



- 1 TATA MOTORS**
Rank '09: 5
Value '10: **8,454**
Value '09: 3,100
Riding on the Nano, the world's cheapest car, and smooth integration of its acquired Jaguar Land Rover, Tata Motor has demonstrated a huge potential to create value
- 2 RIL**
Rank '09: 1
Value '10: **7,040**
Value '09: 7,844
The petrochem-to-retail major, surprisingly pushed to the second position, suffered a big brand value erosion, but its ability to recoup remains unchallenged
- 3 SBI**
Rank '09: 2
Value '10: **6,301**
Value '09: 5,480
The state-run bank, although moved a rank down, still retains its charm as the biggest banking brand in the country and has added huge value this year
- 4 TCS**
Rank '09: 4
Value '10: **4,367**
Value '09: 4,177
Out of the woods led by global meltdown last year, largest technology company in the country held its own at No. 4 and managed to limp ahead in brand value
- 5 INDIANOIL**
Rank '09: 3
Value '10: **4,304**
Value '09: 4,807
Dropped two rungs down, this state-run oil company increased its brand value on the back of subsequent oil price hikes and ability to create value for investors
- 6 BHARTI AIRTEL**
Rank '09: 7
Value '10: **3,159**
Value '09: 2,512
India's largest private telco is fast expanding global reach to drive value. After Warid Telecom, it has snapped up Zain's African business and Telecom Seychelles
- 7 BPCL**
Rank '09: 6
Value '10: **2,945**
Value '09: 2,620
Surging consolidated profits, that grew 158% last fiscal, on the back of higher crude throughput and sales helped the oil major make incremental growth in brand value
- 8 TATA STEEL**
Rank '09: 12
Value '10: **2,943**
Value '09: 2,264
With increasing demand for steel and no Greenfield projects in sight, Tata Steel holds tremendous potential for growth on account of its global footprints
- 9 WIPRO**
Rank '09: 8
Value '10: **2,492**
Value '09: 2,370
The company's diversification strategy or derisking model with low dependence on a single market or client helped it tied over recession and a robust last year
- 10 HPCL**
Rank '09: 11
Value '10: **2,235**
Value '09: 2,274
With earnings per shares more than doubled during last year, the oil major from public sector unit moved a slot up, to number 10 for the first time

BRAND SLAMS



India's 50 most valuable corporate brands increased their combined brand value by \$9 billion in 2010 with the biggest, Tata Motors, alone accounting for almost two-thirds of it. Other business groups too are now looking for ways to take good care of their brands

THE NEXT 40 IN THE BIG LEAGUE

Rank	Brand	2010 Value	2009 Value
11	ICICI Bank	2,164	2,277
12	ITC LTD	2,137	2,348
13	LARSEN & TOUBRO	2,007	1,823
14	UNITED BREWERIES	1,863	1,421
15	INFOSYS TECHNOLOGIES	1,800	1,719
16	RELIANCE COMMUNICATIONS	1,493	1,436
17	MAHINDRA & MAHINDRA	1,395	1,335
18	MARUTI SUZUKI INDIA	1,193	1,411
19	BAJAJ AUTO	972	1,010
20	HDFC BANK	951	784
21	HERO HONDA MOTORS	926	859
22	TATA TEA	792	709
23	HDFC	769	623
24	HCL TECHNOLOGIES	723	703
25	PUNJAB NATIONAL BANK	713	564
26	IDEA CELLULAR	660	513
27	DABUR INDIA	659	634
28	TATA POWER	619	475
29	TATA COMMUNICATIONS	611	539
30	BANK OF INDIA	602	442
31	SUZLON ENERGY	602	745
32	BANK OF BARODA	601	466
33	JET AIRWAYS INDIA	541	331
34	CROMPTON GREAVES	541	0
35	CANARA BANK	525	0
36	JSW STEEL	520	447
37	GRASIM INDUSTRIES	512	531
38	ADITYA BIRLA NUVO	506	247
39	INDIAN HOTELS	496	480
40	PANTALOOON RETAIL INDIA	445	353
41	VIDEOCON INDUSTRIES	445	416
42	AXIS BANK	428	404
43	RELIANCE INFRASTRUCTURE	393	264
44	KOTAK MAHINDRA BANK	391	359
45	S. KUMARS NATIONWIDE	371	0
46	PUNJ LLOYD	364	0
47	ARVIND	363	0
48	UNION BANK OF INDIA	340	0
49	ESSAR OIL	335	318
50	IDBI BANK	299	0

TOP 10 GAINERS

Brand	Y-O-Y Rise in Brand Value
TATA MOTORS	173%
JET AIRWAYS INDIA	64%
RELIANCE INFRASTRUCTURE	49%
BANK OF INDIA	36%
UNITED BREWERIES	31%
TATA POWER CO	30%
TATA STEEL	30%
BANK OF BARODA	29%
IDEA CELLULAR	29%
PUNJAB NATIONAL BANK	26%

TOP 10 LOSERS

Brand	Y-O-Y Fall in Brand Value
SUZLON ENERGY LTD	-19%
MARUTI SUZUKI INDIA	-15%
INDIAN OIL CORPORATION	-10%
RELIANCE INDUSTRIES	-10%
ITC	-9%
ICICI Bank	-5%
BAJAJ AUTO	-4%
GRASIM INDUSTRIES	-4%
HINDUSTAN PETROLEUM CORP	-2%

ON THE FACE OF IT, India Inc's leading brands seem to have done quite well in 2009-10 — a year when the world economy was on its knees, gasping for breath in the aftermath of a recession. In such a year, the combined brand value of the top 50 companies rose 15% to \$76 billion, according an annual survey of India's Most Valuable Brands by Brand Finance, in an exclusive partnership with The Economic Times. The figure had remained stagnant at \$67 billion last year over \$66.8 billion in 2008.

The top 50 brands may have gained \$9 billion in value, but in reality only five companies accounted for as much as \$8 billion of that increase. (see chart — Top Gainers). More importantly, just one company, Tata Motors, registered a \$5.3 billion growth in the value of its brand — single-handedly accounting for about two-thirds of the value growth of the top 50 companies.

This, at once, brings two questions into play. First, how did Tata Motors manage to unlock so much value in an intangible asset called brand? And second, where did other companies miss out and how are they now planning to grow the value of their brands?

The answer to the first largely lies in its ability to unlock some value of Jaguar and Land Rover brands. "JLR was part of a larger conglomerate (Ford). So the market couldn't value them (at the time of the deal)," says Carl-Peter Forster, CEO and MD Tata Motors.

The second question is engaging India Inc like never before. New global compulsions are forcing large business groups, like the Tatas for example, to take a complete re-look at the way brands have been managed. The group is now looking to craft an all-new architecture for global brand management. "The Tata name is a valuable brand property and is now like a landscape that has to be nurtured to come up beautifully," says R Gopalakrishnan, executive director of Tata Sons.

Business families such as Godrej, Dabur and

GMR have drafted guidelines on how scions starting new business ventures can and cannot use the brands. They are seeing themselves as mere custodians of brands — an asset that needs to be preserved and nurtured for perpetuity.

According to Amit Burman, non-executive vice chairman of Dabur India, the Burman family has decided that no member who plans to float a new venture in his individual capacity would use the brand Dabur. "It is only when all the family members collectively set up a new venture would they be allowed to use the brand," he says.

A few are exploring brand holding companies pretty much along the lines of holding companies that control the equity a family has invested in group companies. "We have divided group companies according to product seg-

INDIA'S MOST VALUABLE BRANDS 2010

ments and each company uses brand Godrej for that category alone," says Adi Godrej. For instance, Godrej Consumer Products owns the brand for only FMCG, while Godrej & Boyce owns Godrej brand only for the consumer durables. So, if tomorrow, Godrej Consumer enters a new category other than FMCG, it will not use the brand Godrej.

Sectors like IT that have so far competed on the India's 'low-cost advantage' are now figuring out that a stronger brand equity can help find better traction with customers and help earn better profit margins.

Implicit in this is the assumption that IT companies will have to put the creation of long-term brand value ahead of short-term compulsions. Short-term profit margins will need to be sacrificed with an eye on making the brand stronger

in the long run. This is true not just to the IT sector but for companies across industries. "There is a new value creation recipe that's brewing in corporate India," says Unni Krishnan, managing director of Brand Finance India.

And last, but not the least, brand management is no longer the exclusive preserve of the marketing head. CEOs, CFOs, and the entire top management and the board of directors are beginning to apply themselves to the task. You will read a series of stories on these very issues on this page in the next four days.

This is the backdrop against which the fifth edition of the India's Most Valuable Brands Survey has been done. "Brand valuation has finally come of age. Indian brand owners will be able to develop, buy, sell, and leverage these vital assets in the knowledge that they can be reliably monetised," says David Haigh the London-based global CEO of Brand Finance. "It's literally a new dawn for Indian brand owners as they realize the vital importance of these invisible assets to make the next leap in value creation."

Brand Finance uses the 'Relief from Royalty' — a simple approach that assumes that a company does not own its own brand and calculates how much it would need to pay to license it from a third party. The present value of that stream of (hypothetical) royalty payments represents the value of the brand.

Brand Finance started its annual report on the world's most valuable brands in 2006 and has valued leading global brands Wal Mart, Coca-Cola, IBM, Microsoft and Google to name few among the list of 500.

The financial services sector finds a disproportionately high representation in the 2010 edition of Most Valuable Brands with 13 companies — three more than last year — figuring in the list.

Among Top 50, 16 brands from the last year moved up the ladder, 19 slipped to varying degrees and seven retained their last year's position. Amongst upwardly mobiles, Jet Airways rose the highest, eight rungs, to No 33. Suzlon suffered the biggest drop, slipping nine rungs to No 31.

Upcoming Special Features

- TUESDAY:** How Tata Motors unlocked the real value of the Jaguar and Land Rover brands
- WEDNESDAY:** The Family Brand — how business houses are managing it
- THURSDAY:** Managing Brands — The Tata Way
- FRIDAY:** Indian IT's Brand Challenge

GUEST COLUMN

Paradigm shift in wealth creation

IN THE FIVE YEARS SINCE WE first started publishing the annual analysis of India's Most Valuable Brands, the wealth creation algorithm of India's leading companies has undergone a tectonic shift. It is increasingly obvious that traditional manufacturing and trading-based, "We make, you take" business philosophy is getting wiped out.

There is considerable excitement about India's GDP estimates, plentiful inflow of global capital and strength of equity markets. Yet some introspection is needed by the firms about the sustainability drivers of profitable growth, which they have enjoyed with relative ease till date.

Twenty years ago, things like customers, brand, stakeholder relationships or intellectual property did not matter. But now, hyper-competitive markets, rapid innovation and choosy customers are becoming the norm rather than an exception. This puts customers at the centre of the business and makes brands the pivot of a value exchange interface between customers and the enterprise.

In the next decade, sustainable businesses are those that will learn to walk the talk on customer-centricity and construct a brand and intangible asset-heavy business design. A brand-led business design and investment thesis is not a fancy option, but a necessity to deliver



M UNNI KRISHNAN MD, BRAND FINANCE INDIA

on the business's full potential and for long-term viability.

Brand Finance's global and Indian experience shows that a large majority of businesses are overbalanced towards short-term fire-fighting priorities because they have little or no visibility into directing management attention and investments into future value-producing activities driven by brands and intangible assets.

The goal of this annual index is not only to provide a snapshot of India's biggest and most powerful brands, but also ignite an informed debate about what really matters for Indian firms — adopting brand value as a surrogate for business' value creation capability in the long run.

It is critical to bridge the gap between 'Delivering Today' (short-term priorities) and 'Creating Tomorrow' (long-run goals) of any business by providing a common platform and set of metrics that can be used by the senior management as well as by analysts and investors.

METHODOLOGY

How We Did It?

ONLY FIRMS LISTED ON BSE were considered for the study. Also, those with a number of stand-alone brands were eliminated. Hence, no Amul or HUL. Five years of historical revenues and current market value of the firms were obtained using Bloomberg and other publicly-available sources.

Evaluation of top 500 firms (by market cap) was used to arrive at the Top 50.

Only public data — broker reports, annual reports and market research — was used for the study.

The valuation was done using the 'Relief from Royalty' approach, which assumes that a firm does not own its own brand and calculates how much it would need to pay to license it from a third party. The present value of the (hypothetical) royalty represents the brand's value.

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