

# Commercial Performance Improvers in:

- Activation & Brand Valuation
- Brand Positioning
- Marketing Efficiency
- Online platforms
- Pre and Post Merger Commercial Integration



## What we know

Strong brands reduces perceived risks in decision making.



It can also reduce volatility and cash flow vulnerability.



A strong brand is trustworthy. It accelerates traction in the market.



*Also: Having negative equity or net losses does not necessarily affect brand equity. Many start-ups and scale-ups manage to navigate these challenges while building a strong brand.*

## A brand valuation enables you to:

- **determine** the monetary value of any brand;
- **monitor** the value of your brand;
- **learn** how to increase brand value;
- **benchmark** with competitive brands.



# For whom is brand valuation interesting?

- Parties that do valuations and/or negotiations for: buyers, sellers, trustees in bankruptcy, quitters, et cetera;
- Marketing departments that want to know what effect their efforts have on the brand they work for;
- Companies and organizations that have acquired brand awareness and want to increase that brand to maximum value within a certain time.

Monitoring brand equity can be done monthly, quarterly, half-yearly or annually.

# Reasons for valuating a brand

## Technical reasons

- For the balance sheet
- Legal proceedings
- Securitization
- Licensing
- Mergers and acquisitions
- Investor relations

## Commercial reasons

- Split profit and loss account per brand (with Brand Architecture)
- Portfolio management
- Marketing strategy
- Budget allocation
- To be able to determine how well a brand scores

# Pillars that affect the value of a brand

## Penetration Rate



**Penetration Rate**, because the size of your realized sales compared to the potential sales says something about the (geographical) reach of brand recognition.

## Growth Rate



**Growth Rate**, because the speed of sales growth says something about brand awareness.

Faster growth means a rapid rise for the brand.

## Churn Rate



**Churn Rate**, because the number of buyers who abandon or return to a brand says something about brand loyalty.

## Proprietorship



**Property Rights** to the brand, as well as patents registered under that brand.

A patent gives the right to exclusive production, sales and distribution.

## Legacy & Image



**Legacy & Image**, because the age of a brand and its image says something about the ability to be present on the market for a certain time.

A rating or score, based on client surveys or online reviews, tells us something about the image of the brand

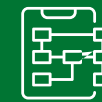
## Client Satisfaction



**Client Satisfaction**, because this says something about customer perception, customer experience and brand loyalty.

A relationship with a loyal customer reduces customer acquisition costs and increases margins.

## Brand Architecture



**Brand Architecture**, as – if the brand in question is part of a brand architecture – the overarching brand's strength or weakness can directly affect the value of that brand.

## Marketing Efficiency Rate



**Marketing Efficiency Rate (MER)**, because this says something about the performance of the marketing efforts made and the investments involved.

*A relationship with a loyal customer reduces customer acquisition costs and increases margins.*

# Method we use and compared to others

	Discount Cash Flow	Relief from Royalty	Premium Pricing	Isolated Brand Valuation <sup>®</sup>
Base	From finance perspective, based on Forecasting Cash Flow (estimation).	From finance perspective, based on Hypothetical Royalty Payments (estimation).	From finance perspective: Comparison with unbranded products (estimation).	From marketing perspective, based on evidence and estimation.
Purpose	Widely used for valuing businesses, projects, or assets by estimating their future cash flows and discounting them to their present value.	Commonly used for valuing intellectual property or intangible assets by estimating the cost savings attributed to owning the asset rather than licensing it.	Focuses on determining the premium or price increase that a buyer might be willing to pay for a product or service due to specific characteristics, advantages, or synergies.	Created to compute the value of a single brand, based on thorough research. To make the most important intangible asset of a company tangible.
Process	Forecasted cash flows are determined, and a discount rate (usually based on the cost of capital) is applied to reflect the time value of money. The present value of these future cash flows represents the estimated value.	Involves determining the hypothetical royalty payments that would be saved by owning the asset internally instead of licensing it. The present value of these cost savings represents the estimated value.	Involves identifying and quantifying the premium associated with unique features, market position, or strategic advantages of the asset. The premium is then added to the baseline market price or value.	Using 12 metrics directly related to one brand and divided over 3 categories: 1. marketing effectivity, loyalty, 2. legacy, propriety and image, 3. financial input and share. The outcome is a substantiated value.
Applicability	DCF is versatile and can be applied to a wide range of assets, including businesses and intellectual property.	This method is particularly relevant when valuing patents, trademarks, or other intellectual property where licensing is a common practice.	It is often used when valuing unique products or services that have a competitive edge, brand recognition, or other differentiating factors.	Used for valuating brands solely, and in cases of M&As, claims, bankruptcies, and marketing depts. monitoring brand value growth.



## References

BDO Accountants	→ Brand valuation in the context of negotiating the separation of two entities
Feenstra	→ Confidential
Jurable	→ Valuation of the brand and website in the context of negotiating with BrandMR
Mister Mortgage	→ Brand valuation for monitoring
Stichting Avans Hogeschool	→ Confidential



Feenstra



Mister  
Mortgage



# Interesting case: D-reizen (D-tours)

Source: [Dutch Newspaper NRC](#), May 6, 2022

The founders of D-reizen (which went bankrupt in 2021) forced a compensation of €450k for the brand rights.

“They could claim compensation because they had pulled off a clever trick. Just before the bankruptcy, April 2021, they transferred the brand rights to a separate entity so that they remained outside the estate.”

## Ex-eigenaren D-reizen krijgen 4,5 ton voor merknaam na schikking met curatoren

**Curatorenverslag** Tussen de oud-eigenaren en de curatoren bestond een conflict over de rechten op de merknaam. Die zou geen deel van de boedel zijn.

👤 Mark Koster ⌚ 6 mei 2022

🕒 Leestijd 2 minuten



## Want to know more? Call Hans!



- 30+ years international experience as Senior Marketing Professional and Consultant at B2B M&As, Tech Scale-ups and S/M/L Enterprises.
- McKinsey, KPMG Consulting and ING Bank alumnus, amongst others.
- 'Getting the job done' is his natural attitude and behavior.
- Founder and owner of Ministry of Marketing (est. 2012).

→ Call Hans!