SABA
INTELLECTUAL
PROPERTY

BRAND VALUATION

IMPORTANCE OF CONSUMER'S PERCEPTION IN A HOLISTIC BRAND VALUATION

FICPI
17th Open Forum
25-28 OCTOBER 2017
VENICE, ITALY

BRAND VALUATION

This Presentation

WILL

Discuss the importance of a consumer's perception of a brand towards a holistic brand valuation.

WILL NOT

Explain how such brand valuations are mathematized.

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Interbrand : Best Global Brands 2017 - Rankings

01	02	03	04	05 TOP GROWING	06	07	08 TOP GROWING
Apple	Google	Microsoft	Coca-Cola	amazon	SAMSUNG	TOYOTA	Facebook
+3% 184,154 $m	+6% 141,703 $m	+10% 79,999 $m	-5% 69,733 $m	+29% 64,796 $m	+9% 56,249 $m	-6% 50,291 $m	+48% 48,188 $m
09	10	11	12	13	14	15	16
Mercedes-Benz	IBM	GE	McDonald's	BMW	Disney	intel	CISCO
+10% 47,829 $m	-11% 46,829 $m	+3% 44,208 $m	+5% 41,533 $m	0% 41,521 $m	+5% 40,772 $m	+7% 39,459 $m	+3% 31,930 $m
17	18	19	20	21	22	23	24
ORACLE	Nike	LOUIS VUITTON	HONDA	SAP	pepsi	H&M	ZARA
+3% 27,466 $m	+8% 27,021 $m	-4% 22,919 $m	+3% 22,696 $m	+6% 22,635 $m	+1% 20,491 $m	-10% 20,488 $m	+11% 18,573 $m

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Importance of Brand Valuation

- Brand management and development

- Benchmark of return on investment (ROI)

- Negotiating with licensees or joint venture Partners ,in legal disputes, and many other…

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Definition of Brand Valuation

"Brand valuation is the process of assessing/calculating the value of a brand using different approaches or blended approaches that are either based on actual value of the brand, that is, the financial value of a brand or one of the intangible measures that contribute to the brand's financial value".

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Prevailing Brand Valuation Methods

The prevailing brand valuation methods are based on the above definition less the emotional attributes of the brand. The reason is that the universal valuation methods were originally designed to measure tangible assets such as real estate, machinery, stocks, cars, ships etc.

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Prevailing Brand Valuation Methods

- *Income based brand valuation methods*
- *Market based brand valuation methods*
- *Cost based brand valuation methods*

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One more dimension- Consumer's Perception

- *Calculating the value of a brand using intangible measures that pay out for the brand's financial value.*

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Brand Valuation Leagues

Report	Publisher	Rank of Apple	Brand value (USD Millions)
The World's Most Valuable Brands 2017	Forbes	1	170, 000
The most valuable brands of 2017	Brand Finance 2017	2	109,470
The 2017 BrandZ™	WPP and Kantar Millward Brown	2	234,671

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So, does a consumer's perception of a brand matter?

- "Brand perception is owned by consumers, not brands. Regardless of your message, whatever people are thinking and saying about your brand, that is your brand."

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Metrics to measure consumer's perception of a brand
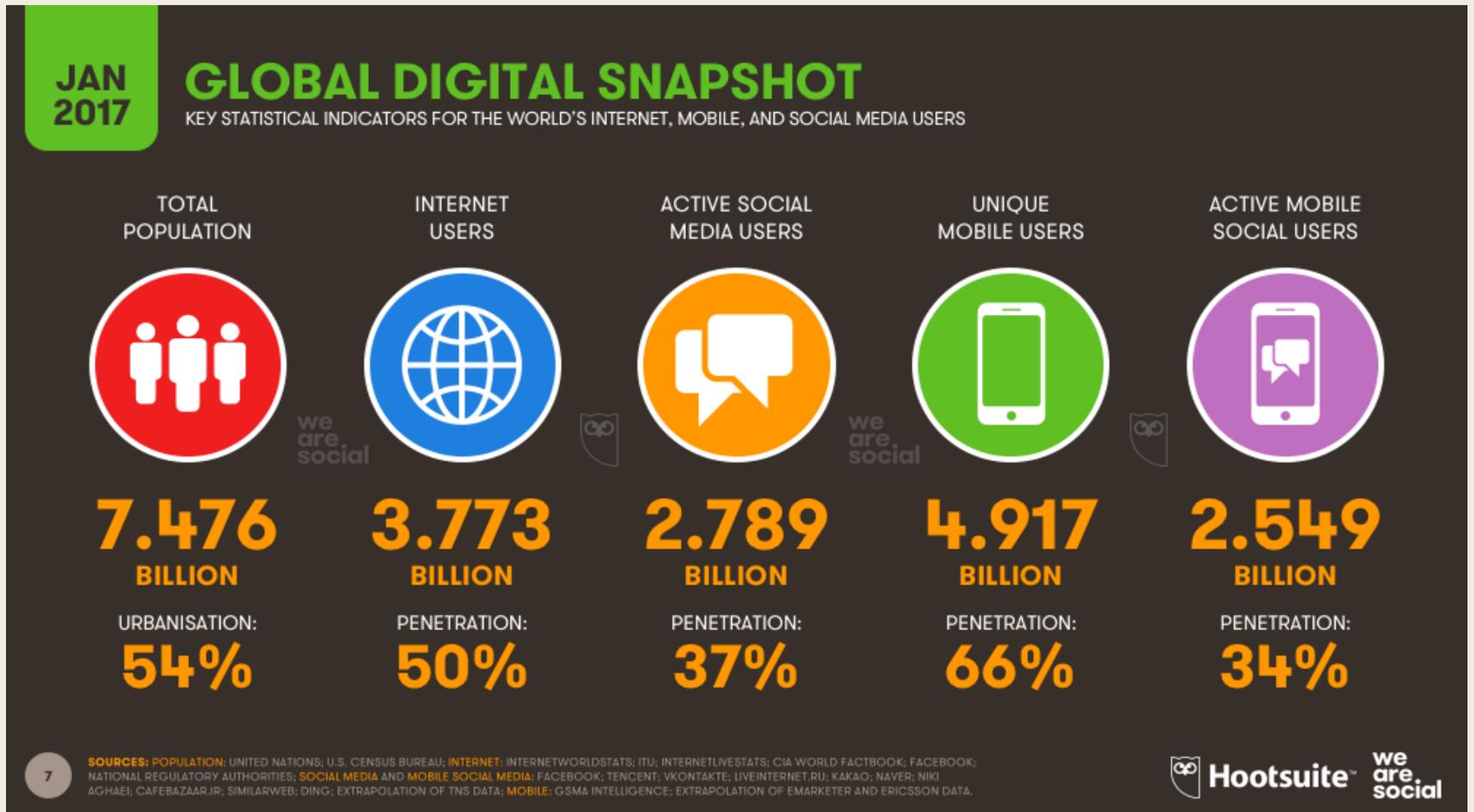
BRAND VALUATION

Social Listening

- What is the overall sentiment towards your brand?

- What is your brand's share of voice compared to competitors?

- Does your share of voice vary over time/ across regions/different types of social media?

- Which of your products is most talked about?

- How does sentiment about your brand change over time?

- What has caused spikes in conversation about your brand?

- What are the top topics talked about in relation to your brand?

- What do people like most about your brand or your products?

BRAND VALUATION

BRAND VALUATION

Brand Asset Valuator*

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                                              ┌─────────────────┐
                                         ┌────│ Differentiation │
                          ┌──────────────┐    └─────────────────┘
                     ┌────│ Brand Validity│
                     │    └──────────────┘    ┌─────────────────┐
┌─────────────┐      │                    └───│    Relevance    │
│ Brand Value │──────┤                        └─────────────────┘
└─────────────┘      │                        ┌─────────────────┐
                     │    ┌──────────────┐ ┌──│      Esteem     │
                     └────│ Brand Stature│─┤  └─────────────────┘
                          └──────────────┘ │  ┌─────────────────┐
                                           └──│    Knowledge    │
                                              └─────────────────┘
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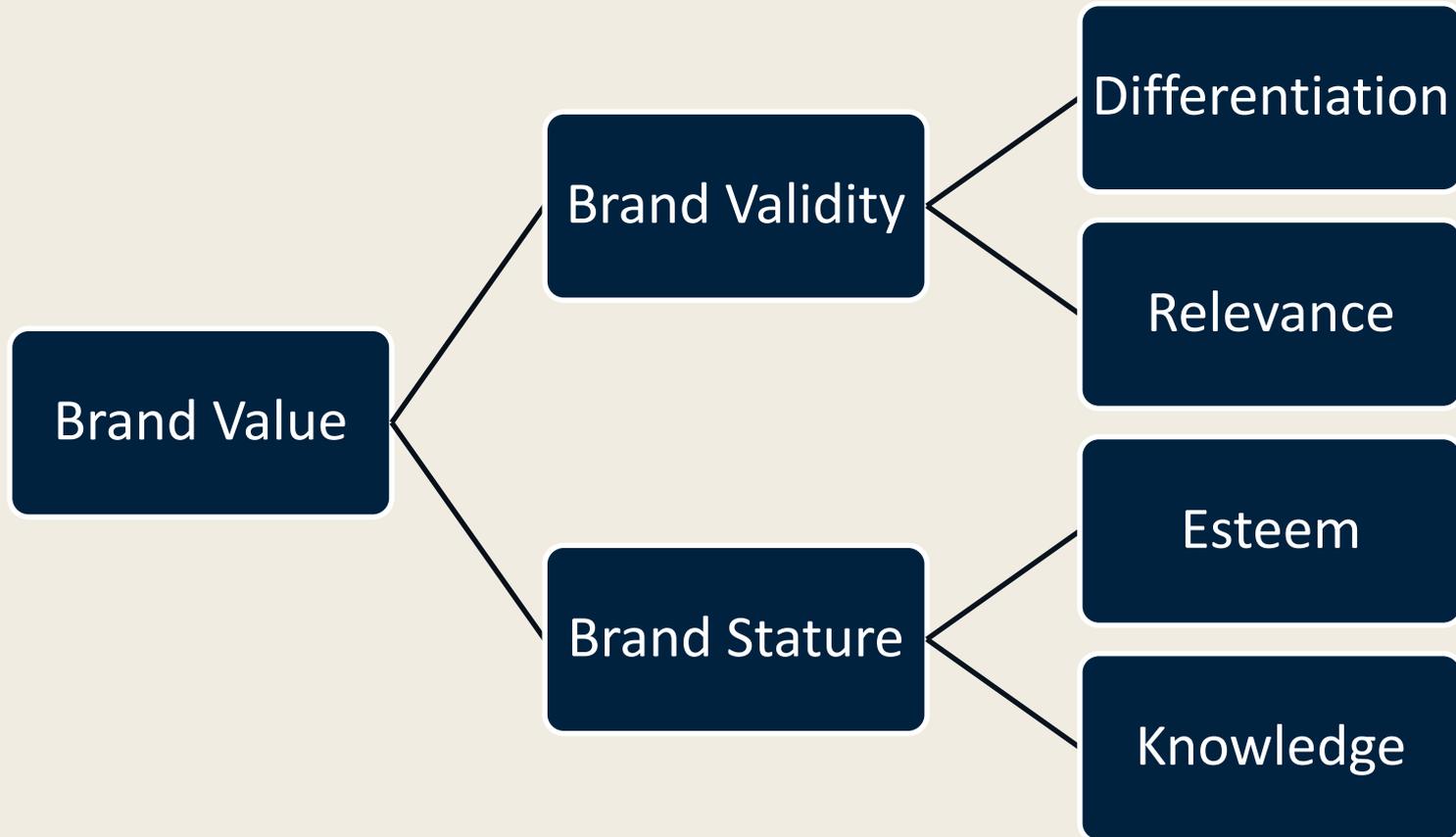
BRAND VALUATION

ISO 10668

ISO 10668 requires 3 types of analysis to arrive at a thorough brand valuation opinion:

- Legal
- Behavioral
- Financial

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Conclusions

- Measuring the consumer's perception of a brand is core to a comprehensive and diligent brand valuation.

- A comprehensive and diligent brand valuation have useful diagnostic power and richness that will add significance to any brand valuation report and serve as an indispensable article on the boardroom table to discuss issues from brand and marketing budget determination to making make big decisions related to insolvency and liquidation.

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