



Indonesia

100

2022

The annual report on the most valuable and strongest Indonesian brands
September 2022

Contents.

About Brand Finance	3
Foreword	7
<i>Alex Haigh, Managing Director Asia Pacific</i>	
Executive Summary	9
Brand Value & Brand Strength Analysis	10
Brand Value Ranking	15
Methodology	17
Definitions	18
Our Services	27

About Brand Finance.

Brand Finance is the world's leading 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 25 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.



Get in Touch.

For business enquiries, please contact:

Alex Haigh

Managing Director, Brand Finance Asia Pacific
a.haigh@brandfinance.com

For media enquiries, please contact:

Cristina Campos

Communications Director
c.campos@brandfinance.com

For all other enquiries:

enquiries@brandfinance.com
+44 207 389 9400
www.brandfinance.com



linkedin.com/company/brand-finance



twitter.com/brandfinance



facebook.com/brandfinance



youtube.com/brandfinance



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 performance and offers a cost-effective way to gaining a better understanding of your position against peers.

Visit brandirectory.com/request-a-valuation
or email enquiries@brandfinance.com



Insight



Strategy



Benchmarking



Education



Communication



Understanding

Benefits



Brand Valuation
Summary



Brand
Strength Tracking



Royalty Rates



Cost of
Capital Analysis



Customer
Research Findings



Competitor
Benchmarking

Contents

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 Group.



Brand Finance
Institute

Brand Finance Institute

Brand Finance Institute is the educational division of Brand Finance, whose purpose is to create and foster a professional environment for knowledge-sharing and networking among practitioners and experts in the market. BFI organises events, in-company training, and corporate educational initiatives around the world. In the quest for marketing excellence and with the purpose to equip the brand valuation and strategy practitioners with the necessary skills and tools, we have developed a wide range of programmes and certifications in collaboration with the most coveted business schools, universities and thought leaders in the field.

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.

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.

Brand Finance®



Global Brand Equity Monitor

- Original market research on over **5,000 brands**
- **36 countries** and over **29 sectors** covered
- More than **100,000 respondents** surveyed annually
- We are now **in our 6th consecutive year** conducting the study

Visit brandirectory.com/consumer-research
or email enquiries@brandfinance.com



enquiries@brandirectory.com

Foreword.



Alex Haigh

Managing Director,
Brand Finance Asia Pacific

What makes a brand valuable? That is the question this study answers.

A commitment to customers, cutting edge technology, new approaches to service delivery, an understanding of market needs and the capability to take advantage of them are all root causes of why brands rise and fall in our rankings.

Ultimately, however, it is not Brand Finance but customers and other stakeholders that decide how valuable a brand is. They do this by voting with their minds and feet to choose which brands are their favourites.

With this in mind, Brand Finance's brand valuation study starts with a deep review of what people think about brands. We study the views of over 100,000 respondents worldwide including over 25,000 in the Asia Pacific region covering brand awareness, consideration and many measures of brand reputation. This produces an understanding of a brand strength.

Given that at Brand Finance, our reason for being is to "bridge the gap between marketing and finance" to help communicate the benefits of marketing and branding to financial teams the next step is to combine this analysis of brand perceptions with financial analysis of the business the brand is used for. This enables us to define the brand value.

By conducting these two phases together, we as brand managers are able to identify what are the root causes of brand value in order to guide brands' positioning, their promotional activities, their products, services and prices and their approach for all other manner of marketing tool.

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? How do you know how much to spend behind each brand?

Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

And answering it is particularly important in our region. Historically where things were made and then marketed elsewhere, business value and economic growth will increasingly come from intangibles and in particular strong brands. Understanding the value that brands bring and maximising it will help bring our region's brands on to par and even ahead of European and American businesses on growth, profitability, and popularity worldwide.

We hope you find this study and its associated analysis interesting enable you to defend the value of brands in businesses you are working in or advising and the team and I look forward to continuing the conversation with you.

Big Indonesian brands are bouncing back to growth as nation looks to post-COVID future.

- + **Telkom Indonesia** remains Indonesia's most valuable brand with brand value up 22% as it leads Indonesia's digitalisation
- + **BCA** is Indonesia's strongest brand, earning elite AAA+ ranking ahead of **Bank Mandiri**
- + **PLN** and **Bayan Resources** both double their brand value to be Indonesia's fastest-growing big brands
- + **Telkom Indonesia** remains Indonesia's most valuable brand with brand value up 22% as it leads Indonesia's digitalisation
- + **BCA** is Indonesia's strongest brand, earning elite AAA+ ranking ahead of **Bank Mandiri**
- + **PLN** and **Bayan Resources** both double their brand value to be Indonesia's fastest-growing big brands

Executive Summary.



Brand Value & Brand Strength Analysis.



Telkom Indonesia remains Indonesia's most valuable brand with brand value up 22% as it leads Indonesia's digitalisation

The brand values of many big Indonesian brands have returned to growth, with many achieving huge, double-digit, growth this year.

Indonesia's most valuable brand, **Telkom Indonesia** (brand value up 22% to US\$4.7 billion) has led the nation, thanks to the brand's focus on digitalisation for a better future. BRI (brand value up 19% to US\$3.7 billion) remains Indonesia's second-most valuable brand.





















The big growth in the value of the Telkom Indonesia brand has been linked with its strong brand promise to focus on 'digitalisation for a better future'. The brand recognises that digitalisation is touching many different aspects of people's lives across the archipelago and is seeking to put its services at the centre of Indonesia's transformation to a digital future. While there has been significant economic disruption from COVID-19, the pandemic has propelled this even further as it has accelerated the digitalisation process to a point that hadn't been considered previously.

Indonesia is going through a process of national digitalisation across sectors as diverse as entertainment, education, health, logistics, agriculture, and finance. Telekom Indonesia is putting its brand at the forefront of that process, with an aspiration to become an indispensable partner in the digital activities of Indonesians. This brand leadership and focus on the future is already delivering significant increases in brand value as a result.

Sutan Banuara
Director, Brand Finance Indonesia

Top 10 Most Valuable Indonesian Brands

© Brand Finance Plc 2022

1 ← 1   \$4.7bn +22%	2 ← 2   \$3.7bn +19%	3 ↑ 5   \$3.2bn +30%	4 ← 4   \$3.0bn +19%	5 ↑ 7   \$2.9bn +22%
6 ↑ 8   \$2.9bn +30%	7 ↓ 6   \$2.9bn +19%	8 ↓ 3   \$2.5bn -5%	9 ← 9   \$1.7bn +25%	10 ← 10   \$1.5bn +100%



BCA is Indonesia's strongest brand, earning elite AAA+ ranking ahead of Bank Mandiri

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. Compliant with ISO 20671, Brand Finance's assessment of stakeholder equity incorporates original market research data from over 100,000 respondents in more than 35 countries and across nearly 30 sectors.

According to these criteria, **BCA** (brand value up 19% to US\$3.0 billion) is Indonesia's strongest brand, with a Brand Strength Index (BSI) of 94 out of 100 (up by 2.5 points) and a corresponding elite AAA+ brand strength rating. BCA's brand strength has improved in part due to improved customer perception of environmental issues. This is correlated with BCA installing solar panels on buildings and taking measures to reduce paper and plastic waste. In addition to being recognised by Brand Finance analysis, the banking brand has been recognised by awards as Indonesia's Corporate Sustainability Warriors 2021 and Indonesia's Best Corporate Sustainability Initiatives.

Top 10 Strongest Indonesian Brands

© Brand Finance Plc 2022



Bank Mandiri (brand value up 30% to US\$3.1 billion) is the second strongest Indonesian brand with a BSI score of 89.6 out of 100, followed by Telkom Indonesia with a BSI score of 89.3 out of 100. Bank Mandiri improved its ranking from 3rd place in 2021 to 2nd place this year. The improved brand strength of Bank Mandiri is correlated with improvements to customer evaluations of the company's digital services.

PLN and Bayan Resources both double their brand value to be Indonesia's fastest-growing big brands

PLN (brand value doubled to US\$1.5 billion) and **Bayan Resources** (brand value doubled to US\$134 million) are Indonesia's fastest-growing big brands this year.

The **Bayan Resources** brand climbed 16 places to become the 52nd most valuable Indonesian brand in connection with the current surge in commodity prices over the last year. The brand has benefited from reduced competition because of sanctions imposed in connection with the Russian invasion of Ukraine. Bayan resources has been able to leverage its brand



to meet increased demand for its product market as more industrial customers trust the brand to meet future fuel needs.

The state-owned electric utility, **PLN**, has grown significantly in value this year as the dominant electricity supplier is expected to benefit from forthcoming infrastructure investments. Changing electricity needs, with the possibility of big investment in renewable energy, puts PLN in a dominant brand position.

Indonesia's consumer spending has been consistently rising due to the pickup in incomes, jobs, and confidence. Investment is benefiting from expanding demand, improvements in the investment and business climate, and a recovery in credit. However, to continue to grow brands need to be marketing oriented and, Indonesians firms need to invest in brand and communications to be more visible to all stakeholders so in tech infrastructure to approach the digitization which increase productivity and growth.

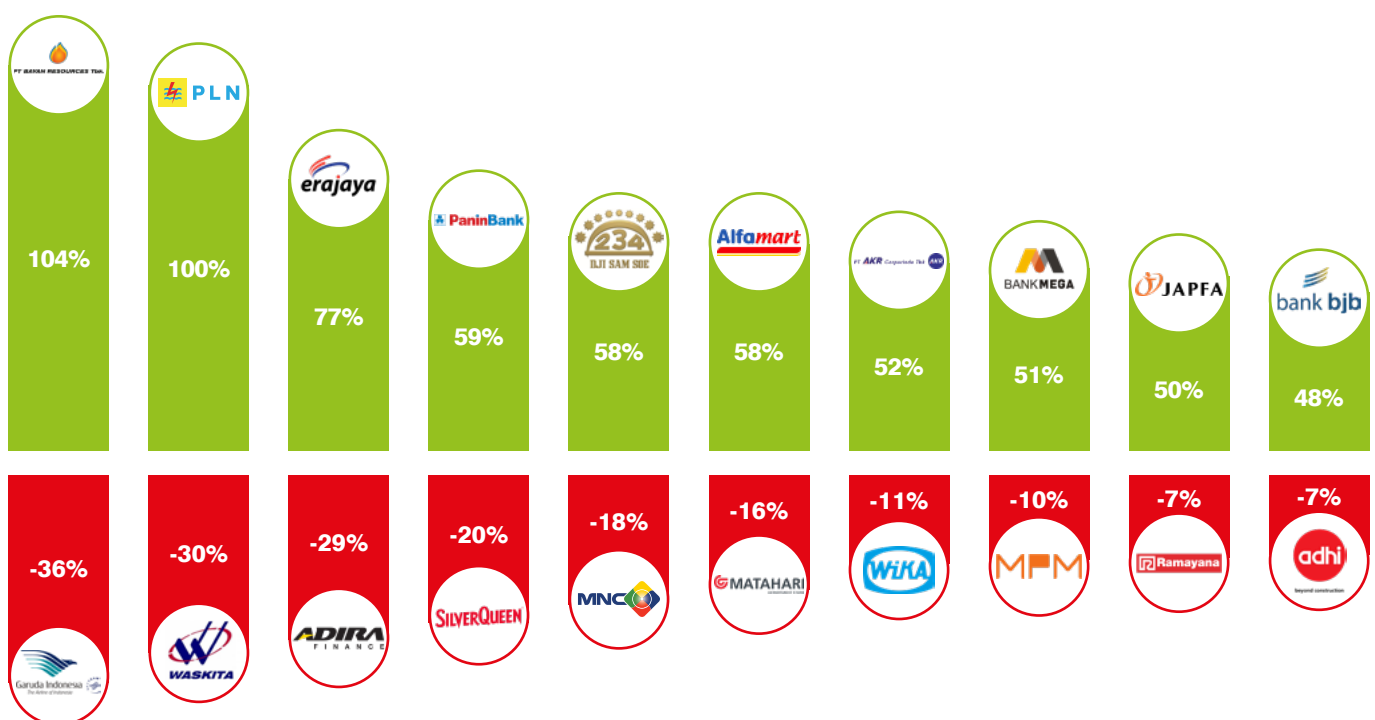
Alex Haigh

Managing Director Asia Pacific



Brand Value Change 2021-2022 (%)

© Brand Finance Plc 2022



Brand Value by Sector

© Brand Finance Plc 2022



Sector	Brand Value (USD bn)	% of total	Number of Brands
Banking	14.5	32.0%	17
Tobacco	9.6	21.2%	5
Telecoms	6.3	13.9%	6
Food	3.6	8.0%	20
Oil & Gas	3.2	7.0%	3
Utilities	1.8	3.9%	2
Other	6.2	14.0%	47
Total	45.2	100.0%	100



Brand Value Ranking (USDm).

Top 100 most valuable Indonesian brands 1-50

2022 Rank	2021 Rank		Brand	Sector	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
1	1	←	Telkom Indonesia	Telecoms	\$4,691	+21.7%	\$3,854	AAA	AAA
2	2	←	BRI	Banking	\$3,698	+19.4%	\$3,098	AAA	AAA
3	5	↑	Bank Mandiri	Banking	\$3,146	+30.3%	\$2,415	AAA+	AAA
4	4	←	BCA	Banking	\$2,965	+18.9%	\$2,493	AAA+	AAA+
5	7	↑	Pertamina	Oil & Gas	\$2,914	+21.6%	\$2,397	AAA	AAA-
6	8	↑	Gudang Garam	Tobacco	\$2,871	+29.6%	\$2,215	A+	A
7	6	↓	Sampoerna	Tobacco	\$2,854	+18.7%	\$2,403	AA-	A+
8	3	↓	A Mild	Tobacco	\$2,492	-4.6%	\$2,614	AAA	AAA
9	9	←	BNI	Banking	\$1,657	+25.0%	\$1,325	AAA	AAA
10	10	←	PLN	Utilities	\$1,493	+100.0%	\$746	AAA-	AA+
11	11	←	Indosat Ooredoo	Telecoms	🔒	🔒	🔒	🔒	🔒
12	12	←	Dji Sam Soe	Tobacco	🔒	🔒	🔒	🔒	🔒
13	13	←	U Mild	Tobacco	🔒	🔒	🔒	🔒	🔒
14	17	↑	Indomie	Food	🔒	🔒	🔒	🔒	🔒
15	14	↓	XL	Telecoms	🔒	🔒	🔒	🔒	🔒
16	18	↑	Semen Indonesia	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
17	16	↓	Astra International	Automobiles	🔒	🔒	🔒	🔒	🔒
18	15	↓	SGM	Food	🔒	🔒	🔒	🔒	🔒
19	20	↑	Bank Danamon	Banking	🔒	🔒	🔒	🔒	🔒
20	-	New	Bank Syariah Indonesia	Banking	🔒	🔒	🔒	🔒	🔒
21	22	↑	Bimoli	Food	🔒	🔒	🔒	🔒	🔒
22	24	↑	Indomilk	Food	🔒	🔒	🔒	🔒	🔒
23	25	↑	CIMB Niaga	Banking	🔒	🔒	🔒	🔒	🔒
24	21	↓	Energen	Food	🔒	🔒	🔒	🔒	🔒
25	36	↑	Panin Bank	Banking	🔒	🔒	🔒	🔒	🔒
26	33	↑	Indofood	Food	🔒	🔒	🔒	🔒	🔒
27	34	↑	Bank BTN	Banking	🔒	🔒	🔒	🔒	🔒
28	26	↓	Kereta Api	Logistics	🔒	🔒	🔒	🔒	🔒
29	23	↓	PGN	Utilities	🔒	🔒	🔒	🔒	🔒
30	31	↑	Medco Energi	Oil & Gas	🔒	🔒	🔒	🔒	🔒
31	35	↑	Jasa Marga	Logistics	🔒	🔒	🔒	🔒	🔒
32	32	←	BTPN	Banking	🔒	🔒	🔒	🔒	🔒
33	39	↑	Kopiko	Food	🔒	🔒	🔒	🔒	🔒
34	37	↑	Indah Kiat Pulp & Paper	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
35	27	↓	PP Construction & Investment	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
36	19	↓	Garuda Indonesia	Airlines	🔒	🔒	🔒	🔒	🔒
37	41	↑	Indocement	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
38	46	↑	Alfa Mart	Retail	🔒	🔒	🔒	🔒	🔒
39	28	↓	Wika	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
40	38	↓	Bank OCBC NISP	Banking	🔒	🔒	🔒	🔒	🔒
41	42	↑	Surya Citra Media	Media	🔒	🔒	🔒	🔒	🔒
42	50	↑	AKR Corporindo	Commercial Services	🔒	🔒	🔒	🔒	🔒
43	43	←	Roma	Food	🔒	🔒	🔒	🔒	🔒
44	54	↑	Bank Mega	Banking	🔒	🔒	🔒	🔒	🔒
45	29	↓	Adira Finance	Banking	🔒	🔒	🔒	🔒	🔒
46	30	↓	Waskita Karya	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
47	40	↓	Matahari Department Store	Retail	🔒	🔒	🔒	🔒	🔒
48	56	↑	BJB	Banking	🔒	🔒	🔒	🔒	🔒
49	47	↓	Chandra Asri Petrochemical	Chemicals	🔒	🔒	🔒	🔒	🔒
50	53	↑	Torabika	Food	🔒	🔒	🔒	🔒	🔒

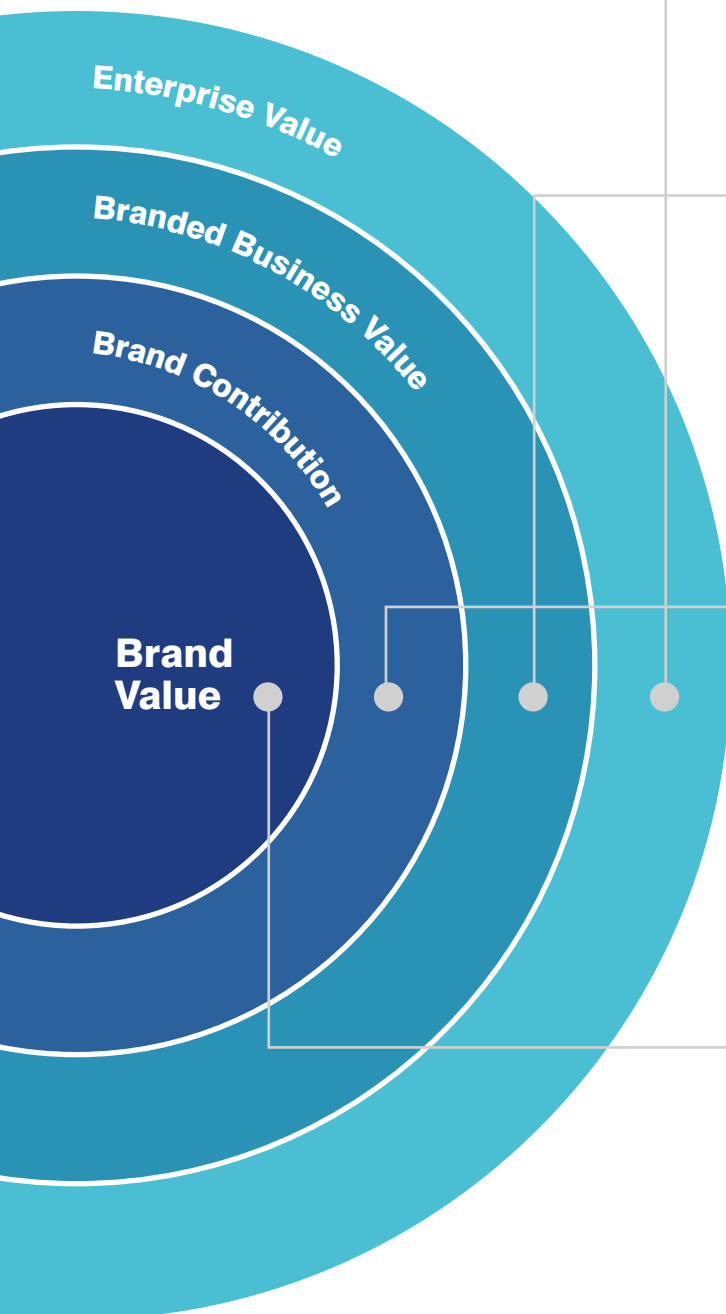
Top 100 most valuable Indonesian brands 51-100

2022 Rank	2021 Rank		Brand	Sector	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
51	51	←	Adaro Energy	Mining, Iron & Steel	₹	₹	₹	₹	₹
52	68	↑	Bayan Resources	Mining, Iron & Steel	₹	₹	₹	₹	₹
53	55	↑	Mayora Indah	Food	₹	₹	₹	₹	₹
54	48	↓	Gajah Tunggal	Tyres	₹	₹	₹	₹	₹
55	58	↑	Kalbe Farma	Pharma	₹	₹	₹	₹	₹
56	61	↑	Bank Permata	Banking	₹	₹	₹	₹	₹
57	52	↓	Lippo Karawaci	Real Estate	₹	₹	₹	₹	₹
58	60	↑	Bintang	Beers	₹	₹	₹	₹	₹
59	45	↓	Media Nusantara Citra	Media	₹	₹	₹	₹	₹
60	-	New	Citilink	Airlines	₹	₹	₹	₹	₹
61	49	↓	Adhi Karya	Engineering & Construction	₹	₹	₹	₹	₹
62	57	↓	Bumi Serpong Damai	Real Estate	₹	₹	₹	₹	₹
63	66	↑	LinkNet	Telecoms	₹	₹	₹	₹	₹
64	63	↓	Indika Energy	Mining, Iron & Steel	₹	₹	₹	₹	₹
65	71	↑	BFI	Banking	₹	₹	₹	₹	₹
66	65	↓	Smartfren	Telecoms	₹	₹	₹	₹	₹
67	64	↓	United Tractors	Mining, Iron & Steel	₹	₹	₹	₹	₹
68	82	↑	Erajaya	Retail	₹	₹	₹	₹	₹
69	79	↑	Protelindo	Tech	₹	₹	₹	₹	₹
70	59	↓	Silver Queen	Food	₹	₹	₹	₹	₹
71	62	↓	MPM	Automobiles	₹	₹	₹	₹	₹
72	74	↑	Blue Bird	Car Rental Services	₹	₹	₹	₹	₹
73	67	↓	ITM	Mining, Iron & Steel	₹	₹	₹	₹	₹
74	72	↓	Sinar Mas Multiartha	Insurance	₹	₹	₹	₹	₹
75	70	↓	Pakuwon	Real Estate	₹	₹	₹	₹	₹
76	86	↑	Japfa	Food	₹	₹	₹	₹	₹
77	69	↓	Bank Jatim	Banking	₹	₹	₹	₹	₹
78	84	↑	Bukit Asam	Mining, Iron & Steel	₹	₹	₹	₹	₹
79	85	↑	Tower Bersama	Telecoms	₹	₹	₹	₹	₹
80	76	↓	Astra Agro Lestari	Food	₹	₹	₹	₹	₹
81	78	↓	Enseval	Pharma	₹	₹	₹	₹	₹
82	92	↑	Choki Choki	Food	₹	₹	₹	₹	₹
83	75	↓	MNC Sky Vision	Media	₹	₹	₹	₹	₹
84	77	↓	Ramayana	Retail	₹	₹	₹	₹	₹
85	89	↑	Beng-Beng	Food	₹	₹	₹	₹	₹
86	81	↓	Charoen Pokphand	Food	₹	₹	₹	₹	₹
87	88	↑	Smart	Food	₹	₹	₹	₹	₹
88	96	↑	Tempo ScanPacific	Pharma	₹	₹	₹	₹	₹
89	97	↑	Sarimi	Food	₹	₹	₹	₹	₹
90	100	↑	Siloam Hospital	Healthcare	₹	₹	₹	₹	₹
91	94	↑	Kimia Farma	Pharma	₹	₹	₹	₹	₹
92	83	↓	Hypermart	Retail	₹	₹	₹	₹	₹
93	-	New	Supermi	Food	₹	₹	₹	₹	₹
94	93	↓	Mitra Keluarga	Healthcare	₹	₹	₹	₹	₹
95	91	↓	CSA	Logistics	₹	₹	₹	₹	₹
96	98	↑	MNC Investama	Media	₹	₹	₹	₹	₹
97	-	New	Elnusa	Oil & Gas	₹	₹	₹	₹	₹
98	-	New	Slai O'lai	Food	₹	₹	₹	₹	₹
99	-	New	Indonesia Stock Exchange	Exchanges	₹	₹	₹	₹	₹
100	-	New	Tjiwi Kimia	Engineering & Construction	₹	₹	₹	₹	₹



Methodology.

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 Valuation Methodology.

Definition of Brand

Brand is defined as a bundle of trademarks and associated IP which can be used to take advantage of the perceptions of all stakeholders to provide a variety of economic benefits to the entity.

Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the “real” value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the “Royalty Relief” methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people’s perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

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.

1



Brand Impact

We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue)

2

Brand Strength

We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: “Inputs” which are activities supporting the future strength of the brand; “Equity” which are real current perceptions sourced from our market research and other data partners; “Output” which are brand-related performance measures such as market share.



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 Brand Rating up to AAA+ in a format similar to a credit rating.

3



Brand Impact × Brand Strength

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%.

Forecast Brand Value Calculation

4

We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.



We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

Brand Strength.

Brand Strength

Analytical rigour and transparency are at the heart of our approach to brand measurement at Brand Finance. Therefore, in order to adequately understand the strength of brands we conduct a structured, quantitative review of data that reflect the 'Brand Value Chain' of brand-building activities, leading to brand awareness, perceptions and onwards to brand-influenced customer behaviour.

To manage the 'Brand Value Chain' process effectively we create and use the "Brand Strength Index" (BSI). This index is essentially a modified Balanced Scorecard split between the three core pillars of the 'Brand Value Chain': **Brand Inputs**, **Brand Equity** and **Brand Performance**.



1 Attribute Selection and Weighting

Although we follow a general structure incorporating the three pillars (Brand Inputs, Brand Equity and Brand Performance), the attributes included are different depending on the sector. A brand strength index for a luxury apparel brand will differ in structure from an index designed for a telecommunications brand. An index for luxury apparel brand may emphasize the exclusiveness, word of mouth recommendation, and price premium, whereas an index for a telecommunications company may emphasize customer service and ARPU as important metrics.

These attributes are weighted according to their perceived importance in driving the following pillar: Brand Investment measures in driving Brand Equity; Brand Equity measures for Brand-Related Business Performance measures; and finally the relevance of Brand-Related Business Performance measures for driving business value.

Data Collection

Brand's ability to influence purchase depends primarily on people's perceptions. Therefore, the majority of the Brand Strength Index is derived from Brand Finance's proprietary Global Brand Equity Research Monitor research, a quantitative study of a sample of over 100,000 people from the general public on their perceptions of over 4,000 brands in over 25 sectors and 37 countries.

However, at Brand Finance we also believe that there are other measures that can be used to fill gaps that survey research may not capture. These include total investment levels – for example in marketing, R&D, innovation expenditure, that can be a better guide to future performance than surveys. They also include online measures – such as ratings by review sites and social media engagement that can give a more granular understanding of marketing effectiveness. Finally they also include real behaviour – for example net additions, customer churn and market share, to overcome the tendency for surveys to incorporate intended behaviour rather than real.

Over a period of 3 to 4 months each year, we collect all this data across all the brands in our study in order to accurately measure their comparative strength.



2 Benchmarking and Final Scoring

In order to convert raw data in to scores out of 10 that are comparable between attributes within the scorecard, we then have to benchmark each attribute. We do this by reviewing the distribution of the underlying data and creating a floor and ceiling based on that distribution.

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.



Global Brand Equity Monitor.

Original market research in 36 countries and across more than 29 sectors with approximately 100,000 consumers rating over 5,000 brands.

Tier 1

- Apparel
- Automobiles
- Luxury Automobiles
- Banks
- Cosmetics & Personal Care
- Food
- Insurance
- Oil & Gas
- Restaurants
- Retail & E-Commerce
- Telecoms
- Utilities

Tier 2

- Airlines
- Luxury Apparel
- Appliances
- Beers
- Luxury Cosmetics
- General Retail
- Healthcare Services
- Hotels
- Household Products
- Logistics
- Media
- Pharma
- Real Estate
- Soft Drinks
- Spirits & Wine
- Technology
- Tyres



Brand KPIs and Diagnostics

1. Brand Funnel



Awareness

Have heard of your brand

Familiarity

Know something about your brand

Consideration

Would consider buying/using your brand

2. Brand Usage

3. Quality

4. Reputation

5. Loyalty

6. Closeness

7. Recommendation (NPS)

8. Word of Mouth

9. Brand Imagery

10. Advertising Awareness

11. Brand Momentum

Highlights from the Global Brand Equity Monitor.

Brand Finance's proprietary market research provides a robust assessment of brand health on key equity measures, allowing comparison both within and across product and service categories. Benchmarking against brands outside your sector is especially helpful in assessing the real strength of brand – not just the 'best of a bad bunch' in a category where brands are generally weaker.

What makes a brand great?

Amazon is undoubtedly one of the world's strongest brands, one of just a handful achieving the highest AAA+ rating. It has an extremely strong brand funnel, with near-universal familiarity, and consideration, and while its reputation score is not best-in-class, it is stronger than many of its critics might think.

Every strong brand has its own winning formula, and our research highlights Amazon's particular advantages. Top of that list is the outstanding value which shoppers believe Amazon delivers. Amazon ranks on this measure in big markets such as Brazil, USA, UK, and is #1 among retailers in many more. Value has always been a big driver of consumer behaviour, but Amazon also delivers a slick shopping experience ("excellent website/apps"), and this powerful combination is irresistible for many consumers, even those who question Amazon's values and broader corporate reputation.

Does brand purpose deliver?

Argument rages among CMOs and marketing gurus over this issue. The jury is out – our data suggests that being seen to "care about the wider community" does correlate somewhat with higher Consideration levels, and is an asset particularly for local favourites such as **Jio** (India) or **Bunnings** (Australia). But brands like **McDonald's** and **Nike** (as well as Amazon) are liked and desired despite somewhat moderate reputations on sustainability and values.

Who's the coolest cat?

In categories like apparel, tech and automotive, sustainability can make you cool, but it's not the only way. **Porsche** wins relatively few plaudits for sustainability, but its übercoolness is very apparent.

Selected Rankings for Amazon – All Non-Luxury Brands

	Great value for money	Excellent website/apps
	5	5
	1	1
	8	1
	6	1

© Brand Finance Plc 2022



43% Care about the wider community (Rank #1)

88% Consideration Conversion



8% Care about the wider community (Rank #86)

92% Consideration Conversion

Similarly in the apparel category (especially footwear), the correlation between coolness and sustainability is not especially high.

Meanwhile in France, the epitome of chic, the 2nd-highest highest scorer among non-luxury brands is... **Burger King**.











Get your brand talked-about

Cool brands get talked about, and word-of-mouth (WOM) is another key asset some brands possess. It has proven impact on brand growth, hence WOM's inclusion in our Brand Strength Index model.

In an absolute sense, big brands get talked about a lot more than small ones – their sheer mass presence and relevance ensures that. But deeper analysis reveals a number of challenger brands who look set to profit from above-expectation WOM levels and positive consumer sentiment. Keep an eye on **Tim Horton's** in Spain, **Peros Garment Factory** (Canada), **SAIC** in, yes, the USA and **iinet** in Singapore.



Top-ranked brands for being “Cool” (Among Category Users) © Brand Finance Plc 2022

	1 st	2 nd	3 rd
	 PORSCHE	Jeep	
	 Levi's®	BURGER KING	
	 CONVERSE		 PORSCHE
	 HARLEY-DAVIDSON	 PORSCHE	 UNDER ARMOUR

Our Services.



Consulting Services.

Make branding decisions using hard data

Brand Research

What gets measured

Brand evaluations are essential for understanding the strength of your brand against your competitors. Brand Strength is a key indicator of future brand value growth whether identifying the drivers of value or avoiding the areas of weakness, measuring your brand is the only way to manage it effectively.

- + Brand Audits
- + Primary Research
- + Syndicated Studies
- + Brand Scorecards
- + Brand Drivers & Conjoint Analysis
- + Soft Power

- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?



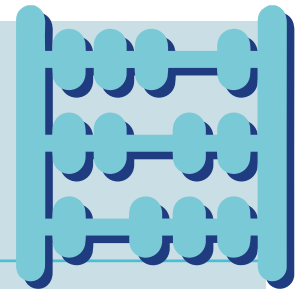
Brand Valuation

Make your brand's business case

Brand valuations are used for a variety of purposes, including tax, finance, and marketing. Being the interpreter between the language of marketers and finance teams they provide structure for both to work together to maximise returns.

- + Brand Impact Analysis
- + Tax & Transfer Pricing
- + Litigation Support
- + M&A Due Diligence
- + Fair Value Exercises
- + Investor Reporting

- + How much is my brand worth?
- + How much should I invest in marketing?
- + How much damage does brand misuse cause?
- + Am I tax compliant with the latest transfer pricing?
- + How do I unlock value in a brand acquisition?



Brand Strategy

Make branding decisions with your eyes wide open

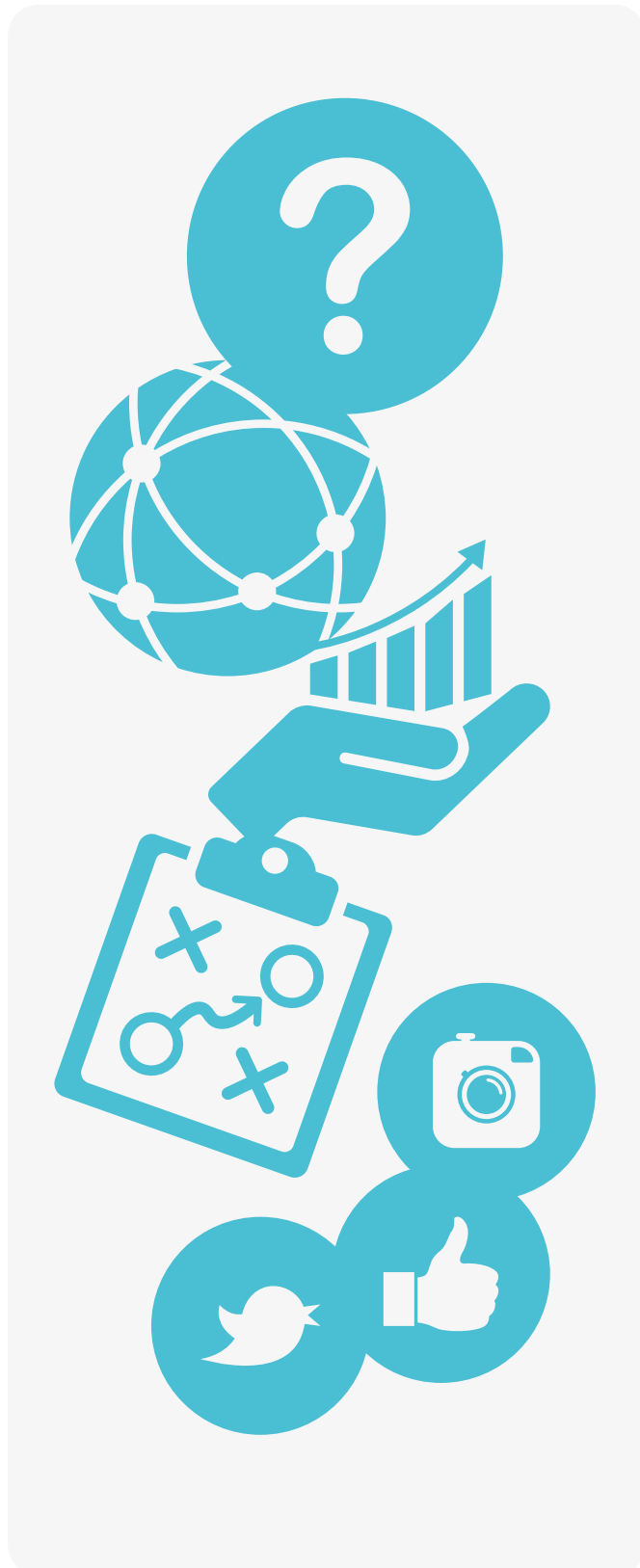
Once you understand the value of your brand, you can use it as tool to understand the business impacts of strategic branding decisions in terms of real financial returns.

- + Brand Positioning
- + Brand Architecture
- + Franchising & Licensing
- + Brand Transition
- + Marketing Mix Modelling
- + Sponsorship Strategy

- + Which brand positioning do customers value most?
- + What are our best brand extension opportunities in other categories and markets?
- + Am I licensing my brand effectively?
- + Have I fully optimised my brand portfolio?
- + Am I carrying dead weight?
- + Should I transfer my brand immediately?
- + Is a Masterbrand strategy the right choice for my business?



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 your brand's marketing materials, communications, annual reports, sales documents, recruitment purposes, social media channels and website.



Brand Finance®
Awards

TOP 100
INDONESIAN
BRAND



Brand Finance®
Awards

MOST VALUABLE
INDONESIAN
BRAND



Brand Finance®
Awards

STRONGEST
INDONESIAN
BRAND



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



Bespoke Events – Organise a report launch, award ceremony or celebratory event, coordinate event opportunities and spearhead communications to ensure a good return on investment.



Digital Infographics – Design infographics visualising your brand's performance for use across your brand's social media platforms or on other digital materials.



Trophies & Certificates – Provide a trophy and/or a hand written certificate personally signed by the Brand Finance Chairman to recognise your brand's performance of that year.



Brand Spotlight – Publish contributed brand article or an interview with your brand leader, in the relevant Brand Finance sector report, offered to the Brand Finance network and press.



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

Brand Dialogue®



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 and marketing activations, to deliver strategic campaigns, helping us to establish and sustain strong client relationships. We also have a specific focus on geographic branding, including supporting nation brands and brands with a geographical indication (GI).

Brand Dialogue Limited is a member of the Brand Finance Plc Group



Research, Strategy & Measurement

- Brand & Communications Strategy
- Campaign Planning
- Market Research & Insights
- Media Analysis



Public Relations & Communications

- Media Relations
- Press Trips & Events
- Strategic Partnerships & Influencer Outreach
- Social Media Management



Marketing & Events

- Promotional Events
- Conference Management
- Native Advertising
- Retail Marketing



Content Creation

- Bespoke Publications, Blogs & Newsletters
- Press Releases
- Marketing Collateral Design
- Social Media Content



Strategic Communications

- Crisis Communications
- Brand Positioning & Reputation
- Geographic Branding
- Corporate Social Responsibility (CSR)





Brand Finance[®] Institute

Brand Finance Institute

Learn how to build, protect and measure brand value

The Brand Finance Institute is the educational division of Brand Finance, offering expert training on brand evaluation, management and strategy.

Our in-house training and workshops, online learning offer and webinars will help you answer key strategic questions about your brand for different levels of seniority and development needs:

- How can I grow brand value?
- How can I build a business case to show the return on my marketing investment?
- How can I set up my marketing budget using brand research and analytics?

For more information, contact enquiries@brandfinance.com or visit brandfinanceinstitute.com

Brand Finance Institute 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
Africa	Jeremy Sampson	j.sampson@brandfinance.com
Asia Pacific	Alex Haigh	a.haigh@brandfinance.com
Australia	Mark Crowe	m.crowe@brandfinance.com
Brazil	Eduardo Chaves	e.chaves@brandfinance.com
Canada	Charles Scarlett-Smith	c.scarlett-smith@brandfinance.com
China	Scott Chen	s.chen@brandfinance.com
East Africa	Walter Serem	w.serem@brandfinance.com
France	Bertrand Chovet	b.chovet@brandfinance.com
Germany/Austria/Switzerland	Ulf-Brun Drechsel	u.drechsel@brandfinance.com
India	Ajimon Francis	a.francis@brandfinance.com
Indonesia	Sutan Banuara	s.banuara@brandfinance.com
Ireland	Declan Ahern	d.ahern@brandfinance.com
Italy	Massimo Pizzo	m.pizzo@brandfinance.com
Mexico & LatAm	Laurence Newell	l.newell@brandfinance.com
Middle East	Andrew Campbell	a.campbell@brandfinance.com
Nigeria	Tunde Odumeru	t.odumeru@brandfinance.com
Romania	Mihai Bogdan	m.bogdan@brandfinance.com
Spain	Teresa de Lemus	t.delemus@brandfinance.com
Sri Lanka	Aliakber Alihussain	a.hussain@brandfinance.com
Sweden	Anna Brolin	a.brolin@brandfinance.com
Turkey	Muhterem Ilgüner	m.ilguner@brandfinance.com
UK	Richard Haigh	rd.haigh@brandfinance.com
USA	Laurence Newell	l.newell@brandfinance.com
Vietnam	Lai Tien Manh	m.lai@brandfinance.com



Contact us.

The World's Leading Brand Valuation Consultancy

T: +44 (0)20 7389 9400

E: enquiries@brandfinance.com

www.brandfinance.com