




BRAND VALUE

WHAT IT MEANS AND WHY

IT'S IMPORTANT

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BRAND VALUE - DEFINITIONS



'The total value of a brand as a separable asset - when it is sold, or included on a balance sheet' – Sheffield, 2000

Brand equity and brand value can be used in tandem with each other, and it is defined as:

'The set of associations and behaviors on the part of the brand's customers, channel members, and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name and that gives the brand a strong, sustainable, and differentiated advantage over competitors.' – Marketing Science Institute



MORE BRAND DEFINITIONS

Brand Image is an important concept, and it is ‘the advertising metric that measures the type and favorability of consumer perceptions of the brand’ .- Roberts 2008

Brand Awareness can be defined as the ‘advertising metric that measures the ability of target consumers to identify the brand under different questioning scenarios.’ – Roberts 2008

Simply obtaining awareness of a brand is not enough – in this case, image really is everything.

HOW DO WE EVALUATE BRAND VALUE?

Interbrand (2011) suggests we evaluate a company’s financial performance, the role of brand, and brand strength to quantify brand value.

Brand Strength involves measuring the following 10 criteria:

Internal Factors

- Clarity
- Commitment
- Protection
- Responsiveness

External Factors

- Authenticity
 - Relevance
 - Differentiation
 - Consistency
 - Presence
 - Understanding
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THE TOP GLOBAL BRANDS

Rank	Previous Rank	Brand	Region/Country	Sector	Brand Value (\$m)	Change in Brand Value
1	1		United States	Beverages	71,861	2%
2	2		United States	Business Services	69,905	8%
3	3		United States	Computer Software	59,087	-3%
4	4		United States	Internet Services	55,317	27%
5	5		United States	Diversified	42,608	0%
6	6		United States	Restaurants	35,593	6%
7	7		United States	Electronics	35,217	10%
8	17		United States	Electronics	33,492	58%
9	9		United States	Media	29,018	1%
10	10		United States	Electronics	28,479	6%
11	11		Japan	Automotive	27,764	6%
12	12		Germany	Automotive	27,445	9%
13	14		United States	Business Services	25,309	9%
14	8		Finland	Electronics	25,071	-15%

ALTERNATIVE MEASUREMENT METHODS – SDR CONSULTING

SDR Consulting offers a different model to evaluate brand value

- SDR does not simply measure a set of criteria to determine a brand's value
- Instead, SDR 'measures brand value as an independent entity and then decomposes that measure into its key drivers'
- This approach puts a premium on a consumer's reaction to, and experience with, the brand in question

SDR CONSULTING BRAND VALUE MODEL

SDR's methodology is a less rigid approach than Interbrand's.

SDR takes into full consideration the way in which consumers react to a brand on a wide spectrum of topics.

It allows 'a detailed understanding of the relative importance of brand equity, compared to tangible product features and price'.

It does not rely as heavily on internal financial information in making its determination.

BRAND VALUE IN SPORTS

Brand Value: Sports Franchises

- Only 4 of the top 10 global sports brands come from the United States (Yankees, Red Sox, Cowboys and Redskins) Source: Forbes, 2010
- 6 of the top 10 global sports brands are soccer teams (ManU, Real Madrid, Bayern Munich, Arsenal, AC Milan, Barcelona)
- What does this mean in broader terms?



BRAND VALUE IN SPORTS

Brand Value: Sports Businesses

- ESPN stands in first with a brand value of \$7.5 billion Source: Forbes 2010
- 3 of the top 5 brands are apparel companies (Nike, Adidas, Under Armour), with EA Sports rounding out the top 5
- What does brand value do for these companies?



CONCLUDING OBSERVATIONS

- Brand values must be protected, nurtured and expanded in any business across all sectors
 - The most successful brands come from companies that innovate
 - The list of the top 10 brands today looks very different than it did 20 years ago
 - Brand Value plays an integral role in the future of an organization on multiple levels
 - Consumers see brand value across the IMC spectrum, and make their own decisions in large part based on their perception of brand
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