Brand EQ Report

The world’s most emotionally intelligent brands in 2020
# Table of contents

The brand EQ report – Summary .................................................. 4

PART 1 – What Is Brand EQ and why does it matter? ........................... 7
Beyond IQ - What is Brand EQ? .................................................. 8
The ROI of EQ .............................................................................. 10

PART 2 – Top EQ Brands ............................................................ 11
Top 20 EQ brands ....................................................................... 12
Google & Microsoft – Two paths to make ‘IQ’ = ‘EQ’ ......................... 14
Samsung & Apple – Stories of polarisation ......................................... 17
Nike & Adidas – “Just do it” versus the “three stripes” .......................... 19
Coca-Cola & Pepsi – Consistency pays off ......................................... 21
Visa & Mastercard – Know thyself ................................................ 23
Low EQ Categories: Lack of empathy drops car and finance brands to the bottom of the EQ ranking ................................................. 24
Low EQ brands Uber and Facebook: can a brand be successful without EQ? ............................................................. 28

PART 3 – What we have learned about Brand EQ .............................. 28
Overall brands tend to be let down by empathy and ethics ............... 29
Clear communications are particularly important but beware over-investing on a single aspect of EQ ........................................ 31
‘Classic Brands’ and ‘Experience Brands’ – Two EQ archetypes .......... 32
Nationalism or emotional connection – ........................................... 34
Why people love brands from their home market ............................. 36
Young people spend less but feel more – ........................................ 36
Why you should cultivate EQ bonds with Gen Z ............................. 38

PART 4 – Ten plus one lessons for brands ...................................... 38
10 + 1 lessons for brands ................................................................ 38
Methodology .................................................................................. 46
Acknowledgements ......................................................................... 46
About Carat .................................................................................... 47
The practice of explaining our surroundings in human terms is one of the things that makes Homo sapiens unique. Whether it is calling our dog Humphrey or ascribing brands personalities, archetypes, or behaviours, the process of humanisation helps us to plan and develop a common language for understanding and influencing our surroundings. We are delighted to add to this noble tradition of humanising technical disciplines by bringing you a point of view on the relationship between brands and EQ, or emotional intelligence.

Our study, which captured the views of 10,000 people in ten different markets on roughly 50 of the world’s biggest brands, was inspired by the methodologies and findings of psychologists going back to the 1960s. For the last five decades, there has been an increasing body of work dedicated to identifying and understanding the qualities that combine to create an intelligence that helps people understand the feelings and needs of others and establish positive relationships with them. Our premise when we launched this study was to establish which brands build experiences that people felt to be most emotionally intelligent.

In a world in which connecting a diverse range of brand experiences is becoming more important — and in which brands are increasingly seeking to create value for people and society — EQ seems to us to be a critical area on which to focus. Indeed, including EQ as a key component of Carat’s new planning approach, Design for People, has allowed us to gain a better emotional understanding of people to deliver media-led experiences that make everyday life better. The purpose of this study is to further explore these foundations and see which brands exhibit most or least EQ.

Our work here has uncovered many fascinating findings, including:

1. High brand EQ performers have outpaced low EQ Brands’ share price performance by over 400% in the last ten years.

2. There is a preconceived notion that technology and humanity are incompatible. This study finds that Google and Microsoft confound that very notion, with their stellar performance on EQ.

3. Samsung beats Apple on EQ.

4. Facebook, Uber, the automotive category, and financial services all perform poorly in our study (much more to come on this.)
Overall, brands perform more strongly on the EQ quality of self-awareness (knowing themselves) than on empathy and self-regulation (trustworthiness). We see this broad observation as an opportunity to focus on building experiences with more human qualities.

Before you dive into the detail, there is one more thing we’d like to highlight. Focusing on Brand EQ is not just a “nice to.” Our analysis suggests that the top 20% of performers in our index beat the major stock market indices – S&P 500, Dow Jones industrial average, FTSE 100, and DAX– by 575% over the last decade! So, it looks like you can do the human thing and build brand value at the same time.

PART 1 – What is Brand EQ and why does it matter?

At Carat, we are firm believers that more human understanding builds better relationships and makes the world a better place. That is true for both people and brands. The better they both understand each other, the more value both parties can enjoy from the experiences they share. We call this philosophy and approach Designing for People – and it sits at the very centre of our brand. We focus on building experiences out from a position of empathy.

This is a break with lots of the conventions of current thinking about brands and communication. The last decade has seen a move towards more investment in short-term marketing goals, creative formats that are less obviously able to express emotion, and the reduction of the tracking of brand attributes. We believe that this has not represented progress.

In a complex world in which thoughtful design of the entire brand experience has become important, emotional resonance has, if anything, become more crucial. Surely our ability to learn more about our customers and prospects as real people should enable us to relate to them better, not just adjust the specifics of propositions that they are served with increasing precision.
Beyond IQ - What is brand EQ?
Our study focuses on emotional intelligence or EQ, an essentially human attribute, and the models that psychologists have built to explain and measure it. Leading-edge thinkers have mapped out the specific traits that combine to create emotional intelligence, and these often form the basis of training for the improvement of leadership skills or advanced team building. Our idea was to apply this kind of test to brands and to mirror the criteria that are used to analyse people in a multi-market study of brand behaviour. In this way we would be able to answer a series of questions, for example:

- Which brands have the highest EQ?
- What are the behaviours of high EQ brands?
- Do different groups of people perceive Brand EQ differently?
- Do Brand EQ scores differ by category and market?

The term emotional intelligence was first used (as far as we can see) in the 1960s in papers written by psychologists. This idea of forms of intelligence beyond IQ developed over the next two decades. EQ first appeared as a term in 1987, but emotional intelligence became a mainstream topic only in 1995 through Daniel Goleman’s best-seller, Emotional Intelligence - Why It Can Matter More than IQ. His ideas suggest that EQ is not a purely innate quality but can be learned and developed. If you were anywhere near a beach in the summer of 1995, you likely saw this book.

We took inspiration from the work of Daniel Goleman (1998), who identified five key components of EQ and framed these in terms of brand identity and behaviour. Our goal was to understand which brands best mirrored this very human quality and whether there were transferable learnings from these high performers.

Self-Awareness
(confidence, recognition of feelings)
“This brand seems to know what it stands for.”

Self-Regulation
(self-control, trustworthiness, adaptability)
“This brand behaves with honesty and integrity.”

Motivation
(drive, commitment, initiative, optimism)
“This brand tries hard to deliver a good experience.”

Empathy
(understanding others’, feelings, diversity, political awareness)
“This brand understands people like me and what we need.”

Social Skills
(leadership, conflict management, communication skills)
“This brand always communicates in a clear and meaningful way.”

By asking these questions and exploring the strategies of about 50 of the world’s biggest brands, our goal has been to identify the patterns most associated with higher and lower EQ brand outcomes and their variances by nation, category, gender and age cohort. As we work through the findings, we will move from comparing the routes to success of some of the best performers to looking at brands and categories that need an EQ boost. We have identified five findings about Brand EQ that will illustrate the different patterns we found in analysing the data. Lastly, we bring together learnings from the study with 10+1 lessons for brands that want to maximise their contribution to future Brand EQ growth.

The ROI of EQ

Before we jump into the findings in detail, you may be asking the question, “Does having higher Brand EQ make any difference or does it just sound nice?” We also asked ourselves this question and were very interested to see our hypothesis that more Brand EQ equals more growth was born out in practice.

There is a correlation between EQ and share price

Since 2010, a stock portfolio comprised of the brands in our global Top 20 has outperformed the major indexes by 574%.

Share price change 2010-2020


What are the world’s most emotionally intelligent brands in 2020? And, crucially, what makes them emotionally intelligent? Read our analysis of which elements of EQ — self-awareness, self-regulation, motivation, empathy, and social skills — are behind the success of top-scoring brands. And where they fall short.
Here you can see a table which identifies the best performers from the list of global brands that we evaluated via a study with 10,000 participants in early 2020. We asked 1,000 people in markets of United States, United Kingdom, France, Spain, Germany, Italy, Australia, Russia, China, and Japan to rate the brands based on the five qualities of EQ.

What is notable about the top 20 performers, based on their average score across all five variables, is the strong presence of technology orientated brands. Google and Microsoft, notable rivals, take the top two places in the study. They are joined by other technology-focused brands in Samsung, Apple, Amazon, Panasonic, Philips, and Netflix. Furthermore, Visa and Mastercard are also heavily reliant on digital technology.

This presence belies much of the media hype and broader societal discussion about the negative impact of technology on people, that was prevalent before the COVID crisis hit. This debate has since become more favourable towards technology in light of their roles during the crisis. Our research took place through March 2020, as 2020 became the year of virtual contact, home shopping, and streaming.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Google</td>
</tr>
<tr>
<td>2.</td>
<td>Microsoft</td>
</tr>
<tr>
<td>3.</td>
<td>Samsung</td>
</tr>
<tr>
<td>4.</td>
<td>adidas</td>
</tr>
<tr>
<td>5.</td>
<td>Nike</td>
</tr>
<tr>
<td>6.</td>
<td>Coca-Cola</td>
</tr>
<tr>
<td>7.</td>
<td>Amazon</td>
</tr>
<tr>
<td>8.</td>
<td>Nivea</td>
</tr>
<tr>
<td>9.</td>
<td>VISA</td>
</tr>
<tr>
<td>10.</td>
<td>Apple</td>
</tr>
<tr>
<td>11.</td>
<td>Panasonic</td>
</tr>
<tr>
<td>12.</td>
<td>Philips</td>
</tr>
<tr>
<td>13.</td>
<td>Netflix</td>
</tr>
<tr>
<td>14.</td>
<td>Kellogg’s</td>
</tr>
<tr>
<td>15.</td>
<td>Mercedes-Benz</td>
</tr>
<tr>
<td>16.</td>
<td>IKEA</td>
</tr>
<tr>
<td>17.</td>
<td>McDonald’s</td>
</tr>
<tr>
<td>18.</td>
<td>Oreo</td>
</tr>
<tr>
<td>19.</td>
<td>Mastercard</td>
</tr>
<tr>
<td>20.</td>
<td>Nespresso</td>
</tr>
</tbody>
</table>
Microsoft is stronger at self-awareness and self-regulation, Google wins in other areas

While both brands are technology giants, their brands have been built in different ways. Microsoft has historically built its brand with more and sustained levels of investment in advertising. This helps explain the clarity around Microsoft’s purpose and image. Google, on the other hand, is newer to advertising and paid media, relying on products, experience, and advocacy to build its brand.

We see two journeys to the summit of our Brand EQ index, Microsoft, with a heritage of being considered and ‘taking the high ground’ and Google boldly promising to ‘do no evil’ and not avoiding controversy when that brand finds it. The fact that these different paths and different strengths can both add up high EQ scores provides an excellent lesson for brands that emotional resonance can be created in a distinctive manner from within the same category. It is also hard to “win” in all aspects of emotional intelligence.
These two brands in comparison offer up a couple of surprises. Firstly, Russians and Americans agree about them – no small diplomatic accomplishment in today’s world. Secondly, that they agree that Samsung is the most emotionally intelligent brand. Globally, Samsung beats Apple in 8/10 markets and 4/5 areas of EQ. This flies in the face of Apple’s seemingly unstoppable rise and ongoing commitment to design excellence, approachability, and “who needs a book of directions” simplicity.

The most significant difference in the smartphone giants’ EQ profiles is Samsung’s superior empathy score – seven percentage points ahead of Apple. Is this a reflection of Apple’s philosophy of not asking customers’ opinion before releasing new products and commitment to pursuing its own path? Samsung, on the other hand, has hosted fireside chats and published blog posts about empathy in technology – thereby cultivating a more flexible “we’re listening” image.

Not everyone is convinced, however: in China, Samsung is one of the least emotionally intelligent brands, and in Japan, the weakest in the entire survey. Explanations may lie in the toughening competition against Chinese smartphone brands and regional economic rivalries with Japan and South Korea.

While Samsung’s EQ is polarized between the East and the West, Apple’s EQ seems highly gendered. In late 2019, a US financial regulator opened an investigation into claims that Apple’s credit card offered up to 20 times higher credit limits to men than to women. Our survey was conducted a few months after the investigation started. When reviewing results by gender, women ranked Apple’s emotional intelligence twenty places lower than men.

---

### Rankings

<table>
<thead>
<tr>
<th></th>
<th>Samsung</th>
<th>Apple</th>
<th>Tech brand average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GLOBAL RANK</strong></td>
<td>3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td><strong>CATEGORY RANK</strong></td>
<td>3/13</td>
<td>4/13</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SCORE</strong></td>
<td>68%</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td><strong>MARKETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest scores</td>
<td>1 in USA, Russia, and France</td>
<td>2 in Japan</td>
<td></td>
</tr>
<tr>
<td>Lowest scores</td>
<td>48 in Japan</td>
<td>21 in Spain</td>
<td></td>
</tr>
<tr>
<td><strong>AGE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 35s</td>
<td>6</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Over 50s</td>
<td>4</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td><strong>GENDER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>3</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>6</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

---

Nike & Adidas – “Just Do It” vs. the “three stripes”

The sportswear giants constantly go head-to-head in appealing to Gen-Z and millennial audiences. Where one tends towards more technical product stories (Adidas), the other (Nike) continually addresses societal issues and wears its heart on its sleeve. ‘Just Do It’ is one of the most famous tag lines ever created, whereas Adidas has relied on three stripes as a more enigmatic expression.

So, it’s interesting to see that there isn’t a massive amount of difference between the two EQ profiles. Both brands follow a similar shape, tracking well on all measures of EQ with Nike just inching ahead on empathy. This is unsurprising with campaign after campaign aligning itself to trailblazers like Serena Williams and Colin Kaepernick.

Yet, Adidas manages to slightly out-rank Nike in the EQ rankings. Across markets, Adidas beats Nike in continental Europe and China, whereas Nike trumps Adidas in English-speaking countries and Japan. Perhaps this is down to cultural affinity with Nike’s American roots and epic advertising style or due to Adidas’ roots in football and tennis rather than Nike’s basketball and track & field heritage.

Coca-Cola & Pepsi – Consistency pays off

Coca-Cola’s long-standing inclusive worldview has proved effective time and again. From its iconic Hilltop ad in 1971 to its emotive take on a COVID world with George the Poet, it’s no surprise that Coke came out with top marks on EQ in its category. Its strong scores across all aspects of EQ and a particularly strong resonance among a hard to please, younger audience of under-35s, show that a focus on empathy pays back. Pepsi, on the other hand, has had a patchier experience, with the Kendall Jenner debacle making for a widely criticised “reality tv” take on brand activism. The 2017 television ad was pulled after receiving online backlash, with Pepsi and media personality Jenner being accused of trivialising police brutality and the Black Lives Matter movement. Between the pair of rivals, Coca-Cola beats Pepsi on all counts but comes out stronger on social skills, which is a test of clear and meaningful communication.

In early 2020, Pepsi refocused its brand-building efforts in a new tagline, the first one in two decades, “That’s What I Like”. This is a campaign that is anchored in extensive consumer insight into what sets Pepsi drinkers apart from Cola drinkers. In-depth understanding of consumer needs demonstrates the key traits of a brand with EQ. But in order to edge forward against its rival, Pepsi will need to focus efforts on building out its social skills and committing to a more consistently clear approach to communications.

Rankings

<table>
<thead>
<tr>
<th></th>
<th>Coca-Cola</th>
<th>Pepsi</th>
<th>Food &amp; Drink average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GLOBAL RANK</strong></td>
<td>4</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td><strong>CATEGORY RANK (FOOD &amp; DRINK)</strong></td>
<td>1/12</td>
<td>7/12</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SCORE</strong></td>
<td>64%</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td><strong>MARKETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest score</td>
<td>1 in China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest rank</td>
<td>1 in Russia</td>
<td>35 in France</td>
<td></td>
</tr>
<tr>
<td><strong>AGE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 35s</td>
<td>1</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Over 35s</td>
<td>20</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td><strong>GENDER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>15</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>1</td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>

Visa & Mastercard – Know thyself

Financial Services is the weakest category for EQ, but payment pioneers Visa and Mastercard stand out above the crowd. Both brands’ emotional intelligence is well above average in nearly all areas of EQ. Their honesty, integrity, and clear communication are valued by respondents across the world.

Visa appears ten places higher than Mastercard on our ranking; this is driven by its self-awareness score. Seventy percent of respondents think that Visa knows what it stands for. However, the latter has lots of positive momentum. Mastercard was the fastest rising brand on Interbrand’s Best Global Brands 2019 ranking11 and eroded Visa’s lead in Kantar’s Brand Most Valuable Brands ranking in 202012. Having expanded its ‘Priceless’ campaigns to ‘Priceless Causes’, Mastercard was one of the first brands to react to COVID-1913 and the Black Lives Matters movement14, donating millions of dollars to mitigate the crises. Some experts have described Visa’s responses as less dynamic.

Despite the disruption the finance sector is facing from tech giants and agile upstarts alike, Visa and Mastercard can look forward to a promising future. Both brands get their highest EQ scores from millennials.

Visa and Mastercard’s EQ profiles differ only in self-awareness

---

In the Top 20, there are brands from all five categories included in the index, but the representation of automotive and financial brands is significantly lower than other verticals. In fact, the two are the worst-performing categories in the EQ index. Among 48 brands, financial services’ average rank is 32 and car brands’ 30.

We compared the share price performance of the 20 highest EQ companies to the 28 lowest EQ brands in the index. Since 2010, a stock portfolio comprised of the top 20 brands has outperformed the low EQ shares by over 400 percentage points.

Both industries’ weakest area of EQ is empathy. Only 50% of the respondents believe that car and financial services brands understand them and their needs. The difference to retail, the most empathetic category, is eight percentage points, but within the averages, there is considerable variation. The best performing retail brand, Nike, is seen as 31 percentage points more empathetic than the worst performing car brand, Land Rover. These brands’ different roles in people’s lives may explain the difference: few joggers have not run with Nike’s trainers, while a luxury brand like Land Rover is out of reach for many people.

Brands in the financial sector score below average in all areas of emotional intelligence. However, in the automotive industry, self-awareness is slightly above the average for all brands (self-awareness means a brand knowing what it stands for). The car brand with the highest self-awareness is Mercedes-Benz. With a score of 71%, the world’s largest premium vehicle seller is among the top ten brands in this area. In this sense, what appears to be a lack of empathy may be the result of an aspirational positioning; a premium brand is meant to be exclusive.

In the financial sector, however, one may ask whether consumers’ negative experiences are good for the growth prospects for many established players. We are seeing many new brands in this area, offering more flexible relationships and heavily focused on user experience. High EQ may actually become the future of financial services. Free markets find and exploit opportunity.

In the low EQ group, two exciting names stand out. Digital platforms Uber and Facebook have been sailing from one PR storm to another. In the 48-brand EQ index, Facebook ranks 41st and Uber 45th. Nonetheless, both brands are extremely strong performers in their fields. Facebook’s share price has been soaring during the pandemic. According to the online portal Inequality.org, Facebook founder Mark Zuckerberg’s net worth increased by 75% from March to August 2020. The coronavirus has also underlined Uber’s irreplaceability as a part of urban life. The city of New York, among others, declared it an essential service that was not subject to lockdown restrictions.

Emotional intelligence and shareholder value
A stock portfolio of the Top 20 brands in the index outperforms the rest by 404%
So, do the examples from Uber and Facebook show that if your product is good enough, EQ doesn’t matter? Yes and no: the results show that even with poor emotional intelligence a company can grow in its core area. During the spring coronavirus pandemic, messaging across Facebook, Instagram and WhatsApp increased by 50% in countries most affected by the virus. In the second quarter of 2020, Uber’s food deliveries surged by 162% compared to the previous year.18

However, when companies intend to grow in new areas, low EQ might become a problem. Expanding into areas outside a brand’s core business requires the trust of consumers and regulators. According to our study, that is what Uber and Facebook lack. While these tech giants are weaker than average in all components of EQ, the weakest trait for both is self-regulation. Only 40% of respondents believe Facebook behaves with honesty and integrity. For Uber, the figure is 37%.

In 2019, Facebook’s attempts to launch a cryptocurrency faced a swift backlash from central banks and regulators who had fresh in mind the long series of Facebook’s data privacy scandals. The same year, Uber announced that it wanted to become “an operating system of everyday life.”19 Still, a month later, the company was banned in London, one of its core markets, after continuously failing to secure passengers’ safety.

Shareholders of Uber and Facebook still expect the firms to keep innovating. However, as long as less than half of consumers globally have confidence in the brands’ honesty and integrity, the prospect of breaking through in new verticals will remain a big challenge.

PART 3 – What we have learned about brand EQ

We have chosen five learnings from the many that we have identified while reviewing the data. We have chosen these because they show a wide range of findings and potential take-outs for brands covering differences between categories, demographics, and nationalities, amongst others.

**Overall brands tend to be let down by empathy and ethics.**

Empathy and ethics: the two components of emotional intelligence that are arguably its cornerstones. After all, acting with honesty and integrity and understanding the needs of others should be at the heart of any marketing that is consumer-centric. It surprised us to see that on average, all brands across all industries and markets, scored the lowest in “self-regulation”, i.e. behaving with honesty and integrity and “empathy”, i.e. understanding people like me and what we need.
On reflection, in an age where trust in government, institutions, and companies are declining, this shouldn’t be a surprise. While some brands go further than others to reassure consumers on a wide range of issues – from transparent supply chains, provenance, ethics and importance, the use of consumer data - others fall far short of the increasingly high bar of consumer expectations.

When we look at the correlation between the five traits, we see that on average, motivation and self-awareness are typically the strongest traits for brands while empathy and self-regulation show up as the weakest pair. We see a similar pattern when we look at weakest traits across a range of categories.

The polarisation between self-regulation and empathy versus motivation and self-awareness is an incredibly interesting finding. Is it that the more brands focus on delivering a good experience to consumers and know what they stand for, the less empathetic they are and the less integrity they have? Is one at the expense of the other?

In particular, the polarisation between empathy (understanding customers’ needs) and motivation (delivering a good experience) feels counterintuitive. Surely, when brands are working hard to deliver a good experience to their consumers, they are being empathetic. A hypothesis we could consider is that a combination of the strong brand image of global players and their tendency to be highly advanced in the use of people’s data makes them feel distant while people do recognise that they deliver highly advanced experiences.

Our analysis showed that technology and retail brands try very hard to deliver a good experience, even at the expense of their honesty and integrity. This unwavering focus on customer experience among brands like Amazon, Google, and Facebook comes at the expense of their integrity scores. This has led to a somewhat conflicted view from consumers.

At the other end of the spectrum, we have some more traditional brands, particularly in the automotive sector who have a similar unwavering focus on their own values and purpose; scoring highest on self-awareness (suggesting clearly understand positioning). Yet, where they fall down, along with brands in finance and food and drink, is on empathy (understanding people like me).

From a distance, the structure of EQ profiles looks relatively similar across industries.

Motivation and self-awareness are stronger than empathy and self-regulation.

Clear communications are particularly important, but beware over-investing on a single aspect of EQ.

If a brand wants to improve its emotional intelligence (like a person at leadership training), on which of the five areas of EQ should it choose to focus?

Daniel Goleman, the psychologist who first popularised the concept of EQ in his 1995 book Emotional Intelligence, believes self-awareness is the foundation of emotional intelligence. 21

Research on top executives’ success at Cornell University shows that strong self-awareness was the most robust predictor of leaders’ overall success. Executives who are aware of their weaknesses are often better able to hire team members who perform well in areas in which the leader lacks acumen. The research, commissioned by management consultancy Green Peak Partners, also suggests that self-aware leaders are also more likely to have strengths in additional leadership competencies, such as teamwork. 22

However, for Brand EQ, the key to success may be different than for individuals. Our data shows that even if self-awareness is an area where differences between brands are bigger than in other elements of EQ, high self-awareness still does not predict a top overall result. Instead, it is social skills – always communicating in a clear and meaningful way – that has the strongest correlation with a high overall EQ of brands. Out of 20 best communicators in the index, 18 are also in the top 20 by their overall EQ score.

The difference between the best and weakest performers across every measure is not huge. The implications of this are clear. Brand EQ should be seen as a holistic measure of people’s experience with a brand. We should use the individual drivers to improve the whole rather than ‘over-invest’ in one particular driver. With emotional intelligence influencing all aspects of the strategy, enhanced communication skills will have much stronger stories to tell – and the positive effect of EQ can be maximized.

Communication matters – Social skills have the strongest correlation with brands’ total EQ score

Average scores per area of EQ

<table>
<thead>
<tr>
<th>Social skills</th>
<th>Motivation</th>
<th>Self regulation</th>
<th>Self awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>69%</td>
<td>62%</td>
<td>73%</td>
<td>49%</td>
</tr>
<tr>
<td>58%</td>
<td>62%</td>
<td>70%</td>
<td>47%</td>
</tr>
<tr>
<td>51%</td>
<td>62%</td>
<td>61%</td>
<td>53%</td>
</tr>
<tr>
<td>49%</td>
<td>62%</td>
<td>57%</td>
<td>46%</td>
</tr>
<tr>
<td>41%</td>
<td>62%</td>
<td>50%</td>
<td>44%</td>
</tr>
<tr>
<td>37%</td>
<td>62%</td>
<td>47%</td>
<td>42%</td>
</tr>
<tr>
<td>36%</td>
<td>62%</td>
<td>43%</td>
<td>39%</td>
</tr>
<tr>
<td>33%</td>
<td>62%</td>
<td>42%</td>
<td>36%</td>
</tr>
<tr>
<td>30%</td>
<td>62%</td>
<td>41%</td>
<td>34%</td>
</tr>
<tr>
<td>24%</td>
<td>62%</td>
<td>40%</td>
<td>32%</td>
</tr>
</tbody>
</table>


Classic Brands and Experience Brands – Two EQ archetypes

How do brands’ EQ profiles differ from category to category? At first sight, differences may seem modest. Retail brands’ EQ is slightly above average while the automotive and financial sector are seen as less emotionally intelligent. Technology and food and drink category averages are the same as the all-brands average in the index.

However, a more nuanced picture emerges by looking at the relative strengths and weaknesses of each category. Seen in this way, two clusters stand out.

Industries can be divided into two categories based on their EQ profile

<table>
<thead>
<tr>
<th></th>
<th>Technology</th>
<th>Retail</th>
<th>Food &amp; Drink</th>
<th>Automotive</th>
<th>Financial services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-awareness</strong></td>
<td>63%</td>
<td>62%</td>
<td>64%</td>
<td>63%</td>
<td>58%</td>
</tr>
<tr>
<td><strong>Self-regulation</strong></td>
<td>54%</td>
<td>57%</td>
<td>53%</td>
<td>50%</td>
<td>51%</td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>64%</td>
<td>67%</td>
<td>63%</td>
<td>59%</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Empathy</strong></td>
<td>56%</td>
<td>57%</td>
<td>53%</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Social skills</strong></td>
<td>59%</td>
<td>61%</td>
<td>59%</td>
<td>54%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Obsessed with experience: Brands have a strong customer focus, but it comes at the expense of perceived honesty and integrity.

Obsessed with positioning: Brands have a strong brand heritage, but it comes at the expense of customer understanding.

Self-awareness: Knowing what they stand for. Companies in this cluster are older than average in the index. They have been building their brands for decades and are rated highest among people over 35.

Self-regulation: Behaving with honesty and integrity.

Motivation: Producing excellent customer experiences.

Empathy: Understanding people and their needs.

Social skills: Building strong relationships.

Weakest trait:

The automotive, finance, and food and drink categories form a group that we have called Classic Brands. The strongest trait of their emotional intelligence is self-awareness: knowing what they stand for. Companies in this cluster are older than average in the index. They have been building their brands for decades and are rated highest among people over 35.

Classic Brands’ weakest trait is empathy: understanding people and their needs. Their products are typically physical and require a sophisticated manufacturing process and a technically advanced production facility. As people’s preferences tend to change faster than factory production lines, this may go some way explaining why Classic Brands are seen as understanding themselves better than their customers.

A great example of this archetype are car manufacturers. In recent years, Mercedes-Benz has stressed the importance of empathy and human insight into the development of autonomous cars. Based on the EQ survey, the message has not reached consumers. While the average gap between self-awareness and empathy is seven percentage points, Mercedes has a difference of 19 percentage points. For BMW and Nissan, the gap widens to three times the average, and Land Rover’s self-awareness is 28 percentage points above empathy score – four times more than the average for brands in the study.

The second archetype of emotional intelligence consists of technology and retail brands. We have named this cluster Experience Brands. The strongest trait of the group is their motivation to produce excellent customer experiences. Their weakest area of EQ is self-regulation – behaving with honesty and integrity.

Young companies are overrepresented in this group. While the average age of companies in the EQ index study is 78 years, the top ten Experience Brands’ average age is 47. All companies in the index that are founded in the 21st century – Facebook, Tesla, and Uber – are in the top ten of Experience Brands (measured by the difference between motivation and self-regulation). This group’s emotional intelligence is also perceived to be higher among respondents under the age of 35.

The disparity between motivation and self-regulation is most significant among the US tech giants: Apple, Facebook, Google, and Amazon. Products of these platforms are often digitally dominant and easily customizable based on user preferences. Rich first-party data helps them foresee what customers want now and next.

In short, Classic Brands are better at projecting their image than customer empathy. Experience Brands are highly customer-centric but at the expense of self-regulation. In total scores, Experience Brands’ EQ is perceived higher than Classic Brands. Certainly, Classic Brands would benefit from adapting some of the responsiveness of Experience Brands, but both groups may have something to learn from each other. And it very much remains to be seen how much of a future price will be paid by brands for whom self-regulation and trust lag.


The disparity between motivation and self-regulation is most significant among the US tech giants: Apple, Facebook, Google, and Amazon. Products of these platforms are often digitally dominant and easily customizable based on user preferences. Rich first-party data helps them foresee what customers want now and next.

In short, Classic Brands are better at projecting their image than customer empathy. Experience Brands are highly customer-centric but at the expense of self-regulation. In total scores, Experience Brands’ EQ is perceived higher than Classic Brands. Certainly, Classic Brands would benefit from adapting some of the responsiveness of Experience Brands, but both groups may have something to learn from each other. And it very much remains to be seen how much of a future price will be paid by brands for whom self-regulation and trust lag.
Nationalism or Emotional Connection – Why People Love Brands from Their Home Market

"Hi, welcome to Subway!" Anyone who’s ever visited the world’s largest sandwich chain will recognise the iconic greeting. However, the phrase resonates differently at home than elsewhere. American respondents rank Subway’s EQ a staggering 22 ranks higher than respondents globally. The result could be mistaken as American patriotism. But, in fact, every country with domestic brands in the survey rates its homegrown companies more emotionally intelligent than the rest of the world. Americans rank local firms an average of six places higher than global respondents, while in the UK the difference is eight slots and in Spain an average of nine positions more than globally. Interestingly, the way to an American heart is through their stomach: U.S. food & drink brands rank on average eleven slots higher in the United States than elsewhere.

But is it merely nationalism that can explain the difference? Looking at the different components of EQ, domestic brands tend to do better at home in all of them. The most significant difference, however, is in social skills (clarity of communication). While self-regulation is seen only two percentage points higher at home than abroad, in social skills the difference is three times larger. Americans find Subway’s communication 16% clearer and more meaningful than global respondents. The Germans estimate that Nivea’s communication is 15% better. The British think Land Rover’s social skills are 13% higher in the U.S. than globally) has named some of its models after American place names. Volkswagen and Audi have even refrained from translating their slogans from German to other languages to celebrate their German heritage. Authenticity is a route to distinctiveness, an excellent foundation for building a brand.

What is the moral of the story? Although the EQ Index is made up of multinational and global brands, the results show that even the most international brands have a home. And the brand’s home, roots, and origins are most strongly highlighted in how the brand communicates. But even if a brand’s communication resonates best in its home country, it doesn’t necessarily mean authentic origins should be an obstacle to international success. Distinctiveness is the reason why people buy into a brand. Land Rover’s Britishness may indeed be a motive for SUV drivers to choose a Defender. For the same reason, American Chevrolet (social skills 13% higher in the U.S. than globally) has named some of its models after American place names. Volkswagen and Audi have even refrained from translating their slogans from German to other languages to celebrate their German heritage. Authenticity is a route to distinctiveness, an excellent foundation for building a brand.

The result could be mistaken as American patriotism. But, in fact, every country with domestic brands in the survey rates its homegrown companies more emotionally intelligent than the rest of the world. Americans rank local firms an average of six places higher than global respondents, while in the UK the difference is eight slots and in Spain an average of nine positions more than globally. Interestingly, the way to an American heart is through their stomach: U.S. food & drink brands rank on average eleven slots higher in the United States than elsewhere.

But is it merely nationalism that can explain the difference? Looking at the different components of EQ, domestic brands tend to do better at home in all of them. The most significant difference, however, is in social skills (clarity of communication). While self-regulation is seen only two percentage points higher at home than abroad, in social skills the difference is three times larger. Americans find Subway’s communication 16% clearer and more meaningful than global respondents. The Germans estimate that Nivea’s communication is 15% better. The British think Land Rover’s social skills are 13%, and the Spaniards find Zara’s communication 12% better than international respondents.

What is the moral of the story? Although the EQ Index is made up of multinational and global brands, the results show that even the most international brands have a home. And the brand’s home, roots, and origins are most strongly highlighted in how the brand communicates. But even if a brand’s communication resonates best in its home country, it doesn’t necessarily mean authentic origins should be an obstacle to international success. Distinctiveness is the reason why people buy into a brand. Land Rover’s Britishness may indeed be a motive for SUV drivers to choose a Defender. For the same reason, American Chevrolet (social skills 13% higher in the U.S. than globally) has named some of its models after American place names. Volkswagen and Audi have even refrained from translating their slogans from German to other languages to celebrate their German heritage. Authenticity is a route to distinctiveness, an excellent foundation for building a brand.

The result could be mistaken as American patriotism. But, in fact, every country with domestic brands in the survey rates its homegrown companies more emotionally intelligent than the rest of the world. Americans rank local firms an average of six places higher than global respondents, while in the UK the difference is eight slots and in Spain an average of nine positions more than globally. Interestingly, the way to an American heart is through their stomach: U.S. food & drink brands rank on average eleven slots higher in the United States than elsewhere.

But is it merely nationalism that can explain the difference? Looking at the different components of EQ, domestic brands tend to do better at home in all of them. The most significant difference, however, is in social skills (clarity of communication). While self-regulation is seen only two percentage points higher at home than abroad, in social skills the difference is three times larger. Americans find Subway’s communication 16% clearer and more meaningful than global respondents. The Germans estimate that Nivea’s communication is 15% better. The British think Land Rover’s social skills are 13%, and the Spaniards find Zara’s communication 12% better than international respondents.

What is the moral of the story? Although the EQ Index is made up of multinational and global brands, the results show that even the most international brands have a home. And the brand’s home, roots, and origins are most strongly highlighted in how the brand communicates. But even if a brand’s communication resonates best in its home country, it doesn’t necessarily mean authentic origins should be an obstacle to international success. Distinctiveness is the reason why people buy into a brand. Land Rover’s Britishness may indeed be a motive for SUV drivers to choose a Defender. For the same reason, American Chevrolet (social skills 13% higher in the U.S. than globally) has named some of its models after American place names. Volkswagen and Audi have even refrained from translating their slogans from German to other languages to celebrate their German heritage. Authenticity is a route to distinctiveness, an excellent foundation for building a brand.
It’s not news that younger demographic cohorts care more about a brand’s purpose, values, and position on societal matters. Gen Z and millennials are quick to call brands out for disingenuous behaviour and continually demand ethical conduct, sustainable practices, and an ethical approach to marketing.

Events since this study was undertaken centering on the Black Lives Matter campaign illustrate the influence that young people have on brands. Young crowds took to the streets to protest and brands followed, pledging their allegiance to the cause. We also have seen the Gen Z cohort displaying the strongest views on the behaviour of brands and institutions during the COVID crisis.

This is manifested in our data in an interesting way. The polarisation between each EQ trait is more pronounced among younger cohorts: they are more passionate in their views. Both good and bad, millennials appear to have more polarised opinions on a brand’s emotional intelligence than people over 35. Gen Z is even more energised in its views: the highs are higher, and the lows are lower among Gen Z. In some areas, we saw significant variations in EQ rankings between age groups. For example, KFC ranked 20 places higher on average for Gen Z consumers compared to other age groups. Similarly, other food service brands like Starbucks and Subway had a positive polarisation compared to other age groups. Among millennials, financial brands show up stronger with American Express, Mastercard, and Visa all tracking higher versus age groups.

Coca-Cola shows up as one of the top-ranked brands among both Gen Z and millennials. They also have a shared love for tech brands: Google, Amazon, Microsoft, and Samsung. All these brands are a part of everyday life. Coca-Cola with its deep roots in popular culture and the tech brands as enablers and interfaces for their lives. The key differences between these cohorts are that Gen Z sees strong EQ among sportswear brands Nike and Adidas while millennials choose to favour finance brands Visa and Mastercard among their top 10.

Young people spend less but feel more – why you should cultivate EQ bonds with Gen Z

This shows brands neglect young customers or their future customer base, depending on the category, at their peril. Their purchasing power is not as big as their parents’, but their attitudes towards brands – and their willingness to share their views in public – can have a much bigger impact on a brand’s bottom line than more privately held opinions of older generations. Most brand owners recognise this; however, this data can help us to shape the right strategies that resonate in particular with cohorts that demand higher EQ.

In some areas, we saw significant variations in EQ rankings between age groups. For example, KFC ranked 20 places higher on average for Gen Z consumers compared to other age groups. Similarly, other food service brands like Starbucks and Subway had a positive polarisation compared to other age groups. Among millennials, financial brands show up stronger with American Express, Mastercard, and Visa all tracking higher versus age groups.

The younger the respondents are the more polarised perceptions they have about brands’ EQ

In some areas, we saw significant variations in EQ rankings between age groups. For example, KFC ranked 20 places higher on average for Gen Z consumers compared to other age groups. Similarly, other food service brands like Starbucks and Subway had a positive polarisation compared to other age groups. Among millennials, financial brands show up stronger with American Express, Mastercard, and Visa all tracking higher versus age groups.

Range of brands’ EQ scores among age groups

In some areas, we saw significant variations in EQ rankings between age groups. For example, KFC ranked 20 places higher on average for Gen Z consumers compared to other age groups. Similarly, other food service brands like Starbucks and Subway had a positive polarisation compared to other age groups. Among millennials, financial brands show up stronger with American Express, Mastercard, and Visa all tracking higher versus age groups.

Top brands by age group

<table>
<thead>
<tr>
<th>Rank</th>
<th>18-24</th>
<th>25-34</th>
<th>35+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coca-Cola</td>
<td>VISA</td>
<td>adidas</td>
</tr>
<tr>
<td>2</td>
<td>Google</td>
<td>Google</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Nike</td>
<td>Coca-Cola</td>
<td>Microsoft</td>
</tr>
<tr>
<td>4</td>
<td>adidas</td>
<td>Amazon</td>
<td>Samsung</td>
</tr>
<tr>
<td>5</td>
<td>Amazon</td>
<td>Panasonic</td>
<td>Google</td>
</tr>
<tr>
<td>6</td>
<td>Samsung</td>
<td>Microsoft</td>
<td>NIVEA</td>
</tr>
<tr>
<td>7</td>
<td>Microsoft</td>
<td>Samsung</td>
<td>NETFLIX</td>
</tr>
<tr>
<td>8</td>
<td>NETFLIX</td>
<td>Apple</td>
<td>Panasonic</td>
</tr>
<tr>
<td>9</td>
<td>NIVEA</td>
<td>PHILIPS</td>
<td>Mercedes Benz</td>
</tr>
<tr>
<td>10</td>
<td>Apple</td>
<td>Nickelodeon</td>
<td>PHILIPS</td>
</tr>
</tbody>
</table>
So, what is the crucial takeout? Brand EQ is the present and the future. Young people care more about EQ, but this isn’t the only story. Different cohorts warm to different behaviours and categories. The EQ model that we have built out is an excellent diagnosis for what you need to focus on. Recognise that just as language, role models, and behaviours change on a generational basis, so do the drivers of rich emotional relationships.

### Part 4 – 10 + 1 Lessons for Brands
To summarise our findings, we have identified a series of lessons for brands from the evaluation of the highest performing companies and the trends in the data that we have explained. On the basis of the academic theory, EQ can be learned and improved, so even brands that have the traits of low-scorers can take some positive steps from these findings.
1. Investing in the traits of a high EQ
Brand is not just a ‘nice to’ – it pays back.

Our data suggests that there is a strong correlation between brands with high EQ scores and accelerated growth levels. Furthermore, we see that many of the highest performers are relatively young, dynamic, technology-focused brands that have brought fresh thinking to marketing and culture. These are good role models in our index. Lastly, if we look back across 2020, it is tangible that people are welcoming brands that have shown their human side, whether that has been in creating valuable experiences for consumers or treating their workers in a positive way.

2. Lean in to succeed – people-focused brands build a great asset.

As we have evaluated the behaviour of the Carat clients that perform strongly, what unifies them is that they consistently act with a strong sense of brand purpose and are connected to culture. For example, Coca-Cola has always been associated with challenging societal stereotypes in its advertising and creating meaningful value exchanges. We can also see from Mastercard that a long-term commitment to celebrating ‘priceless’ moments and experiences for people is paying dividends in their EQ scores. Whether it is Oreo bringing alive a purpose that encourages people to enjoy moments of play or Microsoft developing the Xbox Adaptive Controller for gamers with disabilities, we can clearly see from our client base that human-centred behaviours and messaging pay back richly in terms of Brand EQ.

3. Focus on your industry’s weaknesses to stand out positively.

Technology and retail brands have work to do in improving their self-regulation (integrity). Despite having a high EQ on average, behaving with honesty and integrity is the Achilles’ heel of tech and retail company EQ profiles. For automotive, finance, and food and drink brands, the pain point is empathy. To better their EQ, these brands need to put a greater focus on understanding their customers’ changing needs. Acknowledging category shortcomings could help brands to develop more distinctive and meaningful strategies. Brand EQ gives another good reason to dismiss category norms.

4. Be careful with passion – understand more volatile audiences more deeply.

According to our findings within some cohorts, there’s a fine line between being seen as emotionally intelligent and lacking the human touch. Gen Z gives higher scores than other age groups to brands they adore, but also lower points to brands they don’t appreciate. Tech brands that are an integral part of our everyday life dominate the top but also the bottom of the EQ rankings. Domestic brands rank higher in their home markets, but if they fail, the home audience is even more disappointed than overseas customers. While building an emotional connection with consumers pays off in the marketplace, brands must be conscious that passionate relationships (like those between people) can quickly turn from love to hate if not handled with care.

5. Don’t let your actions speak for themselves – tell people about yourselves clearly.

EQ consists of five components: self-awareness, self-regulation, motivation, empathy, and social skills. But according to our study, while they are all important, some are particularly significant. Superior social skills (always communicating in a clear and meaningful way) is the trait that most correlates with high EQ. In 2020, many brands have realised that in a time of crisis, they need to shift their focus from selling more to helping more. However, only brands that can effectively communicate this shift are going to benefit from it. As the Irish playwright George Bernard Shaw famously said, “the single biggest problem in communication is the illusion that it has taken place”.

Carat Brand EQ Report | 41
6. Use components of EQ as building blocks for trust.

Trust, and especially the lack of it, will remain a hot topic in boardrooms and governments in the foreseeable future. The concept of brand EQ gives organisations a toolbox for building and restoring trust. Amidst a global pandemic, when people avail more empathy and trustworthiness from brands than ever, we urge our readers to ask themselves the following questions:

• How do we ensure that we are always true to what we stand for? (self-awareness)
• How do we ensure that we behave with honesty and integrity? (self-regulation)
• What should we change in what we do to ensure that we always deliver a good experience? (motivation)
• How do we go about understanding people and show people that we understand them? (empathy)
• What can we do to ensure that we always communicate in a clear and meaningful way? (social skills)

Uber and Facebook are examples of brands that have been remarkably successful in building revenue and scale, but don’t exhibit strong performance in this study. Association with questions surrounding integrity has not served them well in this case.

7. Technology and innovation do have a human face.

One of the clearest findings of this study is the close relationship between ‘human outcomes’ and the importance of technology for a brand. If we look at the Top 20 scorers, eight are heavily oriented around digital technology and innovation, whether that is in a ‘pure’ way (Google & Microsoft) or by redefining the way we buy things (Mastercard & Visa). This flies in the face of much of what has been argued by experts concerned with the de-humanising effects of tech. Instead, what we see are brands that are able to test and adapt their experiences to peoples’ behaviour and demands in ways that ‘bricks, mortar and metal’ brands find more difficult. Of course, we have seen that Gen Z and millennials reward technology brands with high scores (they also punish those they don’t like with poor scores), but there is more to our findings than the influence of these cohorts. There is a clear relationship between habitual digital experiences – value created for people – and the perception of high emotional intelligence.

8. Young people weigh more than their wallets.

Younger audiences value purpose and cultural relevance. For Gen Z, integrity and authenticity are paramount. While their disposable income may not be as high as other cohorts right now, a report by Boston Consulting Group predicts that Gen Z is set to increase their per capita spending by more than 70% over the next five years. They could become a prized audience for many brands. Their dollars are not just where their power lies; they are advocates for the brands they love, but readily parrot in ‘cancel culture’ as soon as there is any hint of brands not living their values.

We observed that younger audiences had the most polarising and passionate views on brands; the lows were lower and their highs were higher. For those brands who fare well on EQ, there is real opportunity to win big and potential to create advocacy. This is a powerful audience to activate. Pay attention and care to your Gen Z audiences; they could become your biggest and most valuable advocates.

---

9. Reflecting your roots can enhance emotional intelligence.

Although the EQ Report is made up of brands with a global footprint, the results show that even the most international brands have a home. They are ranked higher in their home market than abroad, especially because the home audience values the domestic brands’ social skills more than people overseas. But even if a brand’s communication resonates best in its home country, it doesn’t mean brands should tone down their heritage in the hope of more international success. A brand can only be strong if it is distinctive and being distinctive is often the very reason why people buy into a brand. Our report shows that just like a person you might relate to and want to spend time with, authentic stories and experiences that reflect aspects of a national character can give brands an emotionally intelligent feel.

10. Every brand needs a service offering.

To build an emotionally intelligent relationship with people today, think about how your brand offers the best possible service experience. It is harder to be seen as having high EQ if you aren’t continuously creating value for people. If your brand is already a service, this is more straightforward. We have identified that major technology brands that continuously improve and personalise their experiences score very highly in EQ. However, if you are a product manufacturer, what can you do? It’s safe to say that creating complementary experiences and assets that enhance ownership and consumption has never been more important. For example, Nike has transcended sports shoes and apparel through initiatives such as Nike+ and Nike Running Clubs. Its add-on services provide a genuine reason to keep engaging with people in between purchases, creating value and maintaining relevance – and translating to a high EQ.

10+1 Always be open to new ways to understand your relationship with people.

Our last finding relates not to the specific results of our study, but the value that we believe has been gained by bringing a different lens to an age-old question: “What are the traits of the most successful brands?” The application of techniques from adjacent disciplines have often inspired forward steps in marketing thinking – be it semiotics, neuroscience, or econometric modeling. As our world becomes more technical and more complex, it can sometimes be incredibly insightful and rewarding to bring a fresh human perspective to help explain the world. Applying the psychology of emotional intelligence is just one of the ways we can design more rewarding experiences for people with brands. More than ever, marketing is a business rooted in human understanding and – dare we say it – designing for people.
Methodology

The Brand EQ Index is based on Carat’s proprietary research in March 2020. We surveyed 10,000 people across ten countries: Australia, China, France, Germany, Italy, Japan, Russia, Spain, the United Kingdom, and the United States. In the survey, respondents evaluated 48 globally known every-day brands in five categories: Automobile, Finance, Food & Drink, Retail, and Technology. Included brands are Adidas, Amazon, American Express, Apple, BMW, Budweiser, Burberry, Chevrolet, Coca-Cola, Dell, eBay, Facebook, Gillette, Google, H&M, Heineken, Heinz, Honda, HSBC, IKEA, Kellogg’s, KFC, Land Rover, Mastercard, McDonald’s, Mercedes-Benz, Microsoft, Nespresso, Netflix, Nike, Nissan, Nivea, Oreo, Pampers, Panasonic, Pepsi, Philips, Samsung, Santander, Starbucks, Subway, Tesla, T-Mobile, Uber, Visa, Vodafone, Volkswagen, and Zara.

Acknowledgements

We would like to thank colleagues from across the Carat network for being so generous with their time and expertise to help develop this report. In particular, special thanks to:

Lauri Korolainen
Communications Director

Melanie Greenhill
Client Director

Sylvain Valeix
Global Client President

Kathryn Geoghegan
Creative Services Design Lead

Sharon Deller
Head of Creative Services

Chelsea Radovanovic
Director, Marketing

Lisa Schwartz
Copy Editor

Bruno Salomon
Global Director of CCS Operations

Tamás Seres
Global Director of CCS Systems

Annika Fuentes
Senior Data and Analytics Manager

Thomas Grint
Brand Manager

About Carat

Most recently named a leader amongst global media agencies by Forrester, Carat is consistently ranked the #1 media agency in the world with over 12,000 experts, operating across 190+ offices in 135+ countries. Carat delivers an unparalleled capability to unlock real human understanding to connect people and brands by designing powerful and engaging media experiences. Carat is a dentsu company and privileged to work with some of the most storied and innovative brands in the world.

For further information please contact:
Robert Schwartz
Global Chief Marketing Officer
CaratGlobalCommunications@carat.com