



Luxury & Premium 50 2021

The annual report on the most valuable and strongest luxury & premium brands
September 2021



Contents.

About Brand Finance	4
Get in Touch	4
Brandirectory.com	6
Brand Finance Group	6
Foreword	8
Executive Summary	10
Brand Finance Luxury & Premium (USD m)	17
Sector Reputation Analysis	18
2021 Trends: The New Era of Luxury	20
Brand Spotlight	22
Porsche	24
<i>Robert Ader, CMO of Dr. Ing. h.c. F., Porsche AG</i>	
Methodology	26
Definitions	28
Brand Valuation Methodology	29
Brand Strength	30
Brand Equity Research Database	31
Our Services	32
Consulting Services	34
Brand Evaluation Services	35
Communications Services	36
Brand Finance Network	39

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.

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Brand Finance® 

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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.

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


Brand Valuation Summary


Brand Strength Tracking


Royalty Rates


Cost of Capital Analysis


Customer Research Findings


Competitor Benchmarking


Benchmarking


Education


Communication


Understanding


Insight


Strategy

Contents

Benefits

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

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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 **2,500 brands**
- **29 countries** and **23 sectors** covered
- More than **50,000 respondents** surveyed annually
- We are now **in our 5th consecutive year** conducting the study

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



Foreword.



Alex Haigh
Valuation Director,
Brand Finance

Welcome to Brand Finance's analysis of the Luxury and Premium sector's top 50 most valuable brands.

For the past 25 years, Brand Finance has been bridging the gap between Marketing and Finance, giving marketers the quantifiable tools to communicate to other stakeholders the value of their most valuable asset - their brand. We understand the importance of design and advertising, but also know that the purpose of branding goes beyond attracting customers and building loyalty. The ultimate and overriding purpose of a strong brand is to drive financial returns, an idea that can leave financial stakeholders often skeptical. Our research reveals 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. That is why we connect brands to the bottom line: to help our clients use their brand to their full potential.

Our teams have experience across a wide range of disciplines from market research and visual identity to tax and accounting. We help our clients navigate strategic decisions by placing brands at the centre of the equation and translating the potential of marketing activities to an economic value for all stakeholders to understand. Brand Finance has conducted thousands of brand valuations to help with issues from brand architecture, brand licencing and mergers and acquisitions and brand and marketing investments. Our valuation methodology is the most highly regarded in the field and we are a continuously growing team of experts across 20 countries.

The luxury and premium industry is one of the most compelling examples demonstrating the power of brands. Consumers' desire to develop a strong sense of belonging and the connection of a brand to lifestyle is one of the most powerful outcomes of branding and an undeniably powerful revenue driver.

The following report is a first step to understanding more about brands – specifically in the luxury and premium sector – 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 and welcome your feedback.

World's Top Luxury & Premium Brands Lose Over \$7 Billion in Brand Value.

- + Total value of world's top 50 most valuable luxury and premium brands down 3%, from US\$227.1 billion in 2020 to US\$219.5 billion in 2021
- + **Porsche** retains top spot, brand value US\$34.3 billion
- + Apparel brands dominate ranking, with 30 brands featuring and accounting for 62% of total brand value, but brand values suffer due to COVID-19
- + **Celine** bucks trend and is fastest growing brand, up impressive 118%
- + Two hotels check into ranking for first time: **Shangri-La** in 29th and **Intercontinental** in 35th
- + **Ferrari** speeds ahead as sector's strongest with elite AAA+ strength rating



Executive Summary.

Executive Summary.

Definition of Luxury

Luxury products and services are often difficult to define as the threshold separating luxury or premium from other conventional products is subjective. Therefore, we have decided to explain as clearly as possible what Brand Finance means when speaking of the “luxury and premium” sector for the purpose of this report. We define luxury brands as: brands that are well known for high quality but are not widely considered or purchased due to price. This often manifests itself in high brand awareness and a strong reputation for quality but low purchase relevance and conversion – as most consumers do not consider the brands within their reach due to price. We measure these metrics for all brands included in our Global Brand Equity Monitor and use them to directly to feed into the brand strength score, ensuring consistency and transparency.

For instance, in the apparel sector, both Uniqlo and Chanel are well-known and highly regarded for their quality, but Chanel’s purchase relevance (measured by the number of respondents who would consider the brand divided by those who are familiar with it) is much lower due to the price of the brand’s products. A similar pattern is found for Nivea and Guerlain within cosmetics or Porsche and Volvo in automobiles.



Top 50 loses over \$7 billion in brand value

The total value of the world’s top 50 most valuable luxury and premium brands, according to the Brand Finance Luxury & Premium 50 2021 report, has declined by 3% year-on-year, from US\$227.1 billion in 2020 to US\$219.5 billion in 2021 as the world grapples with the fallout from the COVID-19 pandemic.

As predicted, the COVID-19 pandemic has damaged brand values across the luxury & premium sector with the total brand value of the world’s top 50 most valuable down 3% year-on-year. It is not all doom and gloom though, the pandemic can be used as a catalyst for change across the sector, through growing e-commerce channels or through brands’ responses to the increased consumer demand for social and sustainable action.

Alex Haigh
Valuation Director, Brand Finance

Porsche in pole position

Germany’s **Porsche** is by far the most valuable luxury & premium brand with a brand value of US\$34.3 billion, considerably ahead of second-ranked **GUCCI** (brand value down 12% to US\$15.6 billion).

Synonymous with timeless class and luxury, Porsche is striving towards pushing the boundaries and redefining the future of the sports car. As part of the brand’s ‘Strategy 2025’, the auto giant aims to maintain the traditional aspects that the brand is known for, as well as undertaking the shift towards sustainability through the launch of the Taycan. Porsche celebrated strong sales of the Taycan, which totalled over 20,000 units sold last year, despite a six week pause in production due to the pandemic. This impressive result means that over 10% of Porsche’s sales are now from its EV models.

Top 10 Most Valuable Brands

	1 ← 1			2021: \$34,326m 2020: \$33,911m	+1.2%
	2 ← 2			2021: \$15,599m 2020: \$17,630m	-11.5%
	3 ← 3			2021: \$14,858m 2020: \$16,479m	-9.8%
	4 ↑ 5			2021: \$13,240m 2020: \$13,705m	-3.4%
	5 ↓ 4			2021: \$12,087m 2020: \$15,015m	-19.5%
	6 ← 6			2021: \$11,656m 2020: \$11,909m	-2.1%
	7 ← 7			2021: \$9,243m 2020: \$9,054m	+2.1%
	8 ← 8			2021: \$7,938m 2020: \$7,873m	+0.8%
	9 ← 9			2021: \$7,826m 2020: \$6,868m	+13.9%
	10 ↑ 13			2021: \$5,691m 2020: \$5,688m	+0.1%

Brand Value Change 2020-2021 (%)

	-32.4%	118.0%	
	-30.7%	73.4%	
	-25.7%	51.0%	
	-25.3%	41.8%	
	-24.7%	35.3%	
	-21.4%	23.4%	
	-19.5%	17.0%	
	-19.1%	13.9%	
	-17.6%	12.4%	
	-17.5%	9.2%	

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Apparel brands dominate ranking but struggle amid pandemic

Apparel brands dominate the Brand Finance Luxury & Premium 50 2021 ranking, with the 30 brands that feature accounting for 62% of the total brand value. Performances across the board have been impacted by the pandemic, however, with the majority of brands recording a brand value loss this year.

Coach has recorded the biggest drop in brand value this year in the apparel subsector, falling 31% to US\$4.7 billion. Coach's sales and profits have taken a hit over the previous year. Coach's parent company, Tapestry, has however cited that forecasts across its brands are looking more positive than anticipated thanks to triple digit e-commerce growth and a strong rebound across the Chinese market. Coach has continued to embrace its strategy of celebrity-endorsed partnerships and collections, the latest of which, saw the appointment of superstar Jennifer Lopez as the global face of the brand.

Bucking the trend is France's **Celine**, which is the fastest growing luxury and premium brand this year, recording an impressive 118% brand value increase to US\$1.5 billion and simultaneously jumping 13 spots to 34th. Under the helm of Hedi Slimane, Celine has successfully managed

to infiltrate the burgeoning Gen Z generation across the Asian market as it rises in popularity thanks to dressing popular K-drama characters in its garments.

the hospitality sector has reached an almost complete standstill both from tourism, as well as corporate travel and hotel brand values have suffered as a result.

Hotels check into ranking for first time

For the first time the Brand Finance Luxury & Premium ranking includes two hotel brands: **Shangri-La** (brand value US\$2.0 billion) in 29th spot and **Intercontinental** (brand value US\$1.5 billion) in 35th. As holidays are cancelled and people are instructed to work from home,

Home to five-star luxury properties with elite postcodes and addresses across the Middle East, Asia, North America, and Europe, Shangri-La is the highest ranked hotel brand in 29th position. Despite challenges, the hotel recorded an encouraging recovery across mainland China over the last year with demand being supported by an uptick in domestic leisure travel.



Brand Value by Country



Country	Brand Value (USD bn)	% of total	Number of Brands
France	80.3	36.6%	13
Italy	48.0	21.9%	13
Germany	34.3	15.6%	1
United States	16.7	7.6%	4
Switzerland	16.7	7.6%	6
United Kingdom	12.9	5.9%	6
Others	10.8	4.9%	7
Total	219.5	100.0%	50

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Ferrari speeds ahead as 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, **Ferrari** (up 2% to US\$9.2 billion) is the world's strongest luxury & premium brand – and the second strongest brand in the world according to the Brand Finance Global 500 2021 ranking - with a Brand Strength Index (BSI) score of 93.9 out of 100 and a corresponding elite AAA+ brand strength rating.
















Ferrari reacted proactively to the pandemic, initially shutting down production and then reopening with a focus on creating a safe working environment. This both minimised disruption and reinforced the brand's reputation as a high-quality and responsible firm. In line with this, Ferrari ranks high for reputation in our Global Brand Equity Monitor study, particularly in Western Europe (in the top 3 of all brands researched in each of France, Italy, and the UK). Ferrari remains a highly desired brand, albeit aspirational rather than accessible for many.

Alongside revenue forecasts, brand strength is a crucial driver of brand value. As Ferrari's brand strength

maintained its rating, its brand value grew, improving 2% to US\$9.2 billion. For years, Ferrari has utilised merchandise to support brand awareness and diversify revenue streams and is now taking steps to preserve the exclusivity of the brand, planning to reduce current licensing agreements by 50% and eliminate 30% of product categories.

Sitting behind Ferrari as the second strongest luxury & premium brand is **Rolex** (up 1% to US\$7.9 billion) with a Brand Strength Index (BSI) score of 89.6 out of 100 and a AAA+ brand strength rating. Rolex is renowned for its world-leading quality and exclusivity, with the brand's new releases known for setting the standard across the watch sector. Despite the challenges of the last year, the market for luxury watches has shown remarkable resilience to the pandemic turmoil, with demand remaining stable, demonstrated by Rolex's website traffic experiencing a surge over the previous year.

Top 5 Strongest Brands

	1 ← 1		
	2021: 93.9 AAA+		-0.2
	2020: 94.1 AAA+		
	2 ← 2		
	2021: 89.6 AAA+		-0.2
	2020: 89.8 AAA+		
	3 ↑ 8		
	2021: 87.4 AAA		+2.0
	2020: 85.4 AAA		
	4 ↓ 3		
	2021: 87.1 AAA		-2.5
	2020: 89.6 AAA+		
	5 ↑ 7		
	2021: 85.8 AAA		+0.1
	2020: 85.7 AAA		

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Brand Finance Luxury & Premium (USD m).

Top 50 most valuable luxury & premium brands

2021 Rank	2020 Rank	Brand	Economy	Country	2021 Brand Value	Brand Value Change	2020 Brand Value	2021 Brand Rating	2020 Brand Rating
1	1	← Porsche	Germany	Automobiles	\$34,326	+1.2%	\$33,911	AAA-	AAA-
2	2	← GUCCI	Italy	Apparel	\$15,599	-11.5%	\$17,630	AAA	AAA+
3	3	← Louis Vuitton	France	Apparel	\$14,858	-9.8%	\$16,479	AAA-	AAA
4	5	↑ Chanel	France	Apparel	\$13,240	-3.4%	\$13,705	AA+	AA+
5	4	↓ Cartier	France	Apparel	\$12,087	-19.5%	\$15,015	AAA-	AAA-
6	6	← Hermès	France	Apparel	\$11,656	-2.1%	\$11,909	AAA	AAA
7	7	← Ferrari	Italy	Automobiles	\$9,243	+2.1%	\$9,054	AAA+	AAA+
8	8	← Rolex	Switzerland	Apparel	\$7,938	+0.8%	\$7,873	AAA+	AAA+
9	9	← Dior	France	Apparel	\$7,826	+13.9%	\$6,868	AA+	AAA-
10	13	↑ Guerlain	France	Cosmetics & Personal Care	\$5,691	+0.1%	\$5,688	AAA-	AAA-
11	11	← Estée Lauder	United States	Cosmetics & Personal Care	█	█	█	█	█
12	12	← Tiffany & Co.	United States	Apparel	█	█	█	█	█
13	10	↓ COACH	United States	Apparel	█	█	█	█	█
14	17	↑ Omega	Switzerland	Apparel	█	█	█	█	█
15	16	↑ Lancôme	France	Cosmetics & Personal Care	█	█	█	█	█
16	14	↓ Burberry	United Kingdom	Apparel	█	█	█	█	█
17	-	New Ray-Ban	Italy	Apparel	█	█	█	█	█
18	15	↓ Prada	Italy	Apparel	█	█	█	█	█
19	19	← Bulgari	Italy	Apparel	█	█	█	█	█
20	18	↓ Clarins	France	Cosmetics & Personal Care	█	█	█	█	█
21	20	↓ Moncler	Italy	Apparel	█	█	█	█	█
22	21	↓ Yves Saint Laurent	France	Apparel	█	█	█	█	█
23	22	↓ SK-II	Japan	Cosmetics & Personal Care	█	█	█	█	█
24	23	↓ McLaren	United Kingdom	Automobiles	█	█	█	█	█
25	30	↑ Bentley	United Kingdom	Automobiles	█	█	█	█	█
26	27	↑ Armani	Italy	Apparel	█	█	█	█	█
27	25	↓ Givenchy	France	Apparel	█	█	█	█	█
28	26	↓ Lamborghini	Italy	Automobiles	█	█	█	█	█
29	-	New Shangri-La	China	Hotels	█	█	█	█	█
30	29	↓ Rolls-Royce	United Kingdom	Automobiles	█	█	█	█	█
31	24	↓ TAG Heuer	Switzerland	Apparel	█	█	█	█	█
32	35	↑ Valentino	Italy	Apparel	█	█	█	█	█
33	32	↓ Loewe	Spain	Apparel	█	█	█	█	█
34	47	↑ Céline	France	Apparel	█	█	█	█	█
35	-	New Intercontinental	United Kingdom	Hotels	█	█	█	█	█
36	28	↓ Bottega Veneta	Italy	Apparel	█	█	█	█	█
37	38	↑ Sulwhasoo	South Korea	Cosmetics & Personal Care	█	█	█	█	█
38	31	↓ Aston Martin	United Kingdom	Automobiles	█	█	█	█	█
39	37	↓ Shiseido	Japan	Cosmetics & Personal Care	█	█	█	█	█
40	45	↑ Cle de Peau Beauté	Japan	Cosmetics & Personal Care	█	█	█	█	█
41	34	↓ Van Cleef & Arpels	France	Apparel	█	█	█	█	█
42	36	↓ Salvatore Ferragamo	Italy	Apparel	█	█	█	█	█
43	33	↓ Maserati	Italy	Automobiles	█	█	█	█	█
44	39	↓ Tissot	Switzerland	Apparel	█	█	█	█	█
45	46	↑ Jaeger-LeCoultre	Switzerland	Apparel	█	█	█	█	█
46	48	↑ Dolce & Gabbana	Italy	Apparel	█	█	█	█	█
47	-	New Kenzo	France	Apparel	█	█	█	█	█
48	41	↓ Bobbi Brown	United States	Cosmetics & Personal Care	█	█	█	█	█
49	44	↓ Longines	Switzerland	Apparel	█	█	█	█	█
50	-	New Pola	Japan	Cosmetics & Personal Care	█	█	█	█	█

Sector Reputation Analysis.

Benchmarking against the very best Sectors Ranked by Reputation

Brand Finance's brand evaluations are designed to facilitate broader comparisons with brands across markets, and both within and across industries. This provides a more rounded assessment of brand strength, with benchmarking against the very best.

This perspective is particularly important as brand categories converge, with new technologies enabling disruption and brands seeking tactical entry into neighbouring categories. Brands with a strong reputation also have licensing opportunities in new sectors.

This year's global sector reputation rankings from our B2C research included a significantly larger number of product categories, with scores for over 2,500 brands.











Reputation on the up











Overall, reputation scores are slightly higher in 2021 across sectors covered both this year and last. In part, this reverses a small dip from 2020, but the impact of COVID-19 cannot be discounted. In a challenging year, consumers have relied upon and tested brands in different ways, and the best brands have stood up well to the challenge, keeping kitchens and wardrobes stocked, connections running, and essential services available.

Supermarkets, restaurants, and apparel shine

In many countries, being able to obtain basic groceries became a challenge for the first time in decades, as shopping was restricted and demand for online delivery slots surged. But by and large, supermarkets have responded well, and consumers have noted this. The average reputation score in the sector increased significantly year-on-year, and brands such as **Aldi**, **Lidl**, and **Migros** have improved already-strong reputations.

A similar dynamic has helped restaurants to a lesser degree, ensuring that brands in this sector maintain a positive reputation overall, despite reduced levels of in-store experiences. Apparel brands have also seemingly benefited from this dynamic, as the shift to online shopping accelerates.

	1= Cosmetics	7.6 _{/10}
	1= Food	7.6 _{/10}
	3 Appliances	7.5 _{/10}
	4= Hotels	7.4 _{/10}
	4= Retail	7.4 _{/10}
	6= Apparel	7.3 _{/10}
	6= Beers	7.3 _{/10}
	8= Supermarkets	7.2 _{/10}
	8= Pharma	7.2 _{/10}
	8= Oil & Gas	7.2 _{/10}

	8= Restaurants	7.2 _{/10}
	12= Auto	7.1 _{/10}
	12= Logistics	7.1 _{/10}
	12= Tech	7.1 _{/10}
	15 Real Estate	6.9 _{/10}
	16 Airlines	6.8 _{/10}
	17 Insurance	6.6 _{/10}
	18 Utilities	6.5 _{/10}
	19= Telecoms	6.3 _{/10}
	19= Banking	6.3 _{/10}

FMCG brands have outstanding reputation

Major cosmetics and food brands have the highest reputations, on average, a reminder of the enduring value of a strong brand – some of the top performers are over a century old. The positive reputations of global giants such as **Johnson's**, **Dove**, **Danone**, and (in some markets) **Nestlé** have been nurtured and refreshed over long periods. Local favourites, such as **Bimbo** (Mexico) and **Amul** (India), show that they can match their global counterparts.

The slight cloud for the food sector is the more 'average' reputation that some of the big brands have in a number of developed markets, such as the UK. Here, supermarkets have perhaps squeezed the big food brands somewhat.

Tech admired, but not universally

The overall ranking of the tech sector fell slightly, and while the biggest brands such as **YouTube**, **Google**, and **Apple** continue to enjoy strong reputations, not all consumers are in love with these brands. **Amazon**, for example, ranks high in some markets (#1 in the sector in the USA, #3 in Spain), but polarises in some markets (e.g. Sweden, France). Similarly, the mixed reputation of brands such as **Facebook** shows no sign of significant improvement. Many consumers may support the increasing regulation of tech giants, and it might also be the case that there is room for an upstart challenger with the right innovation, a fresh approach and perhaps a clean slate.

Banks and telecoms struggle to improve their standing

Banking and telecoms brands rank lowest of all in many markets for reputation and trust, and last year saw little improvement, though banks did at least pull level with telecoms. As with other sectors, many brands have arguably served customers well in difficult times (with connectivity even more vital in the case of telecoms), but this has not helped erode distrust appreciably. Frustrated CMOs may feel that their brands continue to be taken for granted – unfortunately for them, 'business as usual' means trading water in terms of reputation. Across 2,500 brands, seven of the ten lowest-ranked for reputation are banks, the most prominent being **Deutsche Bank** in its home country.

2021 Trends: The New Era of Luxury

Although the luxury and premium industry took a hit from the COVID-19 pandemic, the pivotal role of brand in consumers' purchasing decisions also makes this sector one of the most resilient. Brands have been innovating on digital platforms, increasing marketing investments to target local customers, and polishing their credentials through their involvement in the production of healthcare products. Overall, the industry is recovering – starting with Asia and the US – and experiencing profound changes resulting from the economic climate and responding to customers' shift in preferences.

Brands reconnecting with local customers

Prior to the pandemic, 20-30% of the revenues for the luxury sector were made abroad. Purchasing luxury products became an integral part of the cultural experience of travelling and with travel restrictions, brands found themselves confronted with a new challenge and opportunity.

With international travel expected to increase only gradually, brands' energy is now focused on

reconnecting with local customers. This means adapting a brand to specific preferences based on geographies, from consumers who are interested in showing off logos to those who care about subtle luxury and sustainability. Although it is a new strategic challenge, it's also a real opportunity for luxury brands to redefine their priorities as we are seeing an increased appreciation for local consumption resulting from the pandemic.

New ways to purchase luxury products

Overall, in the luxury and premium sector, being relevant and socially conscious is the new legacy. Consumers have new expectations for transparency and sustainability – changing the way people around the world choose to purchase luxury products.

An increasing desire for socially conscious products

From Gucci creating its first circular streetwear line made from recycled and organic materials to automobile brands such as Volvo-owned Polestar, experimenting with recycled materials to make fully car vegan interiors, socially conscious production is key for luxury brands.

Millennials and Gen Z, undeniably the more socially conscious demographics, are driving more than 80% of global luxury revenues. It is therefore essential for brands to authentically align their activities and messaging to resonate with their target segment.

A new appreciation for secondhand luxury

With a value of approximately USD\$ 30 billion worldwide, the secondhand market for luxury goods is largely expanding. Purchasing a secondhand item is in fact an appealing thought for both the younger and the older demographics. On top of being a more socially conscious decision, Millennials and Gen Z are making aspirational purchases whereas the older generation is increasingly starting to see luxury as an investment through collectable purchases with the goal of reselling it at a higher value. This growing segment creates an opportunity for brands to compete with the big online retailers, now monopolizing the space, by creating tailored experiences to consumers.



Brand Spotlight.





Rank	Brand Value
1	2021: \$34,326m 2020: \$33,911m +1.2%

Rank	Brand Strength
7	2021: 84.3 2020: 82.7 +1.7

Interview with Robert Ader on Porsche's Electric Transformation.



Robert Ader
CMO of Dr. Ing. h.c. F. Porsche AG

What have been the most important effects of COVID-19 on the Porsche brand and its business and what actions are you most proud that Porsche has made in response?

Despite COVID-19, we were able to deliver over 272,000 vehicles to our customers, which is only 3% below the previous year's figure. A great success for our team in a difficult environment and the result of systematic crisis management. At the same time, we stick with our target of investing €15 billion by 2025 in the development of our company. So even in the midst of COVID-19, we are staying on full throttle when it comes to future topics such as electric mobility and digitization.

However, these hard times have taught us even more how crucial it is to be customer-centric. Our customers are faced with a lot of uncertainty, in most regions worldwide they have to stay at home. It is important for us to show understanding and empathy and to do something to encourage them. This insight led to the #DreamsAreMadeAtHome campaign on our social media channels. We asked customers simply to take a photo of their dream car in a garage and send it to us. More than 30 brands including BMW, Volvo and, Mercedes-Benz came on board and encouraged their own community to get involved. Fun Fact: even Air Asia took part and showed their aeroplanes in the hangar.

The Taycan has just been launched and the partial purchase of Rimac shows direction of movement. How do you at Porsche see the brand and your models transforming as electric cars become more important?

The Taycan is the first fully electric sports car and a significant step in the further development of our brand. In 2025, around 50% of the cars we deliver will be powered electrically. By the end of the decade, it will be more than 80%. The majority of these being fully electric sports cars, the remainder sporty plug-in hybrids.

In 2020, we delivered a third of our cars electric in Europe, half of them fully electric – an increase of 60% compared to the previous year - our electrical strategy is on track. We have succeeded in transferring the typical Porsche sportiness to new electric models. We wanted to sell 20,000 Taycan in 2020 and we achieved this goal despite COVID-19. The feedback from customers and experts has been very positive.

SUVs have been a hugely important pillar of Porsche's brand value growth – the fastest growth of all luxury car brands in the last 5 years according to our study. Which model types do you think will drive growth in the next five years?

SUVs will continue to play an important role in our product portfolio in the future, as they are in high demand by customers. The fully electric Macan will therefore be the next major milestone in our electrification offensive. Overall, however, the number of units sold is not our highest priority. It is no secret that without COVID-19, we probably could have sold more than 300,000 cars in 2020. At the same time, we have set ourselves an upper market limit: Porsche always had a world market share of around 0.3% and we want to continue to orientate ourselves towards this threshold in the future. Regardless of the exact figure, Porsche stands for sports cars with two or four doors.

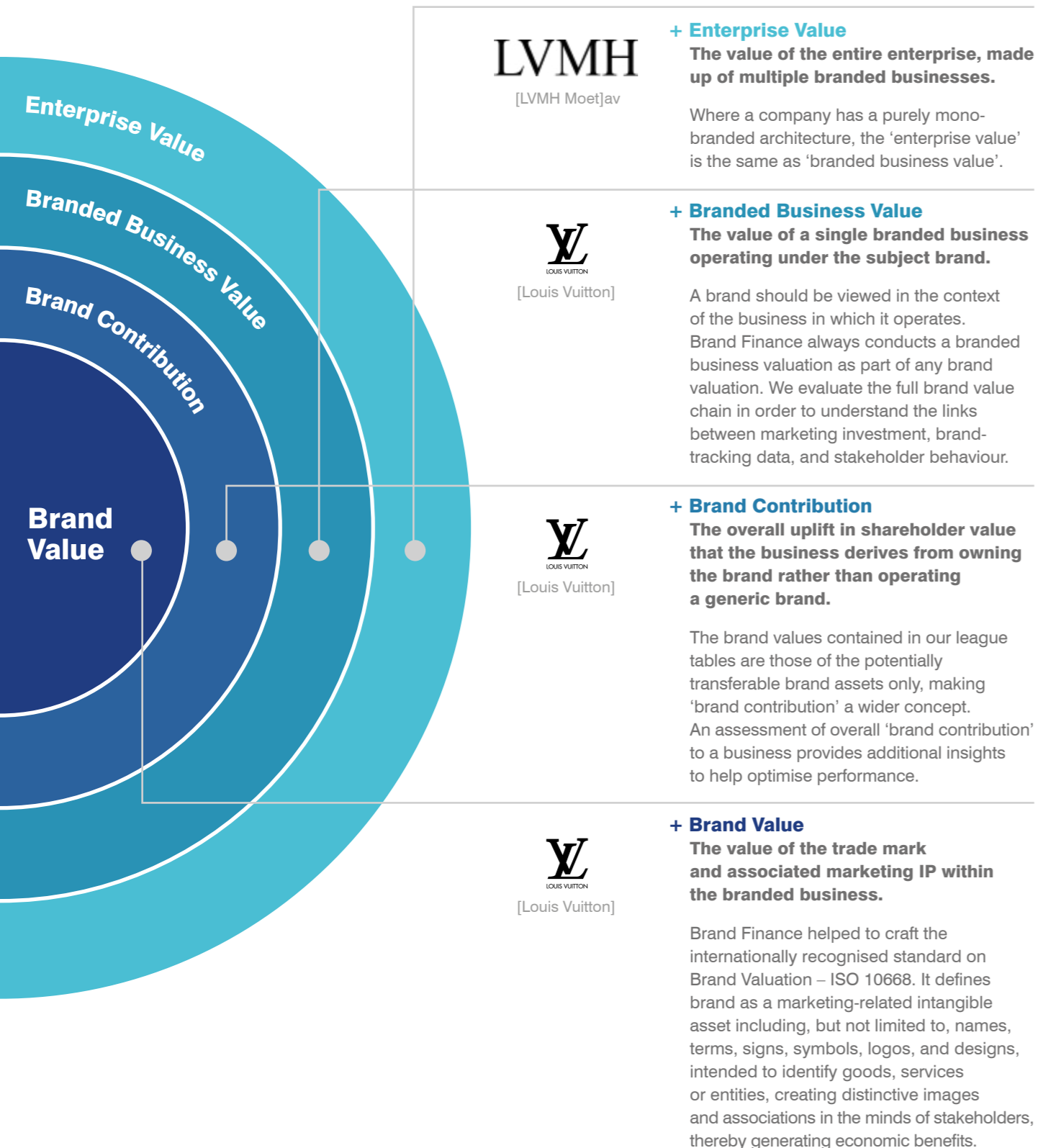
What other trends, challenges or opportunities will the Porsche brand have to confront in the next few years?

We think that it is crucial to develop our brand in all facets. That comprises the offer of more flexible ownership models such as Porsche Drive Subscription, a further investment in community building, and a continuous development of our customer touchpoints. In the last 12 months, we have not only trialled novel urban retail formats, such as Porsche Studios, but also ramped up online car sales across the globe. This continuous progress across all aspects of the brand is a decisive factor for the future success of our brand.

Methodology.



Definitions.



Brand Valuation Methodology.

Definition of Brand

Brand is defined 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 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.



Brand Strength.

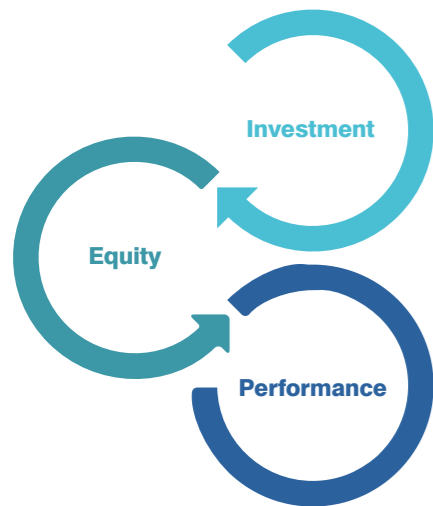
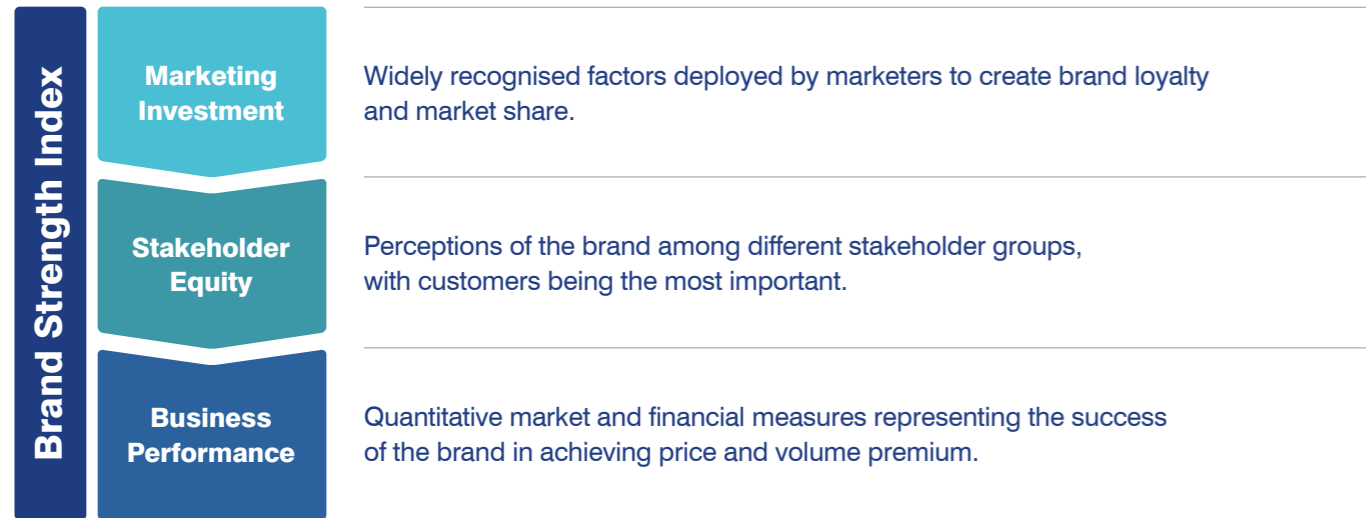
Brand Strength

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.

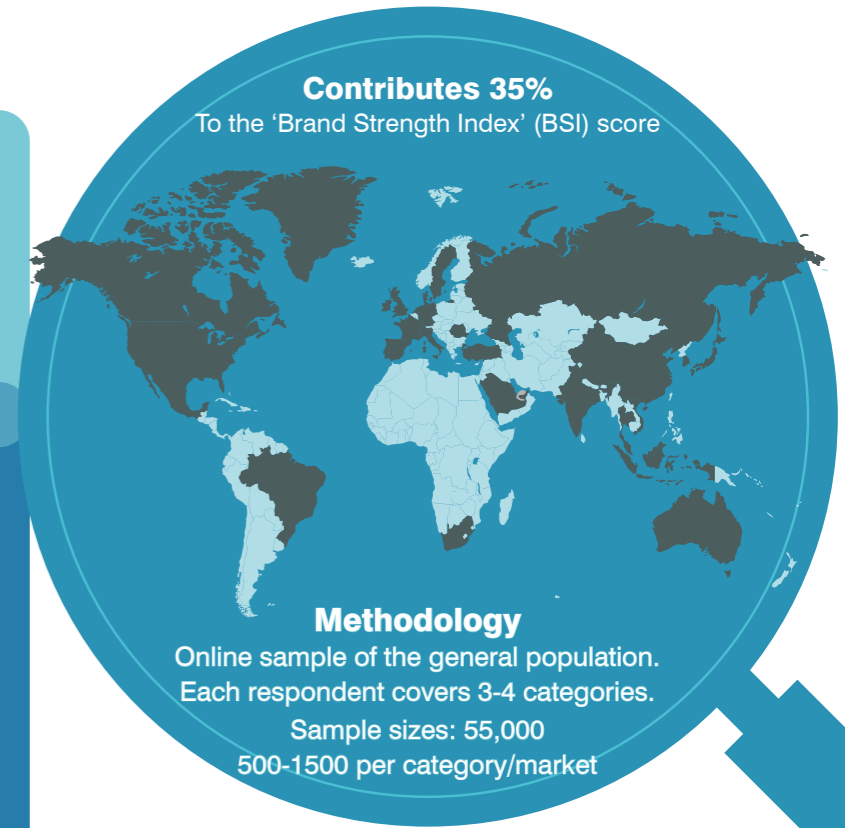
Brand Equity Research Database.

Original market research in 29 countries and across more than 20 sectors

Sector Coverage & Classification 2021

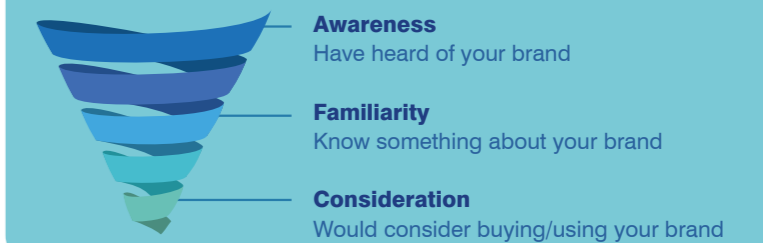
Tier 1 sectors cover all measures, Tier 2 KPIs only

- Tier 1 **Banking**
- Tier 1 **Insurance**
- Tier 1 **Telecoms**
- Tier 1 **Utilities**
- T1&T2† **Automotive**
- Tier 2 **Airlines**
- Tier 2 **Apparel**
- Tier 2 **Appliances**
- Tier 2 **Beers**
- Tier 2 **Cosmetics**
- Tier 2 **Food**
- Tier 2 **Hotels**
- Tier 2 **Logistics**
- Tier 2 **Luxury Automobiles**
- Tier 2 **Media**
- Tier 2 **Oil & Gas**
- Tier 2 **Pharma**
- Tier 2 **Real Estate**
- Tier 2 **Restaurants**
- Tier 2 **Retail**
- Tier 2 **Spirits**
- Tier 2 **Supermarkets**
- Tier 2 **Tech**



Brand KPIs and Diagnostics

1. Brand Funnel



2. Brand Usage*

3. Quality*

4. Reputation

5. Closeness*

6. Recommendation (NPS)*

7. Word of mouth

8. Brand Imagery*

Not all categories are covered in every country
† Brand KPIs and diagnostics differ per sector depending on research tier allocation

*Tier 1 categories only

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



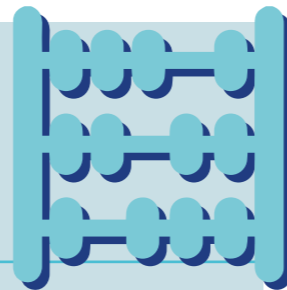
- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?

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?

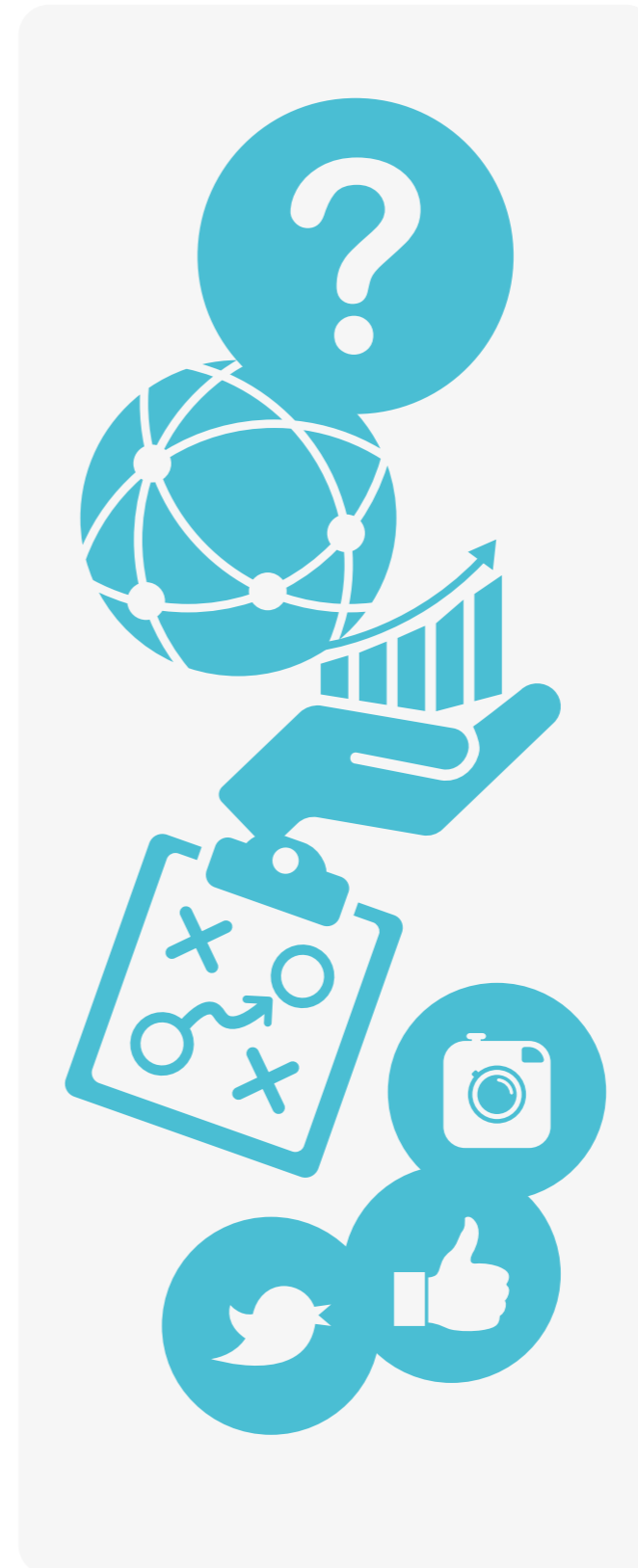
Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

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 marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.



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.

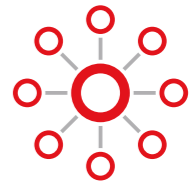


Sponsored Content – publish contributed articles, advertorials, and interviews with your brand leader in the relevant Brand Finance report offered to the press.



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

Brand Dialogue®



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, to deliver strategic campaigns and 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 is a member of the Brand Finance plc group of companies



Research, Strategy & Measurement

- Brand & Communications Strategy
- Campaign Planning
- Communications Workshops
- Market Research & Insights
- Coverage Analysis
- Social Media Analytics



Public Relations & Communications

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



Marketing & Events

- Promotional Events
- Conference Management
- Sponsorship Management
- Native Advertising
- Print Advertising
- Shopper Marketing
- Trade Marketing



Content Creation

- Bespoke Publications
- Press Releases
- Blog Posts & Newsletters
- Marketing Collateral Design
- Photography & Videography
- Social Media Content



Strategic Communications

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



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



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

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:

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