

Hotels 50 2019

The annual report on the most valuable and strongest hotel brands
May 2019

About Brand Finance.

Brand Finance is the world’s leading independent brand valuation and strategy consultancy.

Brand Finance was set up in 1996 with the aim of ‘bridging the gap between marketing and finance’. For more than 20 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We pride ourselves on four key strengths:

- + Independence
- + Transparency
- + Technical Credibility
- + Expertise

We put thousands of the world’s biggest brands to the test every year, evaluating which are the strongest and most valuable.

Brand Finance helped craft the internationally recognised standard on Brand Valuation – ISO 10668, and the recently approved standard on Brand Evaluation – ISO 20671.



Get in Touch.

For business enquiries, please contact:

Richard Haigh
Managing Director
rd.haigh@brandfinance.com

For media enquiries, please contact:

Konrad Jagodzinski
Communications Director
k.jagodzinski@brandfinance.com

For all other enquiries, please contact:

enquiries@brandfinance.com
+44 (0)207 389 9400

For more information, please visit our website:

www.brandfinance.com

 linkedin.com/company/brand-finance

 twitter.com/brandfinance

 facebook.com/brandfinance

 instagram.com/brand.finance

Brand Finance®
Brandirectory

**The world's largest
brand value database.**

**Visit to see all Brand Finance
rankings, reports, and whitepapers
published since 2007.**

www.brandirectory.com

Contents.

About Brand Finance	2
Get in Touch	2
Request Your Brand Value Report	4
Brand Valuation Methodology	5
Foreword	6
Executive Summary	8
Brand Finance Hotels 50 (USD m)	12
Brand Finance Leisure & Tourism 10	13
Sector Reputation Analysis	14
Definitions	16
Consulting Services	18
Brand Evaluation Services	19
Communications Services	20
Brand Finance Network	22

Request Your Brand Value Report.

A Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your brand’s value.

Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors.

What is a Brand Value Report?

Brand Valuation Summary

- + Internal understanding of brand
- + Brand value tracking
- + Competitor benchmarking
- + Historical brand value

Brand Strength Index

- + Brand strength tracking
- + Brand strength analysis
- + Management KPIs
- + Competitor benchmarking

Royalty Rates

- + Transfer pricing
- + Licensing/franchising negotiation
- + International licensing
- + Competitor benchmarking

Cost of Capital

- + Independent view of cost of capital for internal valuations and project appraisal exercises

Customer Research

- | | |
|-------------|-------------|
| + Utilities | + Tech |
| + Insurance | + Auto |
| + Banks | + Hotels |
| + Telecoms | + Beers |
| + Airlines | + Oil & Gas |

For more information regarding our Brand Value Reports, please contact:

enquiries@brandfinance.com

What are the benefits of a Brand Value Report?



Insight



Strategy



Benchmarking



Education



Communication



Understanding

Brand Valuation Methodology.

Brand Finance calculates the values of the brands in its league tables using the **Royalty Relief approach** – a brand valuation method compliant with the industry standards set in **ISO 10668**.

This involves estimating the likely future revenues that are attributable to a brand by calculating a royalty rate that would be charged for its use, to arrive at a ‘brand value’ understood as a net economic benefit that a licensor would achieve by licensing the brand in the open market.

The steps in this process are as follows:

- 1 Calculate brand strength using a balanced scorecard of metrics assessing Marketing Investment, Stakeholder Equity, and Business Performance. Brand strength is expressed as a Brand Strength Index (BSI) score on a scale of 0 to 100.
- 2 Determine royalty range for each industry, reflecting the importance of brand to purchasing decisions. In luxury, the maximum percentage is high, in extractive industry, where goods are often commoditised, it is lower. This is done by reviewing comparable licensing agreements sourced from Brand Finance’s extensive database.
- 3 Calculate royalty rate. The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
- 4 Determine brand-specific revenues by estimating a proportion of parent company revenues attributable to a brand.
- 5 Determine forecast revenues using a function of historic revenues, equity analyst forecasts, and economic growth rates.
- 6 Apply the royalty rate to the forecast revenues to derive brand revenues.
- 7 Brand revenues are discounted post-tax to a net present value which equals the brand value.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.



Brand Strength Index (BSI)

Brand strength expressed as a BSI score out of 100.



Brand Royalty Rate

BSI score applied to an appropriate sector royalty range.



Brand Revenues

Royalty rate applied to forecast revenues to derive brand value.



Brand Value

Post-tax brand revenues discounted to a net present value (NPV) which equals the brand value.

Foreword.



David Haigh
CEO, Brand Finance

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always be 'to make money'.

Huge investments are made in the design, launch, and ongoing promotion of brands. Given their potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial rigour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestimate the significance of their brands to the business. Sceptical finance teams, unconvinced by what they perceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spend there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. The end result can be a slow but steady downward spiral of poor communication, wasted resources, and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity to tax and accounting. We understand the importance of design, advertising, and marketing, but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of what they do, and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

Brand Finance's research revealed the compelling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company's intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The team and I look forward to continuing the conversation with you.

Hilton's Brand Portfolio Overtakes Marriott's as World's Most Valuable.

- + Hilton Hotels & Resorts remains world's most valuable individual hotel brand with 17% growth
- + Marriott's portfolio drops to second place as the value of its brands in the Brand Finance Hotels 50 ranking decreases by 27%, giving way to Hilton
- + World's fastest-growing hotel brands come from Hilton's portfolio: Homewood Suites, Double Tree, and Hampton
- + Mercure is world's strongest hotel brand, Shangri La and Holiday Inn close behind

Executive Summary.



Hilton Hotels & Resorts remains world’s most valuable

Hilton Hotels & Resorts has extended its lead as the world’s most valuable hotel brand while the total value of its brand portfolio within the Brand Finance Hotels 50 ranking has overtaken Marriott’s, according to the latest report by Brand Finance, the world’s leading independent brand valuation consultancy. Hilton Hotels & Resorts’ brand value growth (up 17% to US\$7.4 billion) was largely driven by strong revenue increase over the last year, cementing the brand’s leadership position in the industry.

Meanwhile, **Marriott** suffered a reduction in brand value (down 8% to US\$5.0 billion) and its brand strength dropped from AAA- to AA+. Marriott has faced several challenges in the North American market from hacking scandals to persistent problems with its loyalty schemes. At the same time, the combined value of Marriott’s brands within the Brand Finance Hotels 50 ranking decreased by 27%, giving way to Hilton’s brand portfolio to claim the title of the world’s most valuable.

Hilton’s brand portfolio overtakes Marriott’s

The combined value of all Hilton brands which made this year’s top 50 ranking amounts to US\$14.7 billion – over US\$1 billion more than Marriott’s US\$13.4 billion portfolio. Hilton Worldwide Holdings achieved overall

Hilton’s strategic approach to brand growth has allowed it to extend its lead as the world’s most valuable hotel brand. At the same time, endorsement from the flagship brand has rendered benefits across the portfolio as Homewood Suites, Double Tree, and Hampton have seen their brand values soar. In its centennial year, Hilton is well-positioned for another hundred years of success.
















Savio D’Souza
Valuation Director, Brand Finance

brand value growth of 41%, a stark contrast with the Marriott International brand portfolio decreasing by 27%.






























Hilton’s brand value in the top 50 ranking is concentrated across six brands, up from five in 2018, all strongly leveraging the valuable Hilton brand name and each recording solid growth this year. Hilton has continually committed to its relentless expansion programme and with thousands of new rooms and hotels in the pipeline, the company shows no signs of slowing down in the coming year.

Marriott has not fared so well, with three of its brands dropping out of the Brand Finance Hotel 50 ranking this year. With one new entrant, Marriott now has thirteen brands in the ranking, many of which have nevertheless decreased in value. Marriott’s recent announcement of entering the home-rental market however, is a promising move to take back market share from Airbnb and could contribute to an uplift in brand value in the coming year.

Top 5 Brand Portfolios

	1  2 	2019: 14,673 2018: 10,374 +41.4%
	2  1 	2019: 13,423 2018: 18,478 -27.4%
	3  3 	2019: 7,294 2018: 7,945 -8.2%
	4  4 	2019: 6,588 2018: 6,105 +7.9%
	5  5 	2019: 3,677 2018: 3,512 +4.7%

Top 10 Most Valuable Brands

	1  1 	2019: \$7,398m 2018: \$6,330m +16.9%
	2  2 	2019: \$5,039m 2018: \$5,464m -7.8%
	3  4 	2019: \$3,945m 2018: \$3,292m +19.8%
	4  3 	2019: \$3,677m 2018: \$3,512m +4.7%
	5  10 	2019: \$3,182m 2018: \$1,784m +78.3%
	6  6 	2019: \$2,513m 2018: \$2,221m +13.1%
	7  17 	2019: \$2,058m 2018: \$1,147m +79.5%
	8  5 	2019: \$1,863m 2018: \$3,018m -38.3%
	9  7 	2019: \$1,708m 2018: \$1,976m -13.5%
	10  9 	2019: \$1,624m 2018: \$1,890m -14.0%

The Hilton and Marriott portfolios remain well ahead of third-ranked **Wyndham**, which also suffered a drop of 8% in brand value to US\$7.3 billion.

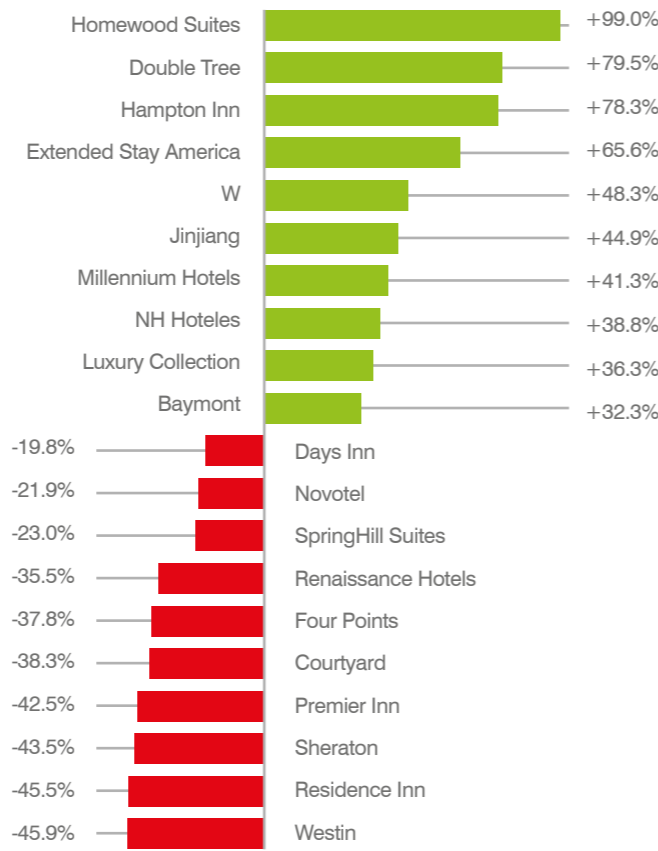
Fastest-growing brands

The three hotel brands to grow the fastest in value this year all come from Hilton’s portfolio, and each contributed to its overall growth. Their impressive performance was led by **Homewood Suites** (brand value up 99% to US\$0.8 billion), followed closely by **Double Tree** (up 79% to US\$2.1 billion) and **Hampton** (up 78% to US\$3.2 billion).

This growth allowed the latter two brands to reshape the ranking’s top 10, with Double Tree jumping from 17th to 7th and Hampton rising from 10th to 5th place over the past year.

At the same time, the three fastest-falling brands this year (**Westin** – down 46%, **Residence Inn** – down 46%, and **Sheraton** – down 44%), and altogether 7 out of the bottom 10 worst-performing brands, are part of the Marriott portfolio, dragging its combined value down.

Brand Value Change 2018-2019 (%)



Brand Value by Country



Country	Brand Value (USD bn)	% of total
United States	46.4	77.1%
United Kingdom	3.3	5.5%
France	3.0	5.0%
China (Hong Kong)	2.5	4.2%
Spain	1.7	2.8%
China	1.4	2.4%
Other	1.8	3.1%
Total	60.2	100.0%

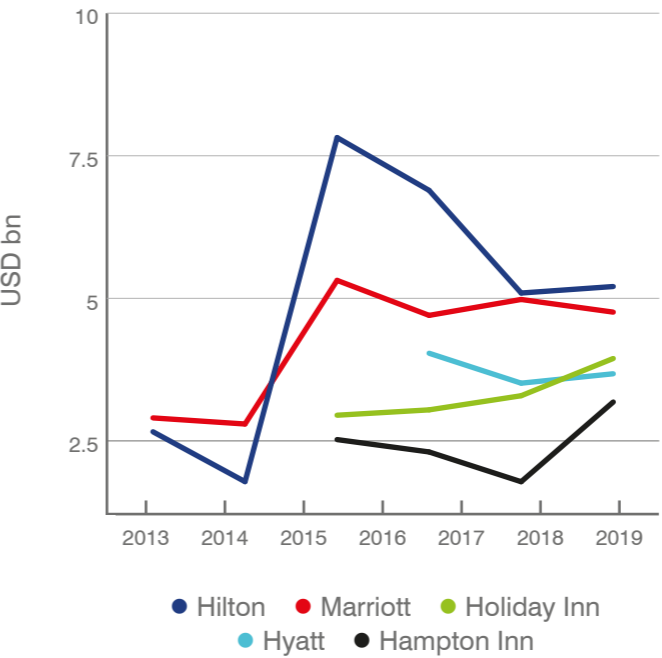
Mercure is world’s strongest hotel brand

Aside from calculating overall brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. Alongside revenue forecasts, brand strength is a crucial driver of brand value.

According to these criteria and scoring high in Brand Finance market research, **Mercure** has claimed the title of the world’s strongest hotel brand, significantly improving its Brand Strength Index (BSI) score from 75.7 to 86.2 out of 100 and recording a brand rating upgrade from AA+ to AAA.

Mercure is also the most valuable brand in Accor’s portfolio, with nearly 800 hotels. The brand has continued to make several acquisitions through its scheme of franchise growth.

Brand Value over Time



Top 10 Strongest Brands

	1	↑ 22		2019: 86.2 2018: 75.7	AAA AA+	+10.4
	2	↑ 6		2019: 86.0 2018: 82.9	AAA AAA-	+3.1
	3	← 3		2019: 84.7 2018: 85.0	AAA AAA	-0.3
	4	↑ 26		2019: 84.6 2018: 74.6	AAA AA+	+10.0
	5	↑ 31		2019: 83.3 2018: 72.5	AAA- AA	+10.8
	6	↓ 2		2019: 83.1 2018: 87.5	AAA- AAA	-4.4
	7	↑ 15		2019: 82.2 2018: 79.3	AAA- AA+	+2.9
	8	↓ 7		2019: 82.0 2018: 82.4	AAA- AAA-	-0.4
	9	↑ 40		2019: 81.8 2018: 67.4	AAA- AA-	+14.5
	10	↓ 5		2019: 80.7 2018: 84.3	AAA- AAA-	-3.7

Brand Finance Hotels 50 (USD m).

Top 50 most valuable hotel brands 1-50

2019 Rank	2018 Rank	Brand	Portfolio	Country	2019 Brand Value	Brand Value Change	2018 Brand Value	2019 Brand Rating	2018 Brand Rating
1	1	↔ Hilton	Hilton	United States	\$7,398	+16.9%	\$6,330	AAA-	AAA-
2	2	↔ Marriott	Marriott	United States	\$5,039	-7.8%	\$5,464	AA+	AAA-
3	4	↑ Holiday Inn	Intercontinental	United States	\$3,945	+19.8%	\$3,292	AAA	AAA
4	3	↓ Hyatt	Hyatt	United States	\$3,677	+4.7%	\$3,512	AA	AA+
5	10	↑ Hampton	Hilton	United States	\$3,182	+78.3%	\$1,784	AAA-	AAA-
6	6	↔ Shangri-La	Shangri-La	China (Hong Kong)	\$2,513	+13.1%	\$2,221	AAA	AAA-
7	17	↑ Double Tree	Hilton	United States	\$2,058	+79.5%	\$1,147	AA+	AA+
8	5	↓ Courtyard	Marriott	United States	\$1,863	-38.3%	\$3,018	AA	AAA-
9	7	↓ Wyndham	Wyndham	United States	\$1,708	-13.5%	\$1,976	AA	AAA-
10	9	↓ Ramada	Wyndham	United States	\$1,624	-14.0%	\$1,890	AA	AA+
11	16	↑ Mercure	Accor	France	🔒	🔒	🔒	🔒	🔒
12	12	↔ Intercontinental	Intercontinental	United Kingdom	🔒	🔒	🔒	🔒	🔒
13	13	↔ Crowne Plaza	Intercontinental	United Kingdom	🔒	🔒	🔒	🔒	🔒
14	8	↓ Sheraton	Marriott	United States	🔒	🔒	🔒	🔒	🔒
15	20	↑ Crown	Crown	Australia	🔒	🔒	🔒	🔒	🔒
16	14	↓ Days Inn	Wyndham	United States	🔒	🔒	🔒	🔒	🔒
17	18	↑ Comfort Inn	Choice	United States	🔒	🔒	🔒	🔒	🔒
18	28	↑ Embassy Suites	Hilton	United States	🔒	🔒	🔒	🔒	🔒
19	11	↓ Westin	Marriott	United States	🔒	🔒	🔒	🔒	🔒
20	34	↑ Extended Stay America	Extended Stay America	United States	🔒	🔒	🔒	🔒	🔒
21	21	↔ Melia	Melia	Spain	🔒	🔒	🔒	🔒	🔒
22	19	↓ Super 8	Wyndham	United States	🔒	🔒	🔒	🔒	🔒
23	31	↑ Jinjiang	Jinjiang	China	🔒	🔒	🔒	🔒	🔒
24	41	↑ Homewood Suites	Hilton	United States	🔒	🔒	🔒	🔒	🔒
25	26	↑ Quality	Choice	United States	🔒	🔒	🔒	🔒	🔒
26	32	↑ NH Hoteles	NH Hoteles	Spain	🔒	🔒	🔒	🔒	🔒
27	15	↓ Premier Inn	Whitbread	United Kingdom	🔒	🔒	🔒	🔒	🔒
28	22	↓ Ibis	Accor	France	🔒	🔒	🔒	🔒	🔒
29	36	↑ Hanting Hotel	Huazhu Hotels Group	China	🔒	🔒	🔒	🔒	🔒
30	37	↑ The Ritz-Carlton	Marriott	United States	🔒	🔒	🔒	🔒	🔒
31	40	↑ W	Marriott	United States	🔒	🔒	🔒	🔒	🔒
32	25	↓ SpringHill Suites	Marriott	United States	🔒	🔒	🔒	🔒	🔒
33	38	↑ Baymont	Wyndham	United States	🔒	🔒	🔒	🔒	🔒
34	29	↓ Novotel	Accor	France	🔒	🔒	🔒	🔒	🔒
35	43	↑ Millennium Hotels	City Developments	Singapore	🔒	🔒	🔒	🔒	🔒
36	24	↓ Renaissance Hotels	Marriott	United States	🔒	🔒	🔒	🔒	🔒
37	35	↓ Autograph Collection hotels	Marriott	United States	🔒	🔒	🔒	🔒	🔒
38	27	↓ Four Points	Marriott	United States	🔒	🔒	🔒	🔒	🔒
39	46	↑ Luxury Collection	Marriott	United States	🔒	🔒	🔒	🔒	🔒
40	23	↓ Residence Inn	Marriott	United States	🔒	🔒	🔒	🔒	🔒
41	39	↓ TRYP	Wyndham	United States	🔒	🔒	🔒	🔒	🔒
42	42	↔ Howard Johnson	Wyndham	United States	🔒	🔒	🔒	🔒	🔒
43	50	↑ Comfort Suites	Choice	United States	🔒	🔒	🔒	🔒	🔒
44	49	↑ Microtel Inns & Suites	Wyndham	United States	🔒	🔒	🔒	🔒	🔒
45	45	↔ Pullman	Accor	France	🔒	🔒	🔒	🔒	🔒
46	-	New St. Regis	Marriott	United States	🔒	🔒	🔒	🔒	🔒
47	47	↔ Wingate by Wyndham	Wyndham	United States	🔒	🔒	🔒	🔒	🔒
48	-	New Borgata	MGM	United States	🔒	🔒	🔒	🔒	🔒
49	-	New Home2 Suites	Hilton	United States	🔒	🔒	🔒	🔒	🔒
50	48	↓ XIV	Resorttrust Inc	Japan	🔒	🔒	🔒	🔒	🔒

Brand Finance Leisure & Tourism 10.

TUI closes in on Royal Caribbean

Alongside analysing the world’s biggest hotel brands, Brand Finance also ranks the top 10 most valuable brands in the wider leisure and tourism industry.

Royal Caribbean International has narrowly retained its position as the world’s most valuable leisure and tourism brand, with its brand value remaining steady at US\$3.8 billion. The brand reported strong financial results in 2018, and with demand high in the cruise industry, Royal Caribbean are on course for future growth.

Meanwhile, second-ranked **TUI** (brand value up 4% to US\$3.7 billion) substantially closed the gap to the ranking’s leader, only just falling short of overtaking Royal Caribbean.

Chinese brands surge





















The fast-growing **China International Travel** (up 70% to US\$3.7 billion) has come third this year, up from 5th in 2018. China International saw a significant increase in its valuation due to a surge in forecast revenue in coming years as the Chinese tourism market continues to develop with unprecedented speed and scale.

The fastest-growing brand in the ranking also comes from China. **Happy Valley** almost doubled its brand value in a single year (up 97% to US\$2.0 billion).

Royal Caribbean International remains the world’s most valuable leisure and tourism brand but is being challenged by broader economic changes. The significant growth achieved by Chinese travel brands is powered by the country’s burgeoning middle class as it is increasingly able to travel internationally.

Savio D’Souza
Valuation Director, Brand Finance

Top 10 Most Valuable Brands

	1 ← 1 	2019: \$3,849m 2018: \$3,833m +0.4%
	2 ← 2 	2019: \$3,725m 2018: \$3,599m +3.5%
	3 ← 5 	2019: \$3,661m 2018: \$2,151m +70.2%
	4 ← 3 	2019: \$3,076m 2018: \$2,419m +27.1%
	5 ← 4 	2019: \$2,930m 2018: \$2,313m +26.7%
	6 ← 10 	2019: \$2,038m 2018: \$1,037m +96.6%
	7 ← 9 	2019: \$2,002m 2018: \$1,331m +50.4%
	8 ← 7 	2019: \$1,989m 2018: \$1,713m +16.1%
	9 ← 6 	2019: \$1,987m 2018: \$2,142m -7.3%
	10 ← 8 	2019: \$1,779m 2018: \$1,348m +31.9%

Sector Reputation Analysis.

Why brand reputation matters

Comparing brand reputation across sectors is a valuable process. Brand categories are converging in different ways, with new technologies disrupting many industries. A poor reputation of the sector leaves all brands vulnerable to disruption.

Hotel and leisure brands are highly regarded

Across the 31 markets covered in Brand Finance’s market research, on average, brands in the hotel and leisure industry scored highest for overall reputation. Scores were also the highest for trust and emotional loyalty (intent to use again), with strong performance in major markets – China, USA, UK, Germany, among many, with India a notable exception. With transparent and readily-available price comparisons, consumers evidently feel they are getting value as well, and the sector ranks 2nd for offering “great value for money”.











Premium hotel chains such as Mandarin Oriental and Ritz Carlton are, unsurprisingly, generally seen as very reputable brands which deliver a high-quality experience. But in many markets slightly more accessible brands such as Hilton and Sheraton are the highest rated. Among the bigger brands, there are also hardly any with a really poor reputation – TripAdvisor reviews and the ease of switching brands means that every brand in the category cannot survive if standards slip – whereas in banking or telecoms many customers are (or feel they are) forced to continue using brands they neither love nor respect.

Confidence in tech is high

Global consumers hold the tech sector in high regard, and the reputational challenges affecting some industry giants have not eroded trust in the sector as a whole. Globally, the sector ranks 3rd for reputation and 2nd for trust out of the 10 sectors covered.

Across the globe, brands such as Samsung, Apple, and YouTube enjoy very strong reputations, with several others in the top 5% of all brands covered. These brands deliver on their promises, and their scores for trust are also high. Tech brands are spreading beyond their core business areas – into media, telecoms, automotive, finance and more.

Sectors Ranked by Reputation

	1 Hotels	7.3 _{/10}
	2 Autos	7.1 _{/10}
	3= Tech	7.0 _{/10}
	3= Beers	7.0 _{/10}
	5= Oil & Gas	6.8 _{/10}
	5= Airlines	6.8 _{/10}
	7 Insurance	6.6 _{/10}
	8 Utilities	6.5 _{/10}
	9= Banks	6.2 _{/10}
	9= Telecoms	6.2 _{/10}

Top Sectors per Metric

METRIC	TOP SECTOR
Reputation	 HOTELS
Consideration conversion	 TECH
Innovation	 TECH
Trust	 HOTELS
Quality	 HOTELS
Value	 BEERS
Loyalty	 BEERS
Recommendation (NPS)	 AUTOS
OVERALL STAKEHOLDER EQUITY	 TECH

From a branding standpoint many consumers would welcome this diversification – and established brands in these sectors may be vulnerable.

Banks and telcos lag behind

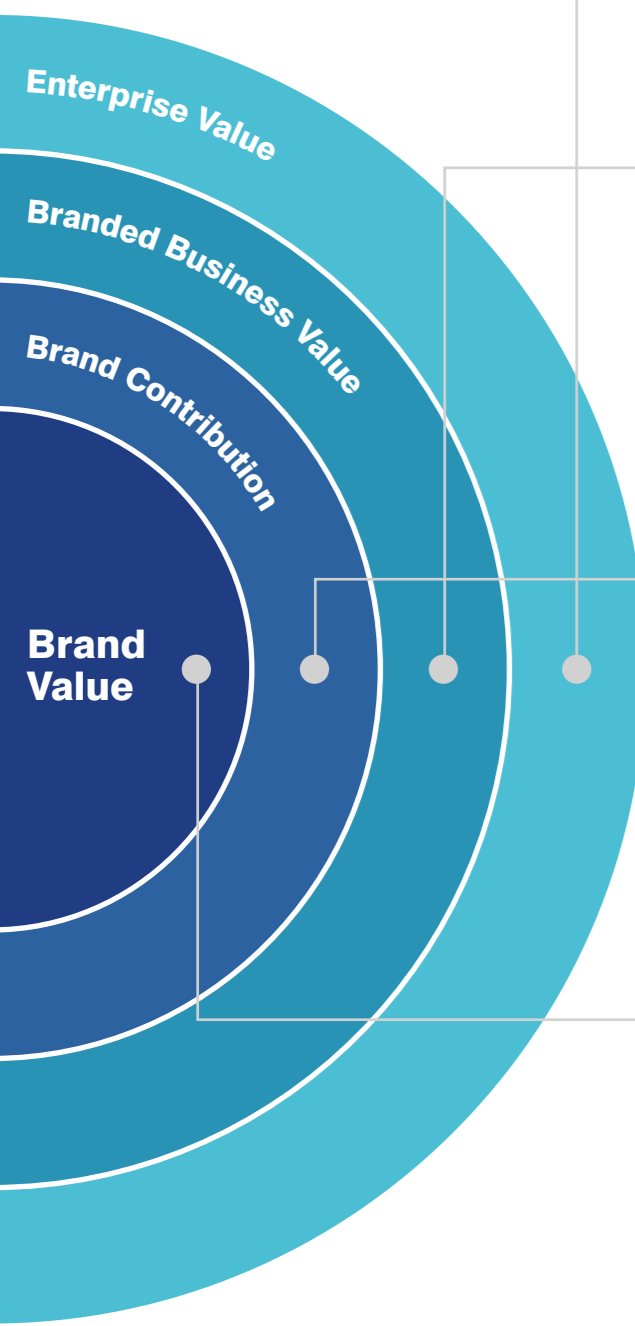
Banking brands and telecoms providers continue to struggle to earn the respect of consumers, taking the bottom places globally. In banking, reputation is poor – banks are generally not seen as especially trustworthy, and rank last for trust, value, and innovation. Telecoms service providers are in a similar fix.

With brands such as Apple and PayPal enjoying significantly higher scores for reputation, innovation, and closeness, even the strongest banking and telecoms brands need to address the threat from tech brands increasingly encroaching on their territories.

Hotels and other leisure brands operate in a highly competitive and fluid sector. Weak reputation and performance is quickly punished, and there is no hiding place in the world of online reviews and price comparisons. The response from the sector has been creditable – a focus on service and quality coupled with a desire to innovate, underpinned by the need to be competitive in terms of pricing.

Steven Thomson
Insight Director, Brand Finance

Definitions.



Brand Value



[Hilton]

+ Enterprise Value
The value of the entire enterprise, made up of multiple branded businesses.

Where a company has a purely mono-branded architecture, the 'enterprise value' is the same as 'branded business value'.



[Hampton Inn]

+ Branded Business Value
The value of a single branded business operating under the subject brand.

A brand should be viewed in the context of the business in which it operates. Brand Finance always conducts a branded business valuation as part of any brand valuation. We evaluate the full brand value chain in order to understand the links between marketing investment, brand-tracking data, and stakeholder behaviour.



[Hampton Inn]

+ Brand Contribution
The overall uplift in shareholder value that the business derives from owning the brand rather than operating a generic brand.

The brand values contained in our league tables are those of the potentially transferable brand assets only, making 'brand contribution' a wider concept. An assessment of overall 'brand contribution' to a business provides additional insights to help optimise performance.



[Hampton Inn]

+ Brand Value
The value of the trade mark and associated marketing IP within the branded business.

Brand Finance helped to craft the internationally recognised standard on Brand Valuation – ISO 10668. It defines brand as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

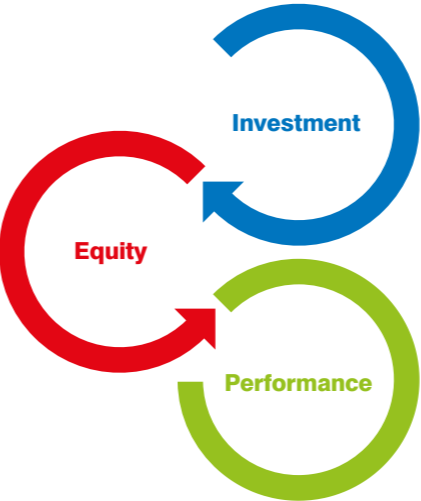
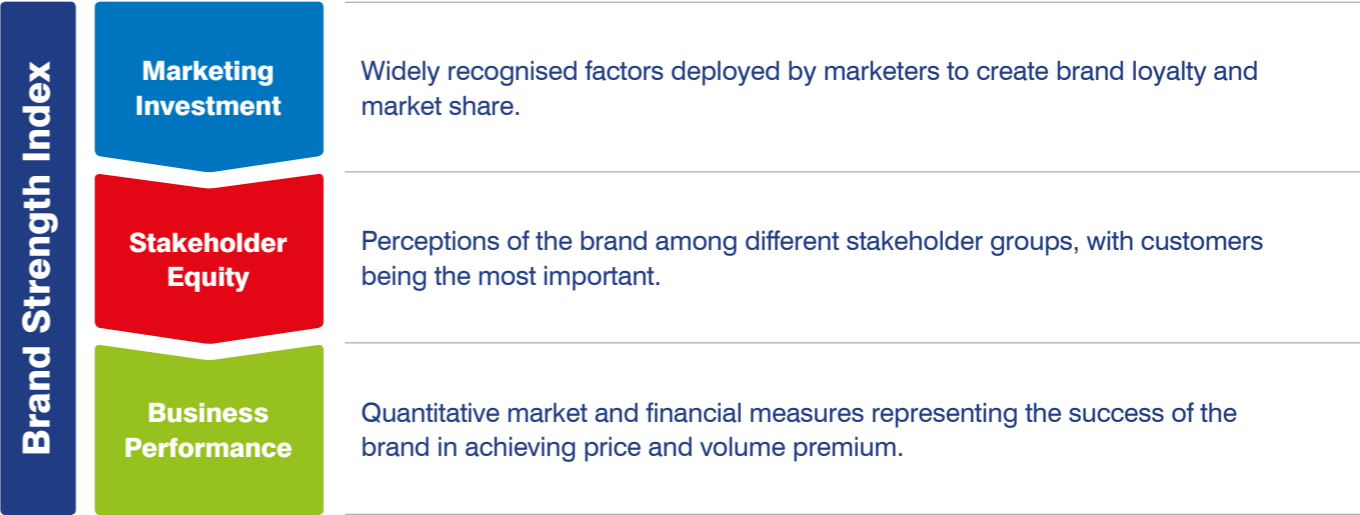
Brand Strength

Brand Strength is the efficacy of a brand's performance on intangible measures, relative to its competitors.

In order to determine the strength of a brand, we look at Marketing Investment, Stakeholder Equity, and the impact of those on Business Performance.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.



Marketing Investment

- A brand that has high Marketing Investment but low Stakeholder Equity may be on a path to growth. This high investment is likely to lead to future performance in Stakeholder Equity which would in turn lead to better Business Performance in the future.
- However, high Marketing Investment over an extended period with little improvement in Stakeholder Equity would imply that the brand is unable to shape customers' preference.

Stakeholder Equity


- The same is true for Stakeholder Equity. If a company has high Stakeholder Equity, it is likely that Business Performance will improve in the future.
- However, if the brand's poor Business Performance persists, it would suggest that the brand is inefficient compared to its competitors in transferring stakeholder sentiment to a volume or price premium.

Business Performance

- Finally, if a brand has a strong Business Performance but scores poorly on Stakeholder Equity, it would imply that, in the future, the brand's ability to drive value will diminish.
- However, if it is able to sustain these higher outputs, it shows that the brand is particularly efficient at creating value from sentiment compared to its competitors.


Consulting Services.






MARKETING

We help marketers to connect their brands to business performance by evaluating the return on investment (ROI) of brand-based decisions and strategies.




FINANCE

We provide financiers and auditors with an independent assessment on all forms of brand and intangible asset valuations.



TAX

We help brand owners and fiscal authorities to understand the implications of different tax, transfer pricing, and brand ownership arrangements.



LEGAL

We help clients to enforce and exploit their intellectual property rights by providing independent expert advice in- and outside of the courtroom.

Brand Evaluation Services.



How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across over 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

Do I have the right brand architecture or strategy in place?

Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.

Communications Services.

How we can help communicate your brand's performance in brand value rankings



Brand Accolade – create a digital endorsement stamp for use in marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.



TOP 50
HOTEL
BRAND



MOST VALUABLE
HOTEL
BRAND



STRONGEST
HOTEL
BRAND



Video Endorsement – record video with Brand Finance CEO or Director speaking about the performance of your brand, for use in both internal and external communications.



Bespoke Events – organise an award ceremony or celebratory event, coordinate event opportunities and spearhead communications to make the most of them.



Digital Infographics – design infographics visualising your brand's performance for use across social media platforms.



Trophies & Certificates – provide a trophy and/or hand-written certificate personally signed by Brand Finance CEO to recognise your brand's performance.



Sponsored Content – publish contributed articles, advertorials, and interviews with your brand leader in the relevant Brand Finance report offered to the press.



Media Support – provide editorial support in reviewing or copywriting your press release, pitching your content to top journalists, and monitoring media coverage.

Brand Dialogue[®]



Value-Based Communications

With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value. Our approach is integrated, employing tailored solutions for our clients across PR, marketing and social media.

SERVICES

- Research and Insights
- Integrated Communications Planning
- Project Management and Campaign Execution
- Content and Channel Strategy
- Communications Workshops

For more information, contact enquiries@brand-dialogue.co.uk or visit www.brand-dialogue.co.uk

Brand Dialogue is a member of the Brand Finance plc group of companies



BRAND EXCHANGE[®]
WHERE BRANDS MEET FINANCE

BECOME A MEMBER TODAY

A CONTEMPORARY AND EXCLUSIVE
MEMBERS' CLUB
IN THE HEART OF THE CITY OF LONDON

CHARACTERFUL SPACE
for
MEETINGS
&
PRIVATE EVENTS

MEMBERS' EVENTS
with
FOCUS ON MARKETING
&
BRANDING

DISCOUNTED
ROOM HIRE
for
MEMBERS

3 Birchin Lane, London, EC3V 9B +44 (0)207 389 9410 enquiries@brandexchange.com

Brand Exchange is a member of the Brand Finance plc group of companies

Brand Finance Network.

For further information on our services and valuation experience, please contact your local representative:

Market	Contact	Email	Telephone
Asia Pacific	Samir Dixit	s.dixit@brandfinance.com	+65 906 98 651
Australia	Mark Crowe	m.crowe@brandfinance.com	+61 282 498 320
Canada	Charles Scarlett-Smith	c.scarlett-smith@brandfinance.com	+1 514 991 5101
Caribbean	Nigel Cooper	n.cooper@brandfinance.com	+1 876 825 6598
China	Scott Chen	s.chen@brandfinance.com	+86 186 0118 8821
East Africa	Jawad Jaffer	j.jaffer@brandfinance.com	+254 204 440 053
France	Bertrand Chovet	b.chovet@brandfinance.com	+33 6 86 63 46 44
Germany	Holger Muehlbauer	h.muehlbauer@brandfinance.com	+49 151 54 749 834
India	Savio D'Souza	s.dsouza@brandfinance.com	+44 207 389 9400
Indonesia	Jimmy Halim	j.halim@brandfinance.com	+62 215 3678 064
Ireland	Simon Haigh	s.haigh@brandfinance.com	+353 087 669 5881
Italy	Massimo Pizzo	m.pizzo@brandfinance.com	+39 02 303 125 105
Japan	Jun Tanaka	j.tanaka@brandfinance.com	+81 90 7116 1881
Mexico & LatAm	Bryn Anderson	l.newell@brandfinance.com	+52 1559 197 1925
Middle East	Andrew Campbell	a.campbell@brandfinance.com	+971 508 113 341
Nigeria	Tunde Odumeru	t.odumeru@brandfinance.com	+234 012 911 988
Romania	Mihai Bogdan	m.bogdan@brandfinance.com	+40 728 702 705
South Africa	Jeremy Sampson	j.sampson@brandfinance.com	+27 82 885 7300
Spain	Teresa de Lemus	t.delemus@brandfinance.com	+34 654 481 043
Sri Lanka	Ruchi Gunewardene	r.gunewardene@brandfinance.com	+94 114 941670
Turkey	Muhterem Ilgüner	m.ilguner@brandfinance.com	+90 216 352 67 29
UK	Richard Haigh	rd.haigh@brandfinance.com	+44 207 389 9400
USA	Declan Ahern	l.newell@brandfinance.com	+1 917 794 3249
Vietnam	Lai Tien Manh	m.lai@brandfinance.com	+84 90 259 82 28

T: +44 (0)20 7389 9400

E: enquiries@brandfinance.com

www.brandfinance.com

