Brand Finance®

Oil & Gas 50 2022

The annual report on the most valuable and strongest Oil & Gas brands

May 2022

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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.

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Brand Finance®

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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 performance and offers a cost-effective way to gaining a better understanding of your position against peers.

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+ Track brand value, strength, and rating across publications and over time
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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.

Foreword.

David Haigh
Chairman & CEO,
Brand Finance

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always be 'to make money'.

Huge investments are made in the design, launch, and ongoing promotion of brands. Given their potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial rigour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestimate the significance of their brands to the business. Sceptical finance teams, unconvinced by what they perceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spend there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. The end result can be a slow but steady downward spiral of poor communication, wasted resources, and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity, to tax and accounting. We understand the importance of design, advertising, and marketing, but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of what they do, and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

Brand Finance's research revealed the compelling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company's intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The team and I look forward to continuing the conversation with you.

Shell leads all Oil & Gas brands as COVID, Ukraine and ESG issues disrupt global brand values.

- **Shell** is world's most valuable brand in Oil & Gas, valued at US$49.9 billion
- **Aramco** retains second place globally with 16% brand value growth
- **ADNOC** grows strongly, benefits from top brand guardian CEO in industry
- China's **PetroChina** and **Sinopec** struggle, behind continuing COVID curtain
- **Petronas** is world's strongest Oil & Gas brand with AAA rating
- **Devon** triples in brand value to be world's fastest growing Oil & Gas brand as merger completes

Executive Summary.

Brand Value & Brand Strength Analysis.

Shell is world's most valuable brand in Oil & Gas, valued at US$49.9 billion

Despite COVID, the conflict in Ukraine, and increased awareness about ESG causing widespread havoc to the Oil & Gas sector globally, **Shell** (brand value up 18% to US$49.9 billion) has not only withstood the global disruption, but been able to grow its brand value this year, according to a new report from the world's leading brand value consultancy, Brand Finance. After a tough two years due to wildly fluctuating demand, the Oil & Gas sector is powering ahead with the world's 50 most valuable Oil & Gas brands achieving an aggregate growth of 8% this year.

Shell's brand is increasingly focused on developing an energy transition strategy as it aims to become a net-zero emissions energy business by 2050, in step with society's progress towards the goal of the Paris Agreement on climate change. While the energy transition brings risks to Shell, it also creates new opportunities for the brand to develop. Increasingly, it appears likely to sustainably lead the global Oil & Gas industry transition to a net zero energy system.

Aramco retains second place globally with 16% brand value growth

Saudi oil giant **Aramco** (brand value up 16% to US$43.6 billion) is the world's second most valuable Oil & Gas brand and has substantially recovered its brand value lost during the pandemic.

The energy transformation is both the greatest challenge and the greatest opportunity facing the Oil & Gas sector. The industry can be both optimistic and realistic about the risks and opportunities that lie ahead, but it will be tough for brands to simultaneously navigate the recovery from Covid, the conflict in Ukraine, and broader concerns about environmental sustainability in the future. Shell, Aramco, and others, will be challenged to transform in coming years to leverage their brands to deliver for their customers.

David Haigh
Chairman and CEO of Brand Finance

Top 10 Most Valuable Oil & Gas Brands

1 ← 1	2 ← 2	3 ← 3	4 ← 4	5 ← 5	6 ← 6	7 ← 7	8 ↑ 9	9 ↑ 10	10 ↓ 8
Shell	aramco	PetroChina	Sinopec	bp	TotalEnergies	Chevron	PETRONAS	ADNOC	ExxonMobil
$49.9bn	$43.6bn	$29.7bn	$25.2bn	$19.0bn	$15.1bn	$14.6bn	$13.6bn	$12.8bn	$11.2bn
+18%	+16%	-6%	-5%	-11%	-17%	-8%	+13%	+19%	-17%

Aramco has been serving significantly increased demand for Oil & Gas products, correlated with large fiscal stimulus programs initiated around the world last year.

The increase in demand saw Aramco's third-quarter profits more than triple year-on-year, helping push its market valuation to US$2 trillion. In a sign of confidence and ambition for continued growth, Aramco announced plans to increase its production capacity from 12 million barrels a day to 13 million by 2027. The company has continued to invest heavily in its brand to support growth in both core and growth businesses through a global campaign as well as investments in sports – from Formula 1 to golf.

Aramco is well placed to drive significant further brand value growth supported by surging commodity prices driven by the recovery in global energy demand as key economies reopen and travel restrictions ease amidst higher COVID-19 vaccination rates around much of the developed world.

ADNOC grows strongly, benefits from top brand guardian CEO in industry

Abu Dhabi National Oil Company (ADNOC) continues to achieve significant ongoing growth in brand value, having delivered 174% growth in brand value since the start of their brand transformation journey in 2017. This year, its brand value is up a further 19% to US$12.8 billion, and ADNOC has improved its ranking by one place to become the ninth most valuable Oil & Gas brand in the world.

Beyond the Oil & Gas sector, ADNOC was also the UAE's most valuable brand overall, and the second most valuable brand in the Middle East region. With an eye on the future, and in line with the UAE leadership's 2050 net zero strategy, ADNOC is embracing the energy transition through several strategic initiatives including its global clean energy joint venture with TAQA and Mubadala on renewable energy and green hydrogen. The ADNOC brand is also likely to benefit from UAE's effort to become a global sustainability leader as the nation plans to host COP28, the 2023 UN Climate Change Conference.

Further, ADNOC's Dr Sultan Ahmed Al Jaber is the top brand guardian CEO for the global Oil & Gas sector according to Brand Finance's Brand Guardianship Index. Since becoming ADNOC's Group CEO in 2016, Dr. Sultan has led a rapid and comprehensive transformation of the business, strengthening the company's overall performance and helping to foster a more commercial mindset.

Top 10 Strongest Oil & Gas Brands

Rank	Change	Brand	Brand Strength Index	Change	Brand Rating
1	← 1	PETRONAS	87.7	+0.7	AAA
2	↑ 4	LUKOIL	87.4	+2.3	AAA
3	↑ 6	PETROBRAS	87.2	+3.0	AAA
4	↑ 7		86.7	+3.3	AAA
5	↓ 2	GAZPROM	85.9	-0.8	AAA
6	↑ 8	PERTAMINA	85.6	+2.5	AAA
7	↑ 9	IndianOil	84.1	+1.9	AAA-
8	↑ 19	equinor	82.9	+5.6	AAA-
9	↓ 5	Reliance	81.8	-3.1	AAA-
10	↑ 18	REPSOL	81.3	+3.2	AAA-

As the CEO of one of the world's leading oil companies, Dr Sultan has taken a progressive yet pragmatic position in relation to the global energy transition; extending ADNOC's legacy as a responsible Oil & Gas producer, by further reducing the company's carbon intensity, while driving investment in new energy technologies, such as hydrogen. Within the Brand Guardianship Index, Dr Sultan performs particularly well on "strong strategy & long-term vision, net positive online coverage, and employee approval rating. Since Dr Sultan became CEO of ADNOC in 2016, the ADNOC brand value has grown by 22% per year on average.

China's PetroChina and Sinopec struggle, behind continuing COVID curtain

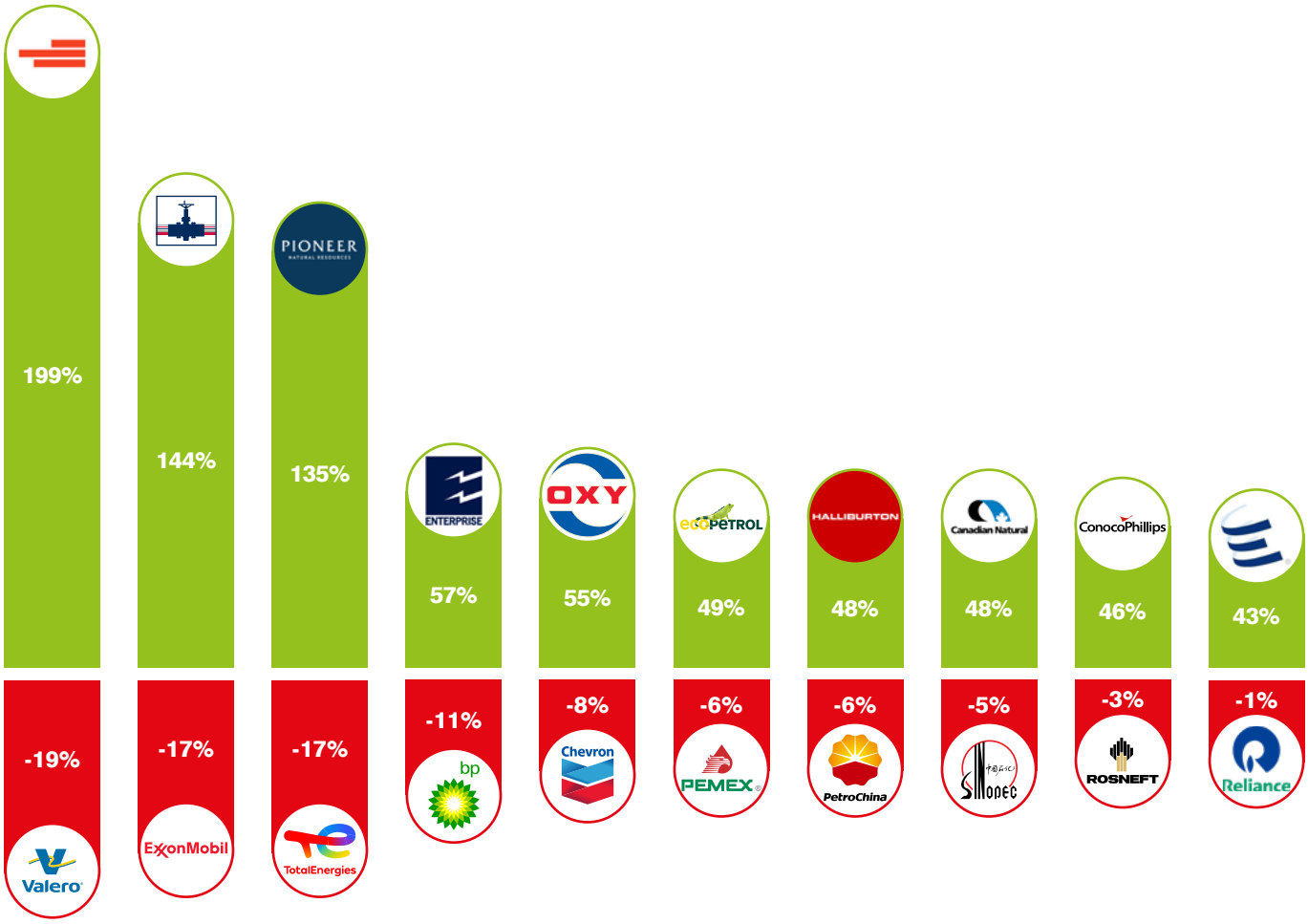
In China, the largest two Oil & Gas brands remained **PetroChina** (brand value down 6% to US$29.7 billion) and **Sinopec** (brand value down 5% to US$25.2 billion) which were ranked as the third and fourth most valuable brands globally. Each of the challenges faced by Western Oil & Gas brands have been exacerbated in China: the continuing COVID curtain of restrictions have subdued demand for Oil & Gas products.

Petronas is world's strongest Oil & Gas brand with AAA rating

In addition to calculating 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. Compliant with ISO 20671, Brand Finance's assessment of stakeholder equity incorporates original market research data from over 100,000 respondents in more than 35 countries and across nearly 30 sectors. **Petronas** (brand value up 13% to US$13.6 billion) is the strongest brand in the ranking with a Brand Strength Index (BSI) score of 87.7 out of 100 and a corresponding brand rating of AAA.

Petronas is well placed to futher strengthen its brand as it aims to sustainably provide a diversified range of energy options and fuels as it targets net zero carbon emissions by 2050.

Brand Value Change 2021-2022 (%)



Devon triples in brand value to be world's fastest growing Oil & Gas brand as merger completes

Devon (brand value triples to US$2.3 billion) was the fastest growing brand globally in the Oil & Gas sector. Devon's brand value tripled and was ranked as one of the top 50 Oil & Gas brands in the world for the first time as a result of the completion of its merger with peer WPX Energy last year. As a result, the combined brand value has increased substantially, with the combined brand focusing on on-shore exploration and drilling in the continental USA, primarily in the Delaware Basin of Texas, and to a lesser extent, operations in New Mexico and North Dakota. The brand is benefiting from higher commodity prices and an increased focus on addressing environmental, social and governance priorities.

Middle East Oil & Gas Brands.

Top 10 Most Valuable Middle Eastern Oil & Gas Brands

1	2	3	4	5	6	7	8	9	10
aramco	ADNOC	Kuwait Petroleum Corporation	Kuwait Oil Company	enoc	QATARGAS		satorp	WOQOD	KUFPEC
$43,637m	$12,760m	$3,956m	$1,890m	$1,420m	$1,259m	$718m	$568m	$279m	$243m
+16%	+19%	NEW	NEW	+2%	NEW	NEW	0%	-27%	NEW

State owned Oil & Gas groups continue their transformation by positioning themselves as enablers of the energy transition.

Aramco remains the most valuable brand of all brands in the Middle East, and naturally dominates the Oil & Gas sector. Saudi Arabia's national oil company increased its brand value by 16%, consistent with the restoration of oil prices after the COVID-19 pandemic-affected years of 2020 and 2021.

ADNOC, the Middle East's second-most valuable brand, grew its brand value by 19% based on the same underlying fundamental factors. While ADNOC doesn't have the same scale as Aramco it is instead focussing on being the strongest brand in its category. The ADNOC brand continues to be the strongest Oil & Gas brand in the region.

ADNOC is one of a handful of brands in the sector to see its BSI score rise by +2.0 points, as a result of its stellar reputation and trust amongst international investors and stakeholders.

KPC is the 3rd most valuable Oil & Gas brand in the region with a brand rating of A+. KPC Group's brand architecture is hybrid in nature while its peers in the region have moved to a branded house approach to build a strong global brand to appeal to their unique set of stakeholders as key enablers of the global transition to renewable energy in the medium to long term while delivering optimal value to their shareholders.

The other **KPC** owned brands that feature in the analysis are; **KOC** (4th), **KNPC** (7th), **KUFPEC** (10th), **Q8**, **KGOC**, **KPPC**, **Kafco**, **PIC**, **KOTC**, **KARO**. As part of KPC's long standing strategy to exploit the most value for its hydrocarbon resources it is building the largest refinery in the Middle East (Al Zour refinery) to be managed by KIPIC and has built a leading European petroleum refining and marketing brand in Europe, Q8.

Qatargas has entered the ranking in 6th, with a brand value of US$1.3 billion. Qatargas is part of the QatarEnergy portfolio, which recently rebranded from Qatar Petroleum to reflect the brand's evolved identity as part of the global energy transition. Qatargas is the world's largest supplier of Liquefied Natural Gas (LNG), with an annual production capacity of 77 million tonnes a year.

Brand Value by Country

Country	Brand Value (USD bn)	% of total	Number of Brands
United States	84.0	20.7%	18
United Kingdom	68.9	17.0%	2
China	61.9	15.3%	3
Saudi Arabia	43.6	10.8%	1
Russia	16.5	4.1%	3
France	15.1	3.7%	1
Other	115.2	28.4%	22
Total	**405.2**	**100.0%**	**50**

Brand Value Ranking.

Top 50 most valuable Oil & Gas brands

2022 Rank	2021 Rank		Brand	Country	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
1	1	←	Shell	United Kingdom	$49,925	+18.4%	$42,156	AAA-	AAA
2	2	←	Aramco	Saudi Arabia	$43,637	+16.4%	$37,479	AA	AA
3	3	←	PetroChina	China	$29,656	-5.6%	$31,415	AA	AA+
4	4	←	Sinopec	China	$25,165	-4.7%	$26,398	AA+	AA+
5	5	←	BP	United Kingdom	$19,001	-11.1%	$21,367	AA	AA
6	6	←	TotalEnergies	France	$15,086	-16.8%	$18,123	AA+	AA+
7	7	←	Chevron	United States	$14,588	-8.4%	$15,933	AA-	AA
8	9	↑	Petronas	Malaysia	$13,596	+12.8%	$12,049	AAA	AAA
9	10	↑	ADNOC	UAE	$12,760	+18.6%	$10,763	AA+	AA+
10	8	↓	ExxonMobil	United States	$11,161	-16.9%	$13,434	AA	AA+
11	12	↑	Eni	Italy	🔒	🔒	🔒	🔒	🔒
12	11	↓	Equinor	Norway	🔒	🔒	🔒	🔒	🔒
13	13	←	CNOOC	China	🔒	🔒	🔒	🔒	🔒
14	14	←	Gazprom	Russia	🔒	🔒	🔒	🔒	🔒
15	17	↑	Lukoil	Russia	🔒	🔒	🔒	🔒	🔒
16	20	↑	Repsol	Spain	🔒	🔒	🔒	🔒	🔒
17	25	↑	ConocoPhillips	United States	🔒	🔒	🔒	🔒	🔒
18	27	↑	CNRL	Canada	🔒	🔒	🔒	🔒	🔒
19	18	↓	PTT	Thailand	🔒	🔒	🔒	🔒	🔒
20	16	↓	Pemex	Mexico	🔒	🔒	🔒	🔒	🔒
21	19	↓	Reliance	India	🔒	🔒	🔒	🔒	🔒
22	21	↓	Indian Oil	India	🔒	🔒	🔒	🔒	🔒
23	15	↓	Valero	United States	🔒	🔒	🔒	🔒	🔒
24	22	↓	Esso	United States	🔒	🔒	🔒	🔒	🔒
25	24	↓	Enbridge	Canada	🔒	🔒	🔒	🔒	🔒
26	23	↓	Phillips 66	United States	🔒	🔒	🔒	🔒	🔒
27	33	↑	Energy Transfer	United States	🔒	🔒	🔒	🔒	🔒
28	35	↑	Ecopetrol	Colombia	🔒	🔒	🔒	🔒	🔒
29	26	↓	Mobil	United States	🔒	🔒	🔒	🔒	🔒
30	30	←	Schlumberger	United States	🔒	🔒	🔒	🔒	🔒
31	-	New	KPC	KUWAIT	🔒	🔒	🔒	🔒	🔒
32	29	↓	Marathon Petroleum	United States	🔒	🔒	🔒	🔒	🔒
33	31	↓	Petrobras	Brazil	🔒	🔒	🔒	🔒	🔒
34	28	↓	Rosneft	Russia	🔒	🔒	🔒	🔒	🔒
35	42	↑	Oxy	United States	🔒	🔒	🔒	🔒	🔒
36	44	↑	Enterprise Products	United States	🔒	🔒	🔒	🔒	🔒
37	34	↓	SK Innovation	South Korea	🔒	🔒	🔒	🔒	🔒
38	-	New	Pioneer Natural	United States	🔒	🔒	🔒	🔒	🔒
39	32	↓	Exxon	United States	🔒	🔒	🔒	🔒	🔒
40	37	↓	Pertamina	Indonesia	🔒	🔒	🔒	🔒	🔒
41	-	New	Plains All American	United States	🔒	🔒	🔒	🔒	🔒
42	50	↑	Halliburton	United States	🔒	🔒	🔒	🔒	🔒
43	38	↓	Baker Hughes	United States	🔒	🔒	🔒	🔒	🔒
44	45	↑	Suncor Energy	Canada	🔒	🔒	🔒	🔒	🔒
45	40	↓	Bharat Petroleum	India	🔒	🔒	🔒	🔒	🔒
46	43	↓	Neste	Finland	🔒	🔒	🔒	🔒	🔒
47	39	↓	Idemitsu Kosan	Japan	🔒	🔒	🔒	🔒	🔒
48	48	←	S-Oil	South Korea	🔒	🔒	🔒	🔒	🔒
49	-	New	Devon	United States	🔒	🔒	🔒	🔒	🔒
50	41	↓	Inpex	Japan	🔒	🔒	🔒	🔒	🔒

Brand Spotlights.

Shell.

Rank	Brand Value
1 ←	$49.9bn +18%

Interview with Dean Aragon.

Dean Aragon
CEO & Vice-Chairman,
Shell Brands
International AG

Shell is the Most Valuable Oil & Gas brand in the world with a brand value increase of 19.6%. How do you explain this growth and maintaining its leading position in the sector?

The Shell brand has been built over 100 years through the effort of colleagues all working towards earning trust and preference from customers, stakeholders and staff. Few brands compare with the diversity, scale and ubiquity of Shell branded products and services, foremost of which are our Shell retail stations, Shell V-Power fuel and Shell Helix lubricants, which are important demonstrations of quality and innovation. The way forward is guided by our purpose: 'to power progress together by providing more and cleaner energy solutions', which shapes our strategy to become a Net Zero Emissions energy business by 2050. Hence, moving forward, we will increasingly widen the deployment of the Shell brand into cleaner energy areas: Shell Energy for homes, Shell Recharge for EV and Shell Hydrogen. Marketing and customer/audience engagement is a big priority, enabled by a large social media following – the strongest in our industry and award-winning brand campaigns under the banner of #MakeTheFuture or Shell Eco-marathon.

Shell is the Most Valuable British brand. Corporate Headquarters were relocated to London this year, joining the Brand HQ. How do you think HQ location impacts brand perceptions- particularly among employees?

Shell has a long history in the Netherlands and our close bond with the country will not change. This includes a strong commitment, and significant investments towards accelerating the energy transition. To mention one: we are about to officially open our Energy Transition Campus Amsterdam, an innovative campus where great minds come together to tackle the world's biggest energy challenges. We are a global company and this shift of our tax residency will benefit Shell as a company as part of wider simplification. Shell has its early beginnings in Victorian era London and is now one of the most innovative energy companies in the world. Shell UK recently unveiled plans to invest £20-25 billion in the UK energy system over the next 10 years, (subject to board approval and supporting policy) aiming to propel the UK closer to net zero and help to ensure security of supply whilst stimulating economic growth and jobs. More than 75% of this is intended for low and zero-carbon products and services, including offshore wind, hydrogen, carbon capture utilisation and storage (CCUS) and electric mobility.

What role can and should brands like Shell play in the global energy transition?

Shell has a vital role to play. Our CEO Ben van Beurden recently said we must "Go faster, be bolder" in setting the pace as we work to become a net-zero emissions energy business by 2050, towards the goal of the UN Paris Agreement on climate change. Becoming a net-zero emissions energy business means that we are reducing emissions from our operations, and from the fuels and other energy products we sell to our customers. It also means capturing and storing any remaining emissions using technology or balancing them with offsets. We are transforming our business to meet our target, providing more low-carbon energy such as charging for electric vehicles, hydrogen and electricity generated by solar and wind power. We are also working with our customers as they make changes too, including in sectors that are difficult to decarbonise such as aviation, shipping, road freight and industry. Our powering progress strategy will help us deliver on these ambitions and play our part in one of the greatest challenges facing our generation.

ADNOC.

أدنوك
ADNOC

Rank	Brand Value
9 ↑	$12.8bn +19%

Interview with His Excellency Dr. Sultan Ahmed Al Jaber.

His Excellency Dr. Sultan Ahmed Al Jaber
UAE Minister of Industry and Advanced Technology and ADNOC Group CEO

What role can and should the Oil & Gas industry play alongside the entire energy industry in the global energy transition?
I think it is vital to leverage the expertise of the entire energy industry, including the hydrocarbon industry in ensuring the success of the global energy transition, because, if there is one thing that the history of every energy transition tells us, it is that they take time. You cannot simply flip a switch. To successfully navigate a complex transition to the energy system of tomorrow, we can't just unplug from the energy system of today. We must remain pragmatic, while being progressive. We should look for the solutions where the energy expertise exists. And we should always remember that our goal is to hold back emissions, not progress. In line with this thinking, the UAE has taken an integrated approach to the energy transition and built on its experience as a reliable Oil & Gas supplier to become a center of excellence for all forms of energy. I have been fortunate to have had the opportunity to play an active role in this diversified model as the founding CEO of Masdar - the renewable energy company - alongside my current role as ADNOC's CEO. As a result of this integrated approach, the UAE is one of the world's leading suppliers of Oil & Gas, whilst also being home to the world's largest and lowest cost solar plants, as well as the host of the International Renewable Energy Agency - IRENA. We believe that by taking a progressive approach to climate action and a proactive approach to the energy transition, we can create new industries and new economic opportunities, while remaining a reliable supplier of all forms of energy to the world.

How is ADNOC specifically contributing to helping this transition?
As long as the world relies on hydrocarbons during the energy transition, it is critical that they are as low carbon as possible. So one of the key contributions ADNOC is making, is ensuring we supply the least carbon intensive barrels to the world. By virtue of geology and design, our signature grade, Murban, has less than half the carbon intensity of the industry average. And we are building on a legacy of environmental responsibility that our founding father Sheikh Zayed set when our company was founded 50 years ago. As such, we introduced a zero intentional flaring policy before many of the majors and have reduced flaring by over 90 percent since 1971. We maintain one of the lowest methane intensities of any hydrocarbon producer in the world at 0.01 per cent and we constantly apply new technologies and innovations to build on this position. For instance, we were the first Oil & Gas company to introduce carbon capture and storage technology to the region.

Against the backdrop of COP 26, what are the other key technologies and innovations of the future? What is ADNOC doing in this space?
As I mentioned, we are always looking for innovative ways to reduce our carbon footprint, and as of January 1st 2022, in what is a first for our industry, we transferred 100% of ADNOC's grid power to zero carbon energy sources, by plugging into nuclear and solar energy. In addition, we are proactively moving into the clean energy supply chain space, taking advantage of the massive growth potential of this sector. Globally, at least 3 trillion dollars will be spent on renewable energy over this decade, as countries enact plans against net zero commitments. ADNOC recently co-invested alongside a consortium of Abu Dhabi's energy giants to transform Masdar into the region's pre-eminent renewable energy powerhouse. The new Masdar has almost doubled its capacity overnight to 23 GW and our ambition is to expand its portfolio to at least 100 GW. And in addition to wind and solar, ADNOC has taken significant steps in building the foundations of the global hydrogen market, using the advantages of our existing gas infrastructure. We have already completed demonstration shipments to Japan and South Korea, using ammonia as a carrier fuel, and, as the global hydrogen market develops, ADNOC, Abu Dhabi and the UAE will become a significant hub for hydrogen production and supply. In short, ADNOC will remain at the forefront of energy solutions throughout the energy transition, working across the entire diversified energy landscape.

Insights.

Why Should I Value My Brand?

Alex Haigh
Valuation Director,
Brand Finance

It's one of the most frequently asked brand strategy questions: when, why and how should I value a brand?

We love to answer this question, because it gets to the heart of why brand valuation is important and the difference that brand value can make to your business.

There is a multitude of reasons to value a brand, ranging from technical to applied, from marketing to finance, and everywhere in between. Regardless of the discipline, it is crucial to centre the conversation and base any strategic branding decisions on hard data.

Your brand exists to differentiate and elevate your business. Measuring and valuing its performance should be done with the intention of understanding how you can leverage one of your most important assets to further your business goals, in the short and long term. In this article, we are going to explore six of the most common brand valuation applications for brand strategy.

1. Brand Tracking

It is essential for any brand manager to identify the period-to-period performance of their brands. The identification of changes in brand equity and brand value allows for quick action that can correct or improve performance.

Most companies will track the performance of their brands in one way or another. One of the most commonly tracked metrics is 'Net Promoter Score' (NPS). On top of this, brand managers will often be monitoring a whole host of other brand equity measures (awareness, familiarity, consideration, recommendation etc...), and bottom-line performance.

To effectively track all of a brand's attributes requires expert ability in market research, communications, finance, HR, insights and analytics. Brand Valuation combines data on all of these areas, prioritises them, and provides financial numbers which are intelligible across the business. Indeed, this principle is how we arrived at our strapline "Bridging the Gap between Marketing and Finance".

Many senior managers have noticed a paradox in how firms perceive marketing. On the one hand, every chief executive and mission statement puts marketing at the very top of the agenda … At the same time, marketing professionals, marketing departments and marketing education are not highly regarded … The paradox will never be resolved until marketing professionals justify marketing strategies in relevant financial terms.

Peter Doyle
Former Professor of Marketing at Warwick University

Period-to-period tracking helps to expose the brand attributes that are under or overperforming. Using brand valuation, you can start to expose the real financial impact of changes to key brand attributes.

For example, between tracking periods, a company may invest in an advertising campaign to address shortcomings in brand awareness. When the brand is assessed and valued again, awareness has improved, and brand value has also improved. By measuring the brand value difference we are able to put a dollar figure on the return on marketing investment from the awareness campaign.

Brand trackers then become a strong tool for communicating the development of the brand and its attributes to other internal stakeholders - especially in marketing efficacy and budget discussions.

Over 100 businesses use our in-depth reports to identify how brand value and strength is changing and the underlying reasons for those changes and over 300 report our valuations in their annual reports. Even more, businesses use other providers so the use of brand valuation is endemic among marketing and brand departments worldwide and growing in importance.

2. Marketing Budget Allocation and Return on Marketing Investment (ROMI)

When you are able to demonstrate how much value you are generating through your current branding initiatives, you can determine if you are either over or under-allocating investment in the brand.

Valuations can be used to identify what value of an investment is likely to be necessary to keep value topped-up. After analysing the importance of brands versus other assets (by comparing their relative values), management teams can allocate the appropriate proportion of investment to brand building activities.

Brands are built not only through promotion but also through product development, availability, price, customer service and many other factors.

Therefore a strong brand valuation approach is one which identifies the relative importance of these activities, allowing for appropriate segmentation of spend; between these different levers as well as the various marketing channels available for promotion.

Brand Valuations are the natural extension to the more short-term Marketing Mix Models and can (read: should) be used concurrently, if data allows it.

Conducting scenario analysis on the assumptions in a valuation can be used as a dynamic tool to identify the return on investment of specific activities such as improving the customer journey experience, updating visual identity or improving brand management processes.

3. Brand Architecture and Brand Transition Strategy

Brand Valuation also helps identify and inform whether you should increase or decrease the number of brands you use, often referred to as a brand portfolio.

When valuing a brand portfolio you are testing each available brand through the impact of their strength on business performance. This enables you to review and track the impact of individual brands on the wider portfolio.

As well as the effects of brand equity, the analysis allows you to understand what brand-building activities are driving awareness to and brand perceptions of the overall group.

When working with Vodafone throughout the mid-2000s, as it forged its place as the preeminent global telecoms brand, we developed a structured approach for each stage of the brand architecture strategy process and have continued to develop the process up to today.

This process identified how strong the benefit of rebranding to Vodafone could be for the local brands, which enabled a prioritisation process to take place over which local brands to transition first.

Following this came the brand transition planning. Brand transition strategy and brand architecture strategy are close cousins. Indeed, more often than not, one follows the other. For example, there may be a push from upper management to follow a 'Masterbrand' strategy, which entails that any dud or acquired brands will need to be transferred.

With any brand transition strategy, you will need to weigh up the brand tactics, marketing tools, investment, and time planning that will create the biggest uplift in value.

A successful brand transition strategy is one that ensures the transfer of the existing brand equity to the new brand while minimising the risk of customer value loss. A brand valuation lens can help you model the financial impact of the various transition strategies.

The cost of a slow transition for the benefit of maintaining customer value is a consideration that is often misunderstood or overlooked in favour of quick action. And indeed, the opposite is also true, sometimes a quick transition will improve business performance.

So do you proceed with an overnight transition? Do you adopt interim brand endorsements? How much additional investment will be required to effectively transfer brand equity? A brand valuation framework enables teams to weigh up cost, time and activities (such as endorsements) to complete the most successful transition possible.

4. Sponsorship Analysis

Sponsorship evaluation is one activity that is specifically suited to this type of analysis. Typically an area that has focussed on size of coverage rather than effect, there has been a general misunderstanding about how its benefit should be identified.

The key question to ask when evaluating sponsorship is not "How much would it cost as advertising?" but rather "What is its benefit to our bottom line?" The answer to the first question is effectively useless for determining the ROI of the activity, while the second gets straight to the point.

A valuation-based approach to sponsorship evaluation provides a practical, logical and commercially driven basis for assessment.

By following an approach that establishes links between changes in brand equity, stakeholder behaviour and ultimately business and brand value, we gain a solid platform of insight to decide whether to enter into - or continue with - sponsorship activities, and how much to spend to activate them.

The ultimate benefit of this understanding is that it provides true firepower at the negotiation table with existing and potential sponsors, leading to better results for less investment.

5. Brand Positioning Decisions

Faced with a decision on a change in positioning, many businesses consider the effects only through management hypotheses or market research.

Management hypotheses on the effects of a change in positioning are high level and untested, but due to hierarchies of power and experience, most brand managers accept these hypotheses at face value.

A brand valuation framework enables teams to weigh up marketing cost, time and activities, and model the returns in real financial terms.

Market research is useful but can be risky if you stop there. Strong market research programs will often include “Demand Drivers Analysis”. Demand Drivers Analysis allows you to identify what aspects, or “attributes”, a brand needs in order to drive brand preference in a category.

The idea goes that the brand positioning which maximises performance on the most important attributes should be the option selected. Demand Drivers Analysis is a fantastic start, but it is an exercise that needs to be performed at a segment level.

If you take a large multi-service bank, for example, the factors that drive individual consumers to buy a credit card will not be the same as those for a mortgage nor will they be the same for a corporate customer trying to find the provider for a new loan.

So if the positioning changes perceptions in different ways in different segments, how do you decide which segment to prioritise? Ultimately, this must be done by weighing up the overall financial implication to the business.

Most importantly, and fundamental to the discipline, brand valuation enables you to identify what you should be willing to spend on the change, knowing that you should never spend more than you predict to gain in value.

6. Franchising & Licensing Strategy

Brands are frequently licenced both internally and to other companies through franchise or brand licencing agreements.

In the late 1990s, we were approached by the United States Internal Revenue Service to provide a new approach to setting brand royalties that was grounded in the identified commercial effects of brands, rather than simply what had been paid for them in the past.

Using research analysis techniques, we identify the uplift in yearly revenue and profitability caused by brand equity. The outputs of this analysis are always compelling, and provide a strong defense in negotiations.

Establishing the commercial reality of a brand’s impact on a business rather than relying on often conservative perceptions or non-comparable agreements is a technique that is - and should more often be - used in licensing.

The following applications range from technical to applied, from marketing to finance, and everywhere in between:

1. Brand Impact Analysis

The most fundamental reason to conduct a valuation analysis is to find out how brands - that is, trademarks and their associated intellectual property - improve the financial performance of a business. Brands do this by impacting the perceptions that customers, employees and other relevant stakeholders.

Finding out how brands contribute to revenue and profit and how their value stacks up in comparison to other assets is a fundamentally important piece of knowledge to glean for various reasons. Through our rankings of the world's most valuable brands, we have found that brands consistently make up 20%-25% of the value of listed companies. This figure differs by type of business, industry, segment, stage of life and many other factors so it's important to analyse specific brands and on a segmented basis to glean out all the relevant information. And it is relevant for many reasons.

One principal reason is education. Many boards are simply unaware of the benefit that brand building can make to your business. Demonstrating these effects can help build support for new measures to further strengthen the positions of brands in decision-making.

Another reason is to benchmark your brand against its competitors, and through that process gain insight into its performance. Knowing how much your brand impacts your business and why, and how this compares to other brands over time, can help guide brand management in the direction of the most value-generating activities.

The final reason is for income allocation and investment planning. Knowing how much a brand is contributing to a business and from where enables the internal brand team to be compensated adequately for their work. This team will then be in a much better position to reinvest in segments, countries and products that will generate the highest return in the future, maximising brand value.

2. Tax & Transfer Pricing

'Transfer pricing' refers to the practice of pricing transactions between companies within a commonly controlled group. The concept is originally a management accounting one, used by companies to ensure that individual divisions profit maximise in the absence of a true market for what they buy and sell – this true market not existing since the common control gives incentives to buy internally.

Brands and other IP are assets that one party owns, and another uses. In any third-party transaction, the user would usually be expected to pay the owner for the privilege of use. Internally, the use by one group company of IP owned by another group company would therefore be a transaction just like any other and is usually covered by a licence agreement.

A profit-seeking brand owner and its profit-seeking brand user counterpart would both aim to maximise the return they receive from the deal partly through forceful negotiation but also through the professional management of processes for developing, protecting and exploiting the value inherent in its brand.

Virgin, which owns its brand in a separate subsidiary, is a particularly clear case in point. Virgin does not own majority stakes in most of its companies. Instead, it operates a minority stake and brand licence model where management identifies opportunities that will maximise royalties to the brand-owning company, while also developing and enhancing the brand to promote its other enterprises.

It expects its licensees to invest in substantial amounts of advertising, PR and other types of promotion but keeps strategic control of the brand's positioning and direction firmly under the remit of its brand owning subsidiary.

Tax authorities are increasingly recognising these obvious value dynamics for brands and the need to capture the value they create for the benefit of their treasury. Valuing brands to take account of this new fiscal compliance is therefore often essential.

3. Brand Damages & Litigation Support

As will generally be known, Trade Marks (or Trademarks, depending on which side of the Atlantic you reside) relate to the signs, symbols, words, shapes, colours and other signifiers that identify a product or service, allowing the public to clearly and precisely the subject matter of what they are procuring or using. They are therefore the legal manifestation of what would generally be called "brands".

Across the world, there acts prohibit the infringement of trademarks, their unfair damage and their dilution (i.e. acts which negatively impact on their distinctiveness). Damage

to a brand might have been caused for a variety of reasons with the following being the most common: libel, slander and defamation; improper use of the marks in question; and confusion created by the use of an unlawfully similar mark.

The US Trademark Act (also known as the Lanham Act), the Trade Marks Act in the UK and many other similar laws around the world allow the damaged party recourse to damages for some combination of the defendant's profits, the damaged party's lost profits and the cost of any legal action.

In order to calculate these damages, some kind of brand valuation exercise is necessary. This might include royalty rate analyses, lost profits analysis, unjust enrichment calculations, corrective advertising calculations for example. In some cases, the business analyst may even need to recreate a hypothetical licencing or business structures to justify the "what-if" scenario without the damaging behaviour.

4. M&A Due Diligence

Many companies boast impressive track records in M&As, however, precedence is almost always given to the "hard" factors, which relate to the financial, legal and economic features of the deal.

The brand is one of the most valuable strategic assets a company owns, yet often it is overlooked and remains an afterthought in deal situations, even in the world's biggest companies. However, examining and analysing brands for due diligence can provide comfort to organisations acquiring companies brands and other intangibles by answering some of the following questions:

- Are we buying a good brand?

A brand evaluation process, identifying how well a brand is known and perceived compared to its competitors can help buyers determine how resilient demand will be and how much growth to expect.

- Having acquired a new brand, what would be the implications of rebranding it?

It can be important to quantify the strength and value of the brand being acquired to assess both the positive and negative implications of integrating, merging or rebranding a target brand.

In fact, Brand Finance's Global Rebrand and Architecture Tracker (GReAT) report highlights that there can be significant volatility in returns depending on the quality of the rebranding

process and the timing of the transaction. It is therefore important to analyse trends and market research to predict the ideal timing for transactions as well as brand transitions.

- How do we show our investment committee potential brand uplift?

Valuations can also help identify any uplift in value and potential licensing and extension opportunities, given the strength of perceptions of the brand and its legal protection in potential categories and markets.

5. Fair Value Exercises

Under the accounting standard IFRS3, in force since 2003, companies using IFRS (which includes all publicly traded European companies) are compelled to value all of the intangible assets of any company they acquire – including brands. Every year, the acquired assets have to be reviewed in case there should be an impairment to their value. In the US and other jurisdictions, the rules are also very similar in function.

Unfortunately, general practice has often been to misvalue intangible assets under this standard. It is usually in the interest of finance directors to reduce the value of identified intangibles and increase the share of value attributable to Goodwill. It is also sometimes seen as a box-ticking exercise by many resulting in poorly done valuations with little depth of data or analysis.The folly of treating it this way is shown well with the cases of both Carillion – an outsourcing firm – and Kraft Heinz – a consumer goods firm.

For Carillion, inappropriate determination of the value of acquired intangible assets and a reluctance to impair them led to a total misrepresentation of their performance, and ultimately bankruptcy.

When Kraft Heinz was purchased by the private equity firm 3G, the acquirer took the view – as it has on a number of other occasions – that the primary area to add value would be through cost synergies. 3G expected to create massive savings by cutting back on marketing and product innovation since the brands were strong (when they were bought) and in a stable market.

As the winds of the industry changed and it became more competitive, Kraft Heinz's brands have weakened and been outcompeted by new entrants. Not valuing its brands properly led to misinvestment which has now led to massive loss of business value – in this case, a $15bn impairment, the biggest impairment in corporate history.

These are examples of where things have gone spectacularly wrong. The problem of misinvestment is likely hampering all business' performance on a smaller scale. However, where done thoughtfully and regularly, brand valuation and the valuation of other intangible assets can be a powerful tool for measuring the performance of investments and ensuring that value is maintained and improved.

6. Investor Reporting

Over 100 businesses use our in-depth reports every year to identify how brand value and strength is changing, and over 300 brands report our valuations in their annual reports. Even more, businesses use other providers so the use of brand valuation is endemic among marketing and brand departments worldwide and growing in importance.

Although there are movements that may lead to changes in accounting rules, for the time being internally generated intangible assets (including brands) cannot be put formally into a company's financial accounts. However, they can be placed as notes to the accounts and within the background information included in the written copy in the main body of annual reports.

Survey after survey of finance, marketing and investor research professionals, we have found that there is strong demand for more information to be provided on the strength and value of intangible assets. With adequate information on the value of brands and other intangible assets, investors are able to much more clearly identify what lies underneath the overall business value and justify the assumptions they are making about future performance.

For example, Ferrari promoted Brand Finance's brand valuation and strength analysis in their investor prospectus for their IPO in 2015 in order to highlight the fact that it was a luxury and lifestyle brand capable of transcending category while maintaining demand and price for its cars. Judged by their price to earnings multiple and the growth in the value of their shares, it seems to have helped their success.

Conclusions

What shouldn't be lost sight of is that the brand exists to differentiate and elevate your business. Measuring and valuing its performance should be done with the intention of understanding how you can leverage one of your most important assets to further your business goals, in the short and long term.

The Dangerous Rise of Corporate Reputation.

Jovana Pantovic
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Synopsis

It is undeniable that companies with good corporate reputations enjoy a competitive advantage. But because a firm's market value is becoming driven by intangible assets such as brand equity, corporate reputation is also becoming increasingly important. The problem is that while many companies understand that their reputation is important, many don't take effective steps to protect it – leading to scandal and disaster.

A principal reason why companies experience reputational crises that could have been otherwise avoided or mitigated is that they prioritise positive internal perceptions of their brand over negative external signals to the contrary. This is partly because they miss changes in stakeholder values over time and also because they don't align internally on what different stakeholders want, so don't have a consistent picture of their reputation.

There are five things a company can do to effectively measure and build their corporate reputation:

1. Centralise responsibility for reputation within your company
2. Use reliable mechanisms to assess stakeholder perceptions
3. Be honest when comparing what people think of you to what you really are
4. Identify strategies to close gaps between perception and reality
5. Monitor your reputation to assess changes over time

Introduction

Corporate reputation is described by many other terms, such as brand equity, employer brand, brand health or trust, but being thought well of by any other name would be just as advantageous. Among other benefits, Brand Finance has shown this advantage manifests itself in stronger customer preference, faster stock growth, lower financial costs, reduced regulatory risks, and lower employee cost.

Due to modern market values becoming increasingly driven by intangible assets such as brand equity, corporate reputation has also become a key driver of company value. And the greater the opportunity to benefit from good reputation, the greater the risk of harm from bad reputation. Even worse is the calamity caused by a strong brand's fall from grace: as Warren Buffett says, "it takes 20 years to build a reputation and 5 minutes to ruin it". In today's economy where what a company stands for is as important as how a company makes money, understanding and protecting corporate reputation is a vital part of smart business strategy.

Compounding the complexity of the problem is today's fast-moving digital and social media landscape, where corporate reputation is a cocktail of customer, employee, and investor perceptions. One media post from an unhappy employee can rapidly spread across the internet, leading to a complete upheaval of the company. Facebook's recent re-brand into Meta is one such example.

The problem is that while everyone understands the importance of reputation, many companies don't establish what their reputation really is, or don't take effective steps to protect it. So rather than foreseeing and mitigating dangers that could harm their reputation, many companies instead are left scrambling to limit damage caused by scandal, for example, Boeing with their 737-MAX.

Why companies don't see reputational icebergs

The principal reason why companies experience reputational crises that could have been otherwise avoided or mitigated is that what they think they are, isn't who they really are. There are two reasons for this:

1. Missing the changing stakeholder zeitgeist

Corporate reputation was simpler in the past. With consumers trusting what brands said, reputation could be easily driven by advertising, and as long as products and services were sold profitably within regulatory guidelines, not much more was required from companies. Now, consumer skepticism and concerns over the harm of rampant capitalism have caused news of exploitative manufacturing processes, dismissiveness of climate change, and disinterest in diversity to all lead to brand boycotts.

Many companies assume the demands and wishes of their employees, customers and investors are static, but nothing could be further from the truth. To not follow what's important to stakeholders will inevitably lead to a brand no longer standing for what they want. And the longer the requirement for a company to adapt is missed, the greater the misalignment with stakeholder changing values, and the greater the damage to their reputation will be when they are found out.

2. Departments don't agree on or track what constitutes their company's reputation

The technology sector is awash with tales of marketing launches for products that weren't ready or had to be delayed due to faults. For example, five of Sony Ericsson's first six smartphones were failures riddled with usability issues, which caused the company significant harm among networks and consumers alike. A big reason for this failure was because the product teams failed to understand what customers truly wanted while the marketing teams presented the devices as completed products.

The role of understanding what stakeholders want in a company should be the domain of each department: Product and Marketing surveys customers, HR surveys employees, Investor Relations surveys investors and analysts, etc. While many companies do these things already, what many do not is coordinate results across stakeholder groups to identify similarities and differences in reputation.

How to stay on top of a top reputation

There are 5 steps in ensuring a company can understand, maintain, and build its reputation over time:

Centralise responsibility for reputation within your company

Usually, responsibility for the brand sits within a marketing group. However, companies that are most interested in measuring their reputation across stakeholders have a brand department that's a central resource, much like IT or HR.

From here, they find a consensus on a company's reputation, coordinate the assessment of that among stakeholders and, by incorporating these different results into a central index, can give the company and

its leaders a consistent and accurate picture of the company's overall reputation.

Use reliable mechanisms to assess your reputation

A brand's reputation is made up of all the things people perceive about a brand, be they good, bad, or ugly. As a collective of perceptions, they can be identified through exploratory investigation and validated through robust quantitative research.

Repeating this process across stakeholders such as customers, employees, and investors allows a firm to identify common perceptions across groups. Analyzing which perceptions drive key behaviors such as purchase and investment consideration, and employee engagement allows them to identify the most important to focus on.

Be honest when comparing what people think of you to what you really are

A key part of accurately measuring reputation is to implement a transparent, robust, and independent system that monitors reputation changes and diagnoses the causes of any change. Linking measures to index a company's reputation to metrics such as brand value are invaluable in showing when a company's reputation is helping to benefit it or is risking a slide in stock value.

But all the metrics in the world will not matter if senior management disbelieves adverse numbers. People have a natural tendency to believe their firm's reputation is positive, and complacency can breed disbelief at indicators to the contrary that endangers efforts that could otherwise mitigate or avoid reputational damage. Vigilance against confirmation bias is critical in spotting reputation warning signs and identifying when a change in strategy is needed to maintain your reputation.

Identify strategies to close gaps between perception and reality

It is not unusual that a company's reputation is worse than its true character, but this is not an insurmountable problem. Companies as wide-ranging as Ford, Nestle, and Microsoft have at some time faced reputational headwinds. Rectifying a negative reputational gap uses public, employee and/or investor relations campaigns to change the perceptions of the company over time.

Nor is it particularly unusual for a company's reputation to be better than its true character, but companies in this situation face reputational risks to their market value, and the greater the gap the bigger the risk. Companies in this position must consider infrastructural changes to improve product quality, employee engagement, corporate social responsibility, or other significant changes in order to bridge the positive reputational gap.

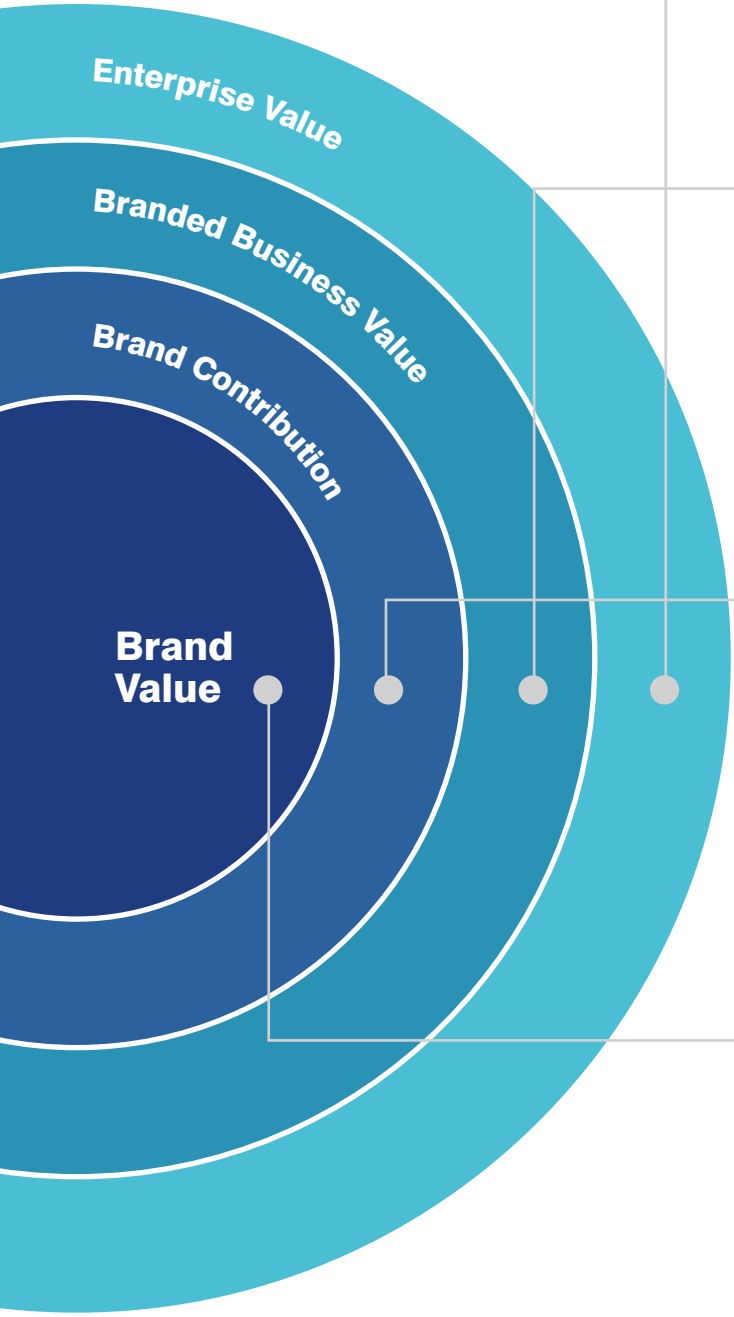
Monitor your reputation to assess changes over time

It is critical to remember that corporate reputation is not a point-in-time assessment; as the collective of perceptions about a brand, it is ever changing as people's perceptions develop over time.

Reputational monitors can track the ebb, flow, and evolution of a brand over time. They should also be scheduled frequently enough to be able to provide a regular, actionable insight into where a brand's reputation is and how it is changing, but with enough time in between to allow for strategy to be designed and implemented to influence reputation.

Methodology.

Definitions.



Brand Value

[ExxonMobil]

+ Enterprise Value

The value of the entire enterprise, made up of multiple branded businesses.

Where a company has a purely mono-branded architecture, the 'enterprise value' is the same as 'branded business value'.

[Esso]

+ Branded Business Value

The value of a single branded business operating under the subject brand.

A brand should be viewed in the context of the business in which it operates. Brand Finance always conducts a branded business valuation as part of any brand valuation. We evaluate the full brand value chain in order to understand the links between marketing investment, brand-tracking data, and stakeholder behaviour.

[DuPont]

+ Brand Contribution

The overall uplift in shareholder value that the business derives from owning the brand rather than operating a generic brand.

The brand values contained in our league tables are those of the potentially transferable brand assets only, making 'brand contribution' a wider concept. An assessment of overall 'brand contribution' to a business provides additional insights to help optimise performance.

[DuPont]

+ Brand Value

The value of the trade mark and associated marketing IP within the branded business.

Brand Finance helped to craft the internationally recognised standard on Brand Valuation – ISO 10668. It defines brand 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 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.

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 × 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

Analytical rigour and transparency are at the heart of our approach to brand measurement at Brand Finance. Therefore, in order to adequately understand the strength of brands we conduct a structured, quantitative review of data that reflect the 'Brand Value Chain' of brand-building activities, leading to brand awareness, perceptions and onwards to brand-influenced customer behaviour.

To manage the 'Brand Value Chain' process effectively we create and use the "Brand Strength Index" (BSI). This index is essentially a modified Balanced Scorecard split between the three core pillars of the 'Brand Value Chain': **Brand Inputs**, **Brand Equity** and **Brand Performance**.

1

Attribute Selection and Weighting

Although we follow a general structure incorporating the three pillars (Brand Inputs, Brand Equity and Brand Performance), the attributes included are different depending on the sector. A brand strength index for a luxury apparel brand will differ in structure from an index designed for a telecommunications brand. An index for luxury apparel brand may emphasize the exclusiveness, word of mouth recommendation, and price premium, whereas an index for a telecommunications company may emphasis customer service and ARPU as important metrics.

These attributes are weighted according to their perceived importance in driving the following pillar: Brand Investment measures in driving Brand Equity; Brand Equity measures for Brand-Related Business Performance measures; and finally the relevance of Brand-Related Business Performance measures for driving business value.

2

Data Collection

Brand's ability to influence purchase depends primarily on people's perceptions. Therefore, the majority of the Brand Strength Index is derived from Brand Finance's proprietary Global Brand Equity Research Monitor research, a quantitative study of a sample of over 100,000 people from the general public on their perceptions of over 4,000 brands in over 25 sectors and 37 countries.

However, at Brand Finance we also believe that there are other measures that can be used to fill gaps that survey research may not capture. These include total investment levels – for example in marketing, R&D, innovation expenditure, that can a better guide to future performance than surveys. They also include online measures – such as ratings by review sites and social media engagement that can give a more granular understanding of marketing effectiveness. Finally they also include real behaviour – for example net additions, customer churn and market share, to overcome the tendency for surveys to incorporate intended behaviour rather than real.

Over a period of 3 to 4 months each year, we collect all this data across all the brands in our study in order to accurately measure their comparative strength.

3

Benchmarking and Final Scoring

In order to convert raw data in to scores out of 10 that are comparable between attributes within the scorecard, we then have to benchmark each attribute. We do this by reviewing the distribution of the underlying data and creating a floor and ceiling based on that distribution.

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.

Global Brand Equity Monitor.

Original market research in 36 countries and across more than 29 sectors with approximately 100,000 consumers rating over 5,000 brands.

Tier 1

- Apparel
- Automobiles
- Luxury Automobiles
- Banks
- Cosmetics & Personal Care
- Food
- Insurance
- Oil & Gas
- Restaurants
- Retail & E-Commerce
- Telecoms
- Utilities

Tier 2

- Airlines
- Luxury Apparel
- Appliances
- Beers
- Luxury Cosmetics
- General Retail
- Healthcare Services
- Hotels
- Household Products
- Logistics
- Media
- Pharma
- Real Estate
- Soft Drinks
- Spirits & Wine
- Technology
- Tyres

Brand KPIs and Diagnostics

1. Brand Funnel

Awareness
Have heard of your brand

Familiarity
Know something about your brand

Consideration
Would consider buying/using your brand

2. Brand Usage

3. Quality

4. Reputation

5. Loyalty

6. Closeness

7. Recommendation (NPS)

8. Word of Mouth

9. Brand Imagery

10. Advertising Awareness

11. Brand Momentum

How We Value the Brands in Our Annual Rankings.

Richard Haigh
Managing Director,
Brand Finance

Every year we value over 5,000 of the world's biggest and strongest brands. It is the largest and most comprehensive study of its kind. This is how we do it.

If we zoom out here, in general terms all our valuations follow a process flow. This process flow indicates how specific actions, taken by marketing and other corporate managers, result in changes to a brand's attributes (i.e. quality, availability, price, positioning, personality, etc.).

We then measure how much these actions affect the level of consideration for the brand, how increased consideration leads to stakeholder behavioural change, ultimately leading to a favourable financial uplift effect.

The process flow can be used in both directions. In one direction it explains the value of the subject brand. In the other, it explains what actions need to be taken by marketing and corporate managers to strengthen brands and add value. So, the process is both a comprehensive summary of the performance of marketing activities to this point and a highly actionable tool for brand guardians.

This is a very broad explanation, and we would be happy to spend all day talking through the nuances and applications of brand valuation. For now, though, we want to tackle some of the most common questions we asked around our annual valuation study.

How do we value brands that have not been bought, sold, or licensed?

We are lucky because there are real-world market examples of businesses buying, selling, and licensing brands. By using these real-world examples, we can build an accurate spectrum of what brands of certain sizes and strengths, within specific geographies, and sectors, are worth.

Through this process, we can then start to value brands (that have not been valued before) based on assumptions that are proven to exist in commercial reality.

This is how we can perform robust valuations for brands that have never been valued as part of an auditing or balance sheet exercise.

To understand where to place a brand within this spectrum we look at two key areas: We look at the financial performance (revenues) of the business operating under a brand, and we also look at brand strength measures. It is very easy to compare revenues, it is a lot harder to measure one brand's strength against another.

Measuring a brand's strength is a key aspect of any brand valuation calculation. It is also probably the stage most familiar to brand, marketing, and insights teams. Everyone in some way or another is measuring the strength of their brand and tracking the changes of those strength metrics over time. For our valuations we conduct our Global Brand Equity Monitor to measure consumer perceptions of 5,000 brands in 30 countries across 14 industries and then include this in the Brand Strength.

Once we have conducted a 'Brand Strength Assessment' of brands with a sector, we then start to build out a relative understanding of how much brand is impacting overall business performance. Through measuring and benchmarking brand strength within a competitive set, we can identify the impact brand is having on the bottom line. From there it is relatively straightforward to then understand how much value the brand is bringing to the overall business.

In our valuations we are essentially combining the two disciplines of marketing and finance. We are translating marketing into finance, and vice versa. which informs the principle of our strapline – 'Bridging the gap between marketing and finance'.

Measuring Brand Strength

One of the key questions that inevitably evolves from establishing a measure of brand strength is: what brand attributes should be included in my brand strength scorecard? The answer is quite straightforward in principle, but difficult in practice: a brand strength scorecard should aim to capture as many trackable brand attributes as necessary, but as few as possible.

We split our measurement of Brand Strength into three fundamental pillars: Brand Investment, Brand Equity, and Brand Performance.

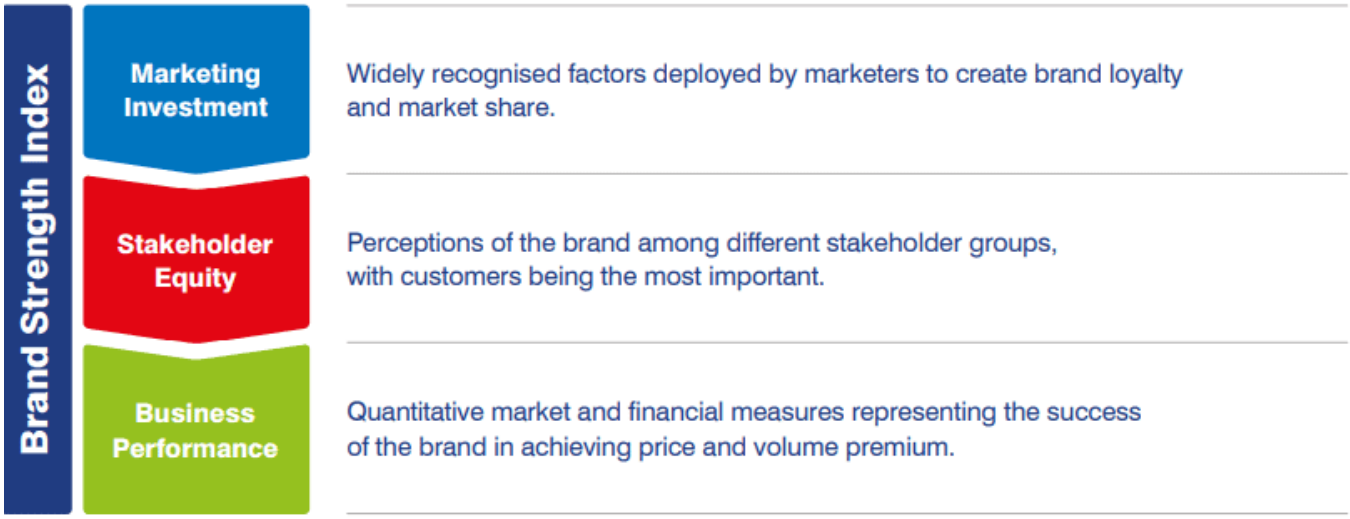
We chose these pillars because they ask what any brand manager, owner, or potential licensee, should be considering when assessing the quality of a brand:

Is management working to invest in the brand to grow and maintain it into the future?

How does a variety of relevant stakeholders currently perceive the brand?

Is the brand doing what it should be doing to bring value to the business?

Exactly how these three questions are answered will differ from industry to industry and even brand to brand.



How we value brands in our annual rankings

In the case of our rankings, we use the real-world examples of licensing agreements as a basis for our valuations, using a methodology called the Royalty Relief Methodology, or Relief from Royalty Method. The method determines the value a company would be willing to pay to license its brand as if it did not own it. This approach involves estimating the future revenue attributable to a brand and calculating a royalty rate that would be charged for the use of the brand.

As this is purely hypothetical, and for the most part the brands in our Global 500 are owned, rather than licensed, these brands are relieved from paying these royalties on their revenues. Hence the name royalty relief.

The steps in this process are as follows:

1. Calculate brand strength on a scale of 0 to 100 based using a balanced scorecard of a number of relevant attributes such as emotional connection, financial performance and sustainability, among others. This score is known as the Brand Strength Index.

2. Determine the royalty rate range for the respective brand sectors. This is done by reviewing comparable licensing agreements sourced from our own extensive database of real world license agreements, as well as and other online databases.

3. Calculate royalty rate. The brand strength score is applied to the royalty rate range to arrive at a royalty rate. For example, if the royalty rate range in a brand's sector is 0-5% and a brand has a brand strength 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. Determine brand specific revenues estimating a proportion of parent company revenues attributable to each specific brand and industry sector.

5. Determine forecast brand specific revenues using a function of historic revenues, equity analyst forecasts and economic growth rates.

6. Apply the royalty rate to the forecast revenues to derive the implied royalty charge for use of the brand.

7. The forecast royalties are discounted post-tax to a net present value which represents current value of the future income attributable to the brand asset.

Brand Valuation Calculation Visualisation

The Royalty Relief Method is not our own proprietary methodology; it is just one of many that are outlined in ISO:10668. The reason why we use the method, is that it is favoured by tax authorities and the courts because it calculates brand values by reference to documented third-party transactions.

It can also be done based on publicly available financial information, and it is compliant with the requirement under the International Valuation Standards Authority and ISO 10668 to determine the fair market value of brands. For these reasons, the royalty relief method is used in over 80% of all brand valuations.

The role of brand research in our valuations

The thing which we have stressed most over the 25 years is that to value a brand well is a holistic exercise. It is not just a financial spreadsheet which spits out a financial number. We practice this by following four principles:

+ **Context:** Our financial brand valuation opinions must be driven by high quality insight and analytics of the sector trends driving the markets in which the brands operate.

+ **Stakeholder Impact:** We need to understand and predict how stakeholder opinion will drive demand and other economic and financial benefits underpinning the valuation.

+ **Transparency:** we have always felt that all assumptions in the valuation need to be disclosed in full so that they can be challenged.

+ **Due Diligence:** We always apply financial sensitivity analysis so that we can evaluate brand value scenarios.

Holistic connection is baked into our approach. We have always considered stakeholder research, particularly customer and consumer research to be a central requirement of high-quality brand valuations. Brand Finance has occasionally been characterised as purely financial, with no understanding of demand and of brand value drivers. However, stakeholder insight has been part of our DNA since inception in 1996.

Since 1996 we have commissioned original research or reused existing client research in client brand valuations. But as we have grown to become the leading global provider of brand valuations produced speculatively each year, using publicly available data, we have commissioned our own global research to underpin our brand valuation tables.

We now conduct research in 31 countries and over 23 sectors. Our research includes brand funnel measures such as Awareness, Familiarity, Consideration, Trial, Loyalty, and Recommendation. We also research key attributes which drive the funnel measures. Taken together we are able to use statistical analysis to predict customer and consumer behaviour leading into the forecast demand and revenue in our models.

Conclusion

Brand Valuation is ultimately a financial discipline, but unlike all other financial disciplines, it requires an intuitive and well-researched understanding of stakeholder perceptions, motivations, and behaviours. Nowadays this is often referred to as Behavioural Economics by many marketers. But really this is what we referred to when we coined the term Brand Economics back in 1999.

More than ever before, Brand Finance can help brands understand how they tick and help them work better for all their Stakeholders.

Brand Strength Index™: Creating a Scorecard for Your Brand.

Alex Haigh
Valuation Director,
Brand Finance

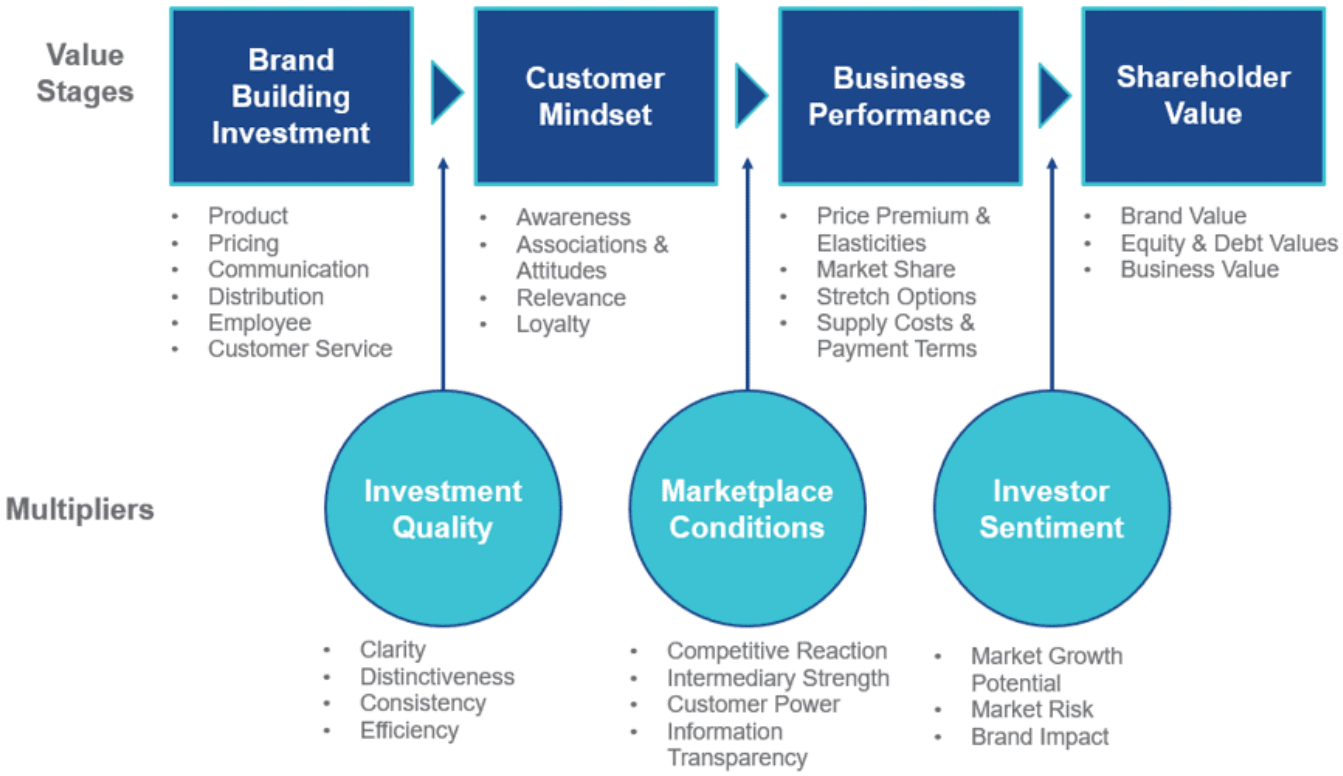
Our version of a brand strength scorecard is what we call the Brand Strength Index™. The Brand Strength Index is a scorecard of metrics that underpin a brand's strength. These metrics can include but are not limited to: marketing spend, awareness, consideration, reputation, NPS, acquisition, retention, market share, volume, and price premium. This allows us to understand the relative strength of the brand in the market, which plays a crucial role in turn in calculating the value of a brand.

Brand Strength Index™ benefits, and its roots in the brand value chain

Analytical rigour and transparency are at the heart of our approach to brand measurement at Brand Finance. This demands responsiveness to key best practices and empirical evidence, which we pull from academic theory. In the spirit of academia, we also open our doors to peer review. We do use specific methods in our measurement, but we don't restrict others from using them either. It also means we never have black boxes in our approach, and instead rely on the quality of our research data, and the skill of our team, to identify and improve brand value.

One area of academic theory that we have both influenced and been influenced by has been the idea of the 'Brand Value Chain'. As with any good idea, it was influenced by previous theories and it was in practice already at the time, including in our own approach – Brand Finance having been set up in 1996.

We have visualised the 'Brand Value Chain' as we have interpolated for our own use:



This process starts with:

1. Strong, well-managed investment leading to changes in -

2. Customer perceptions, which in turn lead to improved -

3. Business performance and therefore shareholder value.

In the Brand Strength Index™ model we call these stages:

1. Inputs or **Brand Investment**

2. **Brand Equity**

3. Outputs **Brand Performance**

The structure of the Brand Strength Index™ is designed to mirror the brand-building process. It naturally follows, that if you invest in your brand, you expect to see a return in brand equity, and ultimately an uptick in business performance. What's more, by maximising the performance across the chain, the owner or manager of a brand can maximise its positive impact on business performance and therefore its overall brand value.

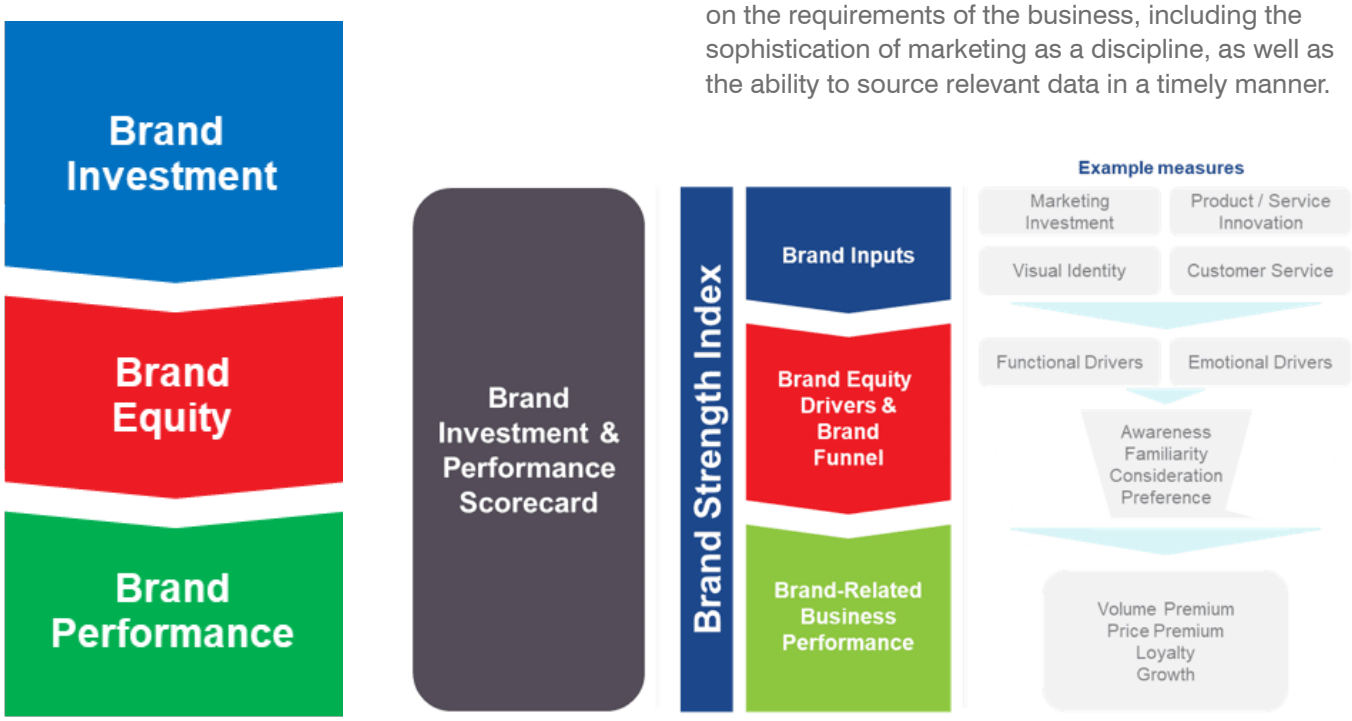
Creating a Brand Strength Scorecard from the 'Brand Value Chain': The Brand Strength Index

To manage the 'Brand Value Chain' process effectively we suggest creating and using a "Brand Strength Index". This index is essentially a modified Balanced Scorecard split between the three core pillars of the 'Brand Value Chain': Brand Inputs, Brand Equity and Brand Performance.

Brand evaluation using a Brand Strength Index, is primarily a quantitative analysis, where scores for the independent measures are informed by market research (functional and emotional drivers), and financial data (marketing investment, price premium, revenue growth).

However, it is important to incorporate qualitative research and interviews to ensure that the brand strength index is capturing the relevant metrics that drive a brands strength. A brand strength index for a luxury apparel brand will differ in structure from an index designed for a telecommunications brand.

An index for luxury apparel brand may emphasize the brand funnel, and price premium, whereas an index for a telecommunications company may emphasis customer service and ARPU as important metrics. The number of metrics needed in the index depends on the requirements of the business, including the sophistication of marketing as a discipline, as well as the ability to source relevant data in a timely manner.



How do you choose what attributes should be included under the pillars?

Brand Strength Index: Brand Outputs

Creating an index, we start with Brand Performance since the purpose of the index is to understand how brands and marketing impact financial value. Selection should be based on proximity to core financial performance driving value (cash flow) but also responsiveness to changes in branding or marketing. Traditionally useful measures include:

+ Number of leads
+ New customer additions
+ Customer churn/retention
+ Volume and price premiums
+ Product margins
+ Price elasticity
+ Market share

The measures used depend on sector and data availability and should represent a mixture of both current performance and growth potential. Crucially, these attributes should be established with input from a company's financial forecasting team and weighted according to their importance in driving profitable growth. This will ensure that financial, and financially minded, audiences will buy into how you are measuring a brand's effect on the bottom line.

Brand Strength Index: Brand Equity

In our BrandBeta study, Brand Finance's extensive statistical analysis of research data in over 27 sectors in 39 countries identifies that brands impact customer choice as a result of their familiarity and their relevance. Our analysis shows that together, familiarity and relevance, accurately predict market share growth in the ratio of approximately 65% importance for familiarity and 35% for relevance.

Brand Reputation attributes, which can explain differences in relevance, are also relevant measures at this stage. Recommendation and NPS can also be useful given their impact on both familiarity and relevance. The views of other stakeholders (for example staff, investors, media) can also be incorporated. These other stakeholders might include:

+ Staff
+ Investors
+ Media
+ Regulators
+ General Public

Attribute selection and weighting should be based on relative importance for driving brand performance and completed in collaboration with a company´s brand insights team.

Brand Strength Index: Brand Inputs

Brand Inputs are generally the final step in the creation of a Brand Strength Index since they are selected on the basis of impact on Brand Equity. The attributes included need to represent all of the levers that a business can pull in order to influence brand equity. These may include:

+ Advertising spend
+ Sponsorship spend
+ Earned media coverage (including word of mouth and social media)
+ CSR spend
+ Visual identity quality
+ Customer service quality
+ Product investment and innovation

+ Distribution quality

+ Value for money.

These attributes should be decided in collaboration with the company's marketing team. The attributes should be grouped between their impact on familiarity versus relevance improvements and each group should be weighted according to the importance of each side of the brand equity pillar.

The Brand Strength Index as a Measurement Tool

We typically advise that these models can be point-in-time – giving a snapshot, perhaps biannually, of brand strength – or they can be dynamic scorecards – regularly updated to give real-time results from changes in spend or strategy.

In all cases, it is usually good practice to provide summary results as an average over a longer period in order to provide a view of long-term brand strength rather than reveal fleeting changes that have little long-term effect on the business.

The core reasons for using Brand Strength Index as a measurement tool are:

1. **Summarising brand KPIs:** Many teams have large numbers of data points that they struggle to bring them together to see whether things are getting better or worse. By summarising as a coherent single figure, the BSI allows brands to do that.

2. **Clearly comparing competitors:** It is important to benchmarking how you are performing against your competitors along the same key measures. Our database of over 5,000 brands yearly also allows comparison within category and without. A clear structure enables new brands to be incorporated too as necessary.

3. **Tracking over time:** Whether there is a big change to strategy or simply a need to monitor performance, setting a Brand Strength baseline and tracking from that can help management take decisive action.

4. **Diagnosing issues in the Brand Value Chain:** The Brand Strength Index scorecard benchmarks brands on various attributes in order to

Brand Strength Index		Brand	← Competitor Brands →				
Brand Investment 25%	Product/Services	5.8	9.8	6.2	5.6	4.9	5.7
	Distribution	9.5	10.0	10.0	9.7	8.9	8.7
	Promotion	8.0	7.5	8.0	9.5	8.0	8.0
Brand Equity 50%	Familiarity	7.6	7.7	6.4	6.3	6.7	5.6
	Relevance	6.9	7.0	6.5	6.5	6.6	6.2
	Recommendation	9.4	9.5	7.5	7.3	7.9	6.2
	Employee Score	9.6	9.7	8.6	9.0	7.4	7.5
	Credit Rating	8.0	8.0	5.0	7.0	7.0	5.0
	Analyst Recommendation	7.9	6.9	6.6	8.9	8.7	8.3
	Environment Score	10.0	10.0	9.8	9.6	9.5	9.9
	Community Score	9.4	9.2	8.7	8.9	8.8	9.9
	Governance Score	10.0	9.3	9.0	10.0	8.2	9.7
	Reputation	8.5	9.6	8.0	6.7	5.0	6.3
Brand Performance 25%	Volume Premium	10.0	10.0	9.8	9.7	10.0	9.2
	Price Premium	7.2	8.6	9.1	4.7	2.6	10.0
	Loyalty	7.6	1.6	6.1	6.8	0.5	10.0
	Growth	9.5	9.4	7.8	7.8	7.3	7.3
	Total	84/100	84/100	77/100	75/100	68/100	75/100

standardise units of measurement across them. As a result, underperformance of certain attributes both against competitors and against other of the brand's own scores can be identified and addressed.

The Brand Strength Index as a Management tool

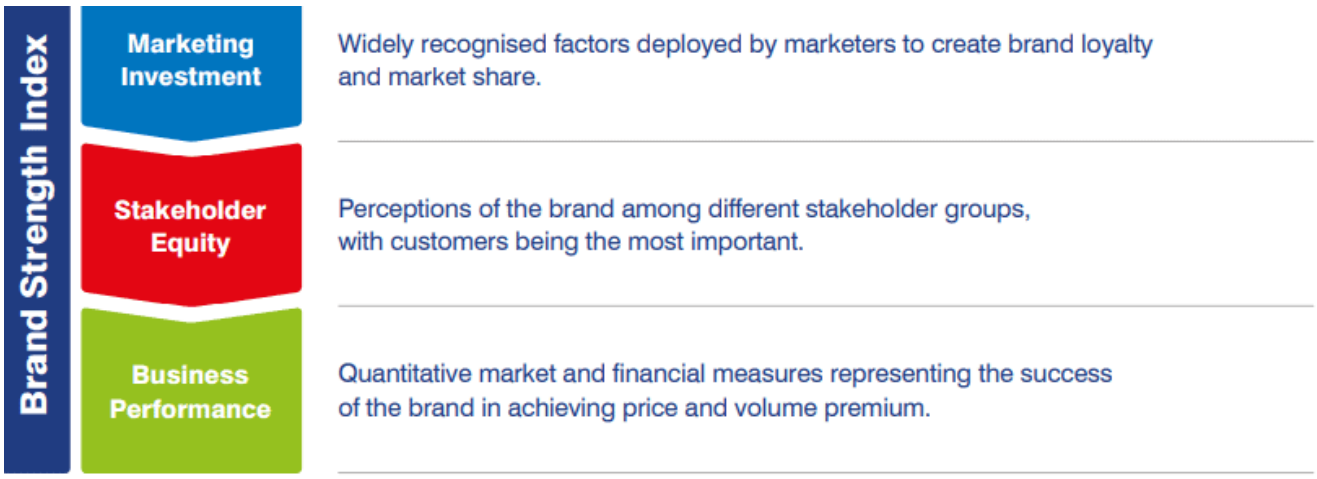
By having this dashboard, trackable over time, against competitors and against different business-relevant attributes, business managers can use the Brand Strength Index to manage their brands more effectively.

To do this, it is important to make sure that these scorecards are made at as granular a level as possible. For example, focussing on a business division within a country or even at a customer segment level. This provides the specificity to align marketing, service and other actions with the attributes within the Brand Strength Index.

As a result – and after reviewing current capabilities, staff resources and marketing investment available – management teams can make reasonable targets for different attributes matched with specific actions. For example, these actions might include changing marketing mix, new communications activities, product improvements or other types of investments or strategies.

These targets can be made even more relevant and reasonable by comparing against the performance of similar brands in our database of over 5,000 brand values a year and calibrating a growth rate that seems reasonable. Provided that the attributes are well selected and weighted according to their importance, the effects of these changes in attributes on financial value can be found and an ROI calculated.

However, it is not only incremental changes to activities that can be tracked or planned for. Similarly, changes in strategy like removing a brand and changing brand architecture or updating a brand's positioning can be reviewed through a brand strength framework. This identifies potential improvements in performance and value compared against a base case explaining whether it is worthwhile to pursue the change in strategy.



Highlights from the Global Brand Equity Monitor.

Brand Finance's proprietary market research provides a robust assessment of brand health on key equity measures, allowing comparison both within and across product and service categories. Benchmarking against brands outside your sector is especially helpful in assessing the real strength of brand – not just the 'best of a bad bunch' in a category where brands are generally weaker.

What makes a brand great?

Amazon is undoubtedly one of the world's strongest brands, one of just a handful achieving the highest AAA+ rating. It has an extremely strong brand funnel, with near-universal familiarity, and consideration, and while its reputation score is not best-in-class, it is stronger than many of its critics might think.

Every strong brand has its own winning formula, and our research highlights Amazon's particular advantages. Top of that list is the outstanding value which shoppers believe Amazon delivers. Amazon ranks on this measure in big markets such as Brazil, USA, UK, and is #1 among retailers in many more. Value has always been a big driver of consumer behaviour, but Amazon also delivers a slick shopping experience ("excellent website/apps"), and this powerful combination is irresistible for many consumers, even those who question Amazon's values and broader corporate reputation.

Does brand purpose deliver?

Argument rages among CMOs and marketing gurus over this issue. The jury is out – our data suggests that being seen to "care about the wider community" does correlate somewhat with higher Consideration levels, and is an asset particularly for local favourites such as **Jio** (India) or **Bunnings** (Australia). But brands like **McDonald's** and **Nike** (as well as Amazon) are liked and desired despite somewhat moderate reputations on sustainability and values.

Who's the coolest cat?

In categories like apparel, tech and automotive, sustainability can make you cool, but it's not the only way. **Porsche** wins relatively few plaudits for sustainability, but its übercoolness is very apparent.

Selected Rankings for Amazon – All Non-Luxury Brands

	Great value for money	Excellent website/apps
	5	5
	1	1
	8	1
	6	1

43% Care about the wider community (Rank #1)

88% Consideration Conversion

8% Care about the wider community (Rank #86)

92% Consideration Conversion

Similarly in the apparel category (especially footwear), the correlation between coolness and sustainability is not especially high.

Meanwhile in France, the epitome of chic, the 2nd-highest highest scorer among non-luxury brands is…. **Burger King**.

Get your brand talked-about

Cool brands get talked about, and word-of-mouth (WOM) is another key asset some brands possess. It has proven impact on brand growth, hence WOM's inclusion in our Brand Strength Index model.

In an absolute sense, big brands get talked about a lot more than small ones – their sheer mass presence and relevance ensures that. But deeper analysis reveals a number of challenger brands who look set to profit from above-expectation WOM levels and positive consumer sentiment. Keep an eye on **Tim Horton's** in Spain, **Peros Garment Factory** (Canada), **SAIC** in, yes, the USA and **iinet** in Singapore.

Top-ranked brands for being "Cool" (Among Category Users) © Brand Finance Plc 2022

	1st	2nd	3rd
	PORSCHE	Jeep	
	Levi's	BURGER KING	
	CONVERSE	HARLEY-DAVIDSON	PORSCHE
	HARLEY-DAVIDSON	PORSCHE	UNDER ARMOUR

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.

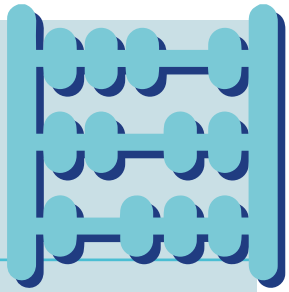
+ Brand Audits
+ Primary Research
+ Syndicated Studies
+ Brand Scorecards
+ Brand Drivers & Conjoint Analysis
+ Soft Power

+ 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.

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 and marketing activations, to deliver strategic campaigns, 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 Limited is a member of the Brand Finance Plc Group

Research, Strategy & Measurement

Brand & Communications Strategy

Campaign Planning

Market Research & Insights

Media Analysis

Public Relations & Communications

Media Relations

Press Trips & Events

Strategic Partnerships & Influencer Outreach

Social Media Management

Marketing & Events

Promotional Events

Conference Management

Native Advertising

Retail Marketing

Content Creation

Bespoke Publications, Blogs & Newsletters

Press Releases

Marketing Collateral Design

Social Media Content

Strategic Communications

Crisis Communications

Brand Positioning & Reputation

Geographic Branding

Corporate Social Responsibility (CSR)

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 or visit brandfinanceinstitute.com

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