



# **Why Brands Matter 2022**

## **The Latest Evidence in the UK**

# Brand Finance, since 1996

Bridging the gap between marketing and finance

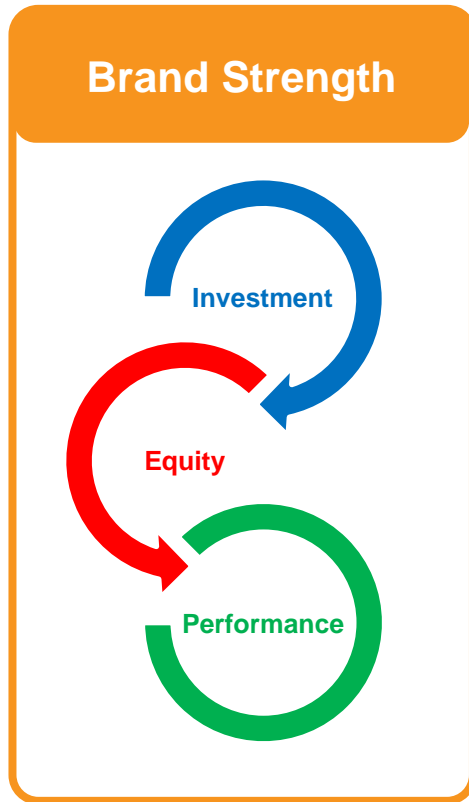


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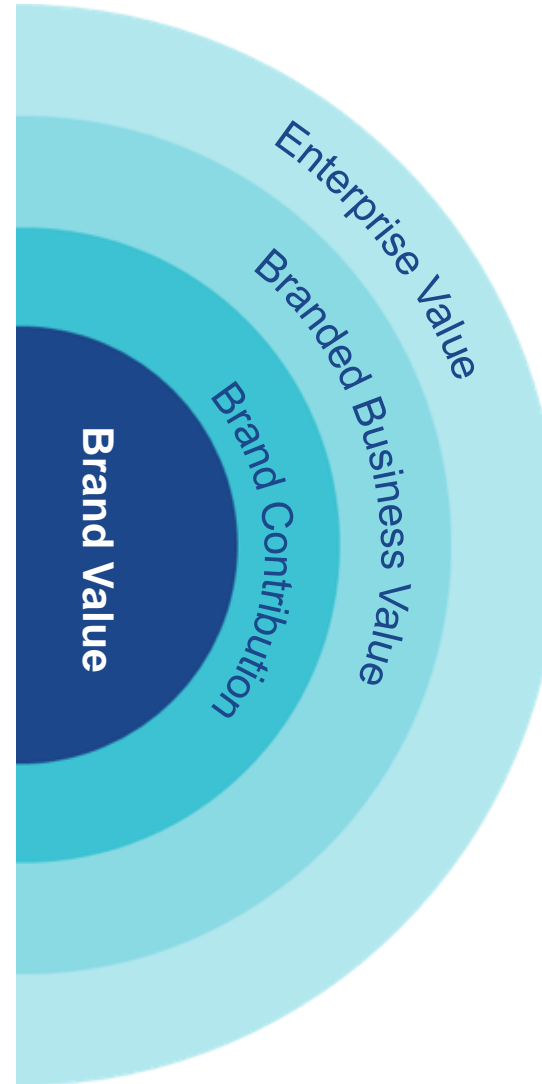


# What do we mean by brand?

## Evaluation



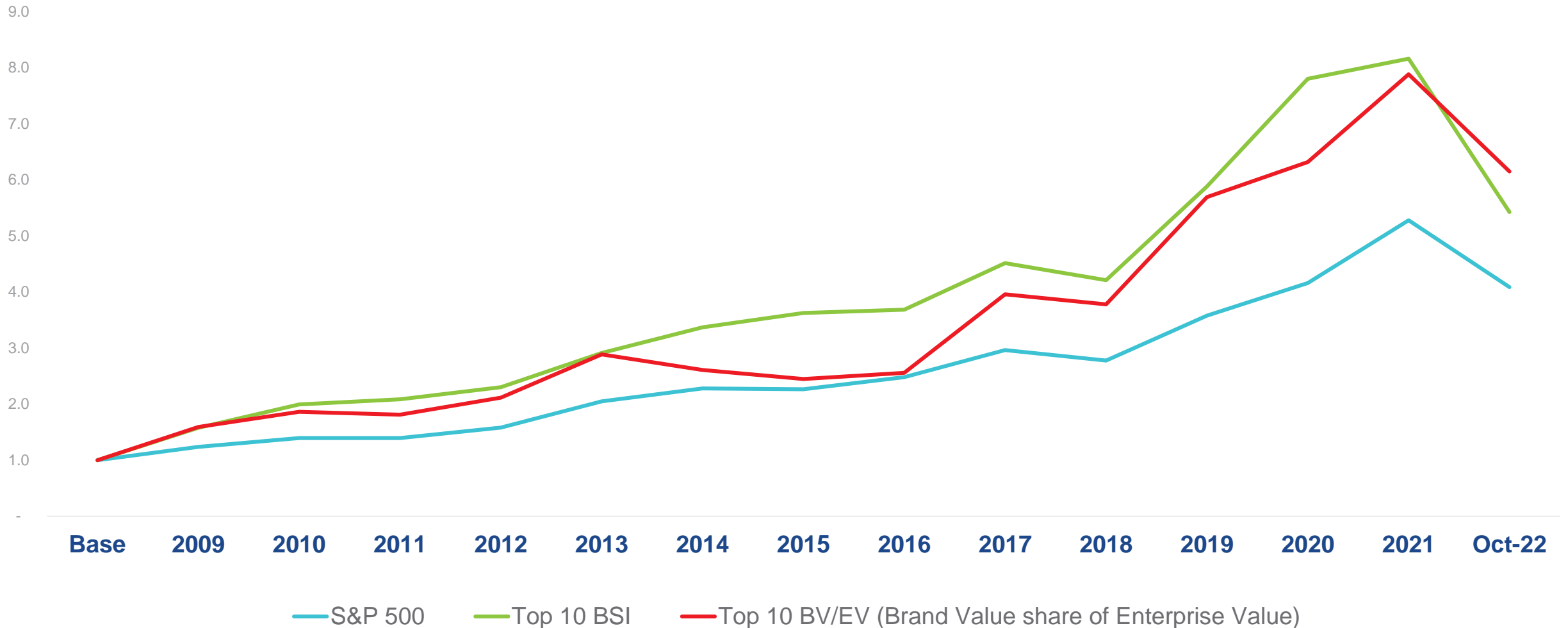
## Valuation \$



**Brand Strength** is an overall indicator of the health of your brand versus competitors.

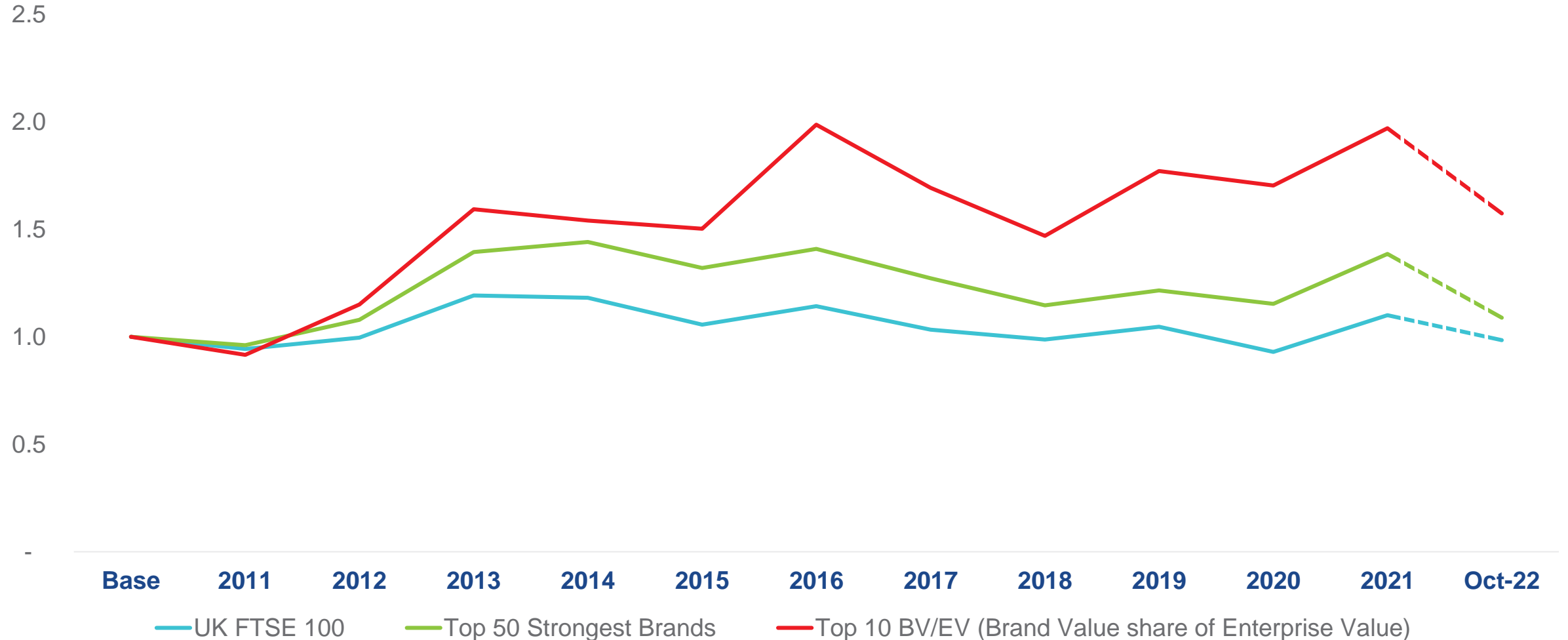
# Strongly branded organisations outperform the market

(USD Value of \$1 invested)



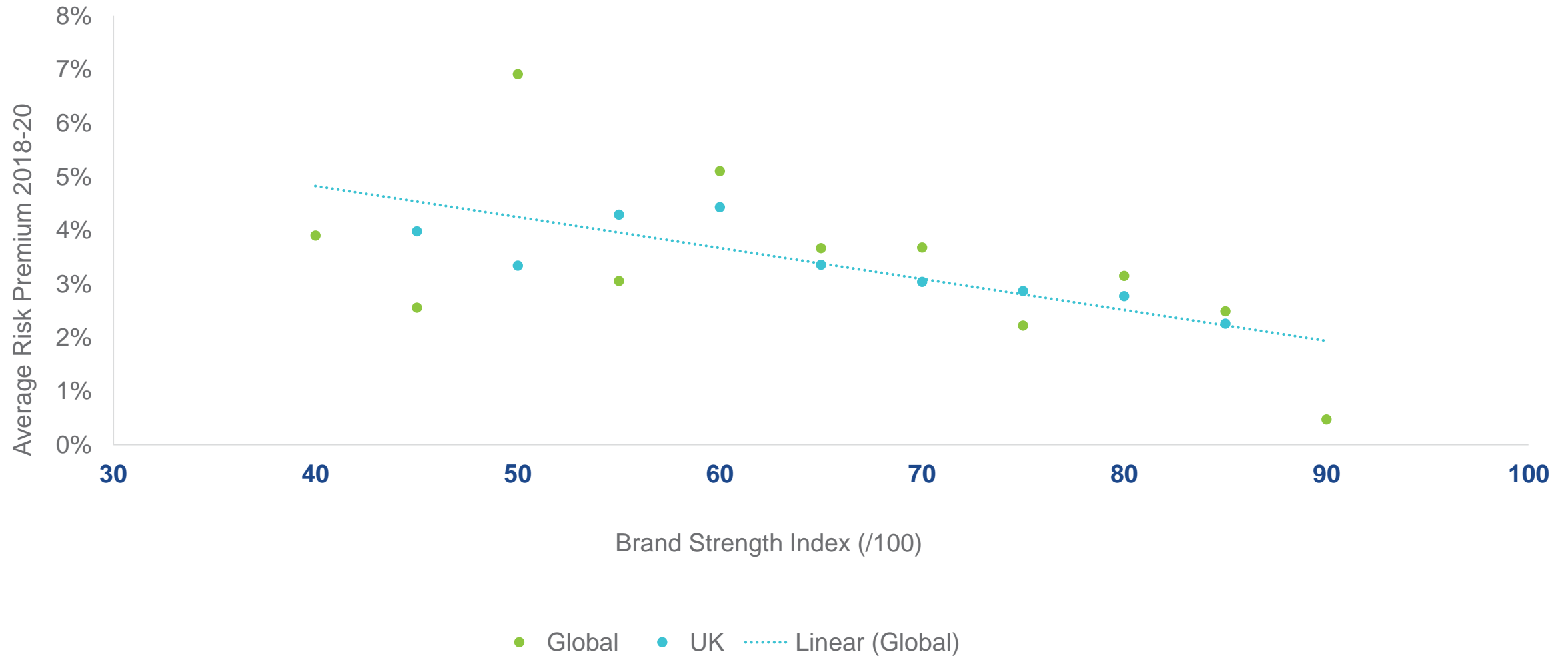
# Strongly branded organisations also outperform in UK

Shareholder return for strongly branded organisations vs FTSE (per £1 invested)



# Cost of Debt is lower for strong brands

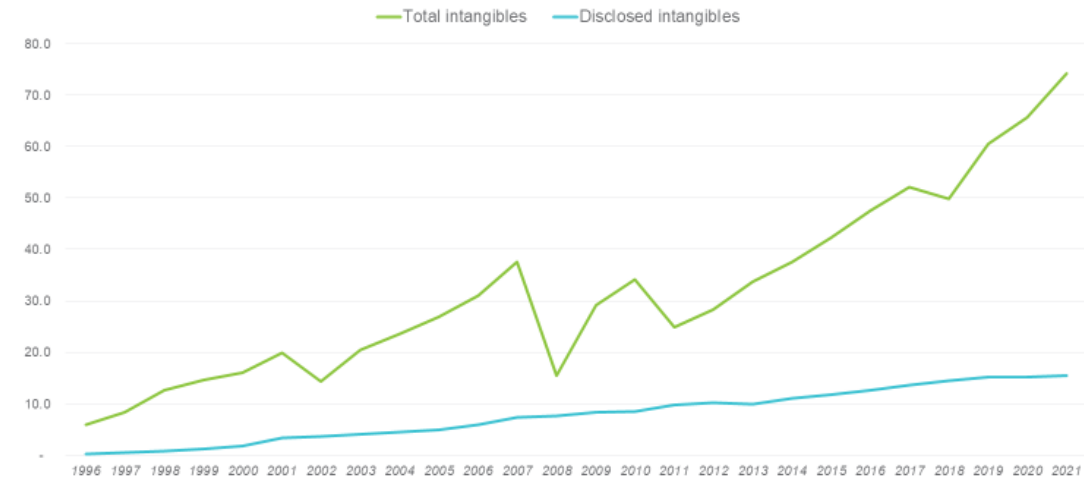
## Brand Risk Premium 2018-2020



# Intangible assets and investment have been on the rise

## Total intangible value estimated at ~\$75 trillion

Acquired + home-grown



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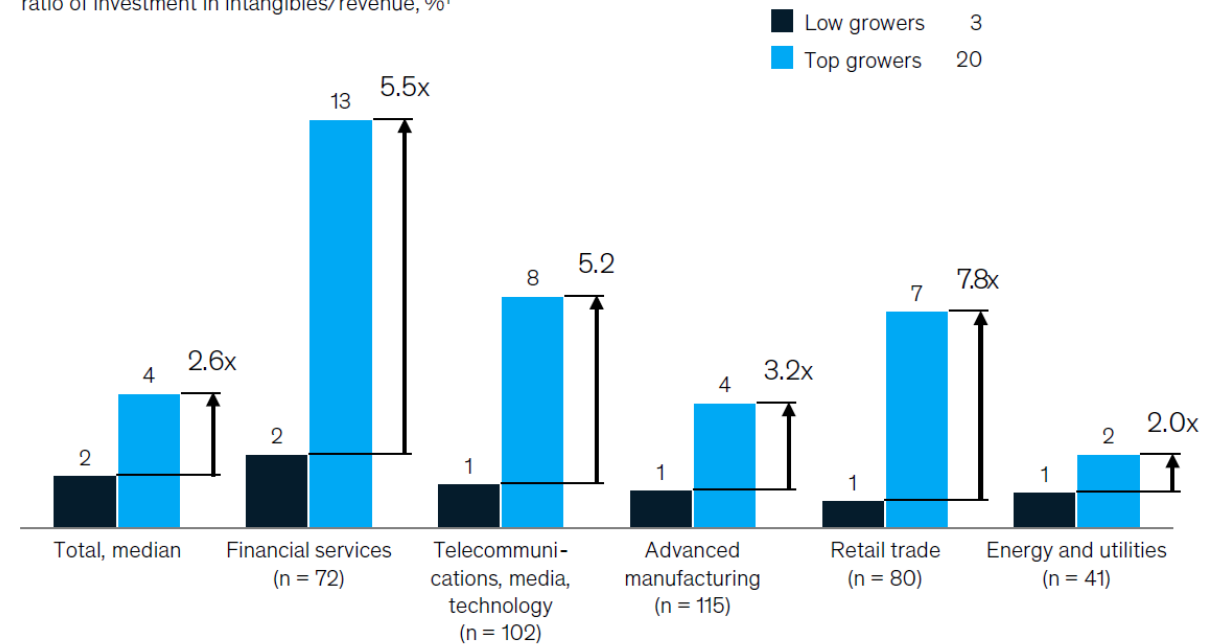
Source: Brand Finance GIFT™ 2021

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Top growers invest 2.6 times more in intangibles than low growers across sectors.

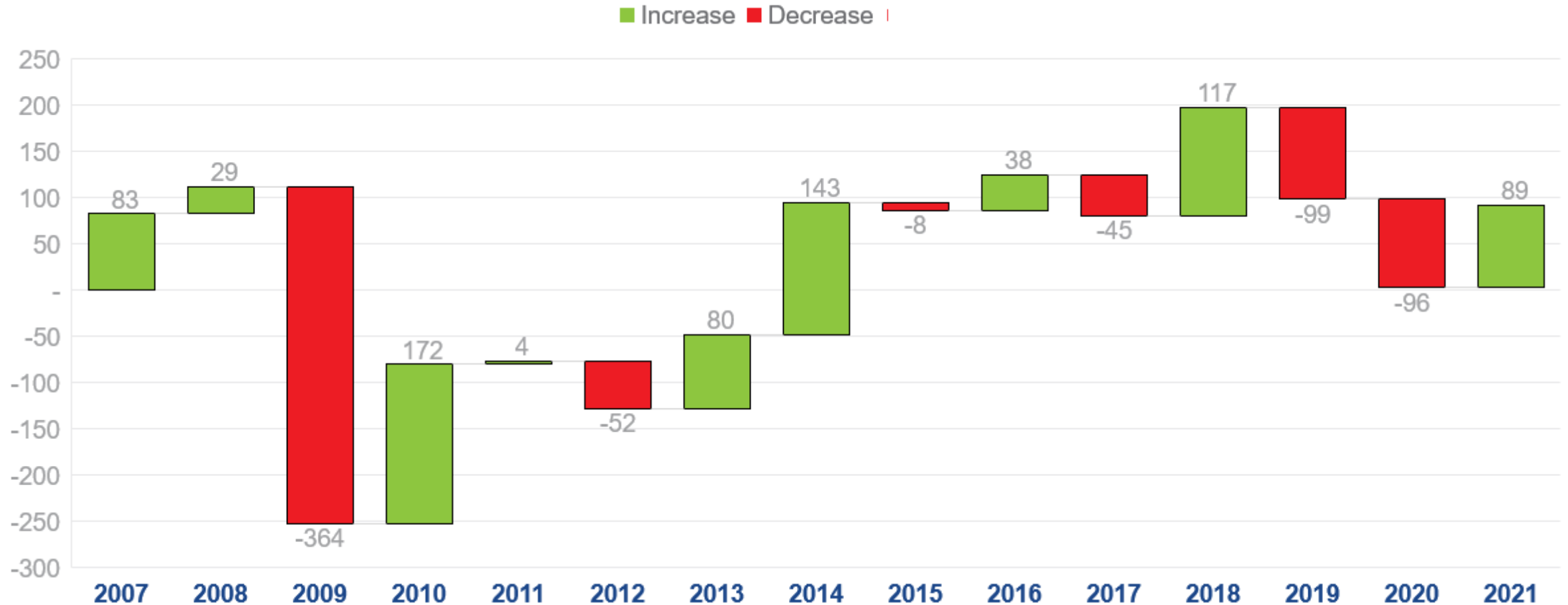
Intangibles investment by sector, 2019, ratio of investment in intangibles/revenue, %<sup>1</sup>

Median growth, 2019, %



Source: McKinsey (2021), "Getting tangible about intangibles: The future of growth and productivity?", Discussion Paper

# Total Marketing Value\* in the UK was recovered between 2010 - 2018



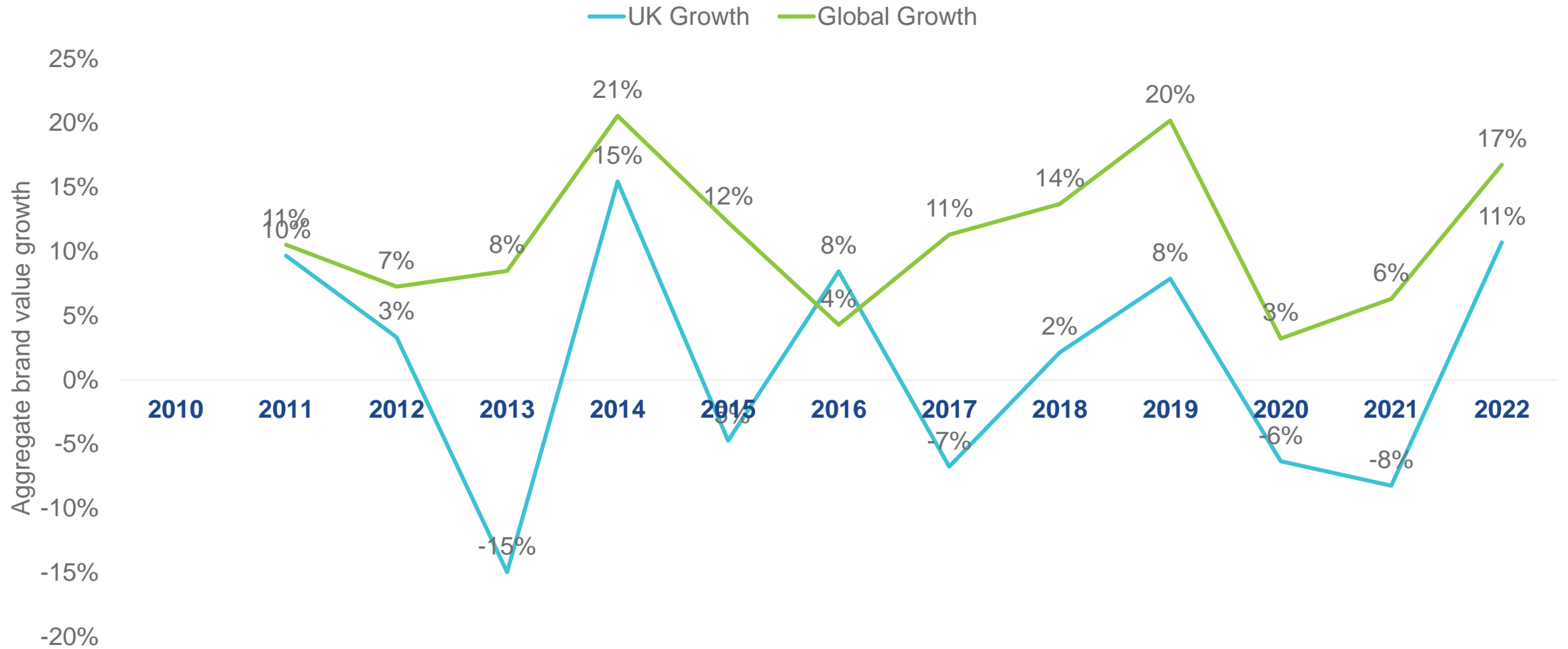
\*Estimated share of total UK Intangible Value pertaining to Marketing (listed companies only)

Source: Brand Finance GIFT



# Global brands growing faster than UK brands

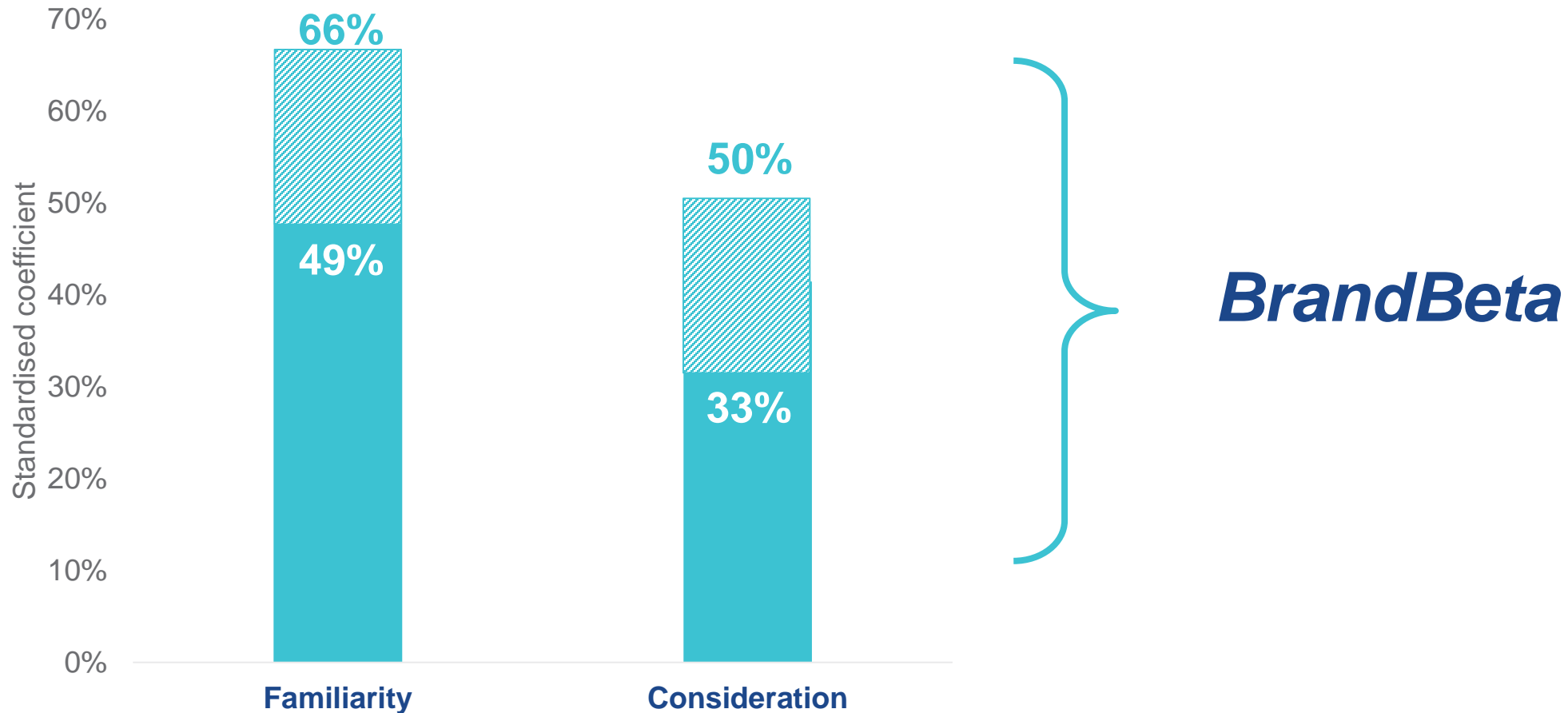
## Top 50 Brands- growth in total Brand Value by year



# Introducing BrandBeta

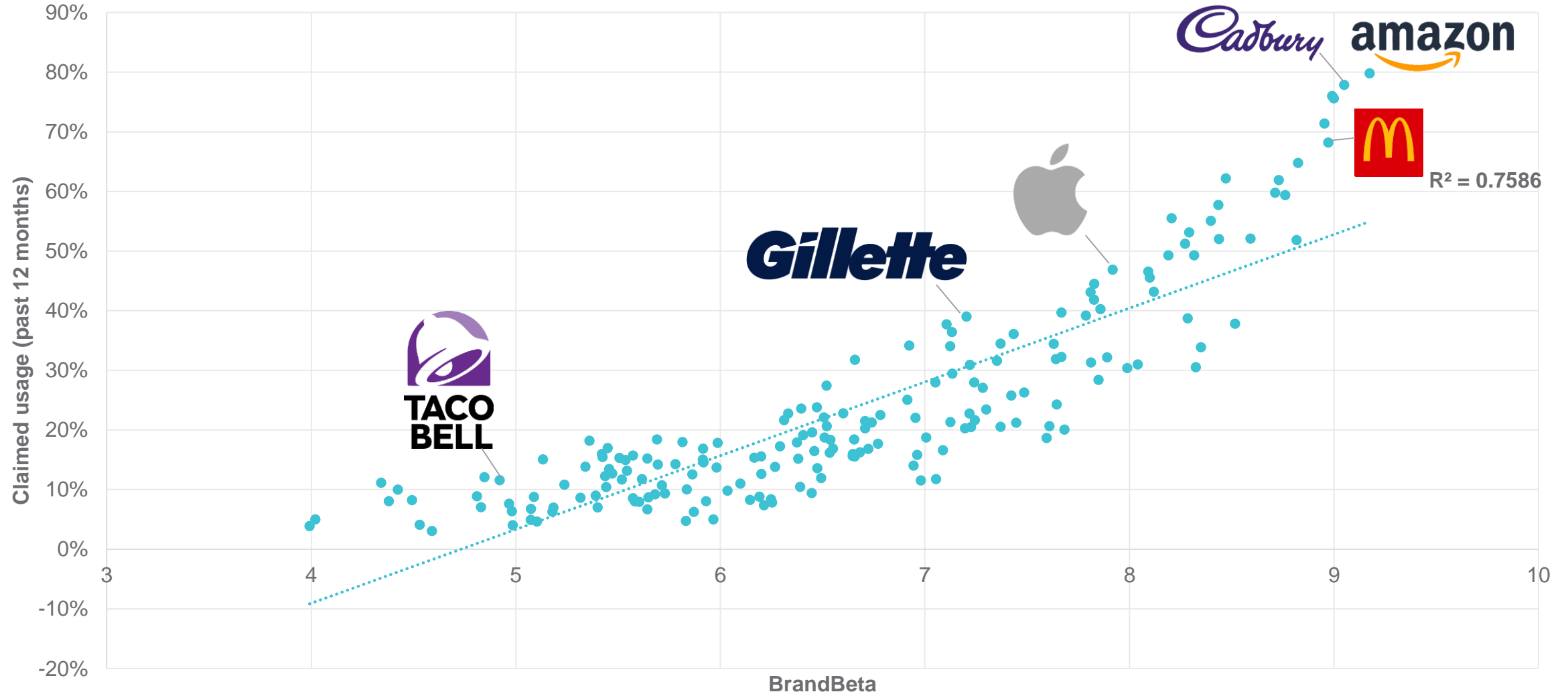
Usage can be predicted based on brand familiarity and consideration

Importance of familiarity and consideration



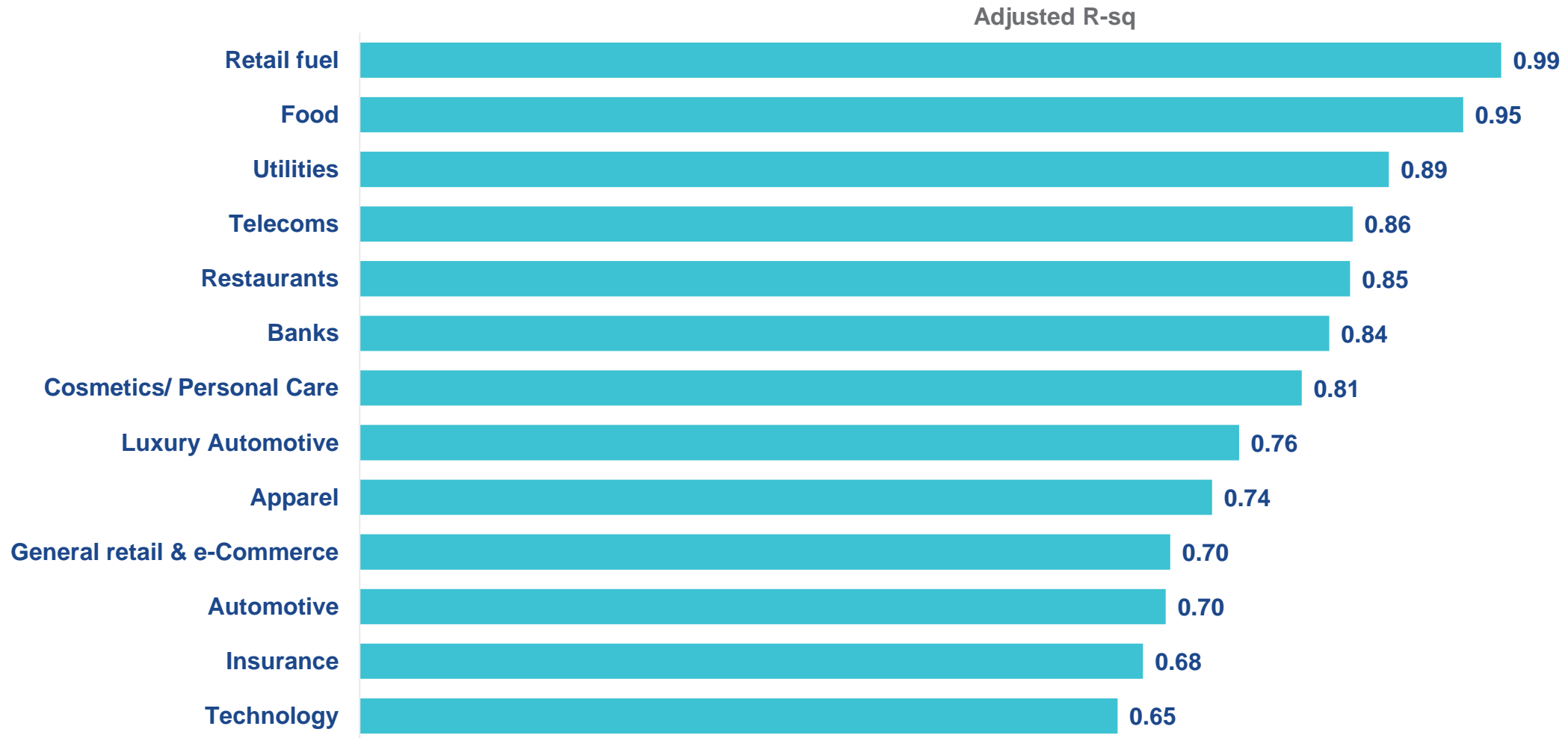
# Predictive power in the UK

## BrandBeta versus Usage share UK



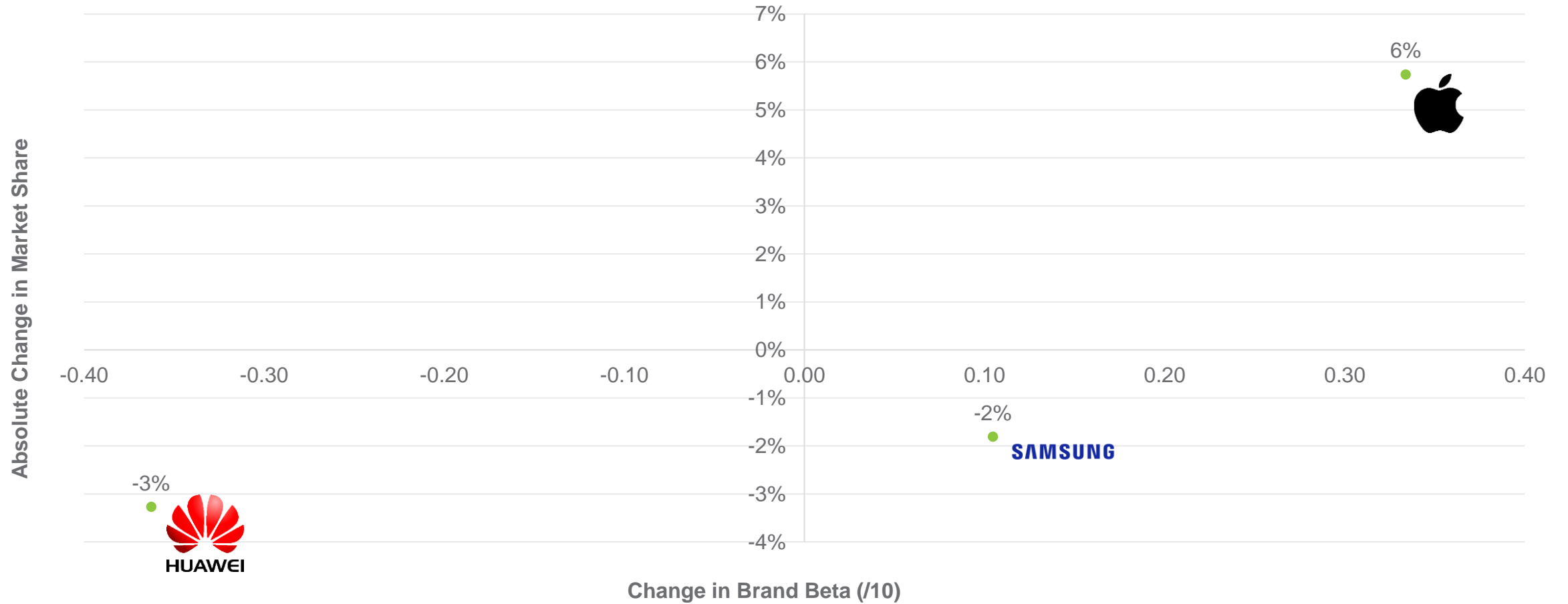
# Predictive Power varies by industry

BrandBeta UK Market Share explanatory power



# BrandBeta and Phone brands in the UK

UK Mobile Handsets – 2019 to 2021



# Thank you



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