THE W REPORT

Most Competitive Companies

2023-Q2

Key Takeaways

Top 5
Most Competitive Companies

1 Roku
2 zoom
3 lululemon
4 Apple
5 John Deere

In this report

3 Competitive Strength, Pricing Power & Revenue Growth

The old CS is Customer Satisfaction; The new CS is Competitive Strength. Competitive Strength is the ability of a company to meet customer expectations better than their rivals.

4 Most Competitive Companies: 2023-Q2

The biggest gainers since Q1 are Square (formerly Block) and American Express, an indication that financial firms are becoming more critical to meeting customer demand in today's economy.

5 Pricing Power Trends

Pricing power is one of the best indicators for a company's future revenue growth. Since the start of 2022, pricing power has rapidly declined to a new low average of 4.2%.

6 Business Frameworks Matter

Although pricing power has been declining, winners and losers are emerging. Premium companies like Apple & lululemon are performing the best at meeting customer expectations. Standards like ExxonMobil and Facebook have been hit the hardest, as customers search for something different.

7 Apple Rediscovered Its Superpower

In 2022-Q1, Apple was ranked #17 in our Most Competitive Companies. Since 2022-Q3, they've not been out of our Top 5. Apple regained its superpower to "think like" its customers thereby reestablishing the bond they had for decades.

8 About wRatings

We are an independent, competitive research firm that make revenue growth visible for executives to improve decision making. Since 2015, the top performing companies from our universe of coverage has grown 171.1%, beating the S&P500 total return of 153.6% as of July 1, 2023.

Competitive Strength, Pricing Power and Revenue Growth

The old CS is Customer Satisfaction; The new CS is Competitive Strength. We add on multiple additional metrics to traditional satisfaction by starting at a more logical, forward-looking view from customers: What they expect.

Competitive Strength measures the ability of a company to meet customer expectations.

Higher scores signify that a company has smaller gaps than others due to better performance and/or better expectation management with their customers.

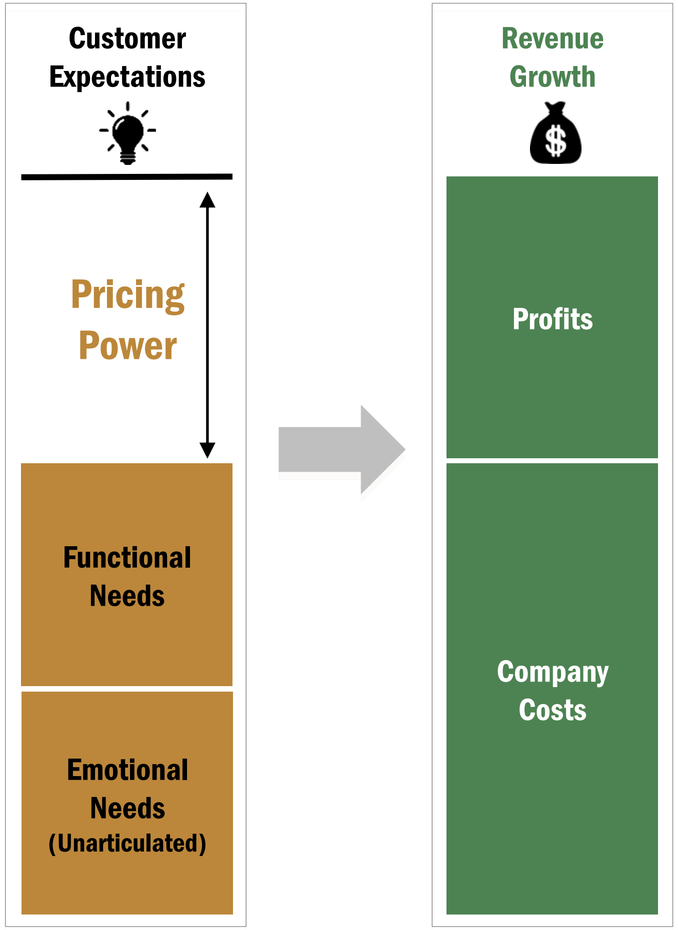
Our Most Competitive Companies ranks 30 companies selected from hundreds of companies in our universe of coverage. The W-30 companies represent a variety of business frameworks and are rule-makers, versus rule-takers, in their own industry.

Executives use the W-30 data to benchmark their own company's performance and create new ideas to generate pricing power and revenue growth.

How high up "up" really is?

Competitive Strength measures the ability of a company to meet customer expectations

Pricing Power is a leading indicator to a company's revenue growth



Most Competitive Companies 2023-Q2

Unlike traditional satisfaction, brand, and Net Promoter® scores, competitive strength scores – what we call Moat Scores -- tend to be more volatile due to changing customer needs and expectations that fluctuate along with the economy.

The biggest gainers are Block (formerly Square) and American Express, an indication that financial firms are becoming more critical to meeting customer demand in today's economy.

While NPS® averages follow our Moat Scores when looking at groups of ten companies, NPS doesn't tell the whole story on a company by company basis. For example, Schwab's 2.0 NPS is the fourth worst, yet ranks 17th in their ability to meet customer expectations.

Rank	Company	Moat Score	Change from Q1	Pricing Power	NPS®
1	Roku	82.8%	--	3.2%	47.5
2	Zoom	82.4%	--	4.2%	46.7
3	lululemon	79.3%	--	5.8%	27.5
4	Apple	77.4%	1	4.7%	49.0
5	Deere	76.8%	1	4.0%	28.8
6	Amazon	73.7%	-2	4.3%	43.1
7	Intel	73.4%	--	5.3%	52.8
8	Costco	71.5%	--	3.6%	54.2
9	Block (Square)	64.9%	9	4.5%	21.6
10	Zillow	63.3%	-1	3.7%	19.3
11	Starbucks	58.3%	--	5.0%	8.8
12	Tractor Supply	58.0%	3	3.0%	42.0
13	Crocs	57.7%	--	4.6%	8.3
14	Beyond Meat	57.4%	-4	4.6%	26.0
15	American Express	55.2%	5	3.6%	28.3

n = 6,713
Data collected as of June 30, 2023

Rank	Company	Moat Score	Change from Q1	Pricing Power	NPS®
16	UPS	54.2%	-4	3.9%	38.2
17	Schwab	52.8%	--	3.3%	2.0
18	Dominos	46.4%	-2	4.3%	8.6
19	Netflix	44.2%	-5	3.6%	30.5
20	Boeing	38.2%	1	6.5%	8.3
21	Disney	37.6%	3	3.7%	26.1
22	Microsoft	37.6%	1	4.3%	24.3
23	Tesla	32.6%	-1	4.9%	4.9
24	Johnson & Johnson	30.7%	1	3.8%	16.8
25	Uber	28.2%	-6	4.4%	9.4
26	Southwest	18.8%	1	4.5%	6.8
27	Waste Management	17.7%	1	3.0%	15.8
28	Toll Brothers	17.2%	-2	6.2%	(14.8)
29	ExxonMobil	11.6%	--	4.2%	(10.0)
30	Facebook	0.3%	--	2.4%	(16.7)
	Top 3rd	**74.5%**		**4.3%**	**39.1**
	Middle 3rd	**52.2%**		**4.2%**	**20.1**
	Bottom 3rd	**23.2%**		**4.1%**	**6.3**

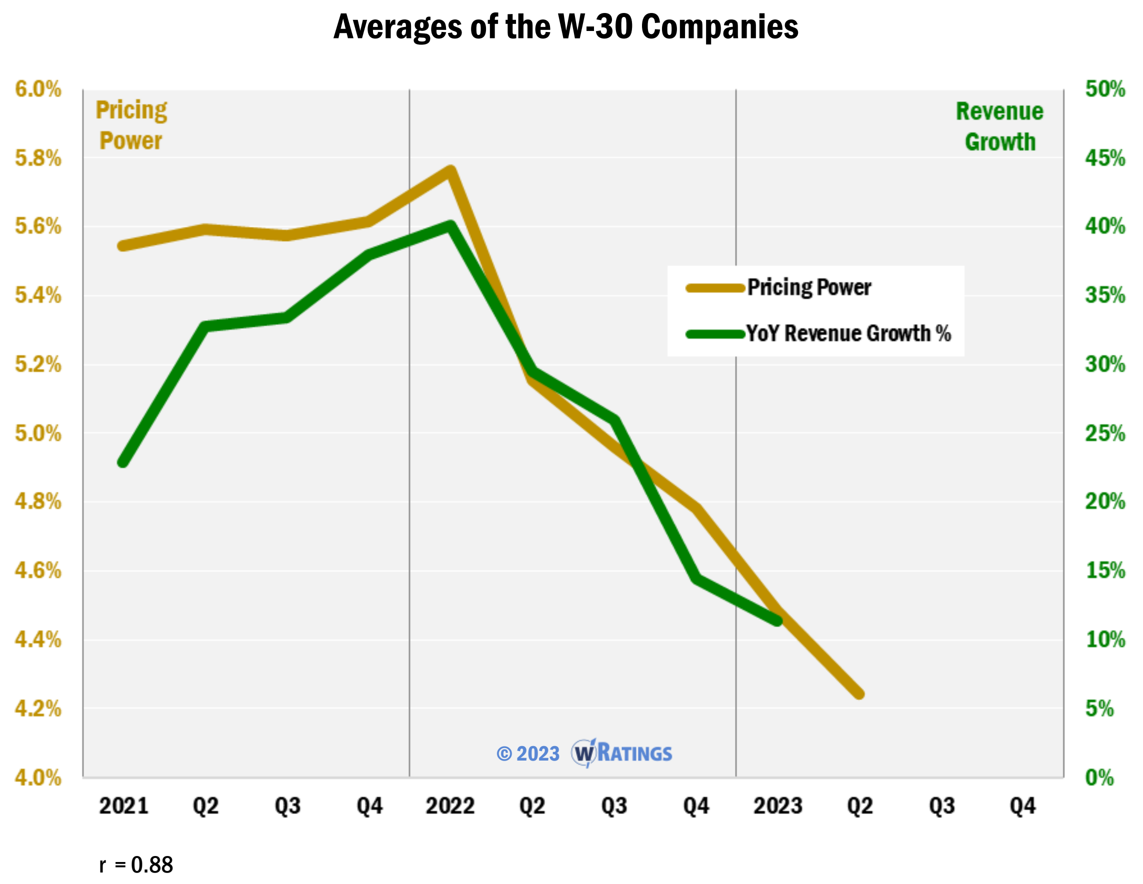
Pricing Power Trends

Pricing power is one of the best indicators for a company's future revenue growth.

Since the start of 2022, pricing power has dropped from its recent high of 5.8% to a new low of 4.2%. This indicates that further drops in revenue growth are likely.

We measure Pricing Power by asking customers how much more they are willing to pay if companies could meet their expectations.

The metric is both prescriptive and diagnostic to companies, by providing a forward-looking view into how much pricing power is available as well as how to achieve by closing their performance gaps.



Business Frameworks Matter

While customers evaluate options based on their fair-value, companies choose how to compete as a Premium, Discount, Standard or Challenger option. Those choices matter to customers as economic conditions impact their decision-making, often favoring certain frameworks over the others.

Although pricing power has been declining, winners and losers are emerging.

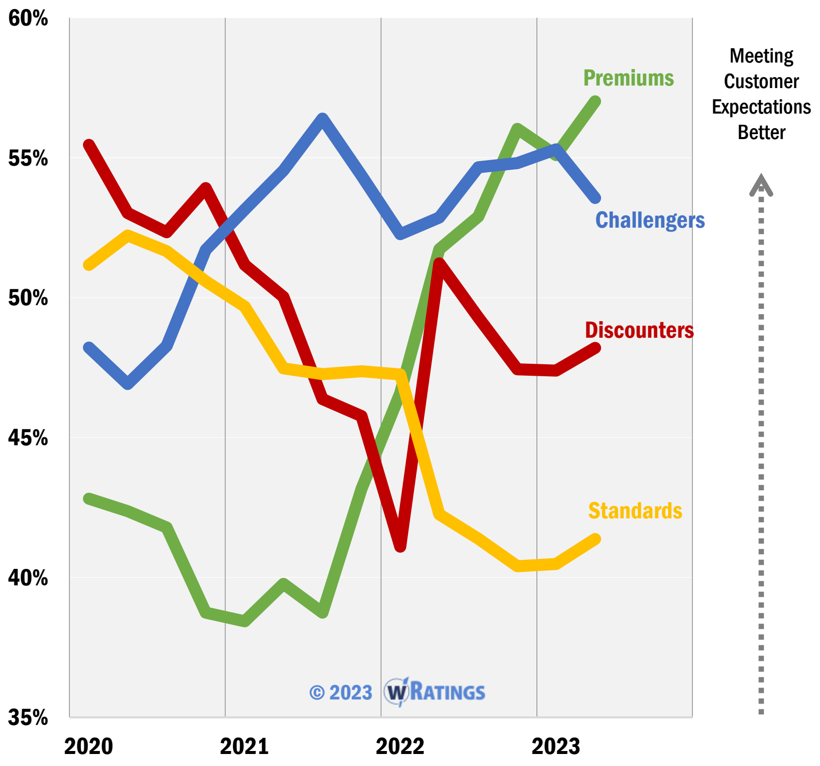
- **Premiums** such as Apple, lululemon and Deere are the largest winners as they have improved at meeting customer expectations the best since early 2021
- **Challengers**, those companies with new/ innovative ways to do business, remain the most consistent
- **Discounters (or Ad-Based)**, which contain a few Standards & Challengers, are the most volatile and are making a comeback
- **Standards** like ExxonMobil and Intel have been hit the hardest as customers search for more distinctive, compelling value

W-30 by Business Framework

	STANDARDS	PREMIUMS	CHALLENGERS
Media/ Technology	facebook* intel Microsoft	Disney Apple	NETFLIX Roku zoom*
Food/ Retail	Domino's amazon Costco Wholesale*	Starbucks Coffee lululemon	Beyond Meat crocs TSC Tractor Supply Co
Industrial/ Transport	ExxonMobil Boeing Southwest*	John Deere ups	WM Waste Management Tesla Uber
Home/ Finance	Johnson & Johnson charles SCHWAB*	Toll Brothers American Express	Zillow* Block

* Discounters or Ad-Based

W-30 Average Moat Scores By Business Framework Group



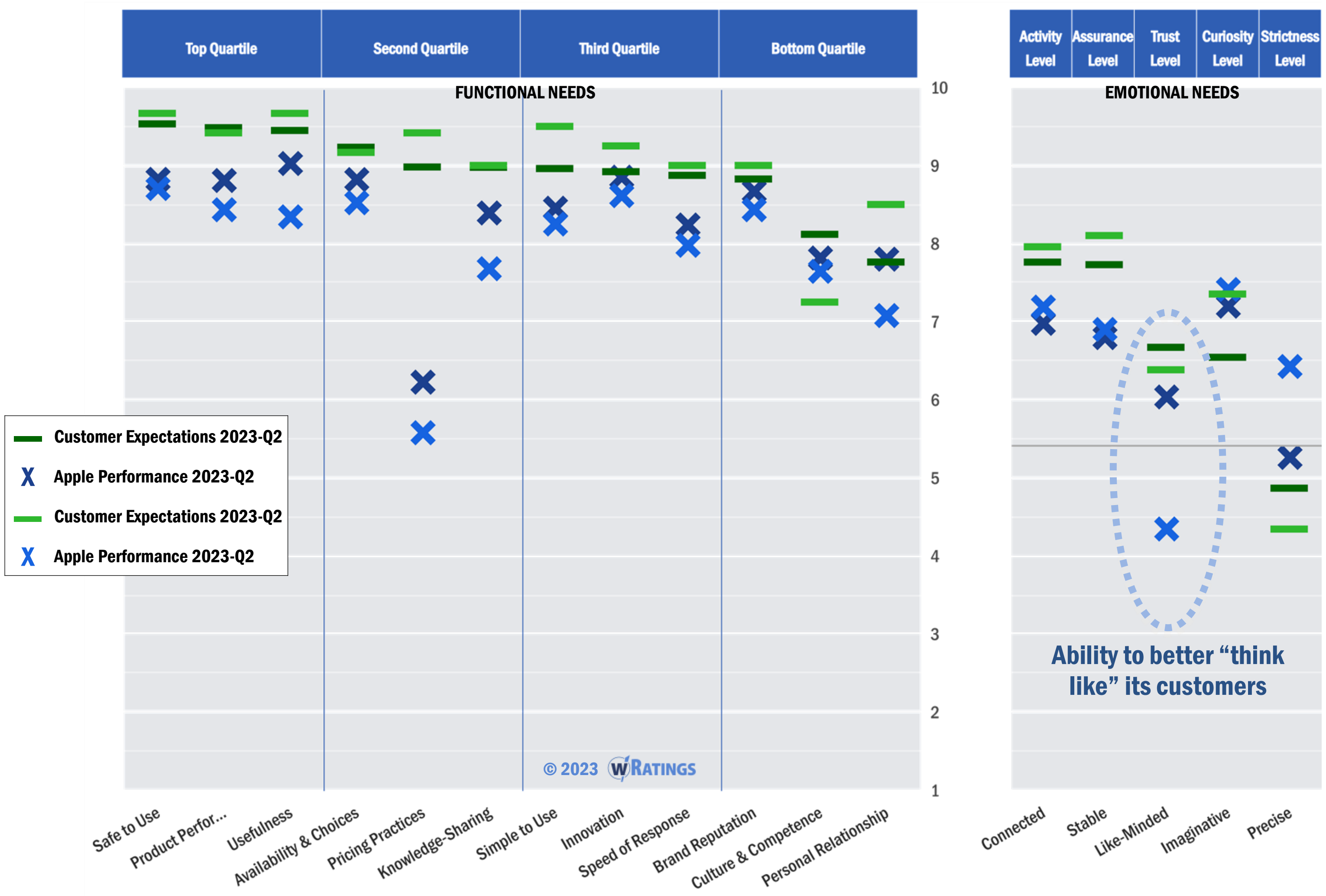
Apple Rediscovered Its Superpower

In January 2022, Apple became the first company in the world to be valued at $3 trillion by the market. Apple recently hit the $3 trillion mark again.

Over the past several years, Apple has been making marked improvement in their ability to meet customer expectations. In 2022-Q1, Apple was ranked #17 in our Most Competitive Companies. Since 2022-Q3, they've not been out of our Top 5.

Apple has been savvy in how they've become more competitive. First is the obvious way: They've improved their satisfaction levels across all functional needs. But they've also tapped down and set customer expectations more properly. The result? Smaller gaps between what their customers want and how Apple performs.

But Apple is an emotionally-driven company for customers. The real key is that Apple regained its superpower to "think like" its customers, thereby reestablishing the bond they had for decades.



About wRatings

We are an independent, competitive research firm that make revenue growth visible for executives to improve decision making.

Since 2015, the top 25 performing companies from our universe of coverage has grown 171.1%, beating the S&P500 total return of 153.6% as of July 1, 2023.

We make a series of fixed investments in tools, benchmarks and predictive analytics. Using our proprietary algorithms and patented methods, we build forward-looking views of where companies can create compelling value for their customers.

In May 2002, our research was highlighted as the cover article in **Harvard Business Review**. We are a partner to the *Drucker Institute* to score the best managed companies, which is published in the **Wall Street Journal** every December.

CEOs/Executive Teams and PE Firms/Hedge Funds gain real-time access to our research & analytics through our fully automated platform (Software-as-a-Service).

FIXED INVESTMENTS

Our Platform (Software-as-a-Service)

Patents, Analytics & Predictive Power

Benchmark Database

LEVERAGED BY

Online Panels & Business Members

Articles & Books

THE W REPORT
WSJ

Reports, Indexes & Events

SUBSCRIBED BY

CEOs & Executive Teams

PE Firms & Hedge Funds

Companies scoring the highest in our ratings out-perform the S&P 500, Russell 1000 and Russell 2500

Our Top Companies	S&P 500 (Total Return)	Russell 1000 (Total Return)	Russell 2500 (Total Return)
171.1%	153.6%	148.6%	93.1%

Source: Concentus Wealth Advisors, July 1st, 2023

THE W™ REPORT

For more information, go to wRatings.com