



# Airlines

# 50

# 2021

The annual report on the most valuable and strongest airline brands  
July 2021

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# About Brand Finance.

Brand Finance is the world's leading brand valuation consultancy.

## We bridge the gap between marketing and finance

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For 25 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

## We quantify the financial value of brands

We put 5,000 of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish nearly 100 reports annually.

## We offer a unique combination of expertise

Our teams have experience across a wide range of disciplines from marketing and market research, to brand strategy and visual identity, to tax and accounting.

## We pride ourselves on technical credibility

Brand Finance is a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, and the first brand valuation consultancy to join the International Valuation Standards Council.

Our experts helped craft the internationally recognised standards on Brand Valuation – ISO 10668 and Brand Evaluation – ISO 20671. Our methodology has been certified by global independent auditors – Austrian Standards – as compliant with both, and received the official approval of the Marketing Accountability Standards Board.



# Get in Touch.

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Brand Finance® 

# Request your own Brand Value Report

A Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your brand's value.

Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors.

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Education

  
Communication

  
Understanding

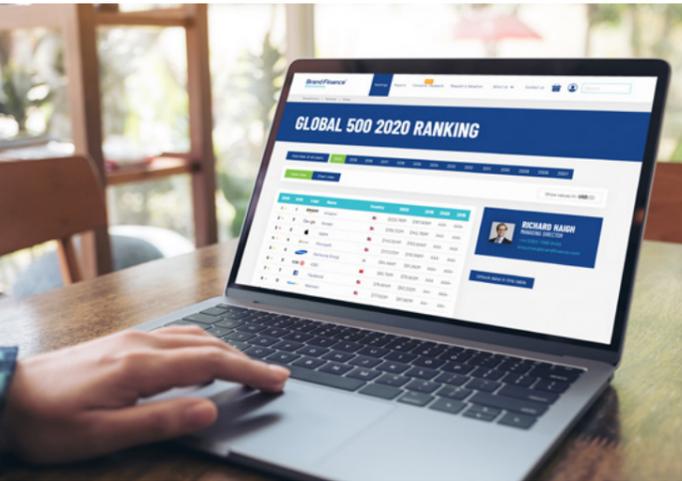
  
Insight

  
Strategy

# Contents

# Benefits

# Brandirectory.com



Brandirectory is the world's largest database of current and historical brand values, providing easy access to all Brand Finance rankings, reports, whitepapers, and consumer research published since 2007.

- + Browse thousands of published brand values
- + Track brand value, strength, and rating across publications and over time
- + Use interactive charts to compare brand values across countries, sectors, and global rankings
- + Purchase and instantly unlock premium data, complete brand rankings, and research

Visit [brandirectory.com](http://brandirectory.com) to find out more.

## Brand Finance Group.



**Brand Finance**  
Institute

### Brand Finance Institute

Brand Finance Institute is the educational division of Brand Finance, whose purpose is to create and foster a professional environment for knowledge-sharing and networking among practitioners and experts in the market. BFI organises events, in-company training, and corporate educational initiatives around the world. In the quest for marketing excellence and with the purpose to equip the brand valuation and strategy practitioners with the necessary skills and tools, we have developed a wide range of programmes and certifications in collaboration with the most coveted business schools, universities and thought leaders in the field.

**Brand Dialogue**



### Brand Dialogue

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Brand Dialogue has over 25 years of experience in delivering campaigns driven by research, measurement, and strategic thinking for a variety of clients, with a strong background in geographic branding, including supporting nation brands and brands with a geographical indication (GI). Brand Dialogue manages communications activities across Brand Finance Group's companies and network.

**vi360**

### VI360

VI360 is a brand identity management consultancy working for clients of all sizes on brand compliance, brand transition, and brand identity management. VI360 provide straightforward and practical brand management that results in tangible benefits for your business.

Brand Finance®



# Global Brand Equity Monitor

- Original market research on **2,500 brands**
- 29 countries** and **23 sectors** covered
- More than **50,000 respondents** surveyed annually
- We are now **in our 5<sup>th</sup> consecutive year** conducting the study

Visit [brandirectory.com/consumer-research](http://brandirectory.com/consumer-research) or email [enquiries@brandfinance.com](mailto:enquiries@brandfinance.com)



# Foreword.



**David Haigh**  
CEO, Brand Finance

25 years ago, on 1<sup>st</sup> April 1996, I launched Brand Finance to 'Bridge the Gap Between Marketing and Finance'. I thought that the gap between the silos would progressively disappear as finance people learned the importance of marketing for driving growth and marketing people learned the need for financial accountability.

Progress has been made but the gap is still there and we are now working hard through our publications, rankings, forums and the Brand Finance Institute training programmes to narrow the gap.

Over the last 25 years we have lived through four major recessions: 2001, when the dotcom bubble burst; 2009, when the Great Financial Crash washed over us; 2013, when the Euro caused a meltdown in Europe and in 2020, when the Covid Pandemic brought the world to a halt.

Brand Finance has been through many ups and downs but we have survived because we have always tried to lead our growing niche market. We claim to be the World's Leading Brand Valuation Consultancy. Over the last 25 years we have innovated continuously in our market place and we have transparently shared our innovations, knowledge and techniques to help grow the market, most obviously via ISO global standards on Brand Valuation and Brand Evaluation.

Throughout the last 25 years we have always invested heavily in training and professionalising our staff, in research to bring greater insight to our work and in high profile marketing and communications. We practice what we preach to clients.

There has never been greater recognition of brands as assets and the need to manage them for value. We are poised for significant growth as CEOs and Boards wake up to the need to manage brands better.

I started Brand Finance in the spare bedroom in Teddington. We now operate from the Brand Exchange building in the heart of the City of London and in 25 cities worldwide.

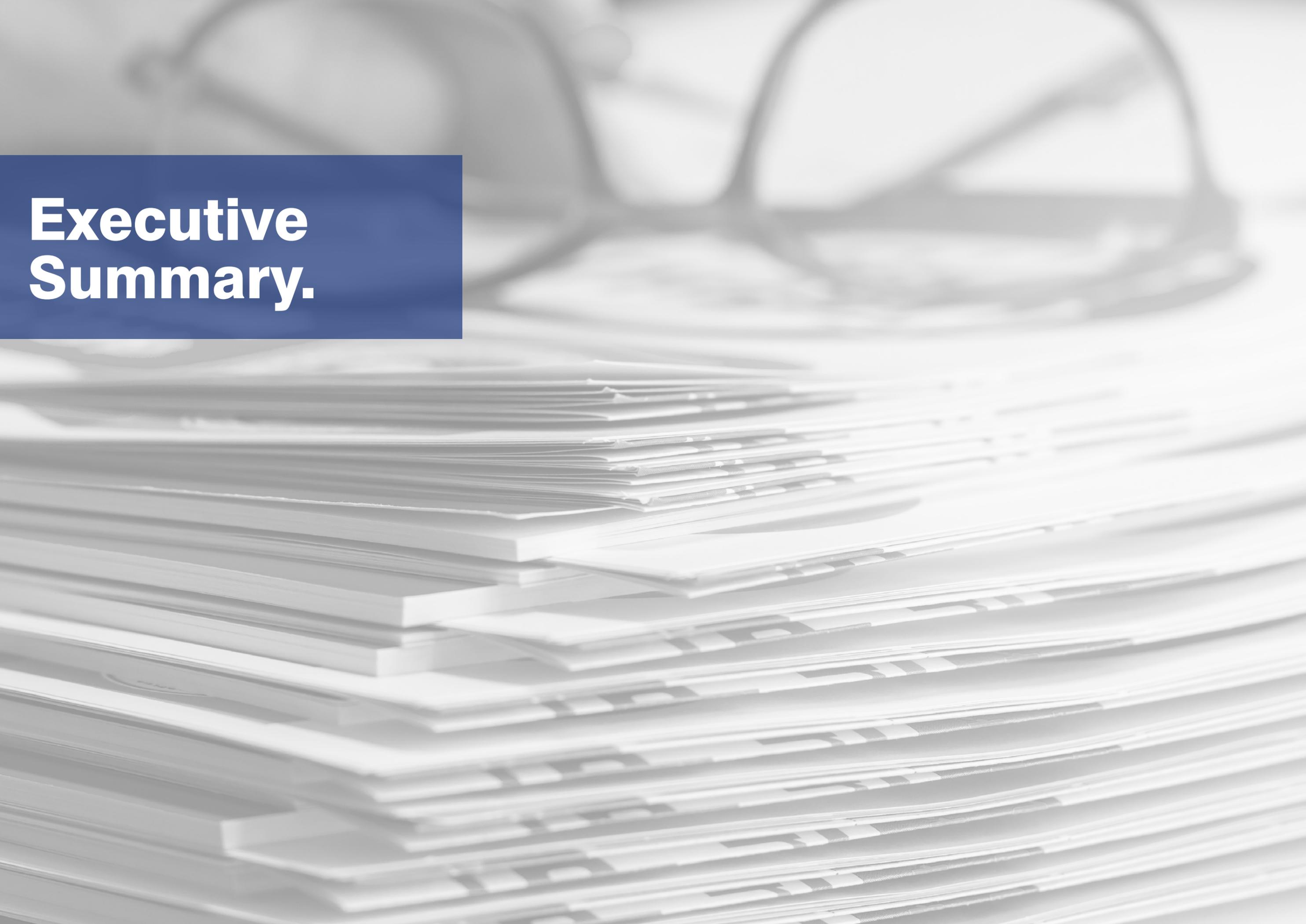
Over the last 25 years, many famous brands have disappeared or declined. Many new brands have emerged. Sectors have risen and fallen. Oil and gas brands are in decline while data- and technology-driven brands are booming. America and Europe are losing out to China and Asia.

But while there may be volatility, brands have never been more important for Nations, Companies, Products and Services. With a nudge from Brand Finance even Football teams and the Monarchy now recognise that they have valuable brands.

I hope the next 25 years will be as interesting and fun as the last. I would like to thank all the clients, staff and partners who have helped Brand Finance over the last 25 years.

# World's Top Airline Brands Lose Over \$35 Billion in Brand Value.

- + Total value of world's top 50 most valuable airline brands has declined by a third as sector significantly impacted by COVID-19 pandemic
- + **Delta, American Airlines, and United Airlines** have retained top three spots in Brand Finance Airlines 50 2021 ranking
- + **Saudia** is highest ranked new entrant in 39<sup>th</sup>; two other new entrants: **Jetstar** and **Avianca**
- + Flag carrier brands have benefitted from increasing reputation and trust over last 12 months; challenge remains to retain and translate this equity into growth as sector starts long path to recovery
- + **Aeroflot** flies high as sector's strongest brand with AAA brand strength rating



# Executive Summary.

# Executive Summary.



The total value of the world's top 50 most valuable airline brands has declined by a third, decreasing from US\$108.6 billion in 2020 to US\$72.9 billion in 2021.

The airline sector is one of the most severely affected by the COVID-19 pandemic, with international travel at a near complete standstill since the beginning of 2020. With airlines forced to ground a significant amount of their fleets and cut flights down to worryingly low numbers, brands are grappling with depleting cash reserves and a dependence on government or state support.

The International Air Transport Association (IATA) has forecast that the industry will not make a full recovery to pre-pandemic levels until 2023 or 2024. According to Brand Finance's analysis, low-cost airlines are predicted to make a quicker recovery than their full-service counterparts. Both, however, will be relying upon the continued speedy and successful rollout of vaccinations globally, as well as the effective control of new variants emerging. Business travel is expected to stagnate, while leisure travel is likely to be the main driver behind recovery across the industry.

## No movement in top three

American airline brands, **Delta**, **American Airlines**, and **United Airlines** have retained the top three spots in the Brand Finance Airlines 50 2021 ranking. With all three brands exposed to the same business conditions throughout the pandemic in the US, their respective brand values have taken a similar hit, losing between 38% and 40%. Domestic travel in the US has already begun to steadily recover and over the summer months

**As predicted, airline brands have had a turbulent ride since the outbreak of the pandemic, with brand values plummeting across the board. With recovery closely tied to vaccination rates, we will likely witness short-haul flights and airline carriers rebound quicker compared to long-haul. Airlines that successfully manage to fly through the economic storm of the pandemic and protect their brands, are likely to be more resilient and perform better as we return to normality.**

**Savio D'Souza**  
Valuation Director, Brand Finance

is expected to strengthen further, therefore brand values in the coming year should improve as a result.

The sector's most valuable brand, **Delta** (brand value US\$5.8 billion) has ensured that employees and customers have remained the top priority throughout the pandemic and has been recognised as a leading brand for customer service, communications, and flexibility – the latter of which is vital in the uncertain COVID environment.

## Three new entrants

There are three new entrants into the ranking this year: **Saudia** (brand value US\$506 million) in 39<sup>th</sup>; **Jetstar** (brand value US\$360 million) in 49<sup>th</sup>; and **Avianca** (brand value US\$356 million) in 50<sup>th</sup>.

Highest new entrant, Saudia, has weathered the COVID-induced storm by redirecting its resources to its strong domestic market. Saudi Arabia has recently revealed its vision for the kingdom to be a tourism and logistics hub with over 100 million tourists by 2030, increasing the number of destinations to 250 and doubling air cargo capacity.

Saudia plans to significantly increase its fleet size to capture this growth in the market. This expected domestic growth and ambitions of the Vision 2030

## Brand Value Change 2020-2021 (%)



## Top 10 Most Valuable Brands

Rank	Airline	2021 Brand Value	2020 Brand Value	% Change
1	DELTA	\$5,770m	\$9,229m	-37.5%
2	American Airlines	\$5,336m	\$8,882m	-39.9%
3	UNITED	\$5,003m	\$8,227m	-39.2%
4	Emirates	\$4,669m	\$6,860m	-31.9%
5	Southwest	\$3,971m	\$5,980m	-33.6%
6	AIR CHINA 中國國際航空公司	\$2,880m	\$4,370m	-34.1%
7	中國南方航空 CHINA SOUTHERN	\$2,601m	\$4,054m	-35.8%
8	中國東方航空 CHINA EASTERN	\$2,171m	\$3,218m	-32.5%
9	AIR CANADA	\$2,169m	\$3,708m	-41.5%
10	BRITISH AIRWAYS	\$2,092m	\$3,660m	-42.8%



make the Saudia brand as one to watch as it builds its international brand strength and value.

### Flag carriers build trust and reputation, but can they translate it to a commercial advantage?

In addition to measuring overall brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. Across the ranking, flag carriers on average receive both higher global and domestic Brand Strength Index (BSI) scores. In Brand Finance's latest Global Brand Equity Monitor, flag carriers outperform non-flag carriers on two key metrics of recommendation by 16 points and reputation by 12 points.

Flag carriers, in general, have benefitted from greater state support than their non-flag carrier counterparts. This has taken place in direct financial support, as well as through indirect support through furlough schemes, jobs, or tax deferrals. They have also kept flying during the pandemic on vital routes while lower-cost peers have been forced to shut routes. This has helped bolster trust and reputation of flag carrier brands.

### Brand Value by Country



Country	Brand Value (USD bn)	% of total	Number of Brands
United States	22.9	31.4%	7
China	12.4	17.0%	10
UAE	5.3	7.3%	2
United Kingdom	3.9	5.3%	3
Japan	3.2	4.3%	2
Canada	2.6	3.6%	2
Other	24.4	33.5%	27
<b>Total</b>	<b>72.9</b>	<b>100.0%</b>	<b>50</b>

### Aeroflot flies high as sector's strongest

According to Brand Finance's Brand Strength Index, **Aeroflot** (down 38% to US\$1.0 billion) is once again the world's strongest airline brand, with a BSI score of 89.5 out of 100 and a corresponding AAA brand strength rating.

Aeroflot has recently undertaken a shift in strategy towards becoming a more premium class travel option. As many other major airlines are being forced to make cuts in capital expenditure and suspend aircraft deliveries, Aeroflot is awaiting new generation aircrafts to gradually replace its older fleet.

As one of the oldest airlines in the world, Russia's national flag carrier has clearly demonstrated that despite reduced air travel it continues to have a strong presence in consumers' mind, with its reputation improving from 84.0 to 90.0 out of 100 this year, according to Brand Finance's Global Brand Equity Monitor.

**Once again, Aeroflot has been named the world's strongest airline brand. The airline's strong and vast heritage, paired with its constant strive to innovate and improve its strategy, stand it in good stead to put itself in a solid position in the global airlines market once international travel restrictions ease.**

**Savio D'Souza**  
Valuation Director, Brand Finance

### Top 5 Strongest Brands\*

	<b>1</b> ← 1	
	2021: <b>89.5</b> AAA	-2.6
	2020: <b>92.1</b> AAA+	
	<b>2</b> ← 2	
	2021: <b>89.0</b> AAA	-2.5
	2020: <b>91.5</b> AAA+	
	<b>3</b> ← 3	
	2021: <b>86.9</b> AAA	-3.9
	2020: <b>90.8</b> AAA+	
	<b>4</b> ← 4	
	2021: <b>86.4</b> AAA	-3.4
	2020: <b>89.8</b> AAA+	
	<b>5</b> ↑ 7	
	2021: <b>83.4</b> AAA-	-2.6
	2020: <b>86.0</b> AAA	

\*Based on domestic market research scores of each carrier



# Brand Finance Airlines 50 (USD m).

## Top 50 most valuable airline brands

2021 Rank	2020 Rank	Brand	Country	2021 Brand Value	Brand Value Change	2020 Brand Value	2021 Brand Rating	2020 Brand Rating
1	1	← Delta	United States	\$5,770	-37.5%	\$9,229	AA	AA+
2	2	← American Airlines	United States	\$5,336	-39.9%	\$8,882	AA-	AA+
3	3	← United Airlines	United States	\$5,003	-39.2%	\$8,227	AA-	AA
4	4	← Emirates	UAE	\$4,669	-31.9%	\$6,860	AAA-	AAA
5	5	← Southwest Airlines	United States	\$3,971	-33.6%	\$5,980	AA+	AAA-
6	6	← Air China	China	\$2,880	-34.1%	\$4,370	AA	AA+
7	7	← China Southern	China	\$2,601	-35.8%	\$4,054	AA+	AA+
8	10	↑ China Eastern	China	\$2,171	-32.5%	\$3,218	AA	AA
9	8	↓ Air Canada	Canada	\$2,169	-41.5%	\$3,708	AA	AA+
10	9	↓ British Airways	United Kingdom	\$2,092	-42.8%	\$3,660	AA	AA+
11	11	← Lufthansa	Germany	🔒	🔒	🔒	🔒	🔒
12	14	↑ Qatar Airways	Qatar	🔒	🔒	🔒	🔒	🔒
13	16	↑ Ryanair	Ireland	🔒	🔒	🔒	🔒	🔒
14	12	↓ Japan Airlines	Japan	🔒	🔒	🔒	🔒	🔒
15	17	↑ Turkish Airlines	Turkey	🔒	🔒	🔒	🔒	🔒
16	15	↓ Qantas	Australia	🔒	🔒	🔒	🔒	🔒
17	13	↓ ANA	Japan	🔒	🔒	🔒	🔒	🔒
18	19	↑ Air France	France	🔒	🔒	🔒	🔒	🔒
19	22	↑ Easyjet	United Kingdom	🔒	🔒	🔒	🔒	🔒
20	25	↑ AirAsia	Malaysia	🔒	🔒	🔒	🔒	🔒
21	23	↑ Alaska Airlines	United States	🔒	🔒	🔒	🔒	🔒
22	20	↓ Singapore Airlines	Singapore	🔒	🔒	🔒	🔒	🔒
23	21	↓ Korean Air	South Korea	🔒	🔒	🔒	🔒	🔒
24	18	↓ Jetblue Airways	United States	🔒	🔒	🔒	🔒	🔒
25	24	↓ Aeroflot	Russia	🔒	🔒	🔒	🔒	🔒
26	26	← LATAM Airlines	Chile	🔒	🔒	🔒	🔒	🔒
27	29	↑ Hainan Airlines	China	🔒	🔒	🔒	🔒	🔒
28	30	↑ KLM	Netherlands	🔒	🔒	🔒	🔒	🔒
29	32	↑ Shenzhen Airlines	China	🔒	🔒	🔒	🔒	🔒
30	31	↑ Xiamen Airlines	China	🔒	🔒	🔒	🔒	🔒
31	27	↓ Thai Airways	Thailand	🔒	🔒	🔒	🔒	🔒
32	28	↓ Cathay Pacific	China	🔒	🔒	🔒	🔒	🔒
33	35	↑ Etihad Airways	UAE	🔒	🔒	🔒	🔒	🔒
34	34	← Iberia	Spain	🔒	🔒	🔒	🔒	🔒
35	33	↓ Asiana Airlines	South Korea	🔒	🔒	🔒	🔒	🔒
36	43	↑ Indigo	India	🔒	🔒	🔒	🔒	🔒
37	38	↑ Wizz Air	Hungary	🔒	🔒	🔒	🔒	🔒
38	36	↓ Jet2.com	United Kingdom	🔒	🔒	🔒	🔒	🔒
39	-	New Saudia	Saudi Arabia	🔒	🔒	🔒	🔒	🔒
40	42	↑ China Airlines	China	🔒	🔒	🔒	🔒	🔒
41	40	↓ Juneyao Airlines	China	🔒	🔒	🔒	🔒	🔒
42	47	↑ Air New Zealand	New Zealand	🔒	🔒	🔒	🔒	🔒
43	39	↓ WestJet	Canada	🔒	🔒	🔒	🔒	🔒
44	41	↓ Eva Airways	China	🔒	🔒	🔒	🔒	🔒
45	37	↓ Spirit Airlines	United States	🔒	🔒	🔒	🔒	🔒
46	46	← Swiss	Switzerland	🔒	🔒	🔒	🔒	🔒
47	50	↑ Vueling	Spain	🔒	🔒	🔒	🔒	🔒
48	45	↓ Garuda Indonesia	Indonesia	🔒	🔒	🔒	🔒	🔒
49	-	New Jetstar	Australia	🔒	🔒	🔒	🔒	🔒
50	-	New Avianca	Panama	🔒	🔒	🔒	🔒	🔒



# Sector Reputation Analysis.

## Benchmarking against the very best

Brand Finance's brand evaluations are designed to facilitate broader comparisons with brands across markets, and both within and across industries. This provides a more rounded assessment of brand strength, with benchmarking against the very best.

This perspective is particularly important as brand categories converge, with new technologies enabling disruption and brands seeking tactical entry into neighbouring categories. Brands with a strong reputation also have licensing opportunities in new sectors.

This year's global sector reputation rankings from our B2C research included a significantly larger number of product categories, with scores for over 2,500 brands.

## Airline ranking marginally lower

Overall, reputation scores are slightly higher in 2021 across sectors covered both this year and last. In part, this reverses a small dip from 2020, but the impact of COVID-19 cannot be discounted. In a challenging year, consumers have relied upon and tested brands in different ways, and the best brands have stood up well to the challenge, keeping kitchens and wardrobes stocked and essential services available. Scores for retailers notably improved.

Sentiment towards airlines also improved slightly but as much as for other sectors, and on the whole the reputation of brands in the sector is not especially strong. In that context, airlines' appeals for relief and financial support in a disrupted year may not get as much public support as would be hoped.

## Supermarkets, restaurants, and apparel shine

In many countries, being able to obtain basic groceries became a challenge for the first time in decades, as shopping was restricted and demand for online delivery slots surged. But by and large, supermarkets have responded well, and consumers have noted this. The average reputation score in the sector increased significantly year-on-year, and brands such as **Aldi**, **Lidl**, and **Migros** have improved already-strong reputations.

A similar dynamic has helped restaurants to a lesser degree, ensuring that brands in this sector maintain a

## Sectors Ranked by Reputation

	<b>1=</b> <b>Cosmetics</b>	<b>7.6</b> <sub>/10</sub>
	<b>1=</b> <b>Food</b>	<b>7.6</b> <sub>/10</sub>
	<b>3</b> <b>Appliances</b>	<b>7.5</b> <sub>/10</sub>
	<b>4=</b> <b>Hotels</b>	<b>7.4</b> <sub>/10</sub>
	<b>4=</b> <b>Retail</b>	<b>7.4</b> <sub>/10</sub>
	<b>6=</b> <b>Apparel</b>	<b>7.3</b> <sub>/10</sub>
	<b>6=</b> <b>Beers</b>	<b>7.3</b> <sub>/10</sub>
	<b>8=</b> <b>Supermarkets</b>	<b>7.2</b> <sub>/10</sub>
	<b>8=</b> <b>Pharma</b>	<b>7.2</b> <sub>/10</sub>
	<b>8=</b> <b>Oil &amp; Gas</b>	<b>7.2</b> <sub>/10</sub>

	<b>8=</b> <b>Restaurants</b>	<b>7.2</b> <sub>/10</sub>
	<b>12=</b> <b>Tech</b>	<b>7.1</b> <sub>/10</sub>
	<b>12=</b> <b>Automobiles</b>	<b>7.1</b> <sub>/10</sub>
	<b>12=</b> <b>Logistics</b>	<b>7.1</b> <sub>/10</sub>
	<b>15</b> <b>Real Estate</b>	<b>6.9</b> <sub>/10</sub>
	<b>16</b> <b>Airlines</b>	<b>6.8</b> <sub>/10</sub>
	<b>17</b> <b>Insurance</b>	<b>6.6</b> <sub>/10</sub>
	<b>18</b> <b>Utilities</b>	<b>6.5</b> <sub>/10</sub>
	<b>19=</b> <b>Telecoms</b>	<b>6.3</b> <sub>/10</sub>
	<b>19=</b> <b>Banking</b>	<b>6.3</b> <sub>/10</sub>

positive reputation overall, despite reduced levels of in-store experiences. Apparel brands have also seemingly benefited from this dynamic, as the shift to online shopping accelerates.

## FMCG brands have outstanding reputation

Major cosmetics and food brands have the highest reputations, on average, a reminder of the enduring value of a strong brand – some of the top performers are over a century old. The positive reputations of global giants such as **Johnson's**, **Dove**, **Danone**, and (in some markets) **Nestlé** have been nurtured and refreshed over long periods. Local favourites, such as **Bimbo** (Mexico) and **Amul** (India), show that they can match their global counterparts.

## Tech admired, but not universally

The overall ranking of the tech sector fell slightly, and while the biggest brands such as **YouTube**, **Google**, and **Apple** continue to enjoy strong reputations, not all consumers are in love with these brands. **Amazon**, for example, ranks high in some markets (#1 in the sector in the USA, #3 in Spain), but polarises in some markets (e.g. Sweden, France). Similarly, the mixed reputation of brands such as **Facebook** shows no sign of significant improvement. Many consumers may support the increasing regulation of tech giants, and it might also be the case that there is room for an upstart challenger with the right innovation, a fresh approach and perhaps a clean slate.

## Banks and telecoms struggle to improve their standing

Banking and telecoms brands rank lowest of all in many markets for reputation and trust, and last year saw little improvement, though banks did at least pull level with telecoms. As with other sectors, many brands have arguably served customers well in difficult times (with connectivity even more vital in the case of telecoms), but this has not helped erode distrust appreciably. Frustrated CMOs may feel that their brands continue to be taken for granted – unfortunately for them, 'business as usual' means trading water in terms of reputation. Across 2,500 brands, seven of the ten lowest-ranked for reputation are banks, the most prominent being **Deutsche Bank**, which is much-criticised in its home country.

# Brand Spotlight.





Rank	Brand Value	Rank	Brand Strength
<b>25</b>	2021: \$1,047m 2020: \$1,698m	<b>1</b>	2021: 89.5 AAA+ 2020: 92.1 AAA+



**WORLD'S STRONGEST AIRLINE BRAND**

# Interview with Anton Myagkov.



**Anton Myagkov**  
Marketing Director,  
Aeroflot

## How have you evolved your business and brand strategy as a result of the pandemic?

In 2020, our Board of Directors approved a new business strategy for the Aeroflot Group. By 2028, the Group will aim to carry over 130 million passengers, and its fleet is expected to reach a total of 600 aircraft.

The COVID-19 pandemic has accelerated the implementation of the new strategy - we now consider Pobeda Airlines to be a key driver within the group as its passenger traffic has boosted over the past year and a half. With the low cost carrier being one of the world's fastest-growing brands, it is indeed in need of additional aircraft to satisfy the demand. The strategy enables a so-called fleet maneuver - all Boeing 737 aircraft will be transferred from Aeroflot to Pobeda Airlines due to the latter operating a mono type fleet.

Following the fleet maneuver, some of the Aeroflot slots and frequencies will also be transferred to Pobeda Airlines, which will operate those routes more efficiently and generate higher passenger traffic. Despite Pobeda's home base being Vnukovo airport, the airline has also started operations out of Sheremetyevo airport - Aeroflot's home, which resulted in a new model of air travel in the Russian market - code sharing flights between the full service airline Aeroflot and the low cost carrier Pobeda Airlines, which we believe will create more opportunities for passengers in transit.

## What are the 3 key challenges/opportunities for the industry as the sector recovers and how is Aeroflot positioned to take advantage of them?

Without any doubt, the COVID-19 pandemic has caused a significant damage to the airline industry at a global level. Partial fleet groundings, global travel restrictions and major financial losses – these are just a few challenges that carriers have faced since 2020, including Aeroflot.

Despite the border closures and travel restrictions, Aeroflot has managed to adapt swiftly to the new conditions. The Russian market started recovering at high rates by the summer of 2020, becoming one of the largest domestic markets in the world in terms of passenger traffic. Moreover, in May this year, Aeroflot finally launched its second hub in the Russian city of Krasnoyarsk (Eastern Siberia) which was meant to happen in 2020, but had been delayed due to the pandemic. The new hub is in a great location and creates new opportunities for passengers who fly from central Russia to Europe or Asia without having to connect in Moscow. In the future, we will aim to strive for more long-haul traffic from South-East Asia to Europe and vice-versa. In addition to the Siberian hub, Aeroflot launched new flights this year to the south of Russia from a dozen of the largest cities, again without having to connect in Moscow.

In terms of international operations, in 2021 we launched some new routes, such as to the Seychelles, Casablanca, Varadero. Later on this year, we are due to start flying to Cancun and Punta-Cana and resume our Colombo operations. Our research illustrates a high demand for destinations where a negative PCR test or a certificate of vaccinations is sufficient for travelers, without having to quarantine.

## Are there any initiatives you are most proud of that have been implemented at Aeroflot as a result of the pandemic?

Aeroflot, like many other airlines, has had to implement a number of measures in order to support its operations. To name just a few, those were cost cuttings, postponing new aircraft deliveries and debt restructurings.

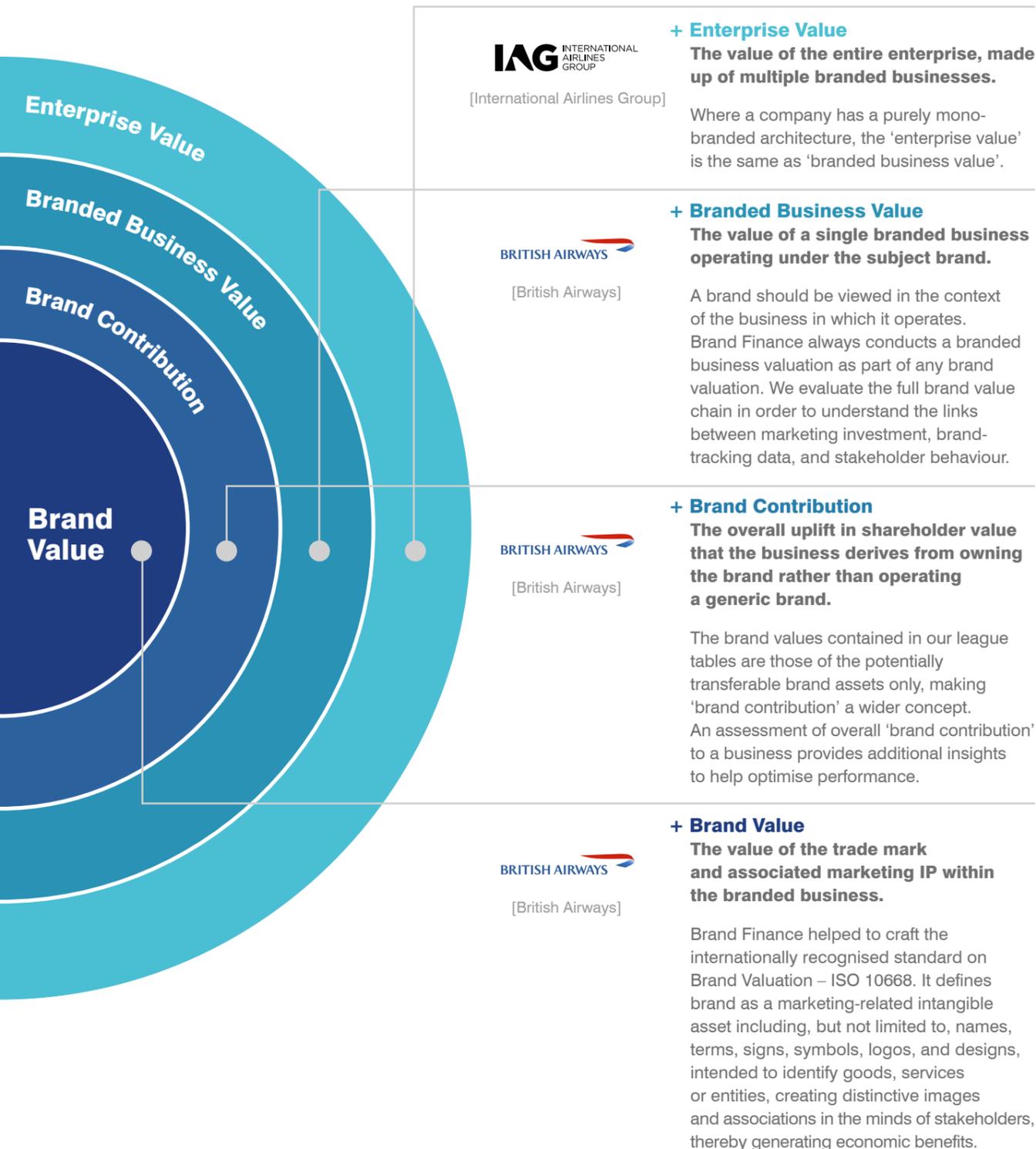
Firstly, despite the extraordinary situation caused by the pandemic, Aeroflot has managed to preserve its unique and highly qualified staff, especially the pilots and cabin crew. Our globally recognised high level of in-flight service has not been significantly affected either, unlike most of the world's leading airlines, which allowed us to maintain a high level of passenger satisfaction (Network Promoter Score). Secondly, due to the recently expanded domestic route network, we have been able to return all parked aircraft back in the sky and resume deliveries of new aircraft types such as the Airbus A350 and the A320neo family. This August, we will be rolling out a brand new cabins across some of our Boeing 777-300 fleet, which will highlight the consistency of our brand new product across all aircraft types.

Finally, earlier this year we launched a reward program to encourage vaccinations against the novel coronavirus infection. Anyone who is double vaccinated can simply upload their vaccination certificate onto our website and receive 10,000 Aeroflot Bonus miles that may be spent on Aeroflot and other members of the Skyteam alliance flights. The programme is called 'Miles of Vaccination', totalling 100,000,000 miles to be given away.

# Methodology.



# Definitions.



# Brand Valuation Methodology.

## Definition of Brand

Brand is defined as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services, or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

## Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the "real" value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the "Royalty Relief" methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people's perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

### Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

**1 Brand Impact**

We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue)

**2 Brand Strength**

We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: "Inputs" which are activities supporting the future strength of the brand; "Equity" which are real current perceptions sourced from our market research and other data partners; "Output" which are brand-related performance measures such as market share.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding Brand Rating up to AAA+ in a format similar to a credit rating.

**3 Brand Impact x Brand Strength**

The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.

**4 Forecast Brand Value Calculation**

We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.

We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

# Brand Strength.

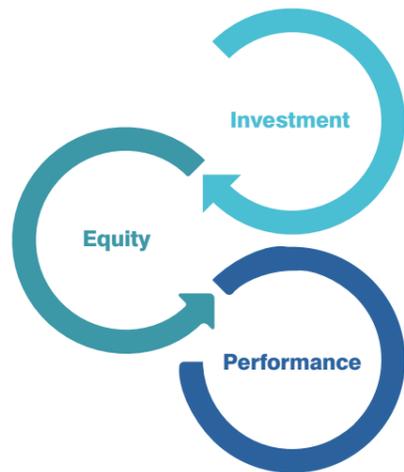
## Brand Strength

Brand Strength is the efficacy of a brand's performance on intangible measures, relative to its competitors.

In order to determine the strength of a brand, we look at Marketing Investment, Stakeholder Equity, and the impact of those on Business Performance.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.



### Marketing Investment

- A brand that has high Marketing Investment but low Stakeholder Equity may be on a path to growth. This high investment is likely to lead to future performance in Stakeholder Equity which would in turn lead to better Business Performance in the future.
- However, high Marketing Investment over an extended period with little improvement in Stakeholder Equity would imply that the brand is unable to shape customers' preference.

### Stakeholder Equity

- The same is true for Stakeholder Equity. If a company has high Stakeholder Equity, it is likely that Business Performance will improve in the future.
- However, if the brand's poor Business Performance persists, it would suggest that the brand is inefficient compared to its competitors in transferring stakeholder sentiment to a volume or price premium.

### Business Performance

- Finally, if a brand has a strong Business Performance but scores poorly on Stakeholder Equity, it would imply that, in the future, the brand's ability to drive value will diminish.
- However, if it is able to sustain these higher outputs, it shows that the brand is particularly efficient at creating value from sentiment compared to its competitors.

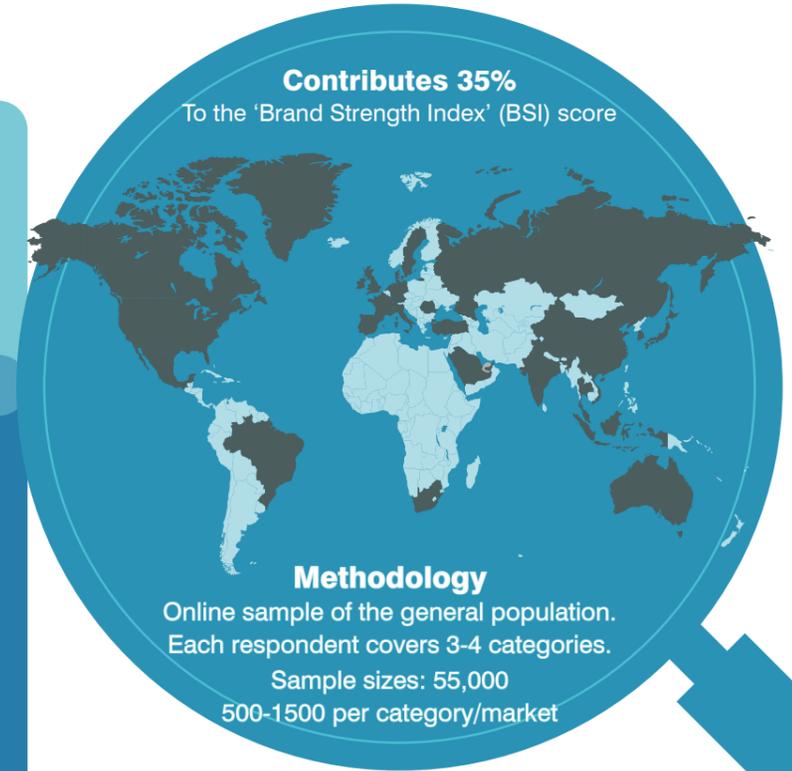
# Brand Equity Research Database.

Original market research in 29 countries and across more than 20 sectors

## Sector Coverage & Classification 2021

Tier 1 sectors cover all measures, Tier 2 KPIs only

- Tier 1 **Banking**
- Tier 1 **Insurance**
- Tier 1 **Telecoms**
- Tier 1 **Utilities**
- T1&T2† **Automotive**
- Tier 2 **Airlines**
- Tier 2 **Apparel**
- Tier 2 **Appliances**
- Tier 2 **Beers**
- Tier 2 **Cosmetics**
- Tier 2 **Food**
- Tier 2 **Hotels**
- Tier 2 **Logistics**
- Tier 2 **Luxury Automobiles**
- Tier 2 **Media**
- Tier 2 **Oil & Gas**
- Tier 2 **Pharma**
- Tier 2 **Real Estate**
- Tier 2 **Restaurants**
- Tier 2 **Retail**
- Tier 2 **Spirits**
- Tier 2 **Supermarkets**
- Tier 2 **Tech**



## Brand KPIs and Diagnostics

### 1. Brand Funnel



### 2. Brand Usage\*

### 3. Quality\*

### 4. Reputation

### 5. Closeness\*

### 6. Recommendation (NPS)\*

### 7. Word of mouth

### 8. Brand Imagery\*

† Brand KPIs and diagnostics differ per sector depending on research tier allocation

\*Tier 1 categories only

**Our Services.**



# Consulting Services.

## Make branding decisions using hard data

### Brand Research

#### What gets measured

Brand evaluations are essential for understanding the strength of your brand against your competitors. Brand Strength is a key indicator of future brand value growth whether identifying the drivers of value or avoiding the areas of weakness, measuring your brand is the only way to manage it effectively.

- + Brand Audits
- + Primary Research
- + Syndicated Studies
- + Brand Scorecards
- + Brand Drivers & Conjoint Analysis
- + Soft Power



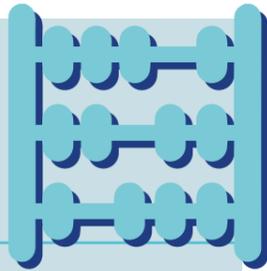
- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?

### Brand Valuation

#### Make your brand's business case

Brand valuations are used for a variety of purposes, including tax, finance, and marketing. Being the interpreter between the language of marketers and finance teams they provide structure for both to work together to maximise returns.

- + Brand Impact Analysis
- + Tax & Transfer Pricing
- + Litigation Support
- + M&A Due Diligence
- + Fair Value Exercises
- + Investor Reporting



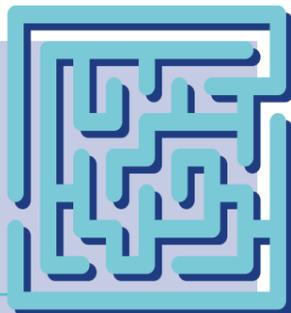
- + How much is my brand worth?
- + How much should I invest in marketing?
- + How much damage does brand misuse cause?
- + Am I tax compliant with the latest transfer pricing?
- + How do I unlock value in a brand acquisition?

### Brand Strategy

#### Make branding decisions with your eyes wide open

Once you understand the value of your brand, you can use it as tool to understand the business impacts of strategic branding decisions in terms of real financial returns.

- + Brand Positioning
- + Brand Architecture
- + Franchising & Licensing
- + Brand Transition
- + Marketing Mix Modelling
- + Sponsorship Strategy



- + Which brand positioning do customers value most?
- + What are our best brand extension opportunities in other categories and markets?
- + Am I licensing my brand effectively?
- + Have I fully optimised my brand portfolio? Am I carrying dead weight?
- + Should I transfer my brand immediately?
- + Is a Masterbrand strategy the right choice for my business?

# Brand Evaluation Services.

## How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

## What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

## Do I have the right brand architecture or strategy in place?

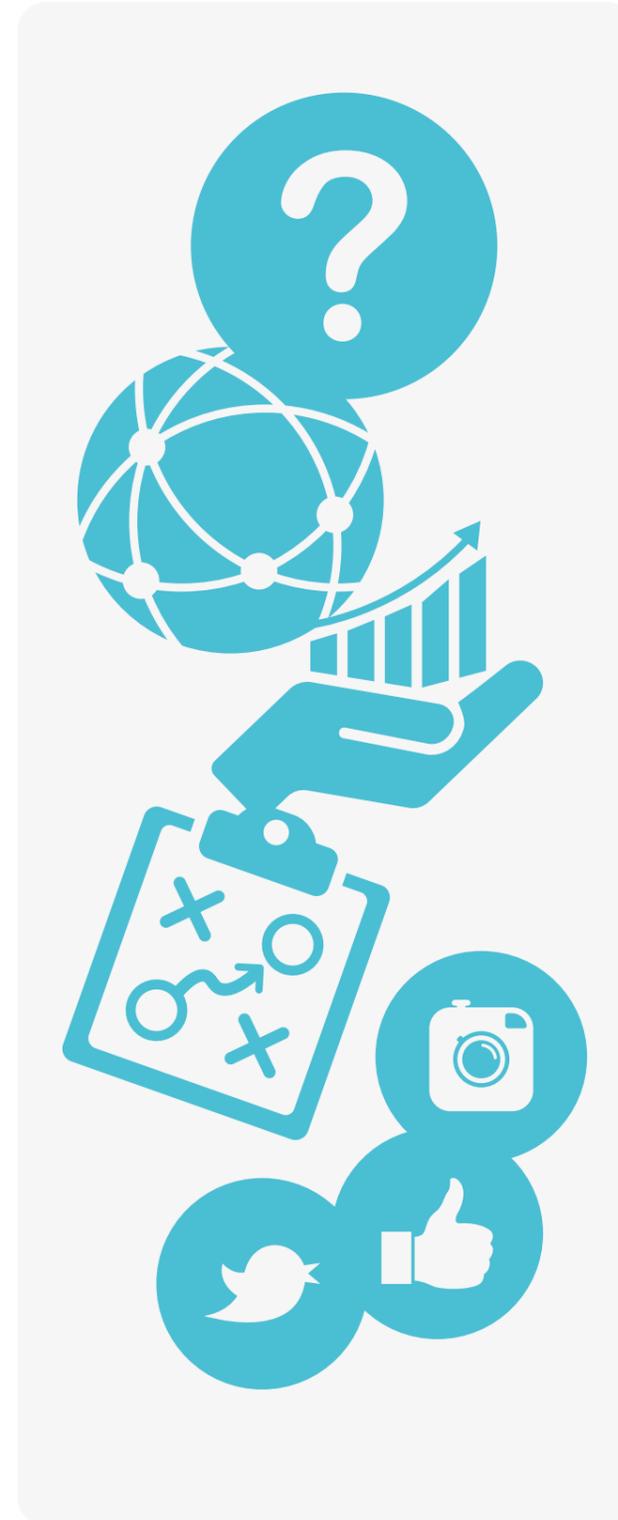
Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

## How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

## What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.



# Communications Services.

## How we can help communicate your brand's performance in brand value rankings



**Brand Accolade** – create a digital endorsement stamp for use in marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.



**TOP 50 AIRLINE BRAND**



**MOST VALUABLE AIRLINE BRAND**



**STRONGEST AIRLINE BRAND**



**Video Endorsement** – record video with Brand Finance CEO or Director speaking about the performance of your brand, for use in both internal and external communications.



**Bespoke Events** – organise an award ceremony or celebratory event, coordinate event opportunities and spearhead communications to make the most of them.



**Digital Infographics** – design infographics visualising your brand's performance for use across social media platforms.



**Trophies & Certificates** – provide a trophy and/or hand-written certificate personally signed by Brand Finance CEO to recognise your brand's performance.



**Sponsored Content** – publish contributed articles, advertorials, and interviews with your brand leader in the relevant Brand Finance report offered to the press.



**Media Support** – provide editorial support in reviewing or copywriting your press release, pitching your content to top journalists, and monitoring media coverage.

# Brand Dialogue®



With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value.

Our approach is integrated, employing tailored solutions for our clients across PR, marketing and social media, to deliver strategic campaigns and helping us to establish and sustain strong client relationships.

We also have a specific focus on geographic branding, including supporting nation brands and brands with a geographical indication (GI).

Brand Dialogue is a member of the Brand Finance plc group of companies



### Research, Strategy & Measurement

- Brand & Communications Strategy
- Campaign Planning
- Communications Workshops
- Market Research & Insights
- Coverage Analysis
- Social Media Analytics



### Public Relations & Communications

- Media Relations
- Press Trips & Events
- Strategic Partnerships
- Relationship Management
- Influencer Outreach
- Media Training
- Social Media Management



### Marketing & Events

- Promotional Events
- Conference Management
- Sponsorship Management
- Native Advertising
- Print Advertising
- Shopper Marketing
- Trade Marketing



### Content Creation

- Bespoke Publications
- Press Releases
- Blog Posts & Newsletters
- Marketing Collateral Design
- Photography & Videography
- Social Media Content



### Strategic Communications

- Crisis Communications
- Brand Positioning & Reputation
- Geographic Branding
- Corporate Social Responsibility (CSR)



For more information, contact [enquiries@brand-dialogue.com](mailto:enquiries@brand-dialogue.com) or visit [www.brand-dialogue.com](http://www.brand-dialogue.com)



**Brand Finance**  
Institute

## Brand Finance Institute

*Learn how to build, protect and measure brand value*

The Brand Finance Institute is the educational division of Brand Finance, offering expert training on brand evaluation, management and strategy.

Our in-house training and workshops, online learning offer and webinars will help you answer key strategic questions about your brand for different levels of seniority and development needs:

- How can I grow brand value?
- How can I build a business case to show the return on my marketing investment?
- How can I set up my marketing budget using brand research and analytics?

For more information, contact [enquiries@brandfinance.com](mailto:enquiries@brandfinance.com)

Brand Finance Institute is a member of the Brand Finance plc group of companies



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For further information on our services and valuation experience, please contact your local representative:

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