

Google overtakes Apple as the world's most valuable tech brand

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Clearer innovation pipeline helps boost brand value as Apple pays for secrecy



Google has regained its position at the top of the table in the 2016 BrandZ™ Top 100 Most Valuable Global Brands ranking, released today by [WPP](#) and [Millward Brown](#) overtaking Apple on the back of a 32% increase to hit its best-ever brand value of \$229.2bn. Apple stands at £228.5bn, down 8% from its 2015 value.

Google has thrived thanks to continual innovation, increased revenue from advertising, and growth in its cloud business.

By contrast, Apple tends to follow a trend of bi-annual surges of innovation along with keeping this pipeline secret. This, combined with the lost momentum

in sales for the Apple Watch as well as the lack of a new market-defining handset, is reflected in the 2016 valuation for last year's no.1.

For the second consecutive year, Facebook was the technology brand that rose the fastest in the BrandZ Top 100, growing 44% to \$102.6bn, a value that pushed it into the top ten for the first time. This was thanks to adding new features such as Friends' Day, Disaster Alert and live video broadcast to its community platform, as well as attracting new publisher content. It is also proving highly successfully in monetizing the move to mobile, attracting significant spend via its mobile ad platforms.

Overall, however, it's been a less than triumphant year for the tech sector. After 2015's 24% rise in total value for the Top 20 tech brands, 2016 has seen just a 6% rise. As a rule, hardware companies have performed less well with new areas such as wearables, watches and the internet of things yet to deliver either financial or brand benefits.

One company that has defied the hardware-service divide is Huawei, the low-cost smartphone manufacturer, which first entered the tech Top 20 last year. It has shown 22% growth to \$18.7bn following its emergence as the leading Chinese smartphone maker in China, and becoming a key rival for Apple in the rest of the world. This market leadership also allows Huawei to strengthen its premium position by raising prices.

Another success story that is indicative of future trends is streaming TV service Netflix. It has been listed in the tech Top 20 for the first time with a brand value of \$9.2bn.

That consumer perception that the B2B brands are less innovative – even if that isn't always the case – has seen the proportion of total value in the technology Top 20 that is contributed by B2B brands decline from 56% in 2006 to just 26% in this year's listing.

“There is a clear imperative for tech brands to showcase their innovation pipeline both in order to convince consumers that they are working hard to change their consumers' lives but also to allow investors to anticipate future growth more accurately. With complex supply chains, secrecy is no longer possible and Google has benefited from its corporate restructure which allows it to better showcase the innovations beyond its core search business,” said Elspeth Cheung, Global BrandZ Valuation Director at Millward Brown.

The BrandZ Top 20 Most Valuable Global Technology Brands 2016

Rank 2016	Brand	Brand Value 2016 (\$M)	Brand Value Change	Rank 2015
1	Google	229,198	32%	2
2	Apple	228,460	-8%	1
3	Microsoft	121,824	5%	3
4	Facebook	102,551	44%	6
5	IBM	86,206	-8%	4
6	Tencent	84,945	11%	5
7	SAP	39,023	2%	8
8	Baidu	29,030	-27%	7
9	Accenture	22,813	13%	12
10	HP	21,387	-7%	9
11	Samsung	19,490	-10%	11
12	Oracle	19,489	-10%	10
13	Huawei	18,652	22%	16
14	Intel	18,632	1%	13
15	Cisco	14,508	-10%	14
16	LinkedIn	12,314	1%	17
17	Adobe	10,440	41%	20
18	Salesforce	9,914	N/A	NEW
19	Netflix	9,289	N/A	NEW
20	Sony	8,150	2%	19

The BrandZ study also identified multiple areas for short-term growth including Virtual Reality, where mass market affordable devices were launched to huge acclaim earlier this year, as well as developing markets, where Facebook and Twitter are desperate to establish themselves. While the luxury end has already been grabbed by the likes of Apple and Samsung, the huge number of newly wealthy consumers remains a big opportunity.

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