



Retail 100 2024

The annual report on the most valuable and strongest Retail brands
June 2024

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Brand Finance®



About Brand Finance

The world's leading brand valuation consultancy

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Bridging 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.

Quantifying 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.

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.

Priding ourselves on technical credibility

Brand Finance, a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, is the first brand valuation consultancy to join the International Valuation Standards Council. Our experts crafted standards (ISO 10668 and ISO 20671) and our methodology, certified by Austrian Standards, is officially approved by the Marketing Accountability Standards Board.

Foreword



David Haigh
Chairman & CEO,
Brand Finance

Brand valuation helps companies understand the value of their brand and how it contributes to the overall value of the company. This important understanding can inform decision-making related to marketing and branding efforts, as well as provide a benchmark for future performance. It can also be used to help attract investors and secure financing, as a strong brand can be a valuable asset.

Additionally, brand valuation can be useful in the event of a merger or acquisition, as it can help determine the value of the brand being acquired. Overall, brand valuation helps organisations understand the worth of their brand and how it fits into their overall business strategy.

A strong brand can lead to improved business returns in several ways. First, a strong brand can help a company differentiate itself from its competitors and establish a unique identity in the market, which can lead to increased customer loyalty and retention. This, in turn, can lead to higher sales and revenue. A strong brand can also help a company command a higher price for its products or services, as consumers are willing to pay more for a brand they perceive as high-quality and trustworthy.

In addition, a strong brand can help a company attract top talent, as employees may be more attracted to work for a well-known and reputable brand. Finally, a strong brand can provide a company with a competitive advantage and help it weather economic downturns or industry disruptions.

This year, Brand Finance has invested more in researching and understanding customer perception of brands across the world than ever before, with original research taking place in dozens of jurisdictions globally. The report you are reading is based on this extensive original research, with the findings representing a catalyst for further conversations.

If you want to help build a stronger brand, or if you want to better understand the value of your brand, please contact the Brand Finance team and I anytime. I look forward to the conversation and helping to build a more profitable future for your brand.



Request your own Brand Value Report

Brand Finance's Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to determine your brand's value, as well as brand equity research.

Each report includes expert recommendations for growing brand value, driving performance, and gaining insights into your position against peers.

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Gain Insight

Leverage strategic insights to enhance your brand's financial standing.

Strategic Guidance

Strategise effectively to position your brand as a market leader.

Benchmark Your Performance

Benchmark your brand against industry standards for a competitive edge in the corporate landscape.

Empower Your Marketing Team

Empower your marketing team with comprehensive knowledge about your brand's financial value.

Enhance Communication

Optimise communication channels by understanding and articulating your brand's financial significance.

Deepen Understanding

Deepen your financial acumen and make well-informed decisions for corporate success.



Get Full Access to our Global Data

Brand Finance's Global Brand Equity Monitor Research utilises a comprehensive framework to track and measure the core building blocks that underpin strong brands, while delivering nuanced insights that direct strategy for understanding, maintaining and building brand strength.

Brands, and customer relationship with brands, are complex. As such they require **attention, direction** and **measured support** if they're to fulfil their potential. Our brand equity reports deliver expert insight and recommendations to power your brand strategies and valuation.

+6,000 brands

Original market research on global, market and sector leading brands.

41 countries

Comprehensive coverage for market specific learnings that inform decision making.

31 sectors

Benchmark your brand against competitors and leverage industry level insights to empower your strategy.

+150,000 respondents

Robust market representation for a global perspective.

8th consecutive year

Take a longer view to track and learn from fast growing brands, market disrupters, and market leaders.

Strategic Insight

Understand your brands standing in the market, what it's known for relative to the competition, and what drives customer decision making so you can create a roadmap for success.

Ranking Analysis



Top retail brands see a decline in value as discount brands climb

- + Eight of the world's top ten retail brands experienced declines in brand value this year; **Amazon** maintains its number one global ranking
- + Major shifts among the world's strongest retail brands: **Bunnings** and **Decathlon** emerge on top
- + **Lazada** surges 40% to become the world's fastest-growing retail brand, followed by **Metro** and **Chedraui**
- + **Amazon** also holds the highest Sustainability Perceptions Value (SPV) at USD20.7 billion
- + The retail sector in emerging markets is on the rise while major economies are declining

Ranking Analysis



Eight of the world's top ten retail brands experienced declines in brand value this year; Amazon maintains its number one global ranking

With its brand value increasing 3% to USD308.9 billion, **Amazon** is once again the world's most valuable retail brand. Amazon also noted improved brand strength, with its Brand Strength Index (BSI) score reaching 85.1 out of 100, maintaining an AAA rating. Higher year-on-year scores across several metrics, including consideration and reputation, drove this improvement, leading Amazon to become the retail sector's fourth strongest brand.

Walmart remains the world's second most valuable retail brand, despite its brand value declining by 15% to USD96.8 billion.











The American retail sector saw muted results this year, with many well-known brands noting declining brand value. Maintaining the third rank, **Home Depot's** brand value declined 14% to USD52.8 billion. In contrast, **Costco's** brand value increased by 4% to USD48.4 billion.

Inflationary and cost-of-living pressures are influencing consumer brand preference. This trend is underscored by improved brand values for discount and more affordable brands.

Dollar Tree (brand value up 23% to USD5.1 billion), **Ross Dress for Less** (brand value up 18% to USD5.1 billion), **Family Dollar** (brand value up 15% to USD3.2 billion), and the UK's **B&M** (brand value up 19% to USD2.3 billion) each noted improved brand values.

Top 10 Most Valuable Retail Brands 2024

© Brand Finance Plc. 2024

<p>1 =</p> <p>amazon</p> <p>\$308.9 bn +3%</p> 	<p>2 =</p> <p>Walmart</p> <p>\$96.8 bn -15%</p> 	<p>3 =</p> <p>THE HOME DEPOT</p> <p>\$52.8 bn -14%</p> 	<p>4 =</p> <p>COSTCO WHOLESALE</p> <p>\$48.4 bn +4%</p> 	<p>5 ▲</p> <p>CVS</p> <p>\$30.2 bn -1%</p> 
<p>6 ▲</p> <p>Target</p> <p>\$26.4 bn -5%</p> 	<p>7 ▼</p> <p>LOWE'S</p> <p>\$25.0 bn -21%</p> 	<p>8 ▼</p> <p>淘宝网 Taobao.com</p> <p>\$20.2 bn -34%</p> 	<p>9 =</p> <p>Tmall 理想生活上天猫</p> <p>\$18.6 bn -32%</p> 	<p>10 ▲</p> <p>JD.COM</p> <p>\$17.8 bn -6%</p> 



Major shifts among the world's strongest retail brands: Bunnings and Decathlon emerge on top

With an AAA BSI rating, **Bunnings** (brand value up 14% to USD4.1 billion) has emerged as the world's strongest retail brand. According to Brand Finance research, Bunnings is one of the most widely talked about brands in Australia.

In addition, Bunnings achieves exceptionally high advertising recall, demonstrating the impact of active brand promotion on brand strength. This underscores Bunnings' significant foothold in its local markets of Australia and New Zealand, with strategic pricing strategies such as its EDLP (everyday low prices) and price matching as key drivers. The brand's feature in the popular children's cartoon, Bluey, further highlights its influence.

Decathlon (brand value up 5% to USD9.3 billion) has become the world's second-strongest retail brand, with a BSI score of 87.3 out of 100 and an AAA rating. Decathlon continues to score highly in terms of perceptions of its people (customer service), familiarity, and reputation.



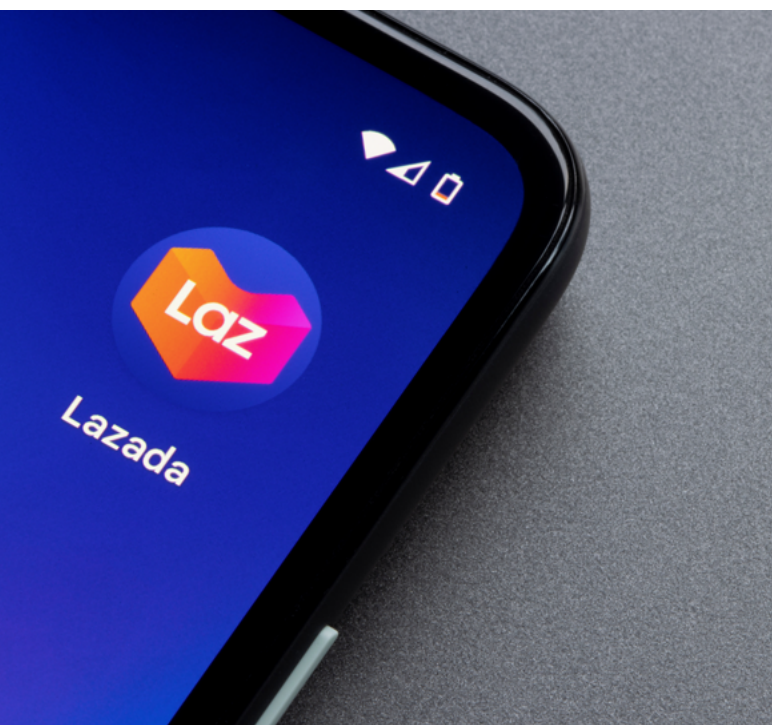
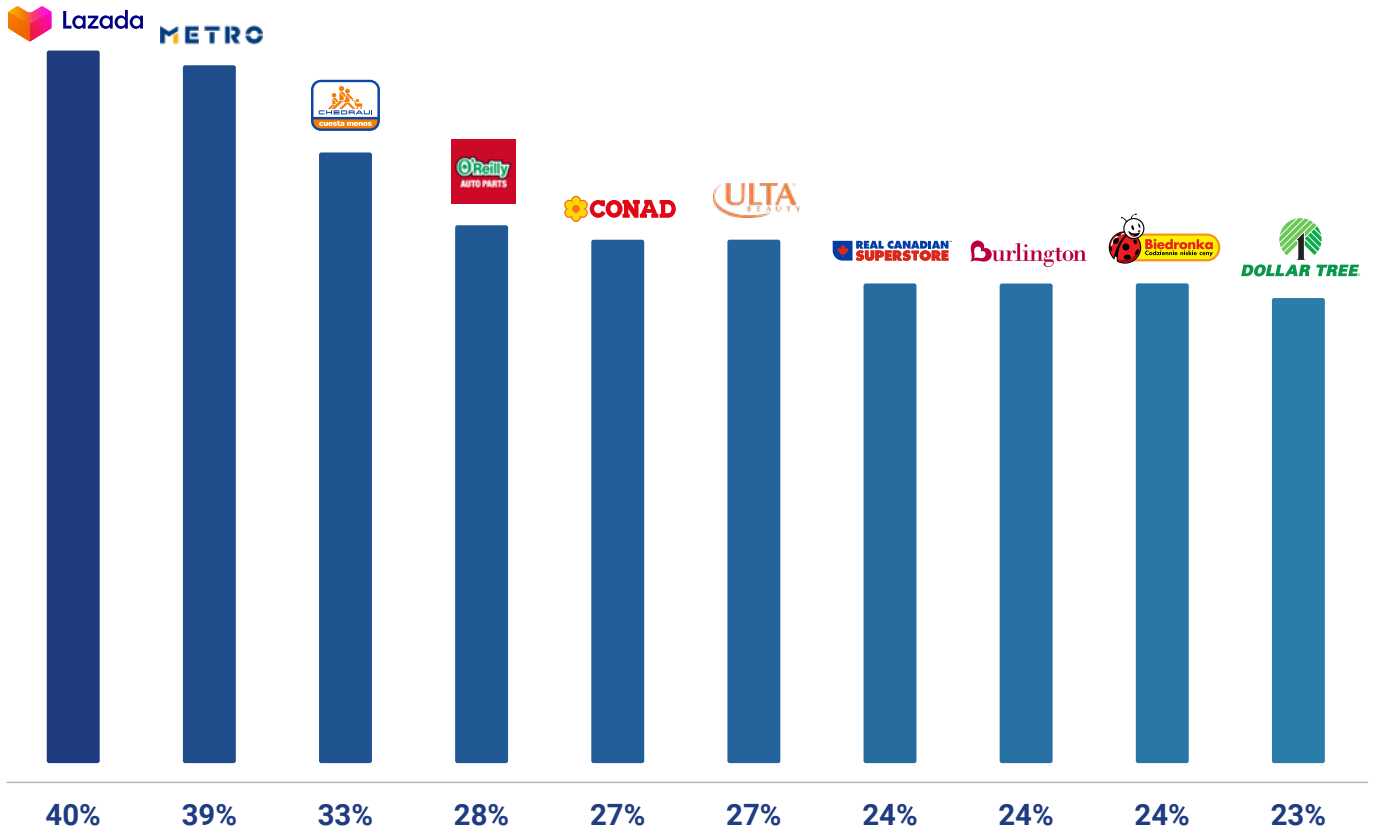
Top 10 Strongest Retail Brands 2024

© Brand Finance Plc. 2024

<p>1 ▲</p>  <p>88.2 +0.1</p> 	<p>2 ▲</p>  <p>87.3 -0.2</p> 	<p>3 ▼</p>  <p>86.4 -3.0</p> 	<p>4 ▲</p>  <p>85.1 +0.1</p> 	<p>5 ▼</p>  <p>84.7 -2.6</p> 
<p>6 ▲</p>  <p>84.0 -1.0</p> 	<p>7 ▲</p>  <p>83.9 +0.7</p> 	<p>8 ▲</p>  <p>83.7 +1.5</p> 	<p>9 ▼</p>  <p>83.5 -2.2</p> 	<p>10 ▲</p>  <p>83.4 -1.4</p> 

Brand Value Change 2023-2024 (%)

© Brand Finance Plc. 2024



Lazada surges 40% to become the world's fastest-growing retail brand, followed by Metro and Chedraui

Lazada, one of Southeast Asia's largest ecommerce operators, has emerged as the world's fastest-growing retail brand, with a 40% increase in brand value to USD2.1 billion. This rise stems from the brand's significant growth in orders despite increasing competition from **Shopee** and **TikTok**.

In 2023, Lazada introduced its value offering "Choice", which competes with brands like **Temu** and **Shein**, to bring value products to its customers, driving core growth.

Closely behind, Germany's **Metro** has become this year's second-fastest retail brand globally following a 39% increase in brand value to USD3.0 billion. This increase has fuelled an 18-rank hike, with Metro now standing in 76th position.

As a discount superstore, **Metro** has benefited from the rising consumer demand for affordable shopping options and significant sales growth has propelled the brand’s growth, with sales now surpassing pre-pandemic levels.

Chedraui has become the world’s third fastest-growing retail brand, entering the ranking in 94th position. Up 33% to USD2.1 billion, Chedraui’s climb is driven by several new store openings and expansions, across both Mexico and the US.

Notably, Chedraui has significantly boosted its brand strength in the US, with both consideration and reputation seeing substantial improvements.





















Amazon also holds the highest Sustainability Perceptions Value (SPV) at USD20.7 billion

Brand Finance also uses its Global Brand Equity Monitor (GBEM) research to compile its Sustainability Perceptions Index.



Top 10 Retail Brands by Sustainability Perceptions Value

© Brand Finance Plc. 2024

1		2		3		4		5	
									
\$20.68 bn E: 1.00 S: 1.01 G: 1.00		\$6.43 bn E: 1.00 S: 1.00 G: 0.98		\$5.40 bn E: 0.99 S: 1.01 G: 1.04		\$3.48 bn E: 0.99 S: 0.98 G: 0.99		\$1.95 bn E: 0.95 S: 0.99 G: 0.97	
6		7		8		9		10	
									
\$1.78 bn E: 1.05 S: 1.02 G: 1.03		\$1.75 bn E: 1.08 S: 1.06 G: 1.07		\$1.66 bn E: 0.96 S: 0.94 G: 0.93		\$1.66 bn E: 0.98 S: 1.00 G: 1.00		\$1.61 bn E: 1.05 S: 1.07 G: 1.07	

USDxx = Sustainability Perceptions Value x.x = Sustainability Perceptions Score / Sector Median

The study determines the role of sustainability in driving consumer choice, which brands consumers believe to be most committed to sustainability, the proportion of brand value attributable to sustainability perceptions, and the value at risk or to be gained, based on the difference between sustainability perceptions and actual performance.

The research finds that sustainability is a prominent driver of customer consideration for supermarkets, at 11.1%. In general retail and e-commerce, sustainability's impact on consideration is lower at 6.7%. This difference is intuitive, considering the closeness of supermarkets to sustainability considerations of food and household products.

Environmental topics like food waste, local producers, and associated carbon emissions are top-of-mind for supermarkets brands.

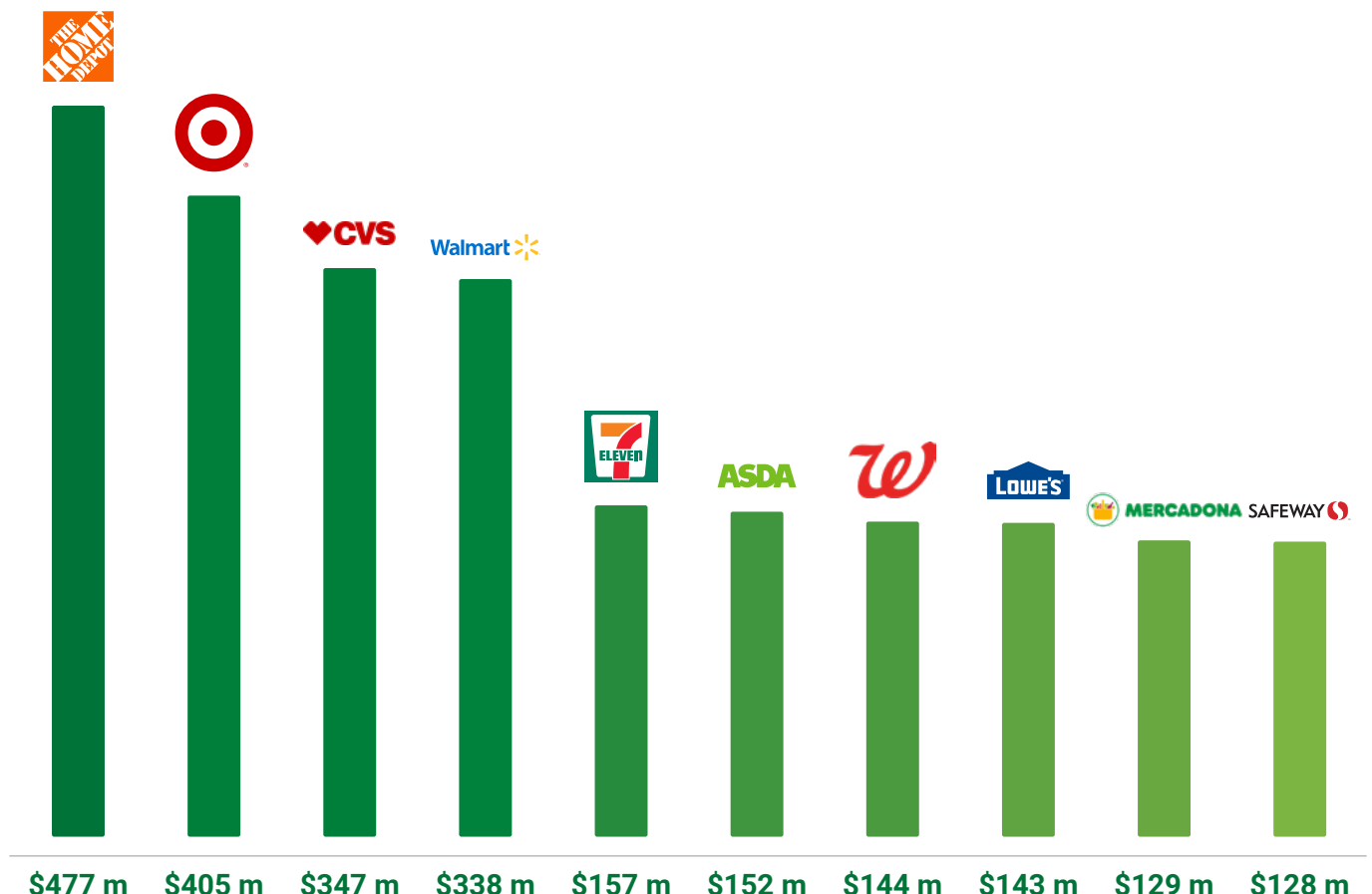
At USD20.7 billion, **Amazon** has the highest sustainability perceptions value, followed by **Walmart** and **Costco** at USD6.4 billion and USD5.4 billion, respectively. With their great financial scale, these brands have greater value attributable to sustainability perceptions.

Brand Finance's perceptual research is analysed alongside **CSRHub's** ESG performance data to determine a brand's 'gap value'. This is the value at risk, or value to be gained, arising from the difference between sustainability perceptions and actual performance. **Home Depot** has the highest positive gap value among retailers, at USD477 million.

This gap value suggests that Home Depot could potentially generate up to USD477 million in additional value through enhanced communication of its impact and accomplishments in sustainability.

Top 10 Sustainability Gap Values 2024 (Retail Brands)

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The retail sector in emerging markets is on the rise while major economies are declining

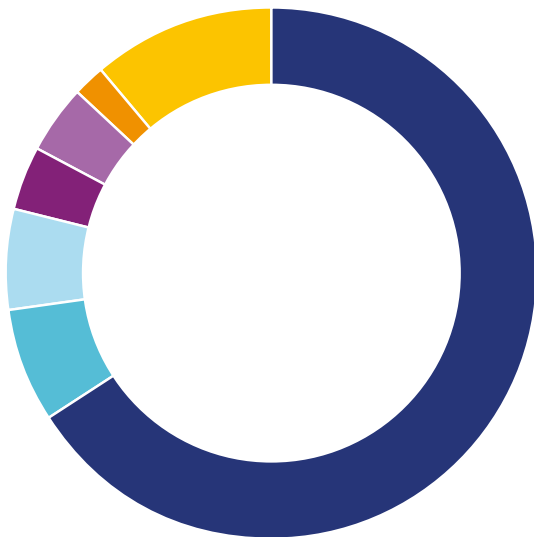
An interesting trend emerges when analysing brand values by country: while major economies have experienced declines, emerging markets are on the rise. The total brand value has dropped in the US (down 3%), China (down 22%), Germany (down 4%), the UK (down 12%), and Japan (down 9%). In contrast, Mexico's total brand value surged by 38%, Argentina by 23%, Poland by 24%, and Italy by 18%.

Among these emerging markets, Mexico's **Chedraui** and Italy's **Conad** stand out, with their brand values growing by 33% and 27%, respectively.

India, a key emerging market, is notably absent from the top 100, despite its economic scale and growing global prominence. However, India's retail sector is poised for rapid growth, with projections suggesting it could exceed USD2 trillion by 2030 or 2032, positioning it as a market to watch closely in future rankings.

Brand Value by Country 2023-2024

© Brand Finance Plc. 2024



Country	Brand Value (USD m)	% of total	Number of Brands
United States	763,611	66%	36
China	77,335	7%	7
Germany	72,888	6%	11
France	42,983	4%	5
United Kingdom	42,702	4%	8
Japan	25,118	2%	5
Other	127,826	11%	28
Total	1,152,463	100%	100



Brand Value Ranking (USDm)

Top 100 most valuable Retail brands 1-50

2024 Rank	2023 Rank		Brand	Country	2024 Brand Value	Brand Value Change	2023 Brand Value	2024 Brand Rating	2023 Brand Rating
1	1	=	Amazon	United States	\$308,926	+3.2%	\$299,280	AAA	AAA
2	2	=	Walmart	United States	\$96,842	-14.9%	\$113,781	AA+	AA+
3	3	=	Home Depot	United States	\$52,768	-13.6%	\$61,053	AA+	AA+
4	4	=	Costco	United States	\$48,380	+3.9%	\$46,571	AA+	AA+
5	6	▲	CVS	United States	\$30,218	-1.1%	\$30,567	AA	AA
6	8	▲	Target	United States	\$26,355	-4.5%	\$27,599	AA+	AAA-
7	5	▼	Lowe's	United States	\$25,014	-20.8%	\$31,597	AA+	AA+
8	7	▼	Taobao	China	\$20,147	-34.0%	\$30,539	AA+	AA+
9	9	=	Tmall	China	\$18,633	-32.1%	\$27,429	AA	AA
10	11	▲	JD.com	China	\$17,824	-6.0%	\$18,960	AAA-	AA+
11	14	▲	IKEA	Sweden	🔒	🔒	🔒	🔒	🔒
12	12	=	Lidl	Germany	🔒	🔒	🔒	🔒	🔒
13	10	▼	Walgreens	United States	🔒	🔒	🔒	🔒	🔒
14	17	▲	Aldi Süd	Germany	🔒	🔒	🔒	🔒	🔒
15	13	▼	Sam's Club	United States	🔒	🔒	🔒	🔒	🔒
16	18	▲	Publix	United States	🔒	🔒	🔒	🔒	🔒
17	15	▼	Tesco	United Kingdom	🔒	🔒	🔒	🔒	🔒
18	19	▲	Carrefour	France	🔒	🔒	🔒	🔒	🔒
19	21	▲	Circle K	Canada	🔒	🔒	🔒	🔒	🔒
20	16	▼	7-Eleven	Japan	🔒	🔒	🔒	🔒	🔒
21	22	▲	Dollar General	United States	🔒	🔒	🔒	🔒	🔒
22	23	▲	Rewe	Germany	🔒	🔒	🔒	🔒	🔒
23	20	▼	Woolworths	Australia	🔒	🔒	🔒	🔒	🔒
24	31	▲	TJ Maxx	United States	🔒	🔒	🔒	🔒	🔒
25	27	▲	Decathlon	France	🔒	🔒	🔒	🔒	🔒
26	29	▲	Sephora	France	🔒	🔒	🔒	🔒	🔒
27	26	▼	Kroger	United States	🔒	🔒	🔒	🔒	🔒
28	30	▲	E.Leclerc	France	🔒	🔒	🔒	🔒	🔒
29	24	▼	Meituan	China	🔒	🔒	🔒	🔒	🔒
30	25	▼	Alibaba.com	China	🔒	🔒	🔒	🔒	🔒
31	35	▲	Coupang	South Korea	🔒	🔒	🔒	🔒	🔒
32	41	▲	O'Reilly Auto Parts	United States	🔒	🔒	🔒	🔒	🔒
33	42	▲	Conad	Italy	🔒	🔒	🔒	🔒	🔒
34	36	▲	AutoZone	United States	🔒	🔒	🔒	🔒	🔒
35	28	▼	Asda	United Kingdom	🔒	🔒	🔒	🔒	🔒
36	33	▼	CarMax	United States	🔒	🔒	🔒	🔒	🔒
37	32	▼	Edeka	Germany	🔒	🔒	🔒	🔒	🔒
38	45	▲	Marshalls	United States	🔒	🔒	🔒	🔒	🔒
39	34	▼	Coles	Australia	🔒	🔒	🔒	🔒	🔒
40	47	▲	Whole Foods	United States	🔒	🔒	🔒	🔒	🔒
41	38	▼	Safeway	United States	🔒	🔒	🔒	🔒	🔒
42	39	▼	Mercadona	Spain	🔒	🔒	🔒	🔒	🔒
43	48	▲	Kaufland	Germany	🔒	🔒	🔒	🔒	🔒
44	37	▼	eBay	United States	🔒	🔒	🔒	🔒	🔒
45	40	▼	Best Buy	United States	🔒	🔒	🔒	🔒	🔒
46	59	▲	Dollar Tree	United States	🔒	🔒	🔒	🔒	🔒
47	56	▲	Ross Dress For Less	United States	🔒	🔒	🔒	🔒	🔒
48	44	▼	JD Sports	United Kingdom	🔒	🔒	🔒	🔒	🔒
49	43	▼	Sainsbury's	United Kingdom	🔒	🔒	🔒	🔒	🔒
50	46	▼	Tractor Supply	United States	🔒	🔒	🔒	🔒	🔒

Brand Value Ranking (USDm)

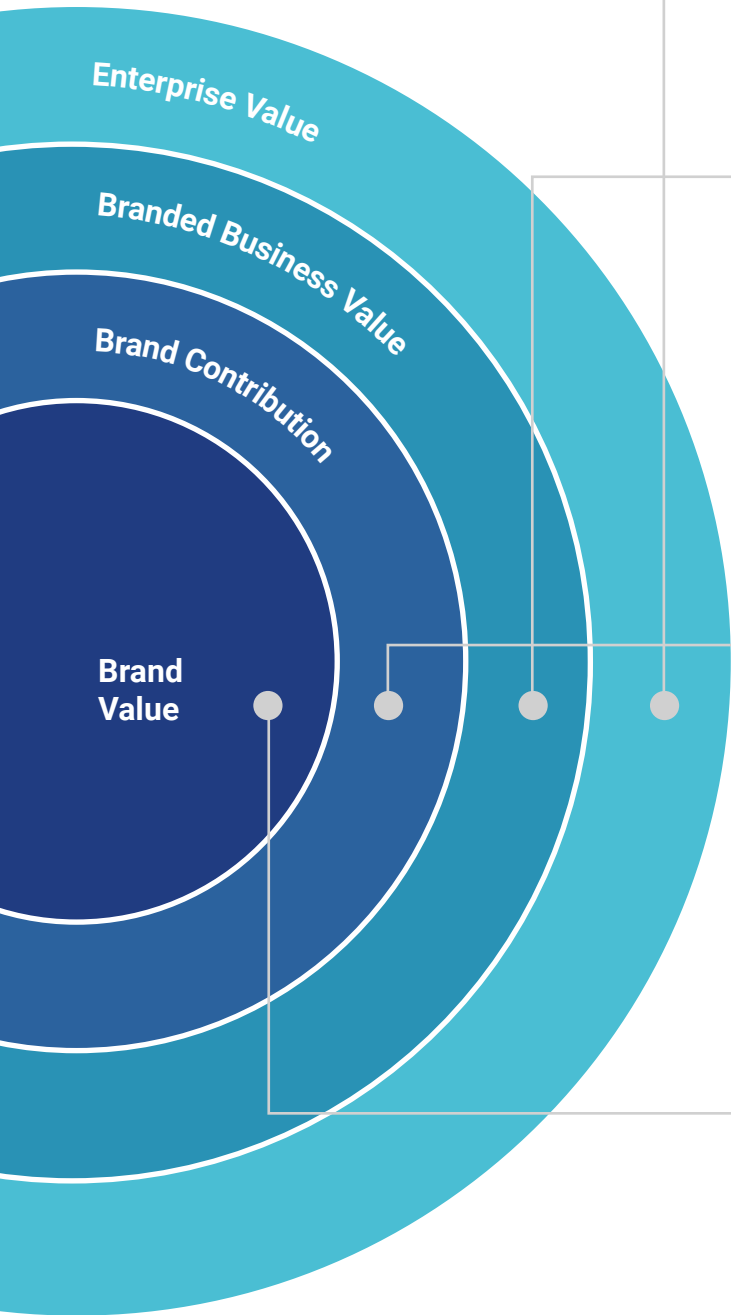
Top 100 most valuable Retail brands 51-100

2024 Rank	2023 Rank	Brand	Country	2024 Brand Value	Brand Value Change	2023 Brand Value	2024 Brand Rating	2023 Brand Rating
51	53	▲ Aldi Nord	Germany	🔒	🔒	🔒	🔒	🔒
52	49	▼ Rakuten	Japan	🔒	🔒	🔒	🔒	🔒
53	50	▼ SPAR	Netherlands	🔒	🔒	🔒	🔒	🔒
54	66	▲ MercadoLibre	Argentina	🔒	🔒	🔒	🔒	🔒
55	54	▼ Bodega Aurrera	Mexico	🔒	🔒	🔒	🔒	🔒
56	70	▲ Biedronka	Poland	🔒	🔒	🔒	🔒	🔒
57	62	▲ Kohl's	United States	🔒	🔒	🔒	🔒	🔒
58	51	▼ Leroy Merlin	France	🔒	🔒	🔒	🔒	🔒
59	58	▼ El Corte Inglés	Spain	🔒	🔒	🔒	🔒	🔒
60	68	▲ Bunnings	Australia	🔒	🔒	🔒	🔒	🔒
61	55	▼ Rossmann	Germany	🔒	🔒	🔒	🔒	🔒
62	52	▼ Macy's	United States	🔒	🔒	🔒	🔒	🔒
63	73	▲ Dick's Sporting Goods	United States	🔒	🔒	🔒	🔒	🔒
64	61	▼ dm	Germany	🔒	🔒	🔒	🔒	🔒
65	69	▲ AEON	Japan	🔒	🔒	🔒	🔒	🔒
66	74	▲ Don Quijote	Japan	🔒	🔒	🔒	🔒	🔒
67	60	▼ Canadian Tire	Canada	🔒	🔒	🔒	🔒	🔒
68	80	▲ Ulta Beauty	United States	🔒	🔒	🔒	🔒	🔒
69	77	▲ Marks & Spencer	United Kingdom	🔒	🔒	🔒	🔒	🔒
70	75	▲ COOP	Italy	🔒	🔒	🔒	🔒	🔒
71	63	▼ E-Mart	South Korea	🔒	🔒	🔒	🔒	🔒
72	79	▲ Family Dollar	United States	🔒	🔒	🔒	🔒	🔒
73	72	▼ Boots	United Kingdom	🔒	🔒	🔒	🔒	🔒
74	64	▼ Nordstrom	United States	🔒	🔒	🔒	🔒	🔒
75	67	▼ Stop & Shop	United States	🔒	🔒	🔒	🔒	🔒
76	94	▲ Metro	Germany	🔒	🔒	🔒	🔒	🔒
77	65	▼ Morrisons	United Kingdom	🔒	🔒	🔒	🔒	🔒
78	71	▼ Advance Auto Parts	United States	🔒	🔒	🔒	🔒	🔒
79	90	▲ Burlington	United States	🔒	🔒	🔒	🔒	🔒
80	83	▲ Esselunga	Italy	🔒	🔒	🔒	🔒	🔒
81	57	▼ Zalando	Germany	🔒	🔒	🔒	🔒	🔒
82	95	▲ Real Canadian Superstore	Canada	🔒	🔒	🔒	🔒	🔒
83	91	▲ OXXO	Mexico	🔒	🔒	🔒	🔒	🔒
84	78	▼ Shoppers Drug Mart	Canada	🔒	🔒	🔒	🔒	🔒
85	81	▼ Loblaws	Canada	🔒	🔒	🔒	🔒	🔒
86	86	= Food Lion	United States	🔒	🔒	🔒	🔒	🔒
87	99	▲ B&M	United Kingdom	🔒	🔒	🔒	🔒	🔒
88	82	▼ Yonghui Superstores	China	🔒	🔒	🔒	🔒	🔒
89	92	▲ Nitori	Japan	🔒	🔒	🔒	🔒	🔒
90	93	▲ K Group	Finland	🔒	🔒	🔒	🔒	🔒
91	84	▼ Pyaterochka	Russia	🔒	🔒	🔒	🔒	🔒
92	87	▼ Magnit	Russia	🔒	🔒	🔒	🔒	🔒
93	85	▼ Longs Drugs	United States	🔒	🔒	🔒	🔒	🔒
94	113	▲ Chedraui	Mexico	🔒	🔒	🔒	🔒	🔒
95	120	▲ Lazada	Singapore	🔒	🔒	🔒	🔒	🔒
96	98	▲ bol.com	Netherlands	🔒	🔒	🔒	🔒	🔒
97	107	▲ VIP.com	China	🔒	🔒	🔒	🔒	🔒
98	96	▼ Netto	Germany	🔒	🔒	🔒	🔒	🔒
99	101	▲ Foot Locker	United States	🔒	🔒	🔒	🔒	🔒
100	110	▲ Central Retail	Thailand	🔒	🔒	🔒	🔒	🔒

Methodology



Definitions



Brand Value



+ Enterprise Value

The value of the entire enterprise, made up of multiple branded businesses.

Where a company has a purely mono-branded architecture, the 'enterprise value' is the same as 'branded business value'.



+ Branded Business Value

The value of a single branded business operating under the subject brand.

A brand should be viewed in the context of the business in which it operates. Brand Finance always conducts a branded business valuation as part of any brand valuation. We evaluate the full brand value chain in order to understand the links between marketing investment, brand-tracking data, and stakeholder behaviour.



+ Brand Contribution

The overall uplift in shareholder value that the business derives from owning the brand rather than operating a generic brand.

The brand values contained in our league tables are those of the potentially transferable brand assets only, making 'brand contribution' a wider concept. An assessment of overall 'brand contribution' to a business provides additional insights to help optimise performance.



+ Brand Value

The value of the trade mark and associated marketing IP within the branded business.

Brand Finance helped to craft the internationally recognised standard on Brand Valuation – ISO 10668. It defines brand as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

Brand Valuation Methodology

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.

What is 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 6000 brands in over 41 markets.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

1. Brand Impact

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

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

2. Brand Strength

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

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding Brand Rating up to AAA+ in a format similar to a credit rating.

3. Brand Impact x Brand Strength

The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.

4. Forecast Brand Value Calculation credibility

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

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

Brand Strength Methodology

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.

Brand Strength Index



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. 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 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. 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.

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
- + Research Analytics
- + Soft Power

Questions we can help answer:

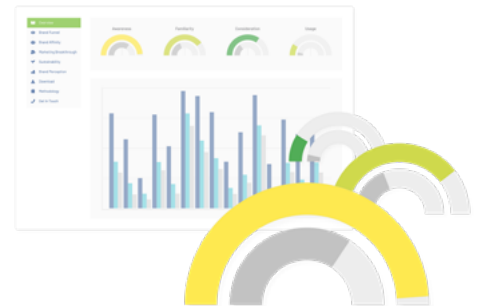
- Are we building our brands' strength effectively?
- How do I track and develop my brand equity?
- How strong are my competitors' brands?
- Are there any holes in my existing brand tracker?
- What do different stakeholders think of my brand?

Brand Insights

Make your brand's business case.

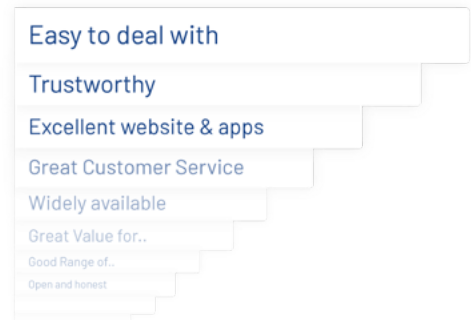
Benchmarking

In-depth external benchmarking – comparisons against direct competitors across key KPI's through the Brand Strength Index framework.



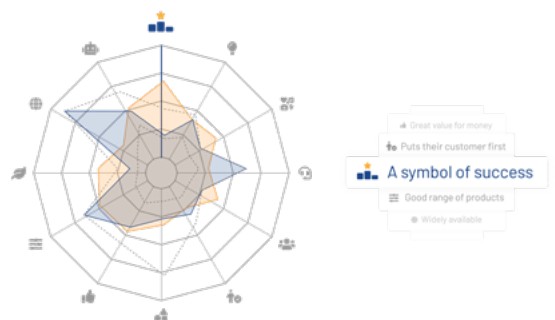
Drivers Analysis

Statistical **correlation** analysis to understand what is important in driving Brand Consideration, Reputation, Brand Strength and Value.



Brand Associations & Market Positioning

Diagnose Brand Strengths & Weaknesses – What is my brand known, and not known for? How do I leverage or optimize my brand position to grow brand value?



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

Questions we can help answer:

- 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

Questions we can help answer:

- 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 Sustainability

Understand perceptions and align them with performance.

Sustainability and ESG have never been more important considerations for marketers, finance professionals, and the brands they serve. Our sustainability services bring clarity, allowing you to make the right decisions to add value, protect yourself from risk, and do the right thing.

- + Perceptions Evaluation and Tracking
- + Sustainability ROI Analysis
- + Competitor Insights and Positioning Recommendations
- + Materiality Exercises
- + Stakeholder Engagement and Workshops
- + Sustainability Reporting and Disclosure Support

Questions we can help answer:

- How important is sustainability in driving the choices of customers, employees, and investors?
- Which sustainability issues are most relevant to my brand?
- How sustainable is my brand perceived to be versus competitors?
- What is the potential value of enhancing perceptions?
- Could value be at risk? If so, how much?
- How do I secure investment or budget allocation?
- How do I improve performance and perceptions?

Sponsorship Services

Maximise value from your sponsorships.

Sponsorships are often amongst the most extensive, influential, and expensive brand building activities a company can undertake. We use the same techniques applied in brand valuation, such as research, financial modelling, and strategic analysis. This approach helps marketing and finance managers to understand the effectiveness of sponsorships and maximise ROI.

Advertising equivalency, and traditional research interpretation of sponsorships, fails to adequately address key questions around brand building and value creation. Brand Finance takes a broader view to understand sponsorships in the context of achieving brand and business objectives.

- + Sponsorship Strategy
- + Partnership Opportunity Analysis
- + Return on Investment Analysis
- + Partnership Tracking
- + Sports Investment Due Diligence
- + Sponsorship Prospectus building
- + Activation Measurement & Strategy

Questions we can help answer:

- Can I develop a sponsorship strategy to match commercial objectives?
- Is the partnership a good fit?
- What is the short-term impact on business performance?
- What impacts there on long-term brand building metrics?
- What is my financial return from the sponsorship investment?
- Should the partnership be renewed, and if so, at what price?
- How does my sports partnership compare to the market?



Brand Dialogue Services

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).

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

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

Strategic Communications

- + Crisis Communications
- + Brand Positioning & Reputation
- + Corporate Social Responsibility
- + Geographic Branding

Brand Finance Network

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

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