



Alcoholic Drinks 2020

The annual report on the most valuable and strongest alcoholic drinks brands
August 2020

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About Brand Finance.

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

We bridge the gap between marketing and finance

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For more than 20 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We quantify the financial value of brands

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

We offer a unique combination of expertise

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

We pride ourselves on technical credibility

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

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



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Brand Finance®



Request your own Brand Value Report

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

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


Brand Valuation Summary


Brand Strength Tracking


Royalty Rates


Cost of Capital Analysis


Customer Research Findings


Competitor Benchmarking


Education


Communication


Understanding


Insight


Strategy


Benchmarking

What's in a Brand Value Report?

Benefits of a Brand Value Report

Brandirectory.com



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

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

Visit brandirectory.com to find out more.

Brand Finance®



Customer insight drives our valuations

Our brand valuations are underpinned by extensive market research across a wide range of sectors, countries and brands.

Our research integrates all key brand measures, linking them to commercial outcomes.

Available for purchase separately or as part of a Brand Value Report.

Brand Finance Group.

Brand Dialogue®



Brand Dialogue

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

BRAND EXCHANGE®
WHERE BRANDS MEET FINANCE



Brand Exchange

Brand Exchange is a contemporary and exclusive members' club and events space nestled in the heart of the City of London. It was launched in 2015 to provide members with a private space to network and socialise. The club has since held several prestigious events and welcomed many key figures in the marketing and finance sectors as speakers. The membership brings together senior professionals from the world's strongest and most valuable brands.

vi360

VI360

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

- Over **1,500 brands** researched each year
- 29 countries** and **10 sectors** covered
- More than **50,000 respondents** surveyed annually
- Key metrics** across all industries and brands
- B2B** and **B2C** results
- We are now **in our 4th consecutive year** conducting the study



Foreword.



Richard Haigh
Managing Director,
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.

World's Top Alcoholic Drinks Brands Could Lose US\$33 Billion from COVID-19.

- + World's top beer, spirits and champagne & wine brands could lose up to US\$33 billion of brand value cumulatively as a result of COVID-19 pandemic
- + **Corona** named world's most valuable beer brand, brand value US\$8.1 billion
- + The king of beers, **Budweiser**, is world's strongest beer brand, Brand Strength Index (BSI) score 85.2 out of 100
- + Chinese baijiu brands dominate spirits sector, **Moutai** tops ranking
- + **Don Julio** is world's strongest spirits brand, BSI score 88.7 out of 100
- + **Moët et Chandon** bubbles to top of inaugural champagne & wine ranking as most valuable and strongest brand, brand value US\$1.4 billion and BSI score 79.0 out of 100

Brand Finance Beers 50.



World's top alcoholic drinks brands could lose \$33bn from COVID-19

The world's most valuable alcoholic drinks brands could lose up to US\$33 billion worth of brand value as a result of the COVID-19 pandemic. Brand Finance's analysis shows that different alcoholic drinks brands across the sector are likely to be impacted differently, with beer brands heavily impacted, facing a potential 20% brand value loss, and spirits and champagne & wine brands likely to be moderately impacted, facing a potential 10% brand value loss.

Looking beyond the alcoholic drinks sector, the value of the 500 most valuable brands in the world, ranked in the Brand Finance Global 500 2020 league table, could fall by an estimated US\$1 trillion as a result of the Coronavirus outbreak.

Brand Finance has assessed the impact of COVID-19 based on the effect of the outbreak on enterprise value, compared to what it was on 1st January 2020. The likely impact on brand value was estimated for each sector. The industries have been classified into three categories – limited impact (minimal brand value loss or potential brand value growth), moderate impact (up to 10% brand value loss), and heavy impact (up to 20% brand value loss) – based on the level of brand value loss observed for each sector in the first quarter of 2020.

Corona crowned #1

For the first time, the Brand Finance Beers 2020 ranking has been expanded to 50 brands, with

We are witnessing mixed fortunes across the alcoholic drinks industry as a result of the COVID-19 pandemic. On the one hand, the almost global lockdown and closures of bars and restaurants has resulted in the standstill of on-trade sales. Off-trade sales, however, in the supermarkets and bottle shops, have spiked as consumers shift towards consuming alcoholic drinks at home. It is yet to be seen whether this spike can offset the loss and therefore how brands will fare in the coming year.

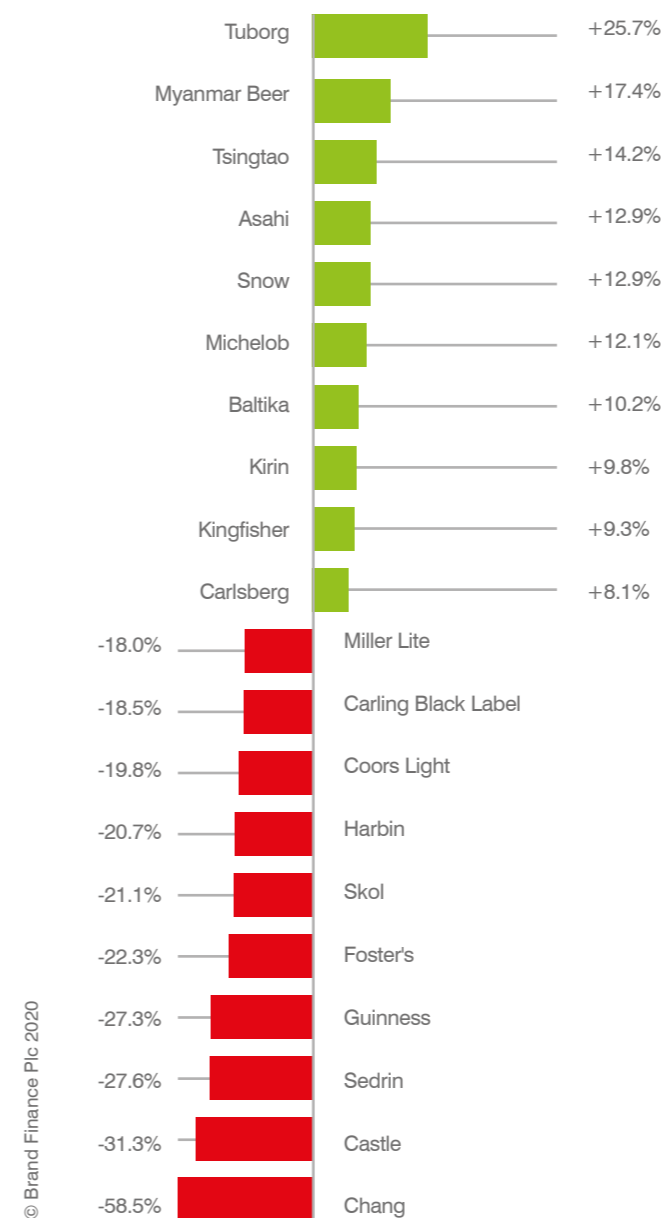
Richard Haigh
Managing Director, Brand Finance

Corona topping the ranking with a brand value of US\$8.1 billion. The leading Mexican brand is imported into a staggering 120 countries and sales remain solid across its key markets, including China and South Africa. The brand has focused on expanding its local production across several countries including China, Colombia, Brazil, Argentina, the UK and Belgium, which not only allows the brand to serve its local communities better but tackles its carbon footprint. Corona has sought to broaden its appeal to both a wider range









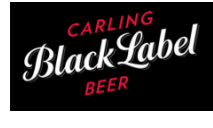

Top 10 Most Valuable Brands

	1 ← 1	
	2020: \$8,065m 2019: \$8,203m	-1.7%
	2 ↑ 4	
	2020: \$6,968m 2019: \$6,789m	+2.6%
	3 ↓ 2	
	2020: \$6,436m 2019: \$7,519m	-14.4%
	4 ↓ 3	
	2020: \$5,760m 2019: \$6,976m	-17.4%
	5 ↑ 6	
	2020: \$4,622m 2019: \$4,924m	-6.1%
	6 ↑ 7	
	2020: \$4,443m 2019: \$4,048m	+9.8%
	7 ↑ 9	
	2020: \$4,137m 2019: \$3,666m	+12.9%
	8 ↓ 5	
	2020: \$4,109m 2019: \$5,180m	-20.7%
	9 ↓ 8	
	2020: \$3,754m 2019: \$4,024m	-6.7%
	10 ← 10	
	2020: \$2,704m 2019: \$3,426m	-21.1%

Brand Value Change 2019-2020 (%)



Top 5 Strongest Brands

	1 ↑ 5	
	2020: 85.2 AAA 2019: 86.8 AAA	-1.5
	2 ← 2	
	2020: 85.0 AAA 2019: 87.5 AAA	-2.5
	3 ← 3	
	2020: 84.8 AAA 2019: 87.4 AAA	-2.6
	4 ← 4	
	2020: 84.3 AAA- 2019: 86.9 AAA	-2.6
	5 ↑ 6	
	2020: 83.8 AAA- 2019: 86.4 AAA	-2.6

of occasions and consumers, within the US market, through the launch of new drinks Corona Premium and Corona Familiar – marking the first major Corona innovations in more than 25 years - and Corona Refresca, the brand’s foray into the alcohol-spiked refresher market.

With China being Corona’s largest market, outside of Mexico, the unfortunate combination of the coincidence in name and strict nationwide lockdown across the nation at the beginning of the year over Chinese New Year has caused a decline in sales. The makers of Corona have, however, hit back at allegations that the pandemic has damaged its brand, claiming that consumers understand that there is no link between the two.

Tuborg up 26%

Danish beer brand, **Tuborg**, is the world’s fastest growing beer brand following a 26% brand value increase to US\$968 million. Part of the Carlsberg Group since 1970, Tuborg posted a solid year in sales, with strong performances in China and India, the latter market accounting for more than two thirds of the brand’s annual sales.

Last year, the brand entered a five-year partnership with Northern Europe’s largest festival, Roskilde Festival, which focuses on community and sustainability. This partnership saw the world premiere of a new organic lager and beer bars running on green electricity.

The king of beers is sector’s strongest

In addition to measuring overall brand value, Brand Finance also evaluates the relative strength of brands, based on factors such as marketing investment, customer familiarity, staff satisfaction, and corporate reputation. According to these criteria, **Budweiser** (brand value down 14% to US\$6.4 billion) is the world’s strongest beer brand with a Brand Strength Index (BSI) score of 85.2 out of 100 and a corresponding AAA brand strength rating.

In Brand Finance’s global brand monitor study Budweiser performed particularly well in the consideration and familiarity metrics, unsurprising as Budweiser is a truly global brand with a strong presence and awareness thanks to its high-profile advertising and sponsorship deals, including with the Premier League and La Liga.

AB InBev has positively exploited the strength of its flagship brand, Budweiser, rebranding the company name to Budweiser Brewing Group in the UK and Ireland as of March 2019 to boost its profile in those two markets.

Despite AB InBev citing a drop in revenue for its global brands, including Budweiser, from the pandemic, the trend for consumers to pivot towards well-known brands rather than trying new beers stands the brand in good stead in the coming year compared to its lesser known counterparts.

Richard Haigh
Managing Director, Brand Finance



Brand Value by Economy



Economy	Brand Value (USD bn)	% of total	Number of Brands
United States	20.3	21.2%	8
Mexico	19.0	19.8%	5
Japan	9.0	9.4%	4
Netherlands	7.9	8.2%	2
China	11.7	12.2%	5
Brazil	5.6	5.8%	3
Other	22.4	23.4%	23
Total	95.9	100.0%	50

Brand Finance Beers 50 (USD m).

Top 50 most valuable beer brands

2020 Rank	2019 Rank	Brand	Economy	2020 Brand Value	Brand Value Change	2019 Brand Value	2020 Brand Rating	2019 Brand Rating
1	1	← Corona	Mexico	\$8,065	-1.7%	\$8,203	AAA-	AAA-
2	4	↑ Heineken	Netherlands	\$6,968	+2.6%	\$6,789	AAA-	AAA-
3	2	↓ Budweiser	United States	\$6,436	-14.4%	\$7,519	AAA	AAA
4	3	↓ Bud Light	United States	\$5,760	-17.4%	\$6,976	AAA-	AAA-
5	6	↑ Victoria	Mexico	\$4,622	-6.1%	\$4,924	AAA-	AAA-
6	7	↑ Kirin	Japan	\$4,443	+9.8%	\$4,048	AAA-	AAA-
7	9	↑ Snow	China (Hong Kong)	\$4,137	+12.9%	\$3,666	AA+	AA+
8	5	↓ Harbin	China	\$4,109	-20.7%	\$5,180	AAA	AAA
9	8	↓ Modelo	Mexico	\$3,754	-6.7%	\$4,024	AA	AA
10	10	← Skol	Brazil	\$2,704	-21.1%	\$3,426	AAA-	AAA
11	13	↑ Asahi	Japan	🔒	🔒	🔒	🔒	🔒
12	12	← Coors Light	United States	🔒	🔒	🔒	🔒	🔒
13	11	↓ Guinness	Ireland	🔒	🔒	🔒	🔒	🔒
14	18	↑ Tsingtao	China	🔒	🔒	🔒	🔒	🔒
15	14	↓ Miller Lite	United States	🔒	🔒	🔒	🔒	🔒
16	15	↓ Brahma	Brazil	🔒	🔒	🔒	🔒	🔒
17	17	← Tecate	Mexico	🔒	🔒	🔒	🔒	🔒
18	21	↑ BrewDog	United Kingdom	🔒	🔒	🔒	🔒	🔒
19	16	↓ Stella Artois	Belgium	🔒	🔒	🔒	🔒	🔒
20	22	↑ Carlsberg	Denmark	🔒	🔒	🔒	🔒	🔒
21	19	↓ Busch	United States	🔒	🔒	🔒	🔒	🔒
22	-	New Sabeco	Vietnam	🔒	🔒	🔒	🔒	🔒
23	-	New Aguila	Colombia	🔒	🔒	🔒	🔒	🔒
24	24	← Antarctica	Brazil	🔒	🔒	🔒	🔒	🔒
25	25	← Natural	United States	🔒	🔒	🔒	🔒	🔒
26	-	New Saigon	Vietnam	🔒	🔒	🔒	🔒	🔒
27	-	New Sapporo	Japan	🔒	🔒	🔒	🔒	🔒
28	23	↓ Cass	South Korea	🔒	🔒	🔒	🔒	🔒
29	-	New Tuborg	Denmark	🔒	🔒	🔒	🔒	🔒
30	-	New Nodogoshi Nama	Japan	🔒	🔒	🔒	🔒	🔒
31	-	New Amstel	Netherlands	🔒	🔒	🔒	🔒	🔒
32	-	New Yanjing	China	🔒	🔒	🔒	🔒	🔒
33	-	New Kingfisher	India	🔒	🔒	🔒	🔒	🔒
34	-	New Miller	United States	🔒	🔒	🔒	🔒	🔒
35	-	New Michelob	United States	🔒	🔒	🔒	🔒	🔒
36	-	New XXXX	Australia	🔒	🔒	🔒	🔒	🔒
37	-	New Estrella Damm	Spain	🔒	🔒	🔒	🔒	🔒
38	-	New Dos Equis XX	Mexico	🔒	🔒	🔒	🔒	🔒
39	-	New Castle	South Africa	🔒	🔒	🔒	🔒	🔒
40	-	New Myanmar Beer	Myanmar	🔒	🔒	🔒	🔒	🔒
41	-	New Velkopopovicky Kozel	Czech Republic	🔒	🔒	🔒	🔒	🔒
42	-	New Tiger	Singapore	🔒	🔒	🔒	🔒	🔒
43	-	New Mahou	Spain	🔒	🔒	🔒	🔒	🔒
44	-	New Baltika	Russia	🔒	🔒	🔒	🔒	🔒
45	-	New Carling Black Label	South Africa	🔒	🔒	🔒	🔒	🔒
46	20	↓ Chang	Thailand	🔒	🔒	🔒	🔒	🔒
47	-	New Beck's	Germany	🔒	🔒	🔒	🔒	🔒
48	-	New Foster's	Austria	🔒	🔒	🔒	🔒	🔒
49	-	New Sedrin	China	🔒	🔒	🔒	🔒	🔒
50	-	New 333 export	Thailand	🔒	🔒	🔒	🔒	🔒



Brand Finance Spirits 50.



Chinese baijiu brands dominate

Chinese spirits brands continue to dominate the top 3 in the Brand Finance Spirits 25 2020 ranking with **Moutai** (up 29% to US\$39.3 billion) in first, **Wuliangye** (up 30% to US\$20.9 billion) in second and **Yanghe** (down 15% to US\$7.7 billion) in third.

The spirits market in China is flourishing as disposable income and living standards continue to rise across the nation. Consumers are now turning towards top quality and middle to high end premium baijiu brands. In this year's ranking, Chinese spirits' brand values increased by 14% on average, while non-Chinese spirits brands decreased by 0.1% on average.

Moutai continues to dominate as the biggest player in the Chinese baijiu market and has focused on expanding its footprint and presence globally, with international sales reaching a record US\$369 million last year. Wuliangye is the fastest growing brand in the top 10, its brand value rising an impressive 30% - a notable feat given the sheer size of the brand already.

The brand has recently signed a strategic partnership with Pernod Ricard to support both brands' goal of accelerated development within the Chinese and wider Asian markets. Furthermore, the brand has opened marketing centres in the Asia Pacific, Europe and America, to promote its 'East meets West' liquor.

Baileys sores 105%

Irish giant, **Baileys**, is the fastest growing spirits brand, recording a staggering 105% brand value growth to US\$1.3 billion. The brand has committed to its three-year long strategy of repositioning the brand, transforming it to a drink that can be consumed on many occasions. This, paired with the exponential sales growth of the brand over the previous four years, has placed the spirits giant in a strong position.

Don Julio is sector's strongest

Don Julio (up 79% to US\$958 million) is the world's strongest spirits brand with a Brand Strength Index (BSI) score of 88.7 out of 100 and a corresponding AAA brand strength rating.

Available in over 40 countries, Don Julio has registered a strong sales increase of 14.5% this year, reaching 1.7 million nine litre cases and being subsequently named the Tequila Brand Champion of 2020. With a strong brand equity and CSR performance, Don Julio's success has undoubtedly been fuelled by the brand's heavy investment in social and digital media for its "For Those Who Know" campaign - the first of its kind in over 6 years.

Baileys and Don Julio's parent company, global drinks giant Diageo, has however warned of a significant sales hit, estimated at just over €200 million, as the brand suffers with bar and pub closures as well as travel restrictions, which are significantly impacting airport sales.

Top 5 Strongest Brands

	1 ← 1	
	2020: 88.7 AAA	+0.6
	2019: 88.1 AAA	
	2 ← 2	
	2020: 88.1 AAA	+1.3
	2019: 86.8 AAA	
	3 ↑ 4	
	2020: 86.2 AAA	+2.5
	2019: 83.7 AAA-	
	4 ↓ 3	
	2020: 85.6 AAA	+1.5
	2019: 84.1 AAA-	
	5 ← 5	
	2020: 84.9 AAA	+2.0
	2019: 82.9 AAA-	

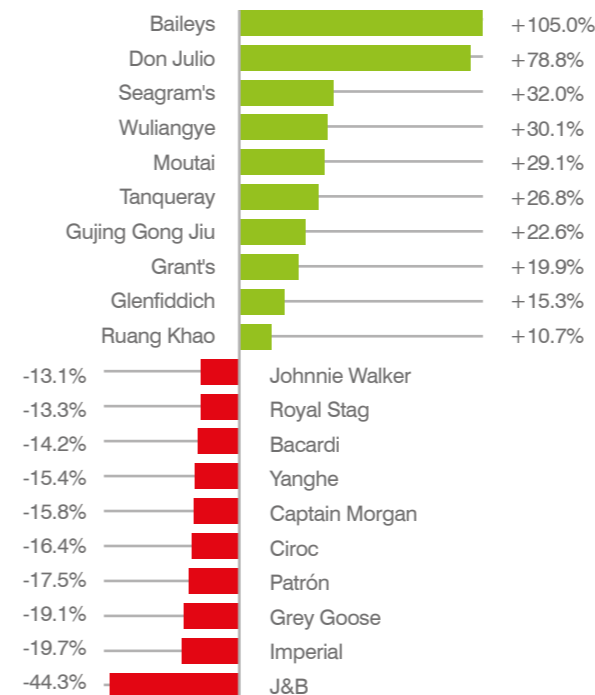
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Top 10 Most Valuable Brands

	1 ← 1	
	2020: \$39,332m	+29.1%
	2019: \$30,470m	
	2 ← 2	
	2020: \$20,872m	+30.1%
	2019: \$16,038m	
	3 ← 3	
	2020: \$7,666m	-15.4%
	2019: \$9,060m	
	4 ← 4	
	2020: \$5,625m	+4.7%
	2019: \$5,371m	
	5 ↑ 6	
	2020: \$4,092m	-5.6%
	2019: \$4,335m	
	6 ↓ 5	
	2020: \$4,036m	-13.1%
	2019: \$4,644m	
	7 ← 7	
	2020: \$3,633m	-6.1%
	2019: \$3,869m	
	8 ↑ 9	
	2020: \$3,320m	-5.1%
	2019: \$3,497m	
	9 ↑ 10	
	2020: \$3,312m	+22.6%
	2019: \$2,703m	
	10 ↓ 8	
	2020: \$3,137m	-14.2%
	2019: \$3,657m	

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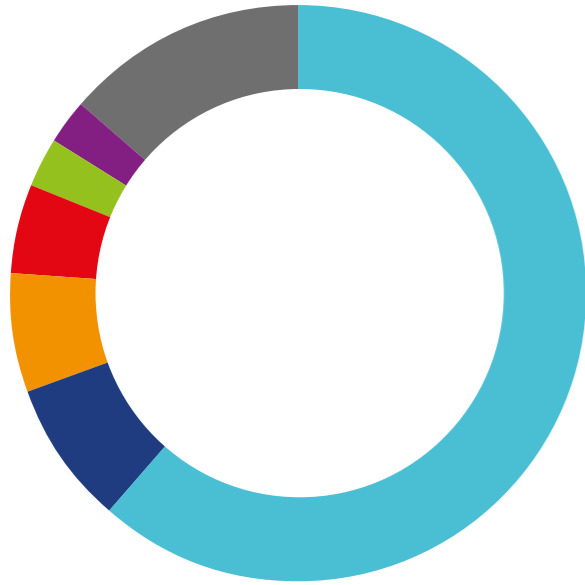
Brand Value Change 2019-2020 (%)



© Brand Finance Plc 2020

Brand Finance Spirits 50 (USD m).

Brand Value by Economy



Economy	Brand Value (USD bn)	% of total	Number of Brands
China	79.1	61.4%	9
United Kingdom	10.6	8.2%	10
France	8.7	6.7%	6
United States	6.5	5.0%	3
Thailand	3.5	2.7%	3
Russia	3.3	2.6%	1
Other	17.3	13.4%	18
Total	129.0	100.0%	50

Top 50 most valuable spirit brands

2020 Rank	2019 Rank	Brand	Economy	2020 Brand Value	Brand Value Change	2019 Brand Value	2020 Brand Rating	2019 Brand Rating
1	1	← Moutai	China	\$39,332	+29.1%	\$30,470	AAA	AAA-
2	2	← Wuliangye	China	\$20,872	+30.1%	\$16,038	AAA-	AAA-
3	3	← Yanghe	China	\$7,666	-15.4%	\$9,060	AA	AA
4	4	← Luzhou Laojiao	China	\$5,625	+4.7%	\$5,371	AA+	AA-
5	6	↑ Jack Daniel's	United States	\$4,092	-5.6%	\$4,335	AAA-	AAA-
6	5	↓ Johnnie Walker	United Kingdom	\$4,036	-13.1%	\$4,644	AAA-	AAA-
7	7	← Hennessy	France	\$3,633	-6.1%	\$3,869	AA+	AA+
8	9	↑ Smirnoff	Russia	\$3,320	-5.1%	\$3,497	AAA	AAA-
9	10	↑ Gujing Gong Jiu	China	\$3,312	+22.6%	\$2,703	AA	AA
10	8	↓ Bacardi	Bermuda	\$3,137	-14.2%	\$3,657	AAA-	AA+
11	11	← Ruang Khao	Thailand	🔒	🔒	🔒	🔒	🔒
12	12	← Absolut	Sweden	🔒	🔒	🔒	🔒	🔒
13	13	← Grey Goose	France	🔒	🔒	🔒	🔒	🔒
14	14	← Patrón	United States	🔒	🔒	🔒	🔒	🔒
15	15	← Chivas Regal	United Kingdom	🔒	🔒	🔒	🔒	🔒
16	29	↑ Baileys	Ireland	🔒	🔒	🔒	🔒	🔒
17	16	↓ Crown Royal	Canada	🔒	🔒	🔒	🔒	🔒
18	21	↑ Grants	United Kingdom	🔒	🔒	🔒	🔒	🔒
19	17	↓ Captain Morgan	Jamaica	🔒	🔒	🔒	🔒	🔒
20	18	↓ Rémy Martin	France	🔒	🔒	🔒	🔒	🔒
21	19	↓ Jameson	Ireland	🔒	🔒	🔒	🔒	🔒
22	38	↑ Don Julio	Mexico	🔒	🔒	🔒	🔒	🔒
23	-	New United Spirits	India	🔒	🔒	🔒	🔒	🔒
24	23	↓ Ballantine's	United Kingdom	🔒	🔒	🔒	🔒	🔒
25	22	↓ Ciroc	France	🔒	🔒	🔒	🔒	🔒
26	-	New Yingjia	China	🔒	🔒	🔒	🔒	🔒
27	24	↓ Imperial	South Korea	🔒	🔒	🔒	🔒	🔒
28	34	↑ Glenfiddich	United Kingdom	🔒	🔒	🔒	🔒	🔒
29	25	↓ Martell	France	🔒	🔒	🔒	🔒	🔒
30	-	New Hengshui Laobaigan	China	🔒	🔒	🔒	🔒	🔒
31	30	↓ Bombay Sapphire	United Kingdom	🔒	🔒	🔒	🔒	🔒
32	27	↓ Ricard	France	🔒	🔒	🔒	🔒	🔒
33	28	↓ Chamisul	South Korea	🔒	🔒	🔒	🔒	🔒
34	33	↓ Jose Cuervo	Mexico	🔒	🔒	🔒	🔒	🔒
35	31	↓ Bulleit	United States	🔒	🔒	🔒	🔒	🔒
36	-	New Shede	China	🔒	🔒	🔒	🔒	🔒
37	32	↓ Royal Stag	India	🔒	🔒	🔒	🔒	🔒
38	35	↓ McDowell's	India	🔒	🔒	🔒	🔒	🔒
39	36	↓ Jägermeister	Germany	🔒	🔒	🔒	🔒	🔒
40	37	↓ Belvedere	Poland	🔒	🔒	🔒	🔒	🔒
41	39	↓ Havana Club	Cuba	🔒	🔒	🔒	🔒	🔒
42	49	↑ Tanqueray	United Kingdom	🔒	🔒	🔒	🔒	🔒
43	-	New Hendrick's	United Kingdom	🔒	🔒	🔒	🔒	🔒
44	50	↑ Seagram's	Canada	🔒	🔒	🔒	🔒	🔒
45	-	New Aperol	Italy	🔒	🔒	🔒	🔒	🔒
46	42	↓ Dewar's	United Kingdom	🔒	🔒	🔒	🔒	🔒
47	46	↓ Blend 285	Thailand	🔒	🔒	🔒	🔒	🔒
48	47	↓ Hong Thong	Thailand	🔒	🔒	🔒	🔒	🔒
49	26	↓ J&B	United Kingdom	🔒	🔒	🔒	🔒	🔒
50	-	New Jiugui Jiu	China	🔒	🔒	🔒	🔒	🔒



Brand Finance Champagne & Wine 10.



Moët et Chandon bubbles to the top

Moët et Chandon (brand value US\$1.4 billion) has claimed the title of the world's most valuable champagne & wine brand in Brand Finance's inaugural ranking. As one of the largest and oldest champagne producers in the world, the Moët et Chandon brand is instantly recognisable as a prestigious luxury item – aided by its association with LVMH – and a staple in popular culture, recently celebrating its 29th anniversary as the official champagne of the Golden Globes.

Moët et Chandon is also the world's strongest champagne & wine brand with a Brand Strength Index (BSI) score of 79.0 out of 100 and a corresponding AA+ brand strength rating.











As the leading Champagne brand in the industry, Moët et Chandon has enjoyed an improved financial performance and brand equity score this year, also remaining a firm favourite amongst consumers, scoring highly for customer recommendation and consideration. Over the last year, the brand has worked hard at remaining accessible by focusing on charitable endeavours, sponsoring high-profile events, and most recently launching a social media campaign highlighting its sustainable ingredients and heritage.

Changyu claims 2nd spot

Chinese winery, **Changyu** closely follows Moët et Chandon in second place, with a brand value of US\$1.3 billion. Founded in 1819 during the Qing Dynasty, Changyu is China's oldest and largest winery and is





















one of the most prolific brands both domestically and abroad. Ranking highly for familiarity and reputation and enjoying a high profit margin, Changyu has spent the last few years expanding its reach by building numerous European-style chateaux across China and increasing its exports to Europe and Australia.

Top 5 Strongest Brands

	1	2020: 79.0 AA+		NEW
	2	2020: 78.2 AA+		NEW
	3	2020: 77.4 AA+		NEW
	4	2020: 73.7 AA		NEW
	5	2020: 73.3 AA		NEW

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Top 10 Most Valuable Brands

	1	2020: \$1,377m 2019: –		NEW
	2	2020: \$1,347m 2019: –		NEW
	3	2020: \$985m 2019: –		NEW
	4	2020: \$960m 2019: –		NEW
	5	2020: \$803m 2019: –		NEW
	6	2020: \$534m 2019: –		NEW
	7	2020: \$529m 2019: –		NEW
	8	2020: \$462m 2019: –		NEW
	9	2020: \$437m 2019: –		NEW
	10	2020: \$373m 2019: –		NEW

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Alcohol Portfolios.

Top 10 Most Valuable Alcohol Portfolios

	1	
2020: \$49,605m	19 brands	
	2	
2020: \$39,332m	1 brand	
DIAGEO	3	
2020: \$22,915m	12 brands	
	4	
2020: \$21,402m	6 brands	
	5	
2020: \$20,872m	1 brand	
	6	
2020: \$12,637m	3 brands	
	7	
2020: \$12,335m	10 brands	
KIRIN	8	
2020: \$10,454m	4 brands	
	9	
2020: \$9,504m	3 brands	
Asahi	10	
2020: \$9,378m	2 brands	

Belgian beer giant **AB InBev** is the most valuable overall drinks portfolio, with a total brand value of US\$49.6 billion across its portfolio of over 500 beer brands. An impressive 18 of these brands feature in the Brand Finance Beers 50 2020 ranking, including 4 of the top 5.

AB InBev's strength lies in its vast and varied portfolio that includes both core and challenger brands across a diverse geographic footprint, helping to target a large range of customers. Such an approach is likely to hold them in good stead with the uncertainty that the forthcoming year will hold. Early indications support this with improved market share across almost all European markets in Q2 as on-trade begins to pick up with lockdown beginning to ease.

Similarly, **Diageo** is the most represented spirits portfolio in the 2020 report, with 11 brands represented in the Spirits 50 2020 ranking to go with its flagship beer brand, Guinness, in the Beers ranking. Diageo also boasts the strongest spirits brand, Don Julio.

In the year of its 200th anniversary, Johnnie Walker is Diageo's most valuable brand. The iconic Scotch whisky brand is the 6th most valuable spirits brand in the world. The brand is able to stay fresh and relevant with new and adventurous flavours, while offsetting this innovation with a strong focus on heritage in its brand communications that plays to the strong brand loyalty of its customers.

An interesting trend to watch out for in coming years is the continued growth of Asian alcohol portfolios, and in particular their moves to break into the US and European markets. A principal strategy for these companies has been acquisitions, with Asahi, Suntory and Kirin all engaging in high profile M&A in recent years.

Asia already comprises 4 of the top 10 most valuable alcohol brand portfolios in the world, but it would not be surprising to see this number grow in the future.

As part of the annual GIFT™ study, Brand Finance track the intangible value of all listed companies. Total intangible value is the sum of company reported intangible value and estimated undisclosed intangible value, which is estimated using a market-to-book analysis.

These have undoubtedly been difficult times for alcohol companies, and this has been reflected in their financial

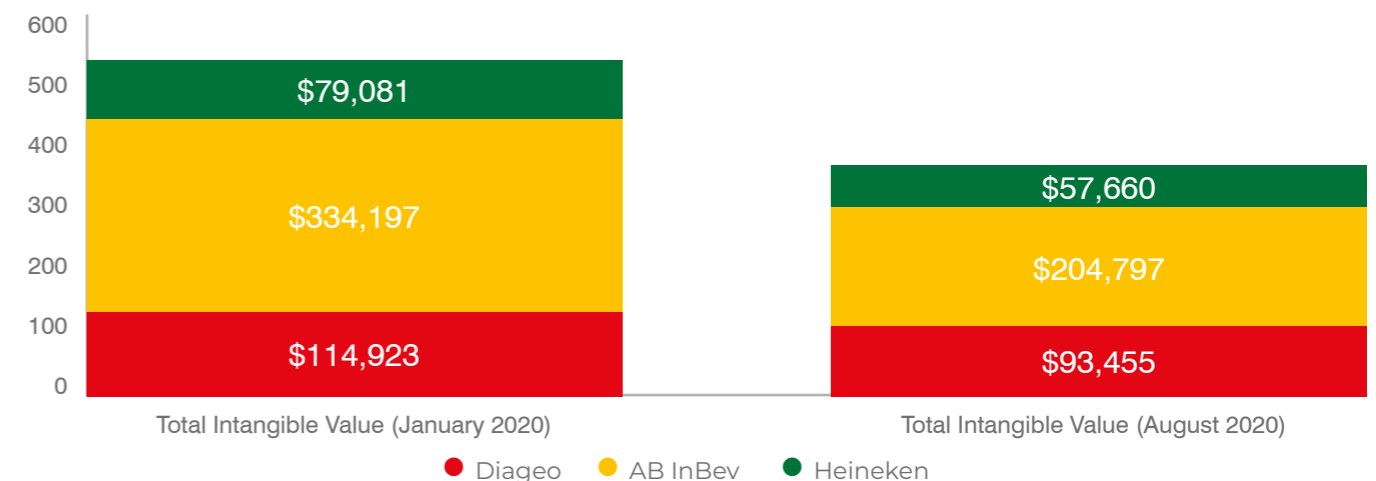
performance. As a result of a drop-off in sales and uncertainty around future performance, some have had to take write-downs against tangible and intangible asset value, as recently revealed in their mid-year financial results. 3 such high-profile companies are Diageo, AB InBev, and Heineken.

Analysis of the total Intangible Value of these businesses through the first 7 months of 2020, suggests USD\$ 172 billion in combined lost Intangible Value, a 33% decrease. This is on account of both

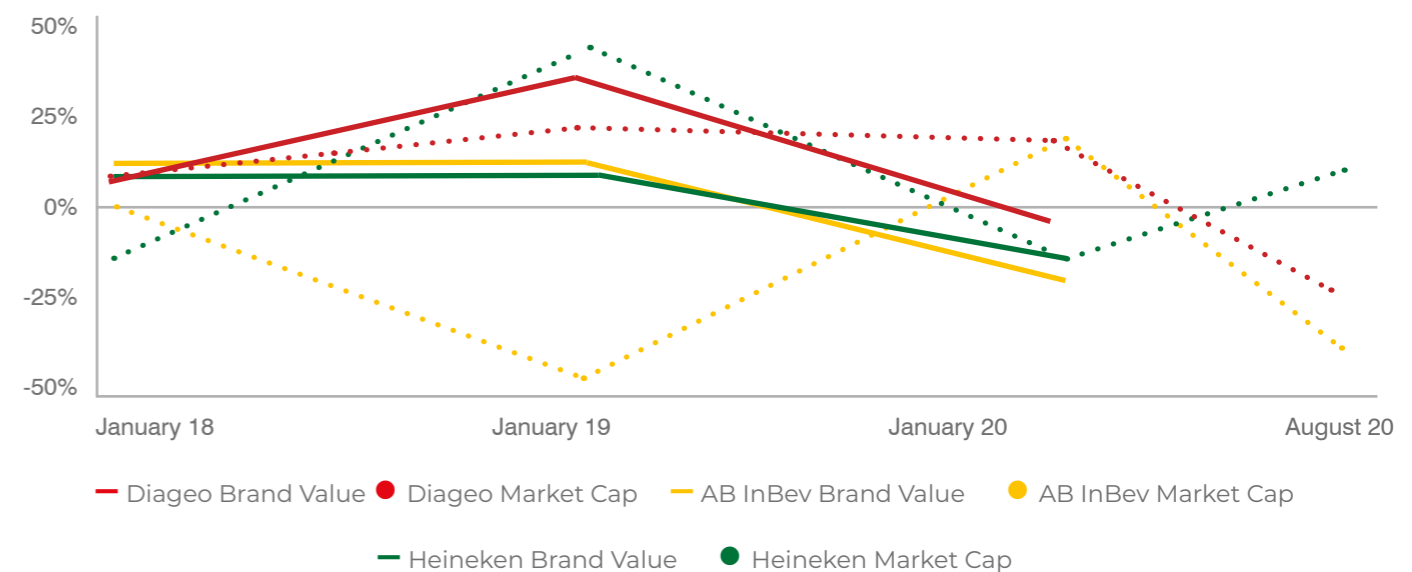
write-downs to book values, and lower investor confidence which resulted in share price falls.

However, short term fluctuations in share price can have a significant impact on point-in-time estimates of intangible value. In practice, specifically measured intangible asset values such as Brand Value are more stable. Indeed, if we look at the year-on-year changes in Market Cap of these companies versus changes in Brand Value from 2017 to present day, we see greater stability in Brand Value than in Market Cap.

Total Intangible Value (USD\$ bn)



Brand Value/Market Cap (YoY % Change 2017-2020)



*The number of brands in the Beers 50, Spirits 50, Champagne & Wine 10

Sector Reputation Analysis.

Benchmarking against the best

Every brand owner will want to compare brand equity against immediate competitors and peers. But broader benchmarking against brands across a range of categories provides a more rounded assessment of brand strength.

This perspective is also important as brand categories converge, with new technologies enabling disruption and brands seeking tactical entry into neighbouring categories, like a trusted supermarket offering financial services.

Brand reputation is relatively straightforward to compare across sectors. This year's global sector rankings from our B2C research are similar to the previous wave, but there is some movement with potential implications for future brand strategy.

Reputation dips slightly overall











On a like-for-like basis, reputation scores are lower this year, but only by a very small margin as the average brand score fell from 6.6 to 6.4 out of 10. Categories where a poor reputation is the default position, such as utilities, telecoms, and banks, have failed to convince customers that they are consumer champions – and the global average score reflects overall feelings towards brands: acceptance and appreciation, but rarely love and devotion.

Autos lead the way









Car brands continue to enjoy strong reputations. The sector also ranks first on other indicators, such as recommendation and word-of-mouth sentiment – people like talking about cars and top brands such as **Audi** (reputation score 7.5/10) and **BMW** (7.7) remain sought after. At the top of the car brand pinnacle is where you can see true brand desire, and meanwhile there are few instances of brands with a really poor reputation – most cars nowadays are well-designed and equipped.

Importantly, the category enjoys a good reputation for being innovative – allowing century-old brands to be well-positioned to withstand the enormous disruption in mobility expected in the coming decade.

Sectors Ranked by Reputation

	1 Auto	6.9 _{/10}
	2 Tech	6.8 _{/10}
	3 Apparel	6.6 _{/10}
	4 Restaurants	6.6 _{/10}
	5 Airlines	6.6 _{/10}
	6 Retail	6.5 _{/10}
	7 Insurance	6.4 _{/10}
	8 Utilities	6.3 _{/10}
	9 Banks	6.1 _{/10}
	10 Telecoms	6.0 _{/10}

Top Sectors per Metric

Metric	Top Sector
Reputation	 AUTO
Quality	 AUTO
Recommendation (NPS)	 RESTAURANTS
Loyalty	 TECH
Innovation	 TECH
Website/App	 TECH
Value for money	 RETAIL
OVERALL STAKEHOLDER EQUITY	 TECH

Tech halo shining less brightly

Consumers continue to hold the tech sector in high regard, even though reputation scores have fallen slightly. In part, any decline may be because issues in the public spotlight are finally impacting the reputation of some industry giants. Reputation scores for **Facebook** (6.3) and **Uber** (5.7) are all lower by 0.5 points, and **Huawei** (6.2) is under the global spotlight.

Nevertheless, brands such as **YouTube** (7.8), **Google** (7.7), and **Netflix** (7.4) continue to enjoy strong reputations and buzz – most brands would love to be in their position.

Retail & Restaurants

Supermarkets and casual dining brands have moderately positive reputations overall, but these two are category leaders in terms of delivering value for money. Consumers are well aware that brands in these categories are out to make a profit – but unlike for instance banks, the consumer verdict is that brands such as **McDonalds** (39% 'great value') and **Tim Hortons** (38%) charge a fair price, though **Starbucks** (15%) is a notable exception.

Banks still in the red

Banking brands continue to struggle to earn the respect of consumers and are seen as offering poor value for money. However, ratings have generally stabilised – the key challenge is to show growth.

The broader set of scores in our research shows glimmers of opportunity. Banks fare reasonably well on customer service, caring about the community, and for website/app quality. For national and regional banks especially, a community-centred positioning in an age where in many places globalisation is being rejected, may be worth considering.

Sustainable Practices in the Alcohol Industry.



In September 2015, the UN introduced the Sustainable Development Goals [SDG] for creating a more sustainable world. Much of this work lies with corporations, and alcohol producers have their role to play. As well as contributing to a greener world, adherence to these goals and the communication thereof, can be an effective marketing tool, as consumers begin to think more and more about the socio-environmental consequences of how and where they spend their money.

While there are 17 goals in all, we have identified 3 key goals that concern the alcohol industry.



Good Health and Well-Being: Responsible drinking

As laid out by the UN, this goal includes strengthening the

“prevention and treatment of substance use, including ... harmful use of alcohol”, and indeed studies have shown that up to 5.1% of the global disease and injury burden is attributable to alcohol.

Alcohol producers have a responsibility for the livelihood of their consumers. Promoting safe consumption may seem counterproductive to the marketer’s goal of promoting their product, but it can build trust among consumers and improve brand loyalty if the brand is perceived as having the consumer’s safety and health in mind.

This trend goes some way to explaining the recent increase in popularity of non-alcoholic and low-alcohol drinks. Established beer brands such as Heineken (Heineken 0.0) and Beck’s (Beck’s Blue) have had success with their non-alcoholic offerings, while non-alcoholic spirit Seedlip was acquired by Diageo last year on the back of 170% year on year growth. Heineken 0.0 saw on-trade sales increase by £7.7m in 2019 and they are looking to leverage this popularity with the recent news that Heineken 0.0 is to sponsor the Europa League and Champions League football competitions – the largest ever single sponsorship deal involving a non-alcoholic beer brand.



Climate Action: Sustainable Production, packaging & transportation

Confronting climate change has become one of the foremost issues in consumer’s mindsets, especially over the past few years. Within the alcohol distribution process, there lie many areas of potential improvement – from the use of chemical treatments for grain crops in production, the amount of plastic in packaging, to the eventual transportation of products to retailers and consumers across the world via carbon-intensive means.

While alcohol companies may not be at the front of this conversation, and therefore not under intense public and governmental scrutiny, there lies an opportunity for

companies and brands to get ahead of the issue and put themselves forward as climate conscious.

Consumers place a premium on products and services that align to their personal values. With the protection of the environment becoming ever more prevalent and top of mind, we are witnessing this issue move to the forefront of consumer’s personal values. If marketers can effectively communicate the efforts that their brand is undertaking to enhance their sustainable practices, then consumers will see this and spend accordingly.



Clean Water & Sanitation: Water sustainability

This goal sets out to “substantially increase water-use efficiency across all sectors ... and substantially reduce the number of people suffering from water scarcity”.

Alcohol production can be a threat to water security with the production of one litre of beer and wine requiring 298 and 870 litres of water, respectively. In turn, this can have a damaging effect on poor communities where scarce resources may be drained for the production of alcohol rather than sustaining community life and development.

For instance, residents of Mexicali – a Mexican border city – recently voted decisively against the development of a \$1.4bn brewery by Constellation Brands to brew beers such as Corona and Modelo for export. Local protest groups had raised fears over excessive water use in an area already struggling with water scarcity. Following the result of the vote, Constellation Brands’ shares fell by more than 10%, demonstrating the potential implications of neglecting environmental concerns.

Similar to acting on the detrimental climate effects of the alcohol supply chain, firms that invest in reducing their water footprint and communicate this effectively to stakeholders will see improved brand reputation.

The relationship between brand and sustainability

A CSRHub study found a positive correlation between corporate social responsibility and the Brand Strength Index, and also that this correlation is strengthening

over time. This can firstly be accounted to greater coverage and emphasis being placed on the issue by the media, which naturally feeds into the public conscious. The impact of government action is also twofold: consumers are supportive of governments that place a focus on environmental issues, but they also express anger at those that ignore the issue.

Consumers therefore often look at what companies and brands are doing with much more scrutiny. Companies that ignore the issue, and indeed in many cases worsen it, are punished but those that acknowledge the pressing nature of these issues and make moves to address them. The latter are often rewarded with consumer’s interest and demand.

It is clear that firms should be incorporating CSR measures into their KPIs and any balanced scorecard used to track brand equity. This must then be reflected in brand communications to support meaningful brand acts. Successful execution of such measures will improve brand equity, reputation and trust, thus leading to increased sales.



How COVID-19 Changed the Way We Drink.



Henry Farr
Consultant,
Brand Finance

COVID-19 and the alcohol sector

The COVID-19 pandemic has had a devastating effect on the global economy with 23% wiped off global enterprise values between mid-March and the beginning of July. But perhaps more than most sectors, the alcohol industry is witnessing a shifting landscape with customers changing not just their quantity of consumption but also the manner of consumption.

As a result of bars and restaurants becoming an early focus of global lockdown measures, alcohol saw their on-trade business reduced to virtually zero almost immediately. Yet this is not to say that alcohol consumption was reduced likewise. Indeed, as one would expect, the closure of bars, restaurants, and clubs saw an increase in off-trade sales as consumers pivoted to drinking at home.

Logistically, the shift in consumer behaviour proved an issue to some alcohol companies, especially beer producers that deal in higher quantities than their counterparts in the spirits industry. Whereas most on-trade production is stored in storage-efficient kegs for delivery to pubs, the spike in off-trade demand required the end product to instead be transferred into less storage-efficient cans and bottles. Consequently, brewers and distillers have had to adapt to this change in demand.

With such pressures being placed on operations, marketing is too often at risk of being cut by the finance function on account of it being incorrectly viewed as an inessential expense. It is therefore essential that marketeers are equipped with the appropriate tools to defend their budget. Brand contribution modelling and value-based marketing decisions can help bridge the gap between marketing and finance, and present a strong business case to the finance function.

Change in consumer trends: A return to popular brands

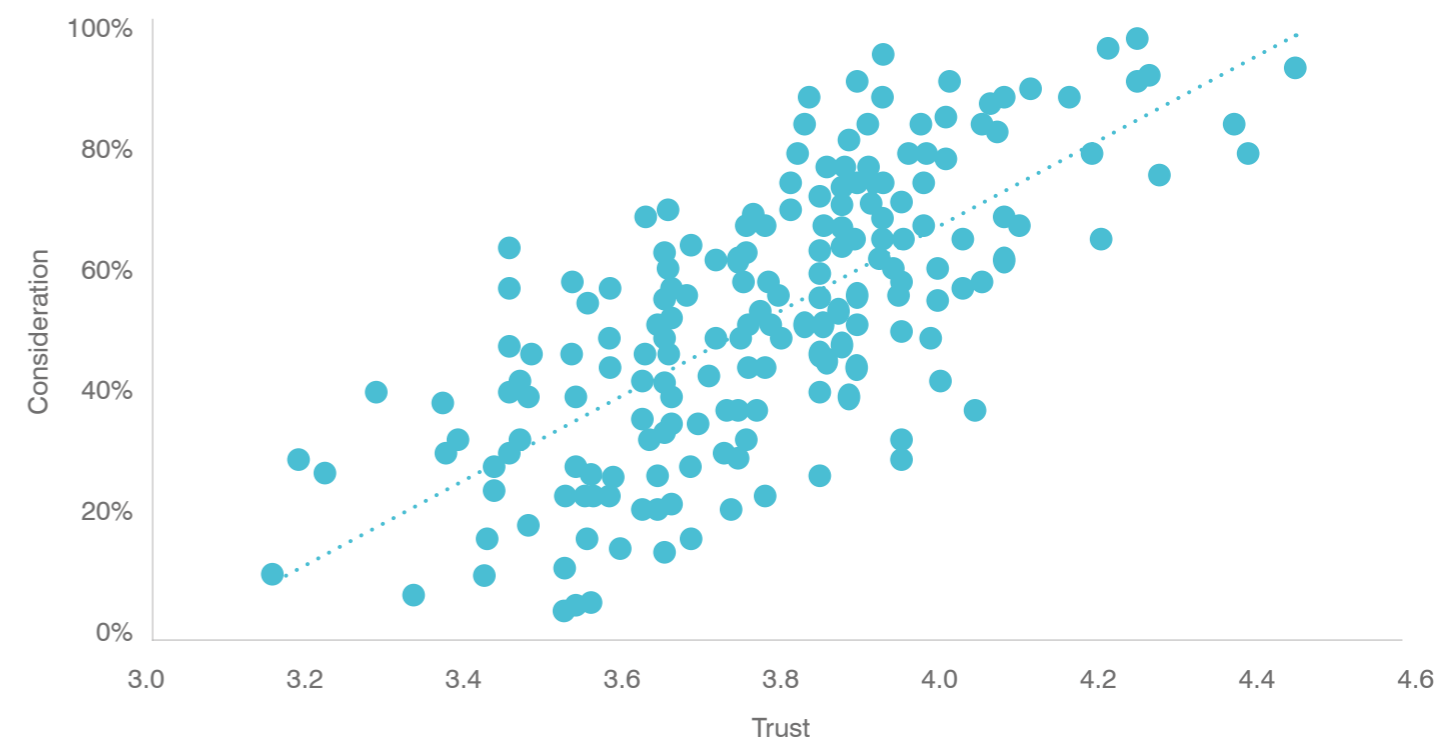
An interesting trend observed in consumer drinking habits since lockdown was initiated is a reversion of demand to more familiar, well-known brands. Incumbent popular brands have seen sales surge while peripheral challenger brands have struggled for their share of wallet.

This serves to show the importance of brand building. When so much of people's lives is uncertain, consumers will look to brands that they are familiar with and trust. Understanding this can help brand managers and CMOs pivot their communications to recognise this yearning for comfort and safety, where perhaps previously they had intended their campaigns to excite rather than comfort.

The economic crisis that has partnered the healthcare crisis is another contributing factor in this trend. Brand Finance has analysed the relative strength of brands that have performed well and poorly across three historic recessions and observed that the average Brand Strength Index (BSI) score of 'winners' (70/100) far exceeds that of 'losers' in those same recessions (60/100). This reinforces the benefits of building a strong brand for your company and tracking customer sentiment in order to ensure that your customers show sufficient trust and loyalty to support the business in hard times.

We can see this in Brand Finance's Consumer Equity Research, which demonstrates a positive relationship between Trust and both Loyalty and Consideration among beer drinkers. This affirms that consumers are more likely to not just consider brands in the first instance but also stay loyal to them.

Trust vs Consideration (Brand Finance Consumer Equity Research)



Change in consumer trends: Drinking at home

As beer drinkers have become more accustomed with drinking from home, there has been an up-take in sales of larger cases containing 8-12 servings, as opposed to the previously more popular smaller 4-packs and singles.

An initial explanation for this lies in the fact that the larger units are more cost efficient and consumers are looking to save money on account of the economic crisis we are still only just entering.

However, a more poignant and relevant trend that marketers can take from this shift is an increased willingness to drink and entertain friends from home. Instead of buying for the night, consumers are instead buying for the week or month. If consumers are buying less often but in larger quantities, it becomes yet more important to understand the consumer mindset.

So, what's next for the alcohol industry?

To return to the opening sentiment, it is not just the quantity of consumption that brand teams will need to adapt to,

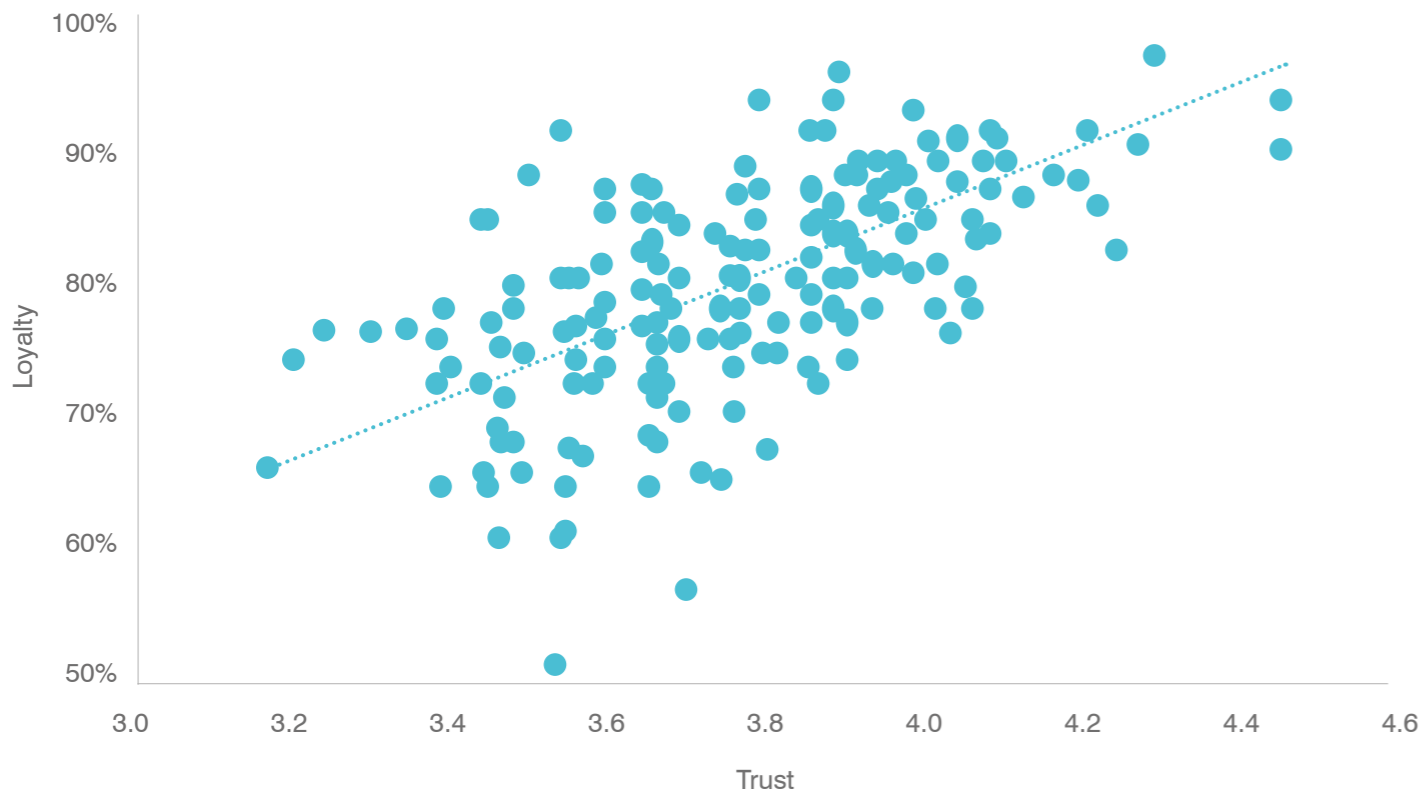
but also the manner of consumption. We have noted some of the recent trends in how people are drinking and it is important that brands are researching their core markets and analysing this research in order to get the best possible understanding of the alcohol drinker of tomorrow.

Perhaps the only thing we can assert with some sense of confidence is the importance of building and maintaining a strong brand for your product. A strong brand creates a relationship between product and consumer, thereby establishing a sense of loyalty and trust that will see the underlying business through the uncertain times ahead.

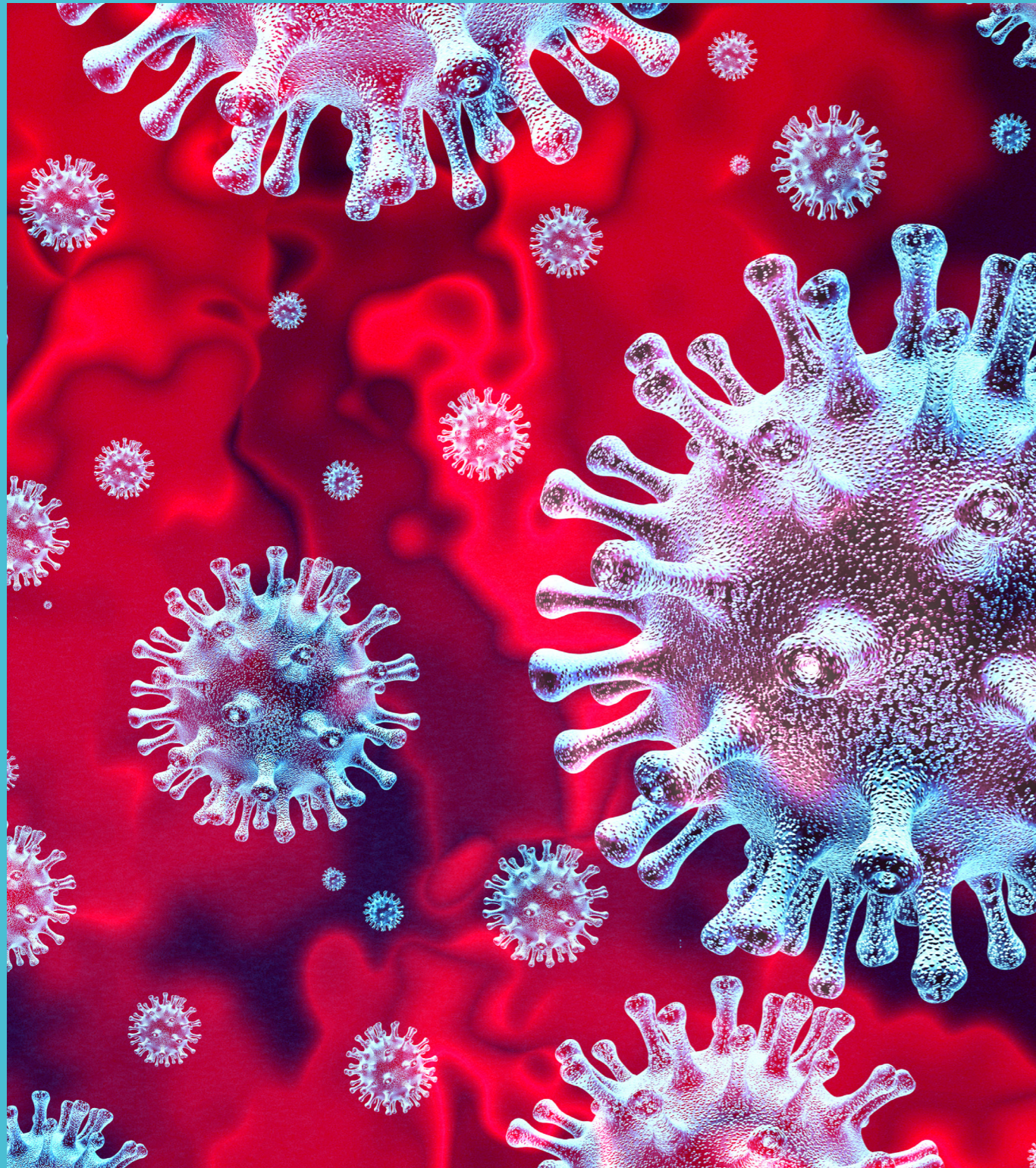
With the road back to pre-COVID-19 alcohol sales looking lengthy, this stalled demand is inevitably going to place pressure on companies to streamline and cut expenses such as marketing.

Yet it will be those firms that remain diligent and targeted in their marketing that surge back from this crisis strongest. Marketers must present the case of brand as a valuable asset to the board, that they neglect at their peril. Creating a balanced scorecard of brand health and consistent brand value tracking can present this case and demonstrate the considerable contribution of brand to the overall business value.

Trust vs Loyalty (Brand Finance Consumer Equity Research)



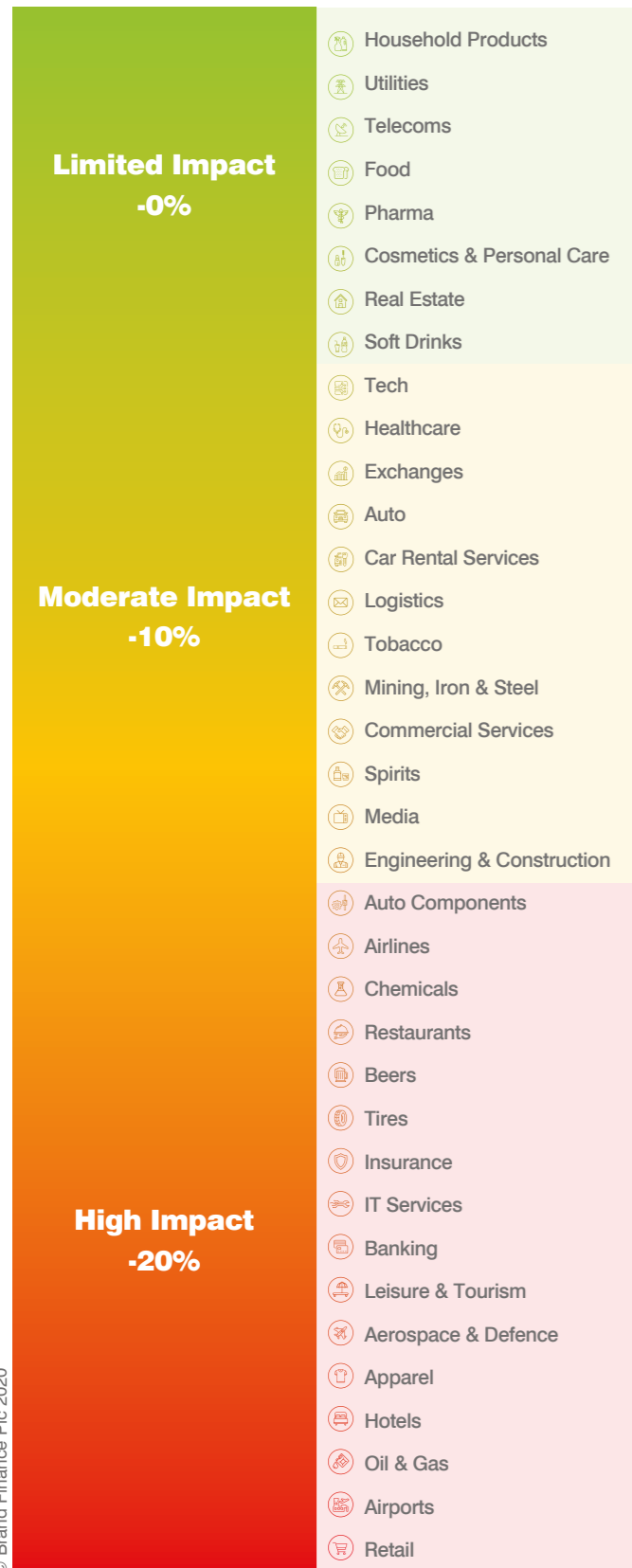
COVID-19 Global Impact Analysis.



Companies likely to lose up to \$1tn in Brand Value as Direct Impact of COVID-19 Outbreak, Effects to be Felt Well into Next Year.

- + Worst hit industries: aviation, oil & gas, tourism & leisure, restaurants, retail
- + Brand Finance has measured levels of business impact categorised by: limited impact, moderate and worst hit
- + International aviation, airlines and airports to be worst affected by Coronavirus outbreak, with measures of social distancing, closure of borders, advice against travel
- + Home delivery apps, online video conferencing platforms, digital media see surge in demand from remote working revolution

Brand Value at Risk



Up to US\$1 trillion estimated brand value loss from COVID-19 globally

The brand value of the world's biggest companies is set to lose an estimated US\$1tn as a result of the Coronavirus outbreak, with the aviation sector being the most affected. The 2003 SARS outbreak, which infected about 8,000 people and killed 774, cost the global economy an estimated US\$50 billion. As of 17th July 2020, there have been 14,043,778 cases and 594,781 deaths of COVID-19 confirmed worldwide. Global spread has been rapid, with 146 countries now having reported at least one case.

Brand Finance has assessed the impact of COVID-19 on brands based on the effect of the outbreak on enterprise value, compared to what it was on 1st January 2020. The likely impact on brand value was estimated separately for each sector. The industries have been classified into three categories – limited impact (minimal brand value loss or potential brand value growth), moderate impact (up to 10% brand value loss), and heavy impact (up to 20% brand value loss) – based on the level of brand value loss observed for each sector in the first quarter of 2020.

The COVID-19 pandemic is now a major global health threat and its impact on global markets is very real. Worldwide, brands across every sector need to brace themselves for the Coronavirus to massively affect their business activities, supply chain and revenues in a way that eclipses the 2003 SARS outbreak. The effects will be felt well into 2021.

David Haigh,
CEO, Brand Finance

Work from home revolution

Brands offering in-home or remote working solutions have observed an immediate uptick in demand, as multiple **Zoom** online video conferencing platform prompted huge demand for workable solutions

Food delivery apps **Deliveroo** and **UberEats**, now offering contact-free delivery options whereby a food delivery is conveniently left on your doorstep so as not to encourage contact between customer and delivery driver, have also seen a huge surge in demand for their services.

Media and film industry feel effects

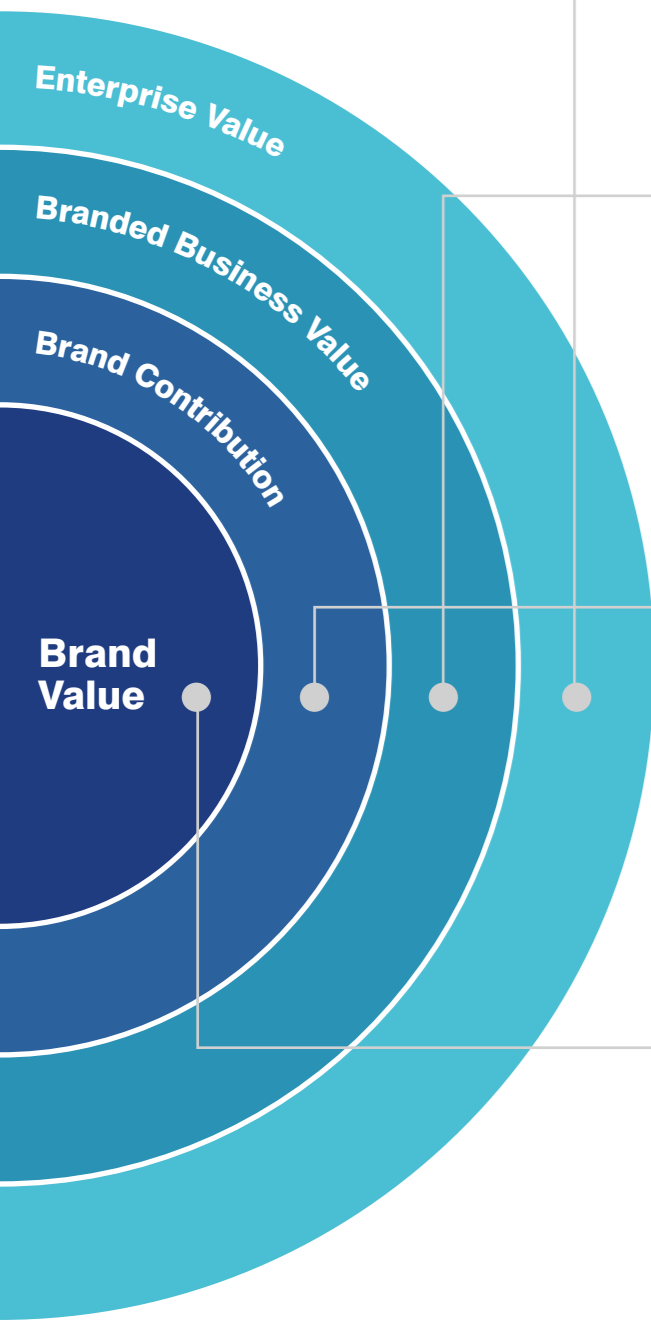
Film production and promotion schedules have been affected by the outbreak, with **Disney** pushing back the release of its remake of *Mulan* as well as *The New Mutants*, part of the *X-Men* franchise. The effects of social distancing have meant more viewers watching TV, however **Netflix** has had to suspend production on all scripted series and films in the US and Canada. As massive televised sports events and festivals such as Glastonbury being cancelled, TV executives will be feeling the strain of providing fresh and watchable content.

However it is not all doom and gloom. Some brands will fare better under COVID-19: Amazon, Netflix, WhatsApp, Skype, BBC and BUPA are all booming.

David Haigh,
CEO, Brand Finance



Definitions.



Brand Value



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

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



+ Branded Business Value
The value of a single branded business operating under the subject brand.

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



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

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



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

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

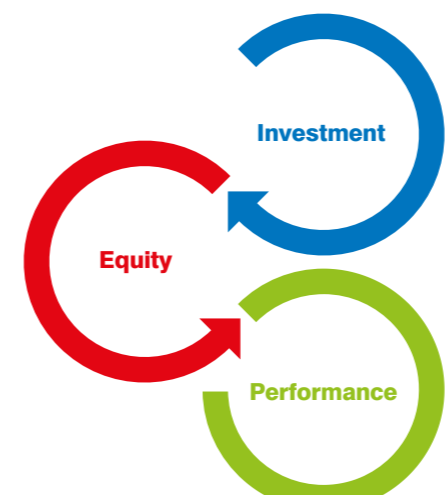
Brand Strength

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

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

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

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



Marketing Investment

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

Stakeholder Equity

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

Business Performance

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

Brand Valuation 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.

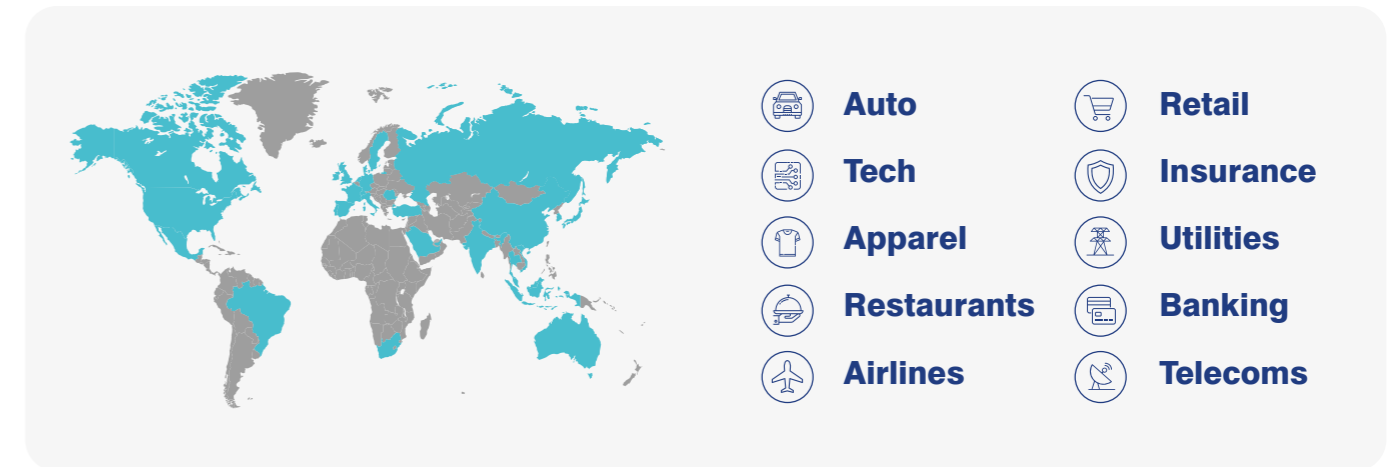


Disclaimer

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.

Market Research Methodology.

Brand Finance conducted original market research in 10 sectors across 29 markets with a sample size of over 50,000 adults, representative of each country's internet population aged 18+. Surveys were conducted online during autumn 2019.



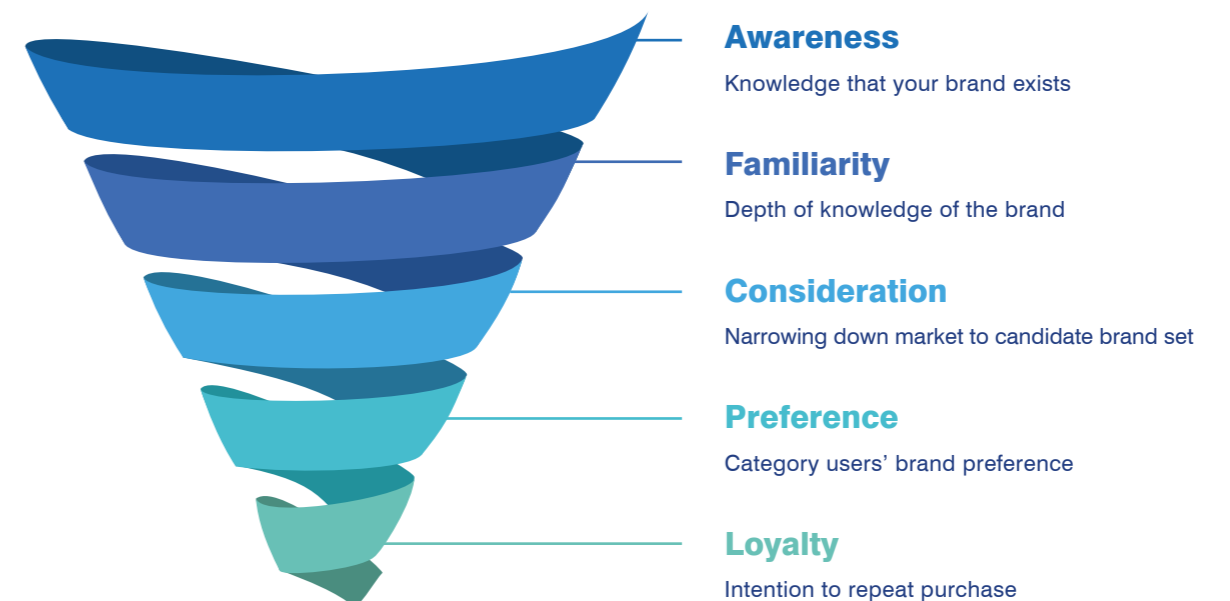
Stakeholder Equity Measures.

Key Metrics

- + Reputation
- + Innovation
- + Value for Money
- + Emotional Fit
- + Recommendation
- + Quality etc.

Brand conversion funnel

The brand conversion funnel is a way of summarising the likely strength of a brand to convert to purchase.



Consulting Services.

1. Valuation: What are my intangible assets worth?

Valuations may be conducted for technical purposes and to set a baseline against which potential strategic brand scenarios can be evaluated.

- + Branded Business Valuation
- + Trademark Valuation
- + Intangible Asset Valuation
- + Brand Contribution

2. Analytics: How can I improve marketing effectiveness?

Analytical services help to uncover drivers of demand and insights. Identifying the factors which drive consumer behaviour allows an understanding of how brands create bottom-line impact.

- Market Research Analytics +
- Return on Marketing Investment +
- Brand Audits +
- Brand Scorecard Tracking +

4. Transactions: Is it a good deal? Can I leverage my intangible assets?

Transaction services help buyers, sellers, and owners of branded businesses get a better deal by leveraging the value of their intangibles.

- + M&A Due Diligence
- + Franchising & Licensing
- + Tax & Transfer Pricing
- + Expert Witness

3. Strategy: How can I increase the value of my branded business?

Strategic marketing services enable brands to be leveraged to grow businesses. Scenario modelling will identify the best opportunities, ensuring resources are allocated to those activities which have the most impact on brand and business value.

- Brand Governance +
- Brand Architecture & Portfolio Management +
- Brand Transition +
- Brand Positioning & Extension +

MARKETING

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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.

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

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

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

Brand Evaluation Services.



How are brands perceived in my category?

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

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

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

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

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

How can I improve return on marketing investment?

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

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

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

Communications Services.

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



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



TOP 50 BEER BRAND



MOST VALUABLE SPIRITS BRAND



STRONGEST CHAMPAGNE & WINE BRAND



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



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



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



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



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



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

Brand Dialogue[®]



Value-Based Communications

With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value. Our approach is integrated, employing tailored solutions for our clients across PR, marketing and social media.

SERVICES

- Research and Insights
- Integrated Communications Planning
- Project Management and Campaign Execution
- Content and Channel Strategy
- Communications Workshops

For more information, contact enquiries@brand-dialogue.co.uk or visit www.brand-dialogue.co.uk

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