



Bridging the gap between  
marketing and finance™

# **An introduction to Brand Finance**

The world's leading brand valuation and strategy consultancy

July 2011

# What makes us different?

## Our proposition

- We are the world's leading **independent** brand valuation and strategy consultancy
- We advise organisations on how to **maximise shareholder value** through effective brand management
- We are **specialists** with a **unique combination** of marketing, research, management and finance expertise
- We have extensive **global experience** of brand valuation, analytics, strategy and transactions



Bridging the gap between marketing and finance

Valuation | Analytics | Strategy | Transactions

# Our services

At Brand Finance, we are entirely focussed on quantifying and leveraging intangible asset value. Our services compliment and support each other, resulting in robust valuation methodologies, which are underpinned by an in-depth understanding of revenue drivers and licensing practice.

## Valuation

We perform valuations for financial reporting, tax planning, M&A activities, joint ventures, IPOs and other transactions. We work closely with auditors, tax authorities and lawyers.

Financial reporting  
Tax and transfer pricing  
Litigation  
Investor relations

## Analytics

Our analytical services help clients to better understand the drivers of business and brand value. Understanding how value is created, where it is created and the relationship between brand value and business value is a vital input to strategic decision making.

Brand equity drivers  
Brand strength analysis  
Brand risk analysis (BrandBeta®)  
Brand scorecards  
Marketing mix modelling  
Marketing ROI

## Strategy

We give marketers the framework to make effective economic decisions. Our value-based marketing service enables companies to focus on the best opportunities, allocate budgets to activities that have the most impact, measure the results and articulate the return on brand investment.

Brand strategy  
Brand architecture  
Brand extension  
Budget setting and allocation  
Brand value added (BVA®)

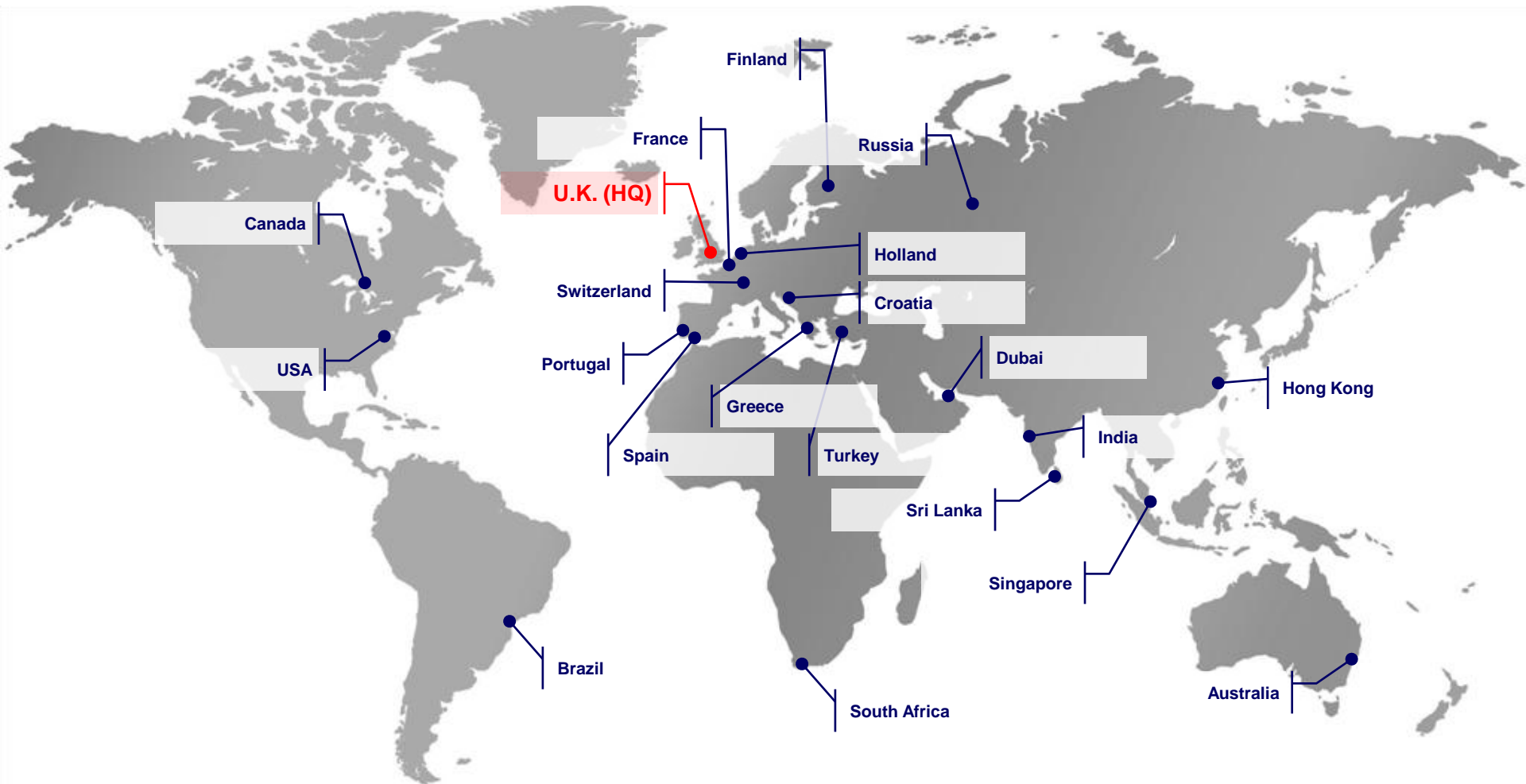
## Transactions

We help private equity companies, venture capitalists and branded businesses to identify and assess the value opportunities through brand and market due diligence and brand licensing.

Brand due diligence  
Brand licensing  
Fundraising

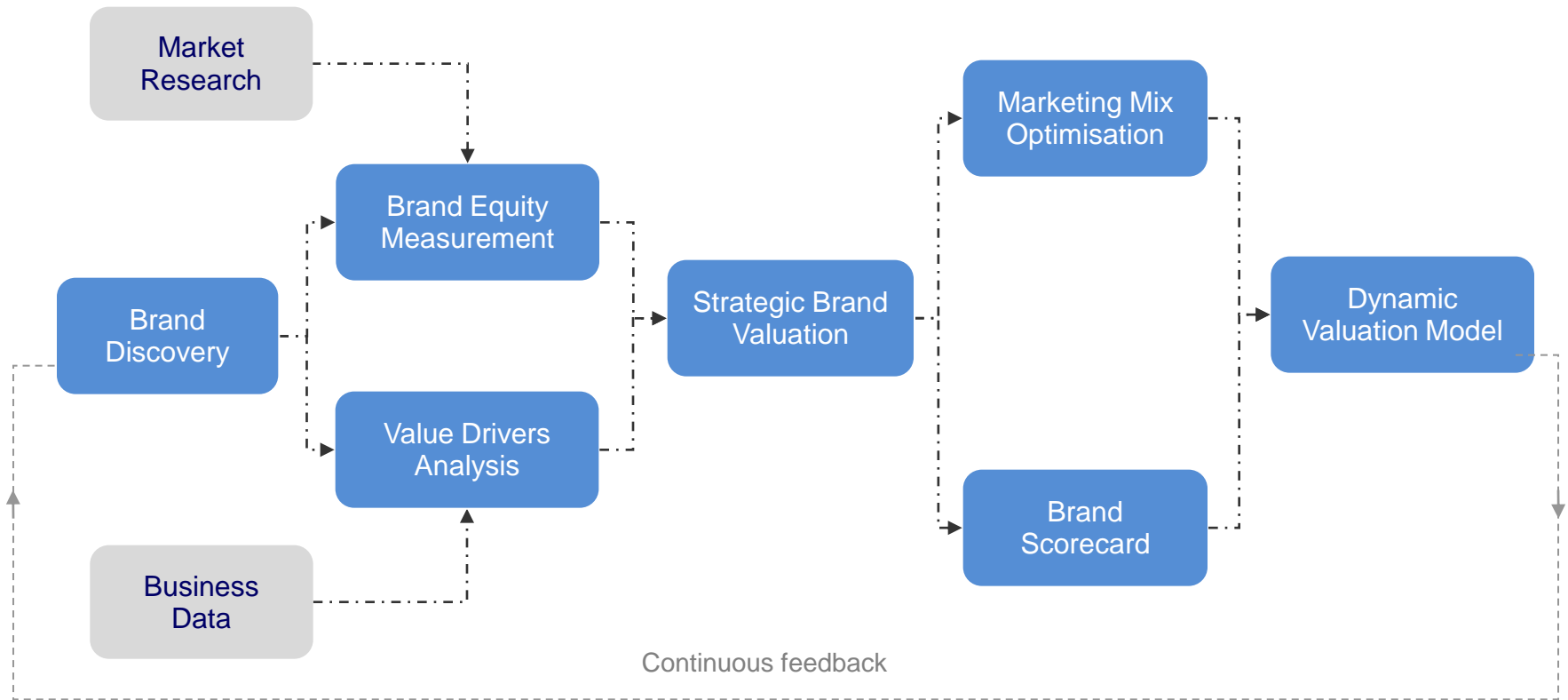
# Our global footprint

With over 20 offices worldwide



# Our approach to value-based marketing projects

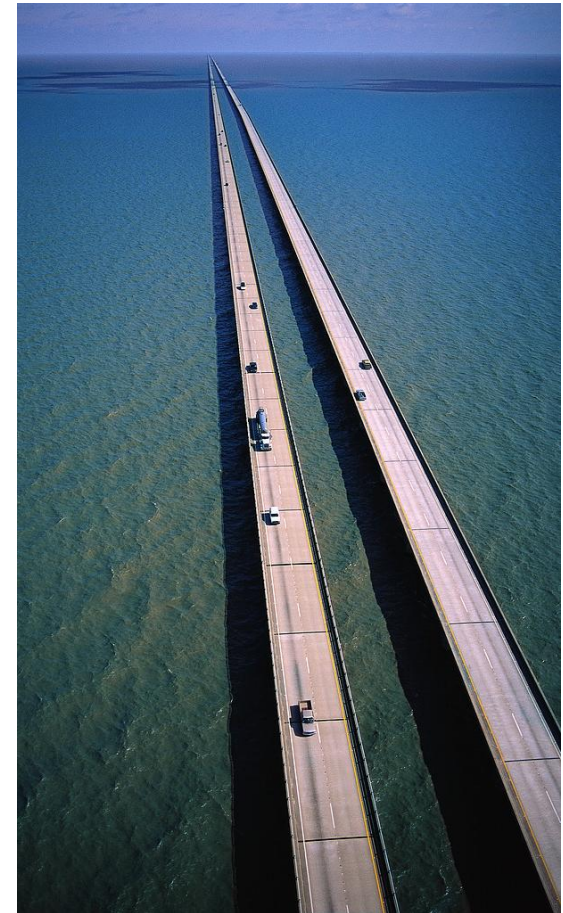
- Brand Finance's approach has been designed to allow clients to manage their brands more intelligently and deliver improved business results
- Each step in the process is tailored to the client's specific needs and the level of sophistication required, from 'high level' to 'highly granular'



# What are the benefits of conducting a strategic brand valuation?

## How brand valuation can enhance shareholder value

- Better understand the value of key customer segments (by geography, product, channel and customer type)
- Understand the relationship between brand equity and key value drivers in the business model
- Understand the strengths and weaknesses of the brand compared with key competitors
- Provide a planning framework for long term strategic marketing investment
- Create a framework for marketing mix modelling
- Create the framework for better reporting and managing brand performance (brand scorecard or dashboard)
- Create a body of information about brand performance for use in investor and banking presentations



Questions

Services

# Our clients

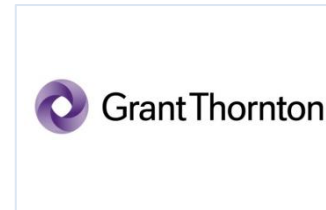
## Blue chip clients



Brand Finance works for a wide range of clients conducting national and international brand valuation and brand strategy assignments. Here is a small selection of the clients we have worked with.



# Technical recognition



Our work is frequently peer-reviewed by independent audit practices and our approach has been accepted by regulatory bodies worldwide.

# Technical recognition

## ISO 10668 global standard for brand valuations

In December 2010, Brand Finance became one of the very few companies in the world to be accredited with the **ISO 10668** global standard for brand valuations.

ISO 10668 is the international norm that sets minimum standard requirements for the procedures and methods used to determine the monetary value of brands.

David Haigh, CEO Brand Finance, was the UK representative on the ISO working party and chaired drafting meetings over a 2 year period to shape ISO 10668 – ‘*Brand valuation – Basic requirements for methods of monetary brand valuation*’

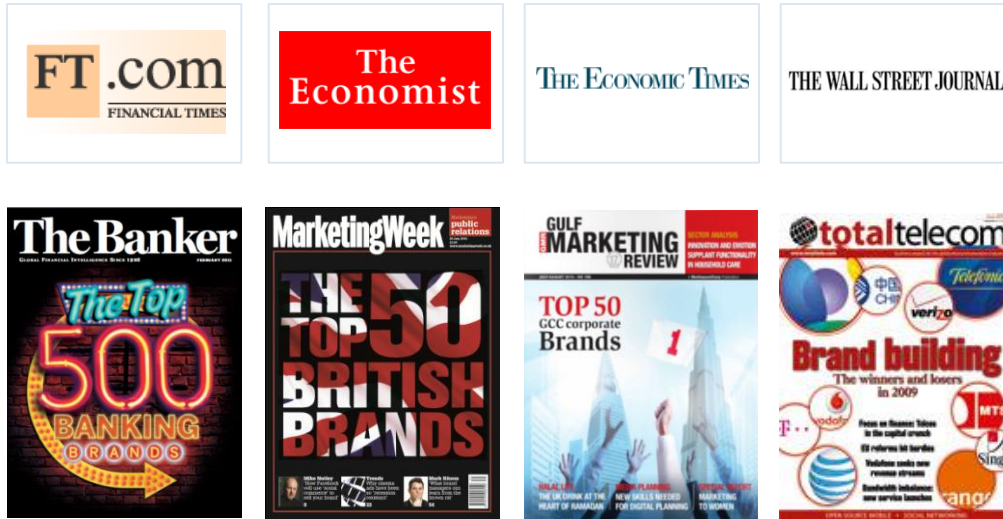
The certification program was developed in collaboration with the *Austrian Standards plus Certification*, which has attested that Brand Finance conducts its brand valuations in accordance with the new standard, which requires three key phases of work:

- IP audit and review (legal review)
- Behavioural analysis (market research review)
- Valuation (financial review)

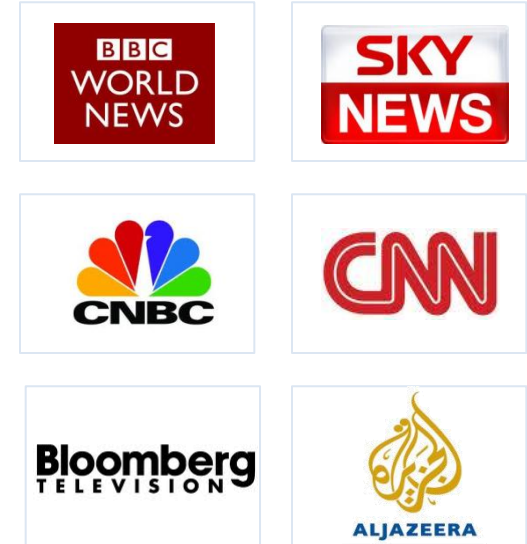


# Global recognition

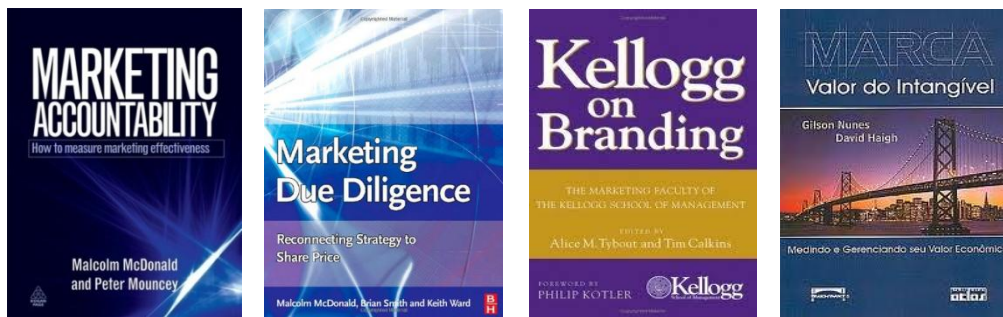
## Global press coverage:



## Media commentators:



## Publications:



# Global recognition

## Investor Relations

The results of our studies are used by leading global brands as a performance benchmark – many including the results in annual financial and sustainability reporting to shareholders and other stakeholders.



### Brand

We have continued to build brand value by delivering a superior, consistent and differentiated customer experience. During the 2010 financial year we evolved our brand positioning to "power to you" emphasising our role of empowering customers to be able to live their lives to the full. It is a further expression of the importance of the customer being central to everything we do and is reinforced in communications substantiating how products and services impact and empower our customers.

We regularly conduct brand health tracking which is designed to measure the performance of the brand in each country and generate insights to manage the brand as effectively as possible. External benchmark studies have shown that Vodafone brand equity has maintained a top ten position in a number of rankings of brands across all industries including the seventh most valuable brand in the world as measured by BrandFinance.



BrandFinance global ranking

7<sup>th</sup>

most valuable brand (2009: 8<sup>th</sup>; 2008: 11<sup>th</sup>)



### Value of AEGON's brand



In 2010, AEGON ranked tenth out of 27 insurance companies in Brand Finance's annual Global 500 index of leading brands, up from twelfth the previous year. Brand Finance, a global independent brand consultancy, valued the AEGON brand at EUR 4.0 billion, up from EUR 3.3 billion, in part because of improved market conditions during the year. At EUR 4.0 billion, brand represents approximately 34% of AEGON's enterprise value[1].



### Group Chief Executive's Business Review (continued)

Developed markets

"In this uncertain environment, the strength of the HSBC brand remains one of our most important assets. In 2009, we were named the world's most valuable banking brand by Interbrand and last month we were named number one banking brand by *Brand Finance* for the third year running."

# Thought Leadership

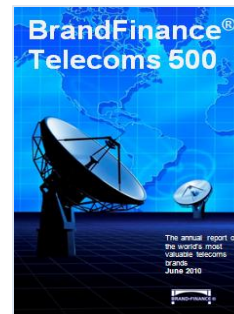
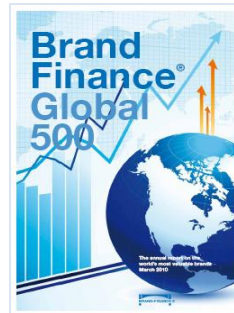
## Global Brand Studies

Every year Brand Finance produces Global Brand Studies, which provide an opinion on the point-in-time value of the strongest and most valuable brands in the world.

Over the years Brand Finance has teamed up with all the major publications to publish the results. Studies include:

- *BrandFinance® Global 500*
- *BrandFinance® Global Intangible Finance Tracker (GIFT™)*
- *BrandFinance® Nation Brands*
- *Sector specific studies (e.g. Banking, Telecoms and Insurance)*

Our studies illustrate the value of brands and the financial impact of a brand on its respective business. Additionally, the studies illustrate how our methodology, findings and value-based marketing techniques can be used for decision-making and to determine the impact of brand equity on business performance.



in association with:



# Thought Leadership

## Brand Finance Forums



Brand Finance is committed to the development of theoretical and practical issues surrounding brands. As part of this process, we organise a series of events and forums around the world where leading practitioners in the area of brand strategy, brand building and brand valuation come together to share their experiences and to better understand the process by which valuable brands are created.

The Brand Finance Forum has progressively become one of the definitive events in the area of brand valuation and should not be missed by anyone who is serious about maximising the value of their brands and intangible assets.

Raoul Pinnell,  
Ex-Chairman Shell Brands International,  
Switzerland

“ *Understanding the role of the brand in the generation of profit is vital to all businesses. The Brand Finance Forum helped to create a breakthrough for my company.* ”

Visit [www.brandfinanceforum.com](http://www.brandfinanceforum.com)

### Google

Country: United States

Sector: Internet

Offices: -

Employees: -

Brand value: \$44,294m

Brand rating: AAA+

Enterprise value: \$143,016m

Value / market cap: 31%

User rating: ★★★★★

Brand performance | Brand history | Brand presence | Brand elements | People | Other

#### Market cap

\* For banks, enterprise value is substituted with market cap. Source: Bloomberg Finance L.P.

#### Performance of the brand

Google is a multinational computing and Internet search technologies corporation that hosts and develops a number of Internet-based services and products. Google's brand value has risen by 23%. Despite analysts forecasting slower growth, the company's benchmarking score has broken the 90 barrier and the royalty rate applied has risen by 1.5%. The world's most popular search engine brand takes this year's second place. Its reputation for innovation continues to grow with the launch of its Chrome Operating System and, capitalising on the growing trend for mobile telephony, the introduction of the Android phone and Google Apps. Google Chrome, a web browsing system, had a very successful year in which it captured 10% of the global market. In telephony, Android OS is already predicted to become the second most popular smartphone platform by 2012.

#### League tables

Google appears in the following brand league tables:

Rank 1 in the [The BrandFinance® Global 500 2011](#).

### Brand Finance® Banking Forum

Restoring the reputation of investment and retail banking brands

CLICK HERE TO FIND OUT MORE

### The BrandFinance® Global 500

Rank	2011	2010	Logo	File	Name	Brand Value (USD \$ Millions)		Brand Rating		Market Cap (USD \$ Millions)	
						2011	2010	2011	2010	2011	2010
1	2	1		Google	44,294	36,191	AAA+	AAA+	143,016	157,970	
2	5	2		Microsoft	42,805	33,605	AAA+	AAA+	165,724	199,989	
3	1	3		Walmart	36,220	41,365	AA	AA	154,324	190,803	
4	4	4		IBM	36,157	33,706	AA+	AA	189,717	180,027	
5	7	5		Vodafone	30,674	28,995	AAA+	AAA	192,455	178,603	
6	12	6		Bank of America	30,619	26,047	AAA-	AAA+	120,195	111,754	
7	6	7		GE	30,504	31,909	AA+	AA+	475,066	528,712	
8	20	8		Apple	29,543	19,829	AAA-	AAA-	244,381	156,416	
9	15	9		WELLS FARGO	28,944	21,916	AA+	AA	136,069	131,225	
10	11	10		AT&T	28,884	26,585	AA+	AA+	235,987	229,792	
11	8	11		HSBC	27,632	28,472	AAA	AAA+	171,163	193,793	
12	14	12		Verizon	27,293	23,029	AA	AA	381,093	196,292	
13	9	9		HP	26,756	27,383	AA+	AAA-	84,186	100,997	
14	10	13		Toyota	26,152	27,319	AA+	AAA	204,863	185,402	
15	13	14		Santander	26,150	25,577	AAA	AAA+	100,281	128,087	
16	3	16		Coca-Cola	25,807	34,844	AAA+	AAA+	69,507	87,814	
17	18	17		McDonald's	21,842	20,193	AAA	AAA-	89,594	77,139	
18	23	18		Samsung	21,511	18,925	AA+	AA+	113,326	86,384	
19	17	19		Tesco	21,129	20,654	AAA	AAA-	69,867	73,969	
20	39	20		Mercedes-Benz	20,798	13,883	AA	A+	114,328	55,309	
21	26	21		Mitsubishi	20,473	17,805	AA	AA+	195,400	231,268	
22	22	22		The Home Depot	20,423	19,013	AA-	AA-	60,527	51,076	
23	29	23		BMW	20,157	16,616	AA+	AAA-	92,873	91,170	
24	31	24		Pepsi	19,514	15,991	AA+	AA+	79,149	44,865	
25	24	25		China Mobile	19,317	18,673	AA	AA+	170,543	153,077	
26	40	26		Chase	19,150	13,400	AA	AA	90,088	69,900	
27	28	27		Intel	19,078	16,642	AA+	AA+	92,546	95,316	
28	43	28		Bradesco	18,678	13,299	AAA	AAA-	69,604	56,582	
29	25	29		Orange	18,622	18,352	AA+	AA	106,791	120,119	

Brandirectory is an invaluable resource for brand managers, offering detailed brand profiles and comparative analysis across all major commercial sectors.

Visit [www.brandirectory.com](http://www.brandirectory.com)

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✓ Thank you

Brand Finance works for a wide range of clients conducting national and international brand valuation and brand strategy assignments. Brand Finance has a global footprint over 20 offices worldwide. For more information please refer to our website: [www.brandfinance.com](http://www.brandfinance.com)