



Oil & Gas

50

2019

The annual report on the most valuable and strongest oil & gas brands

April 2019

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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
- + Transparency
- + Technical Credibility
- + 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.



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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

What are the benefits of a Brand Value Report?



Insight



Strategy



Benchmarking



Education



Communication



Understanding

Foreword.



David Haigh
CEO, Brand Finance

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always be 'to make money'.

Huge investments are made in the design, launch, and ongoing promotion of brands. Given their potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial rigour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestimate the significance of their brands to the business. Sceptical finance teams, unconvinced by what they perceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spend there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. The end result can be a slow but steady downward spiral of poor communication, wasted resources, and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity to tax and accounting. We understand the importance of design, advertising, and marketing, but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of what they do, and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

Brand Finance's research revealed the compelling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company's intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The team and I look forward to continuing the conversation with you.

Shell leading the charge as world's top oil & gas brand, ADNOC makes an entrance as fastest growing.

- + Shell is world's most valuable oil and gas brand, value up 7% since last year to US\$42.3bn
- + New Emirati entrant ADNOC named world's 12th most valuable oil and gas brand, valued at US\$8.9 billion
- + National Oil Companies (NOC) growing faster than International Oil Companies (IOC)
- + Oil & gas brands are respected, if not loved according to sector market research
- + PETRONAS rising through ranks, brand value up 16% to US\$13.3 billion

Brand Value Analysis.



Oil & gas giants extracting value

Shell remains the world’s most valuable oil and gas brand as its value grew 7% over the past year to US\$42.3 billion. The brand value boost to Shell, the world’s 26th most valuable brand across all industries, has meant the Dutch giant has retained its status at the top of the Brand Finance Oil & Gas 50 rankings. This is driven by Shell’s transformation from an oil and gas multinational towards a future where it aims to become one of the largest electricity and energy brands. Coupled with its commitment to renewable and clean energy projects and its newly announced investment in North Sea projects in order to increase its UK oil production by a third, the brand is set for a solid year ahead

Of the three Chinese brands ranked in the Brand Finance Oil & Gas 50, **PetroChina** (brand value up 18% to US\$36.8 billion) held firm in second place, with fellow Chinese brand **Sinopec** (up 23% to US\$29.1 billion) recording strength in its upstream and refining business.

Defending its 5th place rank, **BP** (up 16% to US\$22.7 billion) has returned to steady growth since the 2010 Deepwater Horizon incident in the Gulf of Mexico. Under the new leadership of Mr.Helge Lund, BP is prioritising the transition towards cleaner energy and aligning a corporate strategy that is fully consistent with the goals of the Paris Agreement.

Embracing the digital revolution

Defending its 4th place rank, French brand **Total** have seen a 20% growth in brand value since last

With the entrance of new digital techniques in oil drilling, such as those employed by AI and cloud technology, oil and gas giants need to be prepared to embrace digitisation as a top priority in order to reduce costs and boost efficiency. It is the brands which explore these radical new tools that will stay ahead of the curve and boost their brand values in the coming years.

David Haigh,
CEO, Brand Finance

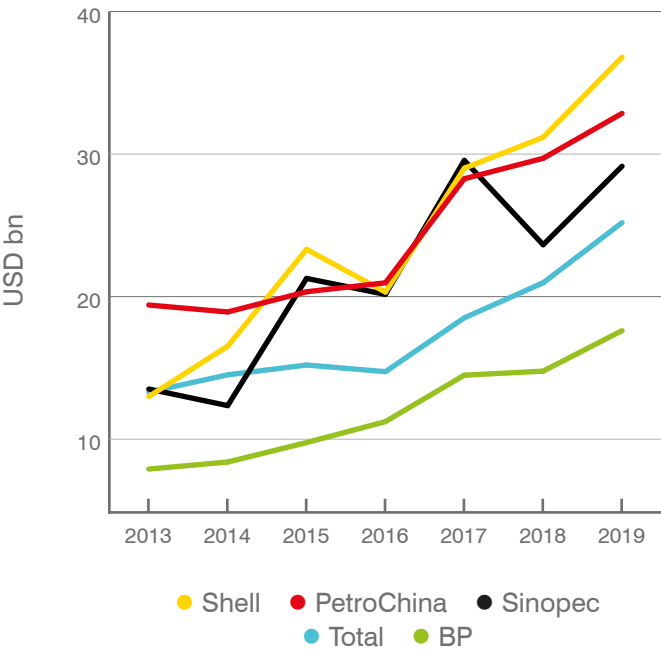
year, valued at US\$25.2 million. The major energy player is seen to be at the forefront of embracing new technologies, having last year announced a partnership with Google Cloud to jointly develop AI technologies for support in exploring and assessing oil and gas fields. This could help with forecasting the likely output of sites over time and with analysis of satellite or rock sample images to further enhance its exploration efforts.

Chevron (brand value down 6% to US\$16.0 billion) in late 2018 announced its investment in EV charging specialist ChargePoint, making it the first investment in such a space for the oil and gas brand. In emerging and alternative energy, Chevron has also invested in fuel cell company Acumentrics, renewable fuel brand Ensyn and carbon capture firm Inventys.

ADNOC makes an entrance

New entrant to the ranking this year, state-owned oil brand of the United Arab Emirates, The **Abu Dhabi National Oil Company (ADNOC)** has had a remarkable few years in which it has rebranded its 13 entities, covering O&G, shipping, logistics and schools and propelled forward in its priorities of seeking out new revenue sources.

Brand Value over Time



Top 10 Most Valuable Brands

	1	← 1		2019: \$42,295m 2018: \$39,423m	+7.3%
	2	← 2		2019: \$36,799m 2018: \$31,177m	+18.0%
	3	← 3		2019: \$29,147m 2018: \$23,640m	+23.3%
	4	← 4		2019: \$25,189m 2018: \$20,971m	+20.1%
	5	← 5		2019: \$22,675m 2018: \$19,610m	+15.6%
	6	← 6		2019: \$17,054m 2018: \$18,149m	-6.0%
	7	↑ 8		2019: \$13,318m 2018: \$11,501m	+15.8%
	8	↓ 7		2019: \$13,295m 2018: \$13,349m	-0.4%
	9	← 9		2019: \$10,711m 2018: \$10,584m	+1.2%
	10	← 10		2019: \$9,245m 2018: \$8,225m	+12.4%

ADNOC boasts a brand value of US\$8.9bn and announcing itself on the world stage as a world leading oil and gas brand. Since launching its new unified brand in 2017 and bringing the brand’s various subsidiaries under a common identity, ADNOC has amplified the scale of its business and contribution to the UAE’s economy.

ADNOC has opened its first fuel stations in Dubai and Saudi Arabia, announced plans to increase its oil production capacity to 4 million barrels per day by the end of 2020 and has also been making progress on its integrated 2030 Strategy, which is aimed at balancing market conditions with long-term future growth.

As the first Middle Eastern oil and gas brand to be featured in the Brand Finance Oil & Gas 50 2019, ADNOC tapped the global capital markets for the first time last year, has been bringing in international partners to its different businesses and has already taken the title of the world’s fastest growing oil and gas brand. The listing of its fuel distribution unit was touted as the largest IPO on the Abu Dhabi stock exchange in the past decade.

At a workshop seminar hosted by Brand Finance on “Oil & Gas Brand Values in a 4.0 World”, Omar Zaafrani of ADNOC stressed how the Abu Dhabi oil and gas brand is focused on responding to changes taking place in the

world’s energy markets and unlocking huge reserves of previously uneconomical gas that will “put the UAE on a path to gas self-sufficiency and ultimately transition the nation to become a net exporter of natural gas.”






These impressive results for ADNOC are a testament to the leadership of Dr Sultan Al Jaber and his valuable contributions to energy security, alongside the total reshaping of the traditional energy business model. The brand is certainly well positioned to assert itself on the global stage and to engage as a truly global oil and gas giant.

David Haigh,
CEO, Brand Finance

Brand Value by Country



Country	Brand Value (USD bn)	% of total
United States	80.9	23.6%
China	59.0	17.2%
Netherlands	36.8	10.8%
France	22.7	6.6%
Russia	18.4	5.4%
United Kingdom	17.1	5.0%
Others	107.5	31.4%
Total	342.2	100.0%










Brand	Brand Value 2019	YoY
	\$8,865m	38%
	\$8,763m	31%
	\$8,107m	29%
	\$3,224m	28%
	\$1,945m	17%

PETRONAS races ahead

Malaysian brand **PETRONAS** has held firm in 4th place in this year’s Brand Finance Oil & Gas 50 2019 ranking, with its brand value up 15.8% since last year to US\$13.3 billion. PETRONAS’ brand value increase of US\$1.8 billion over 2018 is not an easy feat for an Oil and Gas industry brand, given the roller coaster ride the industry has undergone.

PETRONAS is a classic example of your brand driving the business success. Most oil and gas brands operate like commodity products given the controlled pricing and low levels of customer engagement opportunity due to the product. However, PETRONAS has redefined how technical superiority though a winning formula in terms of fuel and lubes formulations and their partnership with F1 Mercedes team can be a game changer to even the duller product categories and commodity type brands. Having recently announced their 3-year commitment as the title sponsor of Le Tour de Langkawi, PETRONAS continues its brand building efforts both domestically and internationally.

Top 5 Strongest Brands

	1  28 	2019: 88.4 AAA 2018: 70.0 AA	+18.4
	2  4 	2019: 86.2 AAA 2018: 82.6 AAA-	+3.6
	3  2 	2019: 84.9 AAA 2018: 86.5 AAA	-1.6
	4  35 	2019: 84.8 AAA 2018: 68.1 AA-	+16.7
	5  13 	2019: 84.6 AAA 2018: 77.2 AA+	+7.4

Gazprom is strongest oil & gas brand

Aside from calculating overall 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. Along with the level of revenues, brand strength is a crucial driver of brand value.

According to this criteria, Russian petrochemical giant **Gazprom** is the strongest brand in the Brand Finance Oil & Gas 50 2019 ranking. With a Brand Strength Index (BSI) score of 88.4 out of 100, up a whopping 26% from last year. The brand has recorded a AAA brand rating, marking an improvement since last year’s AA rating.

Stronger brands have exhibited faster growth 2017-2019



Sector Reputation Analysis.

Comparing brand strength/reputation across sectors is a valuable process. Brand categories are converging in many different ways, with new energy technologies (and brands) potentially disrupting oil and gas brands in the years to come.

Oil & gas brands are respected, if not loved

Oil and gas brands are reasonably well-respected in most markets, if not exactly loved by consumers. With a mid-table ranking for overall reputation, oil and gas brands generally attract less outright negativity and frustration compared with banks, telcos and (in many markets) utility firms. Customers are rarely let down by brands in this sector, and perceptions of quality are reasonably high.

But if there is less hostility that might be expected, there is equally relatively little emotional attachment either, and in most cases consumers appear to have a somewhat functional relationship with these brands. Scores for ‘closeness’ are generally mediocre, and no brands stands out.

The net result is that brands in this sector generally score poorly for positive recommendation from consumers. Users of their services may not be complaining but find little to get enthusiastic about.











Tech brands resilient to reputation challenges

Brands in many sectors – banking, telecoms and possibly oil/gas - generally appears vulnerable to disruption from technology brands, which enjoy significantly higher scores for reputation, innovation, and closeness.


Consumers hold the tech sector in high regard despite scandals tarnishing reputation of some industry giants. The sector ranks joint-third for overall reputation out of the 10 sectors covered in Brand Finance’s research.

Brands such as PayPal, Google and Amazon are seen as reputable overall, and offering good quality services/ functionality. The sector ranks highest for being Innovative, as would be expected – but perhaps more remarkable is the continued trust consumers have in most tech brands (only 5% globally distrust Google).

Sectors Ranked by Reputation

	1 Hotels	7.3 _{/10}
	2 Autos	7.1 _{/10}
	3= Tech	7.0 _{/10}
	3= Beers	7.0 _{/10}
	5= Oil & Gas	6.8 _{/10}
	5= Airlines	6.8 _{/10}
	7 Insurance	6.6 _{/10}
	8 Utilities	6.5 _{/10}
	9= Banks	6.2 _{/10}
	9= Telecoms	6.2 _{/10}

Top Sectors per Metric

METRIC	TOP SECTOR
Reputation	 HOTELS
Consideration conversion	 TECH
Innovation	 TECH
Trust	 HOTELS
Quality	 HOTELS
Value	 BEERS
Loyalty	 BEERS
Recommendation (NPS)	 AUTOS
OVERALL STAKEHOLDER EQUITY	 TECH

There are exceptions of course, but the mistrust that consumers have developed towards Facebook (5.5) and Uber (5.1) has not eroded the reputation of the sector as a whole.

Banks are in a similar fix – rated joint-lowest of all for overall reputation (6.2) and quality of service (3.3 out of 5).

Autos 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, led by premium German brands. Crucially, auto brands also generally rate high for being innovative (at 27% second only to tech globally).

From a branding standpoint, the auto leaders can hold their own if they continue to innovate and embrace radical new technologies. Can telecoms brands respond in the same way?

A strong brand reputation is a valuable asset for any business, driving higher customer acquisition, satisfaction, loyalty, and advocacy. The net result is that high stakeholder equity is a significant contributor to a solid brand strength and in effect supports business growth and profitability.

Steven Thomson
Insights Director, Brand Finance

Brand Finance Oil & Gas 50 (USD m).

Top 50 most valuable oil & gas brands 1-50

2019 Rank	2018 Rank	Brand Name		Country	2019 Brand Value	Brand Value Change	2018 Brand Value	2019 Brand Rating	2018 Brand Rating
1	1	↔	Shell	Netherlands	\$42,295	+7.3%	\$39,423	AAA-	AAA-
2	2	↔	PetroChina	China	\$36,799	+18.0%	\$31,177	AAA-	AA+
3	3	↔	Sinopec	China	\$29,147	+23.3%	\$23,640	AAA-	AA
4	4	↔	Total	France	\$25,189	+20.1%	\$20,971	AA+	AAA-
5	5	↔	BP	United Kingdom	\$22,675	+15.6%	\$19,610	AA-	AA+
6	6	↔	Chevron	United States	\$17,054	-6.0%	\$18,149	AA	AAA-
7	8	↑	Petronas	Malaysia	\$13,318	+15.8%	\$11,501	AAA	AAA-
8	7	↓	ExxonMobil	United States	\$13,295	-0.4%	\$13,349	AA	AA+
9	9	↔	Eni	Italy	\$10,711	+1.2%	\$10,584	AA	AA+
10	10	↔	Equinor	Norway	\$9,245	+12.4%	\$8,225	AAA-	AAA
11	11	↔	Pemex	Mexico	🔒	🔒	🔒	🔒	🔒
12	-	New	ADNOC	UAE	🔒	🔒	🔒	🔒	🔒
13	12	↓	Valero	United States	🔒	🔒	🔒	🔒	🔒
14	14	↔	Gazprom	Russia	🔒	🔒	🔒	🔒	🔒
15	13	↓	Schlumberger	United States	🔒	🔒	🔒	🔒	🔒
16	20	↑	Lukoil	Russia	🔒	🔒	🔒	🔒	🔒
17	19	↑	PTT	Thailand	🔒	🔒	🔒	🔒	🔒
18	18	↔	Phillips 66	United States	🔒	🔒	🔒	🔒	🔒
19	24	↑	ConocoPhillips	United States	🔒	🔒	🔒	🔒	🔒
20	15	↓	Mobil	United States	🔒	🔒	🔒	🔒	🔒
21	16	↓	CNOOC	China	🔒	🔒	🔒	🔒	🔒
22	17	↓	Petrobras	Brazil	🔒	🔒	🔒	🔒	🔒
23	22	↓	Esso	United States	🔒	🔒	🔒	🔒	🔒
24	25	↑	CNRL	Canada	🔒	🔒	🔒	🔒	🔒
25	28	↑	Reliance	India	🔒	🔒	🔒	🔒	🔒
26	27	↑	Repsol	Spain	🔒	🔒	🔒	🔒	🔒
27	30	↑	Halliburton	United States	🔒	🔒	🔒	🔒	🔒
28	23	↓	Exxon	United States	🔒	🔒	🔒	🔒	🔒
29	21	↓	Enbridge	Canada	🔒	🔒	🔒	🔒	🔒
30	29	↓	Ecopetrol	Colombia	🔒	🔒	🔒	🔒	🔒
31	35	↑	Oxy	United States	🔒	🔒	🔒	🔒	🔒
32	31	↓	Rosneft	Russia	🔒	🔒	🔒	🔒	🔒
33	32	↓	SK Innovation	South Korea	🔒	🔒	🔒	🔒	🔒
34	26	↓	Indian Oil	India	🔒	🔒	🔒	🔒	🔒
35	39	↑	Bharat Petroleum	India	🔒	🔒	🔒	🔒	🔒
36	38	↑	Inpex	Japan	🔒	🔒	🔒	🔒	🔒
37	33	↓	Enterprise Products	United States	🔒	🔒	🔒	🔒	🔒
38	37	↓	Marathon Petroleum	United States	🔒	🔒	🔒	🔒	🔒
39	42	↑	Pertamina	Indonesia	🔒	🔒	🔒	🔒	🔒
40	34	↓	ONGC	India	🔒	🔒	🔒	🔒	🔒
41	43	↑	Baker Hughes	United States	🔒	🔒	🔒	🔒	🔒
42	36	↓	Suncor Energy	Canada	🔒	🔒	🔒	🔒	🔒
43	48	↑	OMV	Austria	🔒	🔒	🔒	🔒	🔒
44	41	↓	Devon	United States	🔒	🔒	🔒	🔒	🔒
45	46	↑	Anadarko	United States	🔒	🔒	🔒	🔒	🔒
46	50	↑	Tatneft	Russia	🔒	🔒	🔒	🔒	🔒
47	49	↑	Hindustan Petroleum	India	🔒	🔒	🔒	🔒	🔒
48	-	New	Petro-Canada	Canada	🔒	🔒	🔒	🔒	🔒
49	-	New	GS Caltex	South Korea	🔒	🔒	🔒	🔒	🔒
50	-	New	Pioneer Natural	United States	🔒	🔒	🔒	🔒	🔒



Interview with Omar Zaafrani.



Omar Zaafrani
SVP, Group
Communications, ADNOC



2019 Brand Value:
\$8,865

The radical transformation being overseen by ADNOC makes this an interesting time for the brand. Where does ADNOC see itself in 10 years’ time?

With 83 million people being added to the world’s population every year, and as breakthrough technologies continue to enhance human progress, demand for energy over the coming decades will only increase. For companies like ADNOC, this multi-layered landscape, balancing market conditions with future growth, requires a careful, calibrated and agile response. It means focusing on what we can control through relentless operational efficiency while staying ahead of projected demand as we enter the fourth industrial age.

Our integrated 2030 strategy is essential to transforming our business and ensuring our success; it maps out how we will deliver smart growth, create value and increase profitability by delivering a more profitable Upstream, a more valuable Downstream and a more sustainable and economic gas supply.

We have set ourselves ambitious goals, that we are confident will make ADNOC a model, not just for a modern national oil company, but for how a modern energy company should operate in the 4th industrial age. We are leaving no stone unturned, as we unlock and maximize value from all our resources.

Can you tell us more about ADNOC’s brand position: “Energy for Life”? How is this supporting the transformation program?

We recognized that, in order to support our transformation, our brand also needed to evolve to ensure deeper understanding of what ADNOC truly represents; it needed to connect with our stakeholders on both a rational and emotive level and reinforce the value, scope and impact of our business.

Our new brand position, ‘Energy for Life’ not only emphasizes ADNOC’S critical role in enabling and accelerating the UAE’s growth and development, but also highlights the way in which our products are enhancing our community’s quality of life. In short, it reinforces the notion that we are a company of the past, present and future, a catalyst for economic growth and diversification, and an enabler of people’s everyday lives.

Its introduction has realigned and reenergised our corporate culture - reigniting employee pride in our role as a strategic enabler of the UAE economy - and increased brand awareness and engagement amongst key stakeholders locally, regionally and globally. Moving forward, I am confident that ‘Energy for Life’ will continue to help us shift perceptions of the oil & gas industry, reposition our brand in the mind of millennials, and reinforce our enduring relevance to the world around us.

How important is it that you retain a workforce and leadership that is well and truly Emirati?

We are a performance-driven company in which individuals are valued for their ideas and contributions, regardless of their nationality, but remain committed to ultimately achieving 75% Emiratization across the ADNOC Group.

We offer a range of exciting and truly unique career opportunities for exceptional UAE Nationals, and have recently introduced a series of enhanced Human Capital policies and performance management tools to help guide the development of our people – and Emiratis in particular - by ensuring they have opportunities for growth.



This is supported by a number of world-class leadership and youth development programs that have particular emphasis on the development and creation of opportunities at the most senior levels of the organization.

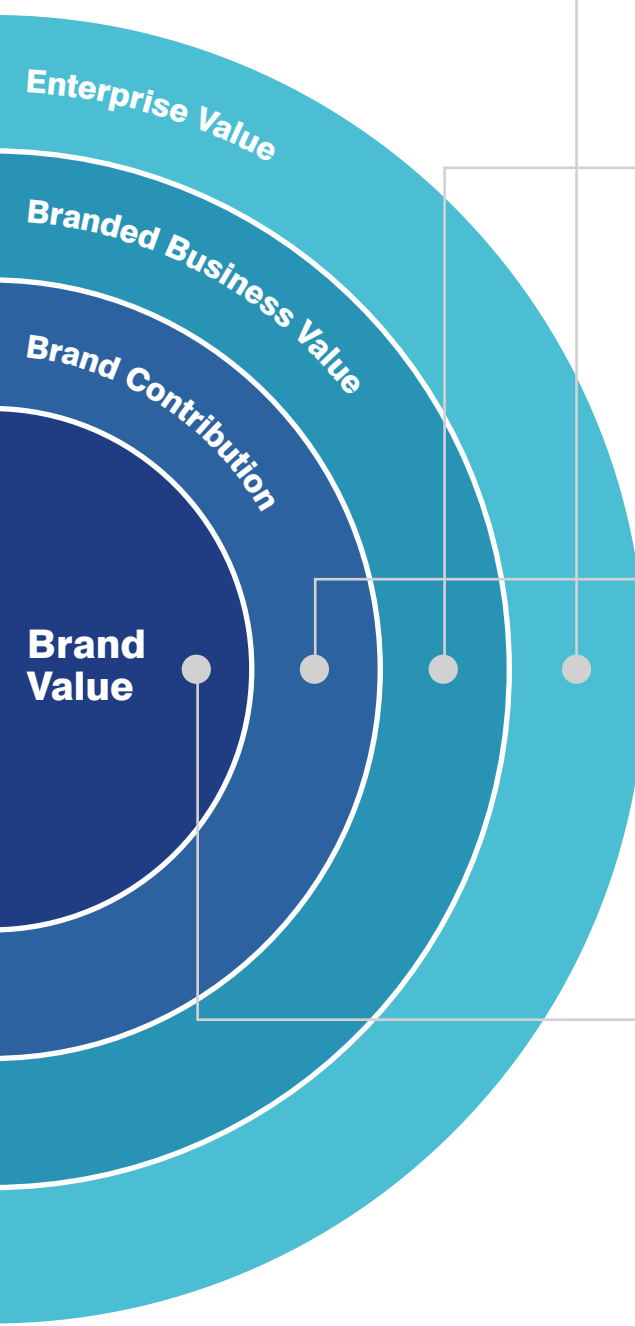
How do you see the role of technology changing the oil & gas landscape in the years to come?

As we enter the fourth industrial age, the world’s demand for energy and higher value products is increasing at an unprecedented rate. Our goal is not simply to keep up, but to stay ahead of the curve to meet this demand. At ADNOC, this is a mission we are calling ‘Oil and Gas 4.0’.

In practical terms, Oil and Gas 4.0 means embedding a tech-focused, digital first mindset within every aspect of our business, driving our performance, energizing our partnerships, and empowering our people. By embracing artificial intelligence and digitization, we are building resilience and driving profitability across our operations. Predictive analytics is helping to reduce our maintenance costs, prevent shutdowns and avoid system failures. Big Data is allowing us to make real-time decisions in response to market movements and ahead of the competition. And blockchain is generating valuable efficiencies, by transforming how we track the transaction of every hydrocarbon molecule we produce, from first oil to final sale.

By thinking differently, applying advanced technology creatively and adjusting the business model, ADNOC has begun to tap new reserves of oil, which will help us to increase our oil production capacity to 4 million barrels per day by 2020 and 5 million barrels per day by 2030. Meanwhile, in pursuit of our strategic goal to become gas self-sufficient and eventually transition to a net exporter of natural gas, we have introduced the unconventional industry to the UAE and begun opening up vast, previously inaccessible reserves of gas. At the same time, we are exploiting undeveloped reservoirs, tapping our gas caps and maximizing value from our sour-gas resources, reducing the average cost of our available gas resources. In short, we have reframed the business model for sustainable, economic gas production in the UAE.

Definitions.



Brand Value



[Exxon Mobil]

+ 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'.



[Esso]

+ 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.



[Esso]

+ 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.



[Esso]

+ 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.

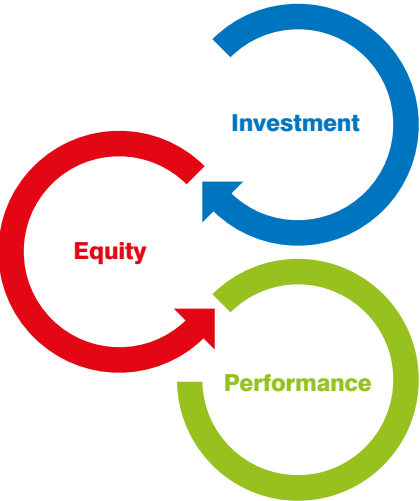
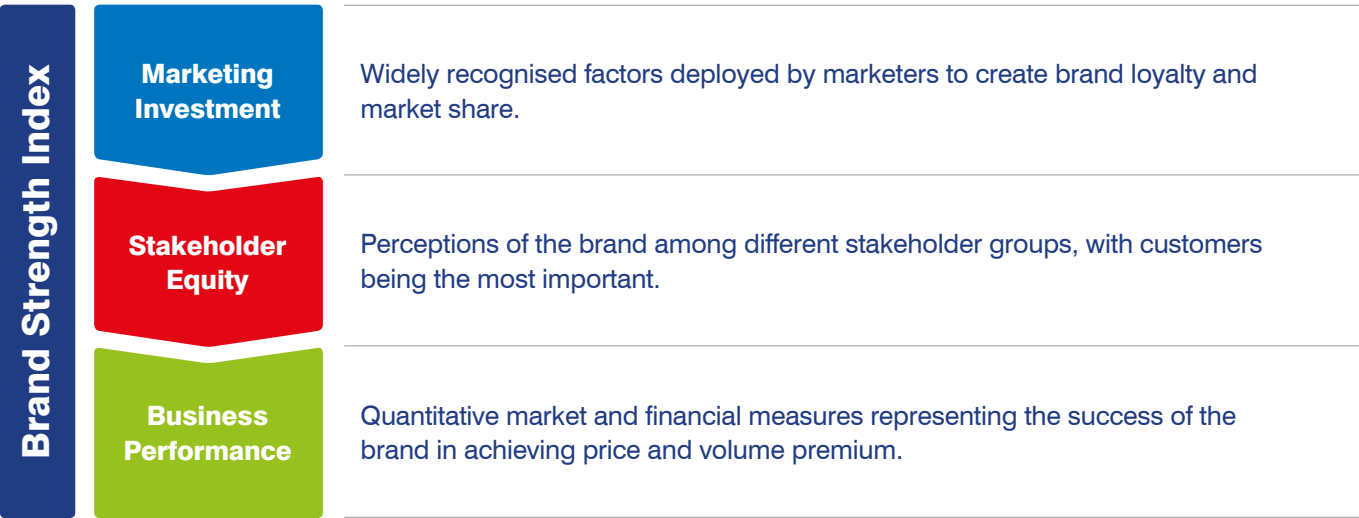
Brand Strength

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.

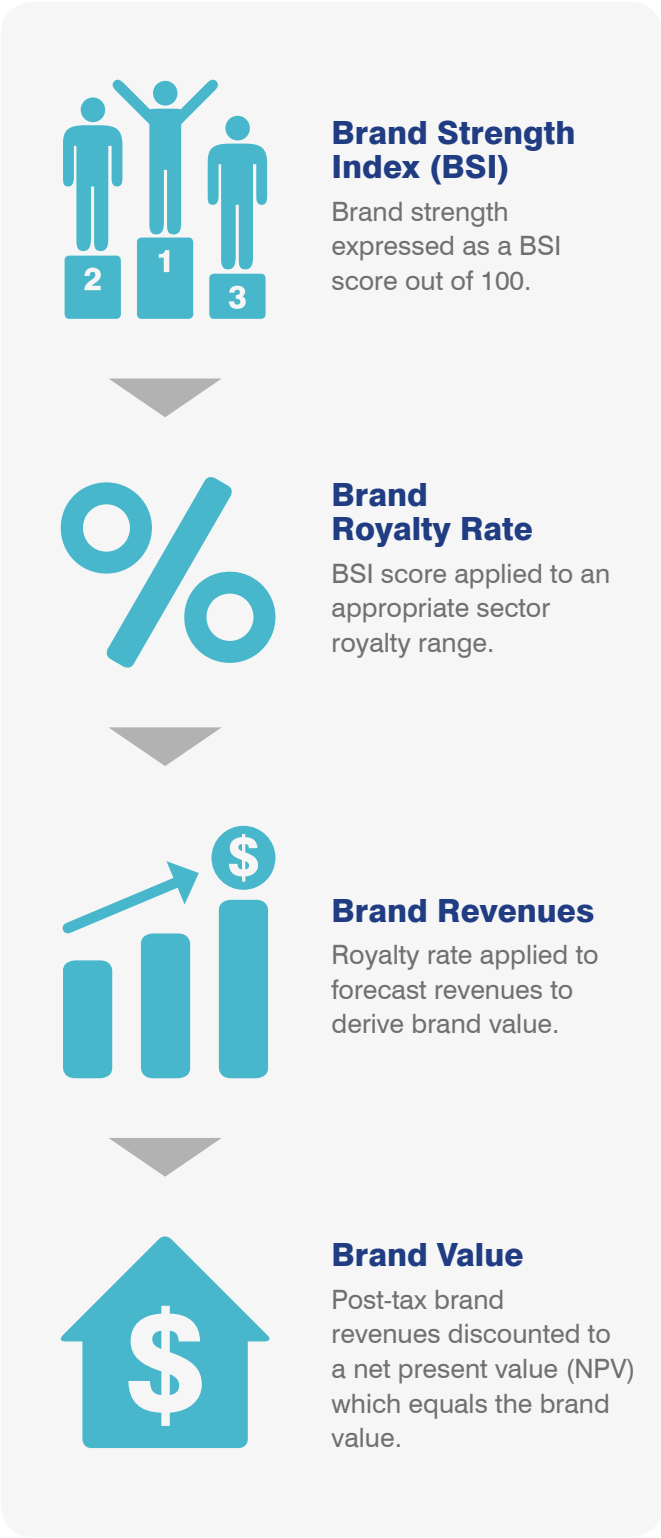
Brand Valuation Methodology.

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.



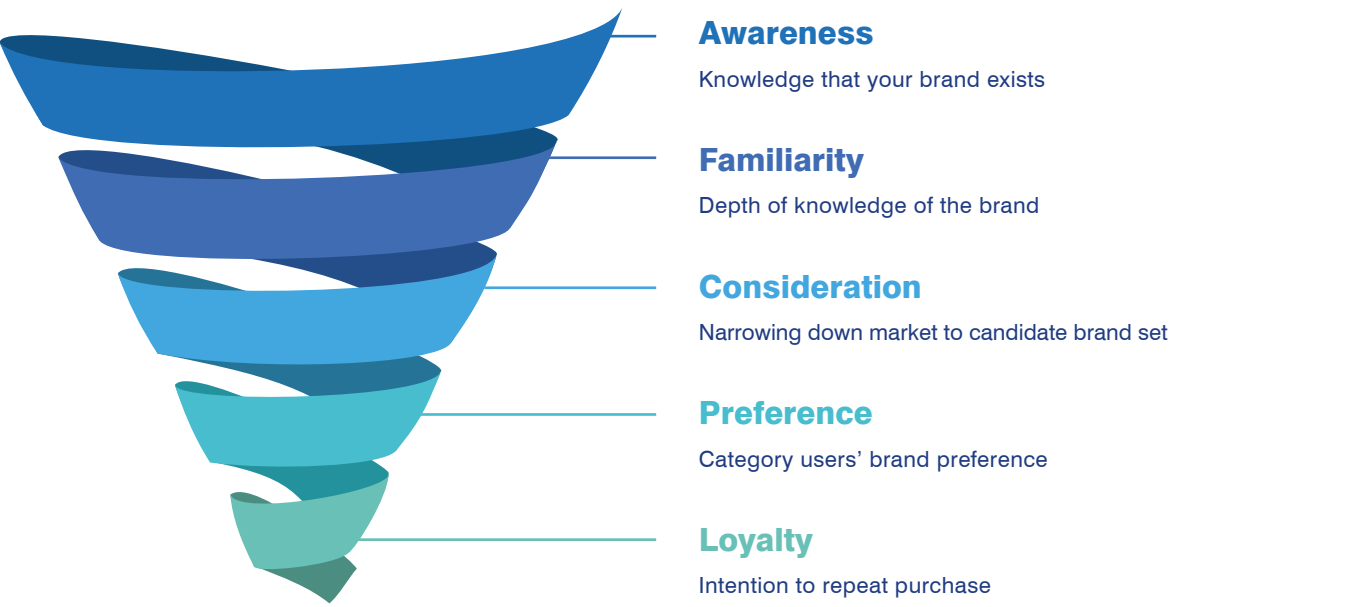
Stakeholder Equity Measures.

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.

1. Valuation: What are my intangible assets worth?

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

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

2. Analytics: How can I improve marketing effectiveness?

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

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

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

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

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

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

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

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



MARKETING



FINANCE



TAX



LEGAL

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

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

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

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

Brand Evaluation Services.

How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 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 50
OIL & GAS
BRAND**



**MOST VALUABLE
OIL & GAS
BRAND**



**STRONGEST
OIL & GAS
BRAND**



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



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



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



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



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



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

Brand Dialogue[®]



Value-Based Communications

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

SERVICES

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

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

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