

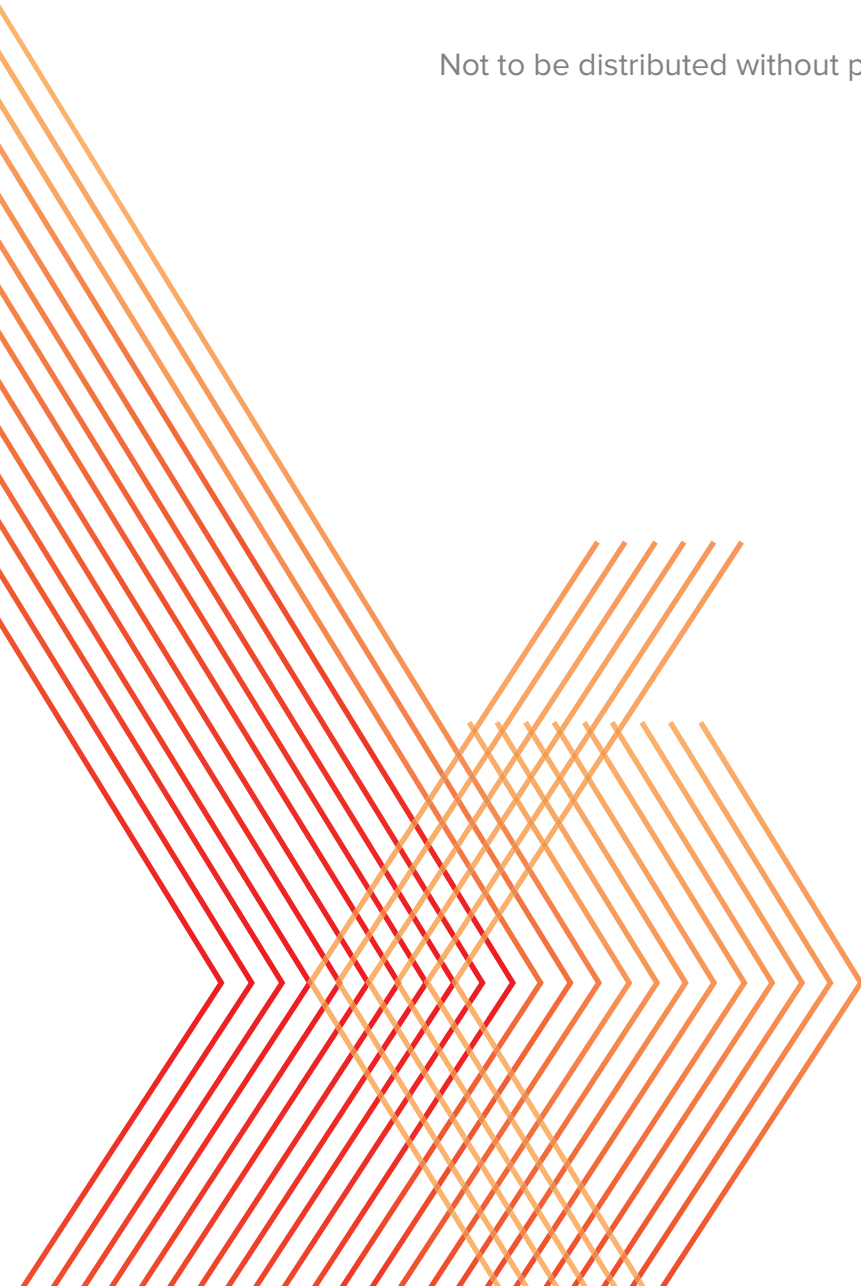


Top 100 Megabrands

How the World's Fast-Moving
Brands Remain at the Top

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Top 100 Megabrands

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Introduction

Euromonitor International’s megabrands report is a ranking of the top 100 most successful fast-moving consumer goods (FMCG) brands worldwide. In this report, FMCG encompasses packaged food, soft drinks, beauty and personal care, consumer health, tissue and hygiene, home care, hot drinks and pet care. Each of the brands making it into the top 100 qualifies based on their retail sales value for 2017. It follows a Billion Dollar Brands report we published with the European Supermarket Magazine in 2015, allowing us to compare the positioning of companies today with a historic ranking featuring 2014 data.

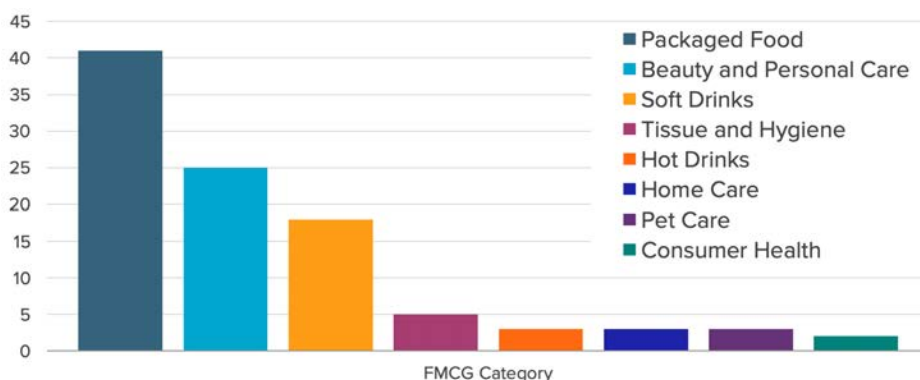
While several major brands have maintained their ranking for some time, the balance across the list is shifting. People’s attitudes to health and premiumisation are evolving and brands that cannot meet new realities have lost out. Changes in how people research and shop online are having a profound impact. Also, the importance of different regions of the world has changed for many of these megabrands, raising the question of where companies should focus their resources most effectively.

Please note that in the situation where more than one legal entity owns a global brand — for example Red Bull or Avon — sales have been combined to indicate brand strength on a worldwide level. The vast majority of the top 100 FMCG brands have one owner globally.

The global picture

In 2017 megabrands made up 14% of all FMCG sales worldwide. This was primarily driven by sales of packaged food, beauty and personal care, and soft drinks brands.

Category of FMCG Brands Within Top 100



Source: Euromonitor International

There are 41 packaged food brands in the top 100, more than any other category. Beauty and personal care brands take second position, with 25 brands in the top 100. Soft drinks brands are third, with 18 in the ranking. Beyond these three categories, 16 brands make the top 100, with five tissue and hygiene brands amongst them.

APAC leads for FMCG sales

Asia Pacific accounts for the single biggest percentage of FMCG sales by region, with almost USD3 of every USD10 spent. North America and Western Europe each account for just over one-fifth of the total spent.

FMCG Sales by Region, 2017

Region	FMCG % sales, 2017
Asia Pacific	29.5
North America	21.2
Western Europe	21.1
Latin America	12.1
Middle East and Africa	7.7
Eastern Europe	6.5
Australasia	1.8

Source: Euromonitor International

The importance of the Asia Pacific region — and specifically China — to FMCG sales is underlined by the fact that there are a number of monogamous megabrands in the higher reaches of the top 100. A monogamous megabrand is a FMCG brand which sells in one country only but still sells enough to rank highly at a global level and make it into the top 100. Chinese examples include dairy brand Mengniu (16th on the top 100 worldwide), dairy brand Yili (18th) and cooking oil brand Arawana (24th).

The Megabrands: Top 100 Ranking

Brand name	Rank	FMCG category	Brand value (USD billion)
Coca-Cola	1	◆ Soft Drinks	35-45
Pepsi	2	◆ Soft Drinks	10-15
Nescafé	3	▲ Hot Drinks, Soft Drinks	10-15
Lay's	4	▲ Packaged Food	10-15
L'Oréal Paris	5	◆ Beauty and Personal Care	10-15
Red Bull	6	▲ Soft Drinks	10-15
Pampers	7	▼ Tissue and Hygiene, Beauty and Personal Care	10-15
Tide / Ariel	8	◆ Home Care	10-15
Nivea	9	▲ Beauty and Personal Care	10-15
Huggies	10	▲ Tissue and Hygiene, Beauty and Personal Care	10-15
Colgate	11	▲ Beauty and Personal Care	10-15
Master Kong	12	▼ Packaged Food, Soft Drinks	8-9
Sprite	13	▼ Soft Drinks	8-9
Gillette	14	▼ Beauty and Personal Care	8-9
Kellogg's	15	▼ Packaged Food	8-9
Mengniu	16	▲ Packaged Food	8-9
Gatorade	17	▲ Soft Drinks	8-9
Yili	18	▼ Packaged Food	8-9
Diet Coke	19	▼ Soft Drinks	8-9
Fanta	20	▼ Soft Drinks	6-7
Avon	21	▼ Beauty and Personal Care	6-7
Dove	22	◆ Beauty and Personal Care	6-7
Wrigley's	23	▼ Packaged Food	6-7
Arawana	24	▲ Packaged Food	6-7
Monster	25	▲ Soft Drinks	6-7
Kraft	26	▼ Packaged Food	6-7
Cadbury	27	▼ Packaged Food	6-7
Kinder	28	◆ Packaged Food	6-7

▲ Improvement ◆ No Change ▼ Worsened

Position change in ranking compared to 2014's data

Source: Euromonitor International

Brand name	Rank		FMCG category	Brand value (USD billion)
Garnier	29	▼	Beauty and Personal Care	6-7
Knorr	30	▼	Packaged Food	6-7
Pedigree	31	▼	Pet Care	6-7
Lipton	32	◆	Soft Drinks, Packaged Food	4-5
Oscar Mayer	33	▲	Packaged Food	4-5
Shiseido	34	▼	Beauty and Personal Care	4-5
Gemey / Maybelline / Jade	35	▲	Beauty and Personal Care	4-5
Natura	36	▼	Beauty and Personal Care	4-5
Doritos	37	▲	Packaged Food	4-5
Pantene	38	▼	Beauty and Personal Care	4-5
Heinz	39	▲	Packaged Food	4-5
Nutricia	40	▲	Packaged Food	4-5
Minute Maid	41	▼	Soft Drinks	4-5
Lancôme	42	▲	Beauty and Personal Care	4-5
Herbalife	43	▼	Consumer Health	4-5
Activia	44	▼	Packaged Food	4-5
Kleenex	45	▼	Tissue and Hygiene	4-5
Yakult	46	▲	Packaged Food	4-5
Mary Kay	47	▼	Beauty and Personal Care	4-5
Omo	48	▲	Home Care	4-5
Coca-Cola Zero	49	▼	Soft Drinks	4-5
Oral-B	50	◆	Beauty and Personal Care	4-5
Nestlé	51	◆	Packaged Food	4-5
Maggi	52	▼	Packaged Food	4-5
Johnson's	53	▼	Beauty and Personal Care	4-5
Estée Lauder	54	▲	Beauty and Personal Care	4-5
Jiaduobao	55	▼	Soft Drinks	4-5
Mountain Dew	56	▲	Soft Drinks	4-5
Chanel	57	▲	Beauty and Personal Care	4-5
M&M's	58	▲	Packaged Food	4-5
Nespresso	59	▲	Hot Drinks	4-5
Nissin	60	▲	Packaged Food	4-5
Tropicana	61	▼	Soft Drinks	4-5
Always	62	▲	Tissue and Hygiene	4-5
Head & Shoulders	63	▼	Beauty and Personal Care	4-5
7-Up	64	▲	Soft Drinks	4-5

▲ Improvement ◆ No Change ▼ Worsened

Position change in ranking compared to 2014's data

Source: Euromonitor International

Brand name	Rank		FMCG category	Brand value (USD billion)
Wahaha	65	▼	Packaged Food, Soft Drinks	4-5
Fortune	66	▲	Packaged Food	2-3
Olay	67	▼	Beauty and Personal Care	2-3
Whiskas	68	▼	Pet Care	2-3
Clinique	69	▼	Beauty and Personal Care	2-3
Quaker	70	▲	Packaged Food	2-3
Georgia	71	▼	Soft Drinks	2-3
Oreo	72	▲	Packaged Food	2-3
Amul	73	▲	Packaged Food	2-3
Nutrilite	74	▼	Consumer Health	2-3
Cheetos	75	▲	Packaged Food	2-3
Shineway	76	▼	Packaged Food	2-3
Bath & Body Works	77	▲	Beauty and Personal Care, Home Care	2-3
Rexona	78	▼	Beauty and Personal Care	2-3
Starbucks	79	▲	Hot Drinks, Soft Drinks	2-3
Christian Dior	80	▼	Beauty and Personal Care	2-3
Dr Pepper	81	▲	Soft Drinks	2-3
Palmolive	82	▼	Beauty and Personal Care, Home Care	2-3
Purina Friskies	83	▲	Pet Care	2-3
Pringles	84	▲	Packaged Food	2-3
Neutrogena	85	▲	Beauty and Personal Care, Tissue and Hygiene	2-3
Président	86	▼	Packaged Food	2-3
Snickers	87	▼	Packaged Food	2-3
Similac	88	▲	Packaged Food	2-3
Hershey's	89	▲	Packaged Food	2-3
Barilla	90	▼	Packaged Food	2-3
Charmin	91	▲	Tissue and Hygiene	2-3
Persil	92	▲	Home Care	2-3
Yoplait	93	▼	Packaged Food	2-3
Boss	94	▲	Soft Drinks	2-3
Enfamil	95	▲	Packaged Food	2-3
Danone	96	▼	Packaged Food	2-3
Arla	97	▼	Packaged Food	2-3
Milka	98	▼	Packaged Food	2-3
Yamazaki	99	▲	Packaged Food	2-3
Bimbo	100	▼	Packaged Food	2-3

▲ Improvement ◆ No Change ▼ Worsened

Position change in ranking compared to 2014's data

Source: Euromonitor International

Key Megabrand Categories

Packaged Foods

41% of the megabrands are packaged food brands, a higher percentage than for any other category.

Top 10 Packaged Food Brands Worldwide, 2017

Rank	Name	Position change vs. 2014's data	Brand value (USD billion)
1	Lay's	◆	10-15
2	Kellogg's	▲	8-9
3	Mengniu	▲	8-9
4	Yili	▼	8-9
5	Wrigley's	▼	6-7
6	Arawana	▲	6-7
7	Kraft	▲	6-7
8	Cadbury	▼	6-7
9	Kinder	▲	6-7
10	Knorr	▼	6-7

▲ Improvement ◆ No Change ▼ Worsened

Source: Euromonitor International

The top packaged food brand worldwide remains Lay's, a position it held in the previous top 100 FMCG brand list. Despite the shifting positions across ranks 2-10, only one brand has left the top 10 since 2014: Master Kong, at 12th place in packaged food worldwide in 2017. Kinder has entered.

The sustained blurring of once-traditional mealtimes has continued to impact the performance of packaged food brands. Those that can meet consumer demand for snacks and eating at various times throughout the day have seen the greatest success.



Top 10 Packaged Food Brands Worldwide, by Key Regional Rankings

World Rank	Name	Top 30 Rank in Asia Pacific	Top 30 Rank in Western Europe	Top 30 Rank in North America
1	Lay's	25	4	1
2	Kellogg's	-	6	4
3	Mengniu	1	-	-
4	Yili	2	-	-
5	Wrigley's	28	14	15
6	Arawana	3	-	-
7	Kraft	-	-	2
8	Cadbury	-	2	-
9	Kinder	-	1	-
10	Knorr	-	5	-

Note: ■ Green indicates a 1–5 rank, ■ Yellow indicates a 6–10 rank, ■ Orange indicates an 11–30 rank, “-” indicates not in top 30
 Source: Euromonitor International

Lay's global reach stands it in good stead for the future, with retail sales in all three key regions, Asia Pacific, Western Europe and North America, increasing since 2014's data. China is now its third largest market, behind the US and UK.

This contrasts strongly with number-two brand Kellogg's, which, while still in the top six packaged food brands in both Western Europe and North America, has seen sales fall in both regions.

Mengniu, Yili and Arawana demonstrate the importance of China as each is a “monogamous megabrand”. They make it into the top 10 packaged food brands worldwide based solely on their retail sales there.

Beauty and Personal Care

Exactly one-quarter of the megabrands are beauty and personal care brands. It is the second most represented category in the list.

Top 10 Beauty and Personal Care Brands Worldwide, 2017

Rank	Name	Position change vs. 2014's data	Brand value (USD billion)
1	L'Oréal Paris	◆	10-15
2	Nivea	◆	10-15
3	Colgate	▼	10-15
4	Gillette	▲	8-9
5	Dove	▼	6-7
6	Avon	▲	6-7
7	Garnier	◆	6-7
8	Shiseido	▲	4-5
9	Gemey/ Maybelline/ Jade	▲	4-5
10	Natura	▼	4-5

▲ Improvement ◆ No Change ▼ Worsened

Source: Euromonitor International

Both L'Oréal Paris and Nivea, in first and second place respectively, are unmoving compared with their ranking in beauty and personal care brands in 2014.

While there has been movement across the top 10, rankings have not changed significantly. Only one brand has entered the top 10 since 2014: Shiseido, at number eight.

Since 2014's data, perhaps the key trend has been premiumisation. Revived consumer confidence in key markets, plus aspirational demand in emerging regions has grown the premium market substantially. Mass market brands have responded and premium brands have sought to increase differentiation through "authentic" positioning and personalisation.

The importance of e-commerce to beauty and personal care brands has exacerbated this trend. As online retailers look to own the customer relationship, brands have to avoid commoditisation.



Top 10 Beauty and Personal Care Brands Worldwide, by Key Regional Rankings

World Rank	Name	Top 30 Rank in Asia Pacific	Top 30 Rank in Western Europe	Top 30 Rank in North America
1	L'Oréal Paris	2	1	1
2	Nivea	6	-	2
3	Colgate	3	8	6
4	Gillette	22	3	3
5	Dove	18	4	5
6	Avon	-	-	20
7	Garnier	-	15	4
8	Shiseido	1	-	-
9	Gemey/ Maybelline/ Jade	19	10	13
10	Natura	-	-	-

Note: ■ Green indicates a 1–5 rank, ■ Yellow indicates a 6–10 rank, ■ Orange indicates an 11–30 rank, “-” indicates not in top 30
 Source: Euromonitor International

Four of the top five beauty and personal care brands register in the top 30 in each of the key regions. The top three brands, L'Oréal Paris, Nivea and Colgate are particularly strong in Asia Pacific and North America. In Nivea's case retail sales have fallen in Western Europe since 2014's data, but sales in the Asia Pacific region have risen steadily, with China now the brand's third most important market.

While Gillette and Dove are close together in the top 10, the brands' prospects appear somewhat divergent. While both have seen retail sales increase in Asia Pacific since the 2014 data, Dove is also growing strongly in North America.

Avon currently appears unlikely to hold its ranking. Retail sales are down since 2014's data in all regions, even in its key markets of Latin America and Eastern Europe.

Shiseido illustrates the importance of the Asia Pacific region for beauty and personal care brands — a no. 1 rank there makes it eighth globally.

Soft Drinks

Just under one in five (18%) of the megabrands are soft drinks brands. It is the third and last category to have over five brands in the top 100.

Top 10 Soft Drinks Brands Worldwide, 2017

Rank	Name	Position change vs. 2014's data	Brand value (USD billion)
1	Coca-Cola	◆	35-45
2	Pepsi	◆	10-15
3	Red Bull	◆	10-15
4	Sprite	◆	8-9
5	Gatorade	▲	8-9
6	Diet Coke	▼	8-9
7	Fanta	◆	6-7
8	Monster	▲	6-7
9	Minute Maid	▲	4-5
10	Master Kong	▼	4-5

▲ Improvement ◆ No Change ▼ Worsened

Source: Euromonitor International

The top soft drinks brands have largely maintained their positions since 2014's data, with the top four completely unchanged.

The relative lack of movement masks the negative retail sales performance of most brands since 2014. Driven by sugar consumption concerns, the poor performance of carbonates has been a major factor and is forecast to continue.

In contrast, sports and energy drinks are a growth area, with energy drinks the driver. This is shown by the performance of Red Bull and Monster in the global top 10.

The most significant area of growth is bottled water. Many consumers now seek it in preference to high sugar carbonates, juice or diet / low-sugar variants that are seen as more artificial, through the presence of sweeteners, for example. As a fragmented, commoditised and often localised product, bottled water brands are not threatening the soft drinks megabrand rankings.



Top 10 Soft Drinks Brands Worldwide, by Key Regional Rankings

World Rank	Name	Top 30 Rank in Asia Pacific	Top 30 Rank in Western Europe	Top 30 Rank in North America
1	Coca-Cola	1	2	1
2	Pepsi	9	5	2
3	Red Bull	5	4	12
4	Sprite	4	9	5
5	Gatorade	-	1	6
6	Diet Coke	-	7	7
7	Fanta	14	23	4
8	Monster	-	3	-
9	Minute Maid	7	19	-
10	Master Kong	2	-	-

Note: ■ Green indicates a 1–5 rank, ■ Yellow indicates a 6–10 rank, ■ Orange indicates an 11–30 rank, “-” indicates not in top 30
 Source: Euromonitor International

The strength of the top four brands is demonstrated by at least a top 12 presence in each of the three key regions.

Since the 2014 data, retail sales of Coca-Cola and, Coca-Cola owned, Sprite have fallen in Latin America and Asia Pacific, but risen in North America, as the drinks giant pursues a strategy based on achieving higher value sales from each consumption occasion.

Pepsi has seen retail sales fall in all three regions. However, increased sales in the Middle East and Africa helped solidify its global rank.

Red Bull’s retail sales have risen strongly in China and the US since 2014 — these two countries by far its most important markets. Its rival Monster generates the vast majority of sales value from the US.

Other brands

Just 16% of the megabrands are not packaged food, beauty and personal care or soft drinks brands.

Top 10 'Other' FMCG Brands Worldwide, 2017

Rank	Name	Position change vs. 2014's data	FMCG Category	Brand value (USD billion)
1	Nescafé	▲	Hot Drinks	10-15
2	Pampers	▼	Tissue and Hygiene	10-15
3	Tide / Ariel	▼	Home Care	10-15
4	Huggies	▲	Tissue and Hygiene	10-15
5	Pedigree	▼	Pet Care	6-7
6	Herbalife	▼	Consumer Health	4-5
7	Kleenex	▼	Tissue and Hygiene	4-5
8	Omo	▲	Home Care	4-5
9	Nespresso	▲	Hot Drinks	4-5
10	Always	▲	Tissue and Hygiene	4-5

▲ Improvement ◆ No Change ▼ Worsened

Source: Euromonitor International

Nescafé, Pampers, Tide / Ariel and Huggies are all amongst the top 10 FMCG brands worldwide that do not belong to packaged food, beauty and personal care or soft drinks industries. The 10th ranked brand here, Always, resides at number 62 in the wider table.

Mars' leading position in the pet care category is clear, as it owns two of the three pet care brands to make it into the top 100 — Pedigree and Whiskas (31 and 68 in the overall ranking). However, the future may not be quite so assured for these two brands. Firmly mid-market for a number of years, they have been slowly losing share of global dog and cat food value sales as premium brands gain against them.

Amongst the 10 brands in this category, Nespresso rose furthest up the megabrand ranking since the 2014 data. Global retail sales bounced back after dipping in 2015 despite competition from lower cost alternatives that came to market when European court rulings opened up the Nespresso system to manufacturers of compatible, generic coffee pods. Sales in emerging markets and a shift in developed market strategy that emphasises online subscription helped drive growth.

Spotlight on the Top 10 Megabrands

No 10: Huggies

RANK	10 th
RANKING CHANGE SINCE 2014	Up seven places, from 17 th
FMCG CATEGORY	Tissue and Hygiene, Beauty and Personal Care
BRAND SALES	USD10-15 billion



The Huggies nappies / diapers brand contributes most to US parent Kimberly-Clark's retail sales. The brand's key markets are North America, Latin America and Asia Pacific. Huggies has been growing strongly in the latter two since 2008 but North American sales have stagnated due to market maturity and negative demographic developments.

Facing low birth rates, mature markets and private label competition, Kimberly-Clark announced in 2012 that the Huggies brand would be discontinued in most European markets, except Italy. The move allowed greater investment in emerging markets.

In China, Huggies is popular for its high-quality image and is benefiting from the increased popularity of premium positioned brands as urbanisation continues. It is also profiting from the country's loosening of the one-child policy in late 2015. Brazil is a key engine of growth and Huggies again benefits from a more premium positioning, with Kimberly-Clark's Turma da Mônica brand having now been integrated into Huggies.





No 9: Nivea

RANK	9 th
RANKING CHANGE SINCE 2014	Up one place, from 10 th
FMCG CATEGORY	Beauty and Personal Care
BRAND SALES	USD10-15 billion



Nivea is the most important brand owned by German company Beiersdorf, making up 86% of its beauty and personal care sales in 2017. The brand is the global leader in skin care and sun care and is also present in deodorants, bath and shower products.

Nivea's core regions are Western Europe and Latin America. However, sales have declined in both as this mass-market brand competes in a beauty and personal care industry where premium products have shown faster growth. Retail sales value has increased in Asia Pacific, with China now Nivea's third largest country for sales. Brand recognition has driven success in emerging markets where private label has not yet developed into a significant threat.

In 2014 Nivea completed the roll-out of a new logo based on the brand's blue tin design, in order to ensure greater consistency across regions and a clearer brand identity. The brand has also looked to technology such as web apps to engage with younger adults and meet the shift towards premiumisation.

No 8: Tide / Ariel

RANK	8 th
RANKING CHANGE SINCE 2014	No change
FMCg CATEGORY	Home Care
BRAND SALES	USD10-15 billion



Tide / Ariel's owner Procter & Gamble is the global leader in home care (and tissue and hygiene) by sales value, and the Tide / Ariel brand accounts for over 40% of P&G's home care sales.

The brand's success is driven by different products in mature and emerging markets. Tide Pods, originally launched in the US in 2012, are key in mature markets. In emerging markets sales growth derives more from the shift to liquids from powders and upgrades around wash performance and scent. North America is the leading market for the brand, with Asia Pacific second. The latter has seen consistently strong retail value growth.

Owner Procter & Gamble has been through a major revamp, dropping over 100 brands by scrapping, selling or consolidating them. Focus has turned to sales and profit growth. As a result, major innovations have been less apparent for many of its brands. This is not to say there have been no developments in recent years. Tide Purclean, launched in the US, is positioned as the first "plant-based liquid laundry detergent ... [with Tide's] cleaning power" and P&G trialling Tide Wash Club, a subscription service for Tide Pods with free delivery.



No 7: Pampers

RANK	7 th
RANKING CHANGE SINCE 2014	Down four places, from 3 rd
FMCG CATEGORY	Tissue and Hygiene, Beauty and Personal Care
BRAND SALES	USD10-15 billion



Pampers is also a Procter & Gamble brand and now counts the Asia Pacific region as its most important, overtaking Western Europe for that distinction in 2014. China is Pampers' second largest country for retail sales, behind only the US, and the brand has approximately double the sales of rival brand Huggies in the country. As with Huggies, Pampers has benefited from the relaxation of the one child policy and consumers increasingly looking for premium products — as well a preference for disposable pants over diapers. Pampers has focused on products / innovation in this area.

In 2017 Pampers became the number one tissue and hygiene brand in North America, however increased competition has led to smaller market share. In the longer term, Pampers faces the issue of a declining birth rate in North America — falling every year but one across 2008–2017. Child rearing costs, later first-baby age and lower immigration are also factors.

A notable US product launch was Pampers' smallest ever diaper, designed for premature babies. In 2017, the nappy was rolled out in the UK, accompanied by a donation of 3 million such nappies to hospitals.





No 6: Red Bull

RANK	6 th
RANKING CHANGE SINCE 2014	Up three places, from 9 th
FMCG CATEGORY	Soft Drinks
BRAND SALES	USD10-15 billion



Red Bull essentially created the global market for energy drinks. North America and Asia Pacific are its key markets, with sales in the US and China leading. However, the brand has experienced sales stagnation in Asia Pacific recently amid strong competition. Asia Pacific consumers traditionally see energy drinks as functional, non-premium offerings and are more responsive to lower price points, including private label.

The drink's third largest market, Western Europe, saw sales peak in 2014. Since then there has been increased competition from lower priced rivals — particularly Monster, now the 25th ranked FMCG brand worldwide — on the back of innovative new flavours and lower prices. In the UK, which is Red Bull's third largest country by sales, the brand faces a potential ban on energy drink sales to children amid health concerns and teacher complaints regarding behaviour. Calls for a similar ban were made by the Dutch association for paediatrics in January 2018.

Red Bull's status as a megabrand, and particularly its appeal to younger adults, is solidified by its sports and events presence. This includes ownership of German football team RB Leipzig, sponsorship of snowsport and aerial contests, and the Red Bull Formula 1 (F1) motor-racing team.



No 5: L'Oréal Paris

RANK	5 th
RANKING CHANGE SINCE 2014	No change
FMCG CATEGORY	Beauty and Personal Care
BRAND SALES	USD10-15 billion

L'ORÉAL
PARIS

L'Oréal Paris is the world's leading beauty and personal care brand by sales, with its most important markets being Western Europe, Asia Pacific and North America. L'Oréal Paris is — broadly — L'Oréal's mid-tier brand, positioned as a “masstige” label: affordable, but featuring higher priced specialist lines.

The brand sells most in the US and China, however the remaining countries in its top five are all in Western Europe. China is a particular target for growth, as the country is forecast to see sales of beauty and personal care increase by one-third over the next five years with mass brand sales rising in lower tier cities as a result of growing purchasing power.

The brand benefits from owner L'Oréal's exceptional R&D spend, driving regular new product launches and developments. In August 2018 the company announced a collaboration between Facebook and L'Oréal-owned beauty tech company ModiFace allowing users to digitally try on different make-up products using augmented reality via Facebook camera products.

No 4: Lay's

RANK	4 th
RANKING CHANGE SINCE 2014	Up two places, from 6 th
FMCG CATEGORY	Packaged Food
BRAND SALES	USD10-15 billion

Lay's owner PepsiCo boasts a stable of brands that generate sales over USD1 billion annually. Of these, Lay's is the most valuable. Three of the brand's top five countries for sales — the US, the UK and Mexico — have been particularly affected by consumer and government concern over sugar, with savoury snacks increasingly seen as better by comparison.

North America powers sales. The region is responsible for more than half of the brand's retail value. By country, the US leads with sales of over USD6 billion in 2017 — more than Lay's 20 next most successful countries combined. While Asia Pacific sales lag those in North America and Western Europe, the gap has reduced significantly. Sales of savoury snacks grew faster over 2012–2017. Lay's is well-positioned for future growth, with China its third most valuable country by retail sales.

Of note is Lay's particularly successful “Do Us a Flavour” marketing. This campaign not only allows the brand to crowdsource and test the popularity of new flavours, but also builds brand loyalty. Originating in the UK (second for retail sales behind the US, generating over USD1 billion in 2017) it is now present in over 20 countries.



No 3: Nescafé

RANK	3 rd
RANKING CHANGE SINCE 2014	Up one place from 4 th
FMCG CATEGORY	Hot Drinks, Soft Drinks
BRAND SALES	USD10-15 billion



Nescafé is the leading hot drinks brand worldwide and its owner Nestlé is the global leader in instant coffee, pod coffee and flavoured powder drinks. Asia Pacific is the leading region for Nescafé's retail sales, accounting for one-third of its total in 2017. Key countries are China, Japan and Thailand. Japan is Nescafé's top country for hot drink sales, driven by consumers' busy lifestyles and the wide availability of instant coffee in sachet packaging. Across the Asia Pacific region Nescafé enjoys strong loyalty which is maintained through constant product innovation.

Sales in Western Europe — Nescafé's second-most important market by retail value until 2014 — have declined in recent years. Competition includes the rise of pod machines (particularly Nestlé's own Nespresso, now the 59th ranked brand in the top 100) and a wider cultural disdain for instant when fresh alternatives are easily available.

The sheer size and geographic spread of Nescafé makes regional marketing strategies a necessity. The global slogan "It all starts with a Nescafé" plays into a focus on winning developing market consumers trying coffee for the first time. In India, for example, there is a Nescafé My First Cup.





No 2: Pepsi

RANK	2 nd
RANKING CHANGE SINCE 2014	No change
FMCG CATEGORY	Soft Drinks
BRAND SALES	USD10-15 billion

Pepsi is the most valuable brand owned by PepsiCo. It's the world's second largest soft drinks company behind Coca-Cola and the world's second largest packaged food company behind Nestlé. The Pepsi brand achieved sales of over USD2.5 billion in four regions in 2017 — the Middle East and Africa, Asia Pacific, Latin America and North America. North America is the most important, with sales approaching USD4 billion.

Like other soft drink brands, Pepsi is facing continued consumer concern and legislative action regarding sugar consumption in both developed and emerging markets. In Latin America, Pepsi's second most important region, Mexico's tax on sugar-added beverages contributed to a decline in sales from which volumes have yet to recover. Anti-sugar legislation is also on the books in India and Thailand. In the Asia Pacific region, Pepsi's third most important in terms of retail sales, the brand is attempting to appeal to the health concerns of consumers. In Japan, for example, it launched Pepsi J-Cola Zero Sugar in 2018.



No 1: Coca-Cola

RANK	1 st
RANKING CHANGE SINCE 2014	No change
FMCG CATEGORY	Soft Drinks
BRAND SALES	USD35-45 billion



Coca-Cola is the world's largest FMCG brand by far. It would take combining the sales of the second, third and fourth largest FMCG brands to equal Coca-Cola's. Sales in Eastern Europe alone would make it a top 100 brand, despite this being Coca-Cola's fifth most important region.

Latin America is Coca-Cola's largest market, with 40% of sales stemming from the region. Sales in Western Europe, Asia Pacific and North America were all similar in 2017, at approximately USD6 billion.

Despite its success, Coca-Cola faces significant challenges. In recent years it has been adapting to changing consumer priorities and legislative action regarding the amount of sugar in diets in some markets. 2014's sugar tax in Mexico, its largest market, had a significant impact. Sales in Latin America have fallen by more than a fifth since then.

The company is responding by reforming itself as a "total beverage company", placing greater emphasis on tea, coffee, juice, plant-based beverages and bottled water. Its acquisition of Costa Coffee in the UK positions it in the growing coffee foodservice space. The shift likely means greater development of and emphasis on reduced and zero-sugar carbonates.

Conclusions: Issues the Megabrands are Facing

The Asia Pacific region is key for FMCG megabrands. Across the eight FMCG categories — packaged food, soft drinks, beauty and personal care, consumer health, tissue and hygiene, home care, hot drinks and pet care — retail sales value is highest in Asia Pacific for all but pet care, which is highest in North America. The sheer importance of China is demonstrated by the existence of the Chinese “monogamous megabrands” peppered throughout the top 100 that generate enough in sales value to make it into this global list.

The consumer turn against sugar has had a significant impact on the megabrands. While the top two brands on the list — Coca-Cola and Pepsi — are unchanged in rank from 2014’s data, they have both had challenging years and now face a more difficult future. The impact on soft drinks brands further down the table has been largely negative. Similarly, packaged food brands — the most numerous in the megabrands list — are also facing new challenges. The backlash against sugar is a factor, but so is the increasing demand for snacking and eating throughout the day, significantly affecting some megabrands.

While packaged food brands are most likely to be megabrands, as 41 are, sales value of this category has declined the most since 2014. Of categories with five or more brands in the top 100, beauty and personal care has performed best. Beauty and personal care brands’ status as second most numerous in the megabrands list is a good indication of consumer demand for premiumisation. This is a category with brands that serve this need and that successfully blend this with mass appeal. It’s also a category which demonstrates that the megabrands can leverage e-commerce to great effect. Evolving purchase models such as subscription or one-button purchases can mean exceptional consumer loyalty. E-commerce also allows potential disruptors to flourish (as they do not necessarily need shelf space) and may mean having to counter lost impulse buys. Maintaining megabrand status is as challenging as ever — but the rewards remain great for this upper echelon in FMCG.



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