



# Singapore 100 2017

**The Annual Report on the Most Valuable Singaporean Brands  
June 2017**

# About Brand Finance

**Brand Finance is the world’s leading independent brand valuation and strategy consultancy.** Brand Finance was set up in 1996 with the aim of ‘bridging the gap between marketing and finance’. For 21 years we have helped companies to connect their brands to the bottom line, building robust business cases for brand decisions, strategies and investments. In doing so, we have helped finance people to evaluate marketing programmes and marketing people to present their case in the Board Room.

**Independence**  
**Brand Finance is impartial and independent.** We access and help to manage brands, but we do not create or own them. We are therefore able to give objective, unbiased advice because we have no vested interest in particular outcomes of a project and our recommendations are entirely independent. We are agency agnostic and work collaboratively with many other agencies and consultancies.

**Technical credibility**  
**Brand Finance has high technical standards.** Our work is frequently peer-reviewed by the big four audit and our work has been accepted by tax authorities and regulatory bodies around the

world. We are one of the few companies certified to provide brand valuation that is fully compliant with ISO 10668, the global standard on monetary brand valuations.

**Transparency**  
**There are no black boxes.** Our approach is to work openly, collaboratively and flexibly with clients and we will always reveal the details of our modelling and analysis. This means our clients always understand what lies behind ‘the number’.

**Expertise**  
**We possess a unique combination of skills and experience.** We employ functional experts with marketing, research and financial backgrounds, as well as ex-client-side senior management who are used to ‘making things happen’. This gives us the mindset to think beyond the analysis and to consider the likely impact on day-to-day operations. We like to think this differentiates us because our team has real operational experience.

For more information, please visit our website: [brandfinance.com](http://brandfinance.com)

**Brand Finance** puts thousands of the world’s biggest brands to the test every year, evaluating which are the most powerful and most valuable. The Singapore 100 is just one of the many annual reports produced by Brand Finance. Visit [www.brandirectory.com](http://www.brandirectory.com) to access all the sectors and countries report.



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# Foreword



**David Haigh**  
**Chief Executive Officer**  
**Brand Finance plc**

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. Skeptical 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 the marketing and financial worlds. 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 marketers 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 recently conducted share price study revealed the compelling link between strong brands and stock market performance. It was found that investing in the most 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.

# Foreword



**Samir Dixit**  
**Managing Director**  
**Brand Finance Asia Pacific**

2017 continues to be an unpredictable year. There are new challenges emerging each day; some that the global economies are used to and some that come and surprise everyone out of nowhere. Being in ASEAN markets with a growing consumer base isn’t enough. Business growth is getting more and more unpredictable. Forecasting is impossible. This will be the new norm for everyone. And the brands will not be immune to it either.

We are seeing more and more unpredictable behaviour from brands and customers alike. Loyalty has been put aside for discounts. Brand equity has been put aside for sales. “Short term”, “quick results” and “sell and move on” are some of the new mantras. So the only thing that remains a constant is the brand and that’s why it is the most critical business asset. Shareholders invest for the intangible value increase of the share price, mostly driven by brands. Business managers however seldom look at it that way giving their undivided focus to sales, balance sheet performance and cost cuts.

Singapore is no exception to the failing brand attention and some serious drops in brand value outside of the top 15-20 brands. The brands with BBB brand strength rating, which are largely non-competitive, have increased to seven - a new high for any single country in ASEAN. A strong external brand must be managed effectively internally first. Internal brand management therefore is more critical than external brand management.

Consistency is the single largest brand value driver and that comes from everyone inside the organisation being on the same page, having the same brand understanding, its messaging, and its application and so on. In our assessment, 10-15% of the total brand value is influenced by how well the brand is managed and understood internally. This is the challenge that we address in our 2017 annual Brand Forum and our report.

Valuation is a great tool to evaluate, monitor and track the internal brand management contribution for your business success. This becomes critical since huge investments are already being made in the design, R&D, launch and re-launch and ongoing tactical promotion of numerous products around the world but unfortunately, most corporates fail to effectively measure the ROI for their important and valuable asset – their brand. We have also observed that a number of brand valuation consultancies produce brand ranking tables using methods that do not stand up to technical scrutiny or to the ISO Standards for Brand Valuation. We use methods that are technically advanced, which conform to ISO Standards and are well recognised by our peers, by various technical authorities and by academic institutions.

Brand Finance published brand rankings are the world’s only published ranking of ISO compliant brand values. This annual report pits the best Singapore brands against one another in the most definitive list of brand values available. The Brand value accorded to each brand is a summary of its financial strength. Each brand has also been given a brand rating, which indicates its strength, risk and future potential relative to its competitors.

This report provides an opinion regarding the point in time valuations of the most valuable Singapore brands as at 31st December 2016. The sheer scale of these brand values show how important an asset these brands are to their respective owners. As a result, we firmly believe that brand valuation analysis can offer marketers and financiers critical insight into their brand management efforts and the impact of a stronger brand on marketing activities and should be considered as a key part of the decision making process.



# Introduction

The balance between tangibles and intangibles has changed dramatically over the past 50 years as corporate performance is increasingly driven by exploitation of ideas, information, expertise and services rather than physical products.

Intangible assets have traditionally tipped the scales over tangible assets to create value for companies and the global economy. They now make up for a significantly large value of an enterprise. Yet, it’s an area of least focus amongst the management.

Whilst accountants do not measure intangible assets, the discrepancy between market and book values shows that investors do.

Brand Finance has been researching and tracking the role of intangible assets since 2001 as part of its annual Global Intangible Finance Tracker (GIFT™) with an emphasis on helping corporations understand brand strength and value.

Brand Finance has found that intangible assets play a significant part in enterprise value generation. The GIFT™ is a study that tracks the performance of intangible assets on a global level.

The GIFT™ is the most extensive study on intangible assets, covering more than 160 jurisdictions, more than 57,000 companies. The analysis goes back over a fifteen-year period from the end of December 2015.

Currently, 48% of global market value is vested in intangible assets. There is just a marginal decrease as compared to last year. However, the management paradigm is yet to shift in tandem with large proportion and the importance of intangible assets.

In last year’s GIFT™ 2016 report , the Enterprise Value of the companies covered stands at \$89 trillion: of which, \$46.8 trillion represented Net Tangible Assets, \$11.8 trillion represented disclosed intangible assets (including goodwill) and \$30.1 trillion represented ‘undisclosed value’.

The fact that most of the intangible value is not disclosed on company balance sheet further illustrates how poorly understood intangibles still are by investors and management alike – and how out of date accounting practice is.

Such ignorance leads to poor decision-making companies and systematic mis-pricing of stock by investors.

### Purpose of study

To this end, our study aims to examine the performance of Singapore’s intangible assets and brands.

For the intangible asset study, the total enterprise value of corporate Singapore is divided into four components shown below.

Undisclosed Value	Disclosed Goodwill
The difference between the market and book value of shareholders’ equity, often referred to as the premium book value	Goodwill disclosed on balance sheet as a result of acquisitions
Disclosed Intangible Assets	Tangible Net Assets
Intangible assets disclosed on balance sheet including trademarks and licences	Tangible net assets is added to investments, working capital and other net assets

# Should Singapore be concerned with intangible asset value?

## Singapore as an IP hub of Asia

While this is not an impossible task and objective, it would not be an easy journey given the relative footprint of the industries here compared to other Asian economies.

Currently Singapore is ranked 26th in the global rankings of the “2015 Nation Brands” rankings published by Brand Finance. The starting point for the journey to be the IP hub of Asia should ideally begin with the Brand Singapore itself and the analysis of the contribution from the various brand value drivers.

Singapore is behind the peers such as Malaysia in the Brand Finance 2016 GIFT (Global Intangible Financial Tracker) Study. Clearly the Singapore companies are more driven by the tangibles over intangibles. This is not an ideal mix towards the journey of being the IP hub of Asia. Singapore therefore needs to both actively participate and fundamentally change the ways in which both Singapore and the companies in Singapore manage their IP.

## Singapore’s full convergence to international financial reporting standards by end 2012

The full convergence to IFRS by 2012 was a critical step in a bid to put Singapore on the same footing as other nations and strengthen its role as an international centre of commerce.

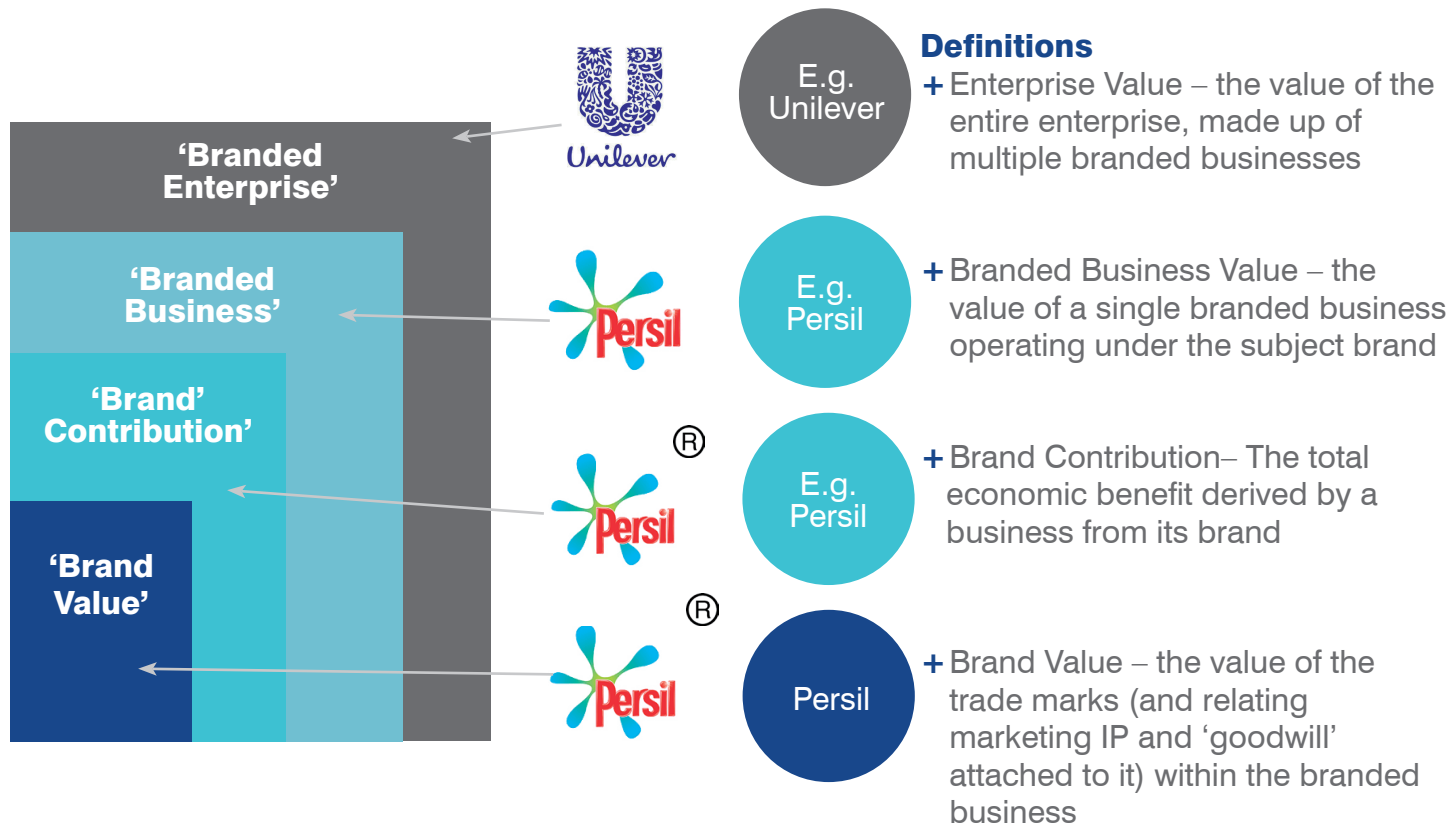
Having a standardised accounting standard means that the value of disclosed intangible assets is likely to increase in the future. Strong advocates of ‘fair value reporting’ believe that the changes should go further. Specifically, all of a company’s tangible and intangible assets and liabilities should regularly be measured at fair value and reported on the balance sheet, including internally generated intangibles such as brands and patents. This is provided the valuation methods and corporate governance adopted is sufficiently rigorous. This is likely to be less of a concern going forward due to the ISO standards announced for valuation in October 2010, which is fast becoming a gold standard in valuation.

Some go as far as to suggest that ‘internally generated goodwill’ should be reported on the balance sheet at fair value, meaning that management would effectively be required to report its own estimate of the value of the business at each year end together with supporting assumptions. However, the current international consensus is that internally generated intangible assets generally should not be recognised on the balance sheet. Under IFRS, certain intangible assets should be recognised, but only if they are in the “development” (as opposed to “research”) phase. However, there are conditions on, for example, technical feasibility, the intention and ability to complete and use the asset. ‘Internally generated goodwill’ including internally generated “brands, mastheads, publishing titles, customer lists and items similar in substance”, may not be recognised.





# Definitions



## Branded Business Value

A brand should be viewed in the context of the business in which it operates. For this reason Brand Finance always conducts a Branded Business Valuation as part of any brand valuation. Where a company has a purely mono-branded architecture, the business value is the same as the overall company value or ‘enterprise value’.

In the more usual situation where a company owns multiple brands, business value refers to the value of the assets and revenue stream of the business line attached to that brand specifically. We evaluate the full brand value chain in order to understand the links between marketing investment, brand tracking data, stakeholder behaviour and business value to maximise the returns business owners can obtain from their brands.

## Brand Contribution

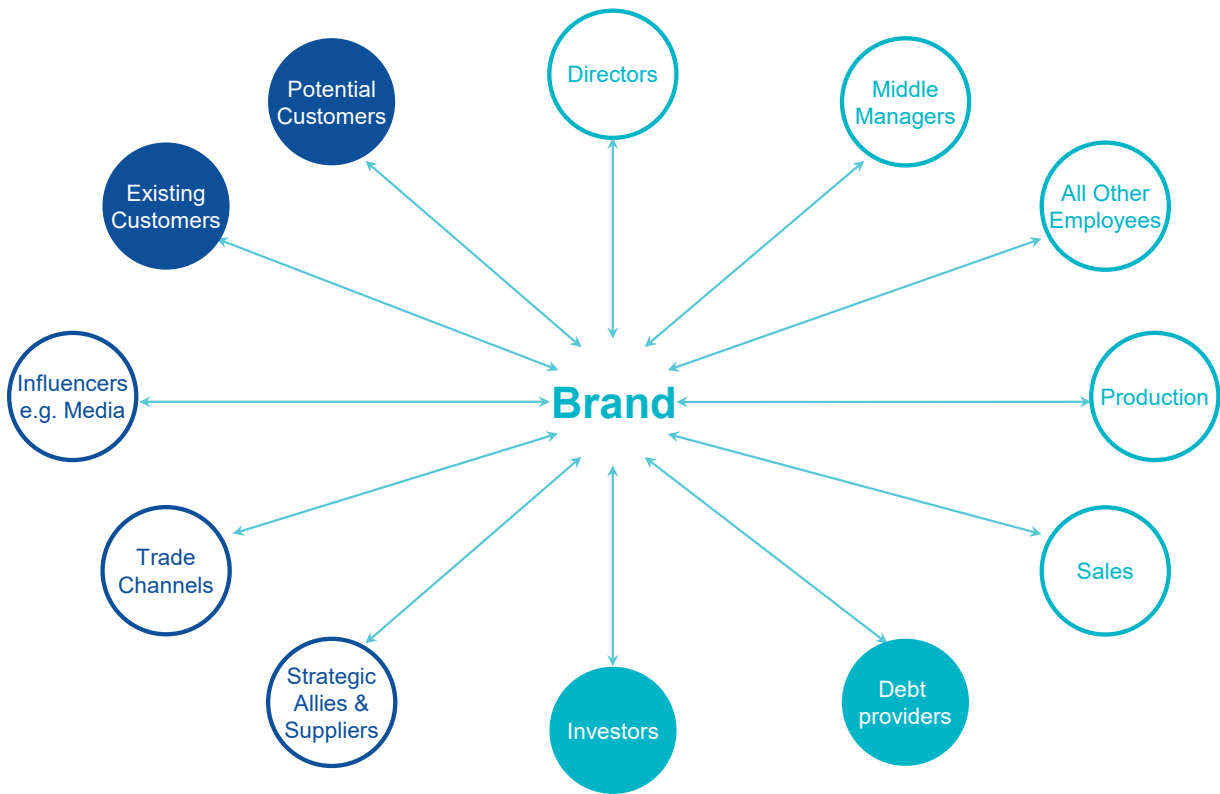
The brand values contained in our league tables are those of the potentially transferable brand asset only, but for marketers and managers alike. An assessment of overall brand contribution to a business provides powerful insights to help optimise performance.

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

Brands affect a variety of stakeholders, not just customers but also staff, strategic partners, regulators, investors and more, having a significant impact on financial value beyond what can be bought or sold in a transaction.

# Definitons

## Effect of a Brand on Stakeholders



## Brand Value

In the very broadest sense, a brand is the focus for all the expectations and opinions held by customers, staff and other stakeholders about an organisation and its products and services. However, when looking at brands as business assets that can be bought, sold and licensed, a more technical definition is required.

Brand Finance helped craft the internationally recognised standard on Brand Valuation, ISO 10668. This defines a brand as “a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos and designs, or a combination of these, intended to identify goods, services or entities, or a combination of these, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits/value”.

## Brand Strength

Brand Strength is the part of our analysis most directly and easily influenced by those responsible for marketing and brand management. In order to determine the strength of a brand we have developed the Brand Strength Index (BSI). We analyse marketing investment, brand equity (the goodwill accumulated with customers, staff and other stakeholders) and finally the impact of those on business performance.

Following this analysis, each brand is assigned a BSI score out of 100, which is fed into the brand value calculation. Based on the score, each brand in the league table is assigned a rating between AAA+ and D in a format similar to a credit rating. AAA+ brands are exceptionally strong and well managed while a failing brand would be assigned a D grade.

# Methodology

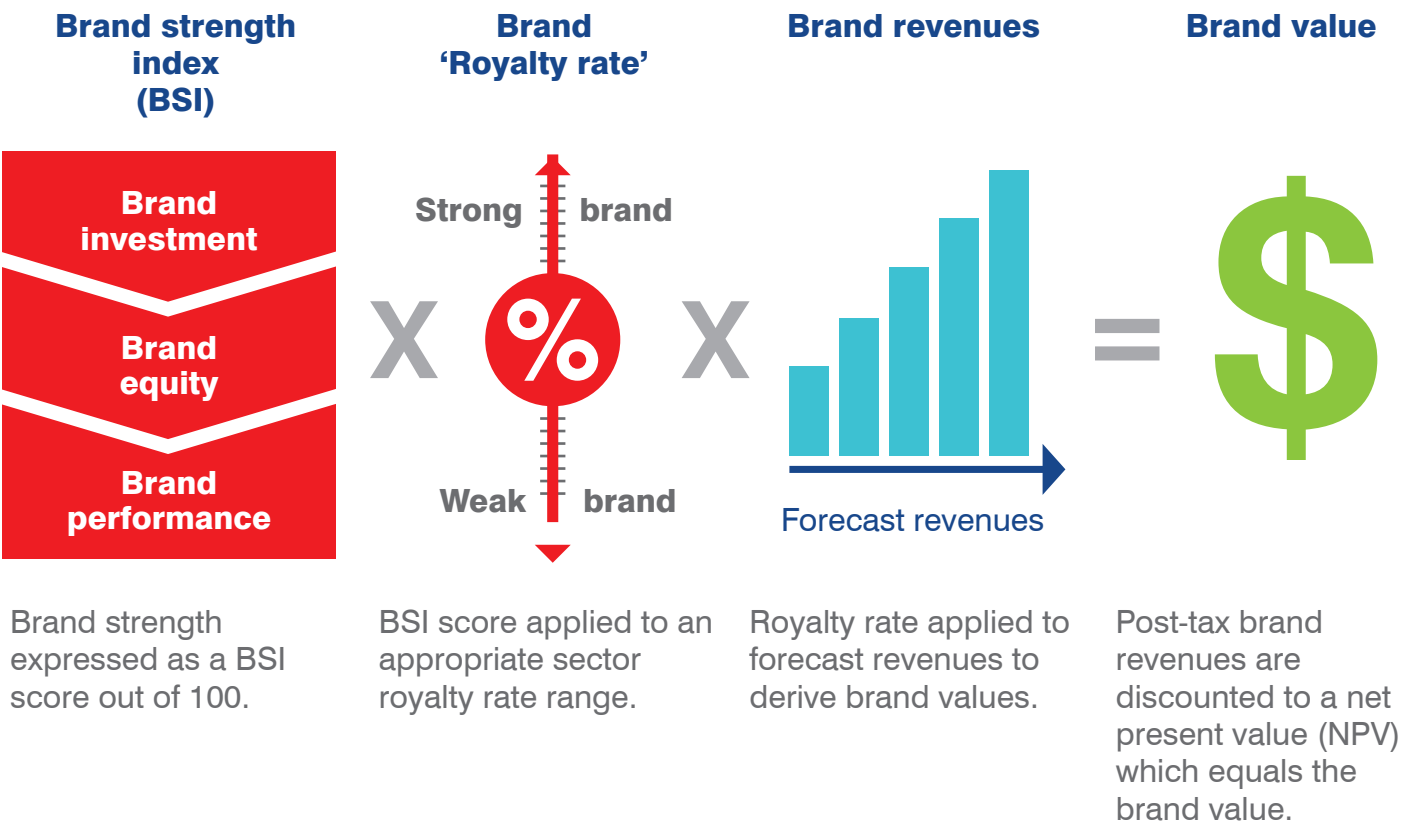
## League Table Valuation Methodology

**Brand Finance calculates the values of the brands in its league tables using the ‘Royalty Relief approach’.** This approach involves estimating the likely future sales that are attributable to a brand and calculating a royalty rate that would be charged for the use of the brand, i.e. what the owner would have to pay for the use of the brand—assuming it were not already owned.

The steps in this process are as follows:

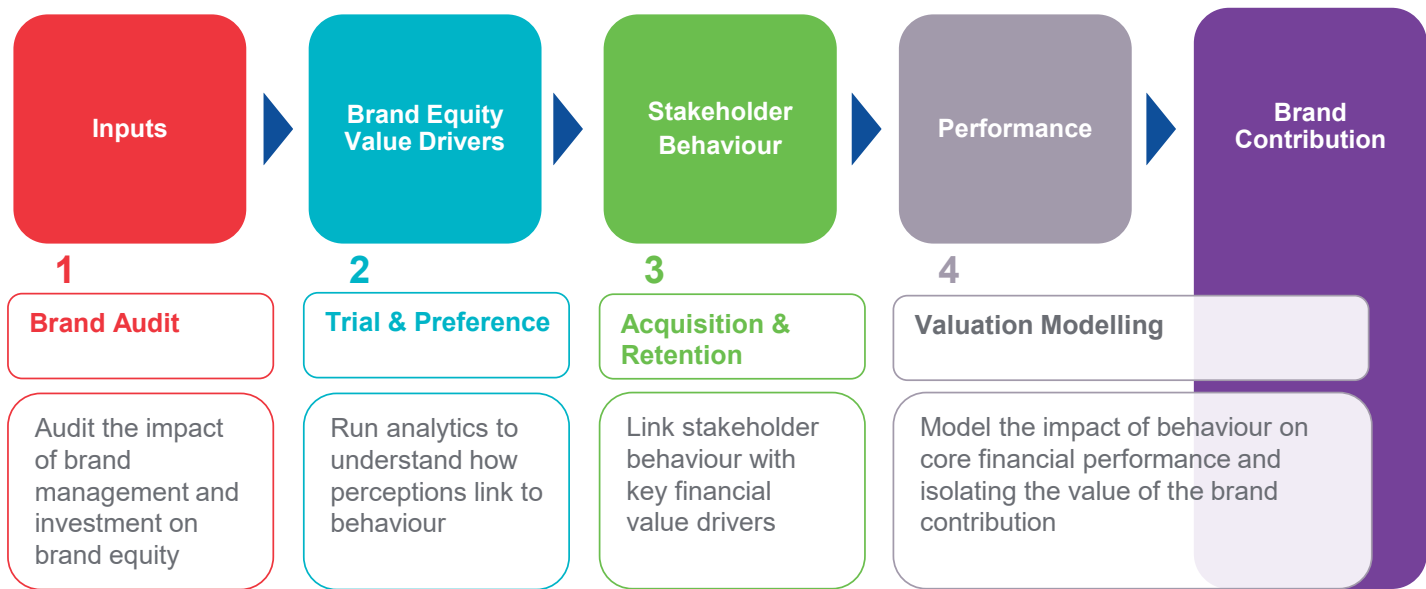
**1** Calculate brand strength on a scale of 0 to 100 based on a number of attributes such as emotional connection, financial performance and sustainability, among others. This score is known as the Brand Strength Index, and is calculated using brand data from the BrandAsset® Valuator database, the world’s largest database of brands, which measures brand equity, consideration and emotional imagery attributes to assess brand personality in a category agnostic manner.

- 2** Determine the royalty rate range for the respective brand sectors. This is done by reviewing comparable licensing agreements sourced from Brand Finance’s extensive database of license agreements 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 1-5% 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 4.2%.
- 4** Determine brand specific revenues estimating a proportion of parent company revenues attributable to a specific brand.
- 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 brand revenues.
- 7** Brand revenues are discounted post tax to a net present value which equals the brand value.

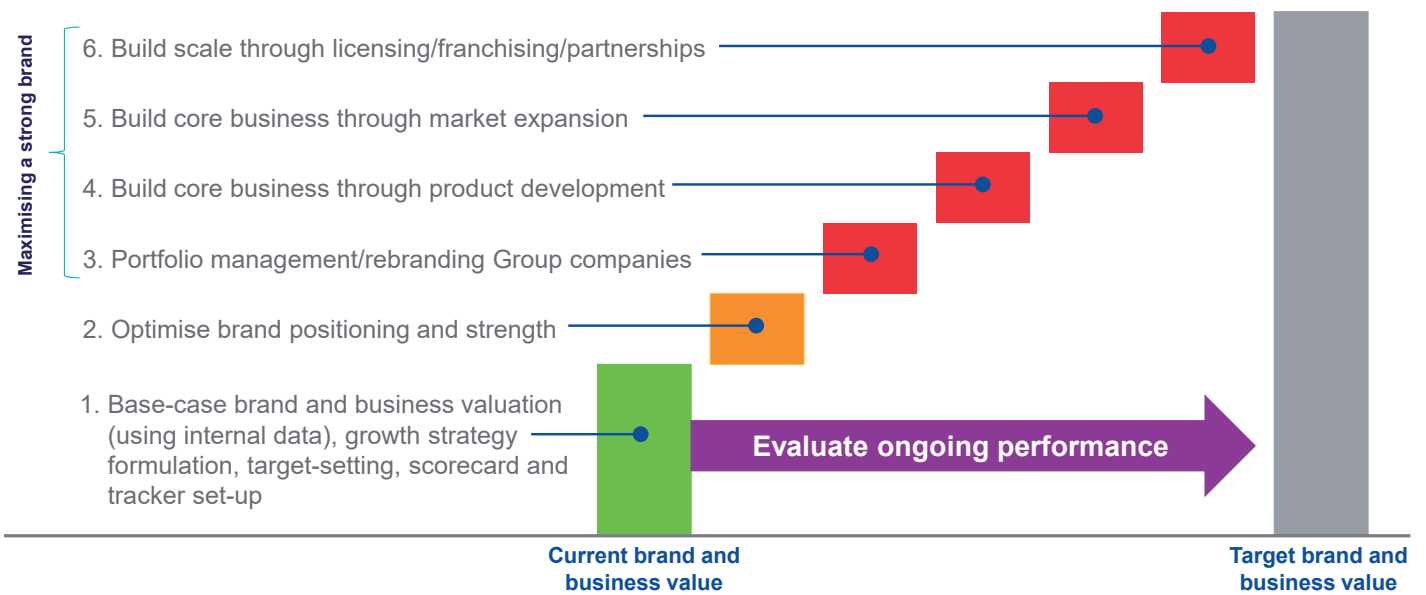


# Methodology

## Brand Finance Typical Project Approach



## How We Help to Maximise Value





# Getting a grip on intangibles

Bryn Anderson  
Chief Operating Officer, Brand Finance UK

## Getting a grip on intangibles

Intangible assets make up nearly half the value of quoted companies around the world. Yet intangibles remain poorly understood and managed.

Intangible assets including brands have never been more important. Survey after survey shows that brands and other intangibles typically account for between 30 per cent and 70 per cent of a company’s market value, and in certain sectors, such as luxury goods, this figure can be even higher.

Research from Brand Finance, the 2016 BrandFinance Global Intangible Financial Tracker (GIFT) report is the most extensive research ever compiled on intangible assets. Over the past thirteen years, GIFT has tracked the performance of more than 57,000 companies domiciled in 160 over jurisdictions and it shows that in 2015, intangibles across the world accounted for 48 percent of the value of quoted companies, continuing the increase since the global economic downturn in 2008. The proportion of intangible assets not recognised on the global balance sheet is down from 37 per cent to 34 percent comparing from the year before. The increase can be attributed strong stock prices in the mining and oil and gas sector.

The balance between tangible to intangible assets has changed dramatically over the past 50 years, as corporate performance has become increasingly driven by the exploitation of ideas, information, expertise and services rather than physical things. Yet despite the rise in intangible value, the fact that most of it is not disclosed on company balance sheets highlights how poorly understood intangibles still are by investors and management alike — and how out of date accounting practice is. Such ignorance leads to poor decision making by companies and systematic miss-pricing of stock by investors.

Overall, the 2016 GIFT study shows that the value of the top 57,000 companies in the world has recovered from the ‘double drip’ result in 2011. The total Enterprise Value of corporates under the scope of the study was \$89 trillion as at the end of 2015. Of this value, \$46.8 trillion represented Net Tangible Assets (NTA), \$11.8 trillion disclosed intangible assets and \$30.1 trillion ‘undisclosed value’.

## Categories of intangible assets under IFRS 3

- 1. Rights.** Leases, distribution agreements, employment contracts, covenants, financing arrangements, supply contracts, licences, certifications, franchises.
- 2. Relationships.** Trained and assembled workforce, customer and distribution relationships.
- 3. Intellectual property.** Patents; copyrights; trademarks; proprietary technology (for example, formulas, recipes, specifications, formulations, training programmes, marketing strategies, artistic techniques, customer lists, demographic studies, product test results); business knowledge — such as suppliers’ lead times, cost and pricing data, trade secrets and knowhow.

But a fourth category, ‘undisclosed intangible assets’, is usually more valuable than the disclosed intangibles. The category includes ‘internally generated goodwill’, and it accounts for the difference between the fair market value of a business and the value of its identifiable tangible and intangible assets. Although not an intangible asset in a strict sense — that is, a controlled ‘resource’ expected to provide future economic benefits (see below) — this residual value is treated as an intangible asset in a business combination when it is converted into goodwill on the acquiring company’s balance sheet. Current accounting practice does not allow for internally generated brands to be disclosed on a balance sheet. Under current IFRS only the value of acquired brands can be recognised, which means many companies can never use the controlled ‘resource’ of their internally generated brands to their full economic benefit. For example, they can’t take out a loan against the asset and potentially bolster their balance sheet.

# Getting a grip on intangibles

In accounting terms, an asset is defined as a resource that is controlled by the entity in question and which is expected to provide future economic benefits to it. The International Accounting Standards Board’s definition of an intangible asset requires it to be non-monetary, without physical substance and ‘identifiable’.

In order to be ‘identifiable’ it must either be separable (capable of being separated from the entity and sold, transferred or licensed) or it must arise from contractual or legal rights (irrespective of whether those rights are themselves ‘separable’). Therefore, intangible assets that may be recognised on a balance sheet under IFRS are only a fraction of what are often considered to be ‘intangible assets’ in a broader sense.

However, the picture has improved since 2001, when IFRS3 in Europe, and FAS141 in the US, started to require companies to break down the value of the intangibles they acquire as a result of a takeover into five

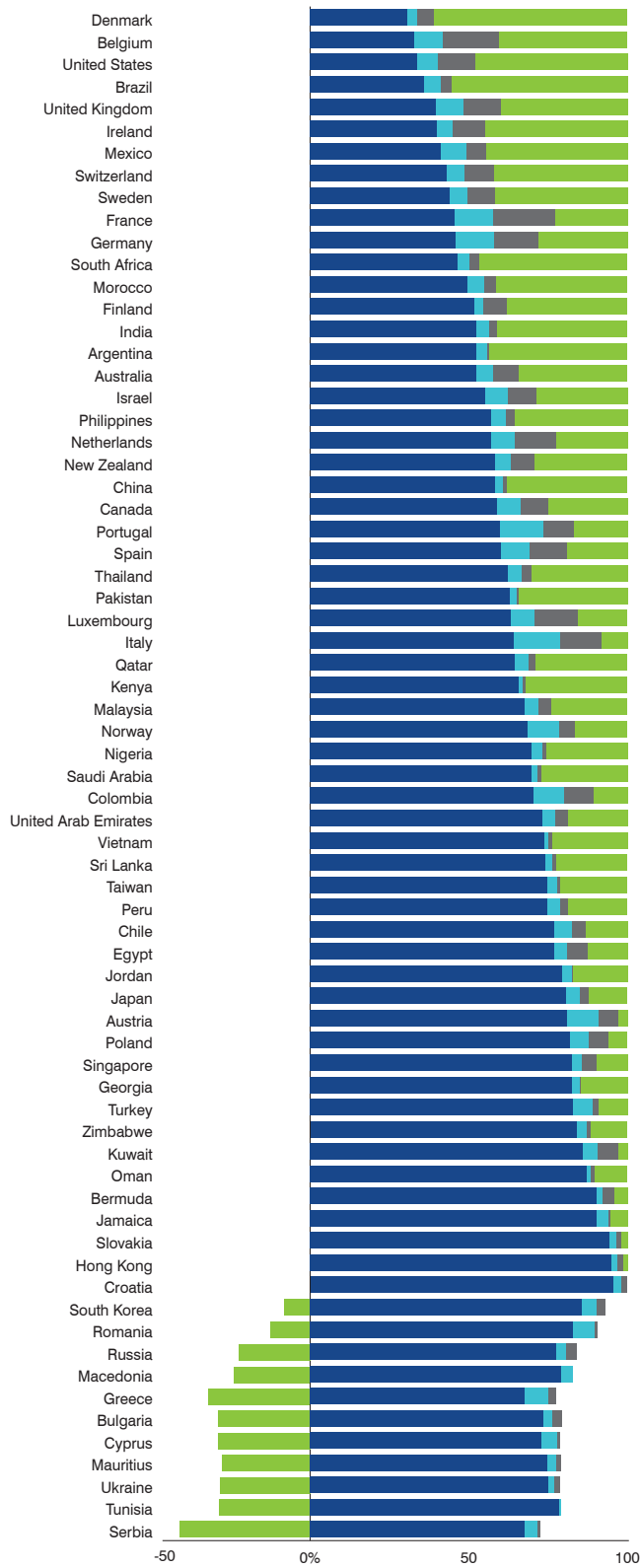
different categories — including customer-and market related intangibles — rather than lumping them together under the catch-all term ‘goodwill’ as they had in the past. But because only acquired intangibles, and not those internally generated, can be recorded on the balance sheet, this results in a lopsided view of a company’s value. What’s more, the value of those assets can only stay the same or be revised downwards in each subsequent year, thus failing to reflect the additional value that the new stewardship ought to be creating.

Clearly, therefore, whatever the requirements of accounting standards, companies should regularly measure all their tangible and intangible assets (including internally-generated intangibles such as brands and patents) and liabilities, not just those that have to be reported on the balance sheet. And the higher the proportion of ‘undisclosed value’ on balance sheets, the more critical that robust valuation becomes.



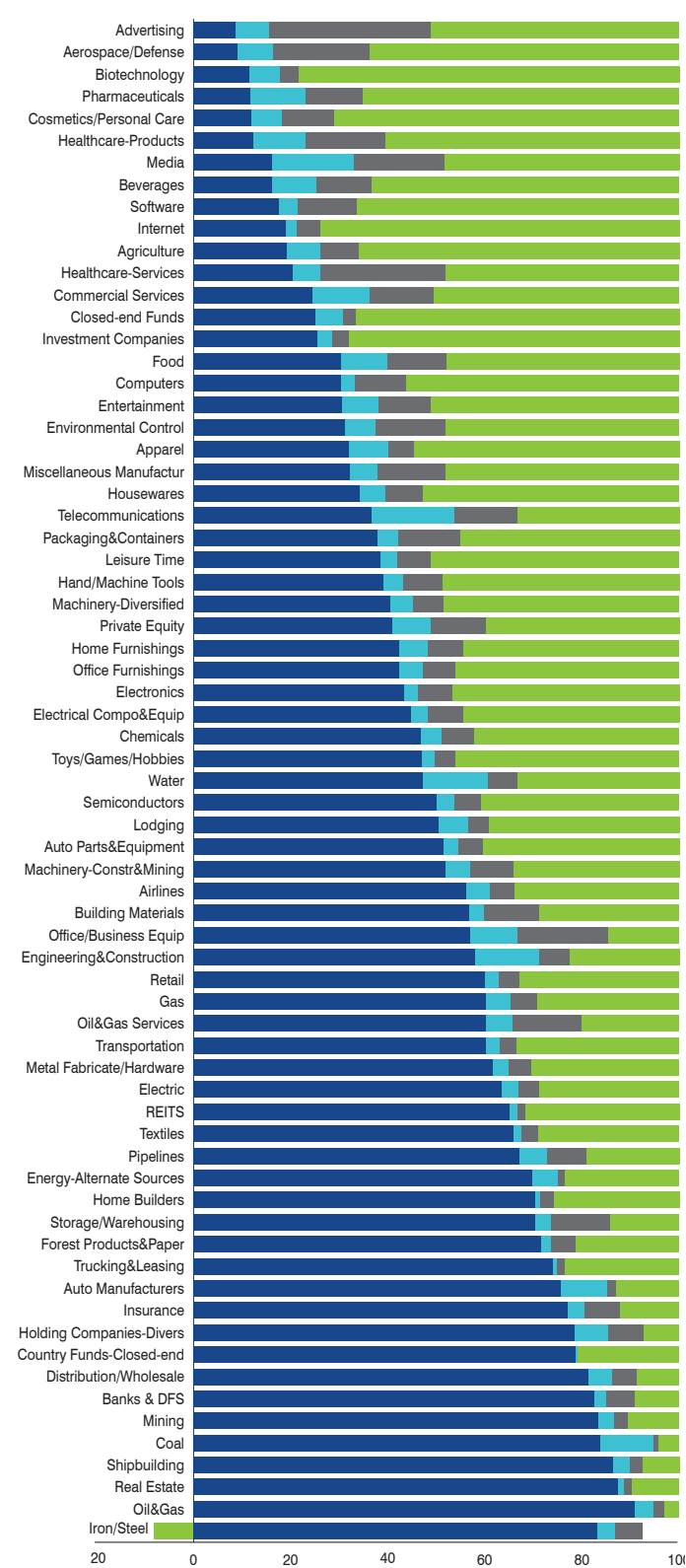
# Getting a grip on intangibles

Global intangible and tangible value by country (%)



■ Tangible Net Assets ■ Disclosed intangible Assets ■ Disclosed Goodwill ■ Undisclosed Value

Global intangible and tangible value by sector (%)



■ Tangible Net Assets ■ Disclosed intangible Assets ■ Disclosed Goodwill ■ Undisclosed Value

# Categories of Intangible Asset under IFRS 3

MARKETING-RELATED INTANGIBLE ASSETS	<ul style="list-style-type: none"><li>• Trademarks, tradenames</li><li>• Service marks, collective marks, certification marks</li><li>• Trade dress (unique colour, shape or package design)</li><li>• Newspaper mastheads</li><li>• Internet domain names</li><li>• Non-competition agreements</li></ul>
CUSTOMER-RELATED INTANGIBLE ASSETS	<ul style="list-style-type: none"><li>• Customers lists</li><li>• Order or production backlog</li><li>• Customer contracts and related customer relationships</li><li>• Non-contractual customer relationships</li></ul>
CONTRACT-BASED INTANGIBLE ASSETS	<ul style="list-style-type: none"><li>• Licensing, royalty, standstill agreements</li><li>• Advertising, construction, management, service or supply contracts</li><li>• Lease agreements</li><li>• Construction permits</li><li>• Franchise agreements</li><li>• Operating and broadcast rights</li><li>• Use rights such as drilling, water, air, mineral, timber, cutting and route authorities</li><li>• Servicing contracts such as mortgage servicing contracts</li><li>• Employment contracts</li></ul>
TECHNOLOGY-BASED INTANGIBLE ASSETS	<ul style="list-style-type: none"><li>• Patented technology</li><li>• Computer software and mask works</li><li>• Unpatented technology</li><li>• Databases</li><li>• Trade secrets, such as secret formulas, processes, recipes</li></ul>
ARTISTIC-RELATED INTANGIBLE ASSETS	<ul style="list-style-type: none"><li>• Plays, operas and ballets</li><li>• Books, magazine, newspaper and other literary works</li><li>• Musical works such as compositions, song lyrics and advertising jingles</li><li>• Pictures and photographs</li><li>• Video and audio visual material, including films, music, videos, etc</li></ul>



# Brand Governance - The essential “inside out” brand management

Samir Dixit  
Managing Director, Brand Finance Asia Pacific

**The Context:**  
The “brand” is the most powerful and valuable of all the intangibles yet it’s the least areas of focus from the management internally.

It’s every organisation’s biggest challenge to ensure consistent brand usage and communication is in place.

It’s almost taken for granted that the brand management (internal or external) is the sole responsibility of the few people/ team in a department titled “brand management team”. And even for them, the focus more often than not is to manage PR, corporate brand campaigns and the policing of the logo applications. And therein lays the fundamental problem. Policing vs. organisation wide understanding of the brand. The latter is far more important and impactful in consistency of brand application than the former. It is the driver of the brand strength and the incremental value externally.

So the sooner the companies realise that brand is the responsibility of every single individual in the organisation, not just the brand team or the people directly involved in the marketing functions( IT, HR, Shared Services, property management, frontline staff, back office staff etc.) the more impactful and consistent will be their brand messaging and brand application.

**The Importance:**  
Given a corporates global span and diverse workforce of thousands of employees, all this is easier said than done unless the corporate has a structured brand governance (or internal brand management) framework that effectively covers all individuals/staff in the organisation and makes every one of them responsible for the brand vs. a handful of members of the brand team.

Brand governance is generally driven by the culture within the organisation. However, at the most basic level, savvy organisations know the value of the brand and what the drivers of the brand value are. The

organisations Board of Directors also understand the importance of the brand.

It’s just not managed from an “inside out” perspective.

**Brand Finance “Brand Governance” Approach:**  
Brand Finances’ Brand Governance Framework enables a corporate to understand and continues to grow the Brand Equity and Brand Value of the brand effectively managing it “Inside Out”.

The fundamental difference of approach taken by brand finance is not to be inputs driven but to be more output focussed. The output is measured via a GSI (Governance strength Index) which is very similar to our BSI index except it measures and scores the inputs equity output for internal brand management practices.

**Key Components of Brand Governance:**  
There are nine key components of brand governance which help drive the internal brand management in a more robust and structured manner thereby improving the brand equity externally. And make the brand more competitive.

1. **Information:** Information on brand development, direction the corporate is moving in, reasons of doing the changes, who to go to for brand and related information, etc.
2. **Education:** Education and understanding of people on do’s and don’ts. This is the foundation and essence of Brand Management. The need and logic for consistency.
3. **Benchmarking:** Creating the benchmarking measures through consistent brand tracking, both internally and externally, becomes essential. These help define the common platforms and common measurement tools that the brand will be measured on both internally and externally. These are also redefined against /in sync with current measures to identify the gaps, intensity of push and effort required in each of the countries to achieve success.

# Brand Governance - The essential “inside out” brand management

4. **Leveling:** Get everyone (or as many people) around the world in the corporate on the same page as far as brand understanding and priorities are concerned. What is the organisation doing? Why are they doing it? How are they doing it? How would the organisation benefit from this? There should be more answers than the questions.

5. **Operational processes:** How will the organisation operationalize the Brand Management? Who will be the key people involved? Responsibilities for individuals/ groups/teams.

6. **Auditing:** No audit means no success measure and no gaps identification. Keeping track of what is being cascaded is being implemented correctly is critical to the success of any brand management program.

7. **Risk perspectives:** Risk integration with a brand management process, though seem far-fetched, is extremely critical. Defining the downsides of not thinking and following the charted brand course and highlighting the associated business risks such as the operational/ reputational/financial/ strategic/legal risk shows the importance of the brand to the organisation.

8. **Measurability Aspects:** What gets measured gets done. How will the organisation measure the success/ failure against the defined benchmarks and KPI’s?

9. **Improvement:** Putting feedback channels in place for learning, constant improvement and enhancement of brand experience across stakeholders is the last mile connectivity.

All the above components come together in the GSI framework and allow the overall brand governance process to be managed and maintained as a crucial management KPI with a clear focus on “what next”.

And do remember, information is critical. So without an internal tracking of brand understanding and equity amongst the staff, a brand policy, internal brand audits etc., the process would not work. It’s “garbage-in, garbage-out”.

To conclude, this might make the brand teams a bit uncomfortable about letting go of the control and empowerment that they have. They must understand that this is to get the whole organisation work for them and with them vs against them. It’s not about creating more guidelines and policing opportunities. It’s about making every employee responsible and empowering everyone across the organisation for the brand. And this is also about how the success of the brand team would be measured and demonstrated to the senior management. How much brand value is contributed by the brand team through their actions and efforts? If the brand team wasn’t there, what’s the brand value at risk?





# DBS. Asia's Best Bank

and now the  
**World's Best Digital Bank.**



**Euromoney**  
World's Best Digital Bank  
Asia's Best Bank



**Global Finance**  
Best Bank in Singapore  
Best Investment Bank in Singapore  
Best Private Bank in Singapore



**FinanceAsia**  
Best Asian Private Bank  
Best Asian Investment Bank  
Borrower of the Year  
Best Project Financing Deal  
Most Innovative Deal  
Best Singapore Deal

We are honoured to be recognised as the best  
not just in Singapore and Asia, but also the world.

Thank you for being our source of inspiration,  
as we make banking simpler, faster and smarter  
...so you can **live more, bank less.**

DBS Bank Ltd Co. Reg. No.: 196800306E Jul 2016

Living, Breathing Asia

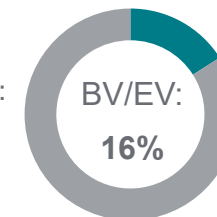


## Singapore's Top 10 Most Valuable Brands 2017

Currency: USD millions

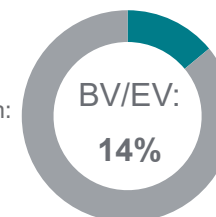
**1**  **DBS**

Brand Value:  
**US\$5,403m**  
Market Capitalisation:  
**US\$33,766m**  
Brand Rating:  
**AAA-**



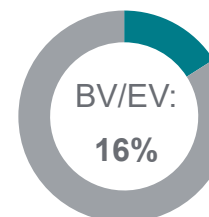
**2**  **OCBC Bank**

Brand Value:  
**US\$3,643m**  
Market Capitalisation:  
**US\$26,020m**  
Brand Rating:  
**AAA-**



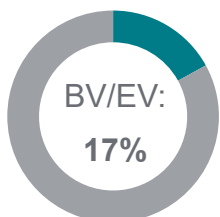
**3**  **UOB**

Brand Value:  
**US\$3,619m**  
Market Capitalisation:  
**US\$22,529m**  
Brand Rating:  
**AA+**



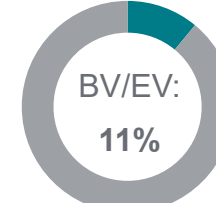
**4**  **wilmar**

Brand Value:  
**US\$2,833m**  
Enterprise Value:  
**US\$16,258m**  
Brand Rating:  
**A+**



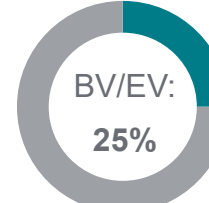
**5**  **Singtel**

Brand Value:  
**US\$2,625m**  
Enterprise Value:  
**US\$23,730m**  
Brand Rating:  
**AA**



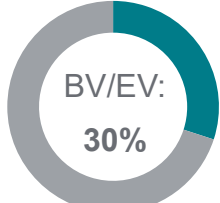
**6**  **SINGAPORE AIRLINES**

Brand Value:  
**US\$1,632m**  
Enterprise Value:  
**US\$6,571m**  
Brand Rating:  
**AAA-**



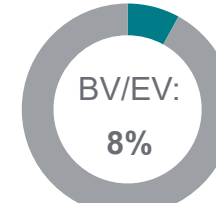
**7**  **Great Eastern**  
Life is Great  
A member of the OCBC Group

Brand Value:  
**US\$1,516m**  
Enterprise Value:  
**US\$7,263m**  
Brand Rating:  
**A+**



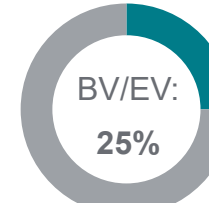
**8**  **FRASERS CENTREPOINT**

Brand Value:  
**US\$1,102m**  
Enterprise Value:  
**US\$14,474m**  
Brand Rating:  
**A+**



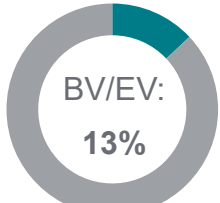
**9**  **COMFORTDELGRO**

Brand Value:  
**US\$1,080m**  
Enterprise Value:  
**US\$4,406m**  
Brand Rating:  
**AA-**







































































































**10**  **GENTING SINGAPORE**

Brand Value:  
**US\$1,003m**  
Enterprise Value:  
**US\$7,783m**  
Brand Rating:  
**A+**















































































# Singapore Top 100 Brands 2017

Rank 2017	Rank 2016	Brand	Logo	2017 Brand Value (US\$m)	2016 Brand Value (US\$m)	2017 Brand Rating	2016 Brand Rating	Brand Value / Enterprise Value (%)
1	1	DBS		5,403	5,314	AAA-	AAA-	16%
2	2	OCBC Bank		3,643	3,293	AAA-	AA +	14%
3	3	UOB		3,619	2,762	AA+	AA	16%
4	5	Wilmar		2,833	2,467	A+	A+	17%
5	6	Singtel		2,625	2,417	AA	AA	11%
6	4	Singapore Airlines		1,632	2,547	AAA-	AAA	25%
7	7	Great Eastern		1,516	1,314	A+	AA-	30%
8	9	Fraser's Centrepoint		1,102	1,012	A+	A	8%
9	12	ComfortDelGro		1,080	965	AA-	AA-	25%
10	14	Genting Singapore		1,003	812	A+	AA-	13%
11	19	CapitaLand						
12	16	SPC						
13	15	StarHub						
14	10	Sembcorp						
15	11	Fraser and Neave						
16	13	Jardine Cycle & Carriage						
17	21	HPH Trust						
18	8	Keppel						
19	18	Olam						
20	22	City Developments						
21	48	Mapletree						
22	20	ST Engineering						
23	17	SPH						
24	new	Tiger Beer						
25	35	Singapore Post						










# Singapore Top 100 Brands 2017

Rank 2017	Rank 2016	Brand	Logo	2017 Brand Value (US\$m)	2016 Brand Value (US\$m)	2017 Brand Rating	2016 Brand Rating	Brand Value / Enterprise Value (%)
26	25	Millennium Hotels						
27	28	APL						
28	26	SGX						
29	new	Venture						
30	23	Sembcorp Marine						
31	27	United Engineers						
32	42	Ascendas Reit						
33	37	Guocoland						
34	32	Global Logistics Properties						
35	36	SIA Engineering						
36	39	CWT						
37	33	Copthorne Hotels						
38	30	SATS						
39	29	M1						
40	24	Hong Leong Asia						
41	38	Ascott						
42	43	Sim Lian						
43	40	SBS						
44	31	SMRT						
45	53	UIC						
46	41	STATS ChipPAC						
47	34	UOL						
48	44	CapitaMalls Asia						
49	46	Super						
50	49	Raffles Medical						

# Singapore Top 100 Brands 2017

Rank 2017	Rank 2016	Brand	Logo	2017 Brand Value (US\$m)	2016 Brand Value (US\$m)	2017 Brand Rating	2016 Brand Rating	Brand Value / Enterprise Value (%)
51	61	OUE						
52	55	Courts						
53	54	Yeo's						
54	45	OSIM						
55	47	The Hour Glass						
56	50	BreadTalk						
57	51	Suntec Reit						
58	58	SingLand						
59	65	Ho Bee Land						
60	new	Sheng Siong						
61	52	Banyan Tree						
62	57	The Straits Time						
63	62	Challenger						
64	59	Hyflux						
65	60	Food Empire						
66	74	Tigerair						
67	64	Popular						
68	70	Delfi						
69	69	UOB Kay Hian						
70	new	Pan-United						
71	78	Wing Tai						
72	76	Eu Yan Sang						
73	71	Biosensors						
74	63	Cortina						
75	66	POSH						

# Singapore Top 100 Brands 2017

Rank 2017	Rank 2016	Brand	Logo	2017 Brand Value (US\$m)	2016 Brand Value (US\$m)	2017 Brand Rating	2016 Brand Rating	Brand Value / Enterprise Value (%)
76	68	ValueMax						
77	new	SoilBuild						
78	75	Stamford						
79	73	Far East Orchard						
80	67	Amara						
81	new	CSE						
82	new	Hong Leong Finance						
83	89	Metro						
84	new	Jumbo						
85	81	Lianhe Zaobao						
86	84	Tiger Balm						
87	72	GP Batteries						
88	88	Aztech						
89	82	Her World						
90	83	Hotel Grand Central						
91	94	Neo Group						
92	86	Akira						
93	new	Maxi-Cash						
94	80	Wee Hur						
95	77	Kingsmen						
96	new	World Class Land						
97	new	Nera						
98	87	MoneyMax						
99	93	Creative						
100	new	Q & M						



# Background On Intangible Asset Value

There are different definitions of ‘intangible assets’. According to Singapore Financial Reporting Standard (FRS) 38 ‘Intangible Asset’, an intangible asset is ‘an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes’. According to FRS 38 the definition of an intangible asset requires it to be:

- A) Non-monetary
- B) Without physical substance
- C) ‘Identifiable’

In order to be ‘identifiable’ it must either be separable (capable of being separated from the entity and sold, transferred or licensed) or it must arise from contractual or legal rights (irrespective of whether those rights are themselves ‘separable’).

Intangible assets can be broadly grouped into three categories:

- 1. Rights:** leases; distribution agreements; employment contracts’; covenants’; financing arrangements; supply contracts; licenses; certifications; franchises.
- 2. Relationships:** trained and assembled workforce; customer and distribution relationships.
- 3. Intellectual property:** trademarks; patents; copyrights’; proprietary technology (e.g. formulas; recipes; specifications; formulations; training programs; marketing strategies; artistic techniques; customer lists; demographic studies; product test results; business knowledge – processes; lead times; cost and pricing data; trade secrets and know-how).

In addition, there is what is sometimes termed ‘Unidentified Intangible Assets’, including ‘internally generated goodwill’ (or ‘going concern value’). It is important to recognise the distinction between internally-generated and acquired intangible assets. Current accounting standards only allow acquired intangible assets to be recognised on the balance sheet. However, this is provided that they meet the above-mentioned

criteria i.e. internally generated intangibles of a company cannot be explicitly stated on its balance sheet.

This results in what is sometimes described as ‘internally generated goodwill’. This is the difference between the fair market value of a business and the value of its identifiable net assets. Although this residual value is not strictly an intangible asset in a strict sense (i.e. a controlled “resource” expected to provide future benefits), it is treated as an intangible asset in a business combination when converted into goodwill on the acquiring company’s balance sheet.

Intangible assets that may be recognised on a balance sheet under FRS 38 are typically only a fraction of the total intangible asset value of a business, with the remaining value continuing to be classified as ‘goodwill’. Brands, if acquired, can be identified under these rules and added to the balance sheet. This results in an unusual situation where internally-generated brands of the acquiree may be recognised on the acquirer’s balance sheet but the acquirer’s own internally-generated brands may not. For this reason, Brand Finance thinks there is a strong case for the inclusion of internally generated brands on the balance sheet.

Brands fulfil the definition of intangible assets above, in that they are controlled by management, provide future economic benefits and are identifiable and therefore can be sold, transferred or licensed as appropriate. We are increasingly seeing companies taking advantage of this transferability by moving brands (including trademarks and other associated intellectual property, such as design rights and other marketing collateral) to special purpose vehicles, such as brand holding companies, for the purpose of raising finance and tax planning.

## VALUE CHARACTERISTICS OF DEFINITION OF INTANGIBLE ASSETS

Valuation of intangible assets requires an understanding of their characteristics and the role that they play in the entire value chain. The following attributes of intangible assets have important value implications:

# Background On Intangible Asset Value

- **Absence of efficient trading markets:** Unlike tangible assets, the absence of efficient trading markets for intangible assets makes the market approach to valuation by using transaction price not possible.

- **Lack of a linear relationship between investment and returns:** This limits the use of the cost approach to valuation, except for easily replicable assets.

- **Poor non-financial metrics to measure the quality of intangible asset:** Nevertheless, useful valuation insights can be gained from sources such as market research, intellectual property audits and business plans.

- **Value is derived from interactions with other assets (both tangible and intangible):** This results in a complex value chain, and thus calls for the need of value maps to explore the interactions between them.

- **Specific bundle of rights (legal and otherwise):** There are rights associated with the existence of any intangible asset.

- **The need for convenient identification:** For valuation purposes, the intangible assets must be readily identifiable and capable of being separated from the other assets employed in the business. It is sometimes necessary to group complementary intangibles for valuation purposes.

- **The need for a detailed and precise definition of the asset:** This is particularly important where this consists of a bundle of rights. The components should be broken down in terms of specific trademarks, copyright, design rights, formulations, patents, and trade secrets.

## FRS 103: ALLOCATING THE COST OF A BUSINESS COMBINATION

In Singapore, the Financial Reporting Standard (FRS)

103 ‘Business Combination’ is consistent with IFRS 3 in all material aspects. At the date of acquisition, an acquirer must measure the cost of the business combination by recognising the acquiree’s identifiable assets (tangible and intangible), liabilities and contingent liabilities at their fair value. Any difference between the total of the net assets acquired and the cost of acquisition is treated as goodwill (or negative goodwill).

The classifications of intangible assets under FRS 103 include:

- Artistic-related intangible assets
- Marketing-relating intangible assets
- Technology-based intangible assets
- Customer-related intangible assets
- Contract-based intangible assets

**Goodwill:** After initial recognition of goodwill, FRS 103 requires that goodwill be recorded at cost less accumulated impairment charges. Whereas previously goodwill was amortised over its useful economic life, it is now subject to impairment testing at least once a year. Amortisation is no longer permitted.

**Negative Goodwill:** Negative goodwill arises where the purchase price is less than the fair value of the net assets acquired. It must be recognised immediately as a profit in the profit and loss account. However, before concluding that “negative goodwill” has arisen, FRS 103 requires that an acquirer should “reassess” the identification and measurement of the acquired identifiable assets and liabilities.

## FRS 36: IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL

Previously an impairment test was only required if a ‘triggering event’ indicated that impairment might have occurred. Under the revised rules, FRS 36 ‘Impairment of Assets’, there is requirement for an annual impairment

# Background On Intangible Asset Value

test. The test is required for certain assets, namely:

- Goodwill acquired in a business combination.
- Intangible assets with an indefinite useful economic life (e.g. strong brands) and intangible assets not yet available for use. The recoverable amount of these assets must be measured annually (regardless of the existence or otherwise of an indicator of impairment) and at any other time when an indicator of impairment exists. brands are one major class of intangible assets that are often considered to have indefinite useful economic lives. Where acquired brands are recognised on the balance sheet post acquisition, it is important to establish a robust and supportable valuation model using best practice valuation techniques that can be consistently applied at each annual impairment review. There is also new disclosure requirements, the principal one being the disclosure of the key assumptions used in the calculation. Increased disclosure is required where a reasonably possible change in a key assumption would result in actual impairment.

## IFRS 13: FAIR VALUE MEASUREMENT

IFRS 13 Fair Value Measurement applies to IFRSs that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and require disclosures about fair value measurement. The Standard defines fair value on the basis of an ‘exit price’ notion and uses a ‘fair value hierarchy’, which results in a market based, rather than entity-specific, measurement.

IFRS 13 was originally issued in May 2011 and applies to annual periods beginning on or after 1 January 2013. The objective of IFRS 13 is to set out a single IFRS framework for measuring fair value.

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a ‘fair value hierarchy’. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or

liabilities and the lowest priority to unobservable inputs. [IFRS 13:72]

If the inputs used to measure fair value are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to the entire measurement (based on the application of judgement). [IFRS 13:73]

- **Level 1 inputs:** Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. [IFRS 13:76]
- **Level 2 inputs:** Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. [IFRS 13:81]
- **Level 3 inputs:** Level 3 inputs are unobservable inputs for the asset or liability. [IFRS 13:86]

## IMPACT ON MANAGEMENT AND INVESTORS

### Management

Perhaps the most important impact of new reporting standards has been on management accountability. Greater transparency, rigorous impairment testing and additional disclosure will mean more scrutiny both internally and externally. The requirement of the acquiring company having to explain at least a part of what was previously considered as “goodwill” should help analysts to analyse deals more closely and gauge whether management have paid a sensible price. The new standards will also have a significant impact on the way companies plan their acquisitions. When considering an acquisition, to assess the impact on the consolidated group balance sheet and profit and loss post-acquisition, a detailed analysis of all the target company’s potential assets and liabilities is recommended.

Companies need to pay close attention to the likely classification and useful economic lives of the identifiable

# Background On Intangible Asset Value

intangible assets in the target company’s business. This will have a direct impact on the future earnings of the acquiring group. In addition to amortisation charges for intangible assets with finite useful economic lives, impairment tests on assets with indefinite useful economic lives may lead to one-off charges. This is particularly so if the acquired business falls short of expectations post-acquisition. The requirement for separate balance sheet recognition of intangible assets, together with impairment testing of those assets and also goodwill, is expected to result in an increase in the involvement of independent specialist valuers in valuations and appropriate disclosure.

## Investors

The requirement for companies to attempt to identify what intangible assets they are acquiring as part of a corporate transaction may provide evidence as to whether a group has overpaid in a deal. Subsequent impairment tests may also shed light on whether the price paid was a respectable one for the acquiring company’s shareholders. Regular impairment testing is likely to result in a greater volatility in financial results. Significant one-off impairment charges may indicate that a company has overpaid for an acquisition and have the potential to damage the credibility of management in the eyes of the investment community. Analysts and investors are often sceptical about disclosed intangible assets. In the case of brand (and other intangible asset) valuation, where a high degree of subjectivity can exist, it is important to demonstrate that best practices have been applied and that the impairment review process is robust.

## TAX AND INTANGIBLE ASSETS: IPCO ASPECT

Other than M&A, strategic planning and ROI analysis, the rise in the importance of marketing intangibles can often mean that there is a strong business case for setting up a central intellectual property (IP) holding company (IPCo). Locating and managing an IPCo from one central location, potentially in a low tax jurisdiction, makes a compelling commercial case, particularly where a group is active in a number of different territories.

The size and authority of the IPCo are variable and dependent on the requirements of the group in question. The benefits include greater IP protection and consistency and improved resource allocation. It is important that genuine commercial drivers for the establishment of IPCo can be demonstrated.

## Examples of established IPCo’s by global companies include:

- BATMark (in UK, US, Switzerland & Netherlands)
- Shell Brand International AG (Switzerland)
- Société des Produits Nestlé (Switzerland)
- Philip Morris Products SA (Switzerland)
- Marvel Characters, Inc (USA)

## Commercial benefits of central IPCo’s include:

- Better resource allocation.
- Higher return on brand investment.
- Tax savings under certain circumstances.
- Clarity of the strength, value and ownership of the IP will ensure that full value is gained from third party agreements.
- Internal royalties result in greater visibility of the true economic performance of operating companies improved earnings streams from external licenses.
- More effective and efficient IP protection will reduce the risk of infringement or loss of a trademark in key categories and jurisdictions.
- Internal licenses should be used to clarify the rights and responsibilities of the IPCo and operating units. The adoption of consistent and coherent brand strategy, marketing investment and brand control improves brand performance.

# Background On Intangible Asset Value

This can have the following results:

- Accumulation of profits in a low tax jurisdiction.
  - Tax deductions in high tax jurisdictions.
  - Tax deductions for the amortisation of intangibles in IPCo.
  - Depending on double tax treaties, the elimination or reduction of withholding taxes on income flows resulting from the exploitation of the IP.
- The Singapore government has several IP friendly tax policies for IP rights holders to establish Singapore as an attractive country to manage their IP. There are a variety of IP tax incentives, deduction, benefits and grants to encourage the creation, ownership, protection and exploitation of IP in Singapore. For instance:
- Unilateral tax credit scheme is available for royalty income received in Singapore.
  - Single tax deduction for patent costs.
  - Patent application fund (PAF) Plus, Initiatives in New Technology (INTECH) and several IP grants.
  - Automatic written down allowance for five years for the capital expenditure incurred by a Singapore company in acquiring any intellectual property rights for use in that trade or business.
  - Reported in Singapore’s 2010 Budget, the Productivity and Innovation Credit will provide significant tax deductions from 2011 onwards for investments in a broad range of activities along the innovation value chain. These activities include R&D, registrations of IP rights, acquisition of IP rights, and investment in Design.







800K LIKES

500K LIKES

300K LIKES

100K LIKES

0 LIKES

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INTIMATE

.....

Is your brand the strongest, or the most progressive out there?

Submit your entries now to find out!

.....

Brand Awards

Strongest Brand

Local & International

Most Progressive Brand

Local & International

Best Brand Governance

ENTRIES CLOSE: 27.JUNE.2017

Top 5 finalists will be recognised with one winner for each award. The winner will gain points for the Agency of the Year honours. For entry form, check out [www.sma.com.sg](http://www.sma.com.sg) or call Jenny at 9848-7979.

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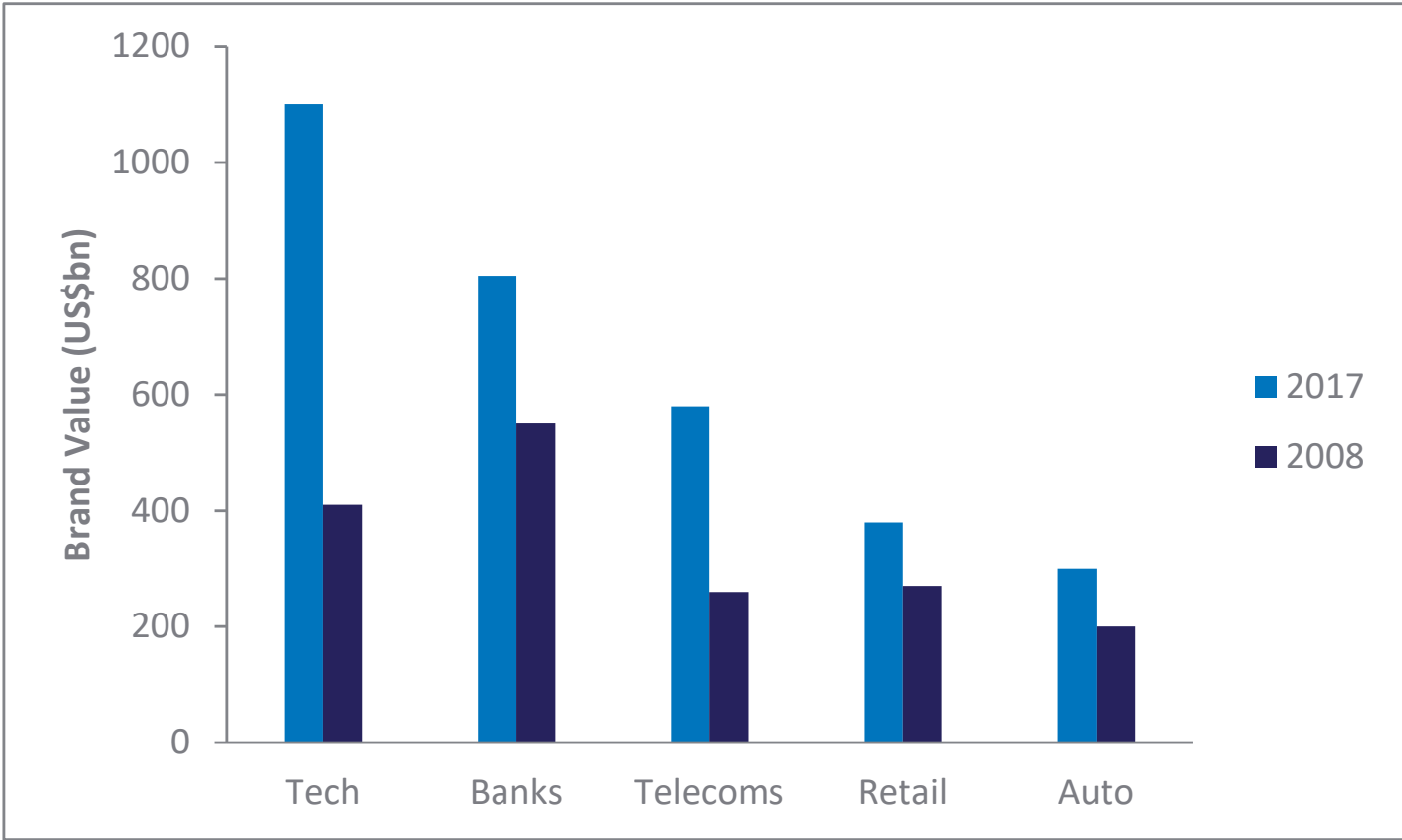
Brand Awards





# Global 500 Brands 2017

Brand Value Total for Top 5 Sectors (2008 and 2017)



After tech, banking is the largest sector by brand value. Financial services brands comprise 20% of the Global 500. Chinese banks' brand value growth has been rapidly outpacing that of European and North American competitors since the study's inception. The nation's vast population, organic expansion, foreign M&A activity and positive relationships with Chinese consumers are a few common attributes Chinese banks share which serve to explain the immense growth of this industry. Not only has China's ICBC claimed the title as the most powerful banking brand, it also dethrones Wells Fargo as the most valuable financial brand in the world. Wells Fargo fell 6% after a turbulent year for the brand. Damage to its reputation has seen its brand significantly underperform this year. The bank has endured a tough year and has been rocked by scandals, lawsuits and resignations. The company has suffered due to the recent

scandal where over 2 million accounts and credit cards were opened/applied for without customer knowledge or consent. Its brand value to market capitalization ratio is just 14% in contrast to ICBC's 20%. Although its brand equity will take a while to repair, this particularly low figure suggests that a slight rebound could occur and that Wells Fargo may have the potential to recapture the top spot in 2018 or 2019. On the other hand, American payment service providers Visa and Mastercard enjoyed an 81% and 58% increase in brand value, respectively. As their core markets continue to move towards a cashless society, consumers become increasingly reliant on the services they provide.

AT&T saw its brand value grow 45% this year to US\$97 billion, overtaking Verizon as the most valuable telecoms brand. Its acquisitive growth in South America and Mexico follows its 2015

# Global 500 Brands 2017

takeover of DirecTV. It has been rewarded with continued growth in brand value and an increase in market share. AT&T has taken a largely mono-brand approach to its brand architecture. Following the acquisition of DirecTV, it was quick to create an 'endorsed' brand, inserting its logo and 'Now part of the AT&T family' beneath the DirecTV wordmark. It has since moved a step closer to a unified branding, with the AT&T master logo enlarged and the DirecTV wordmark reduced. 2016 has also seen a refresh of the DirecTV logo, which, though of less strategic importance, has practical advantages in that the simplified design will be more easily rendered in both physical and digital formats.

Telecoms is the source of the Global 500's highest new entrant. Charter's Spectrum brand has ballooned in size following Charter's takeovers of Time Warner Cable and Bright House Networks, which were subsequently rebranded. Spectrum's brand value is US\$15.7 billion.

STC, Saudi Arabia's most valuable brand and the Middle East's most valuable telecoms brand, grew 11% in value this year to US\$6.2 billion. The Riyadh-based giant demonstrates a departure from its once traditional methods; it is embarking down a path of 'humanisation', re-engaging its many stakeholders with a fresh, personable outlook. A clear indication of its success is the 5-point increase in its brand strength index score, proving that putting some heart into it pays off.

Nokia is one of the more remarkable success stories of 2017. It was a regular feature in the Brand Finance Global 500 since the study's inception and reached a peak brand value of US\$33.1 billion in 2008, making it the world's 9th most valuable brand. Its slow response to the emergence of smart phone technology led to a well-documented decline at the hands of Apple and Samsung. Brand Value sunk to a low of just of US\$2 billion in 2014.





# Global 500 Brands 2017



However, after a period of consolidation, Nokia is firmly on the road to recovery. After the mobile device division was sold off, the brand survived as Nokia Networks (rebranded from NSN). Nokia Networks acquired a controlling stake in Alcatel-Lucent in 2016 to create one of the largest players in the sector. Alcatel has since been rebranded as Nokia, further reinforcing the position of the Finnish brand.

2017 marks another turning point in the Scandinavian giant's saga, as the Nokia brand will once again be visible on mobile devices following the launch of the 'Nokia 6'. The device comes from HMD (founded by Nokia veterans in 2016) and promises to be the first of many, with further releases expected at Mobile World Congress in February. This newfound momentum sees Nokia's brand value climb 62% to US\$4.9 billion while the fundamental brand equity measures are improving too, which sees Nokia's brand strength rating upgraded from AA to AA+.



Coca-Cola was the world's most valuable brand across all industries in 2007, with a brand value of US\$43.1bn. Increasing concerns over the links between carbonated drinks and obesity have begun to undermine what the Coca-Cola brand has represented for over one hundred years. Over the last few years Coca-Cola has rolled out a much publicized initiative to consolidate Coke, Diet Coke, Coke Zero and Coke Life under one master brand. Unfortunately however it has failed to address changing consumer tastes in a substantive way. As alternatives marketed as healthier or more natural have fragmented the soft drinks market, Coca-Cola's brand value has declined. In the last year it has dropped 7% to US\$31.9 billion, putting it 27th across all industries. Pepsi is suffering from the same trend, falling 4%.

The same trend is evident in the fast food industry. The brand values of McDonald's, KFC, Subway and Domino's have all fallen heavy competition in an increasingly fragmented market

# Global 500 Brands 2017

with healthier challenger brands offering greater choice for consumers. Tim Horton's has bucked the trend however, with a 45% increase in brand value. The coffee chain offering may be considered run-of-the-mill to some, but its surge indicates that there is an under-exploited appetite for reasonably priced rather than premium coffee. Its merger with Burger King has benefitted both brands (Burger King's brand value is up 11%) as well as shareholders; the brand's combined market capitalization is US\$4 billion higher now than at the time of the merger. The deal provides opportunities for improved distribution and cost saving. Tim Horton's devotees may be concerned at the loss of a Canadian icon but the strength and unique identities of both brands would make the disappearance of either almost unthinkable.

For the last five years Emirates, now ranked 264th, had held the title of world's most valuable airline brand, but 2017 sees a dramatic shift. Last year, Emirates' half-year profits plunged 75%. The lower oil price might have been expected to help all airlines, however it has worked against the Gulf carriers, reducing demand from its home region. The lower price has also levelled the playing field for international rivals, leading to increased competition, driving down fares. Finally, the strength of the dollar has increased operating costs and also had a negative FX impact on all non-US domiciled brands. As a consequence, Emirates' brand value is down 21% to US\$6.1 billion, however, it retains its AAA rating. In contrast, the US' airlines have all soared in value. The Gulf carriers' loss has been their gain, leading to 60%, 47% and 59% year on year for United, Delta and American, the last of which has become the world's most valuable airline brand.

Boeing and Lockheed Martin have grown impressively in brand value, rising 17% and 32% respectively. President Trump's commitment to increase military spending and his apparent economic patriotism have improved forecasts















# Global 500 Brands 2017

## The World's 10 Most Powerful Brands.

These are the world's most powerful brands, all awarded the top AAA+ brand rating based on Brand Finance's Brand Strength Index (BSI).

	BSI Score <b>92.7</b>
	BSI Score <b>92.1</b>
	BSI Score <b>92.1</b>
	BSI Score <b>91.9</b>
	BSI Score <b>91.5</b>
	BSI Score <b>91.3</b>
	BSI Score <b>91.3</b>
	BSI Score <b>90.9</b>
	BSI Score <b>90.1</b>
	BSI Score <b>89.8</b>

and American brands in the industry can expect to benefit in the near future. Conversely, Airbus has seen a 10% drop in value. The company has been forced to rein in production of the A380 after winning fewer orders than expected, leaving the company in financial disappointment. Speculation has arisen that Airbus might consider cancelling the superjumbo, which would hurt the brand value further.

Lego has regained its status as the world's most powerful brand, based on Brand Finance's Brand Strength Index (BSI) assessment. The BSI is the part of Brand Finance's analysis most directly influenced by those responsible for marketing and brand management and so the brands that perform best are particularly worthy of attention. Lego scores highly on a wide variety of BSI metrics such familiarity, loyalty, promotion, marketing investment, staff satisfaction and corporate reputation.

The building blocks for Lego's brand strength have always been present. Its appeal spans generations; as well as the creative freedom it gives children, the brand appeals to the nostalgia of adults. It generally avoids gendered marketing, by appealing to boys and girls equally Lego maximises the size of its target demographic. That approach also pleases parents, as concerns mount over the effect toys may have on the outlook and ambitions of children, and girls in particular.

In the early 2000s, Lego was facing near bankruptcy. An overextended product range and problems with stock control had led the company to a nadir. The downward spiral was arrested following the appointment of Jørgen Vig Knudstorp, who discontinued unpopular ranges and ensured that all products were compatible with the core range, both visually and mechanically, helping to reverse the dilution of the brand and enhance brand equity. Since then a decade of repeated marketing and financial

# Global 500 Brands 2017

successes have transformed Lego's fortunes.

The release of the Lego Movie in 2014 provided the final push required to make it not just a very powerful brand, but the world's most powerful brand in 2015. The film was both a critical and commercial success (it was the top grossing film of 2014 in the UK and Ireland), providing not just immediate revenue but also an unrivalled marketing tool. The first sequel, the Lego Batman Movie will be released on February 9th. Its predicted impact has helped Lego regain its top position, lost to Disney in 2016. Further releases are planned for September 2017, March 2018 and 2019, which will continue to build the brand for years to come, while contributing significantly to Lego's already vast licensing income.

Geographic expansion provides further opportunities for growth. Lego opened its first factory in China in Jiaxing in 2014 as well as a new Asian Head Office in Shanghai. China presents risks, including the fact that Lego cannot rely on the nostalgia or awareness that it has enjoyed in Europe and the US for decades, however it is also a huge opportunity. China is a vast market (there are nearly 150 million children under the age of 10) but domestic scandals over the safety of children's products leave fertile ground for a foreign firm with a reputation for reliability, high standards of production and for nurturing children's creative and cognitive development.

Whilst Lego will always draw its strength and brand identity from the simplicity of its tangible products, it is also responding to the digital era. Lego Boost, set to launch in August, allows children to turn Lego creations into programmable robots using a smartphone app. Meanwhile Lego Life, launched in the UK in November 2016, enables them to post pictures of their proudest creations or imagine new ones and makes Lego a profoundly social experience as well as a personal one.





# New International Standard On Brand Valuation

David Haigh  
CEO, Brand Finance plc

In 2007, the International Organisation for Standardisation (‘ISO’), a worldwide federation of national standard setting bodies, set up a task force to draft an International Standard (‘IS’) on monetary brand valuation.

After 4 years of discussion and deliberation ISO 10668 – Monetary Brand Valuation – was released in 2010. This sets out the principles, which should be adopted when valuing any brand.

## THE NEW ISO APPLIES TO BRAND VALUATIONS COMMISSIONED FOR ALL PURPOSES, INCLUDING:

- Accounting and financial reporting
- Insolvency and liquidation
- Tax planning and compliance
- Litigation support and dispute resolution
- Corporate finance and fundraising
- Licensing and joint venture negotiation
- Internal management information and reporting • Strategic planning and brand management

## THE LAST OF THESE APPLICATIONS INCLUDES:

- Brand and marketing budget determination
- Brand portfolio review
- Brand architecture analysis
- Brand extension planning

Under ISO 10668 the brand valuer must declare the purpose of the valuation as this affects the premise or basis of value, the valuation assumptions used and the ultimate valuation opinion, all of which need to be

transparent to a user of the final brand valuation report.

## REQUIRED WORK STREAMS IN AN ISO COMPLIANT BRAND VALUATION?

ISO 10668 is a ‘meta standard’ which succinctly specifies the principles to be followed and the types of work to be conducted in any brand valuation. It is a summary of existing best practice and intentionally avoids detailed methodological work steps and requirements.

As such, ISO 10668 applies to all proprietary and non-proprietary brand valuation approaches and methodologies that have been developed over the years, so long as they follow the fundamental principles specified in the meta standard.

ISO 10668 specifies that when conducting a brand valuation the brand valuer must conduct 3 types of analysis before passing an opinion on the brand’s value.

These are Legal, Behavioural and Financial analysis. All three types of analysis are required to arrive at a thorough brand valuation opinion. This requirement applies to valuations of existing brands, new brands and extended brands.

## MODULE 1 - LEGAL ANALYSIS

The first requirement is to define what is meant by ‘brand’ and which intangible assets should be included in the brand valuation opinion.

ISO 10668 begins by defining Trademarks in conventional terms but it also refers to other Intangible Assets (‘IA’) including Intellectual Property Rights (‘IPR’) which are often included in broader definitions of ‘brand’.

International Financial Reporting Standard (‘IFRS’) specifies how all acquired assets should be defined, valued and accounted for post-acquisition. It refers to five specific IA types, which can be separated from residual Goodwill arising on acquisition.

# New International Standard On Brand Valuation

These are: technological, customer, contractual, artistic and marketing related IA.

ISO 10668 mirrors this classification by defining brands as marketing related IA, including trademarks and other associated IPR. This refers inter alia to design rights, domain names, copyrights and other marketing related IA and IPR which may be included in a broader definition of ‘brand’.

The brand valuer must precisely determine the bundle of IA and IPR included in the definition of ‘brand’ subject to valuation. He may include names, terms, signs, symbols, logos, designs, domains or other related IPR intended to identify goods and services and which create distinctive images and associations in the minds of stakeholders, generating economic benefits for the branded business.

The brand valuer is required to assess the legal protection afforded to the brand by identifying each of the legal rights that protect it, the legal owner of each relevant legal right and the legal parameters influencing negatively or positively the value of the brand.

It is vital that the brand valuation includes an assessment of the legal protection afforded to the brand in each geographical jurisdiction and product or service registration category. These legal rights vary between legal systems and need to be carefully considered when forming the brand valuation opinion. For example, the legal rights protecting brands exist at a national (UK), supra-national (EU) and global (WIPO) level and have different characteristics.

Extensive due diligence and risk analysis is required in the Legal analysis module of an ISO 10668 compliant brand valuation. It should be noted that the Legal analysis must be segmented by type of IPR, territory and business category.

The brand valuation opinion may be affected positively or negatively by the distinctiveness, scope of use or registration (territory and business category), extent of use, notoriety of the brand, risk of cancellation, priority, dilution and the ability of the brand owner to enforce such legal rights.

## MODULE 2 - BEHAVIOURAL ANALYSIS

The second requirement when valuing brands under ISO 10668 is a thorough behavioural analysis. The brand valuer must understand and form an opinion on likely stakeholder behaviour in each of the geographical, product and customer segments in which the subject brand operates.

### To do this, it is necessary to understand:

- Market size and trends - determined by conducting a critical review of predicted trends in distribution channels, customer demographics, market volumes, values and margins.
- Contribution of brand to the purchase decision - determining the monetary brand contribution in the geographical, product and customer segments under review.
- Attitude of all stakeholder groups to the brand - to assess the long-term demand for the brand, any risks to the branded business and the appropriate cost of capital.
- All economic benefits conferred on the branded business by the brand - to assess the sustainability of future revenues and profits.

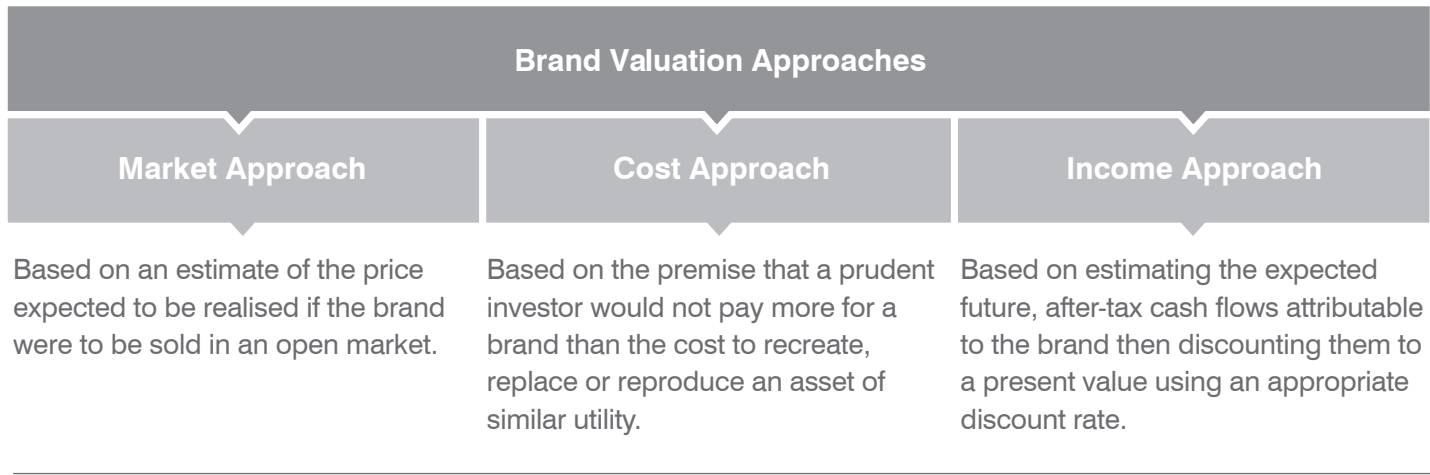
The brand valuer needs to research brand value drivers, including an evaluation of relevant stakeholders’ perceptions of the brand in comparison with competitor brands. Measures commonly used to understand brand strength include awareness, perceptual attributes, knowledge, attitude and loyalty. The brand valuer needs to assess the brand’s strength in order to estimate future sales volumes, revenues and risks.

## MODULE 3 - FINANCIAL ANALYSIS

The third requirement when valuing brands under ISO 10668 is a thorough financial analysis.

ISO 10668 specifies three alternative brand valuation approaches - the Market, Cost and Income Approaches. The purpose of the brand valuation, the premise or basis

# New International Standard On Brand Valuation



of value and the characteristics of the subject brand dictate which primary approach should be used to calculate its value.

### Market approach

The market approach measures value by reference to what other purchasers in the market have paid for similar assets to those being valued. The application of a market approach results in an estimate of the price expected to be realised if the brand were to be sold in the open market. Data on the price paid for comparable brands is collected and adjustments are made to compensate for differences between those brands and the brand under review.

As brands are unique and it is often hard to find relevant comparables, this is not a widely used approach.

### Cost approach

The cost approach measures value by reference to the cost invested in creating, replacing or reproducing the brand. This approach is based on the premise that a prudent investor would not pay more for a brand than the cost to recreate, replace or reproduce an asset of similar utility.

As the value of brands seldom equates to the costs invested creating them (or hypothetically replacing or reproducing them), this is not a widely used approach.

### Income approach

The income approach measures value by reference to the economic benefits expected to be received over the remaining useful economic life of the brand. This involves estimating the expected future, after-tax cash flows attributable to the brand then discounting them to a present value using an appropriate discount rate.

As the value of brands stems from their ability to generate higher profits for either their existing or potential new owners, this is the most widely accepted and utilised brand valuation approach.

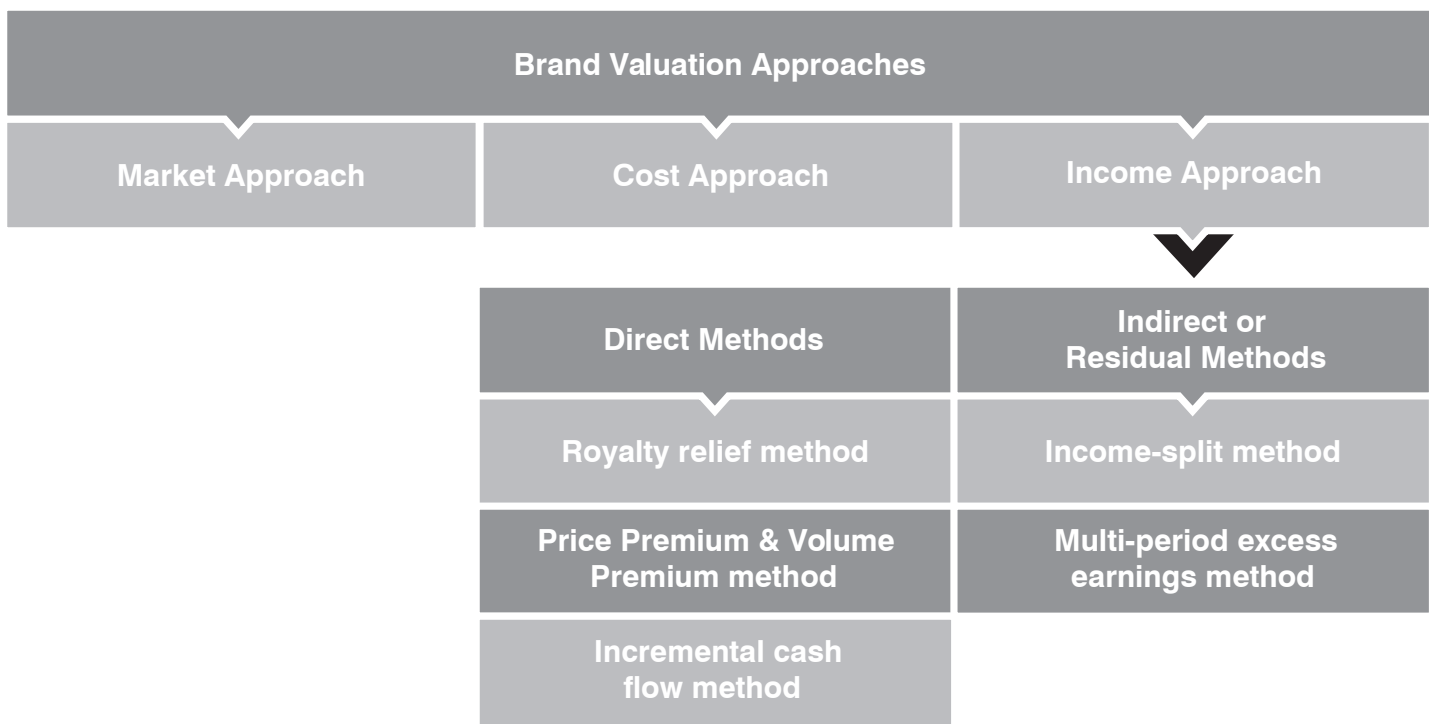
When conducting a brand valuation using the income approach, various methods are suggested by ISO 10668 to determine future cash flows.

### Royalty relief method

This is the most widely used method used to determine brand cash flows. This method assumes that the brand is not owned by the branded business but is licensed in from a third party. The value is deemed to be the present value of the royalty payments saved by virtue of owning the brand.

The royalty rate applied in the valuation is determined after an in-depth analysis of available data from licensing arrangements for comparable brands and an appropriate split of brand earnings between licensor and licensee, using behavioural and business analysis.

# New International Standard On Brand Valuation



The Royalty Relief method is widely used because it is grounded in commercial reality and can be benchmarked against real world transactions.

### Price premium and volume premium methods

The Price Premium method estimates the value of a brand by reference to the price premium it commands over unbranded, weakly branded or generic products or services. In practice it is often difficult to identify unbranded comparators. To identify the full impact on demand created by a brand, the Price Premium method is typically used in conjunction with the Volume Premium method.

The Volume Premium method estimates the value of a brand by reference to the volume premium that it generates. Additional cash flows generated through a volume premium are determined by reference to an analysis of relative market shares. The additional cash flow generated by an above average brand is deemed to be the cash flow related to its ‘excess’ market share. In determining relevant volume premiums, the valuer has to consider other factors which may explain a dominant

market share, such as legislation which establishes a monopoly position for one brand.

Taken together, the Price Premium and Volume Premium methods provide a useful insight into the value a brand adds to revenue drivers in the business model. Other methods go further to explain the value impact of brands on revenue and cost drivers.

### Income-split method

The income-split method starts with net operating profits and deducts a charge for total tangible capital employed in the branded business, to arrive at ‘economic profits’ attributable to total intangible capital employed. Behavioural analysis is then used to identify the percentage contribution of brand to these intangible economic profits. The same analysis can be used to determine the percentage contribution of other intangible assets such as patents or technology. The value of the brand is deemed to be the present value of the percentage of future intangible economic profits attributable to the brand.

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## Multi-period excess earnings method

The multi-period excess earnings method is similar to the income-split method. However, in this case the brand valuer first values each tangible and intangible asset employed in the branded business (other than the brand). He uses a variety of valuation approaches and methods depending on what is considered most appropriate to each specific asset.

Having arrived at the value of all other tangible and intangible assets employed in the branded business, a charge is then made against earnings for each of these assets, leaving residual earnings attributable to the brand alone. The brand value is deemed to be the present value of all such residual earnings over the remaining useful economic life of the brand.

## Incremental cash flow method

The incremental cash flow method identifies all cash flows generated by the brand in a business, by comparison with comparable businesses with no such brand. Cash flows are generated through both increased revenues and reduced costs.

This is a more detailed and complex approach, which tends not to be used in technical brand valuations but is extremely useful for strategic, commercial purposes such as when Virgin negotiates a new brand license with a new licensee. The incremental value added to the licensee’s business form’s the starting point for the negotiation.

## Discount rate determination

Under the income approach, risks that are not already reflected in future cash flows must be considered in the discount rate.

The discount rate used for discounting future expected cash flows attributable to a brand is usually derived from the Weighted Average Cost of Capital (‘WACC’) of the business.

## HOW SHOULD INTERNATIONAL BRANDS APPROACH THE VALUATION OF EXISTING MARKS?

ISO 10668 was developed to provide a consistent framework for the valuation of local, national and international brands both large and small. The primary concern was to create an approach to brand valuation which was transparent, reconcilable and repeatable. In the wake of the standard’s launch, it is expected that many businesses will either value their brands for the first time or revalue them compliant with the standard.

## HOW SHOULD COMPANIES APPROACH THE QUESTION OF BRAND DIVERSIFICATION VERSUS ENTRENCHMENT?

Common commercial applications of brand valuation are brand portfolio and brand architecture reviews. The first considers whether the right number of brands and sub-brands are in the portfolio. The second considers whether individual brands are too fragmented and extended.

A good example of both applications at work can be found in Unilever’s ‘Path to Growth’ strategy. In 2000, Niall Fitzgerald announced a plan to increase Unilever’s annual revenue growth rate to 5-6% with margins of 16%.

To achieve this, Unilever’s 1600 brands were to be valued, reviewed and rationalised down to 400 power brands. The a priori assumption was that many smaller, local brands were sub-optimal and offered slower growth prospects than the global brands. Within 2 years, 1200 under-performing local and regional brands were sold or starved of investment to feed the growth of the 400 global power brands.

In many respects the Unilever policy made sense. For example, Dove has been turned into a global power brand with diversification into many product lines and market segments, rapid volume growth, and revenues and profits measured in billions of dollars.

However, the strategy sacrificed many new or developing brands in countries like India because they could not be turned into global brands quickly. Local brand owners

# New International Standard On Brand Valuation

enthusiastically bought the divested brands or exploited the gap created by starving local Unilever brands of investment.

In this case, internal brand valuation teams were used to evaluate and prioritise the brand portfolio. Unilever is a leading edge company which follows best practices represented by ISO 10668.

Rationalisation and extension was supported by Legal Analysis to establish the strength and extendibility of its brands. Extensive Behavioural Analysis was applied throughout its portfolio and Financial Analysis was conducted by a cadre of internal marketing finance analysts.

If any mistakes were made, it merely demonstrates that brand valuations are a mechanism for decision making which are driven by data, analysis and assumptions that may prove to be incorrect. The ISO standard insists that sensitivity analysis showing a range of values, based on different assumptions, should be included in an opinion, not just a single value.

A brand valuation is an opinion at a point in time. Brand valuation models need to be updated and reviewed on a regular basis, and management decisions need to change in the light of changing conclusions flowing from them.

Brand valuation is a technique to support management, which is why it is vital that the technique should be consistent, transparent and reproducible as required by ISO 10668.

## HOW DO YOU VALUE AN EXISTING BRAND, THEN EXTEND THE ANALYSIS TO MEASURE THE POSITIVE AND NEGATIVE IMPACT OF ADDITIONAL TRADEMARKS/BRAND EXTENSIONS TO THE EXISTING BUSINESS/MARKS?

Dove is a good example of a Unilever brand, which was prioritised in the ‘Path to Growth’ strategy. It has been extended into many product categories and each extension was rigorously valued.

The Dove brand was launched in the US in 1955, as a cleansing soap bar with moisturising properties, which had been developed to treat burn victims during the Korean war. In 1957, the basic Dove soap bar formula was refined and developed into the “Original Dove Beauty bar”. It was launched as a beauty soap, clinically proven to be milder on dry and sensitive skins. In 1979, an independent clinical dermatological study proved Dove “Beauty bar” was milder than 17 leading bar soaps. The phrase “cleansing cream” was replaced with “moisturiser cream” in its marketing materials.

Dove was launched in the UK in the 1990s. In 2001, Dove made its first foray into antiperspirant deodorant lines. Hair care products followed in 2003. Dove was launched in the soap category but has always been positioned without referring to it as “soap”. It is always referred to as a “beauty bar” with 25% cleansing cream. Positioning the brand this way has allowed it to extend into antiperspirants, deodorants, body washes, beauty bars, lotions, moisturisers, hair care and facial care products globally. It is now a global brand with a variety of sub-brand ranges (Original, Go Fresh, Intensive Care, Supreme, Summer Care).

To become a global brand, Dove needed wide appeal, across cultural, racial and age boundaries. In 2004, it therefore launched the Campaign for Real Beauty, which highlighted the brand’s commitment to broadening definitions of beauty. Dove launched the Self Esteem Fund in 2005, which acts as an agent of change to educate and inspire young girls on a wider definition of beauty. It aims to boost the self-confidence of young girls and women, enabling them to reach their full potential in life. In 2007, Dove also launched Pro\*Age, a range of skin care, deodorant and hair care specifically designed for mature skin.

Dove’s apparently effortless success makes brand extension look easy. But the Unilever marketing team could have stumbled at many points. They needed a clear and universally appealing brand proposition... simple, natural, caring, feminine, healthy, inclusive, multi-cultural, unpretentious, good value. They then needed a strong and memorable brand name that could be registered and defended in all likely product



# New International Standard On Brand Valuation

categories and geographical jurisdictions. They needed defensible sub-brand names. They needed a logo (a simply drawn dove), trade dress (predominantly white packaging), compelling copyright (advertising and collateral) and they needed a compelling trade sales force and campaign.

Having gone global in many SKUs, a valid question now hangs over the Dove brand. Has it reached the limits of its capacity to extend? There is a danger that if Dove is extended any further into fragrance, personal care or household products, its brand equity with consumers will become diluted and confused. Its brand value may decline.

## IF BRANDS DIVERSIFY, WHAT CHALLENGES DOES THIS CREATE FOR TRADEMARK COUNSEL?

Brand valuations following the ISO 10668 standard help to alert management to all manners of opportunities and threats. They consider the Legal ability of the brand to win protection in new categories, the financial attractiveness of extending into any new categories, the risks posed by new extensions and above all the Behavioural response of consumers to further brand extension.

## CONCLUSION

A robust brand valuation can help avoid the fate which befell the Pierre Cardin brand, which was extended and diluted to such an extent that over extension is now referred to as ‘Cardinisation’.

The role of trademark counsel in this process is vital.

- Firstly, to keep up with marketing management keen to extend and extend.
- Secondly, to advise whether and how brands and sub-brands can be registered.
- Thirdly, providing advice on the cost efficiency of ever extending trademark protection; some global brands find that they have tens of thousands of trademarks which require huge financial and management support. Trademark counsel working within the brand valuation team help to answer the question of whether this is a value enhancing strategy.

ISO 10668 will help integrate Trademark Counsel into a multi-disciplinary brand management team. Trademark Counsel will no longer be working in their own technical silo.

ISO 10668 is a major breakthrough, which will help further professionalise the business of brand management.



# Glossary of Terms

Brand	Fair Market Value (FMV)
Trademarks and trademark licenses together with associated goodwill	The price at which a business or assets would change hands between a willing buyer and a willing seller, neither of whom are under compulsion to buy or sell and both having reasonable knowledge of all relevant facts at the time
BrandBeta®	Holding Company
Brand Finance’s proprietary method for determining the strength, risk and future potential of a brand relative to its competitor set	A company controlling management and operations in another company or group of other companies
Branded Business	Intangible Asset
The whole business trading under a particular brand or portfolio of brands, the associated goodwill and all the intangible elements at work within the business	An identifiable non-monetary asset without physical substance
Brand Rating	Net Present Value (NPV)
A summary opinion, similar to a credit rating, on a brand based on its strength as measured by Brand Finance’s ‘Brand Strength Index’	The present value of an asset’s net cash flows (minus any initial investment)
Brand Value	Tangible Value
The net present value of the estimated future cash flows attributable to the brand (see Methodology section for more detail)	The fair market value of the monetary and physical assets of a business
Discounted Cash Flow (DCF)	Weighted Average Cost of Capital (WACC)
A method of evaluating an asset value by estimating future cash flows and taking into consideration the time value of money and risk attributed to the future cash flows	An average representing the expected return on all of a company’s securities. Each source of capital, such as stocks, bonds, and other debts, is assigned a required rate of return, and then these required rates of return are weighted in proportion to the share each source of capital contributes to the company’s capital structure
Discount Rate	
The interest rate used in discounting future cash flows	
Enterprise Value	
The combined market value of the equity and debt of a business less cash and cash equivalents	



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#### CATEGORIES OF MIS MEMBERSHIP AND ELIGIBILITY

CATEGORY	ELIGIBILITY
Corporate (CMIS)	Any company, association or body of persons, corporate or unincorporate, that engages in the practice or teaching of marketing or any allied field or such other entities as approved by the Executive Council.
Ordinary (MMIS)	Any Singaporean, permanent resident or foreign citizen with more than 3 years of working or business experience in marketing or any other related business disciplines or has at least a diploma (or equivalent) in marketing or any other related disciplines as determined by MIS.
Fellow (FMIS)	Fellow status is conferred by the Executive Council on Ordinary members who have achieved eminence in the practice of marketing management.
Honorary Fellow FMIS (Hon)	Honorary Fellow status is conferred by the Executive Council on distinguished individuals or individuals who have made significant contributions in the field of marketing. To date, the Institute has conferred Honorary Fellow status on 26 outstanding marketers.



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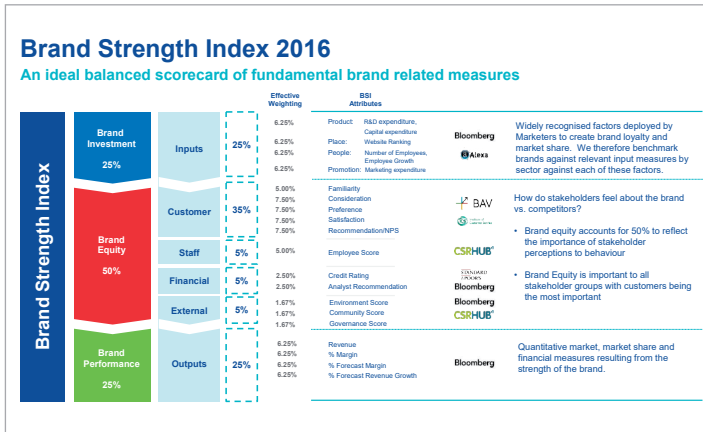
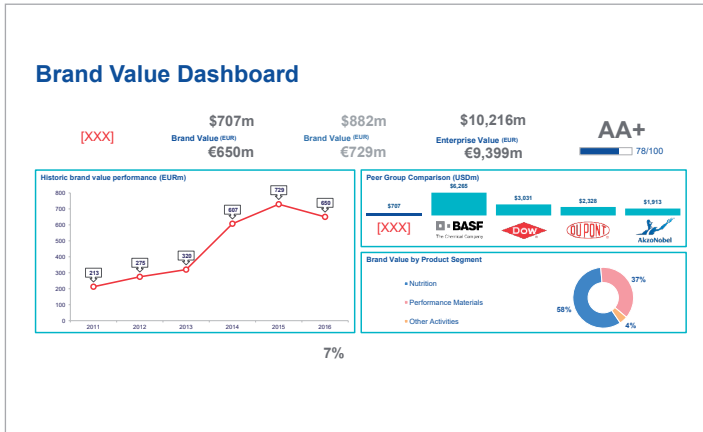
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Community of Sales and Marketing  
Professionals in Singapore



# Understand Your Brand's Value



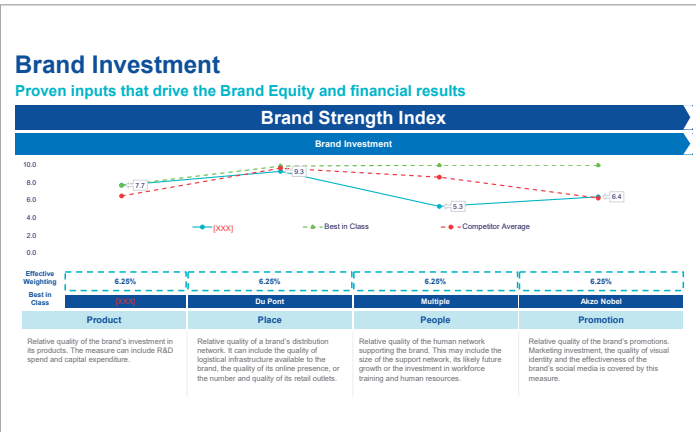
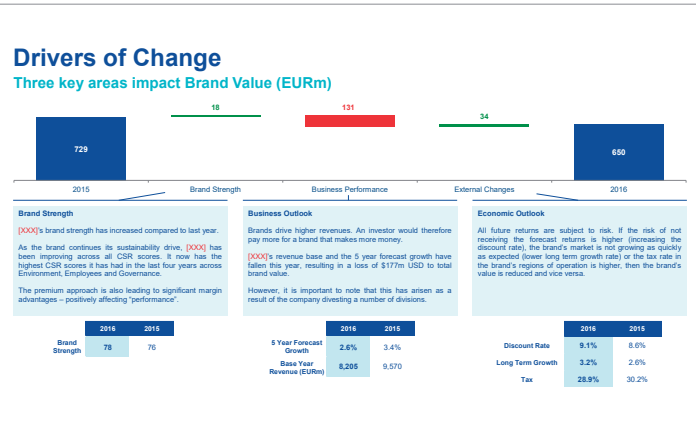
**A Brand Value Report provides a complete breakdown of the assumptions, data sources and calculations used to arrive at your brand's value.** Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors. It includes:

## Brand Valuation Summary

- + Internal understanding of brand
- + Brand value tracking
- + Competitor benchmarking
- + Historical brand value

## Brand Strength Index

- + Brand strength tracking
- + Brand strength analysis
- + Management KPI's
- + Competitor benchmarking



## Royalty Rates

- + Transfer pricing
- + Licensing/ franchising negotiation
- + International licensing
- + Competitor benchmarking

## Cost of Capital

- + Independent view of cost of capital for internal valuations and project appraisal exercises

## Trademark Audit

- + Highlight unprotected marks
- + Spot potential infringement
- + Trademark registration strategy

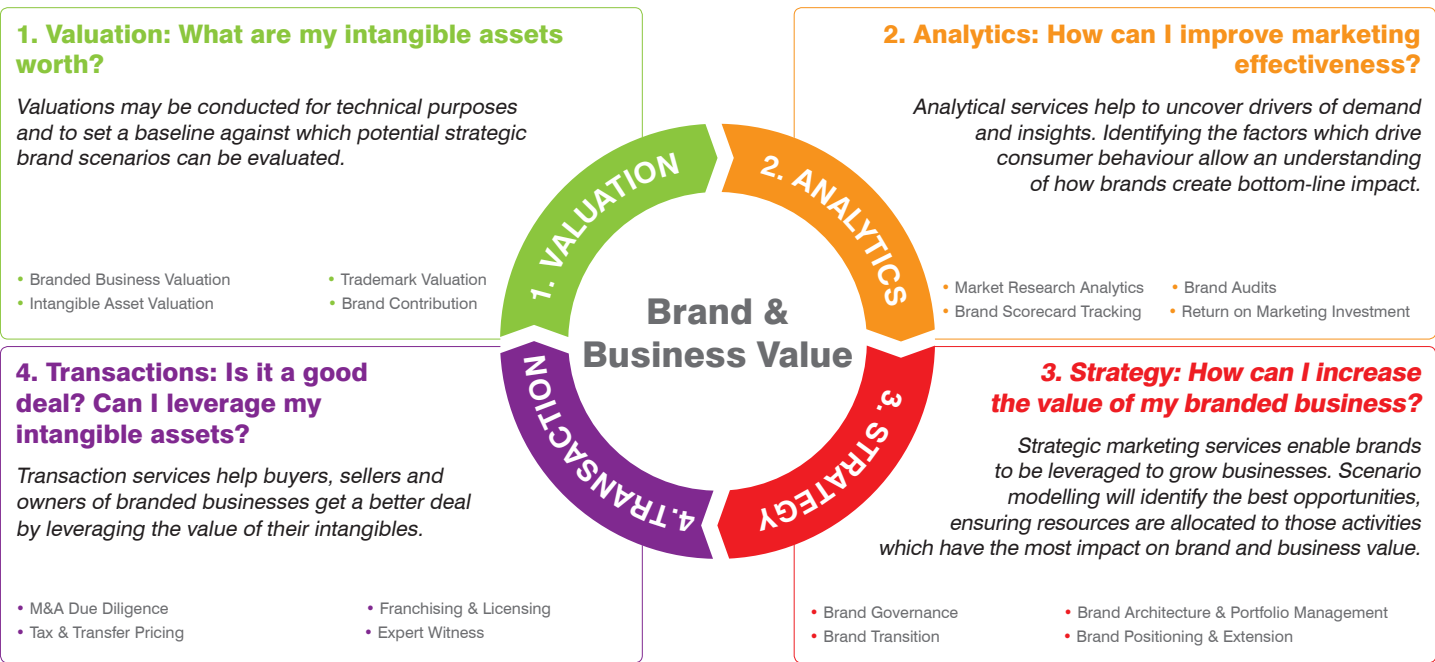
For more information regarding our Brand Value Reports, please contact:

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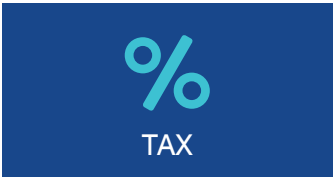
We help marketers to connect their brands to business performance by evaluating the return on investment (ROI) of brand based decisions and strategies.

- + Branded Business Valuation
- + Brand Contribution
- + Trademark Valuation
- + Intangible Asset Valuation
- + Brand Audit
- + Market Research Analytics
- + Brand Scorecard Tracking
- + Return on Marketing Investment
- + Brand Transition
- + Brand Governance
- + Brand Architecture & Portfolio Management
- + Brand Positioning & Extension
- + Franchising & Licensing



We provide financiers and auditors with an independent assessment on all forms of brand and intangible asset valuations.

- + Branded Business Valuation
- + Brand Contribution
- + Trademark Valuation
- + Intangible Asset Valuation
- + Brand Audit
- + Market Research Analytics
- + Brand Scorecard Tracking
- + Return on Marketing Investment
- + Brand Transition
- + Brand Governance
- + Brand Architecture & Portfolio Management
- + Brand Positioning & Extension
- + Mergers, Acquisitions and Finance Raising Due Diligence
- + Franchising & Licensing
- + Tax & Transfer Pricing
- + Expert Witness



We help brand owners and fiscal authorities to understand the implications of different tax, transfer pricing and brand ownership arrangements.

- + Branded Business Valuation
- + Brand Contribution
- + Trademark Valuation
- + Intangible Asset Valuation
- + Brand Audit
- + Market Research Analytics
- + Franchising & Licensing
- + Tax & Transfer Pricing
- + Expert Witness



We help clients to enforce and exploit their intellectual property rights by providing independent expert advice in- and outside of the courtroom.

- + Branded Business Valuation
- + Brand Contribution
- + Trademark Valuation
- + Intangible Asset Valuation
- + Brand Audit
- + Tax & Transfer Pricing
- + Expert Witness

# Contact details


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At Brand Finance we focus on measuring companies’ intangible value and helping them to grow it.

Valuation  
Analytics  
Strategy  
Transactions

Brand Finance plc, the world’s leading independent brand valuation and business strategy consultancy, has a global footprint with over 20 offices worldwide.

Our services complement and support each other, resulting in robust valuations underpinned by an in-depth understanding of revenue drivers and licensing practice.

Brand Finance is one of the few companies that has the ISO 10668 certification for valuation services. Our work is frequently peer reviewed by the large audit firms and is well recognized by the tax authorities and government bodies worldwide.

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