



# Australia 100 2019

**The annual report on the most valuable and strongest Australian brands**  
January 2019

---

# Contents.

---

About Brand Finance	4
Get in Touch	4
Request Your Brand Value Report	5
Foreword	6
Brand Value Analysis	8
Brand Strength Index Analysis	11
Sector Reputation Analysis	12
Brand Finance Australia 100 (AUD m)	14
Definitions	16
Brand Valuation Methodology	18
Market Research Methodology	19
Stakeholder Equity Measures	19
Consulting Services	20
Brand Evaluation Services	21
Communications Services	22
Brand Finance Network	24

# 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

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

Brand Finance helped craft the internationally recognised standard on Brand Valuation – ISO 10668, and the recently approved standard on Brand Evaluation – ISO 20671.



# Get in Touch.

For business enquiries, please contact:  
**Mark Crowe**  
Managing Director Australia  
[m.crowe@brandfinance.com](mailto:m.crowe@brandfinance.com)

For all other enquiries, please contact:  
[australia@brandfinance.com](mailto:australia@brandfinance.com)  
+61 2 8249 8320

 [linkedin.com/company/brand-finance](https://www.linkedin.com/company/brand-finance)

 [twitter.com/brandfinance](https://twitter.com/brandfinance)

 [facebook.com/brandfinance](https://facebook.com/brandfinance)

**Brand Finance®**  
Global Forum 2019

**Understanding the Value of Geographic Branding**  
**2 April 2019**

Join us at the Brand Finance Global Forum, an action-packed day-long event at the Royal Automobile Club in London, as we explore how geographic branding can impact brand value, attract customers, and influence key stakeholders.

[www.brandfinance.com/events](http://www.brandfinance.com/events)

# Request Your 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.

## 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 | + Tech      |
| + Insurance | + Auto      |
| + Banks     | + Hotels    |
| + Telecoms  | + Beers     |
| + Airlines  | + Oil & Gas |

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

[enquiries@brandfinance.com](mailto:enquiries@brandfinance.com)

## What are the benefits of a Brand Value Report?



Insight



Strategy



Benchmarking



Education



Communication



Understanding

## Foreword.



**Mark Crowe**  
Managing Director,  
Brand Finance Australia

The Australia 100 highlights how brands are contributing value to organisations and their shareholders. The total value in this year's rankings is over \$166 billion. This figure demonstrates the importance of effectively managing brand performance. Brands are the most important value creating asset in business today.

Successful organisations recognise the need to understand brand value and brand strength when making informed strategic decisions. Brands drive demand, motivate staff, gain business and reassure financial markets. Strong brands create high 'brand equity' with customers and other stakeholders, thus enabling a business to differentiate itself in the market, increase margins, sell greater volumes and promote repeat business.

By placing a financial value on such a powerful asset, it compels boards and management to understand and recognise the need for brand investment to drive revenue and guard against reputational risk.

From the perspective of analysts, pricing shares with insufficient information about a company's intangible assets including brand, means investors are often forced to act with one eye closed. In turn, this has a host of negative effects including share price volatility for one.

This points to the need for improved financial reporting, whereby boards should be required to disclose their opinion of the fair value of the underlying values of brands and indeed all key intangible assets including under their control.

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.

# Telstra Rings Up Fourth Consecutive Year as Australia's Most Valuable Brand.

- + Telstra remains Australia's most valuable brand despite brand value dropping 7%
- + Banks struggle to grow brand value in aftermath of government pressures; Colonial First State worst hit with brand value falling 28%
- + Qantas soars to become Australia's strongest brand with a score of 86.6 out of 100 and an AAA rating
- + Retail brands enjoy strong growth in face of online competition with Woolworths' brand value up 23%



# Brand Value Analysis.



## Telstra dials up brand value

**Telstra** remains Australia’s most valuable brand despite its brand value subsiding 7% to \$14.7 billion. **Woolworths** (brand value up 23% to \$11.2 billion) and **Coles** (brand value up 31% to \$11.0 billion) both jumped two places to 2<sup>nd</sup> and 3<sup>rd</sup>, respectively. The two Australian retail giants have grown their brand values strongly this year despite the threat of online competition from Amazon.

Telstra’s fall in brand value was primarily driven by a decrease in brand strength as the telco giant continues to face many challenger brands in its key service areas of mobile, internet and landline telecommunications. Despite this fall in brand strength, it remains Australia’s 5<sup>th</sup> strongest brand, and clearly continues as Australia’s dominant telecommunications carrier. On the other hand, **Optus** (brand value up 6% to \$5.3 billion) increased its brand strength this year, overtaking Telstra to become the country’s strongest telecommunications brand, and Australia’s 4<sup>th</sup> strongest brand overall.

Elsewhere, mining giant **BHP** (brand value up 27% to \$8.3 billion) continues to derive strong results from their major 2017 re-branding exercise, remaining Australia’s most valuable business-to-business brand. BHP’s corporate leadership has invested significant effort in charting out a forward-looking brand vision based around growth and security, despite the risk of global financial challenges.

**Telstra remains Australia’s most valuable brand, with its key customer segments delivering high quality and reliable operations right across its entire portfolio of telecommunications services. Telstra continues to face domestic challenges from a variety of competitors in its core services, putting downward pressure on its overall brand value. Looking ahead, Telstra’s leadership will need to ensure that they are able to leverage its strong existing brand strength to ensure that it does not merely become a dumb pipe to carry smart services: this offers Telstra the opportunity to grow commercial revenue by extracting greater value from online supply chains.**

**Mark Crowe**  
Managing Director, Brand Finance Australia

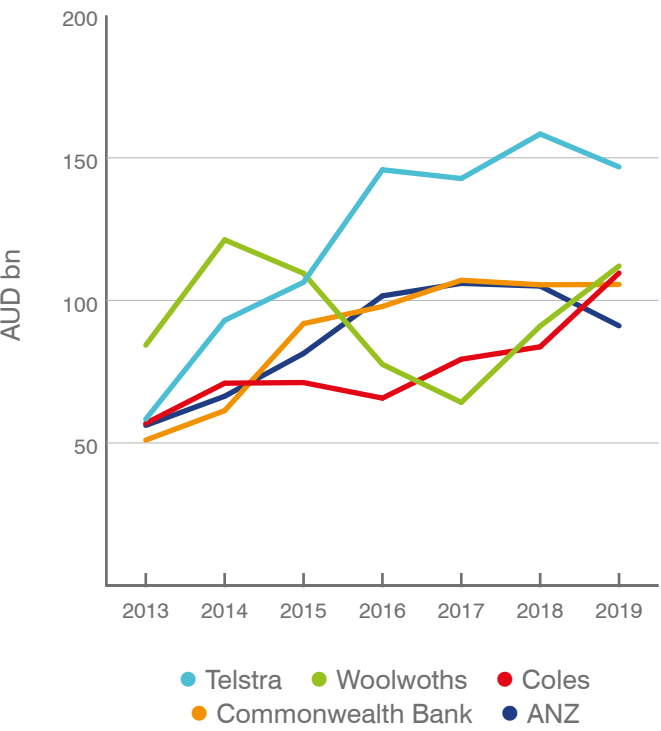
## Banks tarnished by government pressures

**Commonwealth Bank** (brand value marginally up to \$10.6 billion) remains Australia’s most valuable banking brand, ahead of the other big banks, with **ANZ** (brand value down 13% to \$9.1 billion), **nab** (brand value up 4% to \$8.6 billion) and **Westpac** (brand value down 2% to \$7.3 billion) enduring mixed years.





















## Retail brands enjoy strong growth

Near the top of the ranking, Woolworths and Coles both achieved steady brand value growth. Across the board, the brand value of other retailers also grew strongly, with **Bunnings** (up 33% to \$2.0 billion), **Westfield** (up 30% to \$2.0 billion), **Kmart** (up 35% to \$1.5 billion) **JB Hi-Fi** (up 14% to \$1.4 billion) and **Harvey Norman** (up 34% to \$1.2 billion) all recording solid results. Despite significant fears a year ago, the arrival of Amazon into the broader Australian retail market has not yet harmed the value of Australian retail brands.

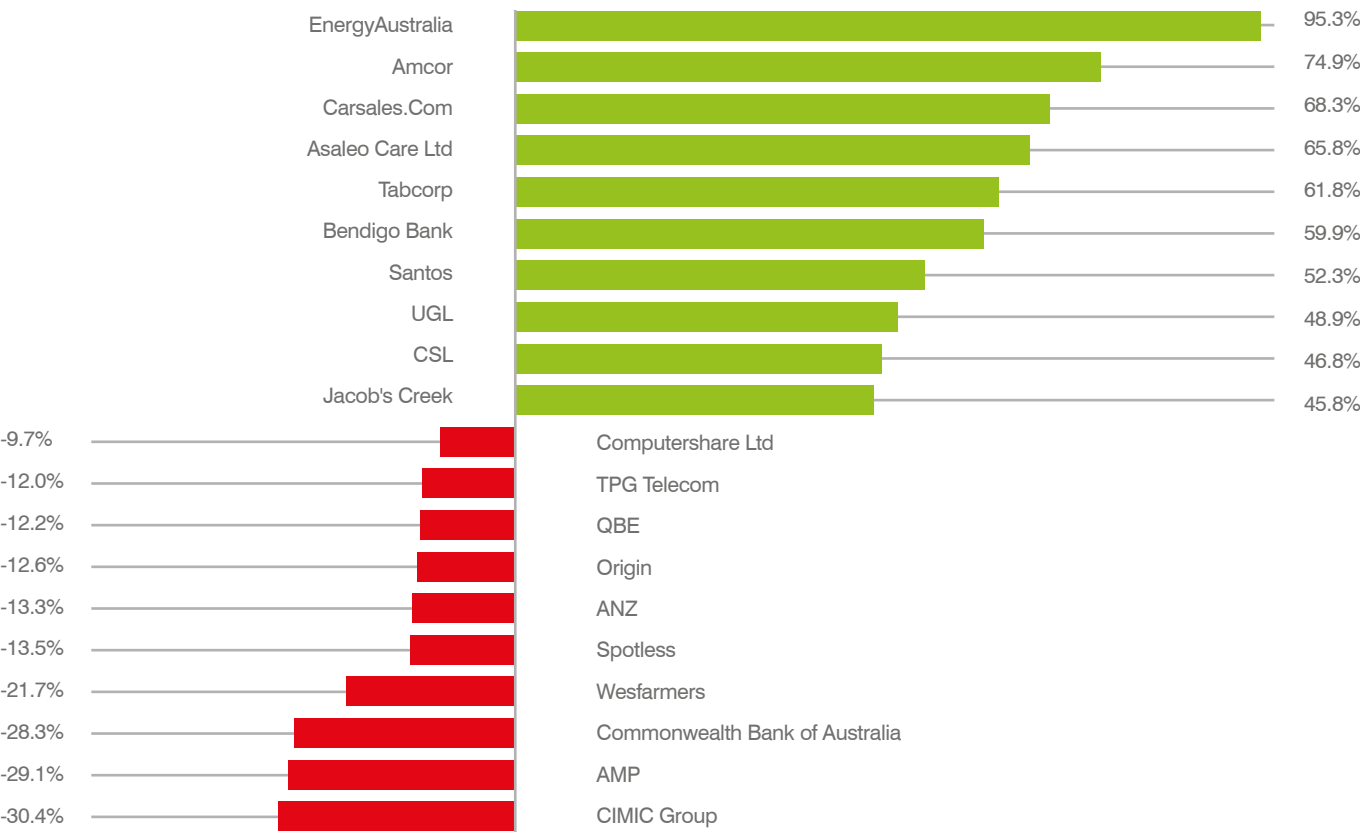
## Brand Value over Time



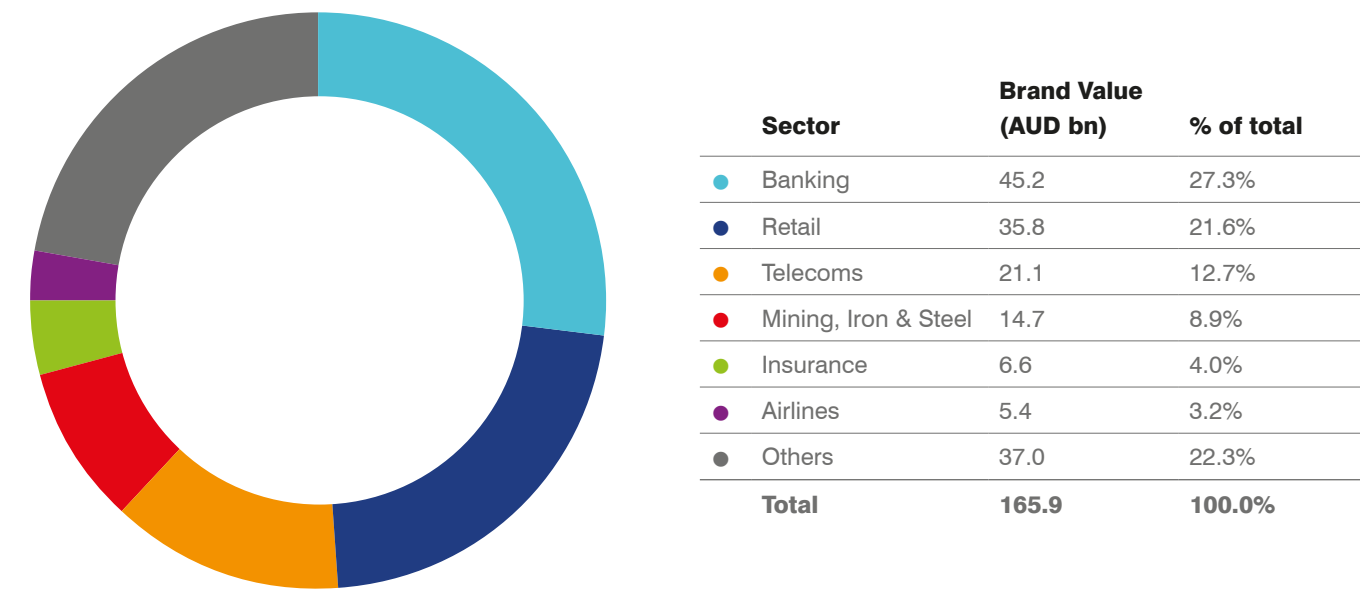
## Top 10 Most Valuable Brands

	1	← 1		2019: \$14,681m 2018: \$15,836m	-7.3%
	2	↑ 4		2019: \$11,204m 2018: \$9,099m	+23.1%
	3	↑ 5		2019: \$10,958m 2018: \$8,371m	+30.9%
	4	↓ 2		2019: \$10,558m 2018: \$10,548m	+0.1%
	5	↓ 3		2019: \$9,108m 2018: \$10,502m	-13.3%
	6	← 6		2019: \$8,606m 2018: \$8,286m	+3.9%
	7	↑ 8		2019: \$8,267m 2018: \$6,499m	+27.2%
	8	↓ 7		2019: \$7,260m 2018: \$7,428m	-2.3%
	9	← 9		2019: \$5,333m 2018: \$5,025m	+6.1%
	10	← 10		2019: \$4,650m 2018: \$3,952m	+17.7%

Brand Value Change 2018-2019 (%)



Brand Value by Sector



# Brand Strength Analysis.

## Qantas soars to become Australia’s strongest brand

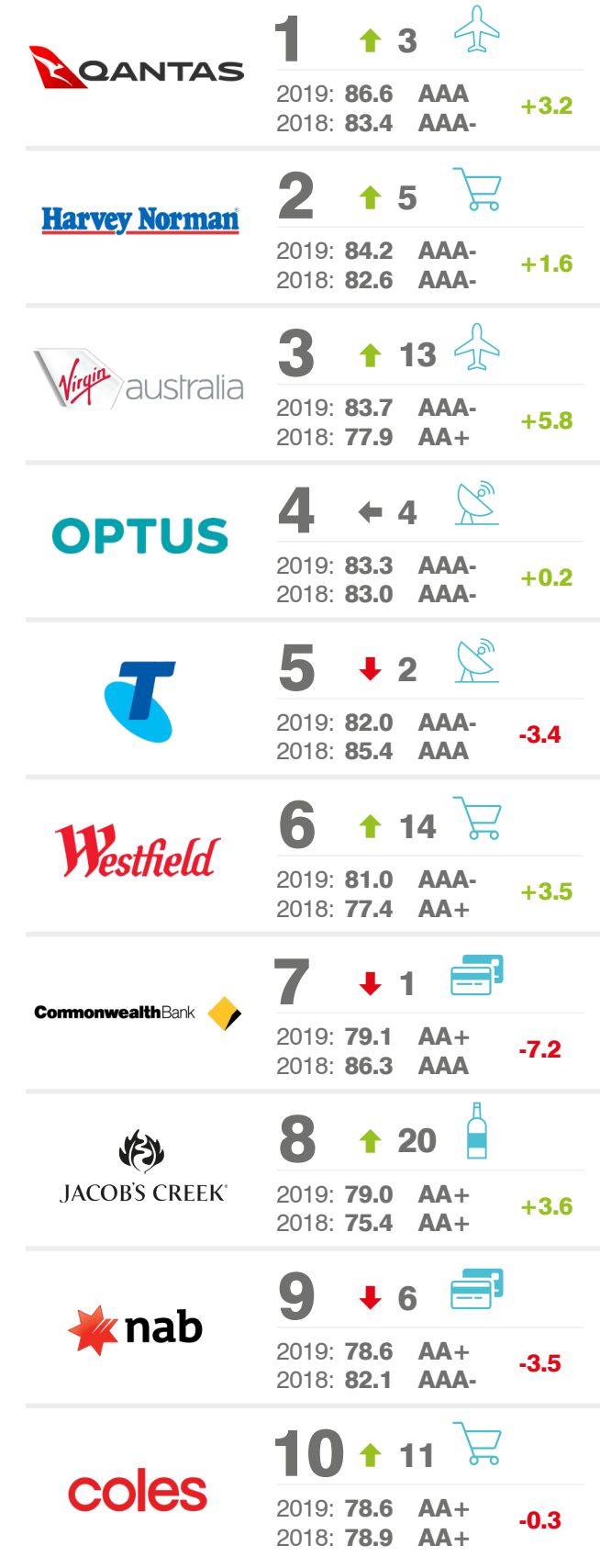
In addition to calculating brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. Alongside revenue forecasts, the brand strength index (BSI) is a crucial driver of brand value.

According to these criteria, **Qantas** (brand value up 45% to \$3.8 billion) improved its BSI to 86.6, achieving a brand rating upgrade from AAA- to AAA to become Australia’s strongest brand. This reflects the high-regard that Australians have for the Qantas brand as it continues to lead the Australian aviation industry, on both domestic and international routes. Meanwhile, last year’s strongest brand, **Commonwealth Bank**, fell to seventh, with its brand rating shifting from AAA to AA+.

**Qantas’ brand performance is quite exceptional given that enterprise value has decreased by 8%. This result highlights the importance of the iconic brand to the company as it deals with increasing competition on its domestic and international routes. Brands in the airline sector have been to the fore in Australian aviation with both Jetstar (28%) and Virgin Australia (16%) also recording strong increases in value.**

**Mark Crowe**  
Managing Director, Brand Finance Australia

Top 10 Strongest Brands





# Sector Reputation Analysis.

## How brand reputation matters

Comparing brand reputation across sectors is a valuable process. Brand categories are converging in many different ways, with new technologies disrupting many categories. No banking, utility or oil and gas brand should take comfort in being the ‘best of a bad bunch’ – a poor reputation across the entire sector leaves brands vulnerable to challenges.

## Banks struggle under weight of Royal Commission










Banking brands have struggled to earn the respect of consumers, taking the bottom places globally and in Australia (reputation scores 6.2 and 5.5 respectively). Scores are lower than in 2017 suggesting that the Royal Commission on banking malpractice has hit banks’ reputation somewhat.

The banking sector generally appears vulnerable to encroachment – while tech brands enjoy significantly higher scores for reputation, innovation, and closeness.










Not surprisingly, due to the Royal Commission investigation and the resulting negative publicity, the reputation of banks has been eroded. Significant investment will be required to lift brand equity to try restore public standing but also ward off the threat of the tech sector’s increasing moves into financial services products.

Mark Crowe  
Managing Director, Brand Finance Australia

## Sectors Ranked by Reputation

	1 Airlines	6.9 <sub>/10</sub>
	2= Auto	6.8 <sub>/10</sub>
	2= Beers	6.8 <sub>/10</sub>
	4 Tech	6.6 <sub>/10</sub>
	5 Utilities	6.2 <sub>/10</sub>
	6 Oil & Gas	6.1 <sub>/10</sub>
	7 Insurance	6.0 <sub>/10</sub>
	8 Telecoms	5.8 <sub>/10</sub>
	9 Banking	5.5 <sub>/10</sub>

## How Sectors Score Across the Ten Metrics

MEASURE	TOP SECTOR
Reputation	 AIRLINES
Consideration conversion	 TECH
Innovation	 TECH
Quality	 AUTO
Value	 AUTO
Loyalty	 BEERS
Trust	 BEERS
Recommendation (NPS)	 AUTO
OVERALL BRAND EQUITY	 AUTO

## Tech brands resilient to reputation challenges

Australians continue to hold the tech sector in high regard despite scandals tarnishing reputation of some industry giants. The sector ranks joint-third out of the sectors covered in Brand Finance research, with a score of 7.0 out of 10 globally and 6.6 in Australia.

Brands such as Google and Apple get high marks for being innovative, as expected – but more remarkable is the continued trust consumers have in most tech brands. The mistrust that consumers have developed towards Facebook, Huawei and Uber has not eroded the reputation of the sector as a whole.

## Auto brands keep up in the race

Auto is another sector facing disruption by new technologies, but here the brands appear more resilient. Brand reputation is high, and auto brands also generally rate high for being innovative. Auto brands can thrive if they continue to innovate and utilise new technologies to their advantage.

Though weaker on measures such as innovation and quality, airline brands boast the highest scores for reputation in Australia (6.9 out of 10).



# Brand Finance Australia 100 (AUD m).

## Top 100 Australian most valuable brands 1-50

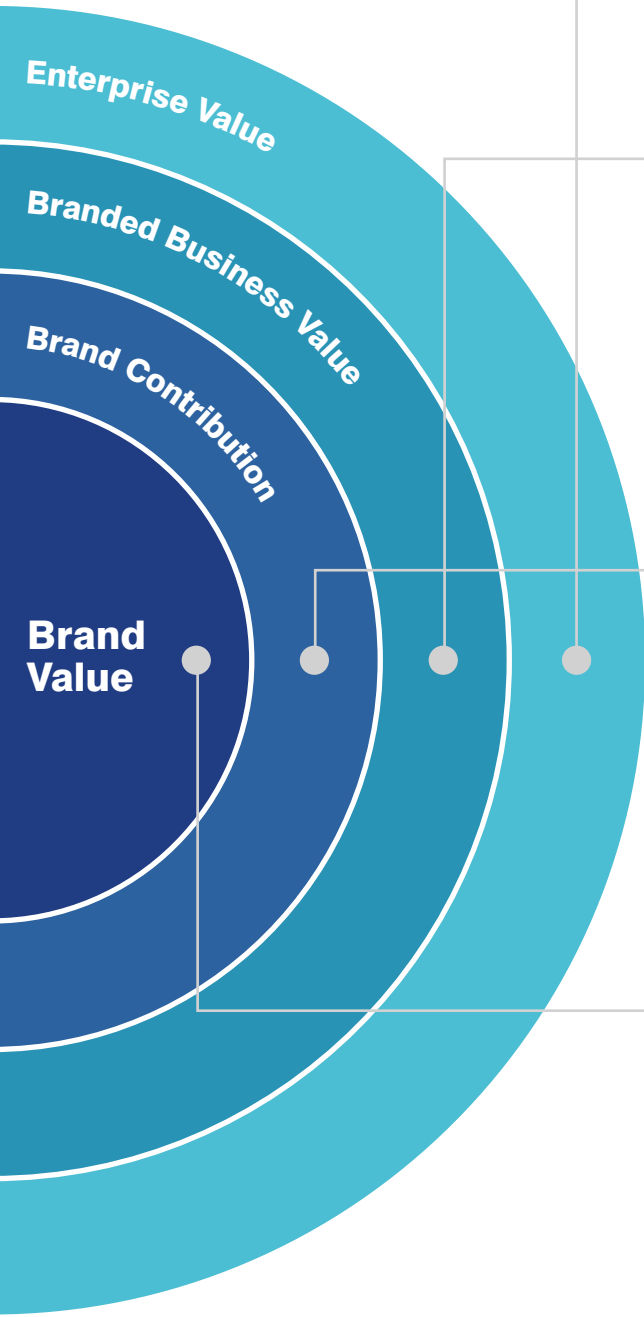
2019 Rank	2018 Rank	Brand	Sector	2019 Brand Value	Brand Value Change	2018 Brand Value	2019 Brand Rating	2018 Brand Rating
1	1	← Telstra	Telecoms	\$14,681	-7.3%	\$15,836	AAA-	AAA
2	4	↑ Woolworths	Retail	\$11,204	+23.1%	\$9,099	AA+	AA+
3	5	↑ Coles	Retail	\$10,958	+30.9%	\$8,371	AA+	AA+
4	2	↓ Commonwealth Bank	Banking	\$10,558	+0.1%	\$10,548	AA+	AAA
5	3	↓ ANZ	Banking	\$9,108	-13.3%	\$10,502	AA+	AAA-
6	6	← nab	Banking	\$8,606	+3.9%	\$8,286	AA+	AAA-
7	8	↑ BHP	Mining, Iron & Steel	\$8,267	+27.2%	\$6,499	AA	AA
8	7	↓ Westpac	Banking	\$7,260	-2.3%	\$7,428	AA+	AAA-
9	9	← Optus	Telecoms	\$5,333	+6.1%	\$5,025	AAA-	AAA-
10	10	← Rio Tinto	Mining, Iron & Steel	\$4,650	+17.7%	\$3,952	AA	AA
11	11	← Macquarie	Banking	🔒	🔒	🔒	🔒	🔒
12	13	↑ Qantas	Airlines	🔒	🔒	🔒	🔒	🔒
13	14	↑ St.George	Banking	🔒	🔒	🔒	🔒	🔒
14	12	↓ QBE	Insurance	🔒	🔒	🔒	🔒	🔒
15	15	← Suncorp	Insurance	🔒	🔒	🔒	🔒	🔒
16	18	↑ Bunnings	Retail	🔒	🔒	🔒	🔒	🔒
17	17	← Westfield	Retail	🔒	🔒	🔒	🔒	🔒
18	19	↑ Woodside	Oil & Gas	🔒	🔒	🔒	🔒	🔒
19	22	↑ Devondale	Food	🔒	🔒	🔒	🔒	🔒
20	25	↑ Seek	Tech	🔒	🔒	🔒	🔒	🔒
21	16	↓ Ramsay Health Care	Healthcare	🔒	🔒	🔒	🔒	🔒
22	28	↑ Kmart	Retail	🔒	🔒	🔒	🔒	🔒
23	24	↑ JB Hi-Fi	Retail	🔒	🔒	🔒	🔒	🔒
24	27	↑ Crown	Hotels	🔒	🔒	🔒	🔒	🔒
25	37	↑ Amcor	Commercial Services	🔒	🔒	🔒	🔒	🔒
26	36	↑ Tabcorp	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
27	21	↓ Computershare	Tech	🔒	🔒	🔒	🔒	🔒
28	26	↓ AGL	Utilities	🔒	🔒	🔒	🔒	🔒
29	50	↑ EnergyAustralia	Utilities	🔒	🔒	🔒	🔒	🔒
30	20	↓ Origin	Oil & Gas	🔒	🔒	🔒	🔒	🔒
31	34	↑ Harvey Norman	Retail	🔒	🔒	🔒	🔒	🔒
32	31	↓ Flight Centre	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
33	29	↓ The Star	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
34	30	↓ Boral	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
35	43	↑ Santos	Oil & Gas	🔒	🔒	🔒	🔒	🔒
36	32	↓ Lend Lease	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
37	46	↑ CSL	Pharma	🔒	🔒	🔒	🔒	🔒
38	35	↓ Bankwest	Banking	🔒	🔒	🔒	🔒	🔒
39	38	↓ CHEP	Logistics	🔒	🔒	🔒	🔒	🔒
40	23	↓ Leighton	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
41	33	↓ Medibank Pvt Ltd	Insurance	🔒	🔒	🔒	🔒	🔒
42	47	↑ Fortescue	Mining, Iron & Steel	🔒	🔒	🔒	🔒	🔒
43	48	↑ Jetstar	Airlines	🔒	🔒	🔒	🔒	🔒
44	42	↓ Big W	Retail	🔒	🔒	🔒	🔒	🔒
45	40	↓ BT Financial Group	Banking	🔒	🔒	🔒	🔒	🔒
46	52	↑ Reece Australia	Retail	🔒	🔒	🔒	🔒	🔒
47	44	↓ IGA	Retail	🔒	🔒	🔒	🔒	🔒
48	49	↑ the Lott	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
49	51	↑ Virgin Australia	Airlines	🔒	🔒	🔒	🔒	🔒
50	45	↓ Australia Post	Logistics	🔒	🔒	🔒	🔒	🔒

## Top 100 Australian most valuable brands 51-100

2019 Rank	2018 Rank	Brand	Sector	2019 Brand Value	Brand Value Change	2018 Brand Value	2019 Brand Rating	2018 Brand Rating
51	53	↑ Stockland	Real Estate	🔒	🔒	🔒	🔒	🔒
52	41	↓ Target	Retail	🔒	🔒	🔒	🔒	🔒
53	39	↓ Colonial First State	Banking	🔒	🔒	🔒	🔒	🔒
54	66	↑ Bendigo Bank	Banking	🔒	🔒	🔒	🔒	🔒
55	61	↑ Bank Of Queensland	Banking	🔒	🔒	🔒	🔒	🔒
56	60	↑ Bluescope Steel	Mining, Iron & Steel	🔒	🔒	🔒	🔒	🔒
57	-	New Wesfarmers	Retail	🔒	🔒	🔒	🔒	🔒
58	55	↓ iiNet	Telecoms	🔒	🔒	🔒	🔒	🔒
59	58	↓ Aurizon	Logistics	🔒	🔒	🔒	🔒	🔒
60	59	↓ Seven	Media	🔒	🔒	🔒	🔒	🔒
61	57	↓ Tip Top	Food	🔒	🔒	🔒	🔒	🔒
62	65	↑ Transurban	Commercial Services	🔒	🔒	🔒	🔒	🔒
63	56	↓ David Jones	Apparel	🔒	🔒	🔒	🔒	🔒
64	62	↓ Cochlear Ltd	Tech	🔒	🔒	🔒	🔒	🔒
65	63	↓ Myer	Retail	🔒	🔒	🔒	🔒	🔒
66	77	↑ Jacob's Creek	Wines	🔒	🔒	🔒	🔒	🔒
67	-	New Goodman	Real Estate	🔒	🔒	🔒	🔒	🔒
68	54	↓ AMP	Insurance	🔒	🔒	🔒	🔒	🔒
69	67	↓ South32	Mining, Iron & Steel	🔒	🔒	🔒	🔒	🔒
70	70	← Priceline	Retail	🔒	🔒	🔒	🔒	🔒
71	-	New Alinta Energy	Utilities	🔒	🔒	🔒	🔒	🔒
72	71	↓ Rea	Commercial Services	🔒	🔒	🔒	🔒	🔒
73	79	↑ Officeworks	Retail	🔒	🔒	🔒	🔒	🔒
74	-	New MIRVAC	Real Estate	🔒	🔒	🔒	🔒	🔒
75	64	↓ Liquorland	Retail	🔒	🔒	🔒	🔒	🔒
76	76	← Dulux	Retail	🔒	🔒	🔒	🔒	🔒
77	80	↑ Sydney Airport	Airports	🔒	🔒	🔒	🔒	🔒
78	88	↑ Carsales.Com	Tech	🔒	🔒	🔒	🔒	🔒
79	68	↓ TPG Telecom	Telecoms	🔒	🔒	🔒	🔒	🔒
80	-	New Broadspectrum	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
81	78	↓ ASX	Exchanges	🔒	🔒	🔒	🔒	🔒
82	83	↑ NRMA	Insurance	🔒	🔒	🔒	🔒	🔒
83	87	↑ Worleyparsons	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
84	-	New Vicinity Centres	Real Estate	🔒	🔒	🔒	🔒	🔒
85	72	↓ Oil Search	Oil & Gas	🔒	🔒	🔒	🔒	🔒
86	-	New Dexus	Real Estate	🔒	🔒	🔒	🔒	🔒
87	-	New GPT	Real Estate	🔒	🔒	🔒	🔒	🔒
88	97	↑ Asaleo Care Ltd	Cosmetics & Personal Care	🔒	🔒	🔒	🔒	🔒
89	84	↓ Incitec Pivot	Chemicals	🔒	🔒	🔒	🔒	🔒
90	81	↓ Southern Cross Austereo	Media	🔒	🔒	🔒	🔒	🔒
91	86	↓ RACV	Insurance	🔒	🔒	🔒	🔒	🔒
92	-	New Jupiters	Leisure & Tourism	🔒	🔒	🔒	🔒	🔒
93	93	← UGL	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
94	74	↓ AAPT	Telecoms	🔒	🔒	🔒	🔒	🔒
95	73	↓ Spotless	Commercial Services	🔒	🔒	🔒	🔒	🔒
96	-	New Monadelphous	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
97	-	New Lovisa	Apparel	🔒	🔒	🔒	🔒	🔒
98	90	↓ CGU	Insurance	🔒	🔒	🔒	🔒	🔒
99	92	↓ IFCO	Logistics	🔒	🔒	🔒	🔒	🔒
100	91	↓ Fairfax	Media	🔒	🔒	🔒	🔒	🔒



# 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.

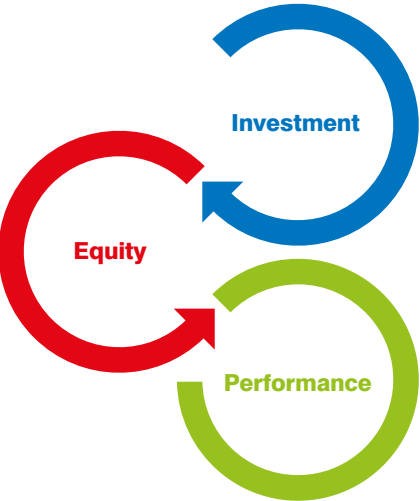
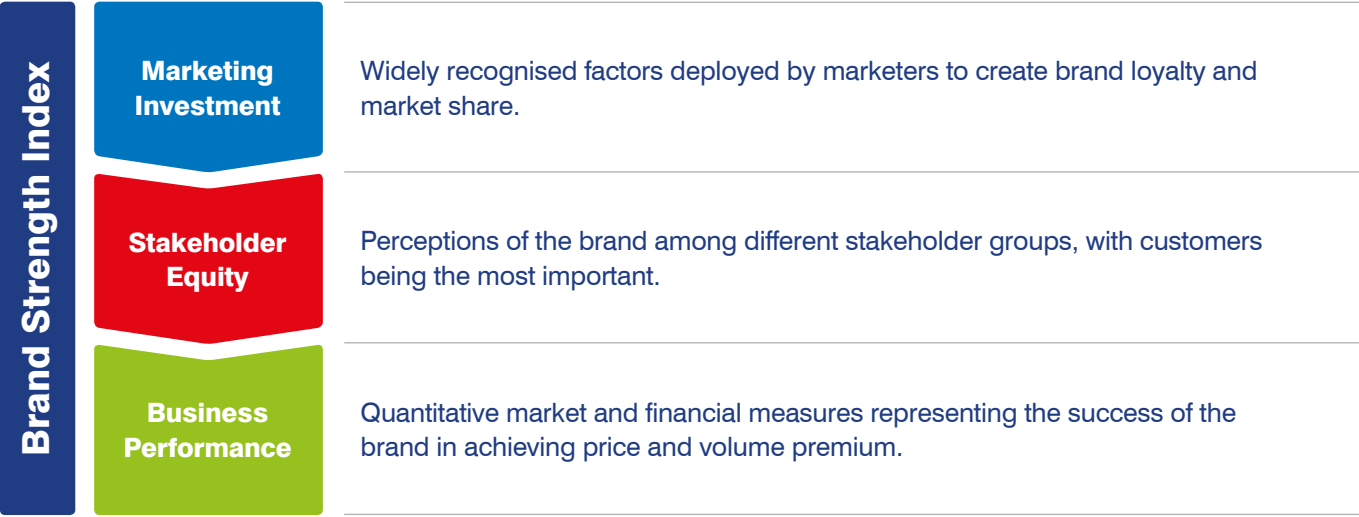
## Brand Strength

**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.

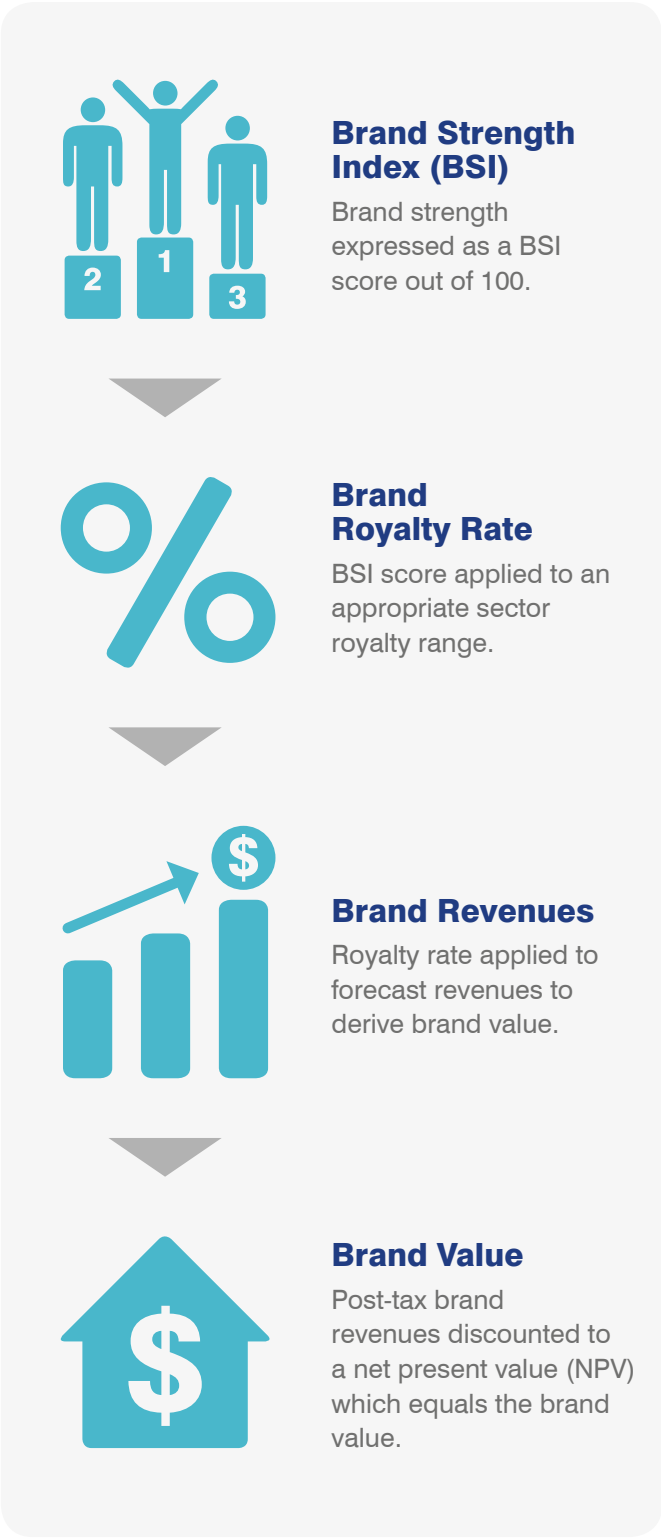
# Brand Valuation Methodology.

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 31 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 2018.



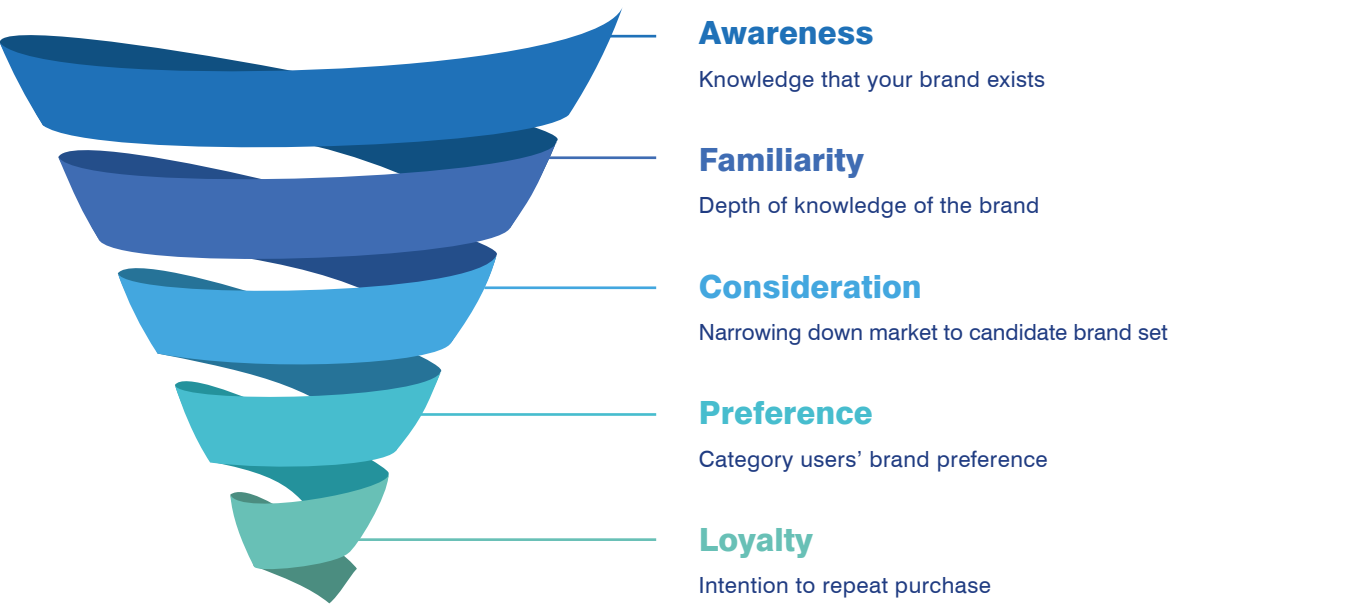
# Stakeholder Equity Measures.

Key metrics

- + Reputation
- + Innovation
- + Trust
- + Emotional Fit
- + Recommendation
- + Quality etc.


Brand converison funnel

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




# Consulting Services.






MARKETING

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




FINANCE

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



TAX

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



LEGAL

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 over 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 100 AUSTRALIAN BRAND



MOST VALUABLE AUSTRALIAN BRAND



STRONGEST AUSTRALIAN 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<sup>®</sup>



### 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](mailto:enquiries@brand-dialogue.co.uk) or visit [www.brand-dialogue.co.uk](http://www.brand-dialogue.co.uk)

Brand Dialogue is a member of the Brand Finance plc group of companies



BRAND EXCHANGE<sup>®</sup>  
WHERE BRANDS MEET FINANCE

### BECOME A MEMBER TODAY

A CONTEMPORARY AND EXCLUSIVE  
MEMBERS' CLUB  
IN THE HEART OF THE CITY OF LONDON

CHARACTERFUL SPACE  
for  
MEETINGS  
&  
PRIVATE EVENTS

MEMBERS' EVENTS  
with  
FOCUS ON MARKETING  
&  
BRANDING

DISCOUNTED  
ROOM HIRE  
for  
MEMBERS

3 Birchin Lane, London, EC3V 9B +44 (0)207 389 9410 [enquiries@brandexchange.com](mailto:enquiries@brandexchange.com)

Brand Exchange is a member of the Brand Finance plc group of companies



# Brand Finance Network.

For further information on our services and valuation experience, please contact your local representative:

Market	Contact	Email	Telephone
Asia Pacific	Samir Dixit	s.dixit@brandfinance.com	+65 906 98 651
Australia	Mark Crowe	m.crowe@brandfinance.com	+61 282 498 320
Canada	Charles Scarlett-Smith	c.scarlett-smith@brandfinance.com	+1 647 3437 266
Caribbean	Nigel Cooper	n.cooper@brandfinance.com	+1 876 8256 598
China	Scott Chen	s.chen@brandfinance.com	+86 1860 118 8821
East Africa	Jawad Jaffer	j.jaffer@brandfinance.com	+254 204 440 053
Germany	Holger Muehlbauer	h.muehlbauer@brandfinance.com	+49 1515 474 9834
India	Savio D'Souza	s.dsouza@brandfinance.com	+44 207 389 9400
Indonesia	Jimmy Halim	j.halim@brandfinance.com	+62 215 3678 064
Ireland	Simon Haigh	s.haigh@brandfinance.com	+353 087 6695 881
Italy	Massimo Pizzo	m.pizzo@brandfinance.com	+39 02303125105
Japan	Jun Tanaka	j.tanaka@brandfinance.com	+8190 7116 1881
Mexico & LatAm	Laurence Newell	l.newell@brandfinance.com	+52 1559 197 1925
Middle East	Andrew Campbell	a.campbell@brandfinance.com	+971 508 113 341
Nigeria	Tunde Odumeru	t.odumeru@brandfinance.com	+234 012 911 988
Romania	Mihai Bogdan	m.bogdan@brandfinance.com	+40 728 702 705
Spain	Teresa de Lemus	t.delemus@brandfinance.com	+34 654 481 043
South Africa	Jeremy Sampson	j.sampson@brandfinance.com	+27 828 857 300
Sri Lanka	Ruchi Gunewardene	r.gunewardene@brandfinance.com	+94 114 941 670
Turkey	Muhterem Ilgüner	m.ilguner@brandfinance.com	+90 216 3526 729
UK	Richard Haigh	rd.haigh@brandfinance.com	+44 207 389 9400
USA	Laurence Newell	l.newell@brandfinance.com	+1 917 794 3249
Vietnam	Lai Tien Manh	m.lai@brandfinance.com	+84 473 004 468



## Contact us.

---

**The World's Leading Independent Brand Valuation and Strategy Consultancy**

**T:** +61 2 8249 8320

**E:** [australia@brandfinance.com](mailto:australia@brandfinance.com)

[www.brandfinance.com](http://www.brandfinance.com)