

Big Four Lead Growth in Commercial Services Brand Ranking

- EY is the fastest-growing brand in both value and strength among the Big Four
- Valued at US\$22.3 billion, PwC is the most valuable commercial services brand
- PayPal's brand value soars by 37% while traditional payment services brands stagnate

[View the full list of the world's 50 most valuable commercial services brands here](#)

The Big Four have enjoyed a strong year in terms of brand value growth, according to a new [report released by Brand Finance](#), the world's leading independent brand valuation and strategy consultancy. The four commercial services giants averaged a remarkable brand value gain of 22% in just one year, with EY growing at a faster pace than the other three.

EY's brand value increased by 28% year on year to US\$17.1 billion. While on brand strength, showing a 2.89% growth, the brand outperformed its competitors not only among the Big Four but also among the top 10 brands in the professional services category within the Brand Finance Commercial Services 50. With a Brand Strength Index (BSI) score of 89.7, EY has now joined the elite club of the world's strongest brands boasting the rare AAA+ rating. As well as embracing new technologies such as robotics and artificial intelligence, EY has developed a coherent, cross-platform marketing strategy, improving stakeholder perceptions and in effect, boosting brand strength. EY's increase in brand value has been driven by growing revenues, as the company delivered a 7th consecutive year of strong financial results and has reported compound annual growth of 8.8% since launching its Vision 2020 strategy in 2013.

Alex Haigh, Director at Brand Finance, commented:

"EY are reaping the benefits of their extensive C-Suite relationships with big corporates. The brand has been particularly successful at developing revenue streams in the US, where they have historically been reliant on audit."

PwC is the most valuable commercial services brand

In spite of strong growth, EY's brand value is still below that of PwC (up 20% to US\$22.3 billion), which claimed first position in the Brand Finance Commercial Services 50 2018 league table featuring the world's most valuable brands in the industry. PwC's brand is also the strongest among the Big Four, with a BSI score of 90.6.

PwC's brand value was boosted by a 6.5% increase in revenues at constant exchange rates to US\$37.7 billion. Advisory businesses, particularly strategy (17%) and technology (20%) were the fastest growing units. All of the Big Four are looking outside of their traditional audit business for growth, as these are constrained by new conflict of interest rules and becoming commoditised by technology.

Alex Haigh, Director at Brand Finance, commented:

"The Big Four are beginning to move in different directions and will need to keep investing in their brands to differentiate themselves accordingly. For instance, Deloitte are growing in digital, having acquired smaller creative agencies, but will now face a challenge incorporating those into their corporate identity."

PayPal's brand value growth soars

Credit card and payment processing giants Visa, American Express, and MasterCard claimed places 3, 6 and 7 in the Brand Finance Commercial Services 50 2018 league table respectively. With a brand value of US\$20.7 billion and an AAA+ rating, there is clear water between Visa and American Express (US\$15.1 billion, AA) and MasterCard (US\$12.7 billion, AAA-).

When it comes to year-on-year brand value growth, however, all three lag behind PayPal, up 37% from 2017 to US\$9.0 billion. PayPal's brand strength has also improved significantly, as its BSI score increased 10.52% from 80.3 to 88.7, raising the brand rating to AAA.

Over the past year, the stock market has responded positively to the company's strategic development, which saw it form or extend partnerships with Synchrony Financial, Bank of America, JP Morgan Chase, Citi, Wells Fargo, Visa, MasterCard, Skype, Baidu, Samsung Pay, Android Pay, Apple and Google. PayPal also acquired working capital provider Swift Financial and payment processor TIO, though it was forced to suspend operations at TIO in November after discovering security vulnerabilities.

[View the Brand Finance Commercial Services 50 report here](#)

ENDS

Note to Editors

Every year, leading valuation and strategy consultancy [Brand Finance](#) values the world's biggest brands. The 50 most valuable commercial services brands in the world are included in the [Brand Finance Commercial Services 50 league table](#).

Brand value is equal to a net economic benefit that a brand owner would achieve by licensing the brand. Brand strength is used to determine what proportion of a business's revenue is contributed by the brand.

More information about the methodology as well as definitions of key terms are available in the [Brand Finance Commercial Services 50 report](#).

Data compiled for the Brand Finance Commercial Services 50 league table and report is provided for the benefit of the media and is not to be used for any commercial or technical purpose without written permission from Brand Finance.

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About Brand Finance

[Brand Finance](#) is the world's leading brand valuation and strategy consultancy, with offices in over 20 countries. Brand Finance bridges the gap between marketing and finance by quantifying the financial value of brands. Drawing on expertise in strategy, branding, market research, visual identity, finance, tax, and intellectual property, Brand Finance helps brand owners and investors make the right decisions to maximise brand and business value.

Methodology

Definition of Brand

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.

Brand Valuation Approach

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. It 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 brand owner 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.