

## Measuring Brand Equity

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Hosted by: Mintel

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Is it possible to proof the financial value of “Brand”? Marketers would like to find a Holy Grail that allows them to proof to the board the value of brand. With many different brand valuation rankings available, what should marketers look out for and is there any real value in these rankings? [Alex Reidegeld from The Financial Services Forum](#) finds out.

### Brand Valuation: What it is and how it (should be) done

- First brand valuations were undertaken in 1984 and aim to understand the value of intangible assets to stakeholders
- The current ISO standard requires three steps for a valuation to be compliant:
  1. Legal check: Does anyone own brand trademarks?
  2. Behavioural check: Is the brand adding value to the company and how?
  3. Financial check: How well are individual brands within a company doing?
- Current standard is currently being reviewed to update it
- Strict financial reporting and IP disclosure on balance sheets means assets can not be hidden through accounting policies

### Benefits of Brand Valuation

- Brand valuation allows marketers to confidently discuss marketing ROI in the boardroom
- Data shows that strong brands not only generate better shareholder return in the long term, they also recover far quicker from financial crises
- Brands in the FS sector tend to have below average brand equity when compared to other sectors
- In 2006, the Top 100 FS brands with the most brand value was dominated by Global Banks, making up 61%
- The last 12 years have seen a major shift towards Payments and Regional Banks. With Payments now taking 39% and Regional Banks 44% of the total.
- Global Banks now only make up 9% of Top 100 valued brands in FS.
- The globally top performing FS brand (an Indian bank) focusses heavily on creating a meaningful consumer experience

### A real value for marketers?

- Marketers can frequently face scepticism and resistance internally to brand value being viewed as a financial asset and can struggle to get passed the focus on numbers
- If necessary, marketers can provide finance with detailed information about formulas, weightings etc used in the brand valuation so they can run sensitivity tests
- With all the different choices of how brands can be values, marketers need to decide which valuation best suits their organisation and aligns with its vision and purpose
- Valuation rankings, ultimately, mean little to consumers in the FS sector, so companies need a stronger differentiation than brans value ranking

## Members' Conference

# Autumn Members' Conference

NOV  
13  
2018

📍 BT Centre, 81 Newgate Street , London, EC1A 7AJ

🕒 09:00 for 09:30 until 14:00

👤 E A P



Book your place [here](#) or e-mail Alex at [ar@thefsforum.co.uk](mailto:ar@thefsforum.co.uk)

## Upcoming Events

**15 November:** [How worried should we be?](#)

**20 November:** [Pensions dashboard – will it be a game-changer?](#)

**22 November:** [Appraising Fintechs: Performance Lessons and their Path to Sustainability](#)