



# United Kingdom

# 150

# 2018

The annual report on the most valuable British brands  
April 2018

# 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:

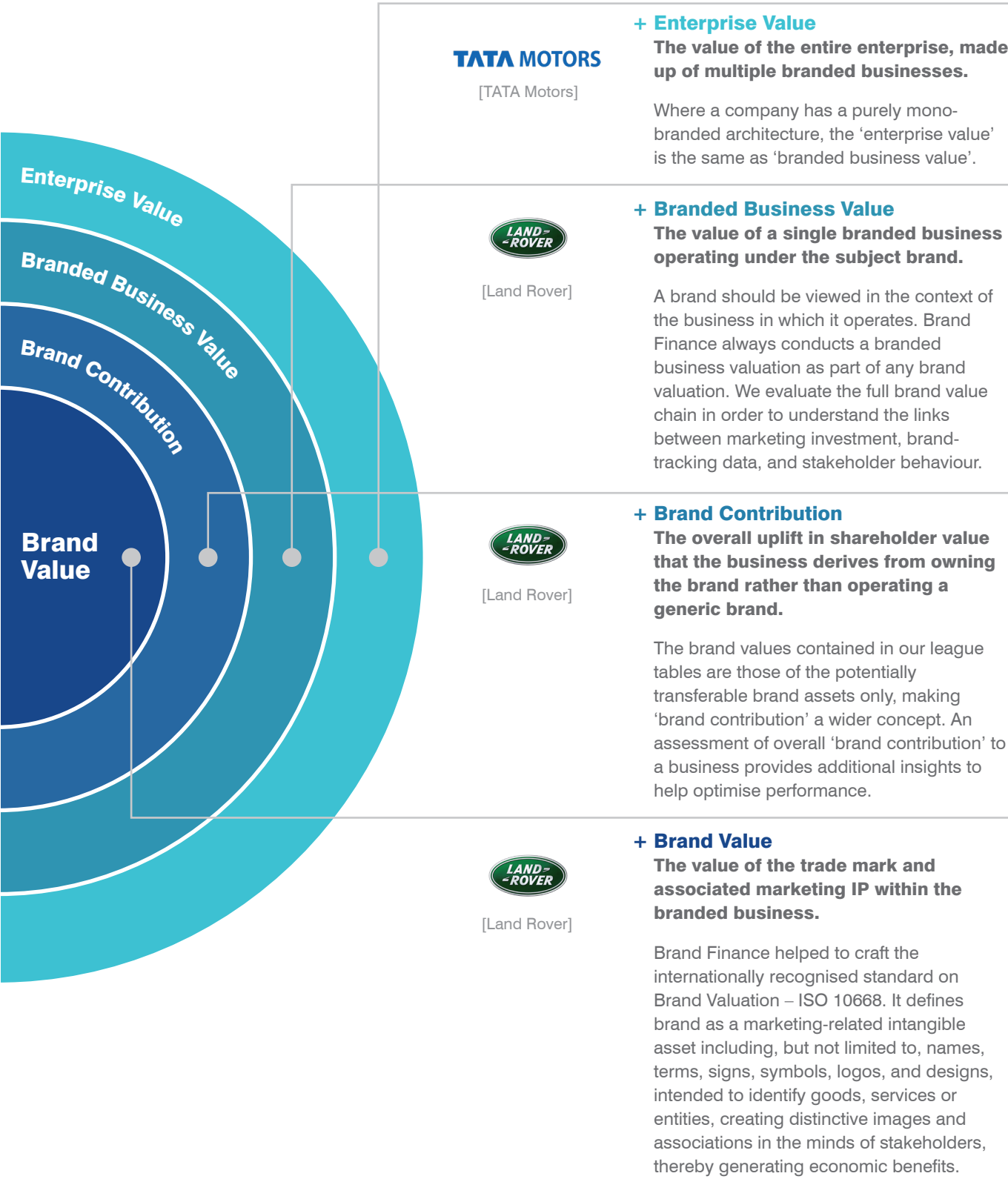
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# Definitions.

## Brand Value



## Brand Strength

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

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

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

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

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.



## Brexit Boosts British Brands

Total brand value of the top 150 brands, as at 1st January 2018, increased by 3%, from \$327 billion to \$337 billion, despite uncertainty as the Brexit negotiations moved forward. On average, 14% of the top 150 UK branded businesses’ enterprise value was contributed by their brands. By January 2018, the value date for the report, all UK macro-economic indicators had significantly improved from January 2017. Against this increasingly favourable macro-economic environment, many British brands are thriving.

## British auto brands accelerate

The stand out result is that British auto brands are powering ahead in world markets, undeterred, and arguably assisted, by Brexit:

- Land Rover’s brand value has increased from £5.5 billion to £8.9 billion, a 61% increase, moving up from 13th to 7th place in the table.
- Aston Martin, favoured by James Bond and the younger members of the Royal Family, has seen its brand value grow from £0.7 billion to £2.7 billion, a 261% increase, and has leapt from 103rd to 33rd place in the table.

Project Fear predicted that Brexit would be the end of the world as we know it, with catastrophe for UK businesses and UK brands. It is becoming clear that the UK economy is far more resilient than predicted and that UK brands are responding well to the challenge posed by Brexit. Demand is high for British brands, both by B2C consumers, B2B customer trading partners, and as takeover targets. Brexit will only increase this frenetic activity of world-beating UK brands.

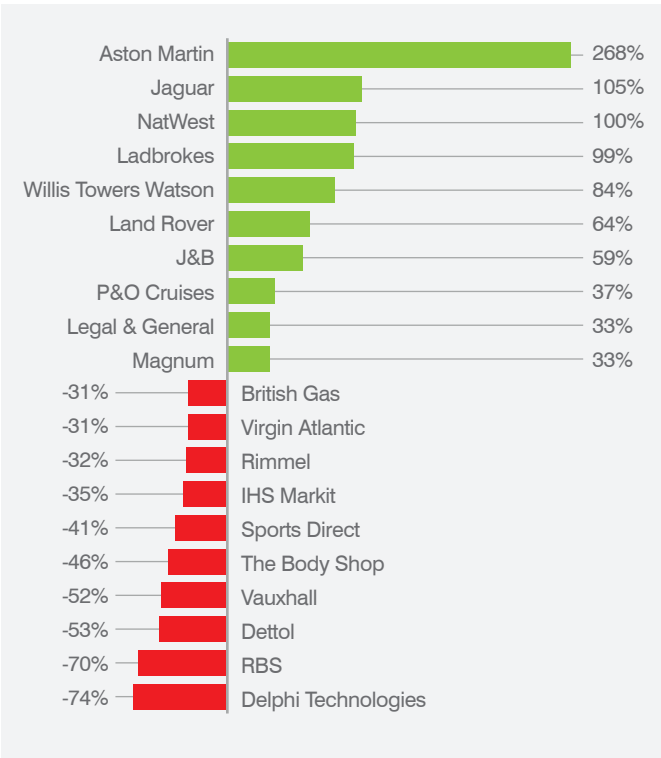
David Haigh  
CEO, Brand Finance

- Mini’s brand value has grown from £2.1 billion to £2.5 billion, a 20% increase, moving from 45th to 37th in the table.
- Jaguar’s brand value has increased from £1.1 billion to £2.3 billion, a 101% increase, moving from 77th to 41st in the table.
- Bentley’s brand value has increased from £1.5 billion to £1.9 billion, a 27% increase, moving from 63rd to 48th in the table.
- The McLaren brand value is stable at £0.6 billion while only the Rolls Royce brand has declined in value from £1.0 billion to £0.8 billion.

## Britain – home to world-class brands

The second insight from the Brand Finance UK 150 is the wide diversity of world-class brands in the UK 150 table, including Shell (Oil & Gas £29.7 billion AAA-), Sky (Media £7.7 billion AAA-), BBC (Media £4.3 billion AAA-), BHP (Mining £3.8 billion AA), Burberry (Luxury Fashion £3.5 billion AAA-), Johnnie Walker (Alcoholic Drinks £3.2 billion AAA-), GSK (Pharmaceutical £2.3 billion AA), and EY (Professional Services £12.9 billion AAA+).

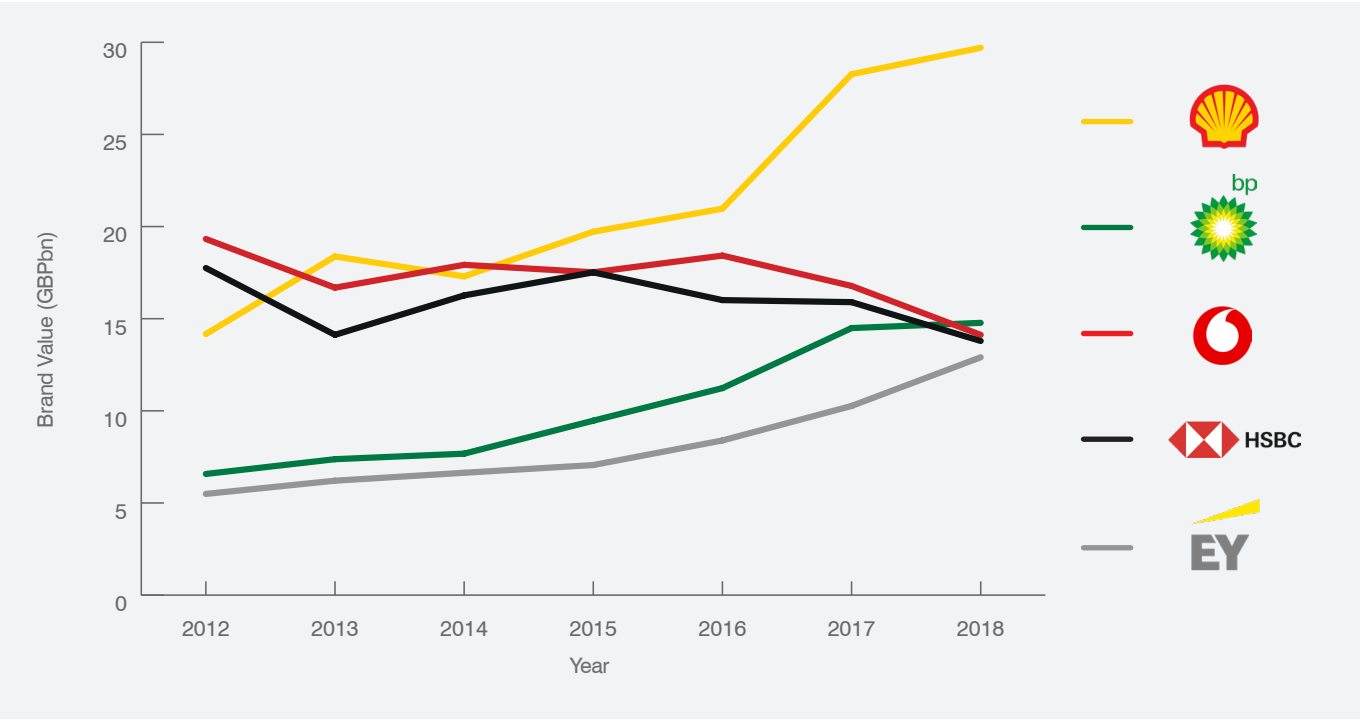
## Brand Value Change 2017-2018 (%)



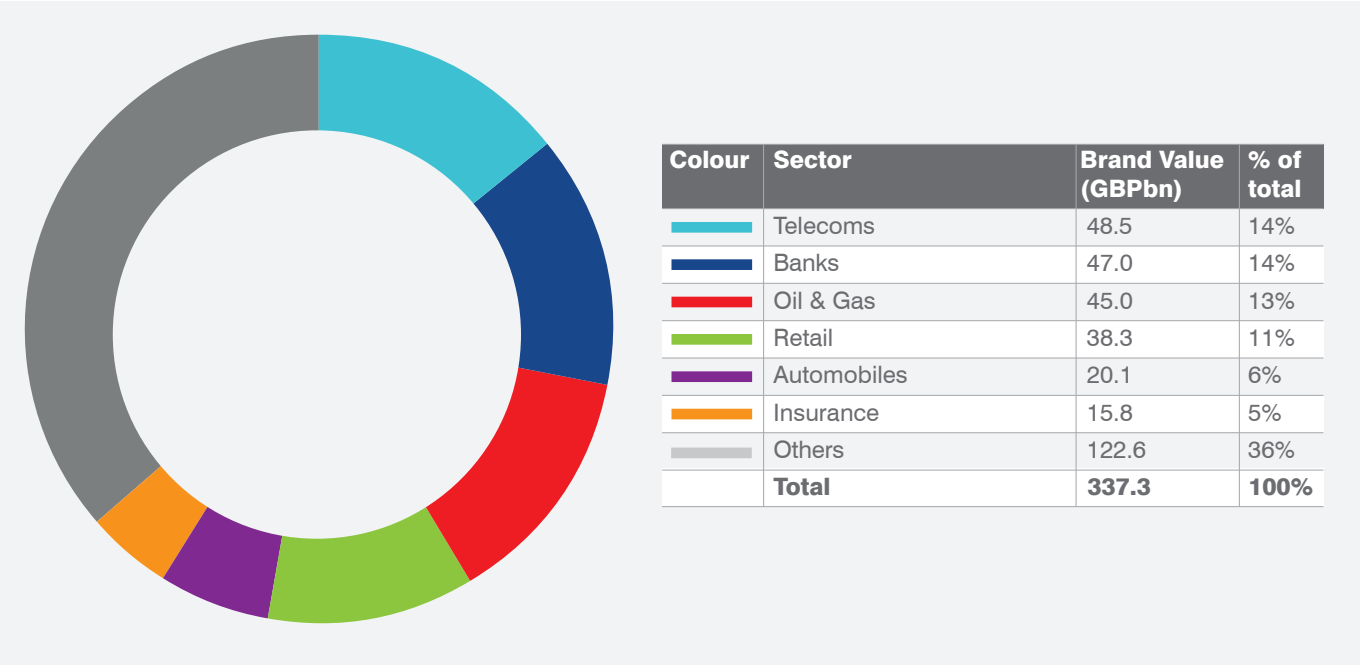
## Top 10 Most Valuable Brands

	<b>1</b>	Rank 2018: <b>1</b> 2017: <b>1</b> → BV 2018: <b>£29,702m</b> BV 2017: <b>£28,267m</b> +5% Brand Rating: <b>AAA-</b>
	<b>2</b>	Rank 2018: <b>2</b> 2017: <b>4</b> ↑ BV 2018: <b>£14,774m</b> BV 2017: <b>£14,491m</b> +2% Brand Rating: <b>AA+</b>
	<b>3</b>	Rank 2018: <b>3</b> 2017: <b>2</b> ↓ BV 2018: <b>£14,122m</b> BV 2017: <b>£16,777m</b> -16% Brand Rating: <b>AA+</b>
	<b>4</b>	Rank 2018: <b>4</b> 2017: <b>3</b> ↓ BV 2018: <b>£13,791m</b> BV 2017: <b>£15,898m</b> -13% Brand Rating: <b>AA</b>
	<b>5</b>	Rank 2018: <b>5</b> 2017: <b>5</b> → BV 2018: <b>£12,906m</b> BV 2017: <b>£10,265m</b> +26% Brand Rating: <b>AAA+</b>
	<b>6</b>	Rank 2018: <b>6</b> 2017: <b>6</b> → BV 2018: <b>£10,177m</b> BV 2017: <b>£9,995m</b> +2% Brand Rating: <b>AA</b>
	<b>7</b>	Rank 2018: <b>7</b> 2017: <b>13</b> ↑ BV 2018: <b>£8,881m</b> BV 2017: <b>£5,532m</b> +61% Brand Rating: <b>AA+</b>
	<b>8</b>	Rank 2018: <b>8</b> 2017: <b>7</b> ↓ BV 2018: <b>£8,660m</b> BV 2017: <b>£8,791m</b> -1% Brand Rating: <b>AA+</b>
	<b>9</b>	Rank 2018: <b>9</b> 2017: <b>8</b> ↓ BV 2018: <b>£7,728m</b> BV 2017: <b>£8,333m</b> -7% Brand Rating: <b>AA</b>
	<b>10</b>	Rank 2018: <b>10</b> 2017: <b>9</b> ↓ BV 2018: <b>£7,656m</b> BV 2017: <b>£7,967m</b> -4% Brand Rating: <b>AAA-</b>

Brand Value Over Time



Brand Value by Sector



EY is Britain’s strongest brand

With a Brand Strength Index (BSI) score of 89.7 out of 100 and an elite AAA+ brand rating, EY is the strongest UK brand and is part of a diverse professional services industry in the UK which is both global and unaffected by the Brexit tariff debate. Some other leading professional service brands in the Brand Finance UK 150 table include Willis Towers Watson, (Risk and Insurance Advisory £2.3 billion AA-), Bunzl (Procurement Services £1.5 billion A+), Capita (Business Process Outsourcing £1.3 billion A+).

British SMEs thrive

As the Brand Finance UK 150 focuses on the leading publicly quoted brands, it does not reflect the wide range of brands in the architecture, accounting, actuarial, advertising, design, legal and many other professional services sectors. It also excludes many of the small specialist manufacturing and engineering brands which are thriving across the UK. But a proxy for the strength of this middle economy is NatWest (Banking £4.9 billion AA+, up from £2.5 billion AA, a 96% increase in one year). NatWest serves a vast number of Small and Medium Enterprises across the UK and is thriving as they thrive.

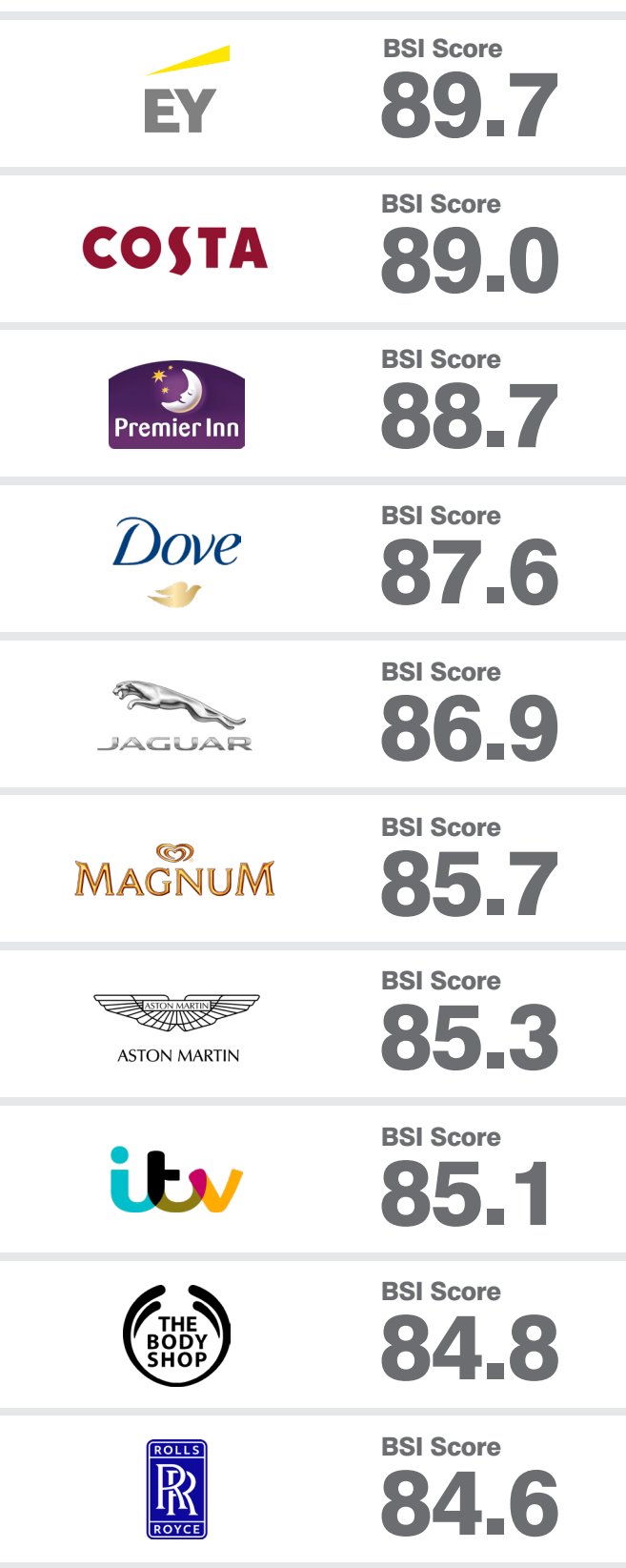
Brands and M&A

The UK’s vibrant, service-based economy leads the world. The UK marketing industry keeps producing brands which are bought by foreign predators, for example Orange which is now, ironically the most valuable brand in the Brand Finance France 100 table (£16.7 billion AA-). Takeover activity in the UK has never been higher, with 1,700 deals worth £50 billion including Ladbrokes (Gambling £0.8 billion AA), one of the oldest British brands in its field.

Valuable royal brand endorsements

The GREAT campaign is driving tourism ever higher, fuelling greater activity in hotels, transport, and catering. Meanwhile, the Monarchy brand, with powerful Royal Warrant endorsements, is supporting high-quality product brands. Many of the brands in the Brand Finance UK 150 table benefit from Royal Warrants which drive value growth on a global stage. For example, Aston Martin, Bentley, Rolls Royce, Johnnie Walker, and Twinings.

Top 10 Strongest Brands



# Brand Finance

## United Kingdom 150 (GBP m)

Top 150 most valuable British brands 1-50

Rank 2018	Rank 2017	Brand name	Sector	Brand value (GBP m) 2018	% change	Brand value (GBP m) 2017	Brand rating 2018	Brand rating 2017
1	1	Shell	Oil & Gas	29,702	+5%	28,267	AAA-	AAA-
2	4	BP	Oil & Gas	14,774	+2%	14,491	AA+	AA+
3	2	Vodafone	Telecoms	14,122	-16%	16,777	AA+	AA+
4	3	HSBC	Banks	13,791	-13%	15,898	AA	AA+
5	5	EY	Commercial Services	12,906	+26%	10,265	AAA+	AAA
6	6	Barclays	Banks	10,177	+2%	9,995	AA	AA
7	13	Land Rover	Automobiles	8,881	+61%	5,532	AA+	AA+
8	7	BT	Telecoms	8,660	-1%	8,791	AA+	AAA-
9	8	Tesco	Retail	7,728	-7%	8,333	AA	AA
10	9	Sky	Telecoms	7,656	-4%	7,967	AAA-	AAA-
11	10	O2	Telecoms	🔒	🔒	🔒	🔒	🔒
12	16	3	Telecoms	🔒	🔒	🔒	🔒	🔒
13	37	NatWest	Banks	🔒	🔒	🔒	🔒	🔒
14	12	Asda	Retail	🔒	🔒	🔒	🔒	🔒
15	15	Lloyds Bank	Banks	🔒	🔒	🔒	🔒	🔒
16	14	Pall Mall	Tobacco	🔒	🔒	🔒	🔒	🔒
17	20	Standard Chartered	Banks	🔒	🔒	🔒	🔒	🔒
18	17	BBC	Media	🔒	🔒	🔒	🔒	🔒
19	18	Sainsbury's	Retail	🔒	🔒	🔒	🔒	🔒
20	28	BHP	Mining	🔒	🔒	🔒	🔒	🔒
21	22	Aviva	Insurance	🔒	🔒	🔒	🔒	🔒
22	19	Dove	Cosmetics & Personal	🔒	🔒	🔒	🔒	🔒
23	23	EE	Telecoms	🔒	🔒	🔒	🔒	🔒
24	26	Burberry	Apparel	🔒	🔒	🔒	🔒	🔒
25	29	Prudential (UK)	Insurance	🔒	🔒	🔒	🔒	🔒
26	24	Unilever	Food	🔒	🔒	🔒	🔒	🔒
27	32	Nationwide Building Society	Banks	🔒	🔒	🔒	🔒	🔒
28	21	Johnnie Walker	Spirits	🔒	🔒	🔒	🔒	🔒
29	31	Rolls-Royce	Aerospace & Defence	🔒	🔒	🔒	🔒	🔒
30	25	Marks & Spencer	Retail	🔒	🔒	🔒	🔒	🔒
31	35	BAE Systems	Aerospace & Defence	🔒	🔒	🔒	🔒	🔒
32	36	SSE	Utilities	🔒	🔒	🔒	🔒	🔒
33	103	Aston Martin	Automobiles	🔒	🔒	🔒	🔒	🔒
34	33	ITV	Media	🔒	🔒	🔒	🔒	🔒
35	30	British Airways	Airlines	🔒	🔒	🔒	🔒	🔒
36	34	Halifax	Banks	🔒	🔒	🔒	🔒	🔒
37	44	MINI	Automobiles	🔒	🔒	🔒	🔒	🔒
38	42	Morrisons	Retail	🔒	🔒	🔒	🔒	🔒
39	50	Rio Tinto	Mining	🔒	🔒	🔒	🔒	🔒
40	71	Willis Towers Watson	Pro Services -	🔒	🔒	🔒	🔒	🔒
41	76	Jaguar	Automobiles	🔒	🔒	🔒	🔒	🔒
42	39	GlaxoSmithKline	Pharma	🔒	🔒	🔒	🔒	🔒
43	27	Virgin Media	Telecoms	🔒	🔒	🔒	🔒	🔒
44	49	Compass Group	Retail	🔒	🔒	🔒	🔒	🔒
45	41	Aon	Insurance	🔒	🔒	🔒	🔒	🔒
46	48	Lipton	Non Alcoholic Drinks	🔒	🔒	🔒	🔒	🔒
47	63	Legal & General	Insurance	🔒	🔒	🔒	🔒	🔒
48	62	Bentley	Automobiles	🔒	🔒	🔒	🔒	🔒
49	55	Costa Coffee	Restaurants	🔒	🔒	🔒	🔒	🔒
50	47	Scottish Widows	Insurance	🔒	🔒	🔒	🔒	🔒

Top 150 most valuable British brands 51-100

Rank 2018	Rank 2017	Brand name	Sector	Brand value (GBP m) 2018	% change	Brand value (GBP m) 2017	Brand rating 2018	Brand rating 2017
51	43	Boots	Retail	🔒	🔒	🔒	🔒	🔒
52	45	Royal Mail	Logistics	🔒	🔒	🔒	🔒	🔒
53	56	Primark	Apparel	🔒	🔒	🔒	🔒	🔒
54	52	Dunhill	Tobacco	🔒	🔒	🔒	🔒	🔒
55	68	Bunzl	Pro Services - Commercial	🔒	🔒	🔒	🔒	🔒
56	70	Johnson Matthey	Chemicals	🔒	🔒	🔒	🔒	🔒
57	75	BUPA	Insurance	🔒	🔒	🔒	🔒	🔒
58	73	Cadbury	Food	🔒	🔒	🔒	🔒	🔒
59	New	Aptiv	Components	🔒	🔒	🔒	🔒	🔒
60	53	Next	Retail	🔒	🔒	🔒	🔒	🔒
61	69	The Co-operative	Retail	🔒	🔒	🔒	🔒	🔒
62	64	John Lewis	Retail	🔒	🔒	🔒	🔒	🔒
63	72	Rothmans	Tobacco	🔒	🔒	🔒	🔒	🔒
64	46	British Gas	Utilities	🔒	🔒	🔒	🔒	🔒
65	65	Waitrose	Retail	🔒	🔒	🔒	🔒	🔒
66	66	Travis Perkins	Retail	🔒	🔒	🔒	🔒	🔒
67	61	Astrazeneca	Pharma	🔒	🔒	🔒	🔒	🔒
68	67	Easyjet	Airlines	🔒	🔒	🔒	🔒	🔒
69	59	Capita	Pro Services - Commercial	🔒	🔒	🔒	🔒	🔒
70	60	National Grid	Utilities	🔒	🔒	🔒	🔒	🔒
71	New	Smith & Nephew	Pro Services - Healthcare	🔒	🔒	🔒	🔒	🔒
72	81	Intercontinental	Hotels	🔒	🔒	🔒	🔒	🔒
73	79	Chivas Regal	Spirits	🔒	🔒	🔒	🔒	🔒
74	80	Tate & Lyle	Food	🔒	🔒	🔒	🔒	🔒
75	54	IHS Markit	Media	🔒	🔒	🔒	🔒	🔒
76	92	Twinings	Non Alcoholic Drinks	🔒	🔒	🔒	🔒	🔒
77	91	RSA	Insurance	🔒	🔒	🔒	🔒	🔒
78	83	Crowne Plaza	Hotels	🔒	🔒	🔒	🔒	🔒
79	85	Anglo American	Mining	🔒	🔒	🔒	🔒	🔒
80	78	Sunsilk	Cosmetics & Personal Care	🔒	🔒	🔒	🔒	🔒
81	87	Barratt Developments	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
82	84	B&Q	Retail	🔒	🔒	🔒	🔒	🔒
83	100	G4S	Pro Services - Commercial	🔒	🔒	🔒	🔒	🔒
84	77	Bank of Scotland	Banks	🔒	🔒	🔒	🔒	🔒
85	102	Babcock	Pro Services - Commercial	🔒	🔒	🔒	🔒	🔒
86	93	Premier Inn	Hotels	🔒	🔒	🔒	🔒	🔒
87	88	William Hill	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
88	108	ASOS	Retail	🔒	🔒	🔒	🔒	🔒
89	113	Balfour Beatty	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
90	106	Schroders	Banks	🔒	🔒	🔒	🔒	🔒
91	97	Sage	Internet & Software	🔒	🔒	🔒	🔒	🔒
92	New	Ladbrokes	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
93	82	Rolls- Royce	Automobiles	🔒	🔒	🔒	🔒	🔒
94	112	FremantleMedia	Media	🔒	🔒	🔒	🔒	🔒
95	99	ARM	Technology	🔒	🔒	🔒	🔒	🔒
96	105	Taylor Wimpey	Pro Services - Real Estate	🔒	🔒	🔒	🔒	🔒
97	118	Intertek	Pro Services - Commercial	🔒	🔒	🔒	🔒	🔒
98	107	B&M	Retail	🔒	🔒	🔒	🔒	🔒
99	121	Magnum	Food	🔒	🔒	🔒	🔒	🔒
100	132	P&O Cruises	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒



# Brand Finance

## United Kingdom 150 (GBP m)

Top 150 most valuable British brands 101-150

Rank 2018	Rank 2017	Brand name	Sector	Brand value (GBP m) 2018	% change	Brand value (GBP m) 2017	Brand rating 2018	Brand rating 2017
101	38	RBS	Banks	🔒	🔒	🔒	🔒	🔒
102	90	Scottish Power	Utilities	🔒	🔒	🔒	🔒	🔒
103	116	Thomas Cook	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
104	109	TSB	Banks	🔒	🔒	🔒	🔒	🔒
105	111	Persimmon	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
106	74	Sports Direct	Retail	🔒	🔒	🔒	🔒	🔒
107	95	Finish	Products	🔒	🔒	🔒	🔒	🔒
108	98	Ovaltine	Non Alcoholic Drinks	🔒	🔒	🔒	🔒	🔒
109	New	BrewDog	Beers	🔒	🔒	🔒	🔒	🔒
110	110	Centrica	Utilities	🔒	🔒	🔒	🔒	🔒
111	120	Saga	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
112	138	Dulux	Retail	🔒	🔒	🔒	🔒	🔒
113	140	Old Mutual	Insurance	🔒	🔒	🔒	🔒	🔒
114	New	DS Smith	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
115	96	Pearson	Media	🔒	🔒	🔒	🔒	🔒
116	117	McLaren	Automobiles	🔒	🔒	🔒	🔒	🔒
117	134	Ballantine's	Spirits	🔒	🔒	🔒	🔒	🔒
118	114	Kingsmill	Food	🔒	🔒	🔒	🔒	🔒
119	137	First	Logistics	🔒	🔒	🔒	🔒	🔒
120	142	Grant's	Spirits	🔒	🔒	🔒	🔒	🔒
121	136	BetFair	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
122	126	Rentokil	Pro Services - Commercial	🔒	🔒	🔒	🔒	🔒
123	143	Flora	Food	🔒	🔒	🔒	🔒	🔒
124	123	Pentair	Technology	🔒	🔒	🔒	🔒	🔒
125	104	Air Wick	Products	🔒	🔒	🔒	🔒	🔒
126	86	The Body Shop	Cosmetics & Personal Care	🔒	🔒	🔒	🔒	🔒
127	New	Currys PC World	Retail	🔒	🔒	🔒	🔒	🔒
128	New	Hays	Pro Services - Commercial	🔒	🔒	🔒	🔒	🔒
129	141	Associated British Foods	Food	🔒	🔒	🔒	🔒	🔒
130	149	AA	Pro Services - Commercial	🔒	🔒	🔒	🔒	🔒
131	146	Amec	Oil & Gas	🔒	🔒	🔒	🔒	🔒
132	145	Booker Group	Food	🔒	🔒	🔒	🔒	🔒
133	130	Iceland	Retail	🔒	🔒	🔒	🔒	🔒
134	135	Penguin	Media	🔒	🔒	🔒	🔒	🔒
135	89	Vauxhall	Automobiles	🔒	🔒	🔒	🔒	🔒
136	New	Lifebuooy	Cosmetics & Personal Care	🔒	🔒	🔒	🔒	🔒
137	New	Screwfix	Retail	🔒	🔒	🔒	🔒	🔒
138	139	TalkTalk	Telecoms	🔒	🔒	🔒	🔒	🔒
139	94	Dettol	Products	🔒	🔒	🔒	🔒	🔒
140	New	Baileys	Spirits	🔒	🔒	🔒	🔒	🔒
141	147	Debenhams	Retail	🔒	🔒	🔒	🔒	🔒
142	58	Delphi Technologies	Components	🔒	🔒	🔒	🔒	🔒
143	New	Spectris	Technology	🔒	🔒	🔒	🔒	🔒
144	New	Ted Baker	Apparel	🔒	🔒	🔒	🔒	🔒
145	New	J&B	Spirits	🔒	🔒	🔒	🔒	🔒
146	122	Rimmel	Cosmetics & Personal Care	🔒	🔒	🔒	🔒	🔒
147	New	Just Eat	Internet & Software	🔒	🔒	🔒	🔒	🔒
148	128	Daily Mail	Media	🔒	🔒	🔒	🔒	🔒
149	New	Cornetto	Food	🔒	🔒	🔒	🔒	🔒
150	124	Virgin Atlantic	Airlines	🔒	🔒	🔒	🔒	🔒





# 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.

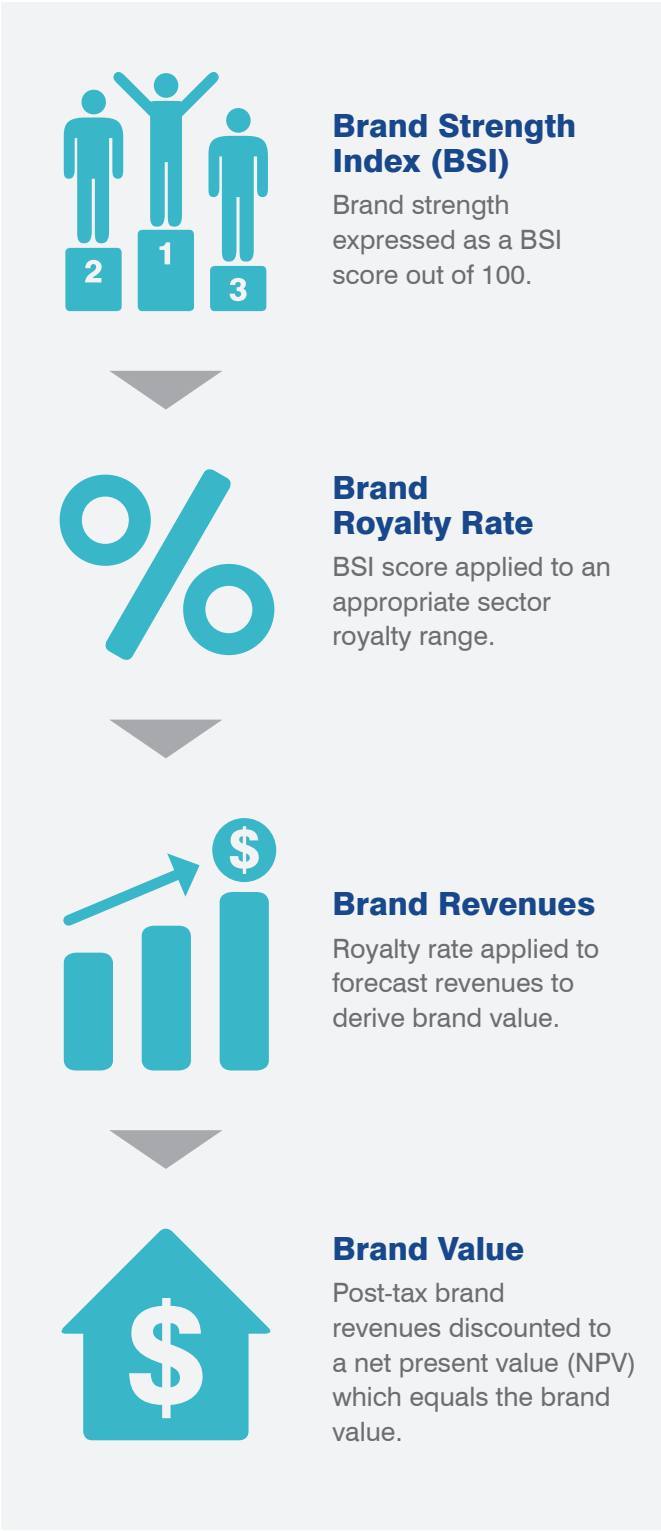
This involves estimating the likely future revenues that are attributable to a brand by calculating a royalty rate that would be charged for its use, to arrive at a ‘brand value’ understood as a net economic benefit that a licensor would achieve by licensing the brand in the open market.

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:

**Richard Haigh**  
Managing Director, Brand Finance  
[rd.haigh@brandfinance.com](mailto:rd.haigh@brandfinance.com)

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.

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