



Utilities

50

2019

The annual report on the most valuable and strongest utilities brands
June 2019

About Brand Finance.

Brand Finance is the world’s leading independent brand valuation 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:

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What are the benefits of a Brand Value Report?



Insight



Strategy



Benchmarking



Education



Communication



Understanding

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.



Brand Strength Index (BSI)

Brand strength expressed as a BSI score out of 100.



Brand Royalty Rate

BSI score applied to an appropriate sector royalty range.



Brand Revenues

Royalty rate applied to forecast revenues to derive brand value.



Brand Value

Post-tax brand revenues discounted to a net present value (NPV) which equals the brand value.

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.

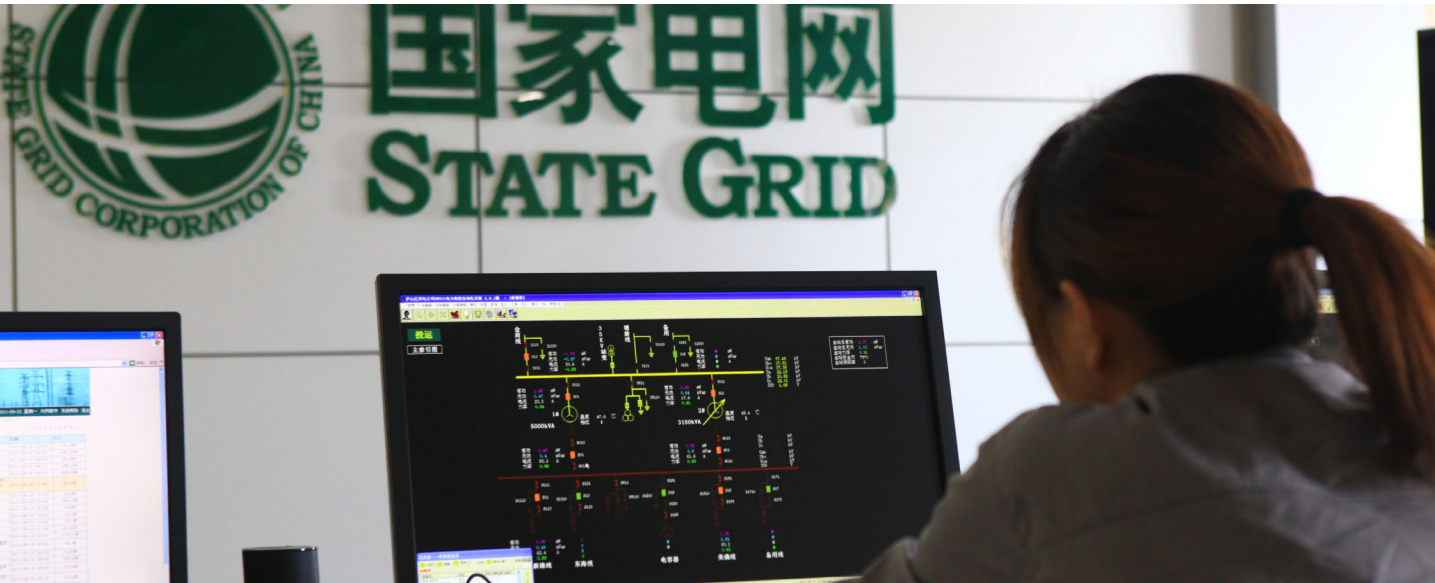
Acknowledging and managing a company's intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

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

State Grid Sends Shock Waves Down Brand Value Ranking.

- + China's State Grid breaks US\$50 billion brand value mark, leaving competitors behind
- + Engie joins State Grid and EDF on the podium, beating Enel to 3rd place
- + DTE Energy is the fastest-growing brand in the Brand Finance Utilities 50 study this year, as six other US brands enter the ranking for the first time
- + British brands struggle in a changing market, as German ones adapt successfully
- + South Korea's KEPCO is the sector's strongest brand, the only one with an elite AAA brand rating
- + Malaysia's Tenaga Nasional is a brand to watch as it improved its brand strength score by 8 points over the past year, more than any other brand in the ranking

Executive Summary.



State Grid sends shock waves

State Grid, China’s state-owned power company that provides energy to 1.1 billion people, continues to be by far the world’s most valuable brand in the utilities sector. Breaking the US\$50 billion mark following 25% growth year on year, the brand value of the Beijing-headquartered company totals US\$51.3 billion, over four times more than the second-placed EDF.

As well as being the dominant force in its domestic market, State Grid has broadened its presence in external locations while also seeking private investors for its ultra-high voltage grid.

In a sector committed to energy efficiency, innovation, and harnessing big data analytics, growth has been robust throughout the rankings. The top 10 achieved an average brand value growth rate of more than 20%. The sector is consolidating and in 2018, power and utilities mergers totalled some US\$127 billion, with around half coming from Europe. The market is also undergoing reforms, from the opening-up of the retail segment to tighter tariff margins to a developing appetite for green energy.

French brands on the podium

France’s **EDF** remains the second most valuable utilities brand, rising by 23% to US\$12.1 billion. EDF’s CAP 2030 strategy championing low-carbon solutions and energy efficiency highlights the changing dynamics of the sector.

With reforms in progress and a growing awareness of the consequences of climate change, the utilities sector could be on the brink of a more aggressive shift towards renewables and sustainable energy sources. Those companies that embrace the change in emphasis and successfully adapt their brand architectures and brand strategies will emerge as the leaders in the industry.

Richard Haigh
Managing Director, Brand Finance

Another French brand to register solid growth, **Engie**, grew brand value by 23% to US\$10.3 billion, getting narrowly ahead of Italy’s **Enel** and jumping onto the podium in third place. Engie recorded strong commercial performance in 2018 with sales of energy solutions and renewable contracts seeing 9% and 17% growth respectively.

American movers and shakers

The fastest growth in brand value this year was achieved by US-based **DTE Energy**. Up 63% to US\$1.5 billion, the brand climbed 20 places from the bottom of the table to claim a top 30 position. DTE is looking to double its renewable energy capacity by the early 2020s and aims to close its last coal-burning power station by 2040. The company is also offering its customers a mix of energy sources, including wind and solar.

Testament to the dynamic nature of the North American utilities market, six other players from the US have entered the table for the first time this year: Eversource (37th), CenterPoint Energy (41st), WEC Energy Group (42nd), PPL (46th), Entergy (47th), and FirstEnergy (49th).

Closely behind DTE in terms of brand value growth, Japan’s Kansai increased 60% over the past year to US\$2.2 billion. The country’s largest privately-owned utility company rose through the ranks from 30th in 2018 to 19th in this year’s report.

Mixed results in Britain

On the opposite end of the growth ladder, two prominent British brands recorded the highest declines in the Brand Finance Utilities 50 ranking. With increased competition in the market, **National Grid** and **British Gas** fell by 25% and 20% in brand value since last year. National Grid is currently going through a major transformation process but could be a nationalisation target if the UK government changes.

British Gas has been through a cost-cutting programme but is still losing customers at a worrying rate. More positively, however, the most valuable British brand in the study, **SSE**, improved value by 21% to US\$4.4 billion and went up a place, beating Spain’s Iberdrola to 7th rank.

Top 10 Most Valuable Brands

 国家电网公司 STATE GRID CORPORATION OF CHINA	1	← 1		2019: \$51,292m 2018: \$40,944m	+25.3%
	2	← 2		2019: \$12,105m 2018: \$9,869m	+22.7%
	3	↑ 4		2019: \$10,328m 2018: \$8,386m	+23.2%
	4	↓ 3		2019: \$10,319m 2018: \$8,608m	+19.9%
	5	← 5		2019: \$6,758m 2018: \$5,035m	+34.2%
	6	← 6		2019: \$5,371m 2018: \$4,068m	+32.0%
	7	↑ 8		2019: \$4,441m 2018: \$3,666m	+21.1%
	8	↓ 7		2019: \$4,275m 2018: \$3,857m	+10.8%
	9	← 9		2019: \$3,827m 2018: \$3,630m	+5.4%
	10	↑ 11		2019: \$3,577m 2018: \$3,116m	+14.8%

There were very few brands that lost value among the top 50: **Veolia** (-11%), **Vattenfall** (-10%), and two Spanish brands – **Endesa** (-8%) and **Naturgy** (-5%).

Sturm und Drang in Germany

In Germany, in an attempt to adjust to changing market conditions, companies like RWE and E.ON have been broken-up to create more narrowly-focused brands. E.ON, for example, is concentrating on networks, Innogy on renewable energy, while Uniper on fossil fuels.

Experimenting with asset ownership and rebrands seems to be paying off, as – compared to other European players – German brands are in the ascendancy, with the country’s most valuable utilities brand, Innogy, growing by 32% to US\$5.4 billion on the back of improved brand strength, Uniper breaking into top 10, and E.ON and EnBW also rising through the ranks following strong brand value growth by 24% and 22% respectively.

The period of Sturm und Drang in the German utilities market continues, and it will be interesting to see what the planned asset swap between RWE and E.ON will bring for the Innogy brand and whether the market will see more M&A activity in the future.

As the deal progresses, the longevity of the Innogy brand is called into question. Although E.ON might be the acquiring party, and therefore the apparent brand choice, our consumer equity research indicates that Innogy is unencumbered by the ill-will towards the more established brands, and so commands higher NPS, Reputation, and Innovation scores.

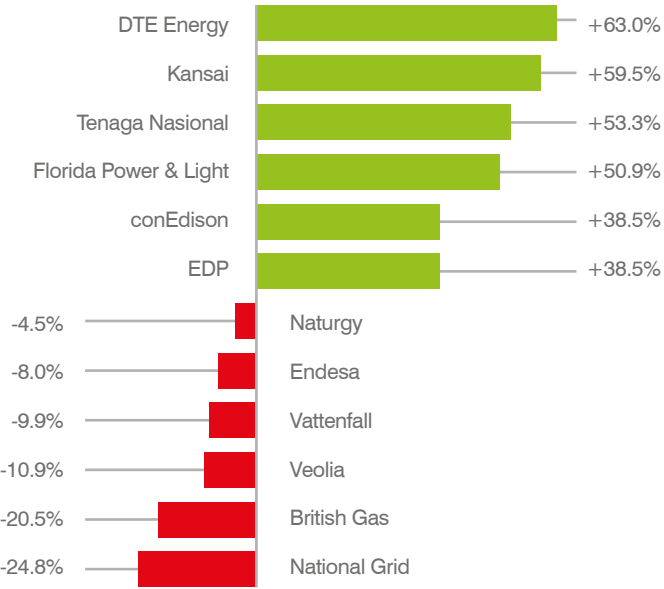
Richard Haigh
Managing Director, Brand Finance

Brand Value by Country



Country	Brand Value (USD bn)	% of total
China	56.7	31.2%
United States	28.6	15.7%
France	25.3	13.9%
Germany	14.0	7.7%
Japan	10.6	5.8%
Italy	10.3	5.7%
Other	36.3	19.9%
Total	181.8	100.0%

Brand Value Change 2018-2019 (%)



Strongest 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. Alongside revenue forecasts, brand strength is a crucial driver of brand value.

According to these criteria, South Korea’s **KEPCO** became the strongest utilities brand this year, with a Brand Strength Index (BSI) score of 85.5 – an increase of 3.3 points that took the brand above **Saudi Electricity Company** (82.5). KEPCO, the only AAA rated brand in the sector, has made significant investments outside its home market, notably in the Middle East, Europe, and Canada, and has acquired a renewable power plant in the Philippines.

Tenaga Nasional is one to watch

The only entrant from South-East Asia, **Tenaga Nasional** has stunned with this year’s brand performance and will certainly be a brand to watch in the years to come. As Tenaga is implementing its strategic plan, “Reimagining TNB”, in anticipation of local energy market reforms and decentralisation, its brand value has grown by 53% to US\$2.5 billion, while brand strength was up by eight points to 81.1, the highest increase across the top 50.

Top 10 Strongest Brands

	1 3	2019: 85.5 AAA 2018: 82.2 AAA-	+3.3
	2 2	2019: 82.5 AAA- 2018: 82.4 AAA-	+0.1
	3 20	2019: 81.1 AAA- 2018: 73.1 AA	+8.0
	4 10	2019: 81.0 AAA- 2018: 75.1 AA+	+5.8
	5 – NEW	2019: 79.6 AAA- 2018: –	–
	6 22	2019: 79.3 AA+ 2018: 72.4 AA	+6.9
	7 8	2019: 79.3 AA+ 2018: 76.5 AA+	+2.8
	8 4	2019: 78.9 AA+ 2018: 79.0 AA+	-0.1
	9 12	2019: 77.4 AA+ 2018: 74.6 AA+	+2.8
	10 9	2019: 77.1 AA+ 2018: 75.7 AA+	+1.3

Sector Reputation Analysis.

Why brand reputation matters

Comparing brand reputation across sectors is a valuable process. Brand categories are converging in different ways, with new technologies disrupting many industries. A poor reputation of the sector leaves all brands vulnerable to disruption.

Utilities brands are generally not loved

Utilities brands are not especially well-respected in most markets. In terms of overall reputation, only banks and telecoms services brands rank lower, and the same is true for perceptions of service quality and trust in the brand.

In many markets, consumers have little or no choice of provider, and invariably this affects perceptions of brands’ likelihood of being customer-centric and responsive (regardless of realities). In addition, for many consumers, utility bills take a significant chunk of income, and these monthly reminders result in a 9th-place ranking for value-for-money. Only banks score lower.

The lack of choice around one of life’s essentials perhaps explains why scores for positive recommendation are relatively high – ultimately you have to have heat and water.











Averages conceal global variation

Perhaps more than any other sector, the global performance scores for utilities brands mask some significant variations across markets In the US, utilities brands are highly-regarded, especially local and regional providers (a hint that brands should highlight community ties and services perhaps?). Meanwhile in China the low scores for the sector generally do not apply to major provider State Grid, which is highly trusted – and prices are subsidised.

Hotels boast five-star rating

Hotel and leisure brands are highly regarded globally, achieving top ranking for reputation and also quality of service. High ratings are seen for both premium/luxury brands in particular, but many mid-priced brands are well-regarded and trusted..

Sectors Ranked by Reputation

	1 Hotels	7.3 _{/10}
	2 Auto	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

Banks and telcos lag behind

Banking brands and telecoms providers continue to struggle to earn the respect of consumers, taking the bottom places globally. In banking, reputation is recovering only slowly since the days of the global financial crisis. The sector generally appears vulnerable to encroachment. Telecoms providers are in a similar fix. Brands in these sectors are rated lowest of all for overall reputation, trust and quality of service.

Tech brands resilient to reputation challenges

Brands in many sectors – banking, telecoms and possibly utilities/energy - 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. There are exceptions of course, but the mistrust that consumers have developed towards Facebook and Uber has not eroded the reputation of the sector as a whole.

Utility brand customers in many markets feel they are ripped-off by unresponsive monopolies, but this needn’t be so. US & China point to very different routes to building a positive reputation, and brands in other markets might take inspiration that a mediocre reputation is by no means inevitable (or satisfactory) in this sector.

Steven Thomson
Insight Director, Brand Finance

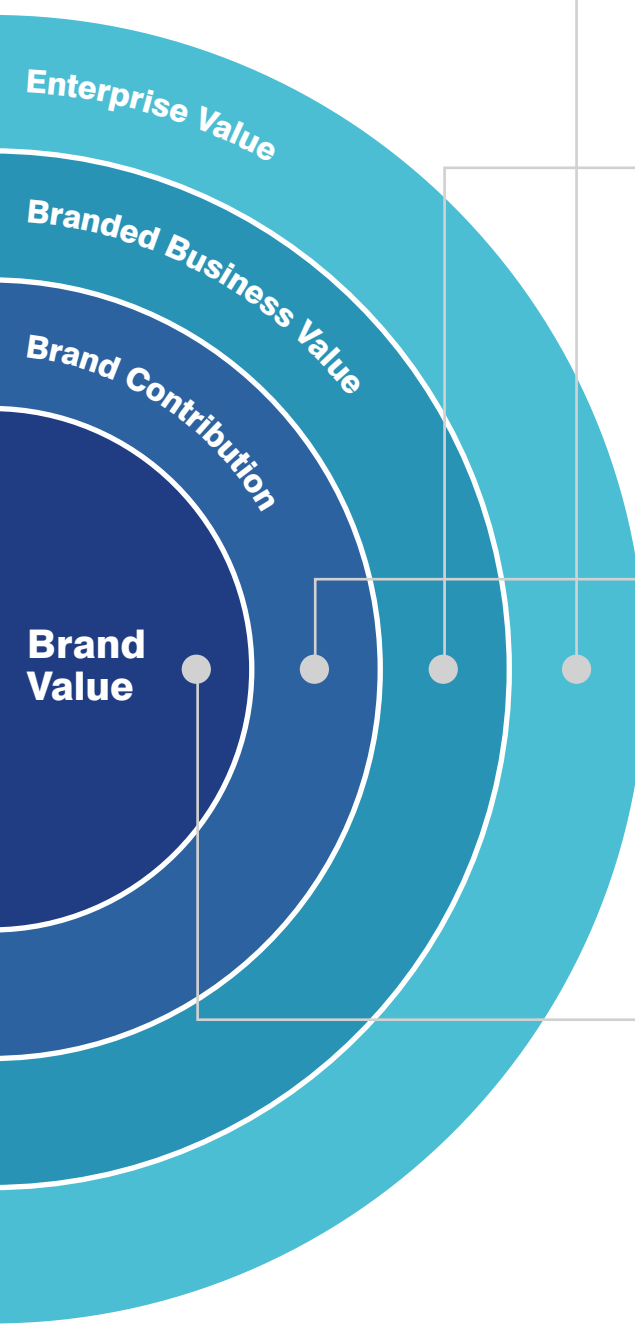
Brand Finance Utilities 50 (USD m).

Top 50 most valuable utilities brands 1-50


2019 Rank	2018 Rank	Brand	Country	\$2019 Brand Value	Brand Value Change	\$2018 Brand Value	2019 Brand Rating	2018 Brand Rating
1	1	← State Grid	China	\$51,292	+25.3%	\$40,944	AA+	AA+
2	2	← EDF	France	\$12,105	+22.7%	\$9,869	AA+	AA+
3	4	↑ Engie	France	\$10,328	+23.2%	\$8,386	AA	AA
4	3	↓ Enel	Italy	\$10,319	+19.9%	\$8,608	AA+	AAA-
5	5	← KEPCO	South Korea	\$6,758	+34.2%	\$5,035	AAA	AAA-
6	6	← Innogy	Germany	\$5,371	+32.0%	\$4,068	AA	A+
7	8	↑ SSE	United Kingdom	\$4,441	+21.1%	\$3,666	AA-	AA-
8	7	↓ Iberdrola	Spain	\$4,275	+10.8%	\$3,857	AA+	AA+
9	9	← TEPCO	Japan	\$3,827	+5.4%	\$3,630	A+	AA-
10	11	↑ Uniper	Germany	\$3,577	+14.8%	\$3,116	A	A
11	13	↑ E.ON	Germany	🔒	🔒	🔒	🔒	🔒
12	10	↓ Veolia	France	🔒	🔒	🔒	🔒	🔒
13	14	↑ Exelon	United States	🔒	🔒	🔒	🔒	🔒
14	18	↑ EDP	Portugal	🔒	🔒	🔒	🔒	🔒
15	12	↓ Endesa	Spain	🔒	🔒	🔒	🔒	🔒
16	15	↓ Duke Energy	United States	🔒	🔒	🔒	🔒	🔒
17	22	↑ Tenaga Nasional	Malaysia	🔒	🔒	🔒	🔒	🔒
18	17	↓ KOGAS	South Korea	🔒	🔒	🔒	🔒	🔒
19	30	↑ Kansai	Japan	🔒	🔒	🔒	🔒	🔒
20	16	↓ Naturgy	Spain	🔒	🔒	🔒	🔒	🔒
21	26	↑ Chubu	Japan	🔒	🔒	🔒	🔒	🔒
22	19	↓ Saudi Electricity Company	Saudi Arabia	🔒	🔒	🔒	🔒	🔒
23	20	↓ Waste Management	United States	🔒	🔒	🔒	🔒	🔒
24	27	↑ PG&E	United States	🔒	🔒	🔒	🔒	🔒
25	32	↑ Florida Power & Light	United States	🔒	🔒	🔒	🔒	🔒
26	29	↑ EnBW	Germany	🔒	🔒	🔒	🔒	🔒
27	31	↑ Dominion	United States	🔒	🔒	🔒	🔒	🔒
28	37	↑ PSEG	United States	🔒	🔒	🔒	🔒	🔒
29	-	New ENN	China	🔒	🔒	🔒	🔒	🔒
30	50	↑ DTE Energy	United States	🔒	🔒	🔒	🔒	🔒
31	21	↓ British Gas	United Kingdom	🔒	🔒	🔒	🔒	🔒
32	24	↓ Vattenfall	Sweden	🔒	🔒	🔒	🔒	🔒
33	35	↑ Edison International	United States	🔒	🔒	🔒	🔒	🔒
34	28	↓ GD Power Development	China	🔒	🔒	🔒	🔒	🔒
35	40	↑ Xcel Energy	United States	🔒	🔒	🔒	🔒	🔒
36	33	↓ Datang Power	China	🔒	🔒	🔒	🔒	🔒
37	-	New Eversource Energy	United States	🔒	🔒	🔒	🔒	🔒
38	49	↑ conEdison	United States	🔒	🔒	🔒	🔒	🔒
39	36	↓ Tohoku Electric Power	Japan	🔒	🔒	🔒	🔒	🔒
40	34	↓ Kyushu Electric Power	Japan	🔒	🔒	🔒	🔒	🔒
41	-	New CenterPoint Energy	United States	🔒	🔒	🔒	🔒	🔒
42	-	New WEC Energy Group	United States	🔒	🔒	🔒	🔒	🔒
43	47	↑ Direct Energy	United States	🔒	🔒	🔒	🔒	🔒
44	25	↓ National Grid	United Kingdom	🔒	🔒	🔒	🔒	🔒
45	-	New Rosatom	Russia	🔒	🔒	🔒	🔒	🔒
46	41	↓ Ørsted	Denmark	🔒	🔒	🔒	🔒	🔒
47	-	New PPL	United States	🔒	🔒	🔒	🔒	🔒
48	-	New Entergy	United States	🔒	🔒	🔒	🔒	🔒
49	39	↓ CGN	China	🔒	🔒	🔒	🔒	🔒
50	-	New FirstEnergy	United States	🔒	🔒	🔒	🔒	🔒





Definitions.




Brand Value

- 
[Enel]
- + 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'.
- 
[Endesa]
- + 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.
- 
[Endesa]
- + 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.
- 
[Endesa]
- + 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.

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.

In order to determine the strength of a brand, we look at Marketing Investment, Stakeholder Equity, and the impact of those on Business Performance.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.

Brand Strength Index	Marketing Investment	Widely recognised factors deployed by marketers to create brand loyalty and market share.
	Stakeholder Equity	Perceptions of the brand among different stakeholder groups, with customers being the most important.
	Business Performance	Quantitative market and financial measures representing the success of the brand in achieving price and volume premium.



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.

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
UTILITIES
BRAND**



**MOST VALUABLE
UTILITIES
BRAND**



**STRONGEST
UTILITIES
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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