



Food & Drink 2019

The annual report on the most valuable and strongest food and soft drink brands
July 2019

Contents.

About Brand Finance	4
Get in Touch	4
Request Your Brand Value Report	5
Foreword	6
Executive Summary	8
Brand Finance Food 50 (USD m)	14
Brand Finance Soft Drinks 25 (USD m)	15
Definitions	16
Brand Valuation Methodology	18
Market Research Methodology	19
Stakeholder Equity Measures	19
Consulting Services	20
Brand Evaluation Services	21
Communications Services	22
Brand Finance Network	24

About Brand Finance.

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

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

We pride ourselves on four key strengths:

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

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

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



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Request Your Brand Value Report.

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

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

What is a Brand Value Report?

Brand Valuation Summary

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

Brand Strength Index

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

Royalty Rates

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

Cost of Capital

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

Customer Research

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

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

enquiries@brandfinance.com

What are the benefits of a Brand Value Report?



Insight



Strategy



Benchmarking



Education



Communication



Understanding

Foreword.



David Haigh
CEO, Brand Finance

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

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

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

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

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

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

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

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

Always Coca-Cola: World's Favourite Soda Tops Brand Ranking.

- + Coca-Cola retains title as most valuable soft drink brand, bubbling up 19% to US\$36.2 billion, while Pepsi's brand value decreased by 8%
- + Nestlé dominates as most valuable food brand and boasts world's largest food & drink brand portfolio, breaking the US\$70 billion mark
- + Corporate brands take a hit: Kraft, Unilever, and Heinz all drop in brand value
- + China's Yili remains most valuable dairy brand in Asia and on the global stage closes gap behind Danone, following impressive 24% increase in brand value
- + Quaker is fastest-growing food brand in the top 50, rising a remarkable 57%, while Chinese brands Haitian and Want Want storm up the ranking

Executive Summary.



American drinks giant, **Coca-Cola**, retains its position as the world's most valuable soft drinks brand after recording a 19% increase in brand value to US\$36.2 billion. The brand has further widened its lead, as second-placed **Pepsi** suffers an 8% drop in brand value to US\$18.5 billion.

Aside from calculating overall brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. According to these criteria, Coca-Cola is the world's strongest brand across the food and non-alcoholic drink sectors with a Brand Strength Index (BSI) score of 89.9 out of 100 and a corresponding AAA+ brand strength rating.





















With a rich 127-year long history, Coca-Cola is still the most consumed soda in the world, with a staggering 1.9 billion servings, across 200 countries, enjoyed each day. The brand's recent success can largely be attributed to the uplift in sales of Diet Coke, following a slump lasting several years, as a result of successful marketing and rebranding campaigns.

As with all soda brands across the sector, Coca-Cola has had to contend with the perpetual decline in sales, which have fallen every year in the US since 2004, as well as the issues arising from the increase in health-conscious consumers and governments imposing taxes on sugar-laden products.





















The soft drinks sector is facing scrutiny like never before in the Western world. From high sugar content causing a stir, to the backlash over single-use plastic, brands are having to think fast to meet changing needs and circumstances. Although Coca-Cola always has its sheer volume of sales to rely on, the brand needs to evolve with society if it wants to maintain its dominance in the sector.

David Haigh
CEO, Brand Finance

Top 10 Most Valuable Food Brands

	1	← 1		2019: \$19,644m 2018: \$19,370m	+1.4%
	2	← 2		2019: \$8,148m 2018: \$9,098m	-10.4%
	3	← 3		2019: \$7,659m 2018: \$6,158m	+24.4%
	4	↑ 5		2019: \$6,703m 2018: \$5,457m	+22.8%
	5	↓ 4		2019: \$6,481m 2018: \$5,700m	+13.7%
	6	↑ 13		2019: \$4,994m 2018: \$3,446m	+44.9%
	7	← 7		2019: \$4,751m 2018: \$4,786m	-0.7%
	8	↑ 12		2019: \$4,699m 2018: \$3,657m	+28.5%
	9	↑ 11		2019: \$4,675m 2018: \$3,736m	+25.1%
	10	↓ 6		2019: \$4,549m 2018: \$4,885m	-6.9%

Top 10 Most Valuable Soft Drink Brands

	1	← 1		2019: \$36,188m 2018: \$30,378m	+19.1%
	2	← 2		2019: \$18,520m 2018: \$20,035m	-7.6%
	3	← 3		2019: \$8,702m 2018: \$7,641m	+13.9%
	4	← 4		2019: \$5,943m 2018: \$5,316m	+11.8%
	5	↑ 6		2019: \$5,480m 2018: \$4,419m	+24.0%
	6	↓ 5		2019: \$4,198m 2018: \$4,922m	-14.7%
	7	← 7		2019: \$4,022m 2018: \$3,669m	+9.6%
	8	↑ 9		2019: \$3,624m 2018: \$3,328m	+8.9%
	9	↑ 11		2019: \$3,548m 2018: \$2,563m	+38.4%
	10	↑ 12		2019: \$2,838m 2018: \$2,544m	+11.6%



Nestlé boasts most valuable portfolio

Once again, Switzerland’s **Nestlé** tops the food ranking, although its brand value increased by just 1% year on year to US\$19.6 billion. The brand celebrated a boost in organic growth, following stronger performances in the brand’s two largest markets, China and the US. The brand continually strives towards greater product innovation in order to meet the ever-changing consumer trends and has successfully capitalised on the popular vegan and vegetarian movements. Nestlé has also recently bought the rights to sell its products under the Starbucks brand name, opening up vast opportunities globally through Starbuck’s immense power as the world’s biggest coffee chain company.

When looking at the brand portfolios across the food and drinks sector, Nestlé’s portfolio is the most valuable with a combined brand value of US\$70.5 billion, up 11% on the previous year.

Corporate brands take a hit








Corporate brands **Kraft** (down 7% to US\$4.5 billion), **Unilever** (down 5% to US\$4.2 billion), and **Heinz** (down 14% to US\$3.3 billion) have all suffered from a decline in brand values, with Unilever and Heinz falling out of the top 10 in the food ranking.

Following The Kraft Heinz Company’s failed acquisition of Unilever in 2017, Kraft has undertaken











Top 3 Dairy Brands - Brand Potential

	 Yili	 Mengniu	 Dairyland
Rank	1	2	3
Analyst Recommendation	96.8	90.6	70.9
Forecast Revenue Growth	100.0	100.0	99.1
Forecast Margin	71.4	60.9	66.0
Brand Potential	89.4	83.9	78.7

Food 50 - Brand Value by Country

Country	Brand Value (USD bn)	% of total
 United States	59.4	34.4%
 China	24.8	14.4%
 Switzerland	23.1	13.4%
 Italy	11.1	6.4%
 Canada	8.7	5.0%
 France	8.1	4.7%
 Others	37.4	21.7%
Total	172.6	100.0%

Top 10 Most Valuable Dairy Brands

	1 ← 1 	2019: \$8,148m 2018: \$9,098m	-10.4%
	2 ← 2 	2019: \$7,659m 2018: \$6,158m	+24.4%
	3 ← 3 	2019: \$4,994m 2018: \$3,446m	+44.9%
	4 ← 4 	2019: \$3,423m 2018: \$3,425m	-0.0%
	5 ← 5 	2019: \$2,487m 2018: \$2,496m	-0.3%
	6 ↑ 8 	2019: \$2,206m 2018: \$1,961m	+12.5%
	7 ↓ 6 	2019: \$2,184m 2018: \$2,264m	-3.5%
	8 — NEW 	2019: \$2,175m 2018: -	-
	9 ↓ 7 	2019: \$2,161m 2018: \$2,026m	+6.7%
	10 — NEW 	2019: \$1,976m 2018: -	-

aggressive cost-cutting measures, resulting in significant loss of revenue. Unilever, faring better than Kraft following the failed takeover, has faced scrutiny from stakeholders amid the now-abandoned plans to move its HQ to the Netherlands.

Yili – crème de la crème of Asian dairy

Dairy brands **Danone** and **Yili** claim second and third place in the food ranking respectively and top the dairy ranking.

After recording an impressive 24% increase in brand value to US\$7.7 billion, Yili has closed the gap considerably with Danone, after the French giant suffered a 10% loss in brand value to US\$8.1 billion.

Asia’s most valuable dairy brand for 4 years running, Yili has relentlessly committed to its global expansion programme and, despite losing out to French dairy manufacturer Lactalis to acquire Danone’s subsidiary Stonyfield, has successfully bought Thailand’s Chomthana. The brand shows no signs of slowing down with the recently announced acquisition of New Zealand’s second largest dairy producer.

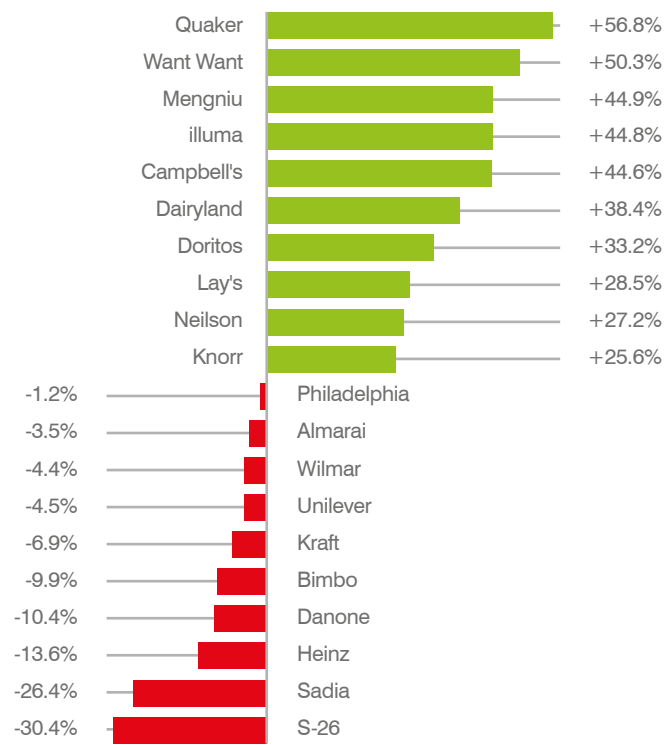
These moves are all key steps towards the brand’s ambition of building a global network beyond its domestic market, targeting 2 billion consumers at home and abroad by 2020.

Yili has also retained the highest brand potential score in the dairy ranking, highlighting the vast future growth opportunities for the brand. Yili prides itself on being highly innovative within the sector, and in 2018 it upgraded its R&D Innovation Centre in Europe and opened the doors to a new state-of-the-art facility in the Netherlands. Yili considers its innovation strategy to be the core power for its brand growth in the future.

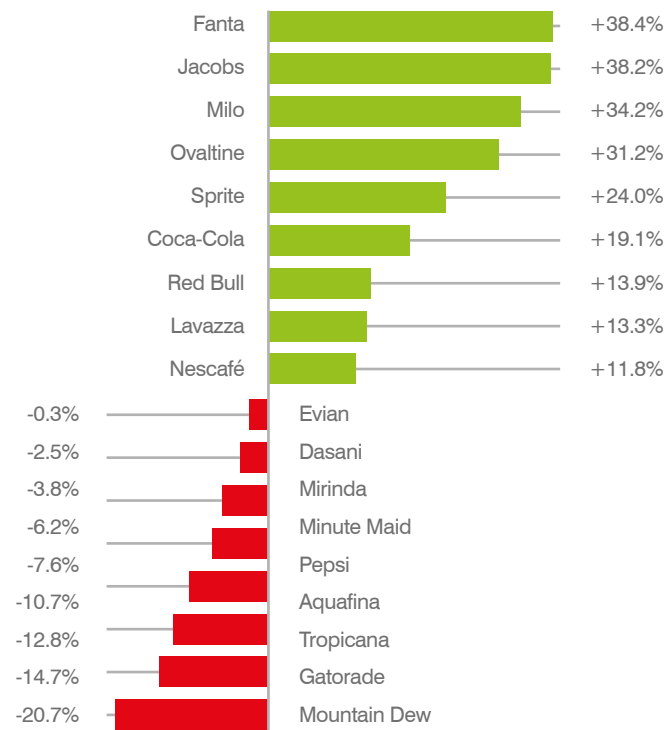
Fellow Chinese brand, **Mengniu**, has also recorded a significant increase in brand value (up 45% to US\$5.0 billion) and has entered the top 10 in the food ranking for the first time.

Both Yili and Mengniu have benefitted from the boom in the Chinese dairy market, which is currently on track to overtake the US as the world’s largest dairy market.

Food 50 - BV Change 2018-19 (%)



Soft Drinks 25 - BV Change 2018-19 (%)



Ones to watch

Across the sector there are some standout brands that have either entered the rankings for the first time or have recorded significant growth in brand value.

Canada's **McCain** has entered the food top 10 for the first time (up 25% to US\$4.7 billion). A global leader in the frozen food market, the brand has expanded several of its flagship plants in order to meet growing demand. McCain has also widened its global footprint, acquiring a 49% stake in Brazil's Forno de Minas.

PepsiCo-owned porridge brand **Quaker** is the sector's fastest-growing, recording an impressive 57% increase in brand value to US\$3.0 billion. Expanding beyond traditional porridge, Quaker has managed to take the humble oat and launch a wide variety of new products, including flavoured oats and overnight oats. The brand did however hit the headlines when traces of a cancer-linked weed killer were found in its products.

Chinese brands **Haitian** (brand value US\$3.3 billion) and **Want Want** (up 50% to US\$3.0 billion) are also standout brands in the ranking. Haitian, the highest new entry into the food ranking in 16th position, is a leading brand in the Chinese condiment and sauce industry and has emerged as a brand to watch following the brand's exploitation of the booming Chinese catering industry. Want Want is one of the fastest-growing brands this year. It has expanded its point of sales, now utilising the vending machine channel to supplement its online and offline offering.

Soft Drinks 25 - Brand Value by Country

Country	Brand Value (USD bn)	% of total
United States	84.1	72.9%
Austria	8.7	7.5%
Switzerland	7.0	6.1%
United Kingdom	5.3	4.6%
Germany	4.9	4.3%
Australia	1.4	1.3%
Others	3.8	3.3%
Total	115.4	100.0%



Largest Portfolios

Recording a better performance than its flagship brand, **PepsiCo** has retained its position as the second most valuable food and drink portfolio, following a 7% increase in total brand value to US\$58.9 billion. A lot of its brand portfolio growth is coming from food brands. In soft drinks, in turn, PepsiCo's strategy has been to widen its offering to include more flavours and to offer low-calorie alternatives to all its major drinks.

PepsiCo acquired Israel-based Sodastream, the brand that produces the machinery which allows consumers to make their own carbonated drinks, for US\$3.2 billion last year. This deal has widened PepsiCo's reach enormously, going beyond the bottle into consumer's homes.

The Coca-Cola Company, sitting in third, has seen a 19% jump in its portfolio's brand value to US\$53.6 billion, further closing the gap behind PepsiCo. In 2018, Coca-Cola bought British coffeehouse brand Costa Coffee from Whitbread, launching Coca-Cola as the biggest coffee shop owner in the UK with 4,000 shops in its portfolio.

Coca-Cola's ambition to evolve into a total beverage company, moving beyond soda, is well underway with acquisitions completed of the Australian kombucha maker, Organic & Raw Trading Co, and through pipeline launch plans of the company's first alcoholic and energy drinks.

Top 10 Most Valuable Food & Drink Portfolios

	1 ← 1	2019: \$70,462m 2018: \$63,226m +11.4%
	2 ← 2	2019: \$58,920m 2018: \$55,067m +7.0%
	3 ← 3	2019: \$53,633m 2018: \$45,030m +19.1%
	4 ← 4	2019: \$42,245m 2018: \$44,164m -4.3%
	5 ← 5	2019: \$21,772m 2018: \$21,296m +2.2%
	6 ← 6	2019: \$20,281m 2018: \$19,225m +5.5%
	7 ← 7	2019: \$18,322m 2018: \$16,728m +9.5%
	8 ← 8	2019: \$15,730m 2018: \$15,074m +4.4%
	9 — NEW	2019: \$12,059m 2018: \$8,355m +44.3%
	10 ↓ 9	2019: \$11,359m 2018: \$10,063m +12.9%

Brand Finance

Food 50 (USD m).

Top 50 most valuable food brands

2019 Rank	2018 Rank	Brand	Country	2019 Brand Value	Brand Value Change	2018 Brand Value	2019 Brand Rating	2018 Brand Rating
1	1	↔ Nestlé	Switzerland	19,644	+1.4%	19,370	AAA-	AAA-
2	2	↔ Danone	France	8,148	-10.4%	9,098	AAA-	AA+
3	3	↔ Yili	China	7,659	+24.4%	6,158	AAA-	AAA-
4	5	⬆ Kellogg's	United States	6,703	+22.8%	5,457	AA+	AAA-
5	4	⬇ Tyson	United States	6,481	+13.7%	5,700	AA-	AA
6	13	⬆ Mengniu	China	4,994	+44.9%	3,446	AA	AA+
7	7	↔ Wrigley's	United States	4,751	-0.7%	4,786	AA-	AA-
8	12	⬆ Lay's	United States	4,699	+28.5%	3,657	AAA-	AAA-
9	11	⬆ McCain	Canada	4,675	+25.1%	3,736	AA	AA+
10	6	⬇ Kraft	United States	4,549	-6.9%	4,885	AAA-	AAA-
11	8	⬇ Unilever	United Kingdom	🔒	🔒	🔒	🔒	🔒
12	16	⬆ Kinder	Italy	🔒	🔒	🔒	🔒	🔒
13	14	⬆ Arla	Denmark	🔒	🔒	🔒	🔒	🔒
14	9	⬇ Heinz	United States	🔒	🔒	🔒	🔒	🔒
15	17	⬆ Master Kong	China	🔒	🔒	🔒	🔒	🔒
16	-	New Haitian	China	🔒	🔒	🔒	🔒	🔒
17	24	⬆ Campbell's	United States	🔒	🔒	🔒	🔒	🔒
18	15	⬇ Uni-President	Taiwan	🔒	🔒	🔒	🔒	🔒
19	19	↔ Oscar Mayer	United States	🔒	🔒	🔒	🔒	🔒
20	29	⬆ Want Want	China	🔒	🔒	🔒	🔒	🔒
21	35	⬆ Quaker	United States	🔒	🔒	🔒	🔒	🔒
22	22	↔ Hershey's	United States	🔒	🔒	🔒	🔒	🔒
23	-	New Barilla	Italy	🔒	🔒	🔒	🔒	🔒
24	18	⬇ Wilmar	Singapore	🔒	🔒	🔒	🔒	🔒
25	25	↔ Ferrero	Italy	🔒	🔒	🔒	🔒	🔒
26	10	⬇ S-26	United States	🔒	🔒	🔒	🔒	🔒
27	-	New Shineway	China	🔒	🔒	🔒	🔒	🔒
28	21	⬇ Amul	India	🔒	🔒	🔒	🔒	🔒
29	32	⬆ Knorr	Germany	🔒	🔒	🔒	🔒	🔒
30	27	⬇ Mars	United States	🔒	🔒	🔒	🔒	🔒
31	33	⬆ Cadbury	United Kingdom	🔒	🔒	🔒	🔒	🔒
32	30	⬇ Yakult	Japan	🔒	🔒	🔒	🔒	🔒
33	34	⬆ Kikkoman	Japan	🔒	🔒	🔒	🔒	🔒
34	23	⬇ Almarai	Saudi Arabia	🔒	🔒	🔒	🔒	🔒
35	41	⬆ Dairyland	Canada	🔒	🔒	🔒	🔒	🔒
36	28	⬇ Yoplait	United States	🔒	🔒	🔒	🔒	🔒
37	31	⬇ Enfamil	United States	🔒	🔒	🔒	🔒	🔒
38	37	⬇ Ajinomoto	Japan	🔒	🔒	🔒	🔒	🔒
39	-	New Olivoila	Vietnam	🔒	🔒	🔒	🔒	🔒
40	49	⬆ illuma	Hong Kong	🔒	🔒	🔒	🔒	🔒
41	20	⬇ Sadia	Brazil	🔒	🔒	🔒	🔒	🔒
42	40	⬇ Hormel	United States	🔒	🔒	🔒	🔒	🔒
43	-	New Parmalat	Italy	🔒	🔒	🔒	🔒	🔒
44	26	⬇ Bimbo	Mexico	🔒	🔒	🔒	🔒	🔒
45	46	⬆ Doritos	United States	🔒	🔒	🔒	🔒	🔒
46	38	⬇ Philadelphia	United States	🔒	🔒	🔒	🔒	🔒
47	47	↔ Neilson	Canada	🔒	🔒	🔒	🔒	🔒
48	36	⬇ Vinamilk	Vietnam	🔒	🔒	🔒	🔒	🔒
49	-	New Cheetos	United States	🔒	🔒	🔒	🔒	🔒
50	-	New Barry Callebaut	Switzerland	🔒	🔒	🔒	🔒	🔒











Brand Finance

Soft Drinks 25 (USD m).











Top 25 most valuable soft drink brands

2019 Rank	2018 Rank	Brand	Country	2019 Brand Value	Brand Value Change	2018 Brand Value	2019 Brand Rating	2018 Brand Rating
1	1	↔ Coca-Cola	United States	\$36,188	+19.1%	\$30,378	AAA+	AAA
2	2	↔ Pepsi	United States	\$18,520	-7.6%	\$20,035	AAA	AAA
3	3	↔ Red Bull	Austria	\$8,702	+13.9%	\$7,641	AAA	AAA
4	4	↔ Nescafé	Switzerland	\$5,943	+11.8%	\$5,316	AAA-	AAA-
5	6	⬆ Sprite	United States	\$5,480	+24.0%	\$4,419	AAA	AAA-
6	5	⬇ Gatorade	United States	\$4,198	-14.7%	\$4,922	AAA-	AAA-
7	7	↔ Monster	United States	\$4,022	+9.6%	\$3,669	AA	AA
8	9	⬆ Dr Pepper	United States	\$3,624	+8.9%	\$3,328	AAA-	AA+
9	11	⬆ Fanta	Germany	\$3,548	+38.4%	\$2,563	AAA-	AAA-
10	12	⬆ Lipton	United Kingdom	\$2,838	+11.6%	\$2,544	AA+	AA+
11	8	⬇ Mountain Dew	United States	🔒	🔒	🔒	🔒	🔒
12	13	⬆ 7-Up	United States	🔒	🔒	🔒	🔒	🔒
13	10	⬇ Tropicana	United States	🔒	🔒	🔒	🔒	🔒
14	14	↔ Folgers	United States	🔒	🔒	🔒	🔒	🔒
15	15	↔ Twinings	United Kingdom	🔒	🔒	🔒	🔒	🔒
16	20	⬆ Milo	Australia	🔒	🔒	🔒	🔒	🔒
17	17	↔ Lavazza	Italy	🔒	🔒	🔒	🔒	🔒
18	22	⬆ Jacobs	Germany	🔒	🔒	🔒	🔒	🔒
19	16	⬇ Evian	France	🔒	🔒	🔒	🔒	🔒
20	18	⬇ Mirinda	Spain	🔒	🔒	🔒	🔒	🔒
21	24	⬆ Ovaltine	Switzerland	🔒	🔒	🔒	🔒	🔒
22	21	⬇ Minute Maid	United States	🔒	🔒	🔒	🔒	🔒
23	19	⬇ Aquafina	United States	🔒	🔒	🔒	🔒	🔒
24	23	⬇ Dasani	United States	🔒	🔒	🔒	🔒	🔒
25	25	↔ Nespresso	Switzerland	🔒	🔒	🔒	🔒	🔒

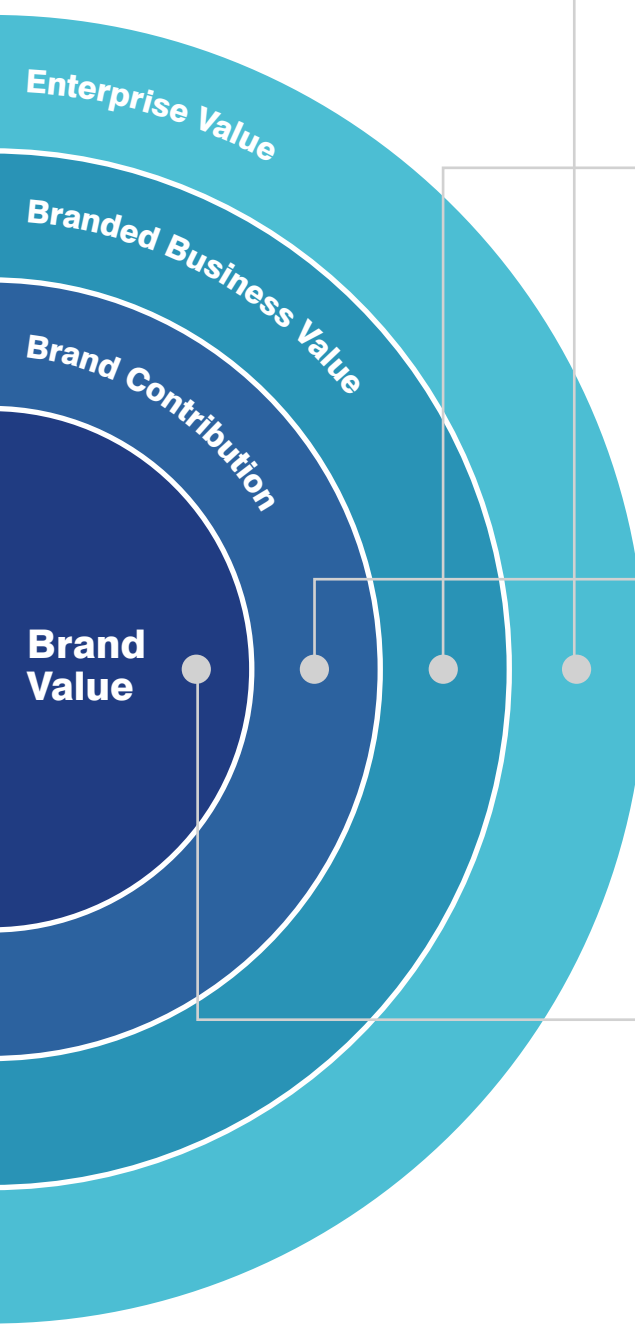
Top 5 Strongest Food Brands

	1 ⬆ 14	
	2019: 85.2 AAA 2018: 78.9 AA+	+6.4
	2 ⬇ 1	
	2019: 83.4 AAA- 2018: 83.4 AAA-	-0.1
	3 ↔ 3	
	2019: 83.3 AAA- 2018: 82.1 AAA-	+1.3
	4 ↔ 4	
	2019: 82.2 AAA- 2018: 82.0 AAA-	+0.2
	5 ⬆ 23	
	2019: 82.2 AAA- 2018: 74.6 AA+	+7.6

Top 5 Strongest Soft Drink Brands

	1 ↔ 1	
	2019: 89.9 AAA+ 2018: 89.3 AAA	+0.6
	2 ⬆ 3	
	2019: 87.3 AAA 2018: 84.6 AAA	+2.7
	3 ⬇ 2	
	2019: 86.4 AAA 2018: 85.1 AAA	+1.4
	4 ⬆ 6	
	2019: 86.1 AAA 2018: 85.7 AAA	+0.4
	5 ⬆ 7	
	2019: 84.7 AAA 2018: 81.7 AAA-	+2.9

Definitions.



Brand Value

MARS [Mars]	+ Enterprise Value The value of the entire enterprise, made up of multiple branded businesses. Where a company has a purely mono-branded architecture, the 'enterprise value' is the same as 'branded business value'.
WRIGLEY A Subsidiary of Mars, Incorporated [Wrigley]	+ Branded Business Value The value of a single branded business operating under the subject brand. A brand should be viewed in the context of the business in which it operates. Brand Finance always conducts a branded business valuation as part of any brand valuation. We evaluate the full brand value chain in order to understand the links between marketing investment, brand-tracking data, and stakeholder behaviour.
WRIGLEY A Subsidiary of Mars, Incorporated [Wrigley]	+ Brand Contribution The overall uplift in shareholder value that the business derives from owning the brand rather than operating a generic brand. The brand values contained in our league tables are those of the potentially transferable brand assets only, making 'brand contribution' a wider concept. An assessment of overall 'brand contribution' to a business provides additional insights to help optimise performance.
WRIGLEY A Subsidiary of Mars, Incorporated [Wrigley]	+ Brand Value The value of the trade mark and associated marketing IP within the branded business. Brand Finance helped to craft the internationally recognised standard on Brand Valuation – ISO 10668. It defines brand as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

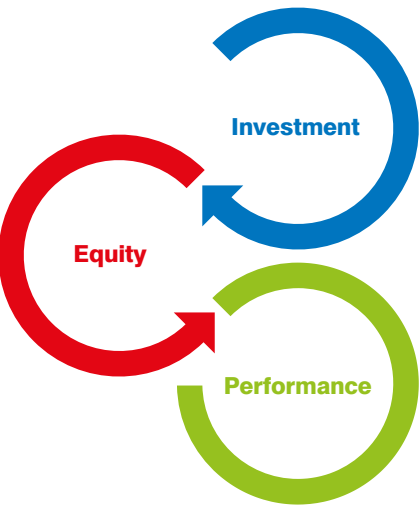
Brand Strength

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

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

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

Brand Strength Index	Marketing Investment	Widely recognised factors deployed by marketers to create brand loyalty and market share.
	Stakeholder Equity	Perceptions of the brand among different stakeholder groups, with customers being the most important.
	Business Performance	Quantitative market and financial measures representing the success of the brand in achieving price and volume premium.



- Marketing Investment**
- A brand that has high Marketing Investment but low Stakeholder Equity may be on a path to growth. This high investment is likely to lead to future performance in Stakeholder Equity which would in turn lead to better Business Performance in the future.
 - However, high Marketing Investment over an extended period with little improvement in Stakeholder Equity would imply that the brand is unable to shape customers' preference.
- Stakeholder Equity**
- The same is true for Stakeholder Equity. If a company has high Stakeholder Equity, it is likely that Business Performance will improve in the future.
 - However, if the brand's poor Business Performance persists, it would suggest that the brand is inefficient compared to its competitors in transferring stakeholder sentiment to a volume or price premium.
- Business Performance**
- Finally, if a brand has a strong Business Performance but scores poorly on Stakeholder Equity, it would imply that, in the future, the brand's ability to drive value will diminish.
 - However, if it is able to sustain these higher outputs, it shows that the brand is particularly efficient at creating value from sentiment compared to its competitors.

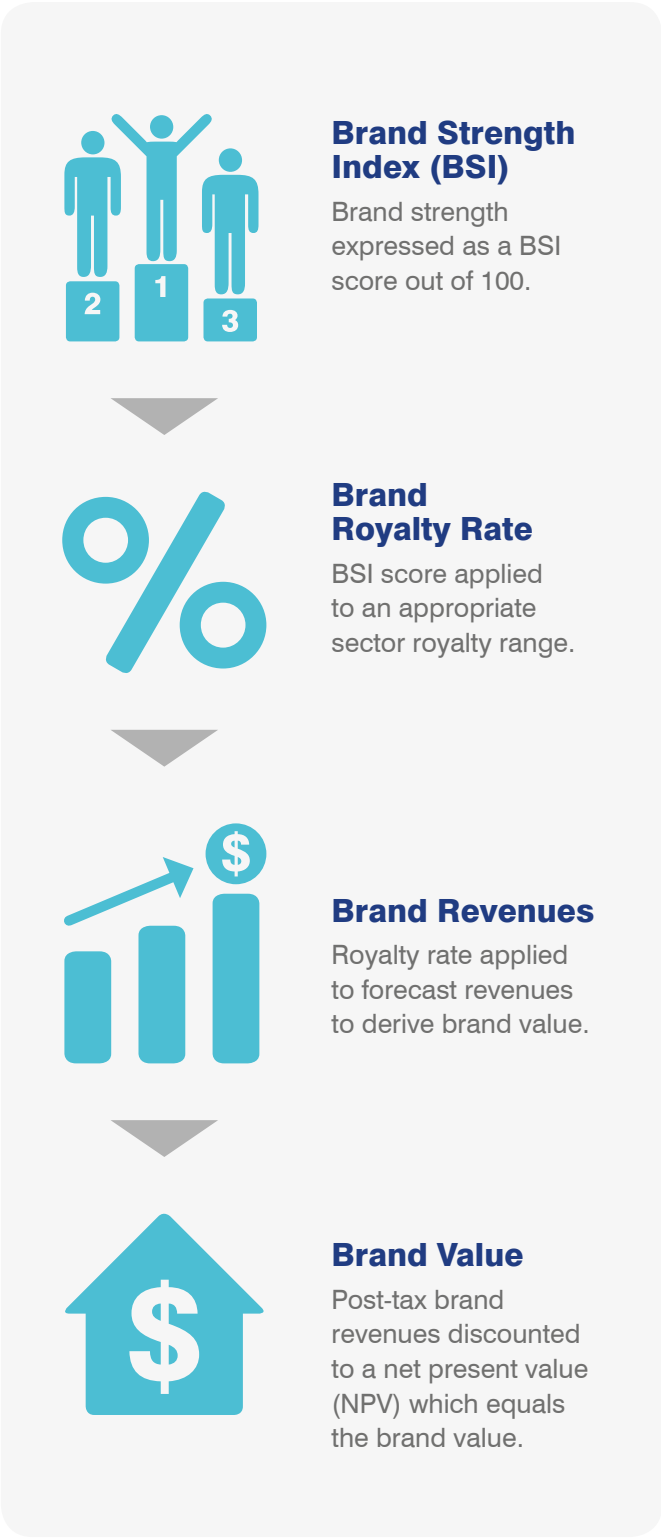
Brand Valuation Methodology.

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

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

The steps in this process are as follows:

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



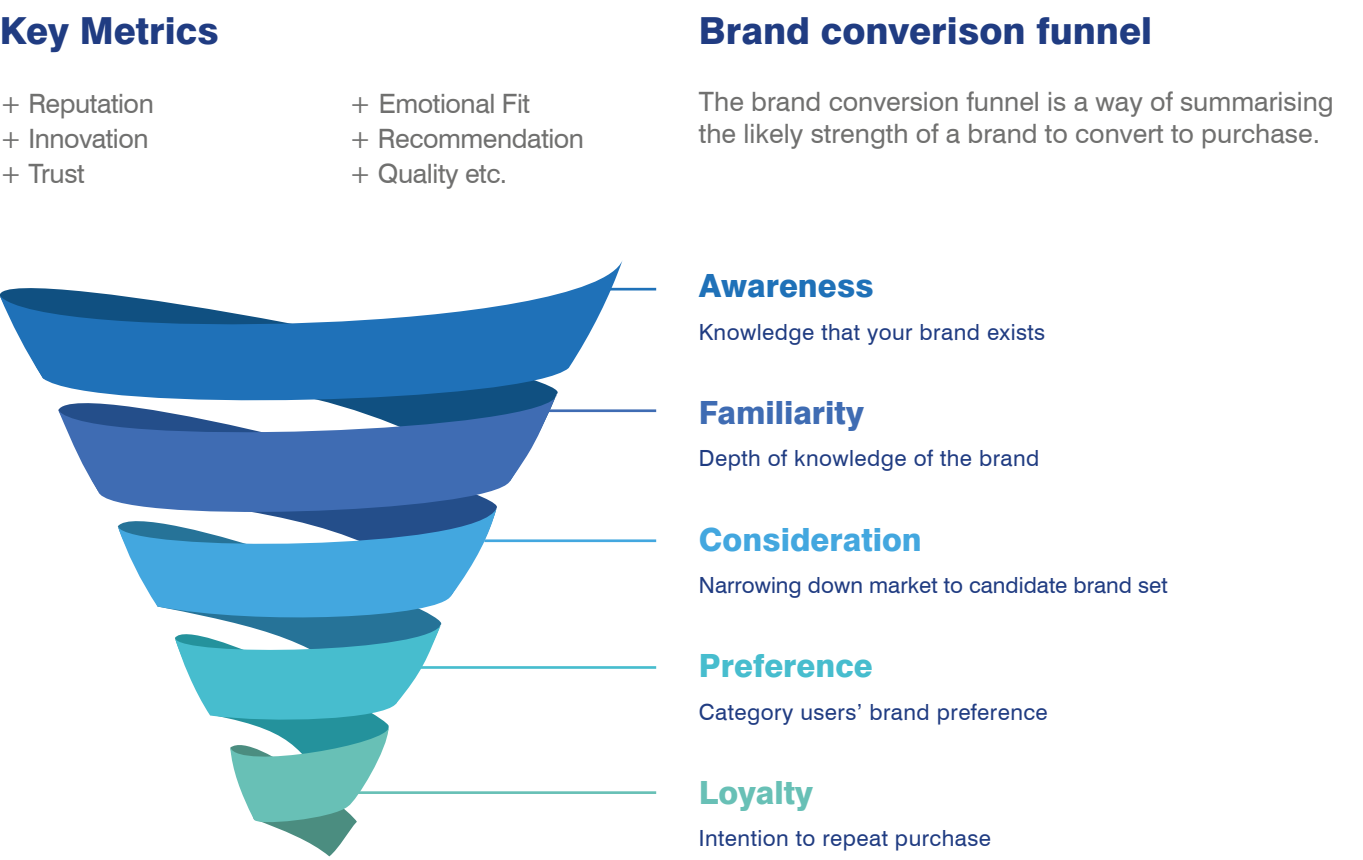
Disclaimer
Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts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

Market Research Methodology.

Brand Finance conducted original market research in 10 sectors across 31 markets with a sample size of over 50,000 adults, representative of each country’s internet population aged 18+. Surveys were conducted online during Autumn 2018.



Stakeholder Equity Measures.



Consulting Services.

1. Valuation: What are my intangible assets worth?

Valuations may be conducted for technical purposes and to set a baseline against which potential strategic brand scenarios can be evaluated.

- + Branded Business Valuation
- + Trademark Valuation
- + Intangible Asset Valuation
- + Brand Contribution

2. Analytics: How can I improve marketing effectiveness?

Analytical services help to uncover drivers of demand and insights. Identifying the factors which drive consumer behaviour allows an understanding of how brands create bottom-line impact.

- Market Research Analytics +
- Return on Marketing Investment +
- Brand Audits +
- Brand Scorecard Tracking +

4. Transactions: Is it a good deal? Can I leverage my intangible assets?

Transaction services help buyers, sellers, and owners of branded businesses get a better deal by leveraging the value of their intangibles.

- + M&A Due Diligence
- + Franchising & Licensing
- + Tax & Transfer Pricing
- + Expert Witness

3. Strategy: How can I increase the value of my branded business?

Strategic marketing services enable brands to be leveraged to grow businesses. Scenario modelling will identify the best opportunities, ensuring resources are allocated to those activities which have the most impact on brand and business value.

- Brand Governance +
- Brand Architecture & Portfolio Management +
- Brand Transition +
- Brand Positioning & Extension +



MARKETING



FINANCE



TAX



LEGAL

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

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

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

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

Brand Evaluation Services.



How are brands perceived in my category?

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

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

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

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

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

How can I improve return on marketing investment?

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

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

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

Communications Services.

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



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



**TOP 50
FOOD
BRAND**



**MOST VALUABLE
FOOD & DRINK
BRAND PORTFOLIO**



**STRONGEST
SOFT DRINK
BRAND**



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



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



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



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



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



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

Brand Dialogue[®]



Value-Based Communications

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

SERVICES

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

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

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