



Apparel

50

2021

The annual report on the most valuable and strongest apparel brands
April 2021

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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 25 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We quantify the financial value of brands

We put 5,000 of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish nearly 100 reports annually.

We offer a unique combination of expertise

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

We pride ourselves on technical credibility

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

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



Get in Touch.

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Brand Finance® 

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 business performance and offers a cost-effective way to gaining a better understanding of your position against competitors.

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



Brand Valuation Summary



Brand Strength Tracking



Royalty Rates



Cost of Capital Analysis



Customer Research Findings



Competitor Benchmarking



Benchmarking



Education



Communication



Understanding



Insight

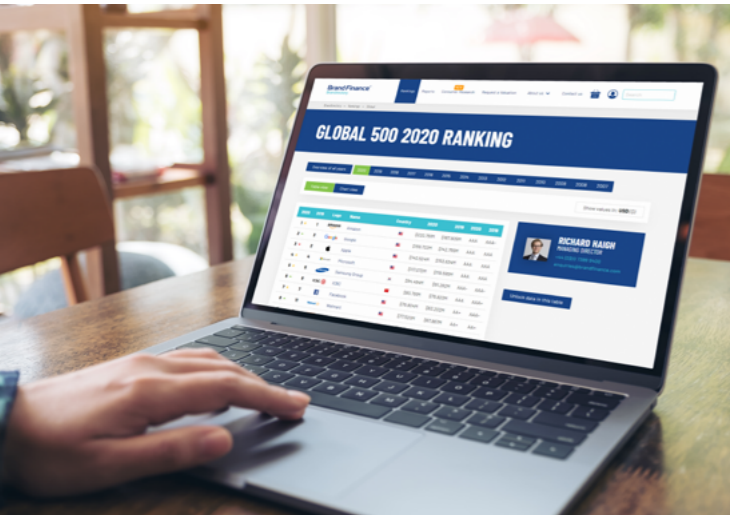


Strategy

Benefits

Contents

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

Visit brandirectory.com to find out more.

Brand Finance Group.



Brand Finance
Institute

Brand Finance Institute

Brand Finance Institute is the educational division of Brand Finance, whose purpose is to create and foster a professional environment for knowledge-sharing and networking among practitioners and experts in the market. BFI organises events, in-company training, and corporate educational initiatives around the world. In the quest for marketing excellence and with the purpose to equip the brand valuation and strategy practitioners with the necessary skills and tools, we have developed a wide range of programmes and certifications in collaboration with the most coveted business schools, universities and thought leaders in the field.

Brand Dialogue



Brand Dialogue

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Brand Dialogue has over 25 years of experience in delivering campaigns driven by research, measurement, and strategic thinking for a variety of clients, with a strong background in geographic branding, including supporting nation brands and brands with a geographical indication (GI). Brand Dialogue manages communications activities across Brand Finance Group's companies and network.

vi360

VI360

VI360 is a brand identity management consultancy working for clients of all sizes on brand compliance, brand transition, and brand identity management. VI360 provide straightforward and practical brand management that results in tangible benefits for your business.

Brand Finance®



Global Brand Equity Monitor

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

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



Foreword.



David Haigh
CEO, Brand Finance

25 years ago, on 1st April 1996, I launched Brand Finance to 'Bridge the Gap Between Marketing and Finance'. I thought that the gap between the silos would progressively disappear as finance people learned the importance of marketing for driving growth and marketing people learned the need for financial accountability.

Progress has been made but the gap is still there and we are now working hard through our publications, rankings, forums and the Brand Finance Institute training programmes to narrow the gap.

Over the last 25 years we have lived through four major recessions: 2001, when the dotcom bubble burst; 2009, when the Great Financial Crash washed over us; 2013, when the Euro caused a meltdown in Europe and in 2020, when the Covid Pandemic brought the world to a halt.

Brand Finance has been through many ups and downs but we have survived because we have always tried to lead our growing niche market. We claim to be the Worlds Leading Brand Valuation Firm. Over the last 25 years we have innovated continuously in our market place and we have transparently shared our innovations, knowledge and techniques to help grow the market, most obviously via ISO global standards on Brand Valuation and Brand Evaluation.

Throughout the last 25 years we have always invested heavily in training and professionalising our staff, in research to bring greater insight to our work and in high profile marketing and communications. We practice what we preach to clients.

There has never been greater recognition of brands as assets and the need to manage them for value. We are poised for significant growth as CEOs and Boards wake up to the need to manage brands better.

I started Brand Finance in the spare bedroom in Teddington. We now operate from the Brand Exchange building in the heart of the City of London and in 25 cities worldwide.

Over the last 25 years, many famous brands have disappeared or declined. Many new brands have emerged. Sectors have risen and fallen. Oil and gas brands are in decline while data- and technology-driven brands are booming. America and Europe are losing out to China and Asia.

But while there may be volatility, brands have never been more important for Nations, Companies, Products and Services. With a nudge from Brand Finance even Football teams and the Monarchy now recognise that they have valuable brands.

I hope the next 25 years will be as interesting and fun as the last. I would like to thank all the clients, staff and partners who have helped Brand Finance over the last 25 years.

Nike Does it Again Claiming Title of World's Most Valuable Apparel Brand for 7th Consecutive Year.

- + Total value of world's top 50 most valuable apparel brands has declined by 8% as sector negotiates fallout from COVID-19 pandemic
- + **Nike** named world's most valuable apparel brand for 7th consecutive year, brand value down 13% to US\$30.4 billion
- + Footwear brands stamp authority and is only apparel sub sector to record brand value growth this year, up 9% on average
- + Ones to watch: **Fila** and **Bosideng**
- + **Coach** is sector's fastest falling brand, brand value down 31%
- + **Rolex** is world's strongest apparel brand, Brand Strength Index (BSI) score 89.6 out of 100



Executive Summary.

Brand Value & Brand Strength Analysis.



The total value of the world's top 50 most valuable apparel brands has declined by 8%, decreasing from US\$301.9 billion in 2020 to US\$276.4 billion in 2021. All brand values have a valuation date of 1st January 2021.

Nike does it again

Nike has retained the title of the world's most apparel brand for the 7th consecutive year, despite recording a 13% brand value drop to US\$30.4 billion. The brand still maintains a considerable lead over second-ranked Gucci, with a brand value of US\$15.6 billion, down 12% from 2020.

Nike's sales took a hit last year as the brand was forced to shut the majority of its stores across North America, EMEA and, Asia Pacific due to the pandemic. The brand saw an impressive uptick in online sales, however, which almost doubled in Europe, the Middle East and Africa.

Nike – a brand eminent in innovation – has continued to make leaps and bounds with new technology in its products, most significantly the controversial Nike Vaporflys, a shoe that has dominated the international athletics arena in recent years, with athletes wearing them claiming 31 of the 36 podium positions in the six world marathon majors in 2019. With the shoe surviving a ban for the now-postponed Tokyo Olympics, Nike can once again showcase itself as a brand that has helped to change the face of world athletics and sport.

2020 was undoubtedly a tough year for the apparel sector. Global and widespread economic disruption caused a sharp decrease in demand and lockdown-induced store closures forced brands to digitalise quickly or face dire consequences to sales and profits. Despite the total brand value of the world's top 50 most valuable apparel brands declining 8% year-on-year, on the whole we have witnessed remarkable agility and innovation across the sector, which will no doubt stand brands in good stead in the coming year.

Richard Haigh
Managing Director, Brand Finance

Ones to watch

Fila is the fastest growing brand in this year's Brand Finance Apparel 50 ranking following an impressive 68% brand value increase to US\$2.7 billion. The brand, which operates in 70 countries through licensing deals, celebrated strong sales growth towards the end of last year, particularly within the Chinese market. Since Fila Korea purchased the global Fila brand in 2007, the brand has worked on strategically embracing the return of trends which helped it make its name across the sector originally, including 90s fashion making several comebacks.

Brand Value Change 2020-2021 (%)

COACH	-30.7%	68.4%	FILA
BURBERRY	-25.7%	25.9%	PUMA
VICTORIA'S SECRET	-21.8%	13.9%	DIOR
BOSS HUGO BOSS	-21.5%	12.9%	PANDORA
PRADA	-21.4%	12.9%	LOUIS VUITTON
Under Armour	-19.7%	11.4%	THE NORTH FACE
Cartier	-19.5%	11.0%	HERMÈS
RALPH LAUREN	-18.2%	6.9%	ARMANI
Levi's	-15.6%	1.5%	UNI QLO
Ray-Ban	-15.5%	1.0%	OMEGA

Top 10 Most Valuable Brands

	1 ← 1	
	2021: \$30,443m	-12.5%
	2020: \$34,792m	
GUCCI	2 ← 2	
	2021: \$15,599m	-11.5%
	2020: \$17,630m	
LOUIS VUITTON	3 ↑ 4	
	2021: \$14,858m	-9.8%
	2020: \$16,479m	
	4 ↓ 3	
	2021: \$14,342m	-13.0%
	2020: \$16,481m	
CHANEL	5 ↑ 8	
	2021: \$13,240m	-3.4%
	2020: \$13,705m	
ZARA	6 ← 6	
	2021: \$13,156m	-9.8%
	2020: \$14,582m	
	7 ↑ 9	
	2021: \$13,071m	+1.5%
	2020: \$12,878m	
H&M	8 ↓ 7	
	2021: \$12,368m	-10.8%
	2020: \$13,860m	
<i>Cartier</i>	9 ↓ 5	
	2021: \$12,087m	-19.5%
	2020: \$15,015m	
	10 ← 10	
	2021: \$11,656m	-2.1%
	2020: \$11,909m	

New entrants **Timberland** and **Bosideng** are the second and third fastest growing brands, up 47% and 39% respectively. China's Bosideng has entered the ranking in 50th position, with a brand value of US\$1.5 billion. Bosideng announced a new clothing line launched with **Jean Paul Gaultier**, the former creative director of French luxury fashion house **Hermès** (down 2% to US\$11.7 billion), which is being sold in stores and online on Chinese e-commerce giant Tmall's platform.

Footwear brands stamp authority and record growth

The apparel ranking is divided into sub sectors: luxury; sportswear; fast fashion; watches, accessories & jewellery; high street designer; underwear; and footwear. Of these sub sectors footwear is the only one to record an increase in brand value year-on-year, posting a 9% increase in brand value on average. New entrants **Timberland** and **Converse** have performed particularly well this year, recording a 47% and 8% brand value increase, respectively. Nike-owned Converse saw a modest uplift in sales last year, due to an increase in demand in Europe, as well as higher global digital sales.

In contrast, underwear brands have suffered the most significantly this year, with the two brands featured in the ranking losing an average of 19% of brand value. **Victoria's**

Secret (brand value down 22% to US\$4.2 billion) is the third fastest falling brand in the ranking. The brand has been facing continued backlash for the lack of diversity in its marketing and in model line-up, an issue that has only been exacerbated as Gen Z consumers, in particular, are redefining the social norms around body image.

The other sub sectors also fare less favourably this year, all recording drops in average total brand value: luxury (down 10%); sportswear (down 7%); fast fashion (down 7%); watches, accessories & jewellery (down 4%); high street designer (down 13%).

Coach screeches to a halt

In contrast, **Coach** has recorded the biggest drop in brand value this year, falling 31% to US\$4.7 billion. In line with sector trends, Coach's sales and profits have taken a hit over the previous year. Coach's parent company, Tapestry, has however cited that forecasts across its brands are looking more positive than anticipated thanks to triple digit e-commerce growth and a strong rebound across the Chinese market.

Coach has continued to embrace its strategy of celebrity-endorsed partnerships and collections, the latest of which, saw the appointment of superstar Jennifer Lopez as the global face of the brand.

Segmented Brand Value Change 2021 vs 2020 (USD)

Types of Apparel	Total Brand Value 2021 (USDbn)	Total Brand Value 2020 (USDbn)	% Change
Luxury	99.8	110.5	-9.7%
Sportswear	68.2	73.3	-6.9%
Fast Fashion	44.0	47.2	-6.7%
Watches, Accessories & Jewellery	35.4	36.9	-3.9%
High street designer	13.9	16.1	-13.3%
Underwear	6.2	7.7	-19.3%
Footwear	5.0	4.6	8.7%

Brand Value by Country













Country	Brand Value (USD bn)	% of total	Number of Brands
United States	76.3	27.6%	16
France	64.4	23.3%	7
Italy	32.3	11.7%	7
Germany	19.9	7.2%	3
Spain	14.7	5.3%	2
Switzerland	13.8	5.0%	3
Other	55.0	19.9%	12
Total	276.4	100.0%	150



Brand Finance Apparel 50 (USD m).

Top 5 Strongest Brands

	1 ← 1	
2021: 89.6 AAA+	2020: 89.8 AAA+	-0.2
	2 ↑ 6	
2021: 87.4 AAA	2020: 85.4 AAA	+2.0
	3 ↓ 2	
2021: 87.1 AAA	2020: 89.6 AAA+	-2.5
	4 ↓ 3	
2021: 87.1 AAA	2020: 87.7 AAA	-0.6
	5 ← 5	
2021: 85.8 AAA	2020: 85.7 AAA	+0.1

Rolex: Timeless class

In addition to measuring overall brand value, Brand Finance also evaluates the relative strength of brands, based on factors such as marketing investment, customer familiarity, staff satisfaction, and corporate reputation. Alongside revenue forecasts, brand strength is a crucial driver of brand value. According to these criteria, **Rolex** (up 1% to US\$7.9 billion) is once again the strongest apparel brand in the world, with a Brand Strength Index (BSI) score of 89.6 out of 100 and a corresponding elite AAA+ brand strength rating.

Synonymous with timeless class and luxury, Rolex is renowned for its world-leading quality and exclusivity, with the brand's new releases known for setting the standard across the watch sector. Despite the challenges of the last year, the market for luxury watches has shown remarkable resilience to the pandemic turmoil, with demand remaining stable, demonstrated by Rolex's website traffic experiencing a surge over the previous year.

Top 50 most valuable apparel brands

2021 Rank	2020 Rank	Brand	Country	2021 Brand Value	Brand Value Change	2020 Brand Value	2021 Brand Rating	2020 Brand Rating
1	1	← Nike	United States	\$30,443	-12.5%	\$34,792	AAA	AAA
2	2	← GUCCI	Italy	\$15,599	-11.5%	\$17,630	AAA	AAA+
3	4	↑ Louis Vuitton	France	\$14,858	-9.8%	\$16,479	AAA-	AAA
4	3	↓ Adidas	Germany	\$14,342	-13.0%	\$16,481	AAA-	AAA
5	8	↑ Chanel	France	\$13,240	-3.4%	\$13,705	AA+	AA+
6	6	← ZARA	Spain	\$13,156	-9.8%	\$14,582	AA+	AA+
7	9	↑ UNIQLO	Japan	\$13,071	+1.5%	\$12,878	AA+	AA+
8	7	↓ H&M	Sweden	\$12,368	-10.8%	\$13,860	AA+	AA+
9	5	↓ Cartier	France	\$12,087	-19.5%	\$15,015	AAA-	AAA-
10	10	← Hermès	France	\$11,656	-2.1%	\$11,909	AAA	AAA
11	11	← Rolex	Switzerland	🔒	🔒	🔒	🔒	🔒
12	12	← Dior	France	🔒	🔒	🔒	🔒	🔒
13	14	↑ Tiffany & Co.	United States	🔒	🔒	🔒	🔒	🔒
14	15	↑ Chow Tai Fook	China	🔒	🔒	🔒	🔒	🔒
15	13	↓ COACH	United States	🔒	🔒	🔒	🔒	🔒
16	22	↑ The North Face	United States	🔒	🔒	🔒	🔒	🔒
17	18	↑ Anta	China	🔒	🔒	🔒	🔒	🔒
18	16	↓ Victoria's Secret	United States	🔒	🔒	🔒	🔒	🔒
19	24	↑ Omega	Switzerland	🔒	🔒	🔒	🔒	🔒
20	29	↑ Puma	Germany	🔒	🔒	🔒	🔒	🔒
21	17	↓ Burberry	United Kingdom	🔒	🔒	🔒	🔒	🔒
22	19	↓ Ralph Lauren	United States	🔒	🔒	🔒	🔒	🔒
23	21	↓ Ray-Ban	Italy	🔒	🔒	🔒	🔒	🔒
24	23	↓ Levi's	United States	🔒	🔒	🔒	🔒	🔒
25	31	↑ Lululemon	Canada	🔒	🔒	🔒	🔒	🔒
26	20	↓ Prada	Italy	🔒	🔒	🔒	🔒	🔒
27	26	↓ Bulgari	Italy	🔒	🔒	🔒	🔒	🔒
28	27	↓ Old Navy	United States	🔒	🔒	🔒	🔒	🔒
29	25	↓ Under Armour	United States	🔒	🔒	🔒	🔒	🔒
30	28	↓ Moncler	Italy	🔒	🔒	🔒	🔒	🔒
31	30	↓ Michael Kors	United States	🔒	🔒	🔒	🔒	🔒
32	32	← Yves Saint Laurent	France	🔒	🔒	🔒	🔒	🔒
33	50	↑ Fila	South Korea	🔒	🔒	🔒	🔒	🔒
34	34	← NEXT	United Kingdom	🔒	🔒	🔒	🔒	🔒
35	33	↓ Primark / Penney's	Ireland	🔒	🔒	🔒	🔒	🔒
36	35	↓ Tommy Hilfiger	United States	🔒	🔒	🔒	🔒	🔒
37	44	↑ Pandora	Denmark	🔒	🔒	🔒	🔒	🔒
38	36	↓ Calvin Klein	United States	🔒	🔒	🔒	🔒	🔒
39	43	↑ Armani	Italy	🔒	🔒	🔒	🔒	🔒
40	40	← Givenchy	France	🔒	🔒	🔒	🔒	🔒
41	47	↑ Lao Feng Xiang	China	🔒	🔒	🔒	🔒	🔒
42	37	↓ Skechers	United States	🔒	🔒	🔒	🔒	🔒
43	39	↓ TAG Heuer	Switzerland	🔒	🔒	🔒	🔒	🔒
44	41	↓ New Balance	United States	🔒	🔒	🔒	🔒	🔒
45	-	New Valentino	Italy	🔒	🔒	🔒	🔒	🔒
46	38	↓ Hugo Boss	Germany	🔒	🔒	🔒	🔒	🔒
47	-	New Converse	United States	🔒	🔒	🔒	🔒	🔒
48	-	New Timberland	United States	🔒	🔒	🔒	🔒	🔒
49	-	New Loewe	Spain	🔒	🔒	🔒	🔒	🔒
50	-	New Bosideng	China	🔒	🔒	🔒	🔒	🔒



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Sector Reputation Analysis.

Benchmarking against the very best






Brand Finance's brand evaluations are designed to facilitate broader comparisons with brands across markets, and both within and across industries. This provides a more rounded assessment of brand strength, with benchmarking against the very best. This perspective is particularly important as brand categories converge, with new technologies enabling disruption and brands seeking tactical entry into neighbouring categories. Brands with a strong reputation also have licensing opportunities in new sectors. This year's global sector reputation rankings from our B2C research included a significantly larger number of product categories, with scores for over 2,500 brands.



Top 5 Familiarity

	78%
	77%
	71%
	70%
	64%

Top 5 Consideration

	88%
	87%
	84%
	84%
	81%

Our B2C apparel research this year covered over 80 apparel brands which operate in different categories spanning from luxury apparel to sportswear.

Overall apparel sector performance

The average level of awareness in the apparel sector was around 65% which converts to an average familiarity level of 43% across the 13 markets Brand Finance researched in.

Among the brands covered in all 13 markets, Adidas has the overall highest average familiarity and consideration. In fact, the top 4 most famous brands are also the most likely to be considered by those familiar.

Although The North Face has an average global familiarity of 39%, it ranks in the top 5 most considered apparel brands in the world.

Reputation for the sector has a ranking of 8th out of 21 sectors with an average score of 7.3. This is above the global average of 7.2. Most of the sectors above apparel were heavily brand driven sectors. It was interesting to see oil & gas holding the 4th rank and was above the average reputation of apparel. The apparel sector continues to face backlash due to unfair treatments for factory workers and due to the negative effects of fast fashion on the environment. It is important that apparel brands manage this risk to their reputation. In recent years, oil & gas brands have invested significantly in new energies to help protect corporate reputation.

Dominance of sportswear brands Nike and Adidas

Nike and Adidas are the only brands within the top 10 strongest brands in the apparel sector which are not luxury brands. Even in Italy where many luxury brands have their roots, Nike is the second most reputable brand and Adidas 6th.

Brand Average Reputation

1	ARMANI	8.37
2		8.36
3	VALENTINO	8.33
4		8.29
5	BVLGARI	8.19
6		8.17



Average reputation of brands within sectors

 1 Luxury Automobiles 8.0 _{/10}	 12 Restaurants 7.2 _{/10}
 2 Cosmetics 7.6 _{/10}	 13 Airlines 7.2 _{/10}
 3 Food 7.6 _{/10}	 14 Automotive 7.1 _{/10}
 4 Oil & Gas 7.5 _{/10}	 15 Logistics 7.1 _{/10}
 5 Appliances 7.5 _{/10}	 16 Technology 7.1 _{/10}
 6 Hotels 7.4 _{/10}	 17 Real Estate 6.9 _{/10}
 7 General Retail 7.4 _{/10}	 18 Insurance 6.6 _{/10}
 8 Apparel 7.3 _{/10}	 19 Utilities 6.5 _{/10}
 9 Beers 7.3 _{/10}	 20 Telecoms 6.3 _{/10}
 10 Retail 7.2 _{/10}	 21 Banks 6.3 _{/10}
 11 Pharma 7.2 _{/10}	

**Based on average normalised scores*

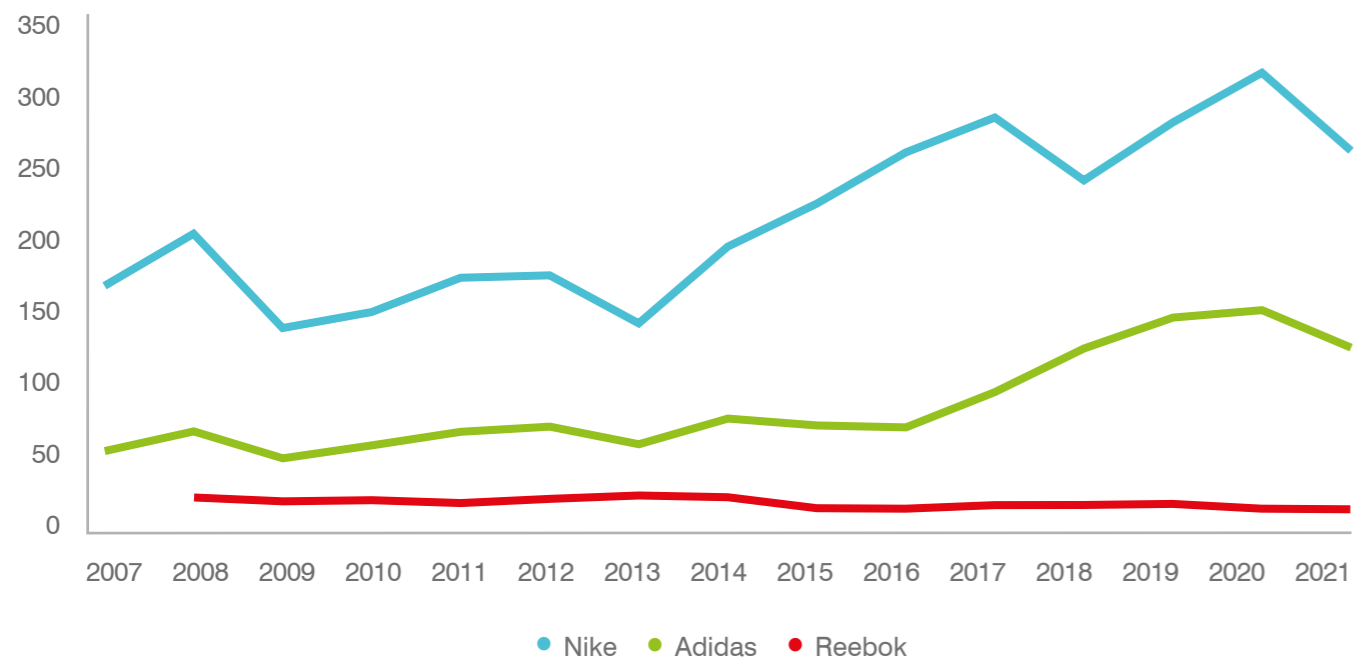


Sportswear Titans.

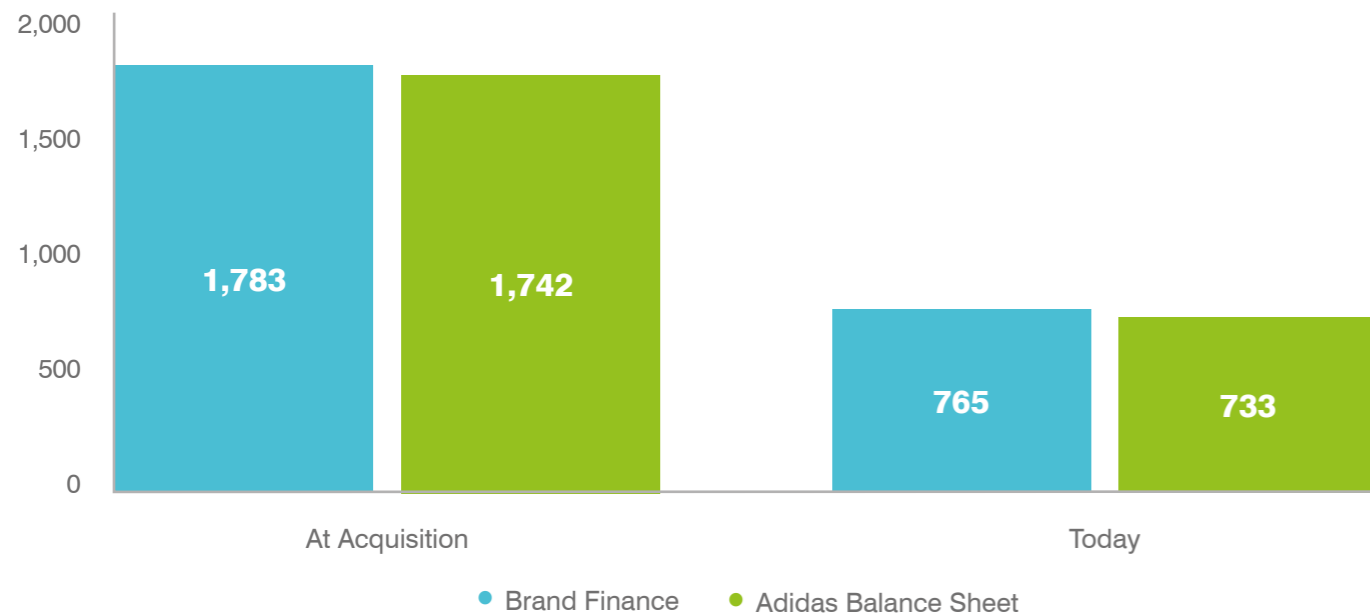
In 2005, Adidas finalised its acquisition of peer sportswear brand, Reebok. At the time, Adidas hoped the acquisition would transform the company into a major competitor against Nike, particularly in the US.

Since then, the Adidas brand has closed in on Nike - now worth about half as much as the Nike brand versus less than a third of Nike's value in 2007.

Valuation of Nike, Adidas and Reebok Over Time (€m)



Brand Value (€m)



On the other hand, Reebok's performance has been flat, and the brand is no longer worth what it was when Adidas first acquired it. Adidas paid just under €3 billion for the Reebok business in 2005, and today there are rumours that a sale could be made for €2 billion or less. Of the €3 billion paid by Adidas, over half resided in the brand. Over the years, Adidas has disclosed the value of the Reebok brand - from first recognising it at €1.7 billion in 2006 following the acquisition, to its latest financial statements which note that the carrying amount now stands at €733 million.

Brand Finance's analysis over a similar time frame mirrors these results - our first measurement of the Reebok brand value at 1st January 2008 estimated the brand value at €1.8 billion, and our latest valuation at 1st January 2021 estimates the value at €765 million. Our valuations are based on first principles using publicly available financial data. Despite this, our valuations are consistent with those calculated with full access to management information - a testament to the rigour of our annual public brand valuation study.



The drop in Reebok brand value under Adidas ownership has been driven by a competitive market, while Reebok has struggled to find its niche appeal. There have been some major efforts to revamp the Reebok brand over the years. Reeboks Classics, popular in the 1980s, were relaunched a couple of years ago in line with the trend back to “dad trainers”. In an attempt to win over customers via a different niche, Reebok began its sponsorship of CrossFit in 2010.

This niche-seeking, soul-searching activity has been paralleled by various rebrands. Prior to the acquisition, in the late 90s, Reebok dropped the Union Jack from its logo in lieu of the iconic vector logo. Various visual identity updates followed, the most notable being the “delta” logo which was adopted in 2014. This move was reversed shortly thereafter, and the delta was replaced with the late 90s vector logo again in 2019.

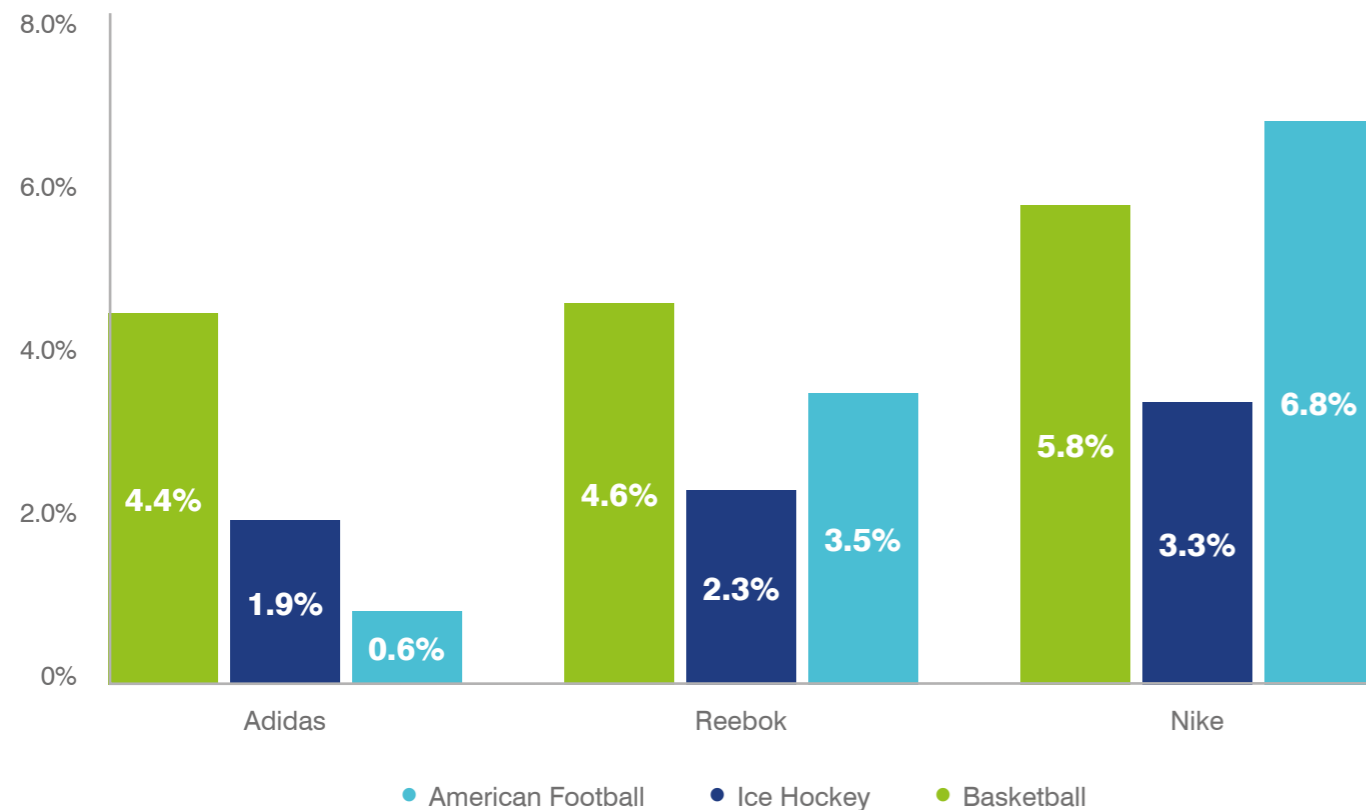
Although the Reebok brand has faced some turbulence in the past couple of decades, its history spans all the way back to 1958. With a legacy in sports shoes and a track record in high-profile endorsements, there may be a

brighter future ahead for the Reebok brand yet. In the early 2000s, Reebok signed major sports jersey partnerships with the NBA, the NFL, and the NHL. These sponsorships have subsequently been passed to Nike and Adidas, but new ownership and strategic direction of Reebok could bring back some of its former sporting glory.

According to our latest Brand Finance Global Brand Equity Monitor, fans of basketball, American football and ice hockey in the US are all more likely to consider Reebok, Adidas, and Nike than non-fans. But the boost in purchase consideration for Reebok is greater among NBA fans than fans of either the NHL or NFL. This suggests that a steer towards basketball, leveraging Reebok’s heritage in footwear would be the strongest path ahead for Reebok post-separation from Adidas.

Here at Brand Finance, we bridge the gap between marketing and finance. We have multi-disciplinary expertise across finance, brand licensing, market research and analytics. We help clients to understand, optimize and leverage the value of their brands.

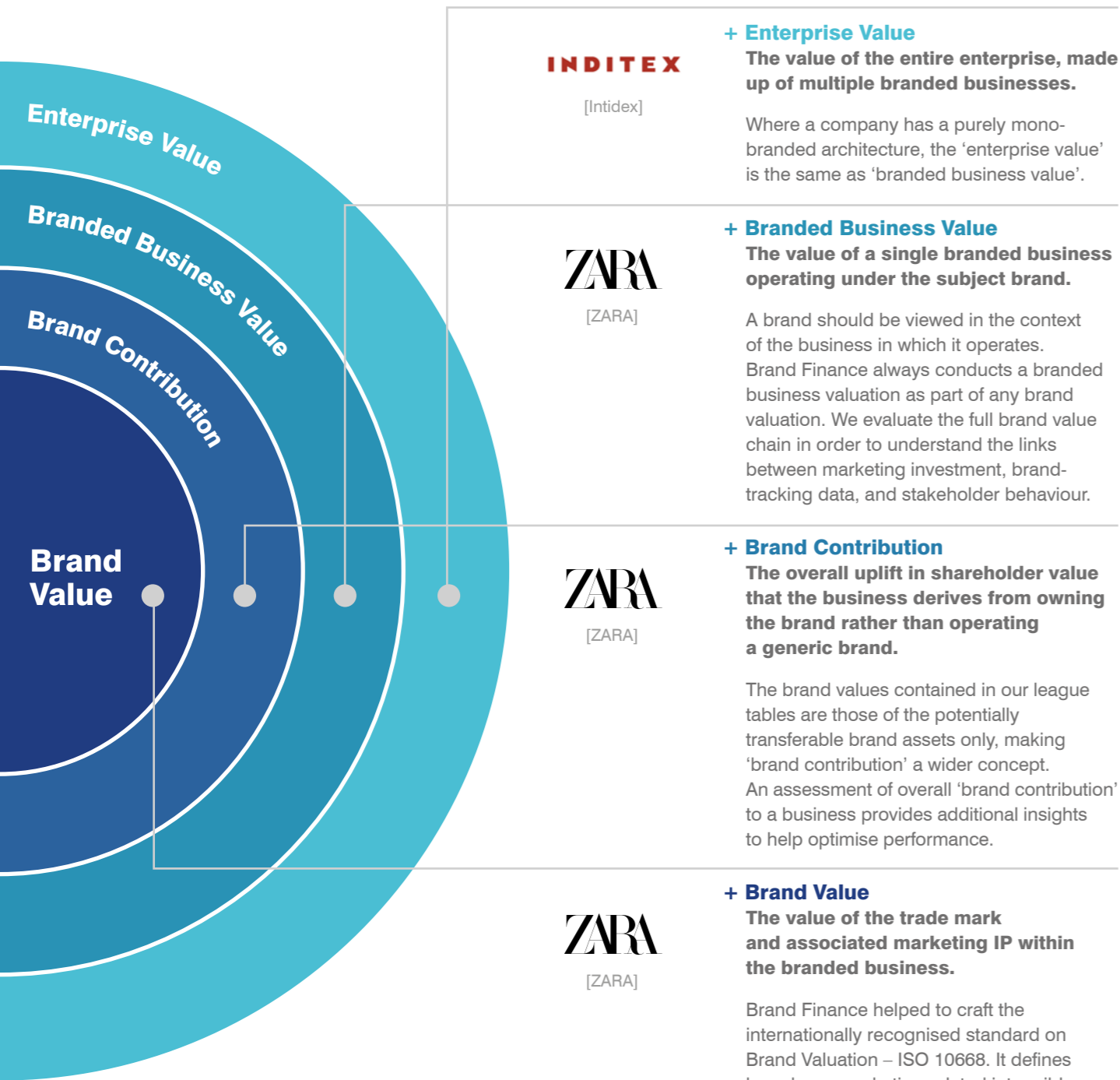
Consideration Uplift Among Fans vs Non-Fans



Methodology.



Definitions.



Brand Valuation Methodology.

Definition of Brand

Brand is defined as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services, or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the "real" value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the "Royalty Relief" methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people's perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

Disclaimer

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

- ### 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 × 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

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.

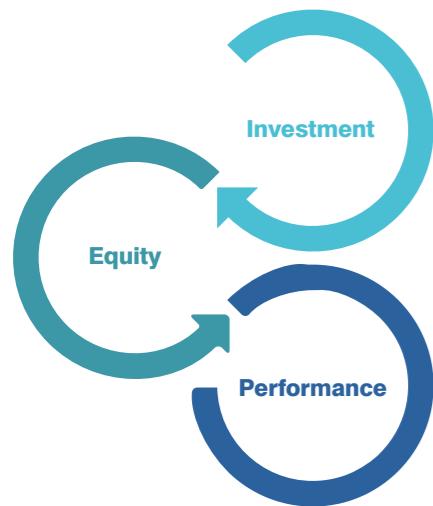
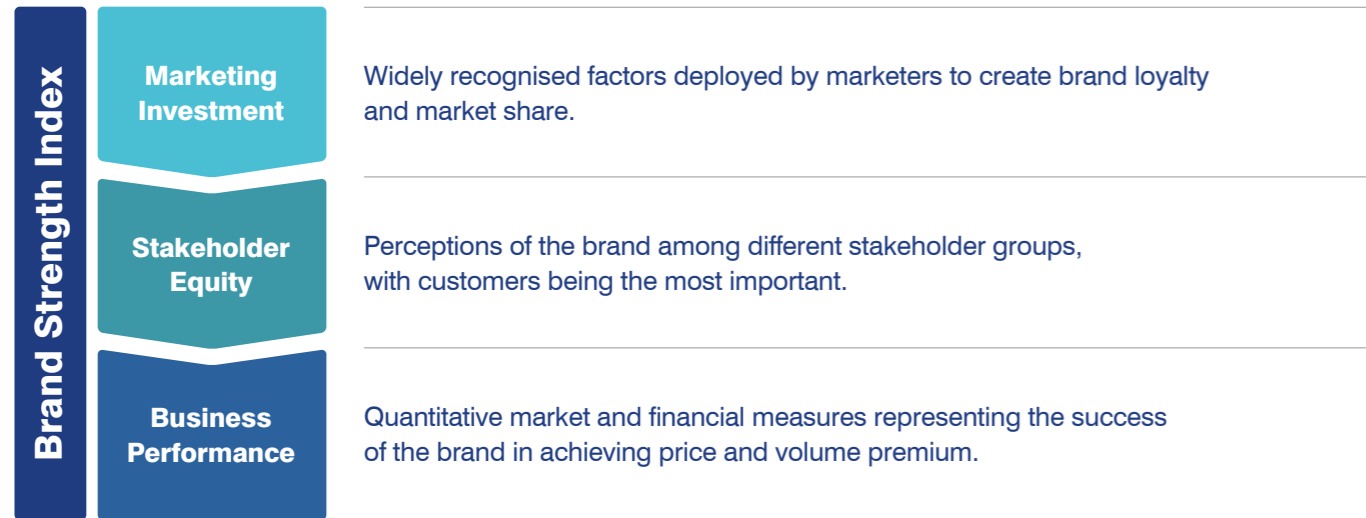
Brand Strength

Brand Strength is the efficacy of a brand's performance on intangible measures, relative to its competitors.

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

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

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



Marketing Investment

- A brand that has high Marketing Investment but low Stakeholder Equity may be on a path to growth. This high investment is likely to lead to future performance in Stakeholder Equity which would in turn lead to better Business Performance in the future.
- However, high Marketing Investment over an extended period with little improvement in Stakeholder Equity would imply that the brand is unable to shape customers' preference.

Stakeholder Equity

- The same is true for Stakeholder Equity. If a company has high Stakeholder Equity, it is likely that Business Performance will improve in the future.
- However, if the brand's poor Business Performance persists, it would suggest that the brand is inefficient compared to its competitors in transferring stakeholder sentiment to a volume or price premium.

Business Performance

- Finally, if a brand has a strong Business Performance but scores poorly on Stakeholder Equity, it would imply that, in the future, the brand's ability to drive value will diminish.
- However, if it is able to sustain these higher outputs, it shows that the brand is particularly efficient at creating value from sentiment compared to its competitors.

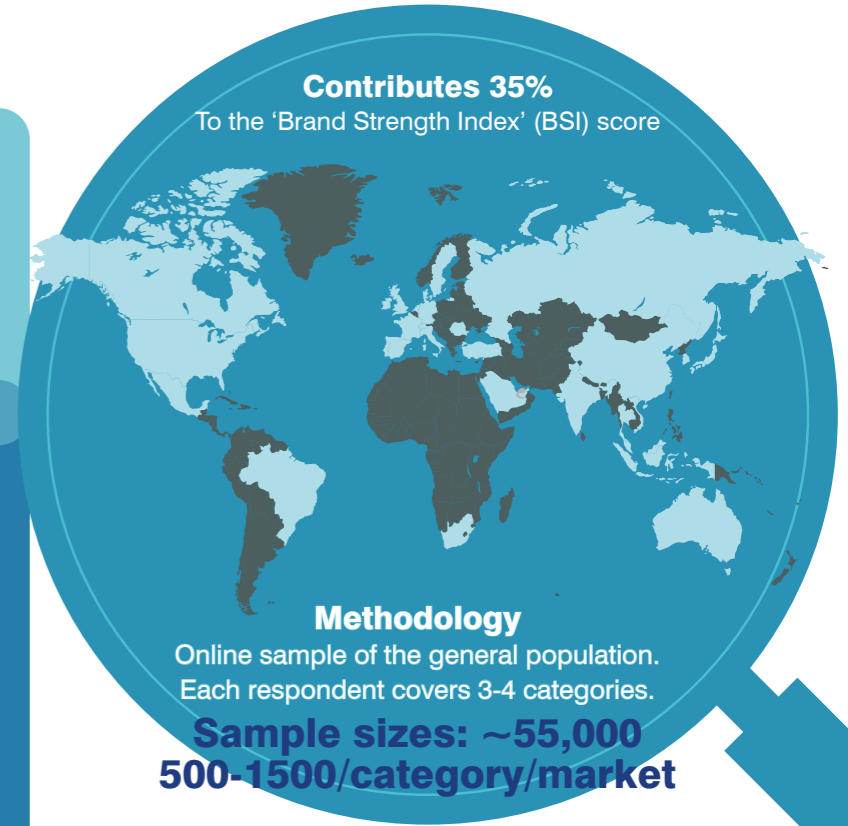
Brand Equity Research Database.

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

Sector Coverage & Classification 2021

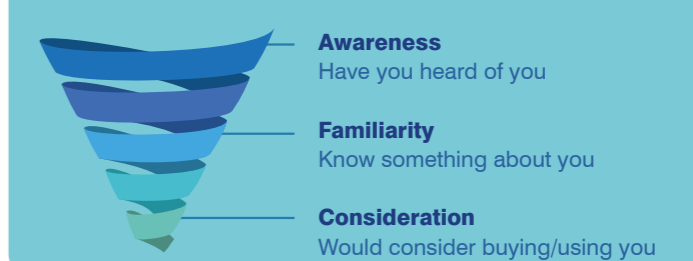
Tier 1 sectors cover all measures, Tier 2 KPIs only

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



Brand KPIs and Diagnostics

1. Brand Funnel



2. Brand Usage*

3. Quality*

4. Reputation

5. Closeness*

6. Recommendation (NPS)*

7. Word of mouth

8. Brand Imagery*

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

*Tier 1 categories only

Our Services.



Consulting Services.

Make branding decisions using hard data

Brand Research

What gets measured

Brand evaluations are essential for understanding the strength of your brand against your competitors. Brand Strength is a key indicator of future brand value growth whether identifying the drivers of value or avoiding the areas of weakness, measuring your brand is the only way to manage it effectively.

- + Brand Audits
- + Primary Research
- + Syndicated Studies
- + Brand Scorecards
- + Brand Drivers & Conjoint Analysis
- + Soft Power



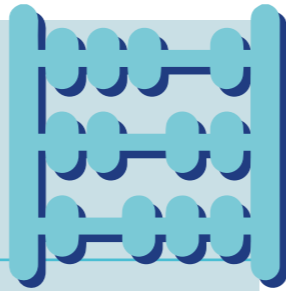
- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?

Brand Valuation

Make your brand's business case

Brand valuations are used for a variety of purposes, including tax, finance, and marketing. Being the interpreter between the language of marketers and finance teams they provide structure for both to work together to maximise returns.

- + Brand Impact Analysis
- + Tax & Transfer Pricing
- + Litigation Support
- + M&A Due Diligence
- + Fair Value Exercises
- + Investor Reporting



- + How much is my brand worth?
- + How much should I invest in marketing?
- + How much damage does brand misuse cause?
- + Am I tax compliant with the latest transfer pricing?
- + How do I unlock value in a brand acquisition?

Brand Strategy

Make branding decisions with your eyes wide open

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

- + Brand Positioning
- + Brand Architecture
- + Franchising & Licensing
- + Brand Transition
- + Marketing Mix Modelling
- + Sponsorship Strategy



- + Which brand positioning do customers value most?
- + What are our best brand extension opportunities in other categories and markets?
- + Am I licensing my brand effectively?
- + Have I fully optimised my brand portfolio? Am I carrying dead weight?
- + Should I transfer my brand immediately?
- + Is a Masterbrand strategy the right choice for my business?

Brand Evaluation Services.

How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

Do I have the right brand architecture or strategy in place?

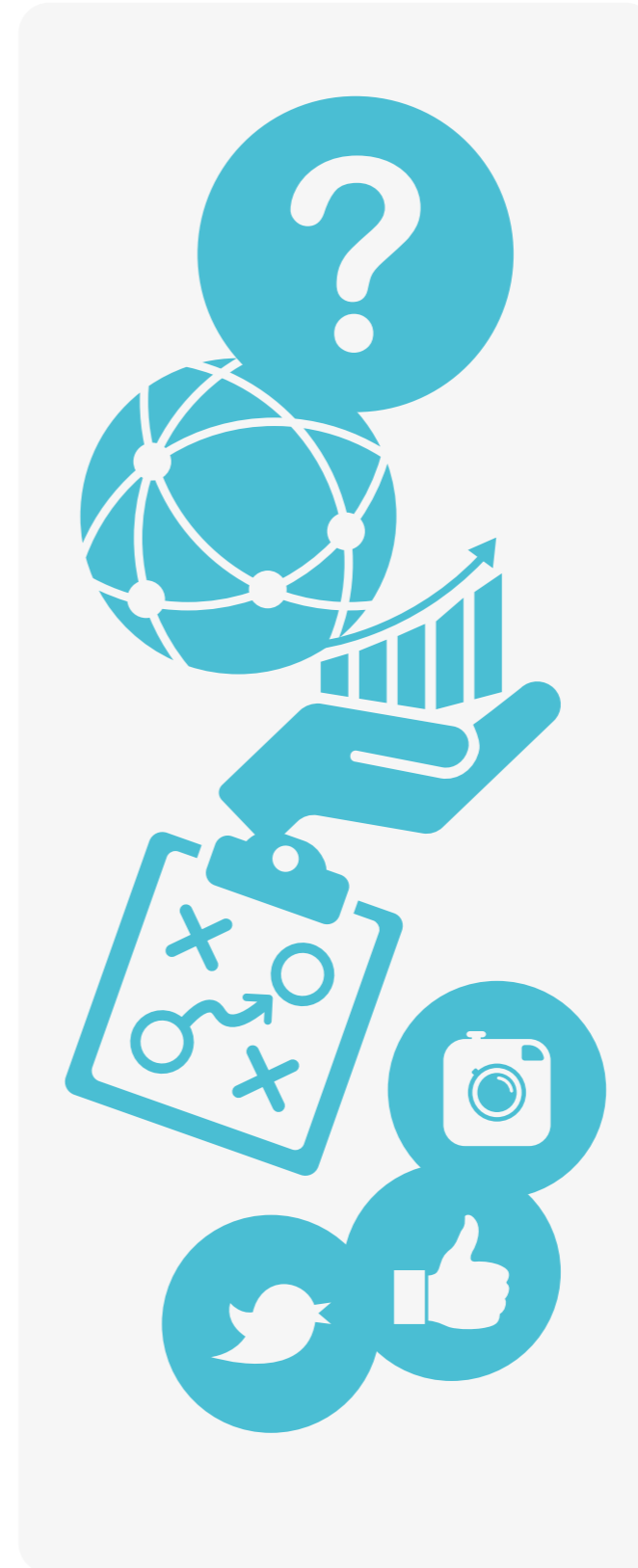
Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.



Communications Services.

How we can help communicate your brand's performance in brand value rankings



Brand Accolade – create a digital endorsement stamp for use in marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.



TOP 50 APPAREL BRAND



MOST VALUABLE APPAREL BRAND



STRONGEST APPAREL 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®



Brand Dialogue®

With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value.

Our approach is integrated, employing tailored solutions for our clients across PR, marketing and social media, to

With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value.

Our approach is integrated, employing tailored solutions for our clients across PR, marketing and social media, to deliver strategic campaigns and helping us to establish and sustain strong client relationships.

We also have a specific focus on geographic branding, including supporting nation brands and brands with a geographical indication (GI).

Brand Dialogue is a member of the Brand Finance plc group of companies

Research, Strategy & Measurement	Public Relations & Communications	Marketing & Events	Content Creation	Strategic Communications
Brand & Communications Strategy	Media Relations	Promotional Events	Bespoke Publications	Crisis Communications
Campaign Planning	Press Trips & Events	Conference Management	Press Releases	Brand Positioning & Reputation
Communications Workshops	Strategic Partnerships	Sponsorship Management	Blog Posts & Newsletters	Geographic Branding
Market Research & Insights	Relationship Management	Native Advertising	Marketing Collateral Design	Corporate Social Responsibility (CSR)
Coverage Analysis	Influencer Outreach	Print Advertising	Photography & Videography	
Social Media Analytics	Media Training	Shopper Marketing	Social Media Content	
	Social Media Management	Trade Marketing		

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



Brand Finance
Institute

Brand Finance Institute

Learn how to build, protect and measure brand value

The Brand Finance Institute is the educational division of Brand Finance, offering expert training on brand evaluation, management and strategy.

Our in-house training and workshops, online learning offer and webinars will help you answer key strategic questions about your brand for different levels of seniority and development needs:

- How can I grow brand value?
- How can I build a business case to show the return on my marketing investment?
- How can I set up my marketing budget using brand research and analytics?

For more information, contact enquiries@brandfinance.com

Brand Finance Institute is a member of the Brand Finance plc group of companies



Brand Finance Network.

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

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