



Philippines

20

2023

The annual report on the most valuable and strongest Filipino brands

July 2023

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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 more than 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 thousands of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish over 100 reports annually.

We offer a unique combination of expertise

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

We pride ourselves on technical credibility

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

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



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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



Cost of Capital Analysis



Customer Research Findings



Competitor Benchmarking



Communication



Understanding

Benefits

Contents



Brand Valuation Summary



Brand Strength Tracking



Royalty Rates

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 over **5,000 brands**
- **38 countries** and **31 sectors** covered
- More than **150,000 respondents** surveyed annually
- We are now **in our 7th consecutive year** conducting the study

Visit brandirectory.com/consumer-research
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Bringing you the best, and then some more

With one of the world's leading reports on Philippines's most valuable brands at your fingertips, expand your insights with coverage on ASEAN's top brands in our first-ever ASEAN 250 2023 report releasing globally in October 2023. Alongside this report, Brand Finance proudly presents...

Brand Value Trends: The Importance of Corporate Conduct and Leadership for ASEAN brands

SAVE THE DATE

17 October 2023 | 2.00PM (SGT) | 6.00AM (GMT)

- 1 Recognise** the role senior leaders play in building brand value and brand strength as well as who the top "Brand Guardians" in the region are
- 2 Discover** why analysing the gap between brand perceptions and brand performance is important and which brands do best
- 3 Understand** how corporate conduct and sustainability help build brand value
- 4 Learn** about the factors that drive brand value performance in ASEAN and how you can leverage these
- 5 Find** out the top brands by brand value, brand strength and brand popularity in each sector across ASEAN

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 them is particularly important in our region. Understanding the value that brands bring and maximising it will help bring growth, profitability and worldwide popularity.

We hope you find this study and its associated analyses interesting, and that it enables you to explain and improve the value of brands in businesses you are working in or advising. If you need any help in doing so, the team and I are here to continue the conversation with you.

Banking brands in the Philippines ride on upbeat economic growth driven by strong domestic demand

- + Growth in value for all 2022 listed banking brands; Five brands make the list for the first time
- + **PLDT** defends title as the Philippines' most valuable brand at US\$2.6 billion
- + **Globe Telecom** is the Philippines' strongest brand
- + **Jollibee** (up 53%) has reason to cheer as fastest growing brand in the Philippines

Ranking Analysis.



Ranking Analysis.



Growth in value for all 2022 listed banking brands; Five brands make the list for the first time

The economy of the Philippines is projected to grow faster than expected this year as strong domestic demand propels the nation forward despite high inflation and tight fiscal conditions.

With the rise of a young and tech-savvy consumer base and an underutilisation of digital technologies, there is a growing need to adopt digital financial services.

As such, a digital revolution has swept through the nation's banking sector with brands increasingly investing in digital banking platforms to upgrade customer experience. Consequently, banking brands in the Philippines saw their brand values head northwards.

BDO led the charge as the most valuable banking brand (brand value up 49% to US\$2.2 billion), followed by **Bank of the Philippine Islands** (brand value up 8% to US\$1.3 billion) and **Metrobank** (brand value up by 4% to US\$1.1 billion). The sector also saw five new entrants make our rankings this year – **Union Bank of the Philippines** (brand value at US\$557.28 million), **Security Bank** (brand value at US\$331.44 million), **Chinabank** (brand value at US\$278.29 million), **RCBC** (brand value at US\$246.02 million) and **Philippine National Bank** (brand value at US\$234.69 million).

In 2022, BDO made its flagship mobile payment app, BDO Pay, available to prospective customers, allowing them to register accounts via smartphones and without initial deposits. This upgraded the convenience of banking services for individuals living in rural and remote areas. It also introduced a customer relationship management (CRM) system, simplifying the onboarding process for customers and allowing the brand to harness data analytics to cross-sell suitable products and services.

Meanwhile, Bank of the Philippine Islands teamed up with AliPay+, a mobile payment platform by **Alibaba.com**, to incorporate cross-border transactions. This enabled customers to make seamless transactions to both local and international merchants. The brand also recognises the need for cybersecurity initiatives and has introduced a Mobile Key feature, helping customers to verify their online banking transactions through biometrics or a nominated PIN code.

On the other hand, Metrobank launched its new Metrobank mobile application, introducing new features such as bill payment and credit card instalments. It continues to support the nation in improving financial literacy among its customers when it launched Moneybility, an e-book platform to encourage financial resiliency.

The new banking entrants in our rankings have also focused on various strategies such as digitalisation

Ranking Analysis.

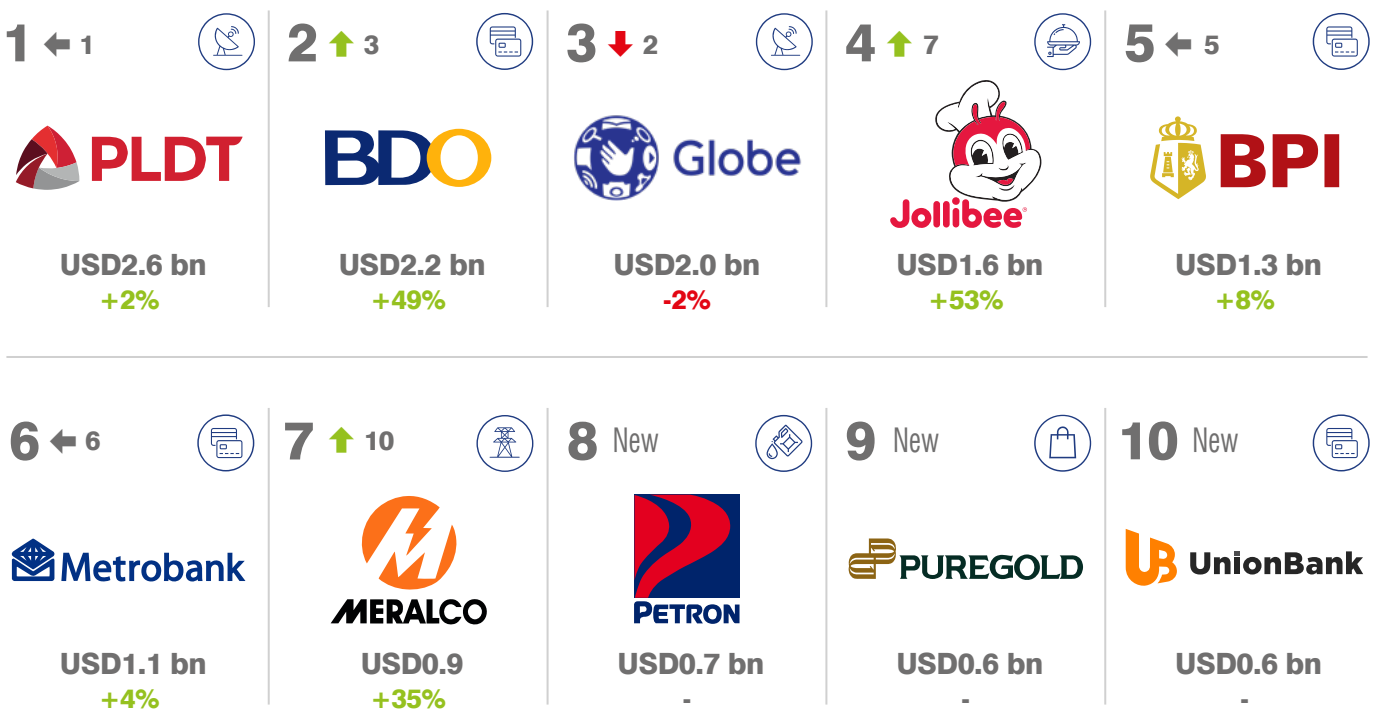
and customer experience enhancements. **Union Bank of the Philippines** acquired **Citi's** consumer banking business in Philippines for US\$1.3 billion in 2022, adding a million new customers to the brand's retail customer base. **Security Bank** partnered with Amazon Web Services (AWS) to upgrade its digital initiatives in 2022. The brand launched the first iteration of a cloud-native, production-grade enterprise data platform built on AWS.

On a similar vein, **Chinabank** rolled out convenient digital onboarding applications such as China Bank START and CBS Go, allowing new customers to register an account remotely. **RCBC** introduced an in-app remittance feature in its flagship digital banking app — RCBC DiskarTech — in collaboration with **PERA HUB's** award-winning digital remittance platform. The new feature supports customers in receiving remittances directly to their RCBC DiskarTech account. Lastly, **Philippine National Bank** teamed up with **CIS Bayad Center**, the nation's biggest and widest multi-channel payment platform, to allow customers to pay their bills in real-time.



Top 10 Most Valuable Filipino Brands

© Brand Finance Plc 2023





PLDT defends title as the Philippines' most valuable brand at US\$2.6 billion

PLDT is the most valuable brand in the Philippines in our rankings this year, powered by a 2% increase in brand value to US\$2.6 billion. PLDT's brand performance contributed to the brand capturing a higher market share of the fiber industry, which led to a 45% improvement in year-on-year revenue. However, it saw a decrease in brand strength rating from AAA to AA+. PLDT continues to focus on innovation as a driver to improve customer service and propel the nation towards becoming a financial and technology hub.

In improving customer service, the brand is expanding its collaboration with **CSG** on customer-focused technology solutions. This collaboration seeks to provide a more cohesive and connected billing experience, even as PLDT's portfolio diversifies, in a bid to strengthen brand loyalty. These new capabilities will make customer experience more seamless and boost their satisfaction levels.

PLDT's innovation efforts are not only limited to its businesses. It plans to transform the Philippines into





















a hyper scaling financial and technology hub. Parent company **PLDT Global** intends to market PLDT's extensive infrastructure to foreign investors in hopes that they will choose to locate their offices in the Philippines with PLDT as their service provider. An example of PLDT's extensive infrastructure is that it is scheduled to complete its 11th and largest data centre in Sta. Rosa, Langua. Doing so will raise PLDT's total capacity to serve hyperscale activities by 50 megawatts.

On the environmental, social and governance (ESG) front, PLDT deployed the country's first carbon fiber cell tower as one of its environmental initiatives. This carbon fiber tower seeks to reduce the amount of carbon dioxide produced by up to 70%, as compared to using traditional steel towers. Carbon fibre towers also use less land space, reducing the need for land repurposing.

In 2022, PLDT deployed solar panels in five PLDT-Smart facilities across four cities to reduce over 137 tonnes of greenhouse gas emissions as well. As testament to its ESG commitments, the brand posted the highest Sustainability Perceptions Value among all brands listed in our rankings at US\$222 million.

Top 10 Strongest Filipino Brands

© Brand Finance Plc 2023

<p>1 ↑ 2 </p>  <p>Globe</p> <p>87.1 0.4 AAA</p>	<p>2 ↑ 5 </p>  <p>BDO</p> <p>86.5 7.0 AAA</p>	<p>3 New </p>  <p>cebu pacific</p> <p>81.0 - AAA-</p>	<p>4 ↓ 3 </p>  <p>BPI</p> <p>80.3 -5.8 AAA-</p>	<p>5 ↓ 4 </p>  <p>Nestle BEAR BRAND FORTIFIED</p> <p>79.9 -2.2 AAA-</p>
<p>6 ↓ 1 </p>  <p>PLDT</p> <p>78.0 -10.5 AA+</p>	<p>7 ← 7 </p>  <p>MERALCO</p> <p>77.8 9.8 AA+</p>	<p>8 ↓ 6 </p>  <p>Metrobank</p> <p>77.7 -1.4 AA+</p>	<p>9 New </p>  <p>UnionBank</p> <p>75.7 - AA+</p>	<p>10 New </p>  <p>Philippine Airlines</p> <p>73.2 - AA</p>

Globe Telecom is the Philippines' strongest brand

Globe Telecom held onto its stellar AAA brand strength rating, clinching the honour of being the Philippines' strongest brand in our rankings. However, the telecoms brand recorded a 2% decrease in brand value to US\$2 billion and slipped one position to 3rd place. Globe Telecom's decline in brand value was mainly attributed to the depreciation of the Philippine Peso against the US Dollar, since its value in pesos has risen 9%.

In 2022, it reported consolidated service revenues of PHP 157.98 billion due to the strong performance of its mobile and corporate data business, as well as sustained growth from its non-telecoms services.

The brand is at the forefront of 5G network rollouts throughout the nation and looks to expand its global presence. In 2022, it brought 5G connectivity to 70 cities and towns across the Philippines, connecting over 3.9 million devices to its 5G network. To widen its global 5G roaming presence, Globe Telecom has brought its 5G services to 11 new countries



and territories this year. These services were made possible through partnerships and deals with telcos brands around the world such as **T-Mobile, Digi Telecommunications, CTM, AT&T** and **Wind Tre**. The brand's efforts have brought fast and reliable connectivity to globetrotting customers.

Globe Telecom also looks towards capitalising on the widespread adoption of digital services in the nation by expanding its e-wallet service GCash and online telehealth service KonsultaMD. Globe Telecom's GCash has grown the percentage of Filipinos with a bank savings account to 56% – from 29% before the pandemic. With 76 million registered users, GCash is a market leader and a pioneer of digital financial services such as loans, credit, savings and insurance.

This year, Globe Telecom is extending GCash services internationally to empower Filipinos to take control of their finances when working overseas.

Climate action and social causes are important commitments for Globe Telecom. In recognition for its role in reducing greenhouse gas emissions, the brand has been named one of Asia Pacific's Climate Leaders by the Financial Times and Statista for two consecutive years in a row. This is due to the use of energy-efficient technologies and sustainable network operations. In terms of community and social causes, Globe Telecom provided critical support in the form of free telecommunications connectivity and telehealth consultations to communities affected by the volcanic eruptions of Mount Mayon.

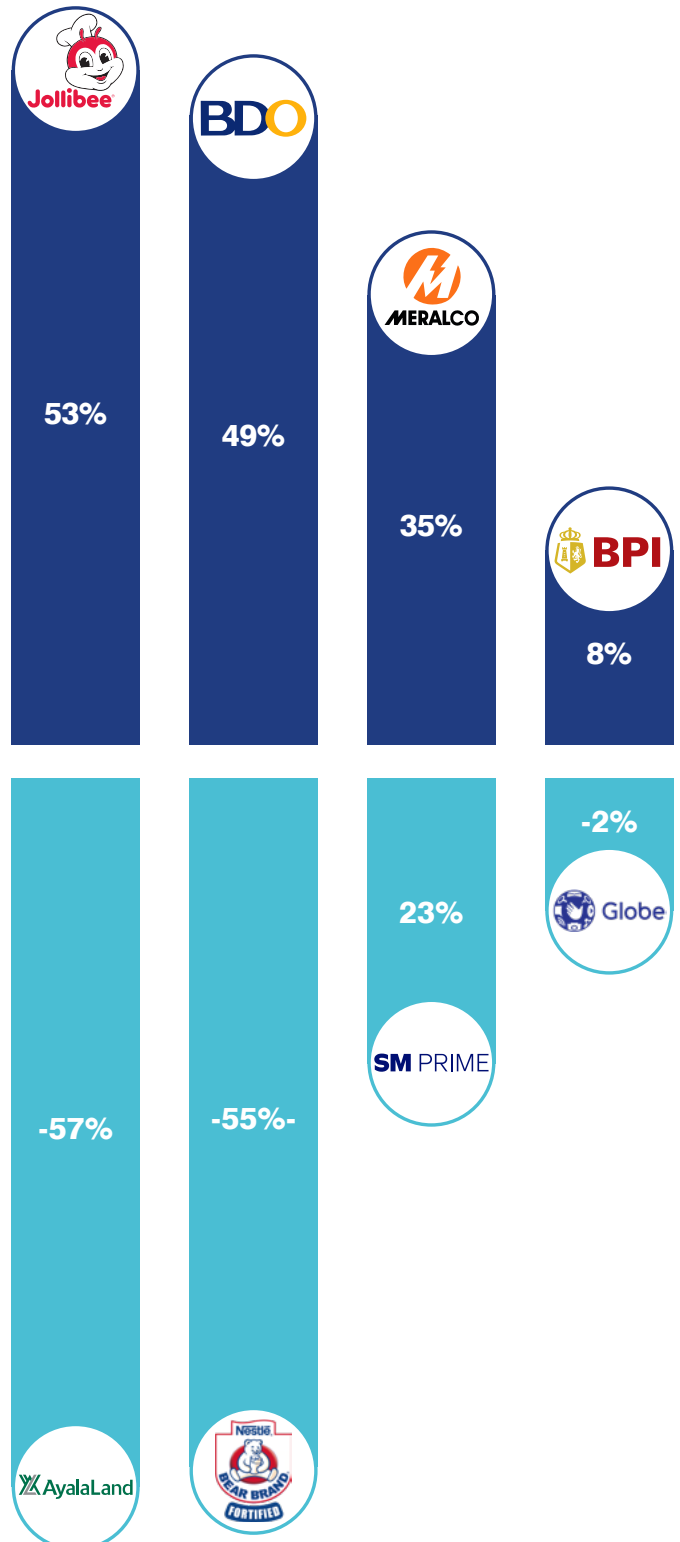


Jollibee (up 53%) has reason to cheer as fastest growing brand in the Philippines

Jollibee is the fastest growing brand in our rankings, recording a meteoric rise in brand value by 53% to US\$1.6 billion. It leaped three positions to 4th place, while retaining a corresponding brand strength rating of AA-. Consequently, its financial performance improved, coupled with greater consumer spending after the pandemic.



Brand Value Change 2023-2022 (%)



Ranking Analysis.

The brand's impressive performance was spurred on by its video promotional campaign titled "Salamat sa Joy ng Muling Pagsasama" ("Thank you for the Joy of Reunion"), highlighting the joy of eating out as pandemic restrictions eased.

The campaign's message resonated strongly with Filipinos who had lost precious family time during the pandemic, encouraging them to rekindle familial ties by having meals at Jollibee. As a result, the brand's profits soared 200% in the second quarter of 2022 alongside the lifting of pandemic-imposed measures.

The positive receptions of **Jollibee** are not solely limited to the Philippines but can be attested to on an international level. The brand was included in the list of America's Favourite Restaurant Chains for 2023, curated by Newsweek and Statista. Similarly, it was named the 2022 Favourite Fast-Food Restaurant by

Hong Kong-based U Magazine.

In 2023, Jollibee also achieved its milestone of opening its 500th store in China, highlighting the brand's incredible potential for international expansion.

Jollibee is one of the nation's leading brands in advocating sustainability as it ramps up its "Joy for Tomorrow" sustainability agenda.

On Earth Hour Day 2023, nearly 4,000 of the brand's stores and facilities across the globe participated by switching their lighting off, reaffirming Jollibee's staunch commitment to environmental sustainability.

The brand has also taken a step further to reduce its carbon footprint with the installation of solar panels in selected stores and facilities. By the end of 2022, it achieved a 21% reduction in energy use.



Brand Value Ranking (USDm).

Top 20 most valuable Filipino brands 1-20

2023 Rank	2022 Rank		Brand	Sector	2023 Brand Value	Brand Value Change	2022 Brand Value	2023 Brand Rating	2022 Brand Rating
1	1	←	PLDT	Telecoms	2,566	+1.9%	2,518	AA+	AAA
2	3	↑	BDO	Banking	2,158	+48.6%	1,453	AAA	AAA-
3	2	↓	Globe Telecom	Telecoms	2,028	-2.2%	2,075	AAA	AAA
4	7	↑	Jollibee	Restaurants	1,553	+52.9%	1,016	AA-	AA-
5	5	←	Bank of the Philippine Islands	Banking	1,253	+7.7%	1,164	AAA-	AAA
6	6	←	Metrobank	Banking	1,133	+3.8%	1,091	AA+	AA+
7	10	↑	Manila Electric	Utilities	900	+35.4%	664	AA+	AA-
8	-	New	Petron	Oil & Gas	689	-	-	AA	-
9	-	New	Puregold	Retail	623	-	-	A	-
10	-	New	Union Bank of the Philippines	Banking	557	-	-	AA+	-
11	4	↓	Bear Brand	Food	531	-54.8%	1,175	AAA-	AAA-
12	9	↓	Sm Prime	Real Estate	515	-23.5%	673	AA-	A+
13	-	New	Security Bank	Banking	331	-	-	AA-	-
14	8	↓	Ayala Land	Real Estate	293	-56.8%	680	AA-	AA-
15	-	New	Converge ICT	IT Services	282	-	-	AA-	-
16	-	New	Chinabank	Banking	278	-	-	A	-
17	-	New	Philippine Airlines	Airlines	275	-	-	AA	-
18	-	New	RCBC	Banking	246	-	-	AA-	-
19	-	New	Philippine National Bank	Banking	235	-	-	AA	-
20	-	New	Cebu Pacific	Airlines	194	-	-	AAA-	-

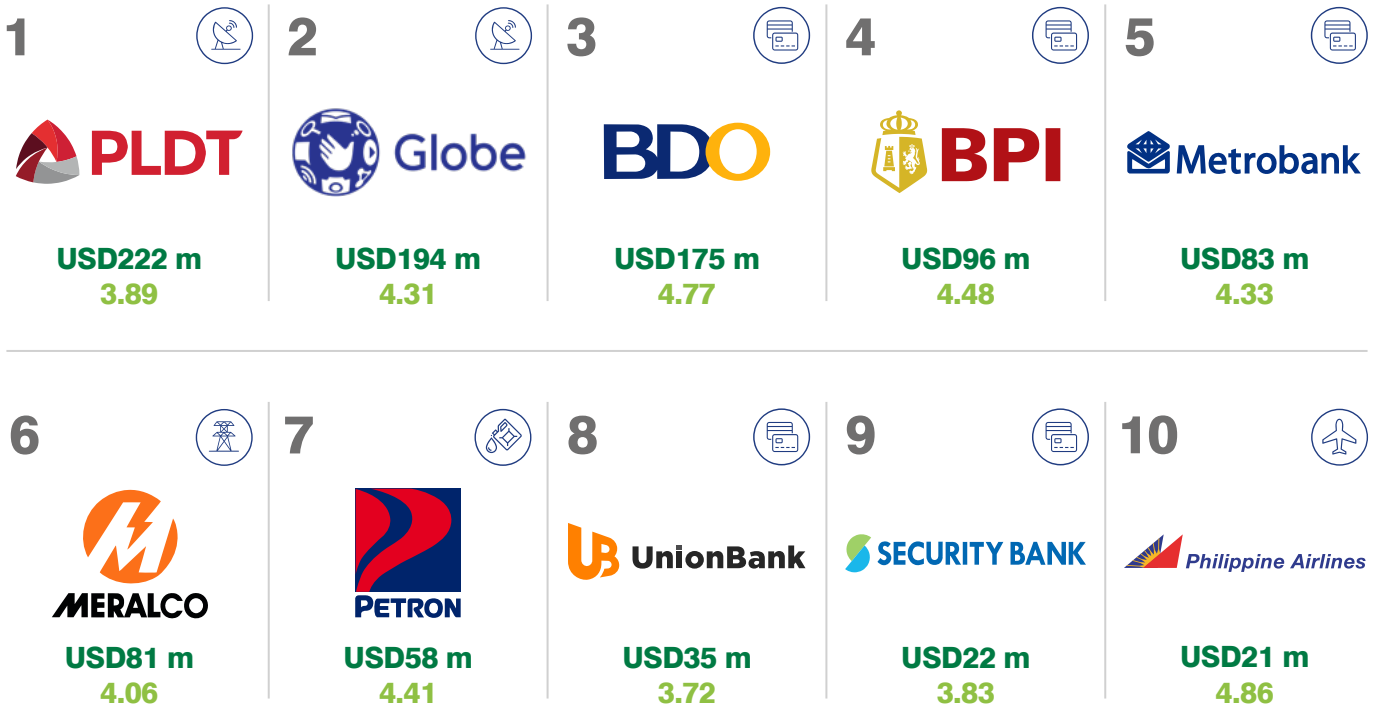


A stack of papers is shown in a grayscale, slightly blurred perspective, receding into the distance. A solid green rectangular box is overlaid on the upper left portion of the image. Inside this box, the word "Sustainability." is written in a bold, white, sans-serif font.

Sustainability.

Sustainability Perception Values (SPV)

© Brand Finance Plc 2023



Top Sustainability Perceptions Score and Value for 2023

As part of its analysis, Brand Finance assesses the role that specific brand attributes play in driving overall brand value. One such attribute growing rapidly in significance is sustainability. Brand Finance assesses how sustainable specific brands are perceived to be, represented by a Sustainability Perceptions Score (SPS). The value that is linked to this score, the Sustainability Perceptions Value (SPV), is then calculated for each brand.

Philippine Airlines has the highest Sustainability Perceptions Score

Philippine Airlines has the highest SPS among brands listed in our rankings at 4.86 out of 10. The airlines brand shifted towards a more comprehensive sustainability strategy by transitioning towards renewable energy for its offices, investing in sustainable aviation fuel development and updating its fleet to more sustainable aircraft. It has also committed towards becoming net-zero by 2050 in line with the International Air Transport Association's net-zero ambitions.



To support its ambitious goals, Philippine Airlines enlisted the expertise of United Nations-acclaimed climate scientist and science diplomat, Glenn Banaguas.

The brand is also prioritising the modernisation of its fleet to enhance energy efficiency. In 2023, it entered into an agreement with **Airbus** to acquire nine new A350-1000s aircraft. Airbus touts these planes as pioneers in fuel efficiency and eco-friendly design, contributing to a more sustainable trajectory for the aviation sector.

While **Philippine Airlines** is actively striving to develop sustainable fuel for its fleet, this endeavour is currently in the developmental phase and requires further progress before becoming a viable option.

By actively promoting and communicating its sustainability initiatives and commitments, Philippine Airlines has successfully fostered robust perceptions of sustainability commitment among its stakeholders, as reflected in its SPS standing.

Nevertheless, the brand, alongside the wider industry, have considerable work to do in realising a more sustainable aviation industry.

PLDT has the highest Sustainability Perceptions Value

PLDT, the most valuable brand in the Philippines in our rankings this year, also holds the highest SPV among

all brands listed at US\$222 million. It is important to note that this value is not an assessment of the brand's overall sustainability performance. Rather, SPV indicates how much brand value PLDT has that is tied up in sustainability perceptions among stakeholders.

The telecoms brand developed a decarbonisation roadmap that aims to reduce emissions by 40% by 2030. This will be achieved by increasing the use of renewable energy at both its network facilities and data centres.

Progress has already been made on this commitment, including the deployment of solar panels in five PLDT smart facilities. It also aims to cut 137 tonnes of greenhouse gas emissions across its sites in 2023.

PLDT has also been expanding its digital infrastructure in order to democratise access to communications among Filipinos.

This helped increase digital literacy throughout the country, coupled with promotional and discount initiatives to make its services more affordable.

In addition, the brand's Stakeholder Engagement Policy ensures that these initiatives are clearly communicated with different stakeholder groups to foster an open dialogue in tracking successes and addressing issues across the ESG landscape.

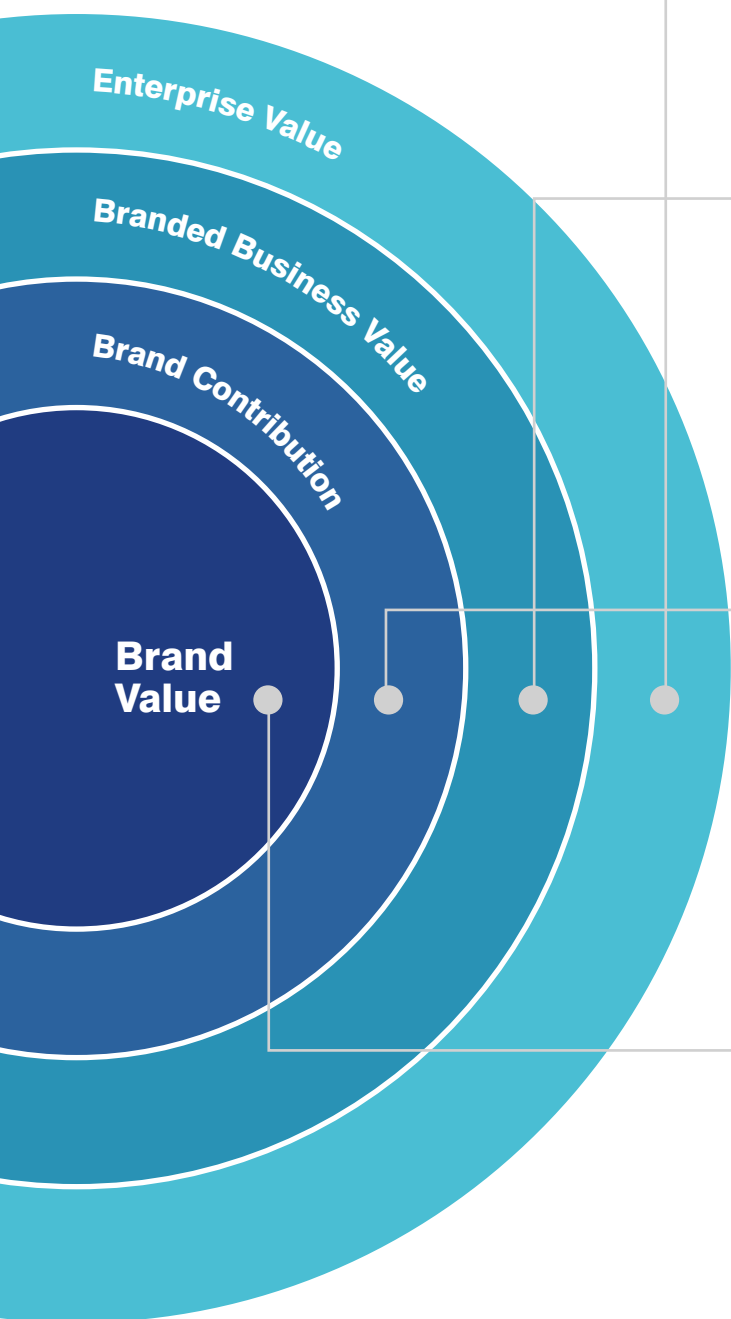
There is much room for growth as PLDT looks towards boosting its sustainability initiatives.





Methodology.

Definitions.



Brand Value



[Nestlé]

+ 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'.



[Bear Brand]

+ 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.



[Bear Brand]

+ 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.



[Bear Brand]

+ 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.



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.

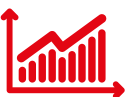
2

2 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.



3

3 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 38 countries and across 31 sectors with over 150,000 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.

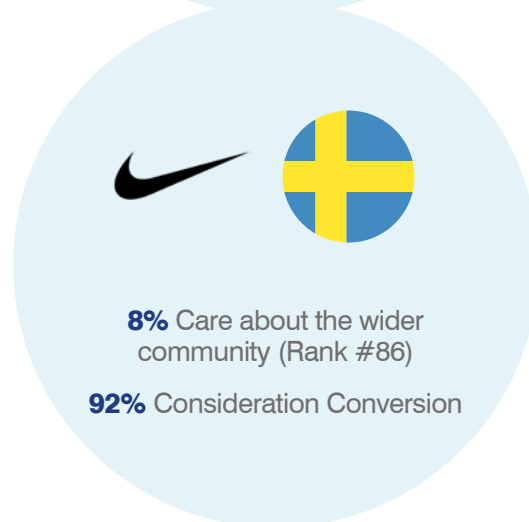
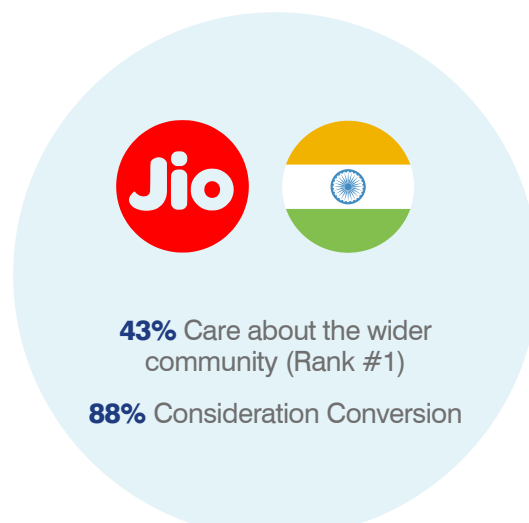
Who's the coolest cat?

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

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Highlights from the Global Brand Equity Monitor.

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)

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	1 st	2 nd	3 rd
	 PORSCHE	Jeep	
	 CONVERSE		 PORSCHE
		 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



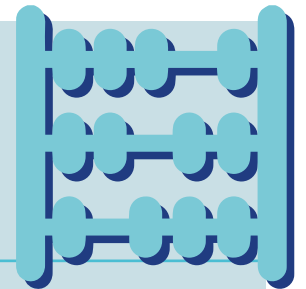
- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?

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

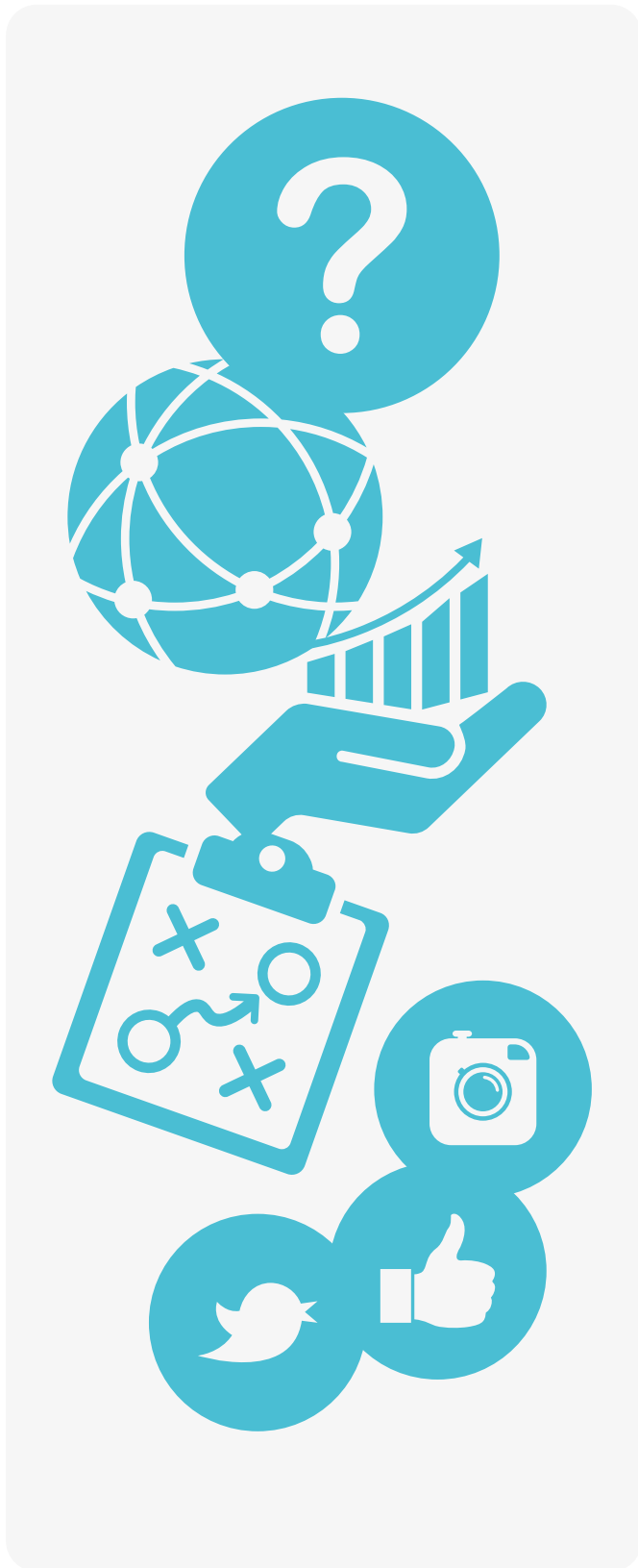
Once you understand the value of your brand, you can use it as tool to understand the business impacts of strategic branding decisions in terms of real financial returns.

- + 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 over 38 markets in 31 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.

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 Network.

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

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