Brand Finance®

Canada’s Big Banks and Telcos Top Brand Value Rankings

- Canada’s Big Brands Show Remarkable Stability
- Top Five Brand Rankings Unchanged
- Tim Horton’s Gaining Fast

Toronto – As a nation, Canada prides itself on stability and predictability, and those traits were reinforced in the latest rankings of the country’s most valuable brands, according to Brand Finance’s Canada 100 report.

Brand Finance’s Canada 100 ranks brands by monetary value and also calculates the most ‘powerful’ brands, as defined by the companies whose enterprise value is most positively impacted by the strength of their brand.

Royal Bank of Canada retained its rank as the country’s most valuable brand, with a brand value of $16.6 billion, while its brand value grew by 26%. It was followed closely by TD Bank, with a brand value of $16.5 billion, telecommunications giant Bell ($12.7 billion), Scotiabank ($11.3 billion) and Bank of Montreal ($10.2 billion).

“The ranking is an interesting snapshot of corporate Canada and our domestic economy - banks and telcos at the top, with movement between retail companies, branded producers and resource producers,” says Mack Ferguson, a senior advisor to Brand Finance in Toronto.

One of the big gainers in 2017 is the fast-expanding Tim Horton’s food chain, which jumped to number 6 from 9 a year ago and enjoyed a 43% gain in its brand value ($10.1 billion).

At the other end of the spectrum, embattled drug maker Valeant saw its rank plunge from 16th a year ago to 33rd, and its brand value fell 41% to $1.9 billion.

Globally, Google has replaced Apple as the world’s most valuable brand, with a brand value of US$109.5 billion, according to Brand Finance’s Global 500, the annual ranking from the leading valuation and strategy consultancy. Lego has replaced Disney as the most powerful brand in the world.

In order to determine a brand’s value, Brand Finance first evaluates factors such as marketing investment, familiarity, loyalty, staff satisfaction and corporate reputation to determine the ‘strength’ or ‘power’ of a brand. Brand power determines the proportion of overall business revenue that is contributed by a brand.

Brand Value

Google’s brand value rose during 2016 by 24% (from US$88.2bn) while Apple’s declined from US$145.9 billion to US$107.1 billion. Google last occupied the position of the world’s most valuable brand in 2011. The company remains largely unchallenged in its core search business, which is the mainstay of its advertising income. Advertising revenues were up 20% in 2016 as budgets are increasingly directed online, and Google finds more lucrative revenue streams from digital consumers.

David Haigh, CEO of Brand Finance, says: "Apple has struggled to maintain its technological advantage. New iterations of the iPhone have delivered diminishing returns, and there are signs that the company has reached a saturation point for its brand. The Chinese market, where Apple has enjoyed a dominant market share, is becoming far more competitive with local players entering the market in a meaningful way. Samsung has also been successful in taking market share, and financial analysts are projecting declining revenues and margins."

Brand Power

Lego (196) has regained its status as the world's most powerful brand, with a brand strength score of 92.7. Much of its success is owed to its media licensing deals and partnerships which have driven growth and introduced the likes of Lego Star Wars, Lego Harry Potter and Lego Batman. The Lego Batman Movie will premiere in February with further movies planned for the franchise. This will contribute significantly to Lego's already significant licensing income but, as importantly, the exposure – to both children and adults – will reinforce Lego's brand strength for years to come.

Google (1), Nike (28), Ferrari (258) and Visa (57) complete the rest of the top 5 most powerful brands in the world, with the latter seeing an 8 percentage point gain in brand strength – the most of any company in the top 10.

David Haigh adds: "A powerful brand can protect a company's value during turbulent market conditions or challenging times for a business. The share price resilience of Samsung and Wells Fargo, after a difficult year, is testimony to how a brand can help a company ride out a storm. This is why a brand is such an important intangible asset and should be valued as such. Particularly during M&A scenarios, the fact that brand values are not factored into company accounts can mitigate against fair value being paid. Sellers ought to recognise the full worth of their brand, whilst buyers ought to factor in how far the asset of a brand can be stretched and monetised."

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About Brand Finance

Brand Finance is the world's leading brand valuation and strategy consultancy, with offices in over 15 countries. We provide clarity to marketers, brand owners and investors by quantifying the financial value of brands. Drawing on expertise in strategy, branding, market research, visual identity, finance, tax and intellectual property, Brand Finance helps clients make the right decisions to maximise brand and business value and bridges the gap between marketing and finance.