



# Beers 25 2018

The annual report on the world's most valuable beer brands  
November 2018

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# Foreword.

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**David Haigh**  
CEO, Brand Finance

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

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

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

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

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

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

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

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

# 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 more than 20 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We pride ourselves on four key strengths:

- Independence
- Technical Credibility
- Transparency
- Expertise.

Brand Finance puts thousands of the world’s biggest brands to the test every year, evaluating which are the strongest and most valuable.

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

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For further information on Brand Finance®’s services and valuation experience, please contact your local representative:

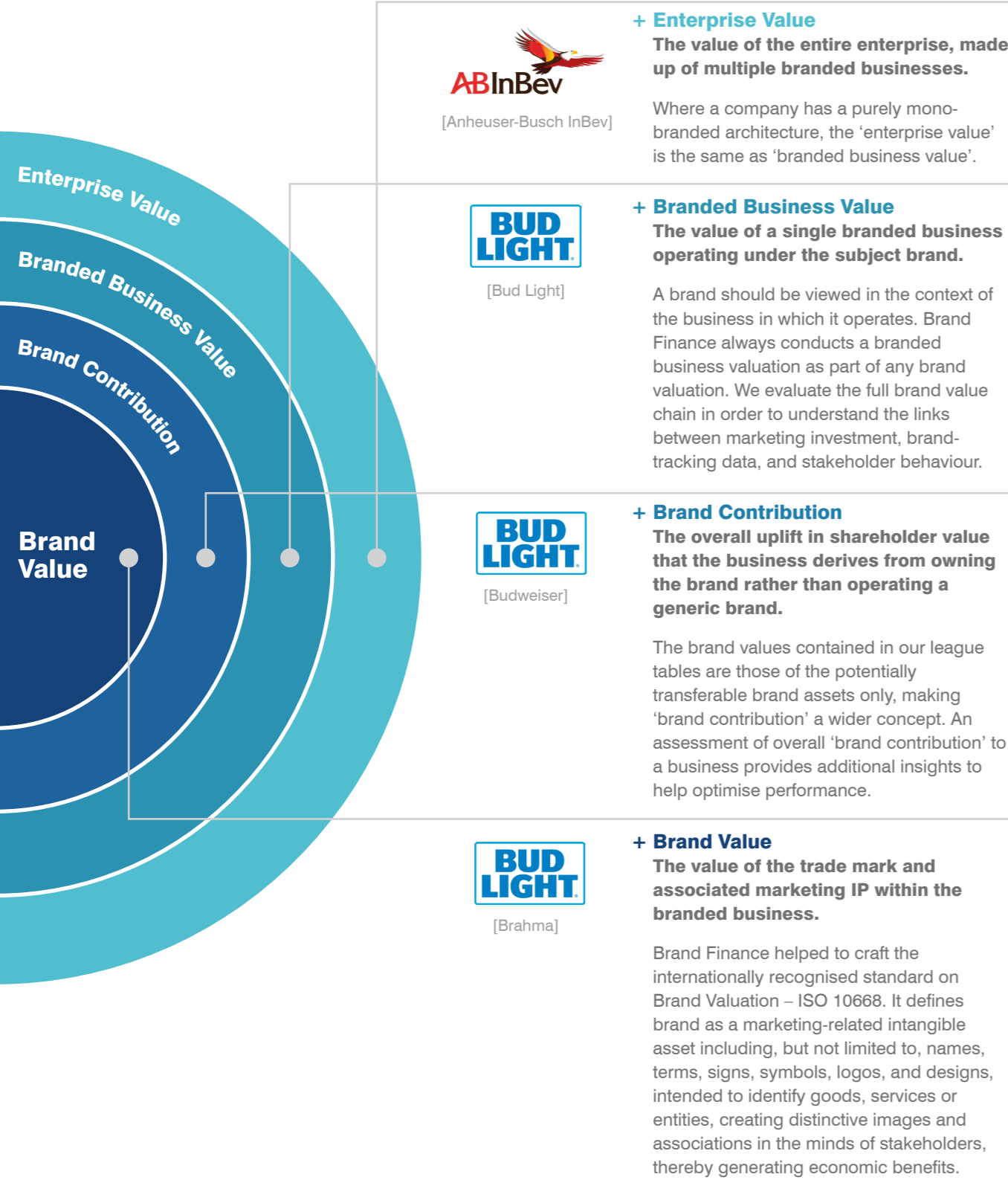
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# Definitions.

## Brand Value



## Brand Strength

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

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

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

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

Brand Strength Index	Marketing Investment	Widely recognised factors deployed by marketers to create brand loyalty and market share.
	Stakeholder Equity	Perceptions of the brand among different stakeholder groups, with customers being the most important.
	Business Performance	Quantitative market and financial measures representing the success of the brand in achieving price and volume premium.



# Executive Summary.



## Bud Light and Budweiser Bubble Up

Bud Light remains the world’s most valuable beer brand, with its brand value increasing by 12% to US\$7.4 billion since last year. Despite a reduction in sales in 2017, the value of Bud Light’s brand increased in connection with its well-received “Dilly Dilly” marketing campaign, and the launch of its product into the United Kingdom.

Budweiser (up 21% to US\$7.1 billion) enjoyed strong growth, retaining second place and narrowing the gap behind Bud Light. Despite a decade of decline in the brand’s American sales, Budweiser continues to benefit from its leadership position in the mainstream beer market. With an average brand value growth of 19% year on year, other global brands ranked in the Brand Finance Beers 25 league table also hold their own in the face of new challenges posed by the craft beer revolution.

## Belgian Beer Brewer’s 13 Brands

AB InBev dominates the ranking as its brands claim 13 out of the top 25 spots. The Belgian conglomerate has had a remarkably successful year with their family

The world’s biggest beer brands have been able to build deep customer loyalty by representing an accessible but aspirational lifestyle. Creative marketing campaigns are equally important as the taste and packaging. They help the established market leaders compete with challenger brands on their home turf by promising their consumers an experience rather than just a product. The top brands will continue to face challenges from craft beers but smart marketing combined with the scale of production and distribution capabilities of the big conglomerates is a strong defence strategy.

David Haigh  
CEO of Brand Finance

of beer brands growing strongly across the world, a credit to its global presence; operating across London, Sao Paulo, New York, Johannesburg, and Mexico City. AB InBev has also been investing in Africa, where beer consumption is on the rise, and has announced plans to build a US\$100m brewery in Tanzania.

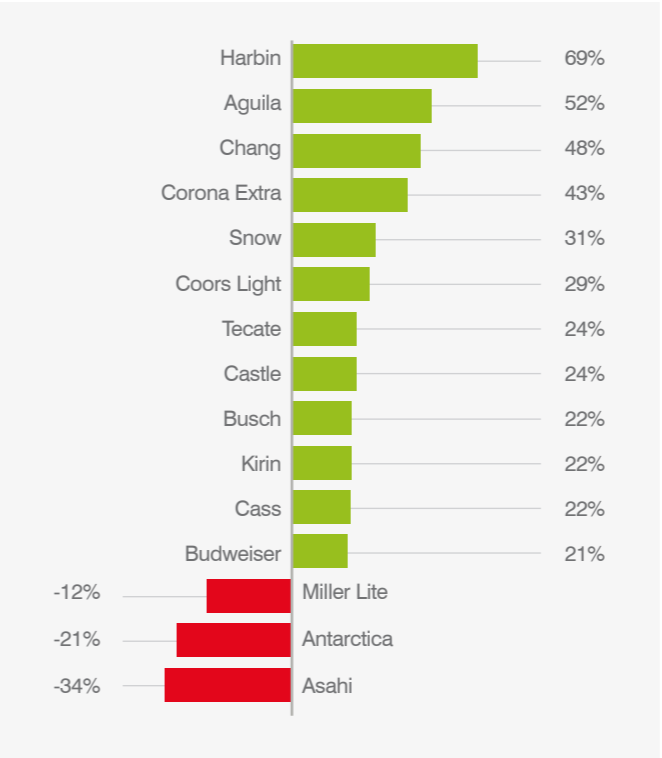
## Harbin and Aguila Fly High

Harbin (up 69% to US\$3.5 billion) in China and Aguila (up 52% to US\$1.4 billion) in Colombia are the world’s fastest-growing beer brands this year ahead of Thailand’s Chang (up 48% to US\$1.3 billion) and Mexico’s Corona Extra (up 43% to US\$3.4 billion). Harbin, Aguila, and Corona are all part of the AB InBev family and have been able to leverage the global giant’s output capacities to their advantage.

## Asahi Battles Changing Tastes

Asahi (down 34% to US\$2.0 billion), on the other hand, lost more brand value this year than any other brand in the ranking and dropped out of the top ten, falling from fifth position in 2017 to twelfth most valuable beer brand

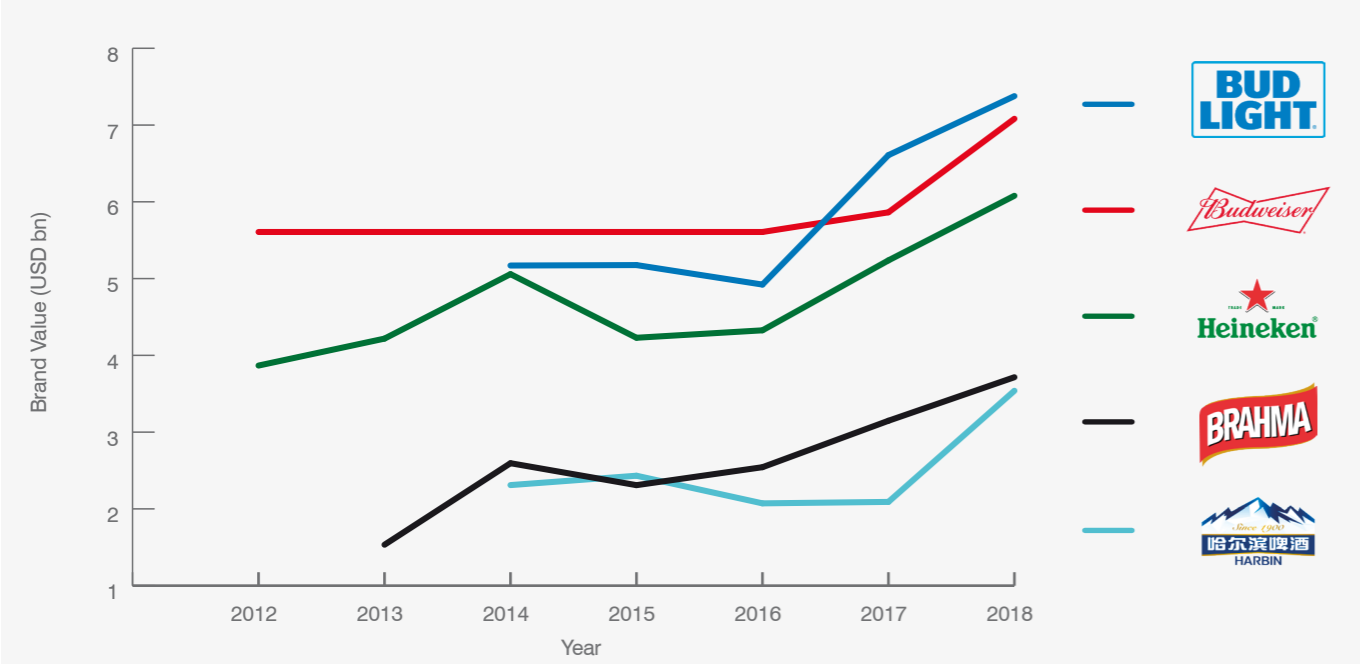
### Brand Value Change 2017-2018 (%)



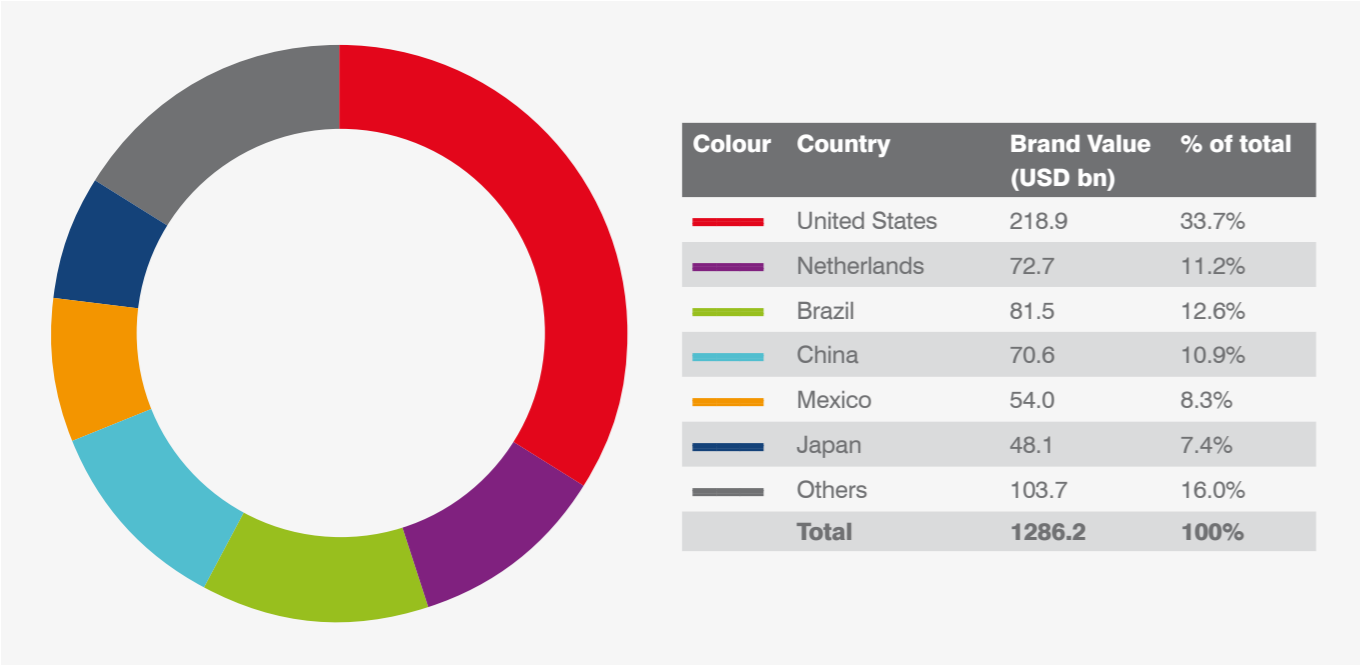
### Top 10 Most Valuable Brands

	<b>1</b>	Rank 2018: <b>1</b> 2017: <b>1</b> → BV 2018: <b>\$7377m</b> BV 2017: <b>\$6608m</b> +12% Brand Rating: <b>AAA-</b>
	<b>2</b>	Rank 2018: <b>2</b> 2017: <b>2</b> → BV 2018: <b>\$7082m</b> BV 2017: <b>\$5863m</b> +21% Brand Rating: <b>AAA-</b>
	<b>3</b>	Rank 2018: <b>3</b> 2017: <b>3</b> → BV 2018: <b>\$6090m</b> BV 2017: <b>\$5237m</b> +16% Brand Rating: <b>AA</b>
	<b>4</b>	Rank 2018: <b>4</b> 2017: <b>4</b> → BV 2018: <b>\$3715m</b> BV 2017: <b>\$3148m</b> +18% Brand Rating: <b>AAA</b>
	<b>5</b>	Rank 2018: <b>5</b> 2017: <b>12</b> ↑ BV 2018: <b>\$3539m</b> BV 2017: <b>\$2091m</b> +69% Brand Rating: <b>AA+</b>
	<b>6</b>	Rank 2018: <b>6</b> 2017: <b>7</b> ↑ BV 2018: <b>\$3417m</b> BV 2017: <b>\$2394m</b> +43% Brand Rating: <b>AA+</b>
	<b>7</b>	Rank 2018: <b>7</b> 2017: <b>5</b> ↓ BV 2018: <b>\$3317m</b> BV 2017: <b>\$3071m</b> +8% Brand Rating: <b>AAA</b>
	<b>8</b>	Rank 2018: <b>8</b> 2017: <b>9</b> ↑ BV 2018: <b>\$2783m</b> BV 2017: <b>\$2286m</b> +22% Brand Rating: <b>A-</b>
	<b>9</b>	Rank 2018: <b>9</b> 2017: <b>11</b> ↑ BV 2018: <b>\$2711m</b> BV 2017: <b>\$2106m</b> +29% Brand Rating: <b>AA+</b>
	<b>10</b>	Rank 2018: <b>10</b> 2017: <b>8</b> ↓ BV 2018: <b>\$2528m</b> BV 2017: <b>\$2299m</b> +10% Brand Rating: <b>AAA-</b>

Brand Value Over Time



Brand Value by Country



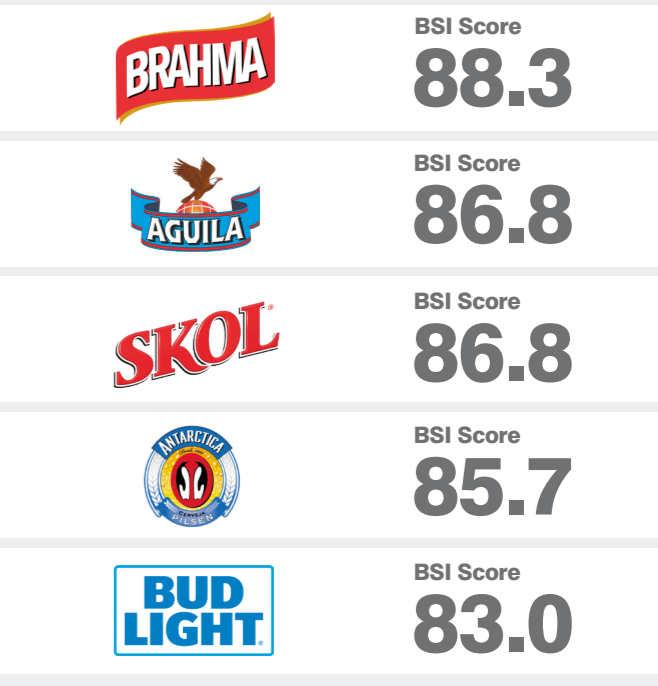
this year. This reflects a change in Japanese consumer tastes, with preferences shifting towards other drinks as Japanese beer consumption has been recorded at an all-time low. Consequently, the Asahi Group has acquired beer brands outside Japan as it seeks to diversify its geographic distribution of earnings.

Brahma Boasts Best Brand Strength

Aside from determining overall brand value, Brand Finance also evaluates the relative strength of brands through a balanced scorecard of metrics on marketing investment, stakeholder equity, and business performance.

Brazil's Brahma is the world's strongest beer brand with a Brand Strength Index (BSI) score of 88.3 out of 100 and a corresponding AAA brand rating. Brahma invested heavily in building its brand awareness through a series of high-profile advertising campaigns, mustering strong results in the domestic Brazilian market and further complemented by international sales.

Top 5 Strongest Brands



Top 25 Most Valuable Beer Brands

Rank 2018	Rank 2017	Brand name	Country	Brand value (USD m) 2018	% change	Brand value (USD m) 2017	Brand rating 2018	Brand rating 2017
1	1	Bud Light	United States	7,377	+12%	6608	AAA-	AAA-
2	2	Budweiser	United States	7,082	+21%	5863	AAA-	AAA-
3	3	Heineken	Netherlands	6,079	+16%	5237	AA	AA
4	4	Brahma	Brazil	3,715	+18%	3148	AAA	AAA
5	12	Harbin	China	3,539	+69%	2091	AA+	AA+
6	7	Corona Extra	Mexico	3,417	+43%	2394	AA+	AA+
7	5	Skol	Brazil	3,317	+8%	3071	AAA	AAA
8	9	Kirin	Japan	2,783	+22%	2286	A+	A-
9	11	Coors Light	United States	2,711	+29%	2106	AA+	AA+
10	8	Guinness	United Kingdom	🔒	🔒	🔒	🔒	🔒
11	13	Snow	Hong Kong	🔒	🔒	🔒	🔒	🔒
12	6	Asahi	Japan	🔒	🔒	🔒	🔒	🔒
13	14	Tecate	Mexico	🔒	🔒	🔒	🔒	🔒
14	10	Miller Lite	United States	🔒	🔒	🔒	🔒	🔒
15	16	Stella Artois	Belgium	🔒	🔒	🔒	🔒	🔒
16	17	Busch	United States	🔒	🔒	🔒	🔒	🔒
17	24	Aguila	Colombia	🔒	🔒	🔒	🔒	🔒
18	18	Carlsberg	Denmark	🔒	🔒	🔒	🔒	🔒
19	New	Chang	Thailand	🔒	🔒	🔒	🔒	🔒
20	21	Cass	South Korea	🔒	🔒	🔒	🔒	🔒
21	19	Amstel	Netherlands	🔒	🔒	🔒	🔒	🔒
22	20	Natural	United States	🔒	🔒	🔒	🔒	🔒
23	15	Antarctica	Brazil	🔒	🔒	🔒	🔒	🔒
24	22	Tsingtao	China	🔒	🔒	🔒	🔒	🔒
25	New	Castle	South Africa	🔒	🔒	🔒	🔒	🔒

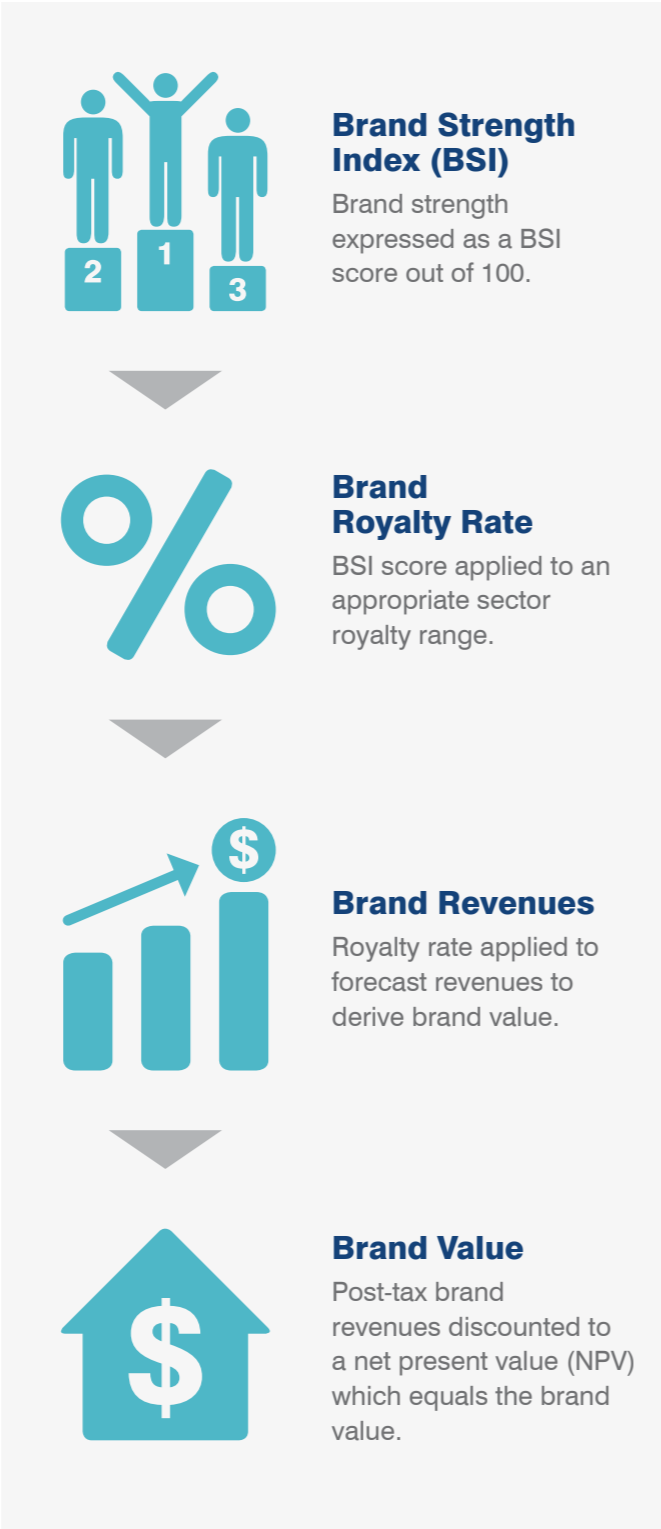
# Methodology.

Brand Finance calculates the values of the brands in its league tables using the Royalty Relief approach – a brand valuation method compliant with the industry standards set in ISO 10668.

This involves estimating the likely future revenues that are attributable to a brand by calculating a royalty rate that would be charged for its use, to arrive at a ‘brand value’ understood as a net economic benefit that a licensor would achieve by licensing the brand in the open market.

The steps in this process are as follows:

- 1 Calculate brand strength using a balanced scorecard of metrics assessing Marketing Investment, Stakeholder Equity, and Business Performance. Brand strength is expressed as a Brand Strength Index (BSI) score on a scale of 0 to 100.
- 2 Determine royalty range for each industry, reflecting the importance of brand to purchasing decisions. In luxury, the maximum percentage is high, in extractive industry, where goods are often commoditised, it is lower. This is done by reviewing comparable licensing agreements sourced from Brand Finance’s extensive database.
- 3 Calculate royalty rate. The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
- 4 Determine brand-specific revenues by estimating a proportion of parent company revenues attributable to a brand.
- 5 Determine forecast 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.



Disclaimer

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

# 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.

What is a Brand Value Report?

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 KPIs
- + 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

Customer Research

- + Utilities
- + Insurance
- + Banks
- + Telecoms

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

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What are the benefits of a Brand Value Report?



Insight

Provide insight as to how the brand is performing vs. key competitors on underlying measures and drivers of brand value and brand strength.



Strategy

Understand where brand value is being generated by region and channel in order to identify areas of opportunity that warrant further investigation.



Benchmarking

Track year-on-year changes to brand value and set long-term objectives against which high-level brand performance can be benchmarked.



Education

Provide a platform of understanding which the company can use to educate employees on the importance of the brand.



Communication

Communicate your brand’s success to shareholders, customers, and other strategically selected audiences.



Understanding

Understand and appreciate the value of your brand as an asset of the business.

# Consulting Services.





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