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**INNOVATION METRICS**

# The 100 Top Brands 2006



Here's how we calculate the power in a name

Data provided by: **Interbrand**

INTERBRAND TAKES lots of ingredients into account when ranking the world's most valuable brands. To even qualify for the list, each brand must derive about a third of its earnings outside its home country, be recognizable outside of its base of customers, and have publicly available marketing and financial data. One or more of those criteria eliminate such heavyweights as Visa, Wal-Mart, Mars, and CNN. Interbrand doesn't rank parent companies, which explains why Procter & Gamble doesn't show up. And airlines are not ranked because it's too hard to separate their brands' impact on sales from factors such as routes and schedules. BUSINESSWEEK CHOSE Interbrand's methodology because it evaluates brands much the way analysts value other assets: on the basis of how much they're likely to earn in the future. The projected profits are then discounted to a present value, taking into account the likelihood that those earnings will actually materialize. THE FIRST STEP IS figuring out what percentage of a company's revenues can be credited to a brand. (The brand may be almost the entire company, as with McDonald's Corp., or just a portion, as it is for Marlboro.) Based on reports from analysts at J.P. Morgan Chase, Citigroup, and Morgan Stanley, Interbrand projects five years of earnings and sales for the brand. It then deducts operating costs, taxes, and a charge for the capital employed to arrive at the intangible earnings. The company strips out intangibles such as patents and management strength to assess what portion of those earnings can be attributed to the brand. FINALLY, THE BRAND'S strength is assessed to determine the risk profile of those earnings forecasts. Considerations include market leadership, stability, and global reach—or the ability to cross both geographic and cultural borders. That generates a discount rate, which is applied to brand earnings to get a net present value. BusinessWeek and Interbrand believe this figure comes closest to representing a brand's true economic worth.

Click column heading once to reorder from highest to lowest. Click twice to reorder from lowest to highest.

2006 Rank	2005 Rank	Name	Country	2006 Value (\$Mil)	2005 Value (\$Mil)	Change in Value (%)	Description
1	1	Coca-Cola	U.S.	67,000	67,525	-1%	Flagging appetite for soda has cut demand for Coke, but the beverage giant has a raft of new products in the pipeline that could reverse its recent slide.
2	2	Microsoft	U.S.	56,926	59,941	-5%	Threats from Google and Apple haven't yet offset the power of its Windows and Office monopolies.
3	3	IBM	U.S.	56,201	53,376	5%	Having off-loaded its low-profit PC business to Lenovo, IBM is marketing on the strategic level to corporate leaders.
4	4	GE	U.S.	48,907	46,996	4%	The brand Edison built has extended its reach from ovens to credit cards, and the "Ecomagination" push is making GE look like a protector of the planet.
5	5	Intel	U.S.	32,319	35,588	-9%	Profits and market share weren't the only things slammed by rival AMD. Intel's brand value tumbled 9%, as it lost business from high-profile customers.
6	6	Nokia	Finland	30,131	26,452	14%	Fashionable designs and low-cost models for the developing world enabled the mobile phone maker to regain ground against competitors.
7	9	Toyota	Japan	27,941	24,837	12%	Toyota is closing in on GM to become the world's biggest automaker. A slated 10% increase in U.S. sales this year will help even more.
8	7	Disney	U.S.	27,848	26,441	5%	New CEO Robert Iger expanded the brand by buying animation hit-maker Pixar and beefing up digital distribution of TV shows through the Internet and iPods.
9	8	McDonald's	U.S.	27,501	26,014	6%	A new healthy-living marketing campaign—and the premium-priced sandwiches and salads that came with it—have led to a fourth year of sales gains.
10	11	Mercedes-Benz	Germany	21,795	20,006	9%	The new S-Class sedan and M-Class SUV are helping repair a tarnished quality reputation. High costs and weak margins will take longer to fix.
11	12	Citi	U.S.	21,458	19,967	7%	Already the biggest U.S. bank, Citigroup's quest to generate more revenues from world markets has it introducing its brand to new emerging markets.

Tech Beat	12	10	Marlboro	U.S.	21,350	21,189	1%	Marlboro remains firmly in the saddle, particularly outside the U.S., as it expands into developing markets.
Working Parents								
<b>TECHNOLOGY</b>								
J.D. Power Ratings	13	13	Hewlett-Packard	U.S.	20,458	18,866	8%	Under CEO Mark Hurd, HP is skipping glitzy image ads to push specific products. Improving profits and a 40% stock price increase haven't hurt.
Product Reviews								
Tech Stats	14	14	American Express	U.S.	19,641	18,559	6%	A preeminent financial-services brand among high-end customers, the company is recasting itself as hip to broaden its appeal to a younger set.
Wildstrom: Tech Maven								
<b>AUTOS</b>								
Home Page	15	16	BMW	Germany	19,617	17,126	15%	BMW continues to churn out hot models that buyers love to drive and Japanese automakers can't seem to replicate.
Auto Reviews								
Classic Cars	16	15	Gillette	U.S.	19,579	17,534	12%	Gillette's new six-bladed Fusion razor met with ridicule when it was introduced. But with Fusion sales soaring, Gillette is still king.
Car Care & Safety								
Hybrids	17	18	Louis Vuitton	France	17,606	16,077	10%	With a glitzy new flagship on the Champs Elysées, the world's richest luxury brand celebrates yet another year of robust growth.
<b>INNOVATION &amp; DESIGN</b>								
Home Page	18	17	Cisco	U.S.	17,532	16,592	6%	Cisco's decision to lead with its Linksys brand for consumers hasn't made the company a household name yet, but it's helping.
Architecture								
Brand Equity	19	19	Honda	Japan	17,049	15,788	8%	As gas prices rise, Honda's gas sippers are helping the Japanese carmaker gnaw into the Big Three's market share.
Auto Design								
Game Room	20	20	Samsung	S. Korea	16,169	14,956	8%	Samsung is rolling out hot LCD TVs and ever more powerful memory chips. But it is missing in action with low-end handsets, hurting market share.
<b>SMALLBIZ</b>								
Smart Answers	21	25	Merrill Lynch	U.S.	13,001	12,018	8%	Merrill Lynch has made a dramatic transformation from a sleepy, stable brokerage to a lean and mean investment bank.
Success Stories								
Today's Tip	22	23	Pepsi	U.S.	12,690	12,399	2%	It tapped a growing obsession with obesity by shifting marketing dollars to Diet Pepsi. Another boost? Rival Coke's move to copy Pepsi Max with Coke Zero.
<b>INVESTING</b>								
Investing: Europe	23	24	Nescafe	Switzerland	12,507	12,241	2%	Sales of instant coffee are piping hot in emerging markets, while flavored coffees and new products have boosted appeal in the U.S. and Europe.
Annual Reports								
BW 50								
S&P Picks & Pans	24	38	Google	U.S.	12,376	8,461	46%	Its recent inclusion as a verb in the Oxford English Dictionary confirms what competitors feared: Google means search to an army of Web users.
Stock Screeners	25	21	Dell	U.S.	12,256	13,231	-7%	The king of the inexpensive PC is trying to regain trust with a campaign to bolster customer service and technical support.
Free S&P Stock Report	26	28	Sony	Japan	11,695	10,754	9%	Sony CEO Howard Stringer has fixed the TV biz, but other electronics products are struggling. He's betting PlayStation 3 can help turn things around.
<b>SCOREBOARDS</b>								
Hot Growth 100	27	26	Budweiser	U.S.	11,662	11,878	-2%	A price war and changing tastes left the No.1 beer maker with a nasty hangover. The drop in profits for 2005 was its first in a decade.
Mutual Funds	28	29	HSBC	Britain	11,622	10,429	11%	With retail, private, and investment banking operations in 76 countries, the world's local bank is fast becoming a major force in financial services.
Info Tech 100	29	27	Oracle	U.S.	11,459	10,887	5%	Last year, Oracle bought another major software brand, Siebel Systems. This year it will have to sew it together and keep its customers happy.
S&P 500	30	22	Ford	U.S.	11,056	13,159	-16%	The iconic auto brand has declined in every measure. Weak marketing, bad press, shallow product portfolio, and a bottomed-out U.S. stock price hurt value.
<b>B-SCHOOLS</b>								
Undergrad Programs	31	30	Nike	U.S.	10,897	10,114	8%	Nike won in both the casual fashion and hard-core athletic markets with innovative new products, marketing, and partnerships.
MBA Blogs	32	32	UPS	U.S.	10,712	9,923	8%	China-to-U.S. routes are paying off handsomely, while a big contract to consolidate shipments for Dell is providing a boost back at home.
MBA Profiles	33	34	JPMorgan	U.S.	10,205	9,455	8%	Unlike other big banks selling money management units, JPMorgan is building a brand in the business, as merger integration efforts continue.
MBA Rankings	34	36	SAP	Germany	10,007	9,006	11%	New software aimed at smaller businesses helped SAP extend its customer base beyond blue chips.
Who's Hiring Grads	35	35	Canon	Japan	9,968	9,044	10%	Digital cameras and copiers helped Canon become one of Japan's most profitable companies. New boss Tsuneji Uchida brings technological knowhow.
<b>BW EXTRAS</b>								
BW Digital	36	33	Morgan Stanley	U.S.	9,762	9,777	0%	CEO John J. Mack is overhauling the firm, and its brand, to restore its former reputation as the top investment bank.
BW Mobile	37	37	Goldman Sachs	U.S.	9,640	8,495	13%	Goldman's repeated blockbuster trading results have made it Wall Street's most profitable money machine.
BW Online Alerts								
Dashboard Widgets								
Podcasts 								
RSS Feeds 								
Reprints/ Permissions								
Conferences								
Research Services								
								Sold its over-the-counter unit to focus on developing new

38	31	Pfizer	U.S.	9,591	9,981	-4%	prescription drugs—a smart move as powerhouse brands such as Lipitor face generic competition.
39	41	Apple	U.S.	9,130	7,985	14%	Apple continues to be the style master with its expanded family of iPods and Mac PCs. Its latest hit: the MacBook line of laptops.
40	39	Kellogg's	U.S.	8,776	8,306	6%	The cereal maker is striking an effective balance between healthy products like Special K and sugary treats like Pop Tarts to attract both moms and kids.
41	42	Ikea	Sweden	8,763	7,817	12%	Its affordable Scandinavian designs have helped the Swedish retailer become a household name from San Diego to Shanghai.
42	44	UBS	Switzerland	8,734	7,565	15%	Melding private banking and investment banking continues to pay off big-time, especially in Europe and Asia.
43	43	Novartis	Switzerland	7,880	7,746	2%	The Swiss pharmaceutical giant is expanding across everything from prescription drugs to generic medicines, vaccines, and diagnostics.
44	45	Siemens	Germany	7,828	7,507	4%	New CEO Klaus Kleinfeld has disposed of poor-performing telecom units, allowing Siemens to focus on businesses such as medical equipment.
45	46	Harley-Davidson	U.S.	7,739	7,346	5%	Still the king of the hogs. Growing sales to women augment the loyal customer base of baby boomers and hard-core bikers.
46	49	Gucci	Italy	7,158	6,619	8%	Designer Frida Giannini still can't match predecessor Tom Ford's star power. But sales of apparel and leather accessories are growing nicely.
47	55	eBay	U.S.	6,755	5,701	18%	Investors may not like increasing competition from the likes of Google, but TV ads keep boosting the online marketplace's brand appeal.
48	53	Philips	Netherlands	6,730	5,901	14%	Buoyed by the success of its medical equipment and high-tech consumer gadgets, Philip's focus on cutting-edge, easy-to-use products is paying off.
49	51	Accenture	Bermuda	6,728	6,142	10%	Bundling consulting and outsourcing gigs is helping Accenture stay fierce. Last year, sales grew by more than twice the rate of other tech-services firms.
50	48	MTV	U.S.	6,627	6,647	0%	Now 25, MTV is pushing into broadband with the MTV Overdrive site, where it faces competition with MySpace and YouTube for teens' attention.
51	50	Nintendo	Japan	6,559	6,470	1%	Nintendo is No.1 in portable video-game consoles, but the unconventional new Wii console machine due out this autumn could be a harder sell.
52	40	Gap	U.S.	6,416	8,195	-22%	Still searching for its fashion identity, the clothier's sales are fraying as it struggles to dress the twentysomething crowd for both work and weekend.
53	52	L'Oreal	France	6,392	6,005	6%	This French cosmetics maker's finances are looking prettier, thanks to a rebound in sluggish European sales.
54	47	Heinz	U.S.	6,223	6,932	-10%	Slimming its portfolio and adding products like Lea & Perrins hasn't been enough for Heinz to compete with retailers' in-house brands.
55	58	Yahoo!	U.S.	6,056	5,256	15%	The company risks looking like an also-ran next to Google, but Yahoo is mining for hits in new areas like social networking and digital content.
56	56	Volkswagen	Germany	6,032	5,617	7%	Maybe the most resilient brand in its industry. VW is solving its quality and financial issues, and customers are coming back.
57	54	Xerox	U.S.	5,918	5,705	4%	Xerox' stable of color copiers is bringing in a good supply of cash, but it has yet to make its mark in the digital world.
58	60	Colgate	U.S.	5,633	5,186	9%	Well into a four-year restructuring, Colgate now has something to smile about with new launches such as Luminous toothpaste finding strong demand.
59	57	Wrigley's	U.S.	5,449	5,543	-2%	With new players chewing away at market share, Wrigley's has been expanding into areas like candy and mints with brand extensions and acquisitions.
60	61	KFC	U.S.	5,350	5,112	5%	Avian flu fears in early 2006 slowed KFC's growth in China, the chain's hottest market, but KFC sales are rebounding.
61	65	Chanel	France	5,156	4,778	8%	Fresh-faced Keira Knightly is replacing bad-girl Kate Moss as the face of Coco Mademoiselle perfume.
62	59	Avon	U.S.	5,040	5,213	-3%	Avon ladies have been struggling. Poor results in many markets, including Eastern Europe, forced CEO Andrea Jung to launch a restructuring this year.
63	66	Nestle	Switzerland	4,932	4,744	4%	Best known for chocolate, Nestlé posts stronger growth from other products, such as Nestlé Aquarel bottled water.  A mature brand that's working to fend off commodity status.

64	64	Kleenex	U.S.	4,842	4,922	-2%	Emotional advertising is helping buoy its image against private labels.
65	68	Amazon.com	U.S.	4,707	4,248	11%	Heavy spending on technology for digital media initiatives has depressed the stock, but free shipping and reliability keep customers happy.
66	63	Pizza Hut	U.S.	4,694	4,963	-5%	Pizza Hut sales have been drooping as Americans turn increasingly to sandwiches and Mexican fare.
67	67	Danone	France	4,638	4,513	3%	A growing global appetite for yogurt keeps the French food and beverage giant in good health.
68	70	Caterpillar	U.S.	4,580	4,085	12%	Demand for Caterpillar's rugged machines and engines has never been stronger. Cat is on track to top \$40 billion in sales this year.
69	73	Motorola	U.S.	4,569	3,877	18%	New products like the RAZR and SLVR have been a hit, and a hip marketing campaign behind them is adding luster to the Moto brand.
70	62	Kodak	U.S.	4,406	4,979	-12%	Kodak has defied skeptics by becoming a major player in digital photography and printing, but profits remain disappointing.
71	71	adidas	Germany	4,290	4,033	6%	The World Cup was a bonanza for the sports-apparel maker. Securing the sponsorship helped keep archrival Nike at bay before the world's largest audience.
72	72	Rolex	Switzerland	4,237	3,906	8%	Rolex remains the ultimate luxury brand worldwide, and with strong sales in China, its appeal continues to spread.
73	77	Zara	Spain	4,235	3,730	14%	With its focus on high fashion at low prices, Europe's biggest clothing retailer is so popular that it's opening more than a store a day in 2006.
74	79	Audi	Germany	4,165	3,686	13%	Eye-catching design, hot technology, and a new American-size SUV called the Q7 are transforming Audi into a serious global rival to BMW and Mercedes.
75	84	Hyundai	S. Korea	4,078	3,480	17%	Fast shedding its image as a cheap automaker. In the latest J.D. Power quality survey of new car owners, Hyundai was No.3, behind Porsche and Lexus.
76	75	BP	Britain	4,010	3,802	5%	Not even an Alaskan oil spill or an explosion at a Texas refinery has put a dent in BP's strong performance.
77	78	Panasonic	Japan	3,977	3,714	7%	It's a force in flat-screen TVs, digital cameras, and chips but hasn't turned first-rate technology into better brand equity.
78	74	Reuters	Britain	3,961	3,866	2%	The global news and financial information giant is moving into derivatives trading with a collaboration with the Chicago Mercantile Exchange.
79	69	Kraft	U.S.	3,943	4,238	-7%	Fierce competition and rising commodity costs have dogged the U.S.'s largest foodmaker. Kraft's new CEO needs innovative new products to revive sales.
80	76	Porsche	Germany	3,927	3,777	4%	ceo Wendelin Wiedeking extends his 10-year winning streak with perfect timing and precision execution on the Cayman.
81	82	Hermes	France	3,854	3,540	9%	Best known for leather accessories and silk scarves, Hermes is riding high on the success of a new perfume, Un Jardin Sur le Nil.
82	81	Tiffany & Co.	U.S.	3,819	3,618	6%	With sales sparkling in many markets, the retailer's focus on service and design has helped it battle a new set of discount online competitors.
83	86	Hennessy	France	3,576	3,201	12%	As the brand gets a marketing assist from adoring hip hop artists in the U.S., the French cognac maker is pushing for growth in China and India.
84	80	Duracell	U.S.	3,576	3,679	-3%	Duracell has been gaining share in the market for premium replaceable batteries, but will rechargeable batteries threaten the long-term outlook?
85	87	ING	Netherlands	3,474	3,177	9%	ING continues its global expansion moving beyond its banking and insurance roots into the asset management business.
86	89	Cartier	France	3,360	3,050	10%	The popularity of Pasha timepieces and Caresse d'Orchidées jewelry is putting a sparkle in Cartier sales.
87	92	Moët & Chandon	France	3,257	2,991	9%	Global sales of Champagne are up 54% since 1990, and Moët's "Be Fabulous" campaign has cemented the brand in the center of the market.
88	91	Johnson & Johnson	U.S.	3,193	3,040	5%	There's more than one way to grow, as J&J showed by paying \$16.6 billion for Pfizer's consumer-products unit.
89	90	Shell	Britain	3,173	3,048	4%	Despite pension problems and pipeline explosions, soaring oil prices fueled Shell to record 2005 profits of \$23 billion.
90	85	Nissan	Japan	3,108	3,203	-3%	Starved for new models, Nissan's sales have slipped. New launches, including a remodeled Altima, will be a timely boost for CEO Carlos Ghosn.

91	99	Starbucks	U.S.	3,099	2,576	20%	Starbucks brings in customers with lifestyle marketing, pushing music, books, and lunch food to get them to stick around.
92	NA	Lexus	Japan	3,070	NA	NA	Toyota's relatively young Lexus premium brand is No.1 in the U.S., but it's just getting started in Asia and Europe.
93	88	Smirnoff	Britain	3,032	3,097	-2%	The vodka market continues to attract new entrants; Smirnoff needs to better define a sophisticated identity to stay ahead of the pack.
94	97	LG	S. Korea	3,010	2,645	14%	This Korean electronics maker is emulating its crosstown rival, Samsung, boasting stylish handsets and digital TVs.
95	94	Bulgari	Italy	2,875	2,715	6%	Italian jeweler Bulgari is powering growth with the help of a super-luxury hotel chain and customers like Madonna.
96	93	Prada	Italy	2,874	2,760	4%	Anti-Establishment Italian fashionista Miuccia Prada keeps testing the frontiers of taste: Edgy clothing design, edgier store architecture.
97	95	Armani	Italy	2,783	2,677	4%	Fashion icon Giorgio Armani proves his appeal extends beyond the closet, as he expands into everything from minimalist sofas to five-star resorts.
98	NA	Burberry	Britain	2,783	NA	NA	Moving beyond its signature plaid, Burberry is beefing up its accessories line and expanding its retail profile in the U.S.
99	98	Nivea	Germany	2,692	2,576	4%	In a bid to shed its austere image, the company is expanding into new products such as skin-firming lotion and men's eye cream.
100	96	Levi's	U.S.	2,689	2,655	1%	This iconic brand is fighting to stand out among such high-end names as Earnest Sewn and, at the mass level, discounters' private-label jeans.

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