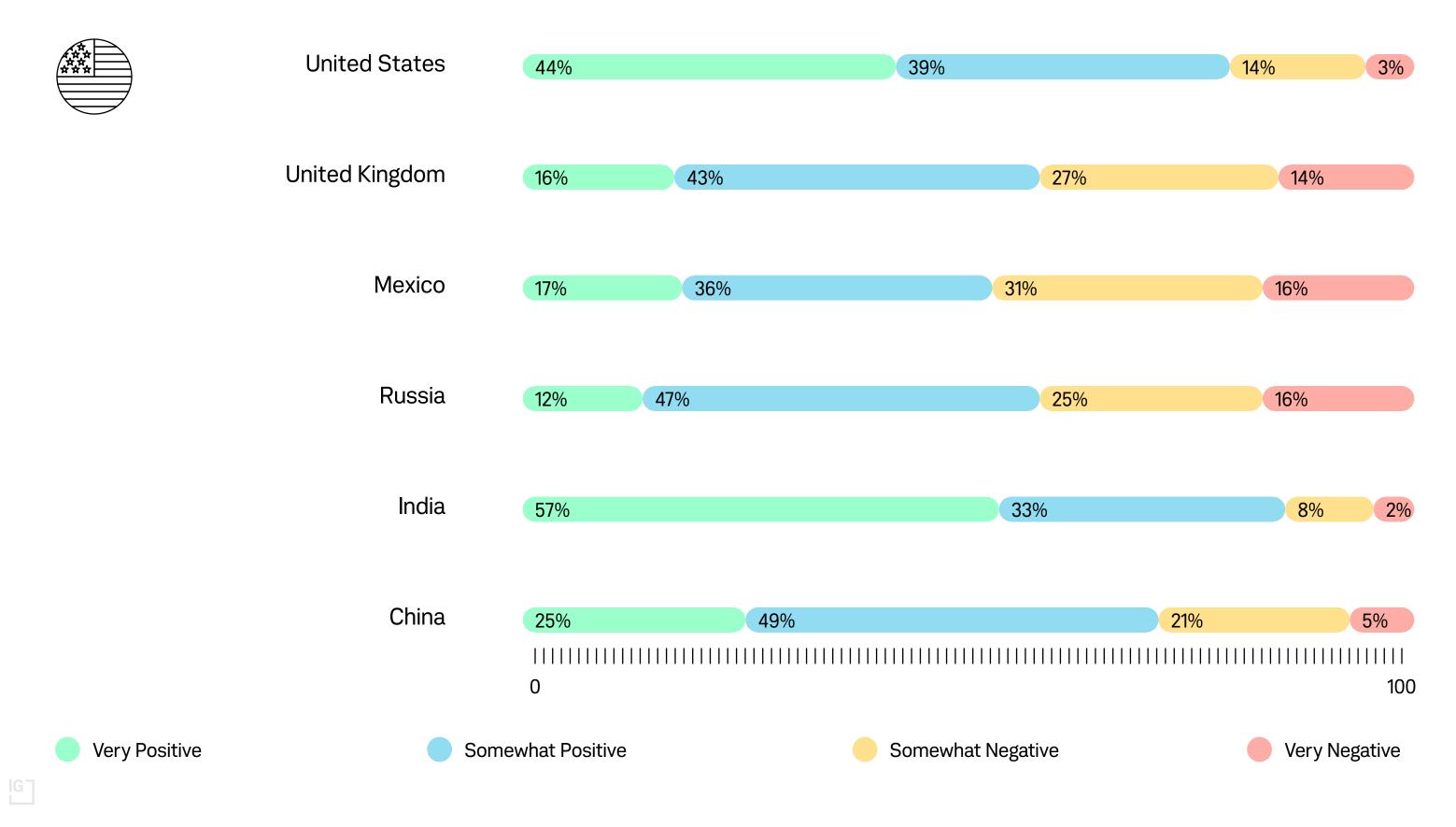
There is also evidence that a social conscience matters.

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

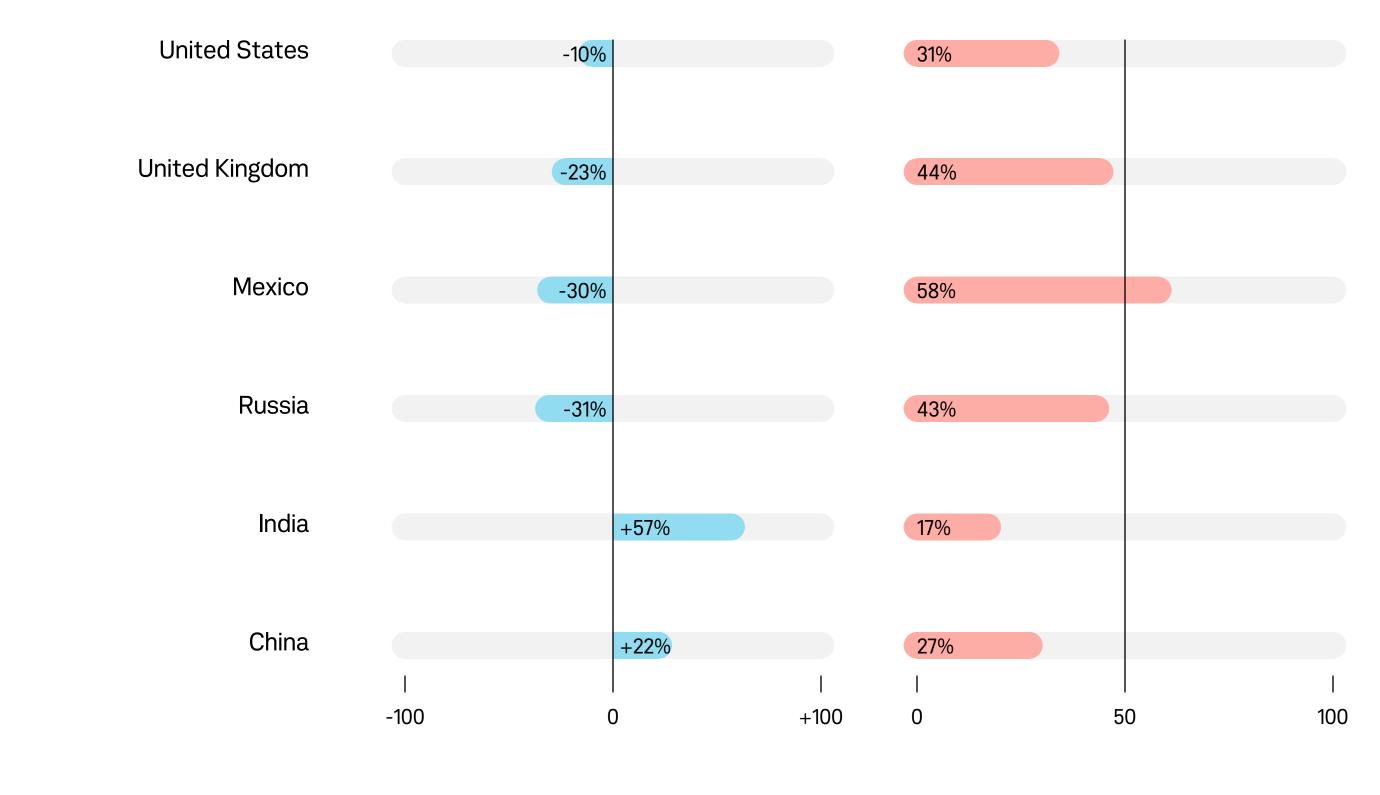
His advice is simple: "Being a big company is automatically seen as being evil. Prove you're good."

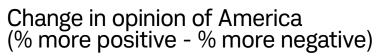
istomers ood in the world more than just making money ntally conscious ployees fairly Overall, Mexicans, Russians, and Brits are most negative about America. Indians and Chinese have a more positive view of the country.





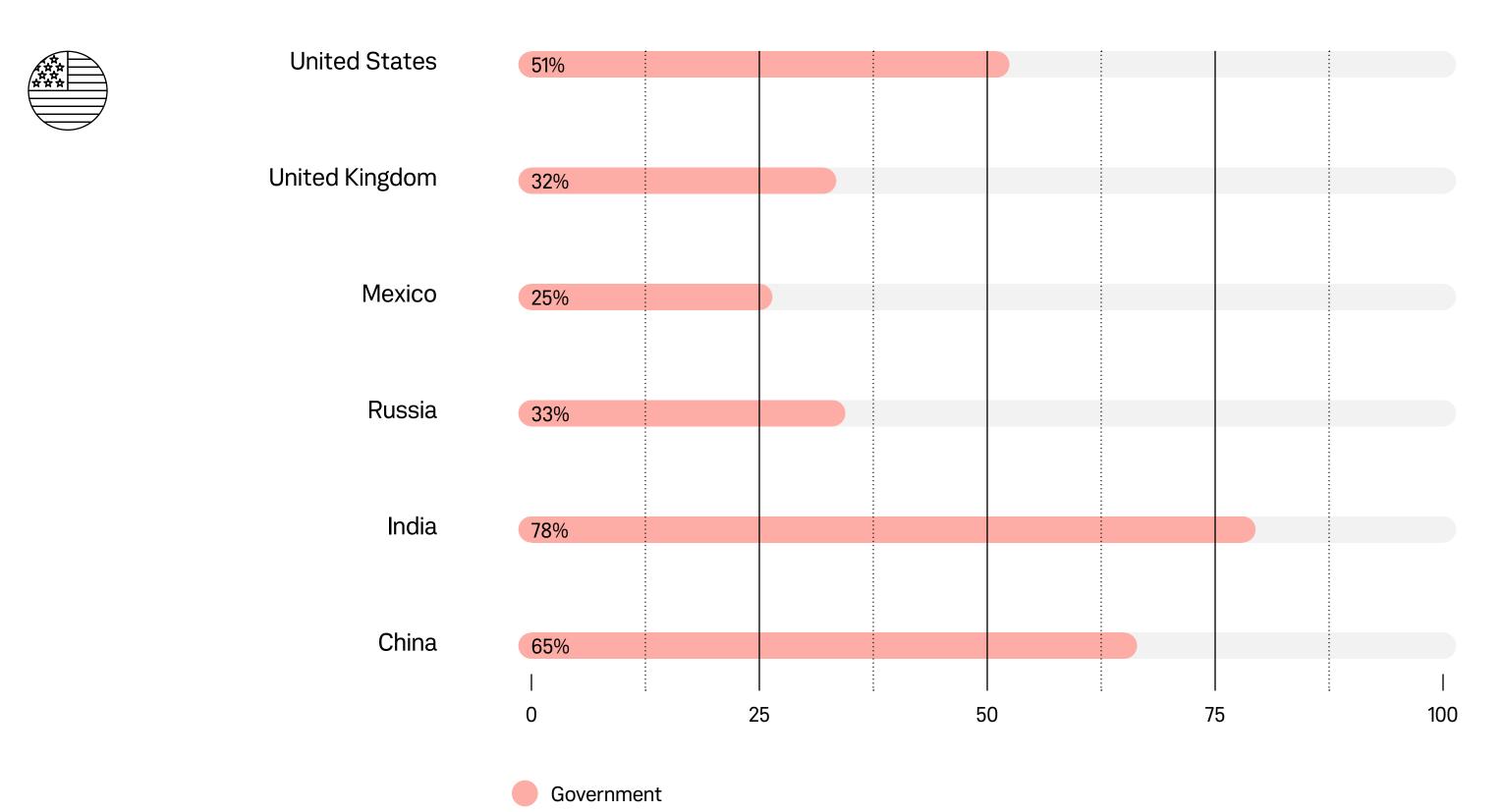
Those in Mexico, Russia, and the UK indicate that this change in perception has largely happened over the past year.





% 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.

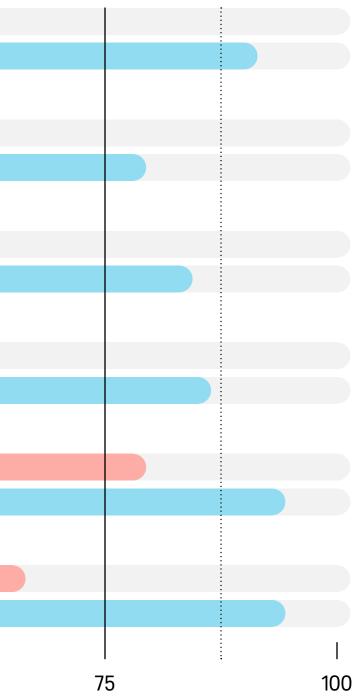


But negative perceptions of the American government generally do not translate to lower perceptions of American brands/products, which are rated quite positively around the world.



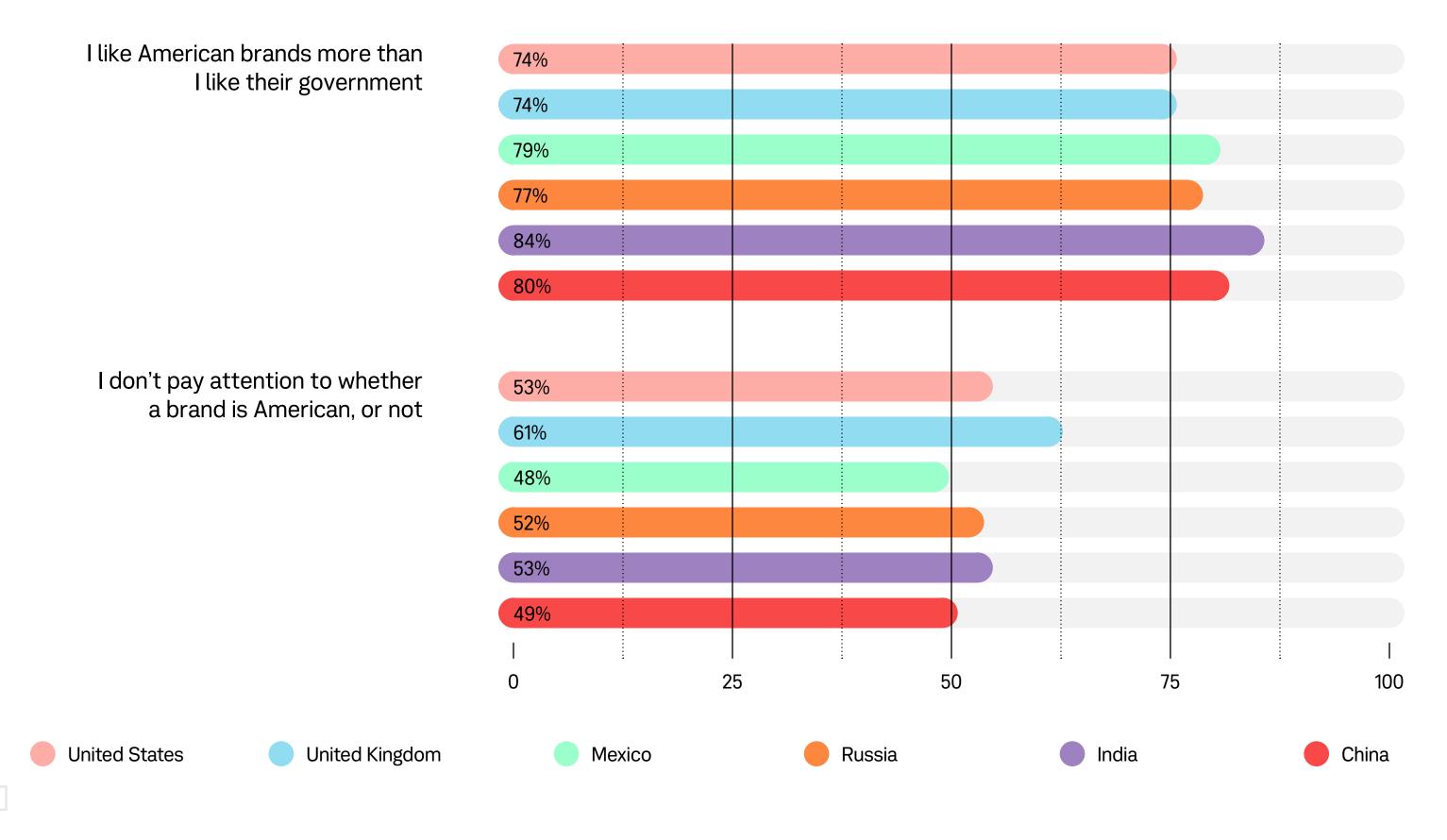
7	United States	51%					
		90%					
							•
	United Kingdom	32%					
		78%					
	Mexico	25%					
		83%					
	Russia	33%					
		85%					
	India	78%					
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	China	65%					
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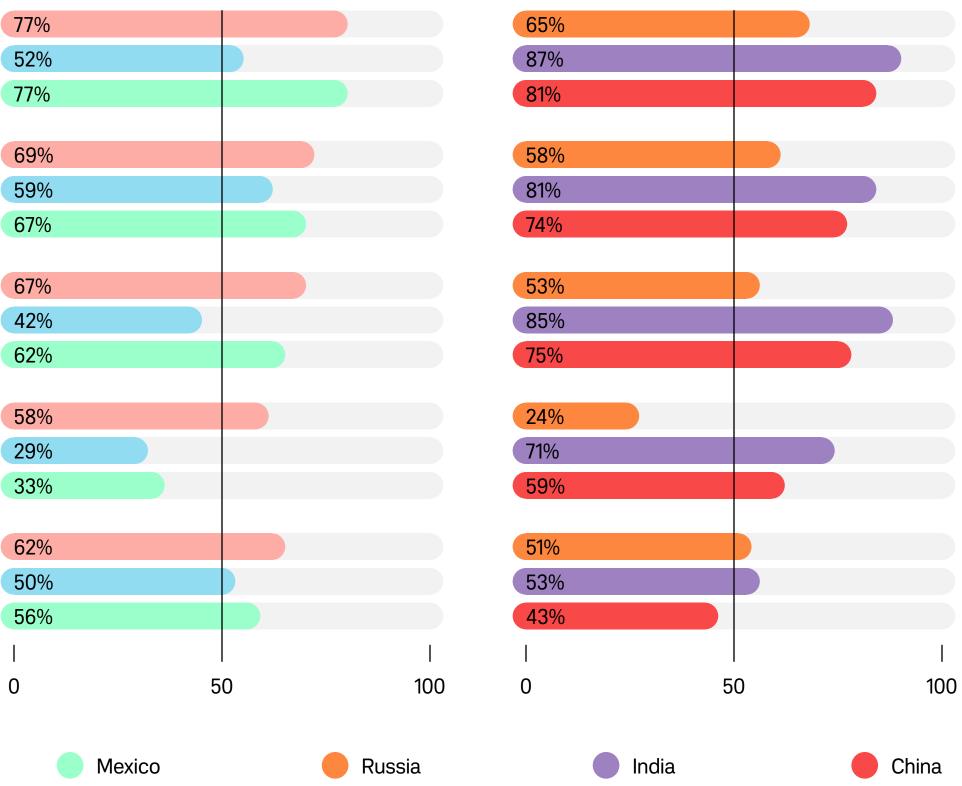


Brand Products

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



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.



American brands are cool

When it comes to American brands, my opinion of them is as strong as it has ever been

> American brands are usually the best quality

I am willing to pay a premium for American brands

> American brands aren't what they used to be

United States

United Kingdom



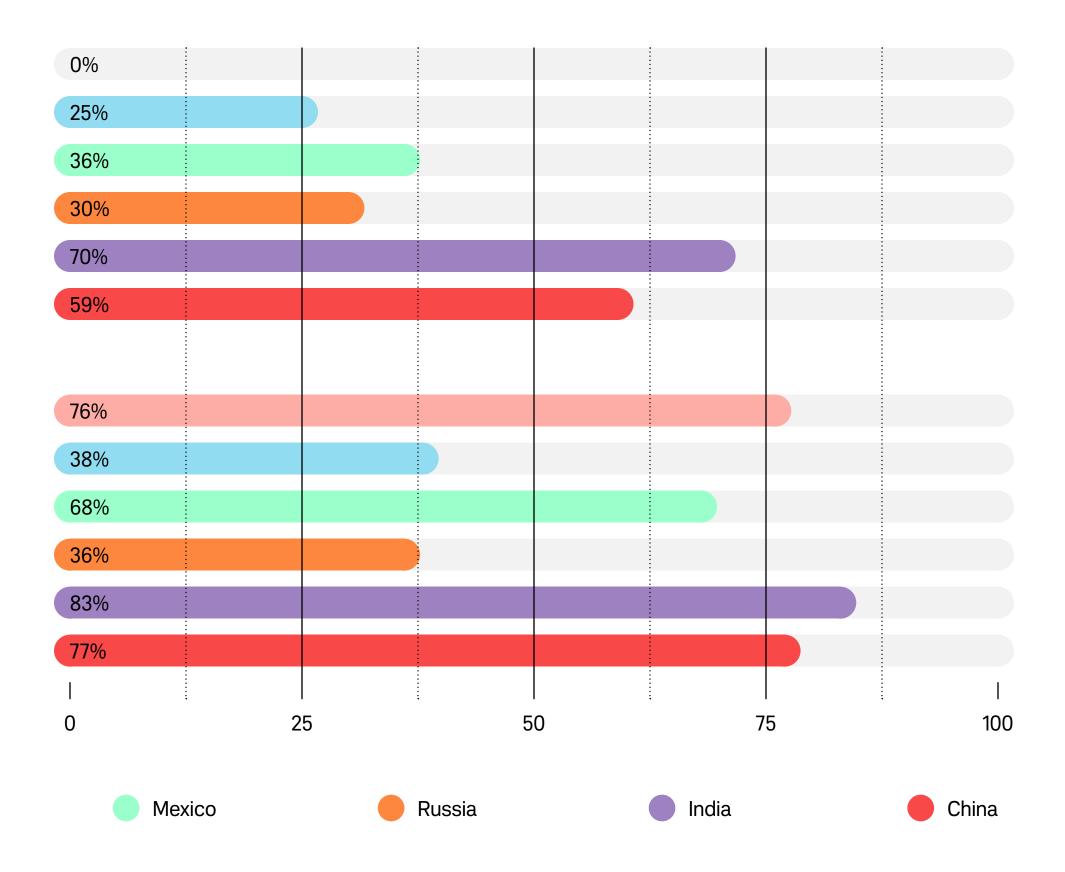




Brits, Mexicans, and Russians are less likely than Indians and Chinese to prefer American brands over local brands.

I prefer to buy American brands over local brands

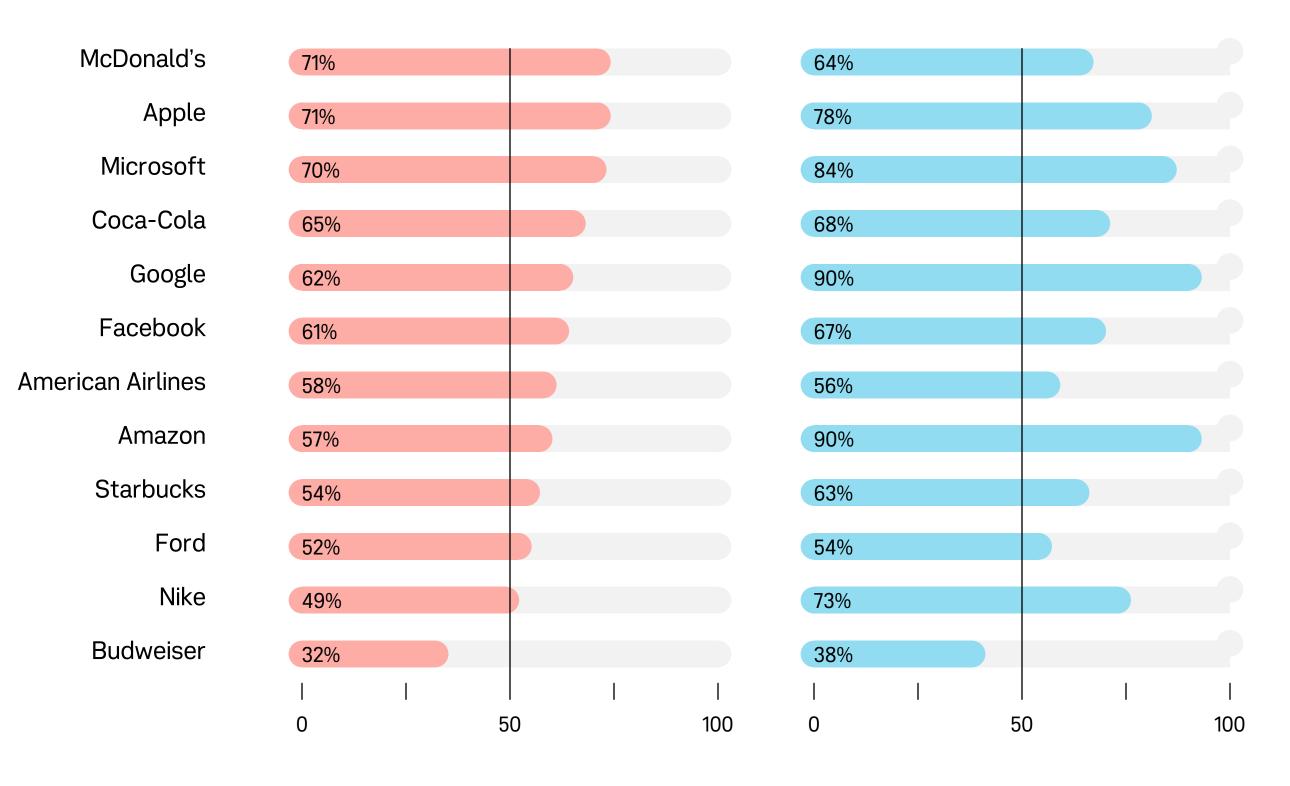
If an American brand is available at a reasonable price, I will always choose that option over a brand from another country



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.



Believed to be American brand

Liked a lot/somewhat

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Budweiser		21 11	68	Starbucks	19	20	68	Ford	27	48 25
McDonald's		20 20	61	Coca-Cola	18	22	60	Shell	27	35 38
Walmart		19 23	59	McDonald's	17	26	57	Starbucks	24	53 22
Coca-Cola		18 17	65	Facebook	17	27	56	American Airlines	24	46 30
Starbucks		17 24	59	Budweiser	16	16	68	Budweiser	21	44 35
Facebook		15 19	66	Cadbury's	15	27	58	Aeroméxico	20	58 22
Ford		15 18	68	Shell	13	16	71	Coca-Cola	20	62 <mark>18</mark>
Shell		14 15	71	Ford	13	19	68	Apple	18	64 <mark>18</mark>
Samsung		13 24	63	Nike	13	21	66	Amazon	17	66 <mark>17</mark>
Levi's		13 17	70	Apple	13	29	58	Corona	16	60 24
M&M's		13 20	67	PG Tips	12	20	68	Bodega Aurrerá	16	64 21
Nike		12 22	66	John Lewis		28	62	Bimbo	13	68 <mark>20</mark>
Apple		12 26	62	Microsoft		27	63	Carlos V	13	64 23
Tylenol		12 19	70	Andrex		23	68	Samsung	12	2 72 17
Tide		9 21	69	Amazon	9		51	Microsoft		72 17
Microsoft		9 22	69	Marks & Spencer	9		56	Nike		68 22
Amazon		8 39		Samsung	9	31	59	Facebook	8	3 76 <mark>15</mark>
Google		7 28	64	Google	8	31	61	Google		81 <mark>12</mark>

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...

No change

More likely

Less likely

			_			,		, ,				
Google		15	44	42	Google			91	Shell		65	28
Microsoft		15	35	50	Amazon			91	Microsoft	1 <mark>4</mark>	68	22
Samsung		17	40	43	Microsoft			87	Budweiser	14	63	28
Nike		17	34	48	Nike		9	82 <mark>9</mark>	Tshingtao		67	25
Pyaterochka		21	36	43	Apple		2	80	Google	11	63	27
Sberbank Rossii		21	39	40	Facebook		3	82	Amazon	11	66	23
Auchan		22	32	47	Maruti Suzuki	Í	4	77	Bank of China	12	64	25
Shell		22	26	52	Ariel Washing Powder	1	6	73	Starbucks	12	67	21
Aeroflot		23	26	51	McDonald's	1	7	75	Nike	12	67	21
Lukoil		25	24	51	Ford	1	7	71 <mark>12</mark>	Tencent/QQ	13	69	18
American Airlines		27	15	59	Shell	1	7	<mark>62</mark> 21	Ford	13	58	29
Ford		27	23	51	Budweiser	1	7	66 <mark>16</mark>	Facebook	14	54	33
Amazon		27	17	56	Samsung	1	3	76	Apple	16	66	18
Budweiser		28	20	52	Starbucks	20)	66 <mark>14</mark>	American Airlines	17	54 2	29
Apple		28	29	43	American Airlines	22	. (60 <mark>18</mark>	Cola-Cola	17	65	17
Starbucks		28	22	50	Sunsilk	23		64 <mark>13</mark>	KFC	17	64	19
Facebook		32	23	45	Coca-Cola	24		67	Kangshifu	17	61	22
Coca-Cola		33	23	44	Kurkure	27	(60 <mark>12</mark>	McDonalds	18	62 2	20
McDonald's		37	20	43	Kingfisher	29	5	<mark>7 14</mark>	Samsung	29	53 <mark>18</mark>	
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RUSSIA					IN	INDIA			CHINA			

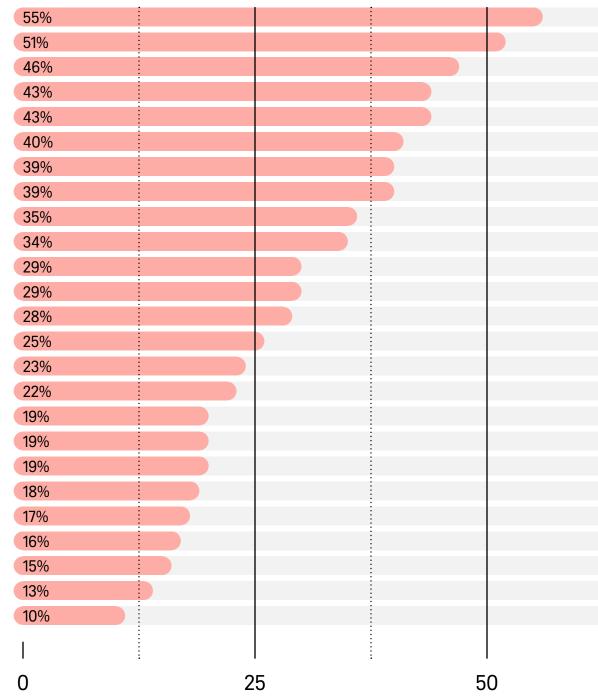
...with those in India and China especially likely to say they are more likely to buy/use American brands.

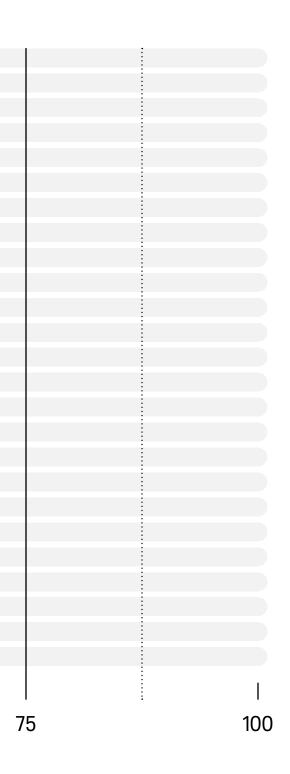
No change

Less likely

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.

Is trustworthy Is a brand I have used for a long time Provides high quality products or services Is well respected Is a global brand Values their customers Is affordable Is constantly innovating Offers great customer service Has a long history Is unique Is iconic Creates enjoyable content Understands me and what is important to me Shares my values Tries to do good things in the world Is run by good people with sound principles Cares about more than just making money Is environmentally consious Helps people express who they are Treats their employes fairly Is thoughtful about where they produce their products Comes from a country I think highly of Cares about the local community Is a local brand





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.

ces	55%	53%	38%	61%	74%	55%	51%
my ure	<mark>32</mark> %	<mark>1</mark> 0%	<mark>1</mark> 6%	<mark>32</mark> %	38%	47%	<mark>5</mark> 0%
on ple	<mark>30</mark> %	<mark>25</mark> %	<mark>28</mark> %	<mark>37%</mark>	<mark>1</mark> 7%	45%	<mark>26%</mark>
ter	<mark>29</mark> %	<mark>36%</mark>	25%	38%	9%	38%	<mark>29</mark> %
the ent	<mark>2</mark> 1%	<mark>1</mark> 4%	<mark>22</mark> %	39%	<mark>1</mark> 3%	24 %	<mark>13</mark> %
ney cts	<mark>2</mark> 0%	<mark>29</mark> %	<mark>1</mark> 5%	18%	11%	<mark>33</mark> %	<mark>1</mark> 5%
ure	<mark>1</mark> 7%	22%	11%	<mark>1</mark> 3%	8%	<mark>26</mark> %	24%
an	<mark>1</mark> 6%	3%	17%	14%	<mark>1</mark> 8%	<mark>29</mark> %	15%
United	Kingdom	Mexico		Russia	Ind	lia	🛑 China

Lower their price

Adopt more of my home country or culture

Talk more about where they stand on the issues that affect people

Treat their employees better

Express their displeasure with the American government

Change where they produce their products

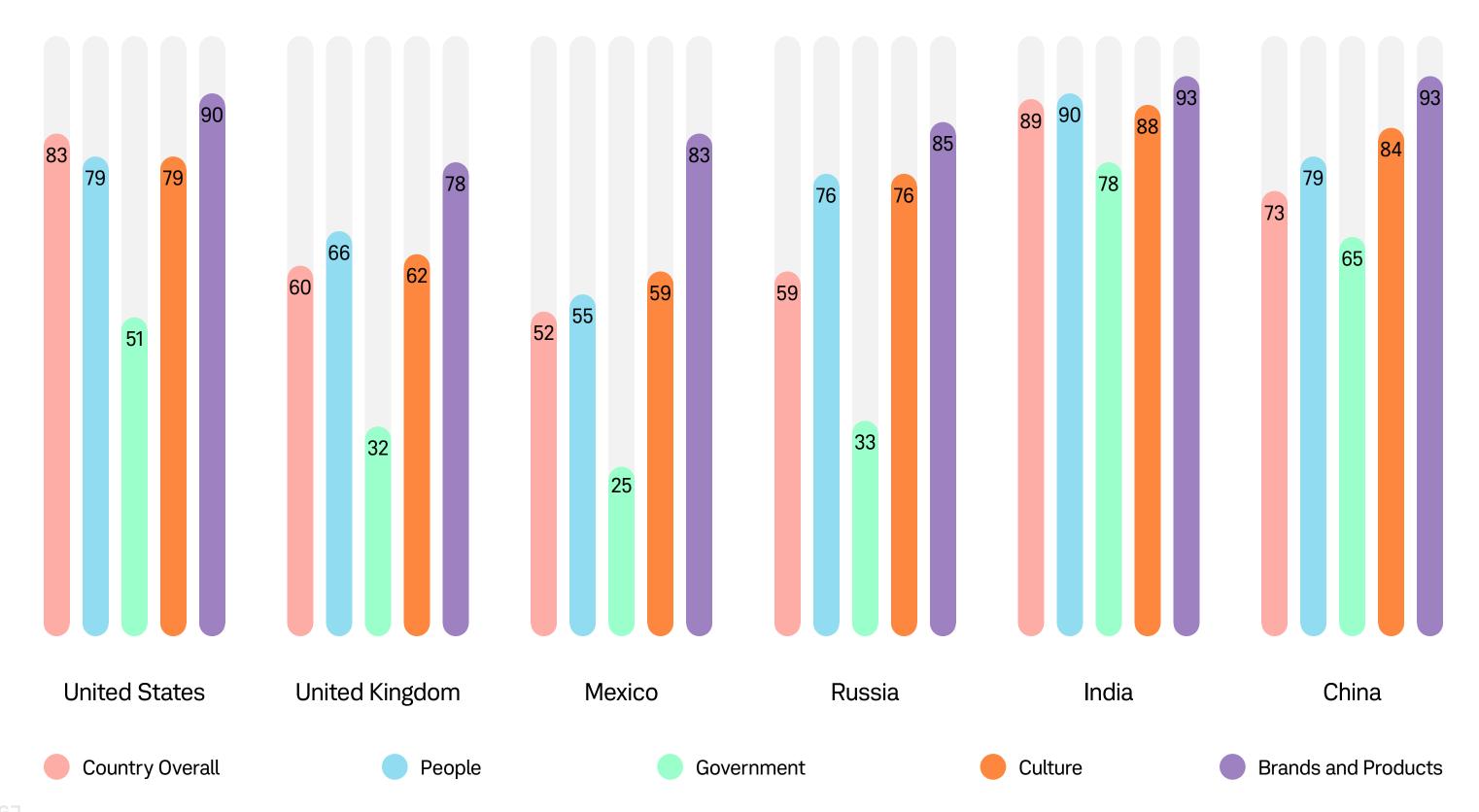
United States

Embrace their American culture

Make themselves seem less American

Total

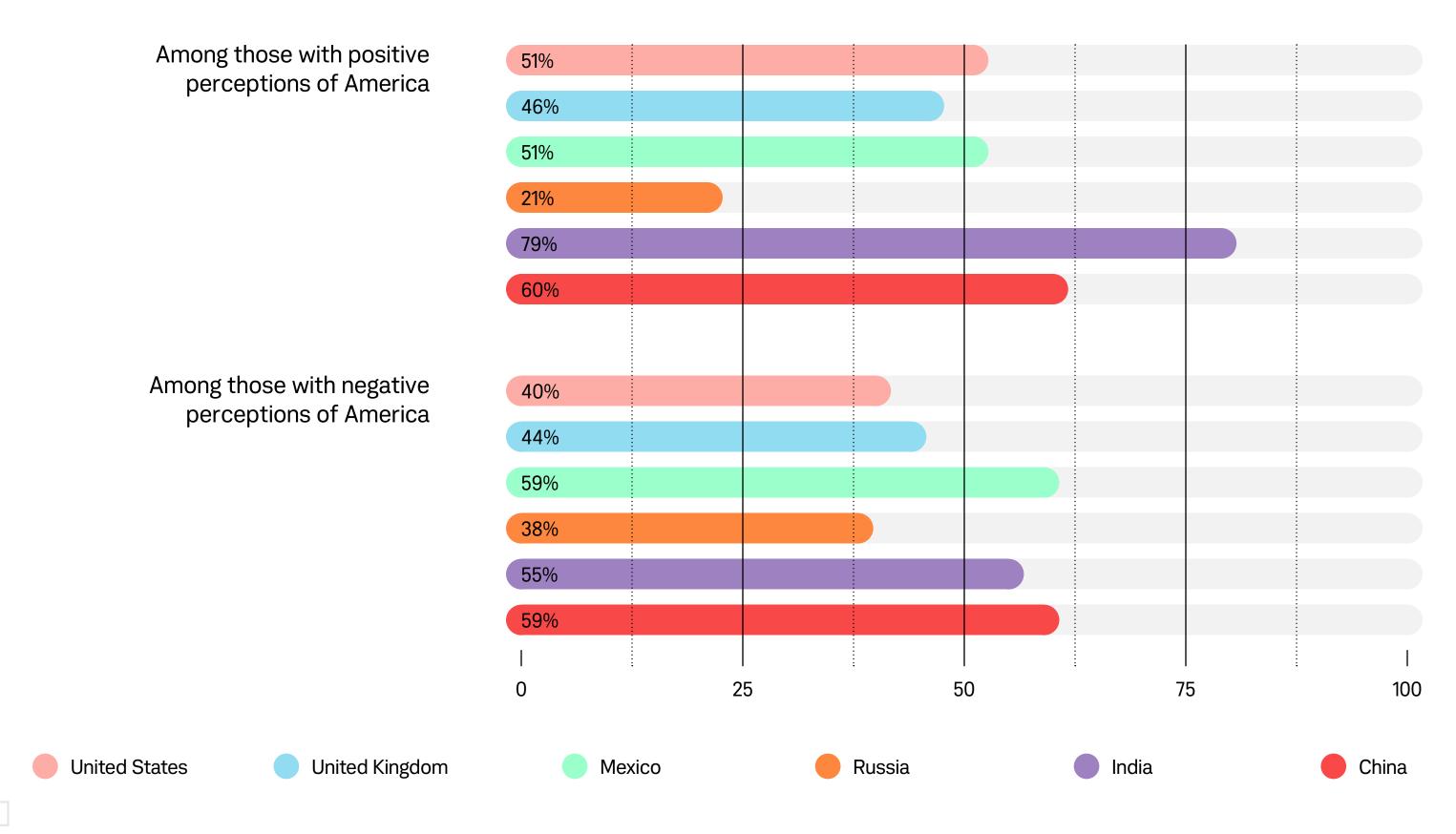
TRENDS



Ratings of America (% very/somewhat positive)

IG'

Attitudes towards American brands (% strongly/somewhat agree)



IG

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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