



# Singapore 100 2016

**The Brand Finance Top 100 Singapore Brands Report 2016  
on Singapore's intangible assets and brands**

# Contents

---

<b>David's Foreword</b>	<b>4</b>
<b>Samir's Foreword</b>	<b>5</b>
<b>Introduction</b>	<b>6</b>
<b>Report Card on Intangible Assets</b>	<b>7</b>
<b>Should Singapore be concerned with Intangible Asset Value</b>	<b>8</b>
<b>Getting a grip on intangibles</b>	<b>9 – 12</b>
<b>Singapore Top 10 Page</b>	<b>14</b>
<b>Report Card on the Top 10</b>	<b>15</b>
<b>Top 100 Brands Listing</b>	<b>16 – 19</b>
<b>Background on Intangible Asset Value</b>	<b>20 – 24</b>
<b>Trademarks and other Intangibles</b>	<b>26 – 27</b>
<b>New International Standard on Brand Valuation</b>	<b>28 – 34</b>
<b>Marketing Investment or Marketing Expenditure</b>	<b>35 – 36</b>
<b>Methodology</b>	<b>37 – 38</b>
<b>Glossary of terms</b>	<b>39</b>
<b>Contact Details</b>	<b>42</b>
<b>Understand Your Brand Value</b>	<b>43 – 44</b>

# Foreword

---



**David Haigh**  
**Chief Executive Officer**  
**Brand Finance plc**

In recent years there has been a growing controversy over the validity of brand valuations in general and brand valuation league tables in particular, so with my foreword this year I want to address the issue head-on.

The primary point of contention rests on the significant variation in the published values of brands by the major brand valuation agencies. However, we view these variations as a sign of healthy debate rather than as a source of weakness.

Just as equity analysts differ significantly in their target share prices for companies, so too can those in our industry differ in valuations of brands. The main reasons for differences of opinion are: brand asset definition, date of the valuation, approach adopted, financial forecasts, income attributed to the brand, weighted average cost of capital applied, growth, tax and inflation rates and the expected useful life of the brand.

Taking Apple as an example, it is quite possible for one serious valuer to take the view that Apple's dominance in smart phones is coming to an end, that volumes and margins will start dropping, that there are higher risk and therefore lower expected income, over a shorter life, with a higher cost of capital. This would tend to result in a lower brand valuation.

By contrast another valuer might believe the opposite. Some take the view that Apple will go from strength to strength in watches, televisions, finance and the auto industry and believe that it will shape all our lives for generations. This would obviously tend to result in a higher brand valuation.

There is now a widely accepted global brand valuation standard (ISO 10668) and the International Valuation Standards Council has produced a broader standard on the valuation of Intangible Assets including brands. Brand valuations are regularly relied upon by accountants, auditors, tax specialists, lawyers, licensing managers, lenders and investors who are always financially literate and enquiring.

Based on the results of this year's Brand Finance Global 500, 18% of all quoted company enterprise value, is made up of brands. What this points to is a renewed need to educate and explain how brand valuations are conducted and how critical an understanding of brand value is to marketers, finance teams and CEOs alike. At Brand Finance, we pride ourselves on our independence of thought, clarity and transparency and welcome the chance to explain how we produce our valuations to you, so please get in touch!

# Foreword

---



**Samir Dixit**  
**Managing Director,**  
**Brand Finance Asia Pacific**

The oversupply of goods and services in the Asian continent coupled with stiff competition from the global brands constantly entering Asia has heightened the importance and role that brands need to play in creating the customer preference and providing a basis for ongoing customer loyalty.

It is therefore increasingly important for corporates, no matter what their size, to recognise the value of their brands and drive it as a strategic asset.

Over the past two decades, Brand Finance has been dedicated in helping companies track and measure their investments in their intangible asset portfolio with specific focus on brand as a significant asset for any business.

Interest in the subject of brands as a business asset has increased dramatically since we first published our brand ranking report in 2000. As a result the brands are now globally recognised as a significant business asset. Yet brand marketing is still regarded as an expense rather than an investment.

The key challenge to the marketing and brand professionals therefore is to effectively demonstrate that brands are business assets capable of generating superior economic returns for their owners, and worthy of multiyear investment commitments. To do so, marketers need to show that they have a robust approach to measuring the quality of their brand assets and for quantifying the

contribution that the brand asset makes to the shareholder value.

Valuation is a great tool to evaluate, monitor and track the returns on brand investments and the long term contribution of your brand for your business success. This becomes critical since huge investments are already being made in the design, R&D, launch and re-launch and ongoing tactical promotion of numerous products around the world but unfortunately, most corporates fail to effectively measure the ROI for their important and valuable asset – their brand.

This is the challenge that we address in our 2016 report.

We have also observed that a number of brand valuation consultancies produce brand ranking tables using methods that do not stand up to technical scrutiny or to the ISO Standards for Brand Valuation. We use methods that are technically advanced, which conform to ISO Standards and are well recognised by our peers, by various technical authorities and by academic institutions.

Brand Finance published brand rankings are the world's only published ranking of ISO compliant brand values.

This annual report pits the best Singapore brands against one another in the most definitive list of brand values available. The Brand value accorded to each brand is a summary of its financial strength. Each brand has also been given a brand rating, which indicates its strength, risk and future potential relative to its competitors.

This report provides an opinion regarding the point in time valuations of the most valuable Singapore brands as at 31st December 2015. The sheer scale of these brand values show how important an asset these brands are to their respective owners. As a result, we firmly believe that brand valuation analysis can offer marketers and financiers critical insight into their marketing activities and should be considered as a key part of the decision making process.

# Introduction

The balance between tangibles and intangibles has changed dramatically over the past 50 years as corporate performance is increasingly driven by exploitation of ideas, information, expertise and services rather than physical products.

Intangible assets have traditionally tipped the scales over tangible assets to create value for companies and the global economy. They now make up for a significantly large value of an enterprise. Yet, it's an area of least focus amongst the management

Whilst accountants do not measure intangible assets, the discrepancy between market and book values shows that investors do.

Brand Finance has been researching and tracking the role of intangible assets since 2001 as part of its annual Global Intangible Finance Tracker (GIFT™) with an emphasis on helping corporations understand brand strength and value.

Brand Finance has found that intangible assets play a significant part in enterprise value generation. The GIFT™ is a study that tracks the performance of intangible assets on a global level.

The GIFT™ is the most extensive study on intangible assets, covering more than 160 jurisdictions, more than 57,000 companies. The analysis goes back over a fifteen-year period from the end of December 2015.

Currently, 48% of global market value is vested in intangible assets. There is just a marginal decrease as compared to last year. However, the management paradigm is yet to shift in tandem with large proportion and the importance of intangible assets.

In this year's GIFT™ 2016 report, the Enterprise Value of the companies covered stands at \$89 trillion: of which, \$46.8 trillion represented Net Tangible Assets, \$11.8 trillion represented disclosed intangible assets (including goodwill) and \$30.1 trillion represented 'undisclosed value'.

The fact that most of the intangible value is not disclosed on company balance sheet further illustrates how poorly understood intangibles still are by investors and management alike – and how out of date accounting practice is.

Such ignorance leads to poor decision-making companies and systematic mis-pricing of stock by investors.

## Purpose of study

To this end, our study aims to examine the performance of Singapore's intangible assets and brands.

For the intangible asset study, the total enterprise value of corporate Singapore is divided into four components shown below.

Undisclosed Value	Disclosed Goodwill
The difference between the market and book value of shareholders' equity, often referred to as the premium book value	Goodwill disclosed on balance sheet as a result of acquisitions
Disclosed Intangible Assets	Tangible Net Assets
Intangible assets disclosed on balance sheet including trademarks and licences	Tangible net assets is added to investments, working capital and other net assets

# Report Card on Intangible Assets

By the end of 2015, total enterprise value was increased by US\$116 billion as compared to last year. This was driven by an increase in tangible net assets of US\$173 billion and with sharp decline in intangible assets of US\$56 billion.

In 2015, intangible assets value made up 20% of enterprise value, a decrease of 12% from 2014. This result is significantly lower than the global average where the intangible asset % of enterprise value is 53%.

## SPOTLIGHT ON SECTORS

### Total Enterprise value of the Top 10 Sectors in Singapore is worth US\$434 billion

The ten largest sectors for Singapore are Banking & DFS, Real Estate, REITS, Telecommunications, Food, Semiconductor, Transportation, Commercial Services, Distribution/Wholesale and Shipbuilding

These account for Singapore's total enterprise value and are worth about US\$494 billion. It is Comparison to last year, it is not surprising that the Top 10 companies has a slight increase in enterprise value relative to other markets such as Europe and the United States. It could be a sign that cautious investors are sitting on the side lines and assessing the Chinese fundamentals.

### Banking & DFS Sector has the highest enterprise value

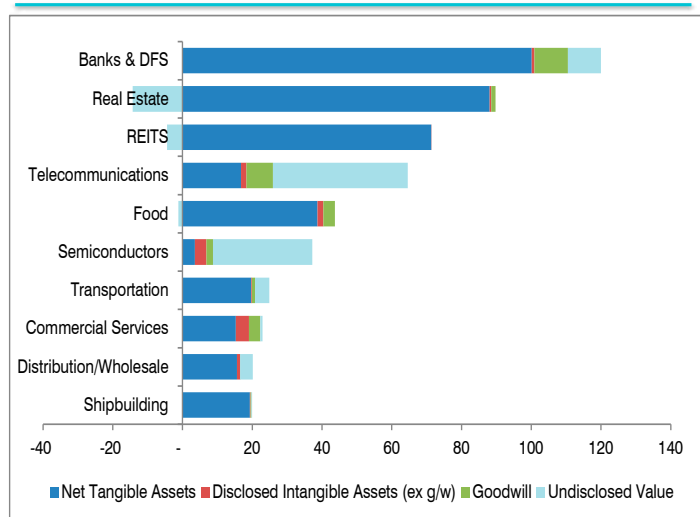
The banking & DFS sector retained their number 1 position for the highest Enterprise Value of US\$119 billion. Real Estate sector became number 2 with an Enterprise Value of US\$75 billion. The REITS sector maintained at number 3 with an Enterprise Value of US\$66 billion. Telecommunications sector has the fourth highest Enterprise Value of US\$64 billion amongst the top 10. Food Sector comes in at number 5 with an Enterprise Value of US\$42 billion.

### Telecom Sector continues with the highest intangible value

The telecom sector maintained their number 1 position for the highest Intangible Value of US\$38 billion followed by the semiconductor sector at number 2 with a total Intangible Value of US\$28billion.

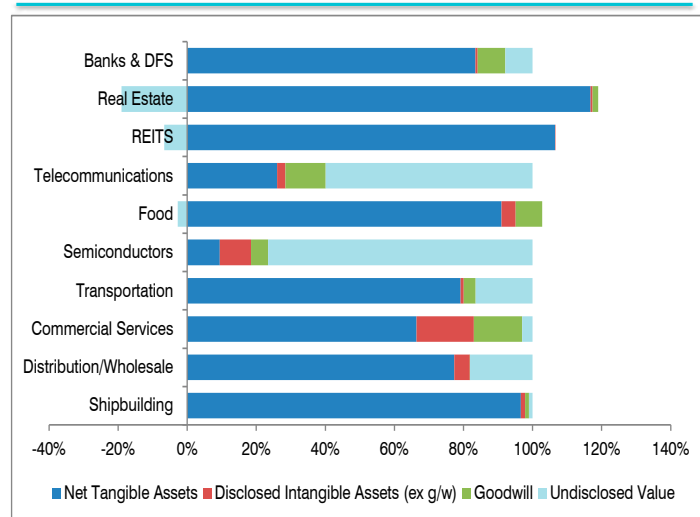
SINGAPORE	US\$BN	%
Enterprise Value	930	100
Net Tangible Assets	767	82
Disclosed Intangible Value (Exc Goodwill)	29	3
Disclosed Goodwill	44	5
"Undisclosed Value"	91	10

TOP 10 SECTORS BY ENTERPRISE VALUE SPILT (VALUE) 2015 (US\$BILLION)



Copyright Brand Finance plc

TOP 10 SECTORS BY ENTERPRISE VALUE SPILT (% AGE) 2015 (US\$BILLION)



Copyright Brand Finance plc

# Should Singapore be concerned with intangible asset value?

## Singapore as an IP hub of Asia

While this is not an impossible task and objective, it would not be an easy journey given the relative footprint of the industries here compared to other Asian economies.

Currently Singapore is ranked 26th in the global rankings of the “2015 Nation Brands” rankings published by Brand Finance. The starting point for the journey to be the IP hub of Asia should ideally begin with the Brand Singapore itself and the analysis of the contribution from the various brand value drivers.

Singapore is behind the peers such as Malaysia in the Brand Finance 2016 GIFT (Global Intangible Financial Tracker) Study. Clearly the Singapore companies are more driven by the tangibles over intangibles. This is not an ideal mix towards the journey of being the IP hub of Asia. Singapore therefore needs to both actively participate and fundamentally change the ways in which both Singapore and the companies in Singapore manage their IP.

## Singapore’s full convergence to international financial reporting standards by end 2012

The full convergence to IFRS by 2012 was a critical step in a bid to put Singapore on the same footing as other nations and strengthen its role as an international centre of commerce.

Having a standardised accounting standard means that the value of disclosed intangible assets is likely to increase in the future. Strong advocates of ‘fair value reporting’ believe that the changes should go further. Specifically, all of a company’s tangible and intangible assets and liabilities should regularly be measured at fair value and reported on the balance sheet, including internally generated intangibles such as brands and patents. This is provided the valuation methods and corporate governance adopted is sufficiently rigorous. This is likely to be less of a concern going forward due to the ISO standards announced for valuation in October 2010, which is fast becoming a gold standard in valuation.

Some go as far as to suggest that ‘internally generated goodwill’ should be reported on the balance sheet at fair value, meaning that management would effectively be required to report its own estimate of the value of the business at each year end together with supporting assumptions. However, the current international consensus is that internally generated intangible assets generally should not be recognised on the balance sheet. Under IFRS, certain intangible assets should be recognised, but only if they are in the “development” (as opposed to “research”) phase. However, there are conditions on, for example, technical feasibility, the intention and ability to complete and use the asset. ‘Internally generated goodwill’ including internally generated “brands, mastheads, publishing titles, customer lists and items similar in substance”, may not be recognised.



# Getting a grip on intangibles

Bryn Anderson

Chief Operating Officer, Brand Finance UK

## Getting a grip on intangibles

Intangible assets make up nearly half the value of quoted companies around the world. Yet intangibles remain poorly understood and managed.

Intangible assets including brands have never been more important. Survey after survey shows that brands and other intangibles typically account for between 30 per cent and 70 per cent of a company's market value, and in certain sectors, such as luxury goods, this figure can be even higher.

Research from Brand Finance, the 2016 BrandFinance Global Intangible Financial Tracker (GIFT) report is the most extensive research ever compiled on intangible assets. Over the past thirteen years, GIFT has tracked the performance of more than 57,000 companies domiciled in 160 over jurisdictions and it shows that in 2015, intangibles across the world accounted for 48 percent of the value of quoted companies, continuing the increase since the global economic downturn in 2008. The proportion of intangible assets not recognised on the global balance sheet is down from 37 per cent to 34 percent comparing from the year before. The increase can be attributed strong stock prices in the mining and oil and gas sector.

The balance between tangible to intangible assets has changed dramatically over the past 50 years, as corporate performance has become increasingly driven by the exploitation of ideas, information, expertise and services rather than physical things. Yet despite the rise in intangible value, the fact that most of it is not disclosed on company balance sheets highlights how poorly understood intangibles still are by investors and management alike — and how out of date accounting practice is. Such ignorance leads to poor decision making by companies and systematic miss-pricing of stock by investors.

Overall, the 2016 GIFT study shows that the value of the top 57,000 companies in the world has recovered from the 'double drip' result in 2011. The total Enterprise Value of corporates under the scope of the study was \$89 trillion as at the end of 2015. Of this value, \$46.8 trillion represented Net Tangible Assets (NTA), \$11.8 trillion disclosed intangible assets and \$30.1 trillion 'undisclosed value'.

## Categories of intangible assets under IFRS 3

**1. Rights.** Leases, distribution agreements, employment contracts, covenants, financing arrangements, supply contracts, licences, certifications, franchises.

**2. Relationships.** Trained and assembled workforce, customer and distribution relationships.

**3. Intellectual property.** Patents; copyrights; trademarks; proprietary technology (for example, formulas, recipes, specifications, formulations, training programmes, marketing strategies, artistic techniques, customer lists, demographic studies, product test results); business knowledge — such as suppliers' lead times, cost and pricing data, trade secrets and knowhow.

But a fourth category, 'undisclosed intangible assets', is usually more valuable than the disclosed intangibles. The category includes 'internally generated goodwill', and it accounts for the difference between the fair market value of a business and the value of its identifiable tangible and intangible assets. Although not an intangible asset in a strict sense — that is, a controlled 'resource' expected to provide future economic benefits (see below) — this residual value is treated as an intangible asset in a business combination when it is converted into goodwill on the acquiring company's balance sheet. Current accounting practice does not allow for internally generated brands to be disclosed on a balance sheet. Under current IFRS only the value of acquired brands can be recognised, which means many companies can never use the controlled 'resource' of their internally generated brands to their full economic benefit. For example, they can't take out a loan against the asset and potentially bolster their balance sheet.



# Getting a grip on intangibles

In accounting terms, an asset is defined as a resource that is controlled by the entity in question and which is expected to provide future economic benefits to it. The International Accounting Standards Board's definition of an intangible asset requires it to be non-monetary, without physical substance and 'identifiable'.

In order to be 'identifiable' it must either be separable (capable of being separated from the entity and sold, transferred or licensed) or it must arise from contractual or legal rights (irrespective of whether those rights are themselves 'separable'). Therefore, intangible assets that may be recognised on a balance sheet under IFRS are only a fraction of what are often considered to be 'intangible assets' in a broader sense.

However, the picture has improved since 2001, when IFRS3 in Europe, and FAS141 in the US, started to require companies to break down the value of the intangibles they acquire as a result of a takeover into five

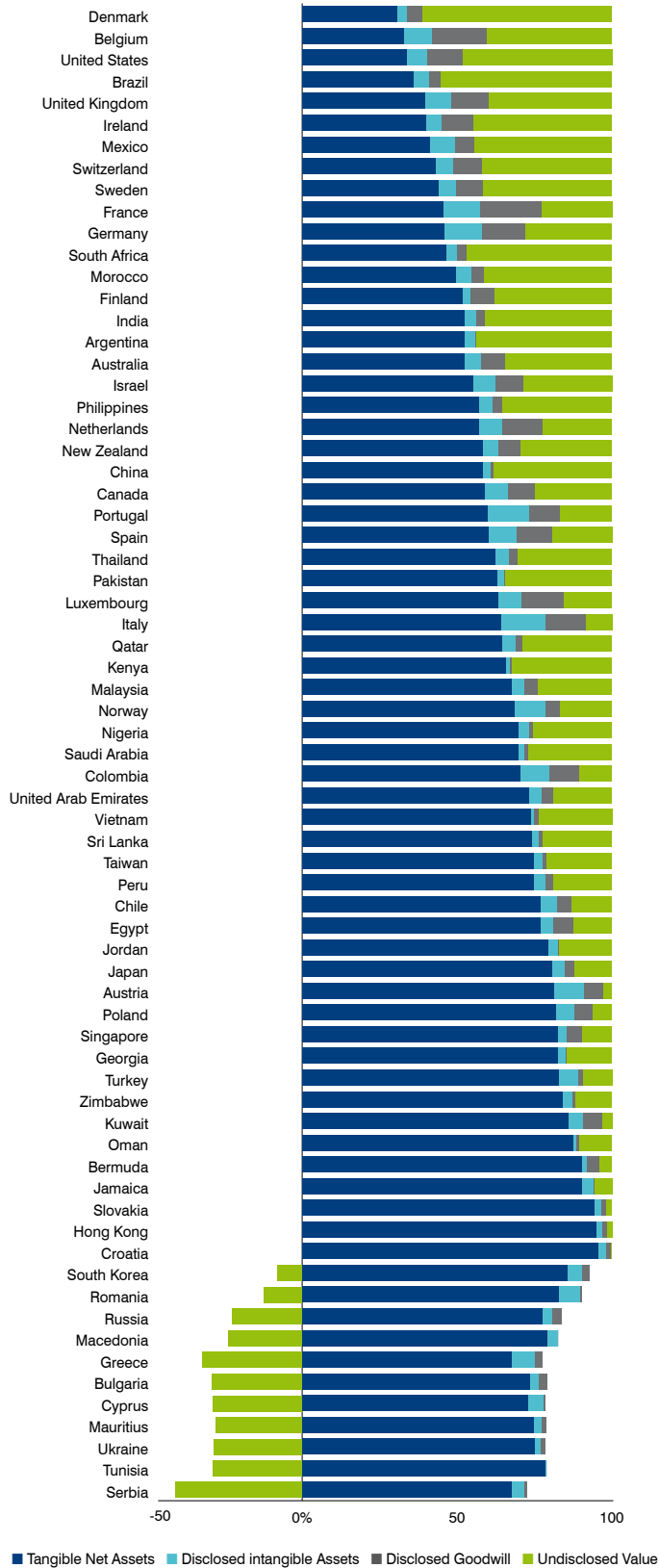
different categories — including customer-and market related intangibles — rather than lumping them together under the catch-all term 'goodwill' as they had in the past. But because only acquired intangibles, and not those internally generated, can be recorded on the balance sheet, this results in a lopsided view of a company's value. What's more, the value of those assets can only stay the same or be revised downwards in each subsequent year, thus failing to reflect the additional value that the new stewardship ought to be creating.

Clearly, therefore, whatever the requirements of accounting standards, companies should regularly measure all their tangible and intangible assets (including internally-generated intangibles such as brands and patents) and liabilities, not just those that have to be reported on the balance sheet. And the higher the proportion of 'undisclosed value' on balance sheets, the more critical that robust valuation becomes.

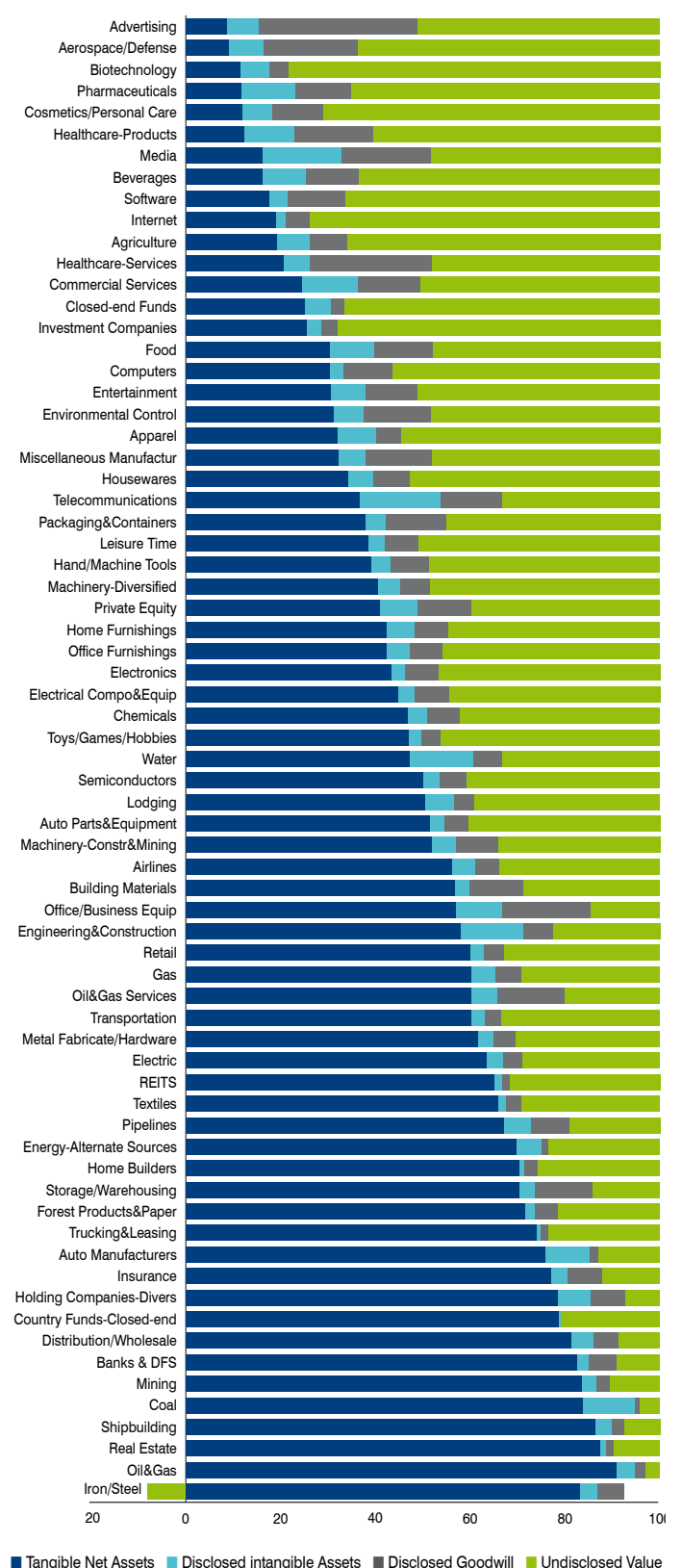


# Getting a grip on intangibles

Global intangible and tangible value by country (%)



Global intangible and tangible value by sector (%)



# Categories of Intangible Asset under IFRS 3

MARKETING-RELATED INTANGIBLE ASSETS	<ul style="list-style-type: none"> <li>• Trademarks, tradenames</li> <li>• Service marks, collective marks, certification marks</li> <li>• Trade dress (unique colour, shape or package design)</li> <li>• Newspaper mastheads</li> <li>• Internet domain names</li> <li>• Non-competition agreements</li> </ul>
CUSTOMER-RELATED INTANGIBLE ASSETS	<ul style="list-style-type: none"> <li>• Customers lists</li> <li>• Order or production backlog</li> <li>• Customer contracts and related customer relationships</li> <li>• Non-contractual customer relationships</li> </ul>
CONTRACT-BASED INTANGIBLE ASSETS	<ul style="list-style-type: none"> <li>• Licensing, royalty, standstill agreements</li> <li>• Advertising, construction, management, service or supply contracts</li> <li>• Lease agreements</li> <li>• Construction permits</li> <li>• Franchise agreements</li> <li>• Operating and broadcast rights</li> <li>• Use rights such as drilling, water, air, mineral, timber, cutting and route authorities</li> <li>• Servicing contracts such as mortgage servicing contracts</li> <li>• Employment contracts</li> </ul>
TECHNOLOGY-BASED INTANGIBLE ASSETS	<ul style="list-style-type: none"> <li>• Patented technology</li> <li>• Computer software and mask works</li> <li>• Unpatented technology</li> <li>• Databases</li> <li>• Trade secrets, such as secret formulas, processes, recipes</li> </ul>
ARTISTIC-RELATED INTANGIBLE ASSETS	<ul style="list-style-type: none"> <li>• Plays, operas and ballets</li> <li>• Books, magazine, newspaper and other literary works</li> <li>• Musical works such as compositions, song lyrics and advertising jingles</li> <li>• Pictures and photographs</li> <li>• Video and audio visual material, including films, music, videos, etc</li> </ul>

# DBS. Asia's Best Bank

## and now the World's Best Digital Bank.



Leaders in digital banking talk about the difference between digitising aspects of a bank and creating a truly digital financial institution. DBS is doing this better than any other bank. It is demonstrably the case that digital innovation pervades every part of DBS, from consumer to corporate, SMEs to transaction banking and even the DBS Foundation.

Clive Horwood, editor of Euromoney magazine



Asian Bank of the Year 2015  
IFR Asia



Best Asia Commercial Bank 2015  
Best Asia Investment Bank 2015  
FinanceAsia



Asia's Best Bank 2016  
Euromoney



Best Retail Bank in Asia Pacific 2016  
The Asian Banker



Best Specialist Bank for SMEs 2016, APAC  
The Asset

We are honoured to be recognised as the  
World's Best Digital Bank by Euromoney.

Thank you for being our source of inspiration,  
as we make banking easier, intuitive and invisible  
...so you can **live more, bank less.**



DBS Bank Ltd Co. Reg. No.: 196800306E Jul 2016

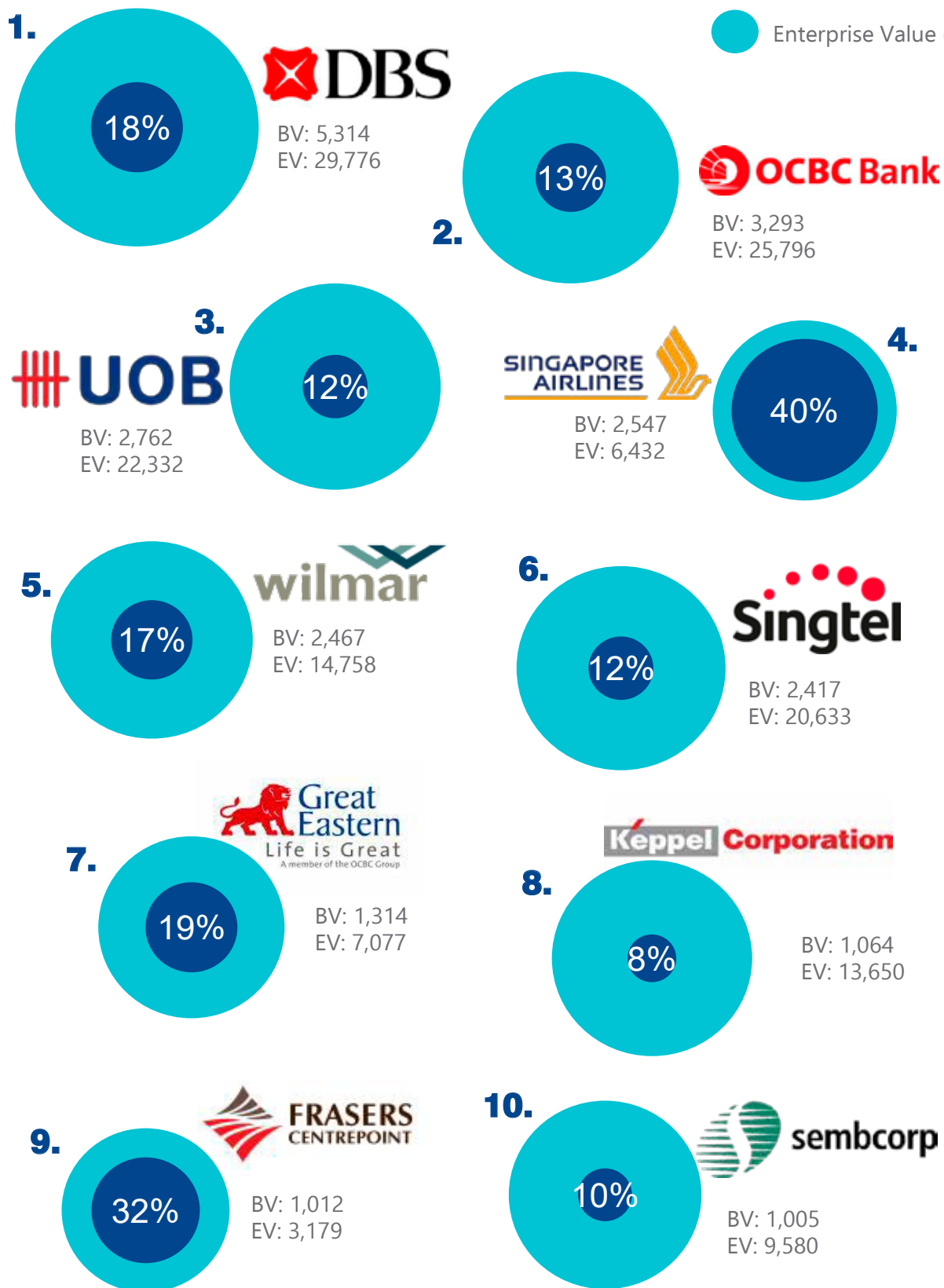


Living, Breathing Asia



# Singapore's Top 10 Most Valuable Brands 2016

 Brand Value (BV)  
 Enterprise Value (EV)



Currency: USD millions

# Singapore's Top 10 Most Valuable Brands 2016

## 1 DBS

Company: **DBS Group Holdings Ltd**  
 Brand Value: **US\$5,314m**  
 Market Capitalization: **US\$29,776m**  
 Brand Rating: **AAA-**  
 Industry: **Bank**  
 Year Formed: **1968**

## 2 OCBC Bank

Company: **Oversea-Chinese Banking Corporation Ltd**  
 Brand Value: **US\$3,293m**  
 Market Capitalization: **US\$25,796m**  
 Brand Rating: **AA+**  
 Industry: **Bank**  
 Year Formed: **1932**

## 3 UOB

Company: **United Overseas Bank Ltd**  
 Brand Value: **US\$2,762m**  
 Market Capitalization: **US\$22,332m**  
 Brand Rating: **AA**  
 Industry: **Bank**  
 Year Formed: **1935**

## 4 SINGAPORE AIRLINES

Company: **Singapore Airlines Ltd**  
 Brand Value: **US\$2,547m**  
 Enterprise Value: **US\$6,432m**  
 Brand Rating: **AAA**  
 Industry: **Airlines**  
 Year Formed: **1947**

## 5 wilmar

Company: **Wilmar International Ltd**  
 Brand Value: **US\$2,467m**  
 Enterprise Value: **US\$14,758m**  
 Brand Rating: **A+**  
 Industry: **Agricultural Producers**  
 Year Formed: **1991**

## 6 Singtel

Company: **Singapore Telecommunications Ltd**  
 Brand Value: **US\$2,417m**  
 Enterprise Value: **US\$20,633m**  
 Brand Rating: **AA**  
 Industry: **Telecom Carriers**  
 Year Formed: **1879**

## 7 Great Eastern Life is Great A member of the OCBC Group

Company: **Great Eastern Holdings Ltd**  
 Brand Value: **US\$1,314m**  
 Enterprise Value: **US\$7,077m**  
 Brand Rating: **AA-**  
 Industry: **Life Insurance**  
 Year Formed: **1908**

## 8 Keppel Corporation

Company: **Keppel Corporation Ltd**  
 Brand Value: **US\$1,064m**  
 Enterprise Value: **US\$13,650m**  
 Brand Rating: **AA-**  
 Industry: **Oil & Gas Services & Equipment**  
 Year Formed: **1968**





## 9 FRASERS CENTREPOINT

Company: **Fraser Centrepoint Ltd**  
 Brand Value: **US\$1,012m**  
 Enterprise Value: **US\$3,179m**  
 Brand Rating: **A**  
 Industry: **Real Estate Operator/Developer**  
 Year Formed: **1988**

## 10 sembcorp

Company: **Sembcorp Industries Ltd**  
 Brand Value: **US\$1,005m**  
 Enterprise Value: **US\$9,580m**  
 Brand Rating: **A+**  
 Industry: **Utility Networks**  
 Year Formed: **1988**

# Singapore Top 100 Brands 2016

Rank 2016	Rank 2015	Brand	Logo	2016 Brand Value (US\$m)	2015 Brand Value (US\$m)	2016 Brand Rating	2015 Brand Rating	2016 Brand Value / Enterprise Value (%)
1	1	DBS		5,314	4,416	AAA-	AAA-	18%
2	4	OCBC Bank		3,293	2,787	AA+	AA+	13%
3	5	UOB		2,762	2,404	AA	AA	12%
4	2	Singapore Airlines		2,547	2,936	AAA	AAA	40%
5	3	Wilmar		2,467	2,853	A+	AA	17%
6	6	Singtel		2,417	2,045	AA	AA-	12%
7	8	Great Eastern		1,314	1,392	AA-	AA	19%
8	7	Keppel		1,064	1,415	AA-	AA-	8%
9	-	Frasers Centrepoint		1,012	-	A	-	32%
10	9	Sembcorp		1,005	1,157	A+	A+	10%
11	10	Fraser And Neave		985	1,131	AA-	AA-	53%
12	13	ComfortDelGro		965	871	AA-	A+	20%
13	11	Jardine Cycle & Carriage		854	911	AA-	A+	44%
14	12	Genting Singapore		812	896	AA-	A+	14%
15	15	Starhub		804	679	AA	AA-	17%
16	-	SPC		681	804	AA-	AA	10%
17	14	SPH		648	641	AA-	AA	12%
18	19	Olam		579	606	A	AA-	6%
19	23	CapitaLand		555	502	AA+	AA+	4%
20	20	ST Engineering		545	529	A+	A	7%
21	17	HPH Trust		545	626	A+	A+	5%
22	21	City Developments		492	495	AA-	AA	19%
23	16	Sembcorp Marine		438	633	A	A	9%
24	18	Hong Leong Asia		411	620	A	A	32%
25	36	Millennium Hotels		399	263	AA-	AA-	44%

# Singapore Top 100 Brands 2016


















Rank 2016	Rank 2015	Brand	Logo	2016 Brand Value (US\$m)	2015 Brand Value (US\$m)	2016 Brand Rating	2015 Brand Rating	2016 Brand Value / Enterprise Value (%)
26	38	SGX		380	312	AA	AA	7%
27	-	United Engineers		373	-	A-	-	20%
28	22	APL		343	414	A+	A	8%
29	25	M1		331	340	A+	A+	16%
30	30	SATS		311	242	A+	A	11%
31	28	SMRT		299	273	AA-	A+	16%
32	29	Global Logistics Properties		295	267	A+	AA-	2%
33	47	Copthorne Hotels		293	186	AA-	AA-	44%
34	24	UOL		286	350	A+	AA-	5%
35	31	Singapore Post		258	228	AA-	A+	9%
36	27	SIA Engineering		256	281	A	AA-	9%
37	42	GuocoLand		221	148	A	A+	7%
38	43	Ascott		209	214	AA	AA+	6%
39	32	CWT		200	201	A	A	15%
40	41	SBS		193	159	A+	A-	25%
41	34	STATS ChipPAC		185	196	A+	A+	N/A
42	39	Ascendas Reit		176	163	A-	A+	3%
43	45	Sim Lian		173	125	A-	A	31%
44	26	CapitaMalls Asia		154	243	A+	AA-	5%
45	33	Osim		146	201	AA-	A+	19%
46	44	Super		131	139	A+	AA-	23%
47	46	The Hour Glass		128	114	A	A-	37%
48	49	Mapletree		126	108	A+	A+	4%
49	56	Raffles Medical		124	82	A+	AA-	7%
50	40	BreadTalk		118	160	A+	A+	37%



# Singapore Top 100 Brands 2016

Rank 2016	Rank 2015	Brand	Logo	2016 Brand Value (US\$m)	2015 Brand Value (US\$m)	2016 Brand Rating	2015 Brand Rating	2016 Brand Value / Enterprise Value (%)
51	48	Suntec Reit		113	111	A+	AA-	2%
52	58	Banyan Tree		112	140	A+	A+	17%
53	54	UIC		108	89	A	A+	2%
54	53	Yeo's		103	92	AA-	A	23%
55	-	Courts		99	-	A	-	32%
56	50	Aspial		89	106	A-	A-	61%
57	51	The Straits Time		87	73	AA-	AA-	11%
58	35	SingLand		87	175	A	A+	N/A
59	37	Hyflux		84	165	A	A+	6%
60	55	Food Empire		79	88	A	AA-	54%
61	97	OUE		77	72	A+	A+	3%
62	67	Challenger		76	67	A+	A-	78%
63	52	Cortina Holdings		69	100	BBB	A-	77%
64	63	Popular		66	73	A	A	N/A
65	79	Ho Bee Land		63	42	A+	AA-	3%
66	61	POSH		63	75	A-	AA-	5%
67	62	Amara		60	73	A	A+	16%
68	57	ValueMax		59	79	A-	A-	34%
69	64	UOBKayHian		58	71	A-	A	7%
70	59	Delfi		58	77	A+	AA	25%
71	68	Biosensors International		54	65	A+	A+	7%
72	65	GP Batteries		53	70	A	A	29%
73	83	Far East Orchard		51	32	A-	A	10%
74	60	Tiger Airways		47	76	A+	AA-	8%
75	75	Stamford Land		46	46	A-	A	11%

# Singapore Top 100 Brands 2016

Rank 2016	Rank 2015	Brand	Logo	2016 Brand Value (US\$m)	2015 Brand Value (US\$m)	2016 Brand Rating	2015 Brand Rating	2016 Brand Value / Enterprise Value (%)
76	66	Eu Yan Sang		46	68	A	A	20%
77	78	Kingsmen		46	42	A-	A	60%
78	69	Wing Tai		45	65	A-	A	4%
79	70	Swiber		41	63	BB	A-	4%
80	85	Wee Hur		40	30	A-	A-	20%
81	74	Lianhe Zaobao		36	34	A+	AA-	9%
82	73	Her World		33	34	A	A+	8%
83	81	Hotel Grand Central		28	35	A-	A	6%
84	91	Tiger Balm		25	21	AA	AA-	6%
85	72	Pacific Radiance		25	30	A+	A+	4%
86	86	Akira		24	30	BBB	A-	5%
87	87	MoneyMax		24	29	A-	A-	16%
88	82	Aztech		23	34	BBB	A-	44%
89	76	Metro		23	45	A	A	19%
90	89	Raffles Education		23	22	A-	A	5%
91	84	Nuyou		22	23	A+	AA-	9%
92	88	Stamford Tyres		20	27	A-	A	15%
93	95	Creative		17	14	A-	A+	N/A
94	92	Neo Group		17	21	A	A+	16%
95	-	Serrano		11	-	BBB	-	17%
96	100	Soup Restaurant		10	8	A-	A	27%
97	93	Lorenzo		10	19	A-	A-	45%
98	-	LHN Group		9	-	A-	-	32%
99	-	Auric Pacific		9	-	A	A	20%
100	96	HTL		9	12	A-	A	14%

\* N/A: Companies with financials not declared in the public domain.

\* -: Companies not appeared on Brand Finance Top 100 2015 Ranking

# Background On Intangible Asset Value

There are different definitions of 'intangible assets'. According to Singapore Financial Reporting Standard (FRS) 38 'Intangible Asset', an intangible asset is 'an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes'. According to FRS 38 the definition of an intangible asset requires it to be:

- A) Non-monetary
- B) Without physical substance
- C) 'Identifiable'

In order to be 'identifiable' it must either be separable (capable of being separated from the entity and sold, transferred or licensed) or it must arise from contractual or legal rights (irrespective of whether those rights are themselves 'separable').

Intangible assets can be broadly grouped into three categories:

- 1. Rights:** leases; distribution agreements; employment contracts; covenants; financing arrangements; supply contracts; licenses; certifications; franchises.
- 2. Relationships:** trained and assembled workforce; customer and distribution relationships.
- 3. Intellectual property:** trademarks; patents; copyrights; proprietary technology (e.g. formulas; recipes; specifications; formulations; training programs; marketing strategies; artistic techniques; customer lists; demographic studies; product test results; business knowledge – processes; lead times; cost and pricing data; trade secrets and know-how).

In addition, there is what is sometimes termed 'Unidentified Intangible Assets', including 'internally generated goodwill' (or 'going concern value'). It is important to recognise the distinction between internally-generated and acquired intangible assets. Current accounting standards only allow acquired intangible assets to be recognised on the balance sheet. However, this is provided that they meet the above-mentioned criteria i.e. internally generated intangibles of a company

cannot be explicitly stated on its balance sheet.

This results in what is sometimes described as 'internally generated goodwill'. This is the difference between the fair market value of a business and the value of its identifiable net assets. Although this residual value is not strictly an intangible asset in a strict sense (i.e. a controlled "resource" expected to provide future benefits), it is treated as an intangible asset in a business combination when converted into goodwill on the acquiring company's balance sheet.

Intangible assets that may be recognised on a balance sheet under FRS 38 are typically only a fraction of the total intangible asset value of a business, with the remaining value continuing to be classified as 'goodwill'. Brands, if acquired, can be identified under these rules and added to the balance sheet. This results in an unusual situation where internally-generated brands of the acquiree may be recognised on the acquirer's balance sheet but the acquirer's own internally-generated brands may not. For this reason, Brand Finance thinks there is a strong case for the inclusion of internally generated brands on the balance sheet.

Brands fulfil the definition of intangible assets above, in that they are controlled by management, provide future economic benefits and are identifiable and therefore can be sold, transferred or licensed as appropriate. We are increasingly seeing companies taking advantage of this transferability by moving brands (including trademarks and other associated intellectual property, such as design rights and other marketing collateral) to special purpose vehicles, such as brand holding companies, for the purpose of raising finance and tax planning.

## VALUE CHARACTERISTICS OF DEFINITION OF INTANGIBLE ASSETS

Valuation of intangible assets requires an understanding of their characteristics and the role that they play in the entire value chain. The following attributes of intangible assets have important value implications:

- **Absence of efficient trading markets:** Unlike tangible assets, the absence of efficient trading

# Background On Intangible Asset Value

markets for intangible assets makes the market approach to valuation by using transaction price not possible.

- **Lack of a linear relationship between investment and returns:**

This limits the use of the cost approach to valuation, except for easily replicable assets.

- **Poor non-financial metrics to measure the quality of intangible asset:**

Nevertheless, useful valuation insights can be gained from sources such as market research, intellectual property audits and business plans.

- **Value is derived from interactions with other assets (both tangible and intangible):**

This results in a complex value chain, and thus calls for the need of value maps to explore the interactions between them.

- **Specific bundle of rights (legal and otherwise):**

There are rights associated with the existence of any intangible asset.

- **The need for convenient identification:**

For valuation purposes, the intangible assets must be readily identifiable and capable of being separated from the other assets employed in the business. It is sometimes necessary to group complementary intangibles for valuation purposes.

- **The need for a detailed and precise definition of the asset:**

This is particularly important where this consists of a bundle of rights. The components should be broken down in terms of specific trademarks, copyright, design rights, formulations, patents, and trade secrets.

## FRS 103: ALLOCATING THE COST OF A BUSINESS COMBINATION

In Singapore, the Financial Reporting Standard (FRS) 103 'Business Combination' is consistent with IFRS 3 in all material aspects. At the date of acquisition, an acquirer must measure the cost of the business

combination by recognising the acquiree's identifiable assets (tangible and intangible), liabilities and contingent liabilities at their fair value. Any difference between the total of the net assets acquired and the cost of acquisition is treated as goodwill (or negative goodwill).

The classifications of intangible assets under FRS 103 include:

- Artistic-related intangible assets
- Marketing-relating intangible assets • Technology-based intangible assets
- Customer-related intangible assets • Contract-based intangible assets

**Goodwill:** After initial recognition of goodwill, FRS 103 requires that goodwill be recorded at cost less accumulated impairment charges. Whereas previously goodwill was amortised over its useful economic life, it is now subject to impairment testing at least once a year. Amortisation is no longer permitted.

**Negative Goodwill:** Negative goodwill arises where the purchase price is less than the fair value of the net assets acquired. It must be recognised immediately as a profit in the profit and loss account. However, before concluding that "negative goodwill" has arisen, FRS 103 requires that an acquirer should "reassess" the identification and measurement of the acquired identifiable assets and liabilities.

## FRS 36: IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL

Previously an impairment test was only required if a 'triggering event' indicated that impairment might have occurred. Under the revised rules, FRS 36 'Impairment of Assets', there is requirement for an annual impairment test. The test is required for certain assets, namely:

- Goodwill acquired in a business combination.
- Intangible assets with an indefinite useful economic life (e.g. strong brands) and intangible assets not yet

# Background On Intangible Asset Value

available for use. The recoverable amount of these assets must be measured annually (regardless of the existence or otherwise of an indicator of impairment) and at any other time when an indicator of impairment exists. Brands are one major class of intangible assets that are often considered to have indefinite useful economic lives. Where acquired brands are recognised on the balance sheet post acquisition, it is important to establish a robust and supportable valuation model using best practice valuation techniques that can be consistently applied at each annual impairment review. There is also new disclosure requirements, the principal one being the disclosure of the key assumptions used in the calculation. Increased disclosure is required where a reasonably possible change in a key assumption would result in actual impairment.

## IFRS 13: FAIR VALUE MEASUREMENT

IFRS 13 Fair Value Measurement applies to IFRSs that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and require disclosures about fair value measurement. The Standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market based, rather than entity-specific, measurement.

IFRS 13 was originally issued in May 2011 and applies to annual periods beginning on or after 1 January 2013. The objective of IFRS 13 is to set out a single IFRS framework for measuring fair value.

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. [IFRS 13:72]

If the inputs used to measure fair value are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the

level of the lowest level input that is significant to the entire measurement (based on the application of judgement). [IFRS 13:73]

- **Level 1 inputs:** Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. [IFRS 13:76]
- **Level 2 inputs:** Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. [IFRS 13:81]
- **Level 3 inputs:** Level 3 inputs are unobservable inputs for the asset or liability. [IFRS 13:86]

## IMPACT ON MANAGEMENT AND INVESTORS

### Management

Perhaps the most important impact of new reporting standards has been on management accountability. Greater transparency, rigorous impairment testing and additional disclosure will mean more scrutiny both internally and externally. The requirement of the acquiring company having to explain at least a part of what was previously considered as "goodwill" should help analysts to analyse deals more closely and gauge whether management have paid a sensible price. The new standards will also have a significant impact on the way companies plan their acquisitions. When considering an acquisition, to assess the impact on the consolidated group balance sheet and profit and loss post-acquisition, a detailed analysis of all the target company's potential assets and liabilities is recommended.

Companies need to pay close attention to the likely classification and useful economic lives of the identifiable intangible assets in the target company's business. This will have a direct impact on the future earnings of the acquiring group. In addition to amortisation charges for intangible assets with finite useful economic lives, impairment tests on assets with indefinite useful economic lives may lead to one-off charges. This is

# Background On Intangible Asset Value

particularly so if the acquired business falls short of expectations post-acquisition. The requirement for separate balance sheet recognition of intangible assets, together with impairment testing of those assets and also goodwill, is expected to result in an increase in the involvement of independent specialist valuers in valuations and appropriate disclosure.

## Investors

The requirement for companies to attempt to identify what intangible assets they are acquiring as part of a corporate transaction may provide evidence as to whether a group has overpaid in a deal. Subsequent impairment tests may also shed light on whether the price paid was a respectable one for the acquiring company's shareholders. Regular impairment testing is likely to result in a greater volatility in financial results. Significant one-off impairment charges may indicate that a company has overpaid for an acquisition and have the potential to damage the credibility of management in the eyes of the investment community. Analysts and investors are often sceptical about disclosed intangible assets. In the case of brand (and other intangible asset) valuation, where a high degree of subjectivity can exist, it is important to demonstrate that best practices have been applied and that the impairment review process is robust.

## TAX AND INTANGIBLE ASSETS: IPCO ASPECT

Other than M&A, strategic planning and ROI analysis, the rise in the importance of marketing intangibles can often mean that there is a strong business case for setting up a central intellectual property (IP) holding company (IPCo). Locating and managing an IPCo from one central location, potentially in a low tax jurisdiction, makes a compelling commercial case, particularly where a group is active in a number of different territories.

The size and authority of the IPCo are variable and dependent on the requirements of the group in question. The benefits include greater IP protection and consistency and improved resource allocation. It is important that genuine commercial drivers for the establishment of IPCo can be demonstrated.

## Examples of established IPCo's by global companies include:

- BATMark (in UK, US, Switzerland & Netherlands)
- Shell Brand International AG (Switzerland)
- Société des Produits Nestlé (Switzerland)
- Philip Morris Products SA (Switzerland)
- Marvel Characters, Inc (USA)

## Commercial benefits of central IPCo's include:

- Better resource allocation.
- Higher return on brand investment.
- Tax savings under certain circumstances.
- Clarity of the strength, value and ownership of the IP will ensure that full value is gained from third party agreements.
- Internal royalties result in greater visibility of the true economic performance of operating companies improved earnings streams from external licenses.
- More effective and efficient IP protection will reduce the risk of infringement or loss of a trademark in key categories and jurisdictions.
- Internal licenses should be used to clarify the rights and responsibilities of the IPCo and operating units. The adoption of consistent and coherent brand strategy, marketing investment and brand control improves brand performance.

This can have the following results:

- Accumulation of profits in a low tax jurisdiction.
- Tax deductions in high tax jurisdictions.

# Background On Intangible Asset Value

- Tax deductions for the amortisation of intangibles in IPCo.
- Depending on double tax treaties, the elimination or reduction of withholding taxes on income flows resulting from the exploitation of the IP.

The Singapore government has several IP friendly tax policies for IP rights holders to establish Singapore as an attractive country to manage their IP. There are a variety of IP tax incentives, deduction, benefits and grants to encourage the creation, ownership, protection and exploitation of IP in Singapore. For instance:

- Unilateral tax credit scheme is available for royalty income received in Singapore.
- Single tax deduction for patent costs.
- Patent application fund (PAF) Plus, Initiatives in New Technology (INTECH) and several IP grants.
- Automatic written down allowance for five years for the capital expenditure incurred by a Singapore company in acquiring any intellectual property rights for use in that trade or business.
- Reported in Singapore's 2010 Budget, the Productivity and Innovation Credit will provide significant tax deductions from 2011 onwards for investments in a broad range of activities along the innovation value chain. These activities include R&D, registrations of IP rights, acquisition of IP rights, and investment in Design.



We believe that  
**RESEARCH BUSINESS**  
is about

**PEOPLE**

Technology, theories and methodologies are aids to help unravel patterns in data and findings, but it is the people who provide the deep knowledge about what these patterns mean and what to do with them to produce marketing strategies. That is why we invest so much in our people and make them think and learn - all the time. Our people share our belief and vision.

*Celebrating*  
**30** years *and* **11** countries

[www.acornasia.com](http://www.acornasia.com)

ACORN Marketing & Research Consultants

ACORN BUILDING, 12 & 13 Mohamed Sultan Road, Singapore 238961 • Telephone (65) 6733 6565

  
thinking forward  
next 30 years

**ACORN**



# Trademarks and Other Intangibles

## Outlook, Importance, Challenges & Opportunities

*Samir Dixit*

*Managing Director, Brand Finance Asia Pacific*

### 1. Importance of Intellectual Property for the country?

- The IP industry drives significant contribution to the economies. It has increased by US\$ 40 trillion since 2001. Of these, over US\$ 18 trillion were intangibles.
- Current global Enterprise Value in GIFT is US\$ 71 trillion, of which US\$ 33.1 trillion is the TANGIBLES.
- The global intangibles are therefore upwards of US\$ 38 trillion to be more precise. (US\$11 trillion is disclosed and US\$26.5 trillion is undisclosed value).
- Singapore wants to be the IP hub of Asia. Let's see if they are on track?
  - Singapore have a total intangible value of about US\$ 173 billion.
  - ASEAN total is about UD\$ 956 billion
  - Singapore represents about 18% of the ASEAN value amongst 6 countries.
  - As a most intangible nation, Singapore is ranked last in ASEAN and is 43rd globally. Indonesia being ranked 7th globally.

### 2. Importance of IP for the Businesses?

- Intangibles form a large part of the business value
  - 53% globally and 32% in Singapore.
- Depending on the type of business and the geographic penetration, the value of Intangibles and how it contributes to the business success varies.
- This is recognised by the shareholders and investors but unfortunately, the marketing fraternity and the management seldom pays attention to the Intangibles.

This is demonstrated by the fact that most companies would not even know the value of their most important intangible – The BRAND.

- Currently, 53% of all companies' value is in the Intangibles – disclosed & undisclosed.

- A very large number not to know anything about or to ignore from managing it as a business asset.

### 3. Importance of trademarks (Brand) for the business?

- Depending on the type of business and the geographic penetration, the value of Intangibles and how it contributes to the business success varies.
- While trademarks or brands are one of the many forms of IPs, Trademark/Brand is one of the most important and highest value contributing vs. others forms of Intellectual Property. There are however differences for B2B and B2C companies.
  - Brand is estimated to be 50-70% of the total value of the intangibles for a brand driven business – Singapore airlines e.g. has an EV to BV of over 40%.
  - Brand finance has been tracking performance of strongly branded companies since 2007 and it is proven that companies with stronger brands perform better financially.
  - Even a country as a brand contributes to the success of the Singapore based businesses. The "GREAT" campaign from Britain and several other success stories of using country brand to drive economic and business success are proven examples.
  - Singapore as a nation brand is ranked 23rd globally (up from 24th) however, this IP advantage of the superior "country brand" does not seem to be exploited very efficiently by the business in Singapore. This is evident from the decreasing overall intangible contribution by Singapore businesses to the overall ASEANs intangible value.

# Trademarks and Other Intangibles

Currently Singapore only contributes to 18% to ASEANs intangible value, down from an all-time high of 33% in 2009.

## 4. Trademarks vs. patents.

### Business Need

We have always talked about patents which of course are important. However, in the overall IP universe, the brand importance and their value contribution far exceeds the business contributions from the patents.

Patents usually have to be bundled together with other forms of IP and offered as a “branded benefit” which is critical for their commercial success.

Therefore it is safe to say that a company usually needs a strong brand to exploit the full value and potential of a patent and drive its commercial success. But a strong brand does not necessarily require a patent to drive success.

- A patent always needs a brand
- A brand does not always require a patent.

### Useful economic life of patents vs brands.

- Unlike brands, patents have a significantly lower useful economic life.
- The usefulness gets further shortened with fast pace of technological changes and further improvements of patents by others.
- Trademarks or Brands on the other hand have an infinite useful economic life as long as they are managed and invested into and continue to provide the competitive advantage which gets enhanced over time through effective management.

### Depreciating vs. appreciating IP value.

Patents and trademarks as two important forms of IP for

the businesses have a uniquely opposite characteristic.

While patents are a depreciating IP due to the limited useful economic life, a brand is an appreciating IP.

### Volume vs. Value Contribution

Patents are short term volume drivers. With patents, companies can make drive quick sales volume and monetary gains in a short period of time. Brands or trademarks on the other hand require investment & nurturing and are long term value drivers for any business.

So to conclude, if Singapore wants to have stronger Intellectual Property dominance and contribution in ASEAN (& ASIA), it needs to have just as much focus on the Trademarks as it currently has on Patents. It needs to shift gears from short term gains to long term value creation.



# New International Standard On Brand Valuation

David Haigh  
CEO, Brand Finance plc

In 2007, the International Organisation for Standardisation ('ISO'), a worldwide federation of national standard setting bodies, set up a task force to draft an International Standard ('IS') on monetary brand valuation.

After 4 years of discussion and deliberation ISO 10668 – Monetary Brand Valuation – was released in 2010. This sets out the principles, which should be adopted when valuing any brand.

## THE NEW ISO APPLIES TO BRAND VALUATIONS COMMISSIONED FOR ALL PURPOSES, INCLUDING:

- Accounting and financial reporting
- Insolvency and liquidation
- Tax planning and compliance
- Litigation support and dispute resolution
- Corporate finance and fundraising
- Licensing and joint venture negotiation
- Internal management information and reporting • Strategic planning and brand management

## THE LAST OF THESE APPLICATIONS INCLUDES:

- Brand and marketing budget determination
- Brand portfolio review
- Brand architecture analysis
- Brand extension planning

Under ISO 10668 the brand valuer must declare the purpose of the valuation as this affects the premise or basis of value, the valuation assumptions used and the ultimate valuation opinion, all of which need to be

transparent to a user of the final brand valuation report.

## REQUIRED WORK STREAMS IN AN ISO COMPLIANT BRAND VALUATION?

ISO 10668 is a 'meta standard' which succinctly specifies the principles to be followed and the types of work to be conducted in any brand valuation. It is a summary of existing best practice and intentionally avoids detailed methodological work steps and requirements.

As such, ISO 10668 applies to all proprietary and non-proprietary brand valuation approaches and methodologies that have been developed over the years, so long as they follow the fundamental principles specified in the meta standard.

ISO 10668 specifies that when conducting a brand valuation the brand valuer must conduct 3 types of analysis before passing an opinion on the brand's value.

These are Legal, Behavioural and Financial analysis. All three types of analysis are required to arrive at a thorough brand valuation opinion. This requirement applies to valuations of existing brands, new brands and extended brands.

## MODULE 1 - LEGAL ANALYSIS

The first requirement is to define what is meant by 'brand' and which intangible assets should be included in the brand valuation opinion.

ISO 10668 begins by defining Trademarks in conventional terms but it also refers to other Intangible Assets ('IA') including Intellectual Property Rights ('IPR') which are often included in broader definitions of 'brand'.

International Financial Reporting Standard ('IFRS') specifies how all acquired assets should be defined, valued and accounted for post-acquisition. It refers to five specific IA types, which can be separated from residual Goodwill arising on acquisition.

# New International Standard On Brand Valuation

---

These are: technological, customer, contractual, artistic and marketing related IA.

ISO 10668 mirrors this classification by defining brands as marketing related IA, including trademarks and other associated IPR. This refers inter alia to design rights, domain names, copyrights and other marketing related IA and IPR which may be included in a broader definition of 'brand'.

The brand valuer must precisely determine the bundle of IA and IPR included in the definition of 'brand' subject to valuation. He may include names, terms, signs, symbols, logos, designs, domains or other related IPR intended to identify goods and services and which create distinctive images and associations in the minds of stakeholders, generating economic benefits for the branded business.

The brand valuer is required to assess the legal protection afforded to the brand by identifying each of the legal rights that protect it, the legal owner of each relevant legal right and the legal parameters influencing negatively or positively the value of the brand.

It is vital that the brand valuation includes an assessment of the legal protection afforded to the brand in each geographical jurisdiction and product or service registration category. These legal rights vary between legal systems and need to be carefully considered when forming the brand valuation opinion. For example, the legal rights protecting brands exist at a national (UK), supra-national (EU) and global (WIPO) level and have different characteristics.

Extensive due diligence and risk analysis is required in the Legal analysis module of an ISO 10668 compliant brand valuation. It should be noted that the Legal analysis must be segmented by type of IPR, territory and business category.

The brand valuation opinion may be affected positively or negatively by the distinctiveness, scope of use or registration (territory and business category), extent of use, notoriety of the brand, risk of cancellation, priority, dilution and the ability of the brand owner to enforce such legal rights.

## MODULE 2 - BEHAVIOURAL ANALYSIS

The second requirement when valuing brands under ISO 10668 is a thorough behavioural analysis. The brand valuer must understand and form an opinion on likely stakeholder behaviour in each of the geographical, product and customer segments in which the subject brand operates.

### To do this, it is necessary to understand:

- Market size and trends - determined by conducting a critical review of predicted trends in distribution channels, customer demographics, market volumes, values and margins.
- Contribution of brand to the purchase decision - determining the monetary brand contribution in the geographical, product and customer segments under review.
- Attitude of all stakeholder groups to the brand - to assess the long-term demand for the brand, any risks to the branded business and the appropriate cost of capital.
- All economic benefits conferred on the branded business by the brand - to assess the sustainability of future revenues and profits.

The brand valuer needs to research brand value drivers, including an evaluation of relevant stakeholders' perceptions of the brand in comparison with competitor brands. Measures commonly used to understand brand strength include awareness, perceptual attributes, knowledge, attitude and loyalty. The brand valuer needs to assess the brand's strength in order to estimate future sales volumes, revenues and risks.

## MODULE 3 - FINANCIAL ANALYSIS

The third requirement when valuing brands under ISO 10668 is a thorough financial analysis.

ISO 10668 specifies three alternative brand valuation approaches - the Market, Cost and Income Approaches. The purpose of the brand valuation, the premise or basis

# New International Standard On Brand Valuation

## Brand Valuation Approaches

### Market Approach

Based on an estimate of the price expected to be realised if the brand were to be sold in an open market.

### Cost Approach

Based on the premise that a prudent investor would not pay more for a brand than the cost to recreate, replace or reproduce an asset of similar utility.

### Income Approach

Based on estimating the expected future, after-tax cash flows attributable to the brand then discounting them to a present value using an appropriate discount rate.

of value and the characteristics of the subject brand dictate which primary approach should be used to calculate its value.

#### Market approach

The market approach measures value by reference to what other purchasers in the market have paid for similar assets to those being valued. The application of a market approach results in an estimate of the price expected to be realised if the brand were to be sold in the open market. Data on the price paid for comparable brands is collected and adjustments are made to compensate for differences between those brands and the brand under review.

As brands are unique and it is often hard to find relevant comparables, this is not a widely used approach.

#### Cost approach

The cost approach measures value by reference to the cost invested in creating, replacing or reproducing the brand. This approach is based on the premise that a prudent investor would not pay more for a brand than the cost to recreate, replace or reproduce an asset of similar utility.

As the value of brands seldom equates to the costs invested creating them (or hypothetically replacing or reproducing them), this is not a widely used approach.

#### Income approach

The income approach measures value by reference to the economic benefits expected to be received over the remaining useful economic life of the brand. This involves estimating the expected future, after-tax cash flows attributable to the brand then discounting them to a present value using an appropriate discount rate.

As the value of brands stems from their ability to generate higher profits for either their existing or potential new owners, this is the most widely accepted and utilised brand valuation approach.

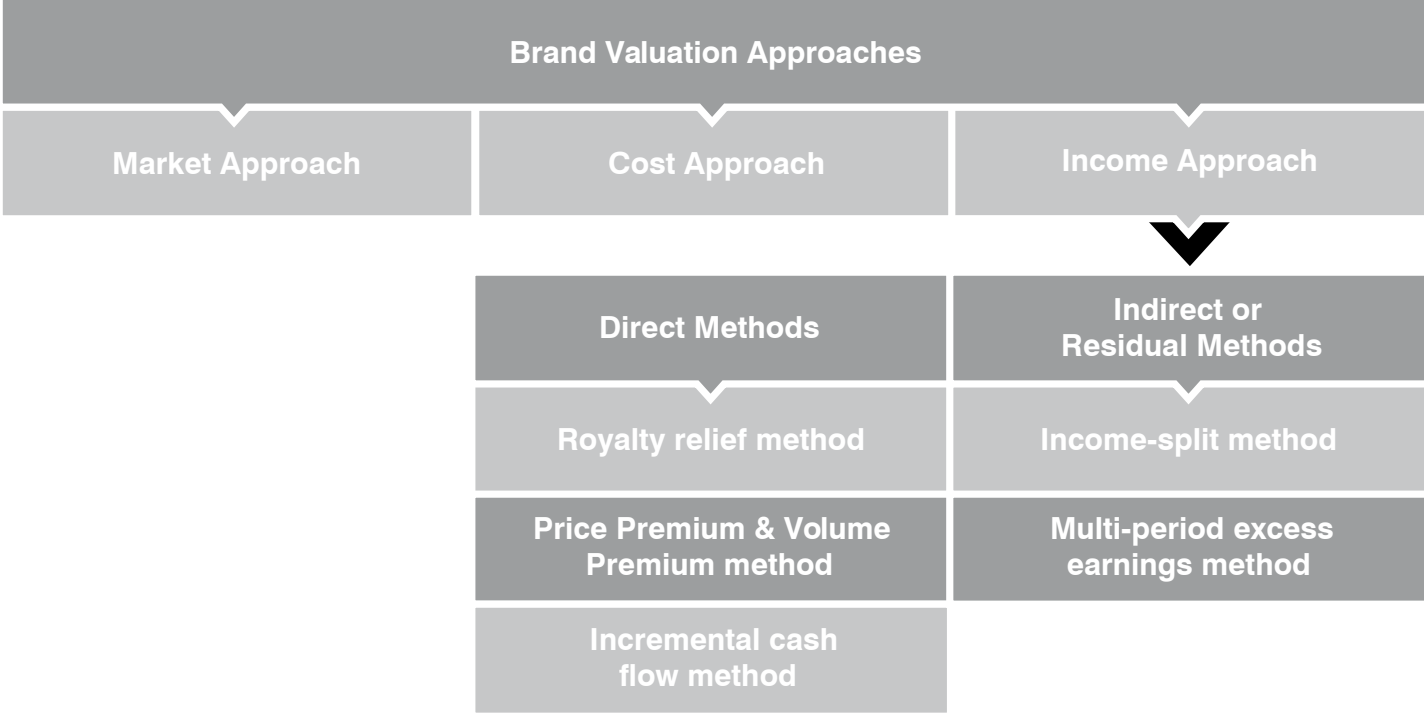
When conducting a brand valuation using the income approach, various methods are suggested by ISO 10668 to determine future cash flows.

#### Royalty relief method

This is the most widely used method used to determine brand cash flows. This method assumes that the brand is not owned by the branded business but is licensed in from a third party. The value is deemed to be the present value of the royalty payments saved by virtue of owning the brand.

The royalty rate applied in the valuation is determined after an in-depth analysis of available data from licensing arrangements for comparable brands and an appropriate split of brand earnings between licensor and licensee, using behavioural and business analysis.

# New International Standard On Brand Valuation



The Royalty Relief method is widely used because it is grounded in commercial reality and can be benchmarked against real world transactions.

### Price premium and volume premium methods

The Price Premium method estimates the value of a brand by reference to the price premium it commands over unbranded, weakly branded or generic products or services. In practice it is often difficult to identify unbranded comparators. To identify the full impact on demand created by a brand, the Price Premium method is typically used in conjunction with the Volume Premium method.

The Volume Premium method estimates the value of a brand by reference to the volume premium that it generates. Additional cash flows generated through a volume premium are determined by reference to an analysis of relative market shares. The additional cash flow generated by an above average brand is deemed to be the cash flow related to its 'excess' market share. In determining relevant volume premiums, the valuer has to consider other factors which may explain a dominant

market share, such as legislation which establishes a monopoly position for one brand.

Taken together, the Price Premium and Volume Premium methods provide a useful insight into the value a brand adds to revenue drivers in the business model. Other methods go further to explain the value impact of brands on revenue and cost drivers.

### Income-split method

The income-split method starts with net operating profits and deducts a charge for total tangible capital employed in the branded business, to arrive at 'economic profits' attributable to total intangible capital employed. Behavioural analysis is then used to identify the percentage contribution of brand to these intangible economic profits. The same analysis can be used to determine the percentage contribution of other intangible assets such as patents or technology. The value of the brand is deemed to be the present value of the percentage of future intangible economic profits attributable to the brand.

# New International Standard On Brand Valuation

---

## Multi-period excess earnings method

The multi-period excess earnings method is similar to the income-split method. However, in this case the brand valuer first values each tangible and intangible asset employed in the branded business (other than the brand). He uses a variety of valuation approaches and methods depending on what is considered most appropriate to each specific asset.

Having arrived at the value of all other tangible and intangible assets employed in the branded business, a charge is then made against earnings for each of these assets, leaving residual earnings attributable to the brand alone. The brand value is deemed to be the present value of all such residual earnings over the remaining useful economic life of the brand.

## Incremental cash flow method

The incremental cash flow method identifies all cash flows generated by the brand in a business, by comparison with comparable businesses with no such brand. Cash flows are generated through both increased revenues and reduced costs.

This is a more detailed and complex approach, which tends not to be used in technical brand valuations but is extremely useful for strategic, commercial purposes such as when Virgin negotiates a new brand license with a new licensee. The incremental value added to the licensee's business forms the starting point for the negotiation.

## Discount rate determination

Under the income approach, risks that are not already reflected in future cash flows must be considered in the discount rate.

The discount rate used for discounting future expected cash flows attributable to a brand is usually derived from the Weighted Average Cost of Capital ('WACC') of the business.

## HOW SHOULD INTERNATIONAL BRANDS APPROACH THE VALUATION OF EXISTING MARKS?

ISO 10668 was developed to provide a consistent framework for the valuation of local, national and international brands both large and small. The primary concern was to create an approach to brand valuation which was transparent, reconcilable and repeatable. In the wake of the standard's launch, it is expected that many businesses will either value their brands for the first time or revalue them compliant with the standard.

## HOW SHOULD COMPANIES APPROACH THE QUESTION OF BRAND DIVERSIFICATION VERSUS ENTRENCHMENT?

Common commercial applications of brand valuation are brand portfolio and brand architecture reviews. The first considers whether the right number of brands and sub-brands are in the portfolio. The second considers whether individual brands are too fragmented and extended.

A good example of both applications at work can be found in Unilever's 'Path to Growth' strategy. In 2000, Niall Fitzgerald announced a plan to increase Unilever's annual revenue growth rate to 5-6% with margins of 16%.

To achieve this, Unilever's 1600 brands were to be valued, reviewed and rationalised down to 400 power brands. The a priori assumption was that many smaller, local brands were sub-optimal and offered slower growth prospects than the global brands. Within 2 years, 1200 under-performing local and regional brands were sold or starved of investment to feed the growth of the 400 global power brands.

In many respects the Unilever policy made sense. For example, Dove has been turned into a global power brand with diversification into many product lines and market segments, rapid volume growth, and revenues and profits measured in billions of dollars.

However, the strategy sacrificed many new or developing brands in countries like India because they could not be turned into global brands quickly. Local brand owners enthusiastically bought the divested brands or exploited the gap created by starving local Unilever brands of investment.

# New International Standard On Brand Valuation

---

In this case, internal brand valuation teams were used to evaluate and prioritise the brand portfolio. Unilever is a leading edge company which follows best practices represented by ISO 10668.

Rationalisation and extension was supported by Legal Analysis to establish the strength and extendibility of its brands. Extensive Behavioural Analysis was applied throughout its portfolio and Financial Analysis was conducted by a cadre of internal marketing finance analysts.

If any mistakes were made, it merely demonstrates that brand valuations are a mechanism for decision making which are driven by data, analysis and assumptions that may prove to be incorrect. The ISO standard insists that sensitivity analysis showing a range of values, based on different assumptions, should be included in an opinion, not just a single value.

A brand valuation is an opinion at a point in time. Brand valuation models need to be updated and reviewed on a regular basis, and management decisions need to change in the light of changing conclusions flowing from them.

Brand valuation is a technique to support management, which is why it is vital that the technique should be consistent, transparent and reproducible as required by ISO 10668.

## **HOW DO YOU VALUE AN EXISTING BRAND, THEN EXTEND THE ANALYSIS TO MEASURE THE POSITIVE AND NEGATIVE IMPACT OF ADDITIONAL TRADEMARKS/BRAND EXTENSIONS TO THE EXISTING BUSINESS/MARKS?**

Dove is a good example of a Unilever brand, which was prioritised in the 'Path to Growth' strategy. It has been extended into many product categories and each extension was rigorously valued.

The Dove brand was launched in the US in 1955, as a cleansing soap bar with moisturising properties, which had been developed to treat burn victims during the Korean war. In 1957, the basic Dove soap bar formula

was refined and developed into the "Original Dove Beauty bar". It was launched as a beauty soap, clinically proven to be milder on dry and sensitive skins. In 1979, an independent clinical dermatological study proved Dove "Beauty bar" was milder than 17 leading bar soaps. The phrase "cleansing cream" was replaced with "moisturiser cream" in its marketing materials.

Dove was launched in the UK in the 1990s. In 2001, Dove made its first foray into antiperspirant deodorant lines. Hair care products followed in 2003. Dove was launched in the soap category but has always been positioned without referring to it as "soap". It is always referred to as a "beauty bar" with 25% cleansing cream. Positioning the brand this way has allowed it to extend into antiperspirants, deodorants, body washes, beauty bars, lotions, moisturisers, hair care and facial care products globally. It is now a global brand with a variety of sub-brand ranges (Original, Go Fresh, Intensive Care, Supreme, Summer Care).

To become a global brand, Dove needed wide appeal, across cultural, racial and age boundaries. In 2004, it therefore launched the Campaign for Real Beauty, which highlighted the brand's commitment to broadening definitions of beauty. Dove launched the Self Esteem Fund in 2005, which acts as an agent of change to educate and inspire young girls on a wider definition of beauty. It aims to boost the self-confidence of young girls and women, enabling them to reach their full potential in life. In 2007, Dove also launched Pro\*Age, a range of skin care, deodorant and hair care specifically designed for mature skin.

Dove's apparently effortless success makes brand extension look easy. But the Unilever marketing team could have stumbled at many points. They needed a clear and universally appealing brand proposition... simple, natural, caring, feminine, healthy, inclusive, multi-cultural, unpretentious, good value. They then needed a strong and memorable brand name that could be registered and defended in all likely product categories and geographical jurisdictions. They needed defensible sub-brand names. They needed a logo (a simply drawn dove), trade dress (predominantly white packaging), compelling copyright (advertising and



# New International Standard On Brand Valuation

collateral) and they needed a compelling trade sales force and campaign.

Having gone global in many SKUs, a valid question now hangs over the Dove brand. Has it reached the limits of its capacity to extend? There is a danger that if Dove is extended any further into fragrance, personal care or household products, its brand equity with consumers will become diluted and confused. Its brand value may decline.

## IF BRANDS DIVERSIFY, WHAT CHALLENGES DOES THIS CREATE FOR TRADEMARK COUNSEL?

Brand valuations following the ISO 10668 standard help to alert management to all manners of opportunities and threats. They consider the Legal ability of the brand to win protection in new categories, the financial attractiveness of extending into any new categories, the risks posed by new extensions and above all the Behavioural response of consumers to further brand extension.

## CONCLUSION

A robust brand valuation can help avoid the fate which befell the Pierre Cardin brand, which was extended and

diluted to such an extent that over extension is now referred to as 'Cardinisation'.

The role of trademark counsel in this process is vital.

- Firstly, to keep up with marketing management keen to extend and extend.
- Secondly, to advise whether and how brands and sub-brands can be registered.
- Thirdly, providing advice on the cost efficiency of ever extending trademark protection; some global brands find that they have tens of thousands of trademarks which require huge financial and management support. Trademark counsel working within the brand valuation team help to answer the question of whether this is a value enhancing strategy.

ISO 10668 will help integrate Trademark Counsel into a multi-disciplinary brand management team. Trademark Counsel will no longer be working in their own technical silo.

In my view, ISO 10668 is a major breakthrough, which will help further professionalise the business of brand management.



# Marketing Investment or Marketing Expenditure?

Alfredo Chandra

Director, Brand Finance Asia Pacific

*“The impact of the world’s central bankers engineering lower currencies has resulted in anaemic global growth since the last financial crisis. Senior management is constantly looking for returns on marketing investment to ensure that funds are allocated to have maximum impact. What proof do marketers have that strong brands provide a financial return to shareholders?”*

Brand Finance has tracked the value of global intangible assets across the world’s stock exchanges for over 10 years through the Global Intangible Financial Tracker (GIFT)©. This yearly study shows that brands are the most valuable intangible asset to a company. The value of brands contributes 30-50% of the value of the intangible assets (excluding goodwill). It is acknowledged amongst the marketing fraternity that strong brands, as perceived by customers, can command a price premium over generic brands. This treasured asset thus becomes a competitive advantage for organisations in generating above average business returns. Quantifying the magnitude of returns to a business as a result of a stronger brand is becoming increasingly important.

## **Marketing Expenditure A Thing Of The Past**

Increasing frugality in doing business has resulted in cuts to marketing activities. However, where marketing expenditure was once seen as a cost to the company, business leaders are beginning to realise that marketing is in fact an investment that can create a competitive advantage. *“One of the biggest areas of expertise we are continuously asked by our clients is whether their marketing expenditure is optimal in comparison to their competitors.”* explains Alfredo Chandra, Director of Brand Finance Asia Pacific. *“The client’s frame of mind, especially the Management, is important is changing the context of how they view marketing. Through the use of the marketing mix, investments should be allocated through all channels so as to maximise the value of the invested capital which benefits the softer measures of brand, whilst at the same time impacting on the bottom line.”*

## **Our Core Beliefs**

Organisations need to have a holistic view in brand management. When Brand Finance works with clients we have four core beliefs:

1. Understanding of consumers – for Management to see marketing as an investment, they must understand their customers and their journey towards purchase. This in turn leads to better understanding of the objectives that marketing does for the organisation.
2. Effective messaging – organisations who have a clear and consistent messaging that resonates with consumers can maximise the value of their marketing investment. Our experience shows us that effective messaging can improve marketing wastage by close to 15%.
3. Marketing-mix analytics lead to better business decisions – an understanding of the marketing-mix and the levers which can be used by the business leads can reduce marketing wastage by up to 30%.
4. Industry understanding – marketing investment should be geared towards products which will drive future profits for the organisation. Organisations that go against the tide and increase marketing investment in tougher times when competitors are cutting get the highest “bang for the buck.”

## **What Is Brand Management In The Eyes Of Brand Finance?**

There is always an abundance of data within a business. What marketers fail to realise time and time again is analysing the data to make it into information that can be easily understood not only from a marketing perspective but from a financial perspective. Brand Finance’s proprietary technique in measuring brand performance is the Brand Strength Index (a score out of 100). It is a composite index that provides decision makers the linkages between investments to financial returns. The BSI comprises of:

# Marketing Investment or Marketing Expenditure?

- Inputs – brand inputs are 100% controlled by the organisation and includes the brand investments. The product, place, and promotion are important levers in influencing a customer’s perception of a brand.

- Brand Equity – the inputs that influence Brand Equity include the brand perceptions and elements of the customer decision journey (awareness, familiarity, consideration, recommendation, net promoter score).

- Outputs – measures of the overall performance of a brand (market share, revenue growth, and overall profitability). Organisations with a strong Brand Equity are able to increase brand performance.

## Strong Brands Influence Business Performance?

The BSI is converted to a Brand Rating (AAA+ to D). This is an evaluation of the integrated brand performance. The BSI is simplified to a Brand Rating to allow for value range. E.g. a score of 90-100 would be classified as AAA+. A failing brand is one that has a score of less than 30, which is converted to a Brand Rating of D. Brand Finance’s analysis shows that strong brands (those classified as AAA) outperform lower tiered brands as shown below.

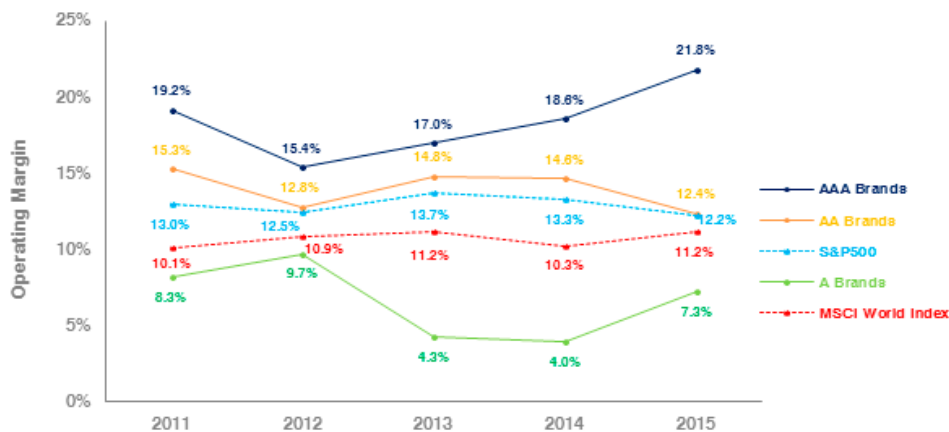
Brand Finance’s triple A-rated brands yield an average of 21.8% operating margin in 2015, higher than MSCI World Index average of 10% and S&P average of 12%. Double A-rated brands’ average operating margin has fallen since 2013 to 12.4%, close to S&P average. The gap between triple A-rated brands and others has widened in

recent years, indicating the rising importance of brand strength to the businesses.

## Our Five-Step Approach To Marketing Investment

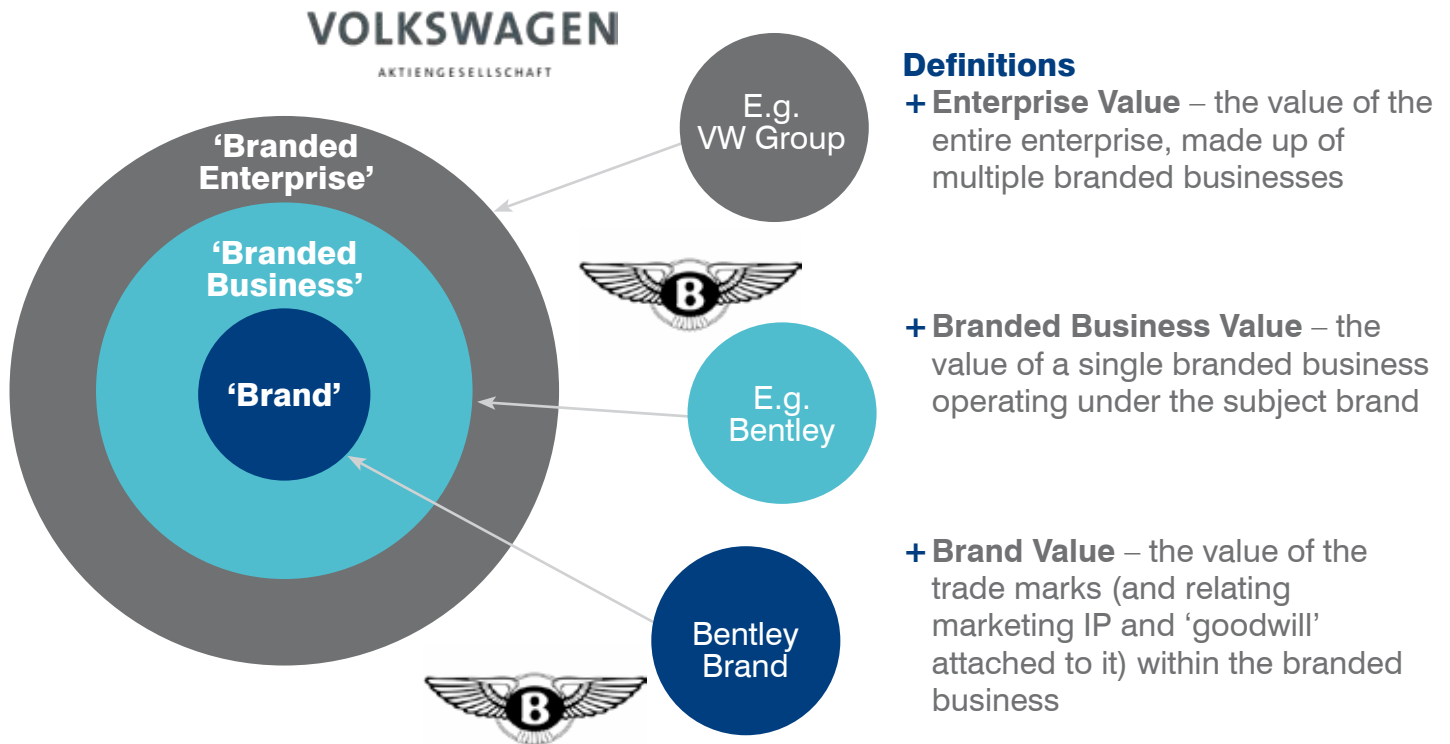
An integrated approach to marketing investment across all Business Units is required. We have identified the best practice to be as follows:

1. Internal alignment – ensure that the marketing strategy is integrated with the overall business strategy with clear objectives and significant insights into consumer interaction across all geographies, brands and marketing interactions.
2. Manage – Prioritise the avenues for growth and align marketing investment as required. Manage and ensure clear brand messaging and identify the investments that will be most effective across the consumer journey.
3. Measure – Pick the marketing mix having deep understanding of the business needs whilst integrating benchmarks, analytics, and econometrics and consumer brand insights.
4. Monitor – assess the optimal marketing investment and improvements in Brand Equity and brand performance.
5. Maximise – drive sustainable long-term value through support of return on marketing investment tools and ensure that key performance measures are communicated to Senior Management.



# Methodology

## What do we mean by 'brand'?



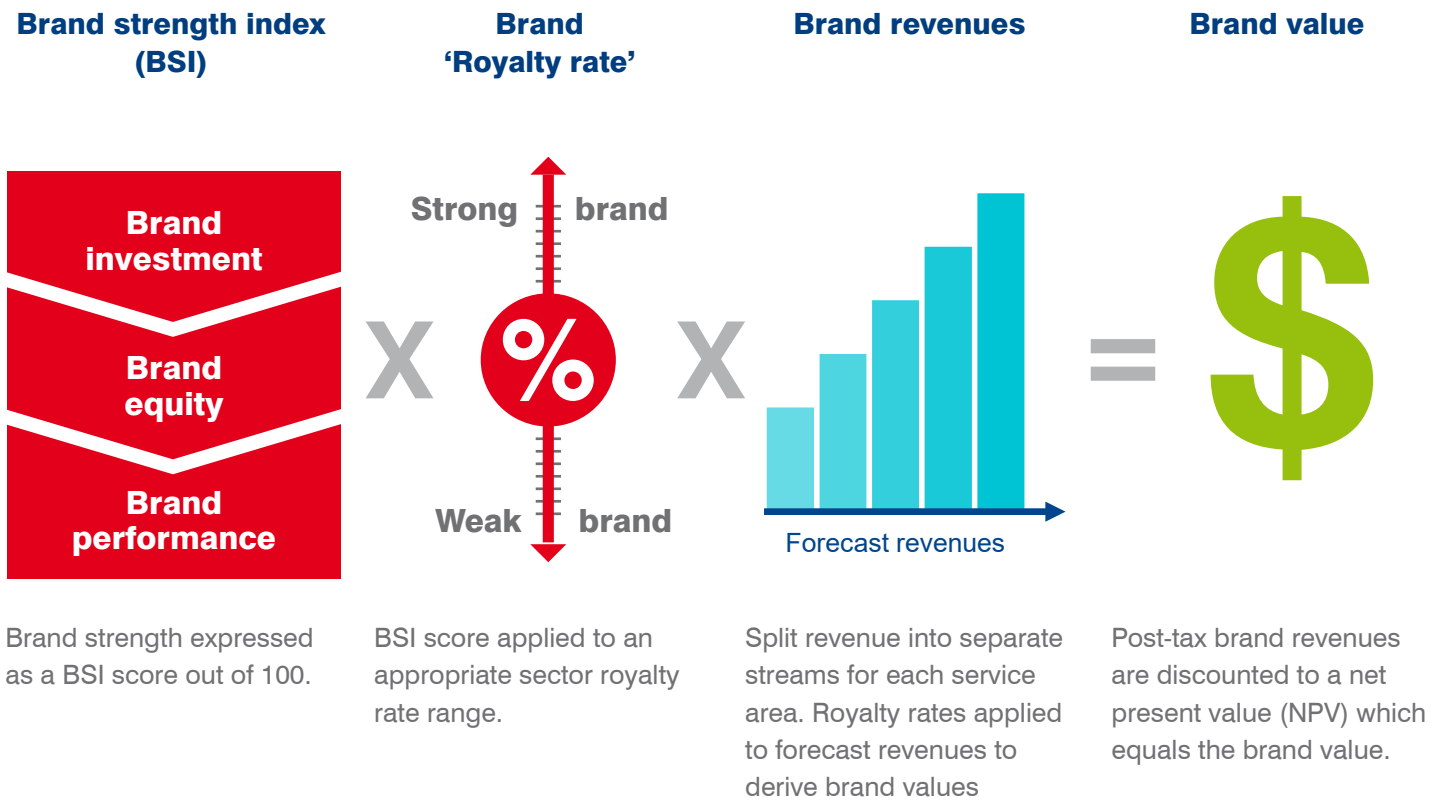
### Definition of 'Brand'

In the very broadest sense, a brand is the focus for all the expectations and opinions held by fans, players, staff and other stakeholders about a club. However when looking at brands as business assets that can be bought, sold and licensed, a more technical definition is required. Brand Finance helped to craft the internationally recognised standard on Brand Valuation, ISO 10668. That defines a brand as "a marketing related intangible asset including, but not limited to, names, terms, signs, symbols, logos and designs, or a combination of these, intended to identify goods, services or entities, or a combination of these, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits/value"

### Brand Strength

Brand Strength is the part of our analysis most directly and easily influenced by those responsible for marketing and brand management as well as success on the pitch. In order to determine the strength of a brand we have developed the Brand Strength Index (BSI). We analyse marketing investment, brand equity (the goodwill accumulated with fans, customers, staff and other stakeholders), which includes on-pitch success, and finally the impact of those on business performance. Following this analysis, each brand is assigned a BSI score out of 100, which is fed into the brand value calculation. Based on the score, each brand in the league table is assigned a rating between AAA+ and D in a format similar to a credit rating. AAA+ brands are exceptionally strong and well managed while a failing brand would be assigned a D grade.

# Methodology



## The Valuation Process

Brand Finance calculates the values of the brands in its league tables using the 'Royalty Relief approach'. This approach involves estimating the likely future sales that are attributable to a brand and calculating a royalty rate that would be charged for the use of the brand, i.e. what the owner would have to pay for the use of the brand if it were not already owned.

- 1 Calculate brand strength on a scale of 0 to 100: the BSI captures the ability of clubs to drum up popular interest and then convert interest into support and custom. The BSI covers three broad topics of brand investment, equity in the form of emotional connection harboured by a brand, and bottom line commercial performance.
- 2 As brand has differing effects on each source of income, we then split revenues down into three streams: match-day, broadcasting and commercial. As brands have differing effects on different revenue streams, these will

each have their own respective royalty rate applicable to them. The royalty rates are derived by looking at comparable agreements and through in-house analysis.

- 3 Calculate royalty rate. The brand strength score is applied to the royalty rate range to arrive at a royalty rate. For example, if the royalty rate range in a brand's sector is 0-5% and a brand has a brand strength 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 estimating a proportion of parent company revenues attributable to a specific brand.
- 5 Determine forecast brand specific 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, equal to the brand value.

# Glossary of Terms

---

<b>Brand</b>	<b>Fair Market Value (FMV)</b>
Trademarks and trademark licenses together with associated goodwill	The price at which a business or assets would change hands between a willing buyer and a willing seller, neither of whom are under compulsion to buy or sell and both having reasonable knowledge of all relevant facts at the time
<b>BrandBeta®</b>	<b>Holding Company</b>
Brand Finance's proprietary method for determining the strength, risk and future potential of a brand relative to its competitor set	A company controlling management and operations in another company or group of other companies
<b>Branded Business</b>	<b>Intangible Asset</b>
The whole business trading under a particular brand or portfolio of brands, the associated goodwill and all the intangible elements at work within the business	An identifiable non-monetary asset without physical substance
<b>Brand Rating</b>	<b>Net Present Value (NPV)</b>
A summary opinion, similar to a credit rating, on a brand based on its strength as measured by Brand Finance's 'Brand Strength Index'	The present value of an asset's net cash flows (minus any initial investment)
<b>Brand Value</b>	<b>Tangible Value</b>
The net present value of the estimated future cash flows attributable to the brand (see Methodology section for more detail)	The fair market value of the monetary and physical assets of a business
<b>Discounted Cash Flow (DCF)</b>	<b>Weighted Average Cost of Capital (WACC)</b>
A method of evaluating an asset value by estimating future cash flows and taking into consideration the time value of money and risk attributed to the future cash flows	An average representing the expected return on all of a company's securities. Each source of capital, such as stocks, bonds, and other debts, is assigned a required rate of return, and then these required rates of return are weighted in proportion to the share each source of capital contributes to the company's capital structure
<b>Discount Rate</b>	
The interest rate used in discounting future cash flows	
<b>Enterprise Value</b>	
The combined market value of the equity and debt of a business less cash and cash equivalents	

**mis**

Marketing Institute  
of Singapore



CONTINUING  
EDUCATION



HUMAN CAPITAL  
DEVELOPMENT



CONNECTIVITY

**Connecting You to the Largest  
Community of Sales and Marketing  
Professionals in Singapore**

**Becoming a MIS member is more than just joining an institution. It is becoming part of a professional community!**

MIS is the one place that connects you to the largest fraternity of sales & marketing professionals. Whether you are an individual looking to expand your network of like-minded peers or an organisation keen to build your employees' knowledge in the dynamic field of marketing, we have the connections to steer you in the right direction. Join as a member today and let MIS Membership help you achieve your personal & professional development goals!

Please note that all applications for MIS Membership are subject to approval. Apply online today! Visit [www.mis.org.sg/membership/join](http://www.mis.org.sg/membership/join) for full details.

### Some Distinguished Corporate Members of MIS:

- City Developments Ltd
- eXfuzze Malaysia Sdn Bhd
- F&N Foods Pte Ltd
- Far East Management Pte Ltd
- Fei Yue Community Services
- Kerry Ingredients (S) Pte Ltd
- Kohler Singapore Pte Ltd
- Mapletree Facilities Services Pte Ltd
- Media Labs Innovation Pte Ltd
- Milliken Asia Pte Ltd
- Mothercare (S) Pte Ltd
- MSD Pharma (Singapore) Pte Ltd
- National Trades Union Congress
- Panasonic Asia Pacific Pte Ltd
- Pico Electronics (S) Pte Ltd
- Republic Polytechnic
- Royal Plaza on Scotts
- SAFRA National Service Association
- Samsung Asia Pte Ltd
- Singapore Press Holdings Ltd
- Singapore Telecommunications Ltd
- Singapore University of Technology and Design
- Sony Electronics Asia Pacific Pte Ltd
- Specialist Dental Group
- The Esplanade Co Ltd
- Thomson Reuters
- Tickled Media Pte Ltd
- Volvo East Asia Pte Ltd

*... and more!*

### CATEGORIES OF MIS MEMBERSHIP AND ELIGIBILITY

CATEGORY	ELIGIBILITY
Corporate (CMIS)	Any company, association or body of persons, corporate or unincorporate, that engages in the practice or teaching of marketing or any allied field or such other entities as approved by the Executive Council.
Ordinary (MMIS)	Any Singaporean, permanent resident or foreign citizen with more than 3 years of working or business experience in marketing or any other related business disciplines or has at least a diploma (or equivalent) in marketing or any other related disciplines as determined by MIS.
Fellow (FMIS)	Fellow status is conferred by the Executive Council on Ordinary members who have achieved eminence in the practice of marketing management.
Honorary Fellow FMIS (Hon)	Honorary Fellow status is conferred by the Executive Council on distinguished individuals or individuals who have made significant contributions in the field of marketing. To date, the Institute has conferred Honorary Fellow status on 26 outstanding marketers.



### FOR MEMBERSHIP ENQUIRIES

- 🌐 [www.mis.org.sg/membership](http://www.mis.org.sg/membership)
- ✉ [membership@mis.org.sg](mailto:membership@mis.org.sg)
- ☎ 6327 7581 / 582 / 583

51 Anson Road #03-53 Anson Centre Singapore 079904



# Contact details

## Our offices



## Contact us


For enquiries, please contact:


### Samir Dixit


Managing Director  
Brand Finance Asia Pacific  
[s.dixit@brandfinance.com](mailto:s.dixit@brandfinance.com)  
+65 6408 3377

### Bernard Lee

Senior Manager  
Brand Finance Asia Pacific  
[b.lee@brandfinance.com](mailto:b.lee@brandfinance.com)  
+65 6408 3378

 [linkedin.com/company/brand-finance/](https://www.linkedin.com/company/brand-finance/)

 [facebook.com/brandfinance](https://www.facebook.com/brandfinance)

 [twitter.com/brandfinance](https://twitter.com/brandfinance)

Country	Contact	Email address
Argentina	Pablo Bolino	<a href="mailto:p.bolino@brandfinance.com">p.bolino@brandfinance.com</a>
Australia	Mark Crowe	<a href="mailto:m.crowe@brandfinance.com">m.crowe@brandfinance.com</a>
Brazil	Geoffrey Hamilton-Jones	<a href="mailto:g.hamilton-jones@brandfinance.com">g.hamilton-jones@brandfinance.com</a>
Canada	Bryn Anderson	<a href="mailto:b.anderson@brandfinance.com">b.anderson@brandfinance.com</a>
Caribbean	Nigel Cooper	<a href="mailto:n.cooper@brandfinance.com">n.cooper@brandfinance.com</a>
China	Eric Ke	<a href="mailto:e.ke@brandfinance.com">e.ke@brandfinance.com</a>
Central America	Rajesh Ingle	<a href="mailto:r.ingle@brandfinance.com">r.ingle@brandfinance.com</a>
East Africa	Jawad Jaffer	<a href="mailto:j.jaffer@brandfinance.co.ke">j.jaffer@brandfinance.co.ke</a>
France	Luc Bardin	<a href="mailto:l.bardin@brandfinance.com">l.bardin@brandfinance.com</a>
Germany	Dr. Holger Mühlbauer	<a href="mailto:h.muehlbauer@brandfinance.com">h.muehlbauer@brandfinance.com</a>
Greece	Ioannis Lionis	<a href="mailto:i.lionis@brandfinance.com">i.lionis@brandfinance.com</a>
Holland	Marc Cloosterman	<a href="mailto:m.cloosterman@brandfinance.com">m.cloosterman@brandfinance.com</a>
India	Ajimon Francis	<a href="mailto:a.francis@brandfinance.com">a.francis@brandfinance.com</a>
Indonesia	Jimmy Halim	<a href="mailto:j.halim@brandfinance.com">j.halim@brandfinance.com</a>
Italy	Massimo Pizzo	<a href="mailto:m.pizzo@brandfinance.com">m.pizzo@brandfinance.com</a>
Middle East	Andrew Campbell	<a href="mailto:a.campbell@brandfinance.com">a.campbell@brandfinance.com</a>
Nigeria	Tunde Odumeru	<a href="mailto:t.odumeru@brandfinance.com">t.odumeru@brandfinance.com</a>
New Zealand	Jai Basrur	<a href="mailto:j.basrur@brandfinance.com">j.basrur@brandfinance.com</a>
Portugal	Joao Baluarte	<a href="mailto:j.baluarte@brandfinance.com">j.baluarte@brandfinance.com</a>
Russia	Alex Eremenko	<a href="mailto:a.eremenko@brandfinance.com">a.eremenko@brandfinance.com</a>
Singapore	Samir Dixit	<a href="mailto:s.dixit@brandfinance.com">s.dixit@brandfinance.com</a>
South Africa	Oliver Schmitz	<a href="mailto:o.schmitz@brandfinance.com">o.schmitz@brandfinance.com</a>
Spain	Pedro Tavares	<a href="mailto:p.tavares@brandfinance.com">p.tavares@brandfinance.com</a>
Sri Lanka	Ruchi Gunewardene	<a href="mailto:r.gunewardene@brandfinance.com">r.gunewardene@brandfinance.com</a>
Turkey	Muhterem Ilguner	<a href="mailto:m.ilguner@brandfinance.com">m.ilguner@brandfinance.com</a>
UK	Bryn Anderson	<a href="mailto:b.anderson@brandfinance.com">b.anderson@brandfinance.com</a>
USA	Ken Runkel	<a href="mailto:k.runkel@brandfinance.com">k.runkel@brandfinance.com</a>
Vietnam	Lai Tien Manh	<a href="mailto:m.lai@brandfinance.com">m.lai@brandfinance.com</a>

# Understand Your Brand's Value



## A League Table Report provides a complete breakdown of the methodology, 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. A full report includes the following sections which can also be purchased individually.

### Brand Valuation Summary

Overview of the brand valuation including executive summary, explanation of changes in brand value and historic and peer group comparisons.

- + Internal understanding of brand
- + Brand value tracking

## Royalty Rates

Analysis of competitor royalty rates, industry royalty rate ranges and margin analysis used to determine brand specific royalty rate.

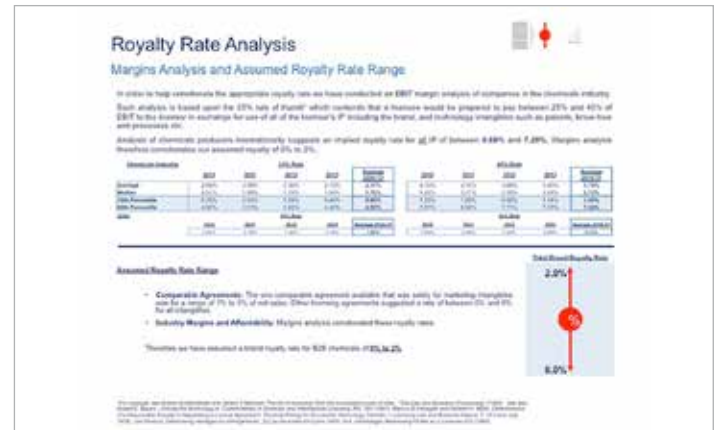
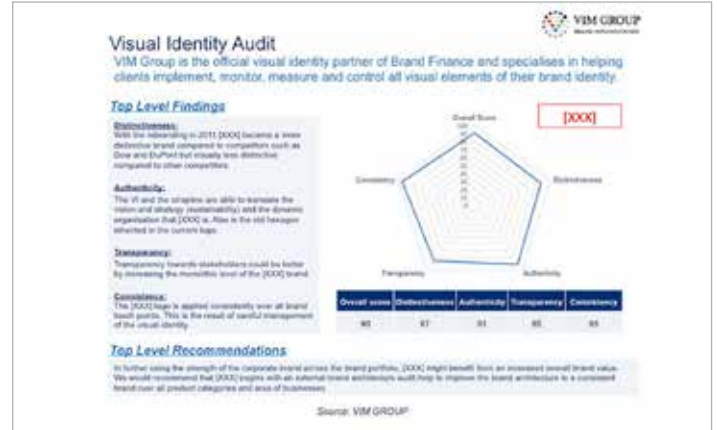
- + Licensing/ franchising negotiation
- + International licensing
- + Competitor benchmarking

## Cost of Capital

A breakdown of the cost of capital calculation, including risk free rates, brand debt risk premiums and the cost of equity through CAPM.

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

# Understand Your Brand's Value



## Trademark Audit

Analysis of the current level of protection for the brands word marks and trademark iconography highlighting areas where the marks are in need of protection.

- + Highlight unprotected marks
- + Spot potential infringement
- + Trademark registration strategy

For more information regarding our League Table Reports and business enquiry, please contact:

**Samir Dixit**  
Managing Director  
Brand Finance Asia Pacific


[s.dixit@brandfinance.com](mailto:s.dixit@brandfinance.com)  
**+65 6408 3377**

**Bernard Lee**  
Senior Manager  
Brand Finance Asia Pacific

[b.lee@brandfinance.com](mailto:b.lee@brandfinance.com)  
**+65 6408 3378**



Bridging the gap between  
Marketing and Finance™

A photograph of the Golden Gate Bridge in San Francisco at dusk. The bridge's towers and cables are illuminated with warm lights, and the city skyline is visible in the background under a purple and orange sky.

**At Brand Finance we focus on  
measuring companies' intangible  
value and helping them to grow it.**

---

**Valuation**

---

**Analytics**

---

**Strategy**

---

**Transactions**

---

Brand Finance plc, the world's leading independent brand valuation and business strategy consultancy, has a global footprint with over 20 offices worldwide.

Our services complement and support each other, resulting in robust valuations underpinned by an in-depth understanding of revenue drivers and licensing practice.

Brand Finance is one of the few companies that has the ISO 10668 certification for valuation services. Our work is frequently peer reviewed by the large audit firms and is well recognized by the tax authorities and government bodies worldwide.

[www.brandfinance.com](http://www.brandfinance.com)

## Contact us.

---

**The World's Leading Independent Valuation and Strategy Consultancy**

**T:** +65 6408 3377

**E:** [bfs@brandfinance.com](mailto:bfs@brandfinance.com)

[www.brandfinance.com](http://www.brandfinance.com)