

# Automotive Industry 2023

The annual report on the most valuable and strongest  
Automobile, Auto Component, Tyre & Mobility brands

March 2023

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# About Brand Finance.

**Brand Finance is the world's leading brand valuation consultancy.**

## We bridge the gap between marketing and finance

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For more than 25 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

## We quantify the financial value of brands

We put thousands of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish over 100 reports annually.

## We offer a unique combination of expertise

Our teams have experience across a wide range of disciplines from marketing and market research, to brand strategy and visual identity, to tax and accounting.

## We pride ourselves on technical credibility

Brand Finance is a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, and the first brand valuation consultancy to join the International Valuation Standards Council.

Our experts helped craft the internationally recognised standards on Brand Valuation – ISO 10668 and Brand Evaluation – ISO 20671. Our methodology has been certified by global independent auditors – Austrian Standards – as compliant with both, and received the official approval of the Marketing Accountability Standards Board.



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-  Education
-  Communication
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- + Browse thousands of published brand values
- + Track brand value, strength, and rating across publications and over time
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# Brand Finance Group.



**Brand Finance®  
Institute**

## Brand Finance Institute

Brand Finance Institute is the educational division of Brand Finance, whose purpose is to create and foster a professional environment for knowledge-sharing and networking among practitioners and experts in the market. BFI organises events, in-company training, and corporate educational initiatives around the world. In the quest for marketing excellence and with the purpose to equip the brand valuation and strategy practitioners with the necessary skills and tools, we have developed a wide range of programmes and certifications in collaboration with the most coveted business schools, universities and thought leaders in the field.

## Brand Dialogue

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Brand Dialogue has over 25 years of experience in delivering campaigns driven by research, measurement, and strategic thinking for a variety of clients, with a strong background in geographic branding, including supporting nation brands and brands with a geographical indication (GI). Brand Dialogue manages communications activities across Brand Finance Group's companies and network.

**Brand Dialogue®**



**vi360**

## VI360

VI360 is a brand identity management consultancy working for clients of all sizes on brand compliance, brand transition, and brand identity management. VI360 provide straightforward and practical brand management that results in tangible benefits for your business.



# Global Brand Equity Monitor

- Original market research on over **5,000 brands**
- 38 countries** and **31 sectors** covered
- More than **150,000 respondents** surveyed annually
- We are now **in our 7<sup>th</sup> consecutive year** conducting the study

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or email [enquiries@brandfinance.com](mailto:enquiries@brandfinance.com)



# Foreword.



**David Haigh**  
Chairman & CEO,  
Brand Finance

Brand valuation helps companies understand the value of their brand and how it contributes to the overall value of the company. This important understanding can inform decision-making related to marketing and branding efforts, as well as provide a benchmark for future performance. It can also be used to help attract investors and secure financing, as a strong brand can be a valuable asset.

Additionally, brand valuation can be useful in the event of a merger or acquisition, as it can help determine the value of the brand being acquired. Overall, brand valuation helps organisations understand the worth of their brand and how it fits into their overall business strategy.

A strong brand can lead to improved business returns in several ways. First, a strong brand can help a company differentiate itself from its competitors and establish a unique identity in the market, which can lead to increased customer loyalty and retention. This, in turn, can lead to higher sales and revenue. A strong brand can also help a company command a higher price for its products or services, as consumers are willing to pay more for a brand they perceive as high-quality and trustworthy. In addition, a strong brand can help a company attract top talent, as employees may be more attracted to work for a well-known and reputable brand. Finally, a strong brand can provide a company with a competitive advantage and help it weather economic downturns or industry disruptions.

This year, Brand Finance has invested more in researching and understanding customer perception of brands across the world than ever before, with original research taking place in dozens of jurisdictions globally. The report you are reading is based on this extensive original research, with the findings representing a catalyst for further conversations.

If you want to help build a stronger brand, or if you want to better understand the value of your brand, please contact the Brand Finance team and I anytime. I look forward to the conversation and helping to build a more profitable future for your brand.

# Tesla overtakes Mercedes-Benz and Toyota to take pole position as the world's most valuable Automobiles brand.

- + **Tesla** jumps two places to become the most valuable automobiles brand, now valued at USD66.2 billion
- + **Sokon** is the fastest-growing Automobile brand, up 123%
- + **BYD** continues to grow, eying further expansion into European markets
- + **Porsche** is the most valuable luxury & premium Automobile brand at USD36.8 billion
- + **Ferrari** is the strongest Automobile brand, earning elite AAA+ rating
- + **Tesla** has the highest Sustainability Perceptions Value at USD17.8 billion
- + **Denso** is the most valuable Auto Component brand, valued at USD4.5 billion
- + **Aptiv** is the fastest-growing Auto Component brand, up 30% to USD1.6 billion
- + **Valeo** is the strongest Auto Components brand, earning AA- rating
- + **Michelin** is the most valuable and strongest Tyres brand, valued at USD7.9 billion
- + **Sailun** is fastest-growing Tyres brand, up 6%
- + **Michelin** has the highest Sustainability Perceptions Value at USD255 million
- + **Uber** is the most valuable Mobility brand, valued at USD23.3 billion
- + **Enterprise** is the strongest mobility brand, earning AA+ rating
- + All-American top-6 reveals US dominance in the Mobility sector
- + **Uber** has the highest Sustainability Perceptions Value at USD2.4 billion

# Ranking Analysis.



# Auto 100.



## Tesla jumps two places to become the most valuable automobiles brand, now valued at USD66.2 billion

**Tesla** accelerated to the front of the pack, taking pole position as the world's most valuable automotive brand, with its brand value surging by 44% to USD66.2 billion. This makes it the world's most valuable Automobiles brand for the first time, and the first time that a brand which does not manufacture internal combustion engines has topped the global rankings.

The Tesla brand is now worth more than five-times its pre-pandemic value, overtaking last year's leader, **Toyota** (brand value down 18% to USD52.5 billion), and last year's runner-up, **Mercedes-Benz** (brand value down 3% to USD58.8 billion). Tesla's achievement of taking the top position in the ranking is impressive. Even more impressive is the fact that it's the only automobile brand among the top thirteen that has experienced a significant increase in brand value of over 20%.

This growth in brand value is a positive sign for Tesla as it indicates that consumers are recognising and valuing the brand more, which could potentially lead to increased sales and revenue in the future. The automotive industry is highly competitive, so for Tesla to achieve this level of growth in brand value is a noteworthy accomplishment and a testament to the value of the Tesla brand. Tesla must now work to protect this moving forward in order to build long-term brand strength.

**Alex Haigh,**  
Valuation Director of Brand Finance

**Tesla** reported record profits in 2022, more than double 2021's profits, and exceeding expectations of most analysts.

Tesla's brand value growth is correlated with strong growth in its operations, and scaling up the production of vehicles, particularly Tesla's best-seller, the Model 3.

It has also invested a further USD3.6 billion in its Nevada campus, adding a truck factory and more battery production to cater to increasing demand for its Electric Vehicles (EVs).

Tesla has also announced price cuts, of up to 20% for some models. Initially, this reduced the resale value of used vehicles, and could be a signal of loss of price premium. However, it is also likely to attract further new car customers to Tesla and increase market share.

This increased market share and dominance complements Tesla's target of producing 1.8 million cars in 2023, suggesting further growth for the brand if it can reach this ambitious target.



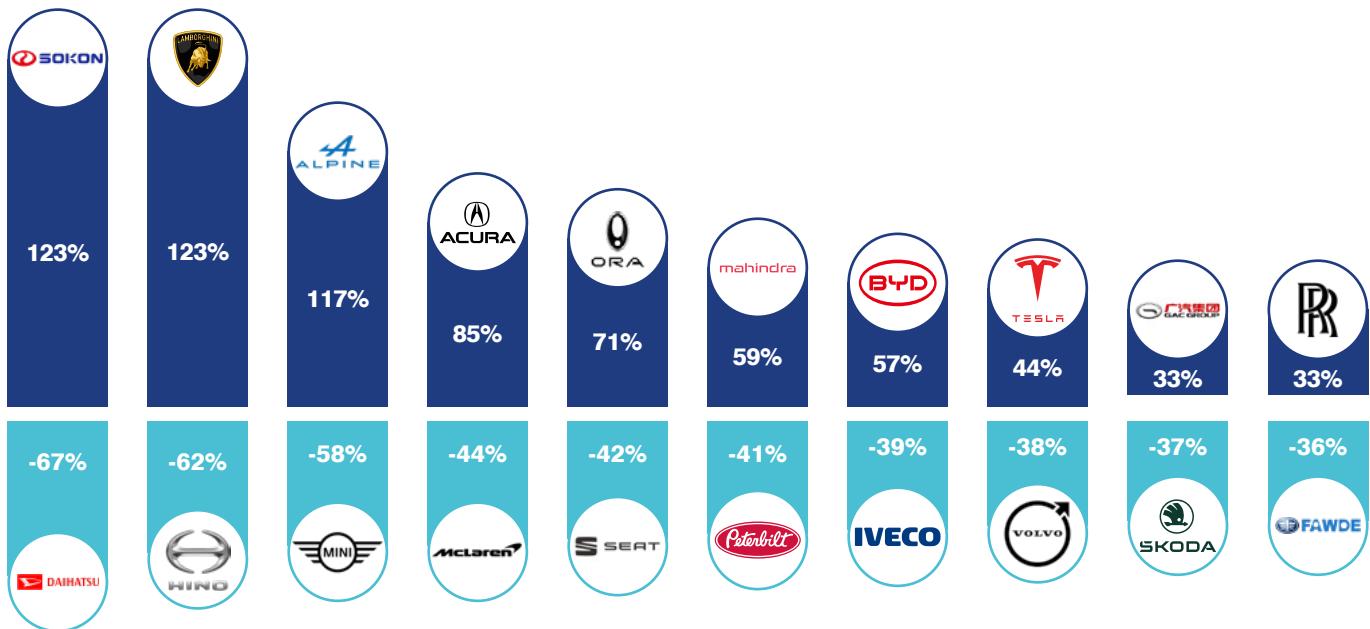
## Top 10 Most Valuable Automobile Brands

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## Brand Value Change 2022-2023 (%)

© Brand Finance Plc 2023



## Sokon is the fastest-growing Automobile brand, up 123%

Chinese brand **Sokon** (brand value more than doubling to USD739 million) is the fastest growing Automobiles brand after a successful 2022 in which it sold 21% more vehicles year-on-year. The brand's forecasts have also increased, helping further boost brand value.

Sokon is known for its auto technology partnership with fellow Chinese brand **Huawei** and has raised a large amount of capital to fund a pivot to EVs. Through its subsidiary brand Seres, Sokon is looking to further expand the production of electric models and break into the European EV market, which is set to expand and further mature in the years to come. Successful navigation of this expansion may help Sokon increase familiarity and awareness, while also boosting brand value further.

## BYD continues to grow, eyeing further expansion into European markets

**BYD's** brand value as an electric vehicle marque is growing in connection with sales in the world's largest EV market, China. Despite substantial disruptions from pandemic lockdowns, supply chain disruptions

and even electricity shortages, BYD is dominating this market as consumers flock to affordable BYD vehicles. With its strong focus on the budget/economy EV market as it no longer sells internal combustion cars, the BYD business is launching new brands in the Chinese market as it seeks to expand to more affluent customers. Meanwhile, the BYD brand is expected to expand geographically with a strong focus on growth into Europe.

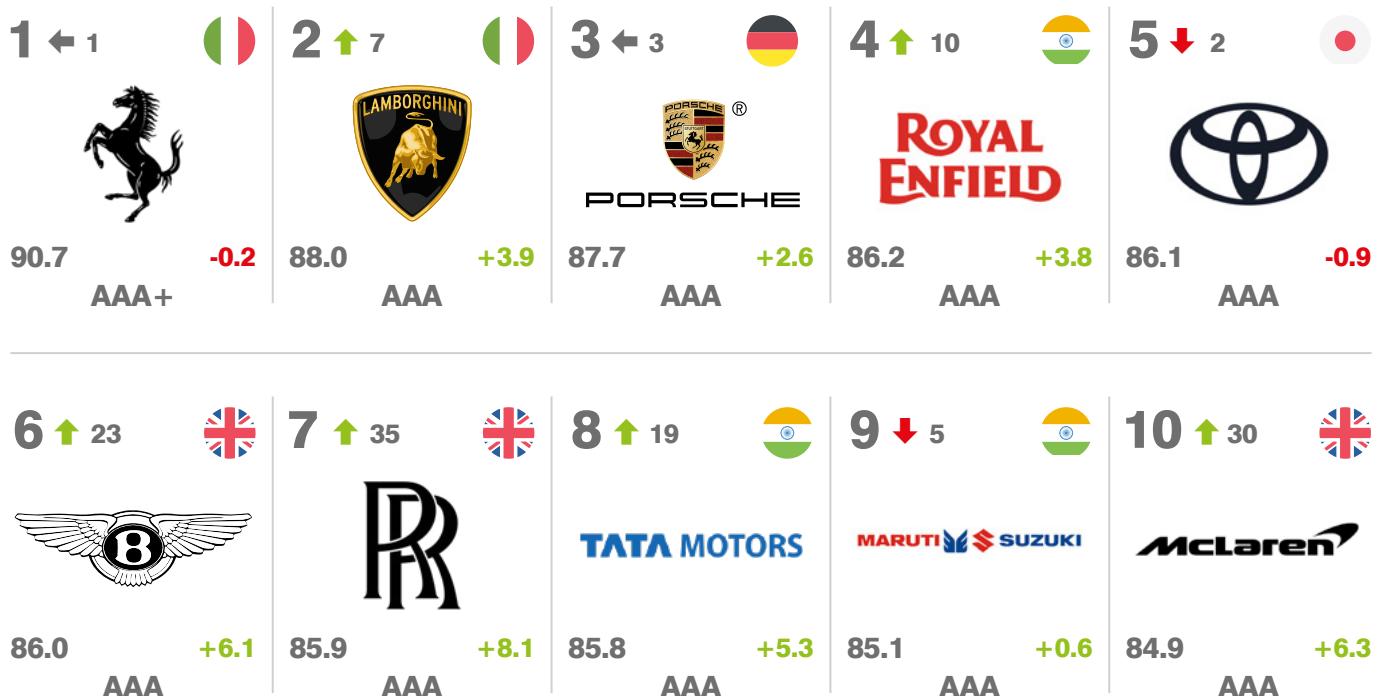
## Porsche is the most valuable luxury & premium Automobile brand at USD36.8 billion

**Porsche** is again the most valuable luxury and premium Automobile brand with a brand value of USD36.8 billion, a 9% year-on-year growth. In 2022, Porsche successfully completed an IPO, kicking off a new era for the iconic sportscar brand. This was the largest IPO ever recorded in Europe by market capitalisation.

The IPO is set to open up greater entrepreneurial freedom for Porsche in which it plans to pursue ambitious goals going forward, through growth and electrification. By 2030, Porsche plans for over 80% of its new vehicles to be EVs. As part of its strategy, the company is also working towards a net carbon-neutral value chain in 2030.

## Top 10 Strongest Automobile Brands

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## Ferrari is the strongest Automobile brand, earning elite AAA+ rating

In addition to calculating 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. Compliant with ISO 20671, Brand Finance's assessment of stakeholder equity incorporates original market research data from over 100,000 respondents in 38 countries and across 31 sectors.

**Ferrari** (brand value down 8% to USD7.4 billion) is again the strongest Automobile brand with a Brand Strength Index score of 90.7, and AAA+ brand rating. It is the only brand in the ranking to be awarded this elite rating.

Despite a brand value reduction, Ferrari in fact had a strong financial performance in 2022. Its total shipments for 2022 were up 18.5% compared to 2021 and its net revenues were up 19.3%. Its brand reduction in USD was mainly caused by adverse foreign exchange movements, with the brand achieving 3.1% growth when measured in EUR.

The brand's involvement in Formula 1 continues to help bolster Ferrari's brand strength. Despite being overcome by Red Bull last season in the constructor championships, top-five Championship finishes for both Ferrari drivers further solidified its position in the sport and its rich motoring heritage. The brand has also moved into the luxury fashion sector, hoping to diversify its brand portfolio, increase familiarity and awareness, and nurture the next generation of Ferrari loyalists.



## Tesla has the highest Sustainability Perceptions Value at USD17.8 billion

As part of its analysis, Brand Finance assesses the role that specific brand attributes play in driving overall brand value. One such attribute, growing rapidly in its significance, is sustainability. Brand Finance assesses how sustainable specific brands are perceived to be, represented by a 'Sustainability Perceptions Score'. The value that is linked to sustainability perceptions, the 'Sustainability Perceptions Value', is then calculated for each brand.

As well as being the most valuable automobile brand, **Tesla** also has the highest Sustainability Perception Score (5.43 out of 10) and Value (USD17.8 billion). Tesla is well known as a pioneer of the EVs and battery technology that is aiding the transition to a lower carbon economy. This image has clearly carried across into the perceptions held by global consumers. Tesla has the highest sustainability driver score of any brand in the ranking, at 26.9%. Brand Finance's research has revealed the important role of sustainability perception in driving choice amongst consumers across

the Luxury Auto sector, reflected through an average driver score of 22.9%. It might seem counterintuitive that brands associated with high fuel consumption such as **Ferrari** and **Lamborghini** are so reliant on a reputation for sustainability.

However, our research has found that at the premium end of all sectors, sustainability plays a powerful role. In luxury auto, where the purchase is discretionary and the brand is publicly expressed, the role of sustainability is further enhanced.



### Sustainability Perceptions Value

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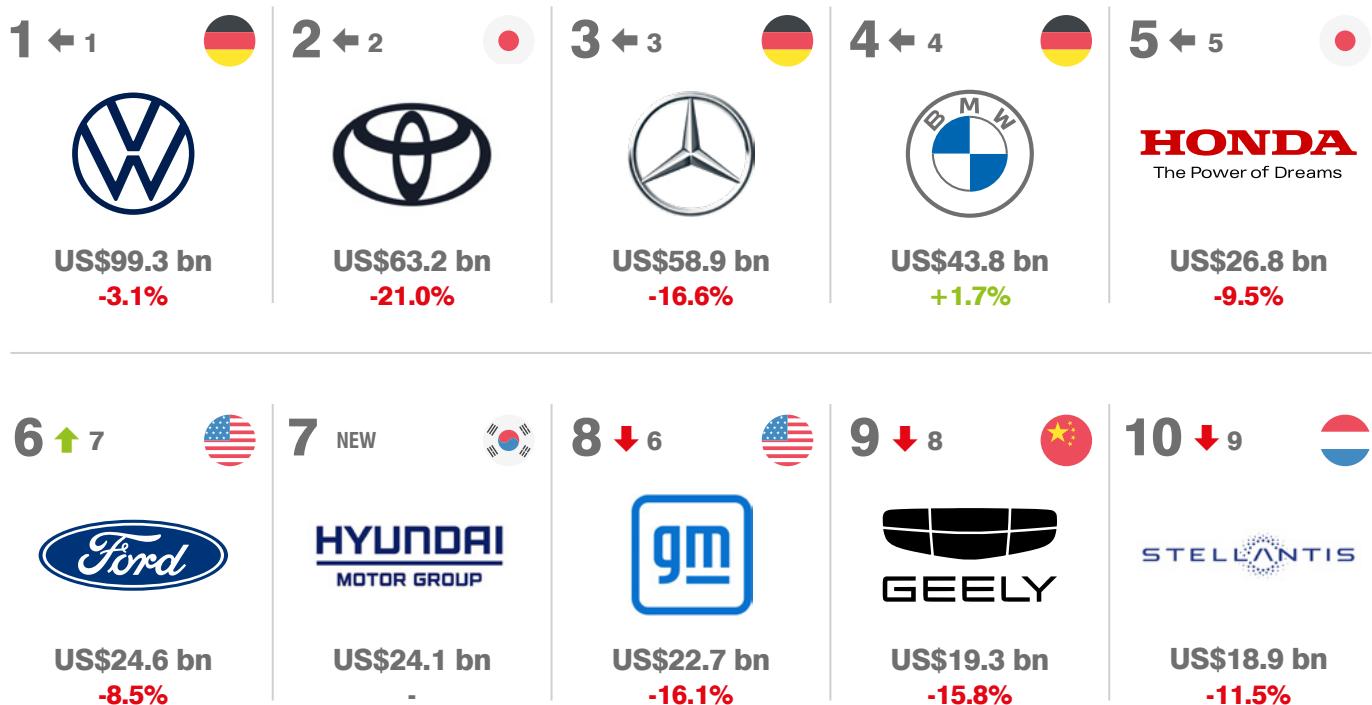
\$xx = sustainability perceptions value

x.x = sustainability perceptions score/10



## Top 10 Most Valuable Automobile Portfolio Brands

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# Auto Brand Value Ranking (USDm).

## Top 100 most valuable Automobile brands 1-50

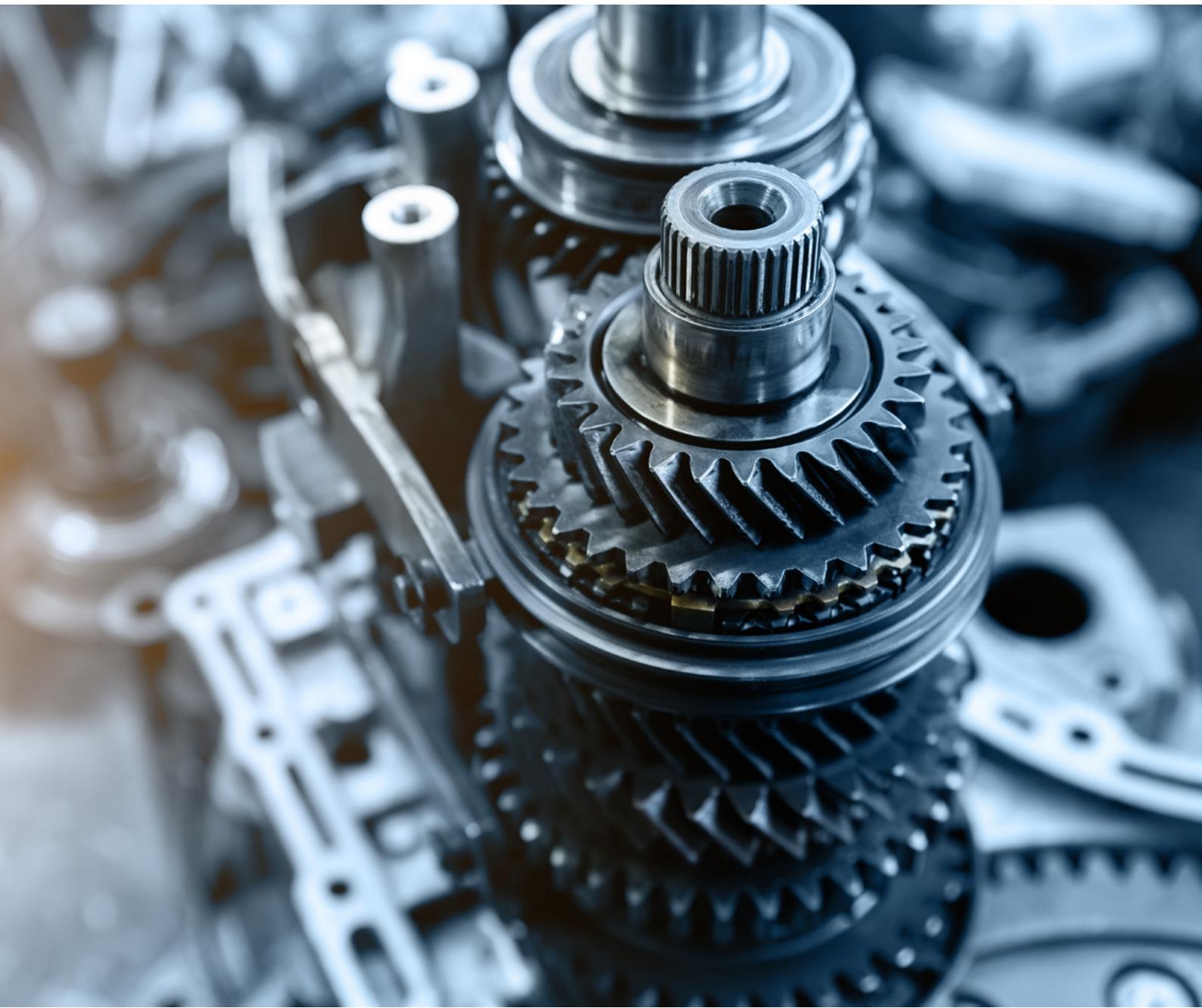
2023 Rank	2022 Rank	Brand	Country	2023 Brand Value	Brand Value Change	2022 Brand Value	2023 Brand Rating	2022 Brand Rating
1	3	▲ Tesla	United States	\$66,207	+44%	\$46,010	AAA-	AA+
2	2	◀ Mercedes-Benz	Germany	\$58,797	-3%	\$60,760	AAA-	AAA-
3	1	▼ Toyota	Japan	\$52,493	-18%	\$64,283	AAA	AAA
4	5	▲ BMW	Germany	\$40,367	+6%	\$37,945	AAA-	AAA-
5	6	▲ Porsche	Germany	\$36,759	+9%	\$33,713	AAA	AAA
6	4	▼ Volkswagen	Germany	\$33,958	-17%	\$41,046	AA+	AAA-
7	7	◀ Honda	Japan	\$24,219	-14%	\$28,243	AAA-	AAA-
8	8	◀ Ford	United States	\$22,267	-8%	\$24,178	AA+	AA+
9	12	▲ Hyundai	South Korea	\$15,863	+17%	\$13,604	AAA-	AAA-
10	11	▲ Audi	Germany	\$13,895	+0%	\$13,834	AAA-	AAA-
11	9	▼ Nissan	Japan	■	■	■	■	■
12	19	▲ BYD	China	■	■	■	■	■
13	14	▲ Lexus	Japan	■	■	■	■	■
14	13	▼ Chevrolet	United States	■	■	■	■	■
15	10	▼ Volvo	Sweden	■	■	■	■	■
16	-	New Kia	South Korea	■	■	■	■	■
17	17	◀ Ferrari	Italy	■	■	■	■	■
18	15	▼ Land Rover	United Kingdom	■	■	■	■	■
19	-	New Suzuki	Japan	■	■	■	■	■
20	18	▼ Subaru	Japan	■	■	■	■	■
21	16	▼ Renault	France	■	■	■	■	■
22	24	▲ Geely	China	■	■	■	■	■
23	22	▼ Jeep	United States	■	■	■	■	■
24	20	▼ Haval	China	■	■	■	■	■
25	21	▼ Cadillac	United States	■	■	■	■	■
26	25	▼ GMC	United States	■	■	■	■	■
27	49	▲ Lamborghini	Italy	■	■	■	■	■
28	23	▼ BUICK	United States	■	■	■	■	■
29	27	▼ Polaris	United States	■	■	■	■	■
30	42	▲ Mahindra	India	■	■	■	■	■
31	-	New Yamaha	Japan	■	■	■	■	■
32	30	▼ Isuzu	Japan	■	■	■	■	■
33	31	▼ Scania	Sweden	■	■	■	■	■
34	40	▲ Bentley	United Kingdom	■	■	■	■	■
35	37	▲ NIO	China	■	■	■	■	■
36	28	▼ RAM Trucks	United States	■	■	■	■	■
37	33	▼ Peugeot	France	■	■	■	■	■
38	38	◀ Great Wall	China	■	■	■	■	■
39	60	▲ Acura	Japan	■	■	■	■	■
40	43	▲ Maruti Suzuki	India	■	■	■	■	■
41	35	▼ Lincoln	United States	■	■	■	■	■
42	32	▼ Mazda	Japan	■	■	■	■	■
43	34	▼ LI AUTO	China	■	■	■	■	■
44	-	New Polestar	Sweden	■	■	■	■	■
45	29	▼ Skoda	Czech Republic	■	■	■	■	■
46	44	▼ Xpeng	China	■	■	■	■	■
47	56	▲ Harley-Davidson	United States	■	■	■	■	■
48	41	▼ Bajaj Auto	India	■	■	■	■	■
49	58	▲ Rolls-Royce	United Kingdom	■	■	■	■	■
50	48	▼ Fiat	Italy	■	■	■	■	■

**Top 100 most valuable Automobile brands 51-100**

2023 Rank	2022 Rank	Brand	COUNTRY	2023 Brand Value	Brand Value Change	2022 Brand Value	2023 Brand Rating	2022 Brand Rating
51	36	↓ Jaguar	United Kingdom	🔒	🔒	🔒	🔒	🔒
52	46	↓ Hero	India	🔒	🔒	🔒	🔒	🔒
53	45	↓ MAN	Germany	🔒	🔒	🔒	🔒	🔒
54	55	↑ Song	China	🔒	🔒	🔒	🔒	🔒
55	52	↓ FISKER	United States	🔒	🔒	🔒	🔒	🔒
56	53	↓ Foton	China	🔒	🔒	🔒	🔒	🔒
57	26	↓ MINI	United Kingdom	🔒	🔒	🔒	🔒	🔒
58	-	New Han	China	🔒	🔒	🔒	🔒	🔒
59	59	← Dongfeng	China	🔒	🔒	🔒	🔒	🔒
60	64	↑ Maserati	Italy	🔒	🔒	🔒	🔒	🔒
61	66	↑ Tata Motors	India	🔒	🔒	🔒	🔒	🔒
62	62	← Changan	China	🔒	🔒	🔒	🔒	🔒
63	51	↓ Opel	Germany	🔒	🔒	🔒	🔒	🔒
64	50	↓ Iveco	Italy	🔒	🔒	🔒	🔒	🔒
65	63	↓ Kenworth	United States	🔒	🔒	🔒	🔒	🔒
66	79	↑ GAC	China	🔒	🔒	🔒	🔒	🔒
67	57	↓ Citroën	France	🔒	🔒	🔒	🔒	🔒
68	54	↓ FAW Jiefang	China	🔒	🔒	🔒	🔒	🔒
69	72	↑ Dacia	Romania	🔒	🔒	🔒	🔒	🔒
70	67	↓ Aston Martin	United Kingdom	🔒	🔒	🔒	🔒	🔒
71	68	↓ Sinotruk	China	🔒	🔒	🔒	🔒	🔒
72	75	↑ Wuling	China	🔒	🔒	🔒	🔒	🔒
73	39	↓ Hino	Japan	🔒	🔒	🔒	🔒	🔒
74	76	↑ DAF	Netherlands	🔒	🔒	🔒	🔒	🔒
75	70	↓ JAC Motors	China	🔒	🔒	🔒	🔒	🔒
76	81	↑ TVS	India	🔒	🔒	🔒	🔒	🔒
77	71	↓ Yutong	China	🔒	🔒	🔒	🔒	🔒
78	78	← Ashok Leyland	India	🔒	🔒	🔒	🔒	🔒
79	84	↑ Royal Enfield	India	🔒	🔒	🔒	🔒	🔒
80	82	↑ Oshkosh	United States	🔒	🔒	🔒	🔒	🔒
81	-	New Rivian	United States	🔒	🔒	🔒	🔒	🔒
82	85	↑ Tang	China	🔒	🔒	🔒	🔒	🔒
83	99	↑ Sokon	China	🔒	🔒	🔒	🔒	🔒
84	61	↓ McLaren	United Kingdom	🔒	🔒	🔒	🔒	🔒
85	73	↓ Dodge	United States	🔒	🔒	🔒	🔒	🔒
86	47	↓ Daihatsu	Japan	🔒	🔒	🔒	🔒	🔒
87	-	New BAIC Bluepark	China	🔒	🔒	🔒	🔒	🔒
88	83	↓ Paccar	United States	🔒	🔒	🔒	🔒	🔒
89	77	↓ Roewe	China	🔒	🔒	🔒	🔒	🔒
90	65	↓ Seat	Spain	🔒	🔒	🔒	🔒	🔒
91	74	↓ KTM	Austria	🔒	🔒	🔒	🔒	🔒
92	69	↓ Peterbilt	United States	🔒	🔒	🔒	🔒	🔒
93	-	New Alpine	France	🔒	🔒	🔒	🔒	🔒
94	91	↓ Lada	Russia	🔒	🔒	🔒	🔒	🔒
95	80	↓ Vauxhall	United Kingdom	🔒	🔒	🔒	🔒	🔒
96	-	New Lucid Motors	China	🔒	🔒	🔒	🔒	🔒
97	92	↓ Qin	China	🔒	🔒	🔒	🔒	🔒
98	89	↓ Yulon	China (Taiwan)	🔒	🔒	🔒	🔒	🔒
99	87	↓ Mack	United States	🔒	🔒	🔒	🔒	🔒
100	-	New Ora	China	🔒	🔒	🔒	🔒	🔒

# Auto Components 20.

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As global demand for cars continued to pick up following widespread relaxation of pandemic-induced restrictions, many Auto Component brands have experienced significant supply chain challenges over the past year.

While demand has resulted in some growth for Auto Component brands, shifting consumer preferences and technical breakthroughs have meant that brands must continually develop and adapt to keep up with industry changes.

Top of the agenda for many brands is sustainability. There is expected to be a surge in demand for EVs in the coming years and catering to this is becoming increasingly critical to Auto component brands.

Consequently, there will be a significant transformation in the production of EV-specific components such as batteries, electric motors, and power electronics within the Automotive Component industry.

Car manufacturers are also progressively utilising lightweight materials in their vehicles to improve fuel efficiency and decrease emissions, leading to a surge in demand for such components and materials.

Further, Auto Component manufacturing is set to undergo a dramatic change in relation to the development of autonomous vehicle technology, as sensors, radar systems, and other parts are produced specifically for these cars.

Vehicles are also becoming more connected, which is predicted to increase demand for parts including telematics systems, and advanced driver assistance systems.

Generally, the auto component industry's prospects are concentrated on satisfying the rising demand for environmentally friendly and technologically sophisticated automobiles while also enhancing efficiency and cutting costs.

## **Denso is the most valuable Auto Component brand, valued at USD4.5 billion**

Japanese brand **Denso** (brand value up 6% to USD4.5 billion) retains its title as the world's most valuable Auto Components brand for the 6<sup>th</sup> consecutive year.

While challenging external factors, such as increased costs related to inflation, energy, logistics, materials and parts, have not provided plain-sailing for Denso, it has used the opportunity to pursue profit improvements and efficiency. Denso has invested heavily in electrification as it looks towards a more electric focuses future for the automotive industry.

It is also researching and moving towards innovating within advanced technology for electrified aircraft, a field that Denso expects to become a reality and is potentially poised to break into.



Top 20 Most Valuable Auto Components Brands

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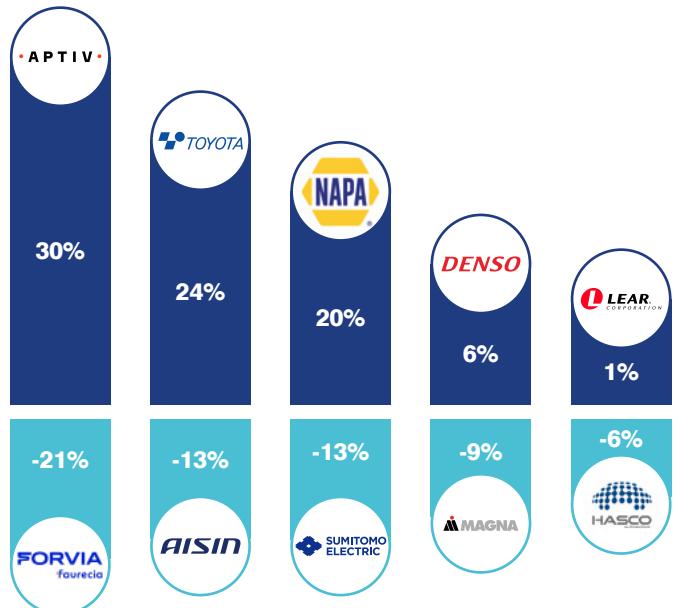
<b>1</b> ↬ 1		<b>2</b> ↬ 2		<b>3</b> ↑ 6		<b>4</b> ↓ 3		<b>5</b> ↬ 5	
<b>DENSO</b>		<b>HYUNDAI MOBIS</b>		<b>TOYOTA</b>		<b>MAGNA</b>		<b>Valeo</b>	
US\$4.5 bn +6%		US\$3.6 bn -3%		US\$2.7 bn +24%		US\$2.6 bn -9%		US\$2.3 bn +1%	
<b>6</b> ↓ 4		<b>7</b> ↑ 9		<b>8</b> NEW		<b>9</b> ↓ 7		<b>10</b> ↬ 10	
<b>SUMITOMO ELECTRIC</b>		<b>LEAR CORPORATION</b>		<b>WEICHAI</b>		<b>AISIN</b>		<b>HASCO AUTOMOTIVE</b>	
US\$2.1 bn -13%		US\$2.0 bn +1%		US\$1.9 bn -		US\$1.8 bn -13%		US\$1.6 bn -6%	
<b>11</b> ↑ 12		<b>12</b> ↓ 8		<b>13</b> NEW		<b>14</b> ↓ 11		<b>15</b> NEW	
<b>• APTIV •</b>		<b>FORVIA Faurecia</b>		<b>ZF</b>		<b>SCHAEFFLER</b>		<b>BorgWarner</b>	
US\$1.6 bn +30%		US\$1.6 bn -21%		US\$1.6 bn -		US\$1.4 bn -1%		US\$1.1 bn -	
<b>16</b> ↓ 15		<b>17</b> NEW		<b>18</b> ↓ 13		<b>19</b> NEW		<b>20</b> NEW	
<b>NAPA</b>		<b>JTEKT</b> 株式会社ジェイテクト		<b>Autoliv</b>		<b>TOYOTA BOSHOKU</b>		<b>DANA</b>	
US\$0.9 bn +20%		US\$0.9 bn -		US\$0.9 bn -2%		US\$0.7 bn -		US\$0.7 bn -	

## Aptiv is the fastest-growing Auto Component brand, up 30% to USD1.6 billion

**Aptiv** (brand value up 30% to USD1.6 billion) is the fastest growing brand in the ranking. The brand saw revenues increase 16% in 2022 after a second year of record new business bookings. Further, recent acquisitions of **Wind River Systems, Inc** and **Intercable Automotive**, have positioned Aptiv for accelerated growth over the long-term.

Wind River delivers software for mission-critical intelligent systems, while Intercable Automotive is a leader in high voltage power distribution and interconnect technology. Both acquisitions have contributed to Aptiv's brand value growth and are set to accelerate the transition towards a software-defined future for Aptiv and enhance its position as leader in vehicle architecture systems.

## Brand Value Change 2022-2023 (%)



© Brand Finance Plc 2023





## Valeo is the strongest Auto Components brand, earning AA- rating

French brand **Valeo** (brand value up 1% to USD2.3 billion) is the strongest Automotive Component brand with a Brand Strength Index score of 69 out of 100, with AA- rating. Last year, Valeo introduced its 'Move Up strategic plan', which looks to build a business that is technologically stronger, well positioned, and accelerating towards electrification.

The successful implication of this throughout 2022 confirms the brand's strong growth prospects, through which it will look to take advantage of hyper-growth market trends starting to emerge in the fields of electrification and automation.

This commitment and positive direction towards electrification has likely improved stakeholder perceptions of Valeo, helping sustain its industry leading Brand Strength Score.

## Top 20 Strongest Auto Components Brands

<b>1</b> ← 1		<b>2</b> ↑ 8		<b>3</b> ↑ 4		<b>4</b> ↓ 2		<b>5</b> ← 5					
<b>Valeo</b>	• A P T I V •	<b>DENSO</b>		<b>NAPA</b>		<b>FORVIA</b> faurecia							
69.1	+1.3	68.0	AA-	+6.3	67.8	AA-	+3.8	66.9	AA-	+1.2	65.2	AA-	+2.0

<b>6</b> NEW		<b>7</b> ↓ 3		<b>8</b> ↓ 7		<b>9</b> NEW		<b>10</b> ↑ 11						
<b>ZF</b>		<b>HYUNDAI MOBIS</b>		<b>SCHAEFFLER</b>		<b>BorgWarner</b>		<b>Autoliv</b>						
65.0	AA-	-	63.9	A+	-1.1	63.9	A+	+1.6	62.7	A+	-	62.4	A+	+1.4

<b>11</b> ↑ 12		<b>12</b> ↓ 6		<b>13</b> ↑ 16		<b>14</b> ← 14		<b>15</b> ↑ 13						
<b>LEAR CORPORATION</b>		<b>MAGNA</b>		<b>TOYOTA</b>		<b>AISIN</b>		<b>SUMITOMO ELECTRIC</b>						
61.1	A+	+0.3	60.5	A+	-1.8	59.3	A	+1.3	58.9	A	+0.5	57.4	A	-1.5

<b>16</b> NEW		<b>17</b> NEW		<b>18</b> ↓ 20		<b>19</b> NEW		<b>20</b> NEW						
<b>DANA</b>		<b>JTEKT</b> 株式会社ジェイテクト		<b>HASCO AUTOMOTIVE</b>		<b>WEICHAI</b>		<b>TOYOTA BOSHOKU</b>						
57.3	A	-	56.5	A	-	55.1	A	+0.6	55.0	A	-	53.8	A-	-

# Tyres 15.



As with many automotive related industries, the Tyres sector is continually changing, with sustainability related trends anticipated to influence the sector significantly in the coming years.

Consumers and regulators alike are increasingly demanding tyres are constructed from sustainable materials, with lower rolling resistance, and which can be recycled or re-used at the end of their life cycle. Similarly, as electric vehicles sales increase, there will be a greater demand for specialised tyres that can handle distinctive features, such as high torque and regenerative braking systems. Tyre makers are also creating 'smart' tyres that can be digitally connected and deliver real-time data on tyre performance, wear and tear, road conditions and other significant variables. This market is set to increase as automated vehicles become more mainstream.

## **Michelin is the most valuable and strongest Tyres brand, valued at USD7.9 billion**

There was no movement in the top three of ranking of the world's most valuable tyre brands in 2023, with **Michelin** (brand value up 2% to USD7.9 billion) remaining in the top spot for the 6<sup>th</sup> consecutive year. It is followed by **Bridgestone** (brand value down 1% to USD7 billion) in second place, and **Continental** (brand value down 3% to USD4.1 billion) in third.

Michelin remains at the top after achieving marginal year-on-year brand value growth of 2%. The brand's growth has slowed in comparison to last year's results (brand value up 15.6%) after it faced significant challenges throughout 2022 and 2023, including high inflation, rising costs and supply chain issues.

## Top 15 Most Valuable Tyres Brands

© Brand Finance Plc 2023

<b>1</b> ↬ <b>1</b>		<b>2</b> ↬ <b>2</b>		<b>3</b> ↬ <b>3</b>		<b>4</b> ↑ <b>5</b>		<b>5</b> ↓ <b>4</b>	
 <b>MICHELIN</b>		 <b>BRIDGESTONE</b>		 <b>Continental</b> The Future in Motion		 <b>GOODYEAR</b>		 <b>DUNLOP TIRES</b>	
US\$7.9 bn +2%		US\$7.0 bn -1%		US\$4.1 bn -3%		US\$2.2 bn -2%		US\$2.0 bn -18%	
<b>6</b> ↬ <b>6</b>		<b>7</b> ↬ <b>7</b>		<b>8</b> ↬ <b>8</b>		<b>9</b> ↬ <b>9</b>	 <b>TOYO TIRES</b> driven to perform	<b>10</b> ↬ <b>10</b>	
 <b>PIRELLI</b>		 <b>HANKOOK</b>		 <b>YOKOHAMA</b>		 <b>TOYO TIRES</b> driven to perform		 <b>Giti</b> 	
US\$1.5 bn +1%		US\$1.3 bn -14%		US\$1.2 bn -2%		US\$0.9 bn -1%		US\$0.8 bn +0%	
<b>11</b> ↑ <b>12</b>		<b>12</b> ↓ <b>11</b>		<b>13</b> ↑ <b>15</b>		<b>14</b> ↬ <b>14</b>	 <b>COOPERTIRES</b>	<b>15</b> ↓ <b>13</b>	 <b>apollo</b>
 <b>SAILUN</b>		 <b>LINGLONG TIRE</b>		 <b>MRF</b>		 <b>COOPERTIRES</b>		 <b>apollo</b>	
US\$0.7 bn +6%		US\$0.7 bn +0%		US\$0.7 bn +3%		US\$0.7 bn -3%		US\$0.6 bn -6%	

As well as being the most valuable Tyre brand, **Michelin** is also the strongest, with a Brand Strength Index score of 88.1 out of 100, with a corresponding AAA rating. Michelin's high brand equity has partly enabled it to remain resilient to difficult macroeconomic challenges.

The brand's diverse offering of tyres for a multitude of vehicles, and large global presence, have allowed it to remain as a reliable choice for tyres across its markets.

The brand's official mascot, Bibendum, more commonly referred to as the Michelin Man, is an extremely recognisable figure, used within the brands marketing campaigns, and seen across motorsports, car dealerships, and restaurants world-over.

This has undoubtedly helped create a high level of familiarity and awareness for the Michelin brand, two of the key metrics that make up brand strength.

## Top 5 Strongest Tyres Brands

© Brand Finance Plc 2023



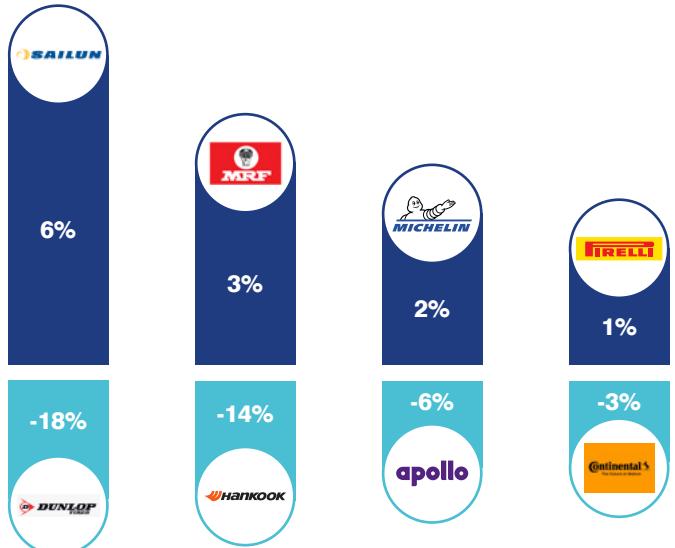
## Sailun is fastest-growing Tyres brand, up 6%

Chinese brand **Sailun** is the fastest growing Tyres brand (brand value up 6% to USD7 million). In 2022 the brand released its EcoPoint3 tyres, a more sustainable and affordable solution to car manufacturers, after ten years of development.

The production of these tyres utilises more energy efficient liquid phase mixing technology, while creating a tyre with lower rolling resistance, which reduces fuel consumption in comparison to some competitors.

This innovation created widespread media-coverage within the industry, contributing to Sailun's brand value growth.

## Brand Value Change 2022-2023 (%)



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## Michelin has the highest Sustainability Perceptions Value at USD255 million

As part of its analysis, Brand Finance assesses the role that specific brand attributes play in driving overall brand value. One such attribute, growing rapidly in its significance, is sustainability. Brand Finance assesses how sustainable specific brands are perceived to be, represented by a 'Sustainability Perceptions Score'. The value that is linked to sustainability perceptions, the 'Sustainability Perceptions Value', is then calculated for each brand.

As well as being the most valuable and strongest Tyres brand, **Michelin** also has the highest Sustainability Perception Value in the ranking at USD255 million. It is important to note that Michelin's position at the top of the table is not an assessment of its overall sustainability performance. Instead, it highlights the value that Michelin has tied up in the sustainability perception of stakeholders. Michelin does however also have a strong Sustainability Perception Score of 5.08, higher than both its key competitors **Bridgestone** and **Continental**.

Michelin has set itself the challenge of integrating 100% sustainable materials into its tyres by 2050. This entails using renewable or recycled materials in the production of its tyres while maintaining performance and reducing environmental impact. It is making positive progress on this challenge, already producing a tyre that integrates 58% sustainable materials. It has also successfully communicated these developments to many stakeholders, boosting its Sustainability Perceptions Score and thus the value it has tied up in sustainability perceptions.



### Sustainability Perceptions Value

© Brand Finance Plc 2023

\$xx = sustainability perceptions value

x.x = sustainability perceptions score/10

1		2		3		4		5	
<b>US\$255 m</b> 5.08		<b>US\$215 m</b> 4.83		<b>US\$117 m</b> 4.50		<b>US\$64 m</b> 4.50		<b>US\$44 m</b> 4.53	

6		7		8		9		10	
<b>US\$34 m</b> 4.26		<b>US\$33 m</b> 4.45		<b>US\$24 m</b> 4.29		<b>US\$23 m</b> 5.45		<b>US\$21 m</b> 4.23	

# Mobility 20.

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The mobility sector has begun to return to pre-pandemic levels in many parts of the world, following widespread pandemic-induced disruption over most of the last three years. This has prompted a re-bound for brands in the sector, many of whom are experiencing brand value growth in 2023. The Mobility ranking replaces the Brand Finance Car Rental ranking, with various brands operating in this sector blurring the line between car rental and broader motorised transportation services which are now including electric scooters, electric bicycles and other vehicles.

## **Uber is the most valuable Mobility brand, valued at USD23.3 billion**

San Francisco based **Uber** is the most valuable Mobility brand in 2023, up 2% year-on-year to USD23.3 billion. Uber's dominance in the sector is highlighted by the fact that its brand value is

more than three times the value of the second most valuable Mobility brand, **Enterprise** (brand value up 9% to USD7.7 billion).

Uber is progressing towards its objective of creating a "super app" for transportation. The company has revealed that it will expand its UK program in 2023 to include railroads, buses, planes, and vehicle rentals as part of a trial that may be extended to other countries if successful.

Although Uber does not provide these transportation services directly, it will enable users to access them through its app by linking to ticketing websites using software connections. The tech giant expects to announce several partners soon and may receive a percentage of each booking. Only time will tell if this trial will be a success, however, it highlights Uber's ambitious growth plans and diversification, potentially boosting brand value further in the coming years.

## Top 20 Most Valuable Mobility Brands

© Brand Finance Plc 2023

<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>		<b>5</b>	
<b>Uber</b>		<b>enterprise rent-a-car</b>		<b>Hertz</b>		<b>lyft</b>		<b>AVIS</b>	
US\$23.3 bn +2%		US\$7.7 bn +9%		US\$3.7 bn +28%		US\$2.8 bn -		US\$2.5 bn +41%	
<b>6</b>		<b>7</b>		<b>8</b>		<b>9</b>		<b>10</b>	
<b>Budget</b>		<b>Europcar</b>		<b>SIXT</b>		<b>Localiza</b>		<b>National</b>	
US\$1.8 bn +59%		US\$1.5 bn +10%		US\$1.5 bn +10%		US\$1.2 bn +101%		US\$1.0 bn +17%	
<b>11</b>		<b>12</b>		<b>13</b>		<b>14</b>		<b>15</b>	
<b>gojek</b>		<b>Motus</b>		<b>Alamo</b>		<b>movida</b>		<b>unidas</b>	
US\$0.9 bn -		US\$0.8 bn +31%		US\$0.8 bn +28%		US\$0.7 bn +121%		US\$0.6 bn +39%	
<b>16</b>		<b>17</b>		<b>18</b>		<b>19</b>		<b>20</b>	
<b>Thrifty CAR RENTAL</b>		<b>Grab</b>		<b>dollar.</b>		<b>cabify</b>		<b>Bolt</b>	
US\$0.4 bn -		US\$0.3 bn -		US\$0.3 bn -		US\$0.2 bn -		US\$0.1 bn -	

## Enterprise is the strongest mobility brand, earning AA+ rating

As well as being the second most valuable Mobility brand, **Enterprise** is also the strongest, with a Brand Strength Index score of 76.7 out of 100 and corresponding AA+ brand rating. Enterprise's extensive fleet and diverse range of services has meant that it has been able to build a strong level of global awareness and familiarity, two of the key metrics of brand strength.

Enterprise has also looked to advance sustainable mobility solutions by continuing to invest heavily and collaborate with partners to support and enhance the long-term viability of electric vehicles. However, with a huge global fleet of vehicles, it remains to be seen how quickly, and successfully, Enterprise, and other mobility brands will transition to a more sustainable future.

## All-American top-6 reveals US dominance in the sector

Following **Uber** and **Enterprise**, US based **Hertz** (brand value up 28% to USD3.7 billion), **Lyft** (brand value USD2.8 billion), **Avis** (brand value up 41% to USD2.5 billion), and **Budget** (brand value up 59% to USD1.8 billion) all featured in the top six of the ranking, demonstrating US based brands' dominance in the mobility sector.

France's **Europcar** (brand value up 10% to USD1.5 billion) was the most valuable European mobility brand, only marginally ahead of Germany's **Sixt** (brand value up 10% to USD1.5 billion).

**Sixt** had a record financial year in 2022, achieving year-on-year growth in consolidated revenue of 34.3%. Sixt has benefitted from a favourable market environment in terms of demand for rentals as well as high prices. By continuing to invest in its fleet, staff, technology, and marketing, Sixt continues to lay the foundations for future growth, as well as enhancing its premium positioning within its markets. 57% of Sixt's fleet is now in the premium category (measured by vehicle value), while its electric and hybrid fleet sits at approximately 14%. The brand has set a target of reaching a 70-90% electrified fleet by 2030, which if met, would be a significant achievement and benchmark for other mobility brands.



## Top 20 Strongest Mobility Brands

© Brand Finance Plc 2023

<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>		<b>5</b>	
<b>Enterprise</b> rent-a-car		<b>gojek</b>		<b>Grab</b>		<b>Hertz</b>		<b>Europcar</b>	
76.7	-2.2	74.7	AA+	73.4	AA	71.8	AA	+6.1	71.4
AA+		AA+					AA		AA
<b>6</b>		<b>7</b>		<b>8</b>		<b>9</b>		<b>10</b>	
<b>SIXT</b>		<b>Uber</b>		<b>AVIS</b>		<b>movida</b>		<b>Budget</b>	
71.3	+1.3	70.6	AA	70.1	AA	67.8	AA-	+1.0	66.8
AA		AA		AA		AA-		AA-	
<b>11</b>		<b>12</b>		<b>13</b>		<b>14</b>		<b>15</b>	
<b>lyft</b>		<b>Localiza</b>		<b>cabify</b>		<b>Bolt</b>		<b>National</b>	
66.6	-	66.4	AA-	65.0	AA-	63.6	A+	-	63.0
AA-		AA-		AA-		A+		A+	
<b>16</b>		<b>17</b>		<b>18</b>		<b>19</b>		<b>20</b>	
<b>Thrifty</b> CAR RENTAL		<b>Alamo</b>		<b>dollar.</b>		<b>unidas</b>		<b>Motus</b>	
61.7	-	61.2	A+	+3.6	60.9	A+	-	-3.3	56.8
A+		A+			A+			A	A

## Uber has the highest Sustainability Perceptions Value at USD2.4 billion

As well as being the most valuable Mobility brand, **Uber** also has the highest Sustainability Perception Value in the ranking – USD2.4 billion.

It is important to note that Uber's position at the top of the sustainability table is not an assessment of its overall sustainability performance.

Instead, it highlights the value that Uber has tied up in the sustainability perception of stakeholders.

### Sustainability Perceptions Value

\$xx = sustainability perceptions value

© Brand Finance Plc 2023

x.x = sustainability perceptions score/10

1		2		3		4		5	
<b>Uber</b>									
<b>US\$2,367 m</b>		<b>US\$788 m</b>		<b>US\$367 m</b>		<b>US\$285 m</b>		<b>US\$252 m</b>	
<b>4.37</b>		<b>4.38</b>		<b>4.28</b>		<b>4.38</b>		<b>4.36</b>	
6		7		8		9		10	
<b>US\$184 m</b>		<b>US\$157 m</b>		<b>US\$157 m</b>		<b>US\$116 m</b>		<b>US\$96 m</b>	
<b>4.39</b>		<b>4.59</b>		<b>4.58</b>		<b>5.82</b>		<b>4.29</b>	



# Brand Spotlights.





Rank

10 ←

Brand Value

US\$0.8 bn  
+0%



# Advancing Technology for Sustainable Development.

Founded in Singapore, Giti is one of the world's largest tyre manufacturers. Sticking to "green and efficient production" for sustainable development, it has constantly expanded its global presence and formed a world-class green plant system for tyre manufacturing. Its unified GES integrating quality assurance, EHS management and cost control effectively improves tyre quality stability and reduces the life-cycle impact of tires on the environment. Being environmentally responsible for its products, Giti has taken the road of intelligent manufacturing on its way to environmental protection and sustainable development.

As a global company, Giti has always attached great importance to the development of technological capabilities. Its steps in technological growth have also been firm. The all-round cooperation of Giti's research and development team and its global integrated technology platform AdvanZtech drive continuous product optimisation and technology improvement. Giti has presciently implemented digitalisation and successfully created a digital ecosystem that incorporates product research and development, production, terminal driving, and after-sales service, to provide all consumers with perfect tyre solutions.



# Insights.



# 2023 Auto Industry Trends.



## 2023 Automotive Industry Trends: An Industry Inflection Point?

2022 was a difficult time for the automobile industry. Chinese growth was muted; supply chain shocks, particularly for semiconductors remained an issue; electric vehicles continued to grow in importance both politically and among consumers, putting traditional OEMs under significant pressure; and the business model continued to shift fitfully towards one led more by digital services than drive trains and chassis. So, what does the immediate future for car brands look like?

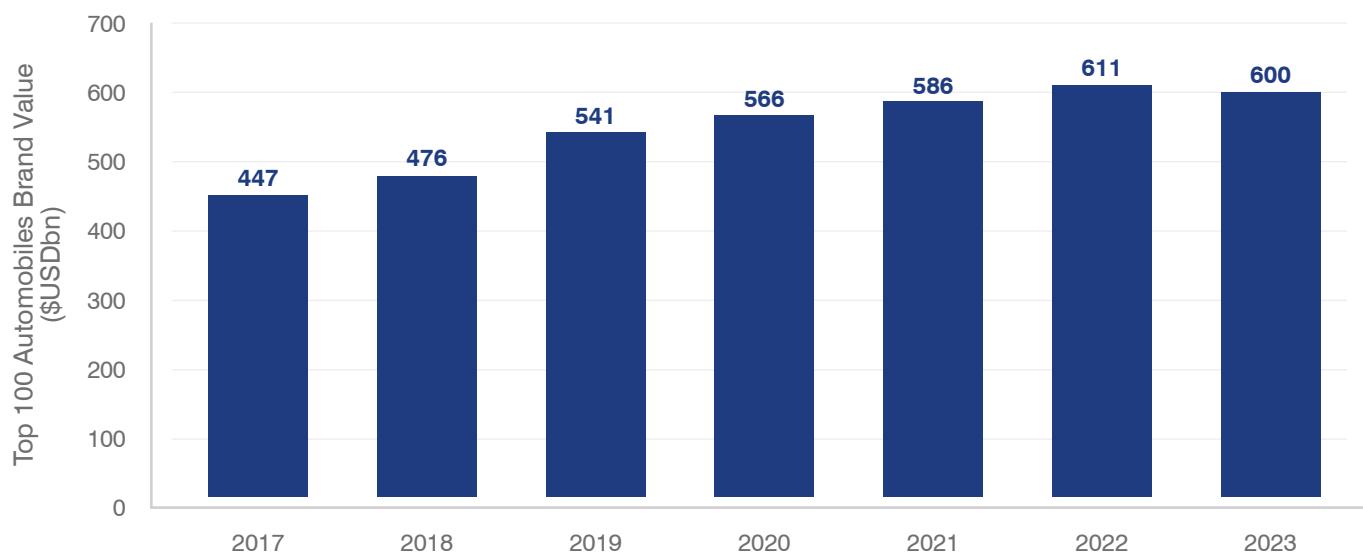
### Automobile brands in trouble

**Alex Haigh**  
Valuation Director,  
Brand Finance

All this contributed to a rather disappointing outlook for automobile brand values in 2023. For the first time since 2017 – when Brand Finance first created a dedicated Automobile brand value ranking – aggregate brand values have fallen from \$611 billion to \$600 billion USD. Across the table, this meant that 68 brands out of 2022's top 100 automobile brands ranking fell in value.

### Brand Finance's Top 100 Automobile Brands 2017-2023

© Brand Finance Plc 2023



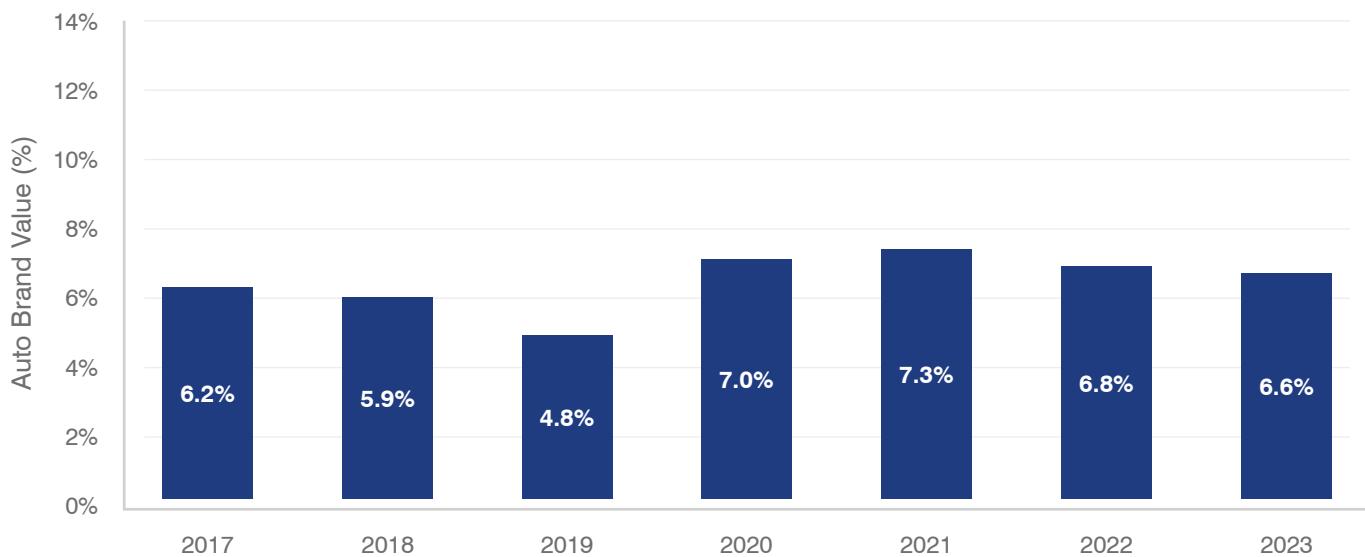
This fall in value highlights a trend for automobile brands that may be worrying for those looking after brands in the industry. This is the falling importance of automobile brands in the global brand ecosystem.

Despite massive falls in the value of Tech brands and an overall fall in value for our Global 500 top most valuable brands ranking, automobile brands continue to fall in overall value terms.

What you can see from the graph below is that this fall is relative to a peak in 2021, which occurred just as government COVID relief payments had made their way to consumers, leading to strong growth in demand for physical products that people could enjoy despite social distancing rules. It remains to be seen whether this trend will continue, but there are some reasons to think that headwinds for the industry will continue in the medium term.

### Auto Brand Value as % of Brand Finance's Top 500 Brand Value

© Brand Finance Plc 2023



## Rising costs, a warming planet and cooling interest among the young

As The Economist reported in a recent article, the young in many parts of the rich world are falling out of love with cars<sup>1</sup>. As the article points out, in the USA, one fifth of Americans between the age of 20 to 24 do not have a license up from one twelfth in 1983 with journeys travelled also down significantly.

Rising concerns around climate change and the corresponding support for alternative modes of transport are putting pressure on demand. On the other hand, inflation, rising interest rates for car finance, volatile fuel prices and expensive electric models mean that costs remain high and unpredictable for consumers.

In order to complete our valuation analysis, every year we research the perceptions of around 150,000 respondents on 4,000 brands in over 35 markets across over 30 sectors within our Brand Finance Global Brand Equity Monitor study.

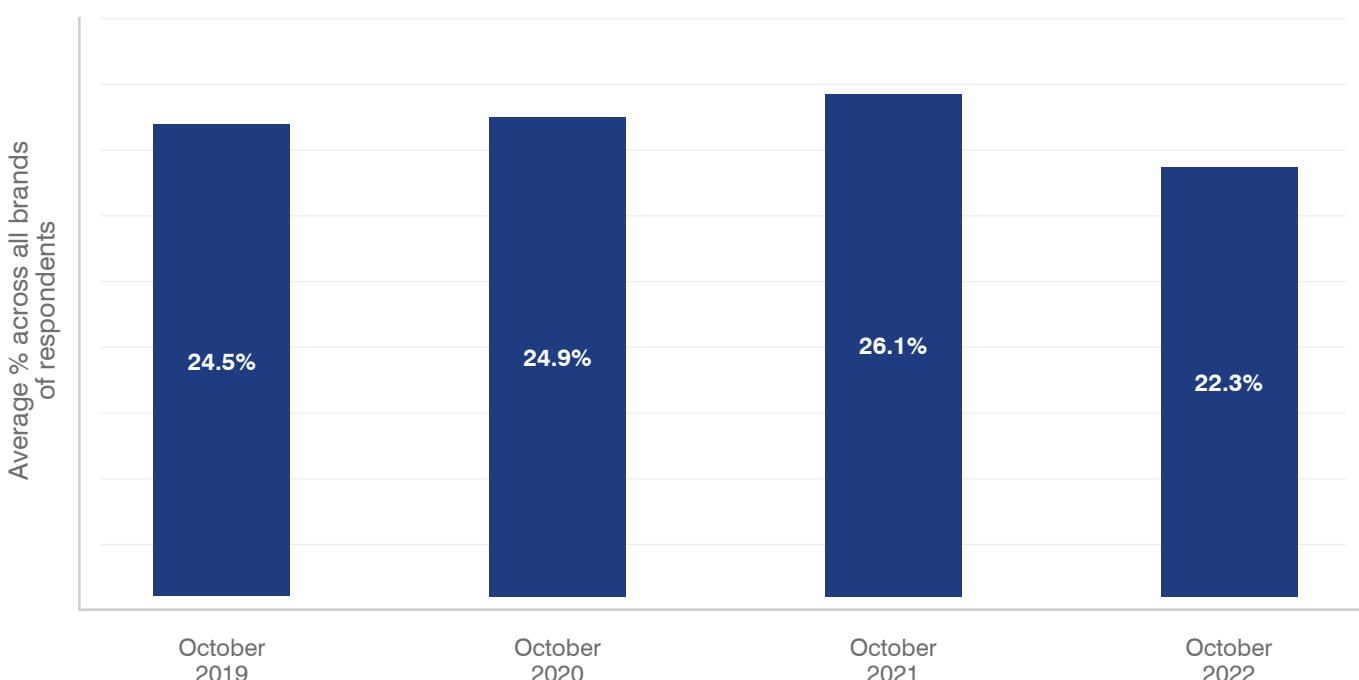
Within this study, you can see these cost pressures starting to affect consumer sentiment. Whereas last year, an average of 26.1% of respondents believed each brand represented "Great Value for Money", this has dropped 15% in relative terms to 22.3% this year. It is clear that consumers are feeling the pinch.

Additional to rising costs, there is also a sense that cars may be losing their 'cool' factor. Steven Bartlett – known for his company Social Chain, which made him a multi-millionaire, being the youngest CEO on the UK's Dragon's Den (equivalent of Shark Tank) and now running a successful interview-based podcast series – was asked by guest Louis Theroux on a recent episode whether he owned a Bugatti.

Steven's response was that he didn't own a car at all, a response that was met with no surprise by Theroux. This passing comment belies a growing truth for many young people. This is that cars are less aspirational for many compared to what they once were.

### Average % across all brands of respondents agreeing that the brand represents "Great Value for Money"

© Brand Finance Plc 2023



Source: Brand Finance Global Brand Equity Monitor  
(All auto brands in China, France, Germany, Italy, UK and USA)

## Automobile brands are not getting the promotional support they used to

This is not helped by a continuous decline in the amount spent on automobile brand promotion.

True to longer term trend, total marketing sales and related administrative costs continue to fall from 8.0% in 2016 to 6.0% in 2021 relative to revenue.

This drop has come due to increased demands on Research and Development and CAPEX – as most OEM's invest heavily in the Electric Vehicle transition. Pulling back from promotional spend could though be sacrificing a long-term benefit for the category on the altar of short-term cost-saving.

As Mark Ritson, the online marketing professor, pointed out in an article on Tesla's recent need to discount<sup>2</sup>, you need considerable amounts of advertising spend to reach the whole market (i.e. not only those who will soon buy a car) in order to continue growing after you reach a certain scale. Tesla was fortunate to have a very timely and innovative product proposition, strong 'word of mouth' approbation by influencers, and the unlimited PR value of a charismatic and often controversial CEO who is happy to be in the spotlight of world attention.

For almost everyone else this fortune is not bestowed on all brands.

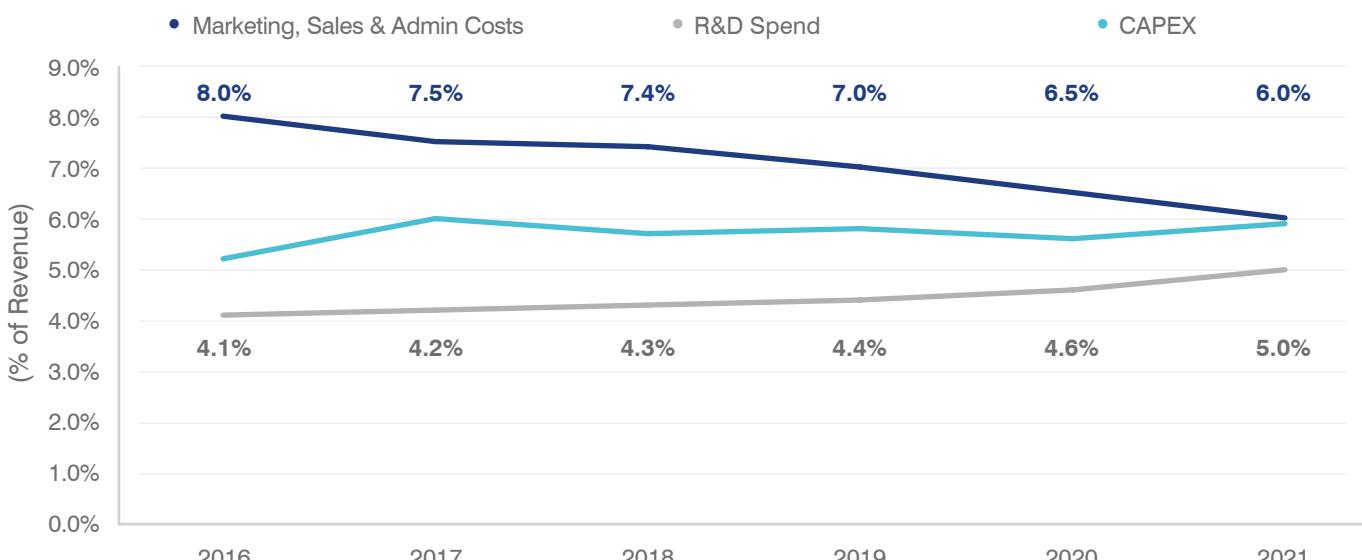
Importantly, marketing spend builds brand familiarity and salience which Brand Finance's simple **BrandBeta®** model highlights is an important predictor of sales growth.

Derived from our Global Brand Equity Monitor, the model is called **BrandBeta®** and is calculated as a combination of brand familiarity and consideration conversion, being the proportion of people familiar with a brand who are willing to consider it. The **BrandBeta®** model is highly predictive of share.



## Weighted Average Investment Levels in the Auto Industry (% of Revenue)

© Brand Finance Plc 2023



Source: Company Annual Reports summarised by Bloomberg  
Note: Average weighted by y-o-y revenue

The graph below shows the results of all automobile brands in the US car market according to our BrandBeta score compared against their market share in the relevant year over the last five years. The R2 figure shows the fit of the results to the trendline with a number closer to 1 indicating a perfect fit. The figure is above 0.9 indicating a very strong relationship.

What is particularly interesting with this is that there appears to be a double jeopardy rule. In other words, the higher a brand's familiarity and consideration the more their market share will grow per additional combined unit of familiarity and consideration (i.e. continuous economies of scale).

While this can partly be explained by the propensity for customers of larger brands to be more loyal, it also highlights another fact. The fact that not only is general familiarity important but depth of familiarity too.

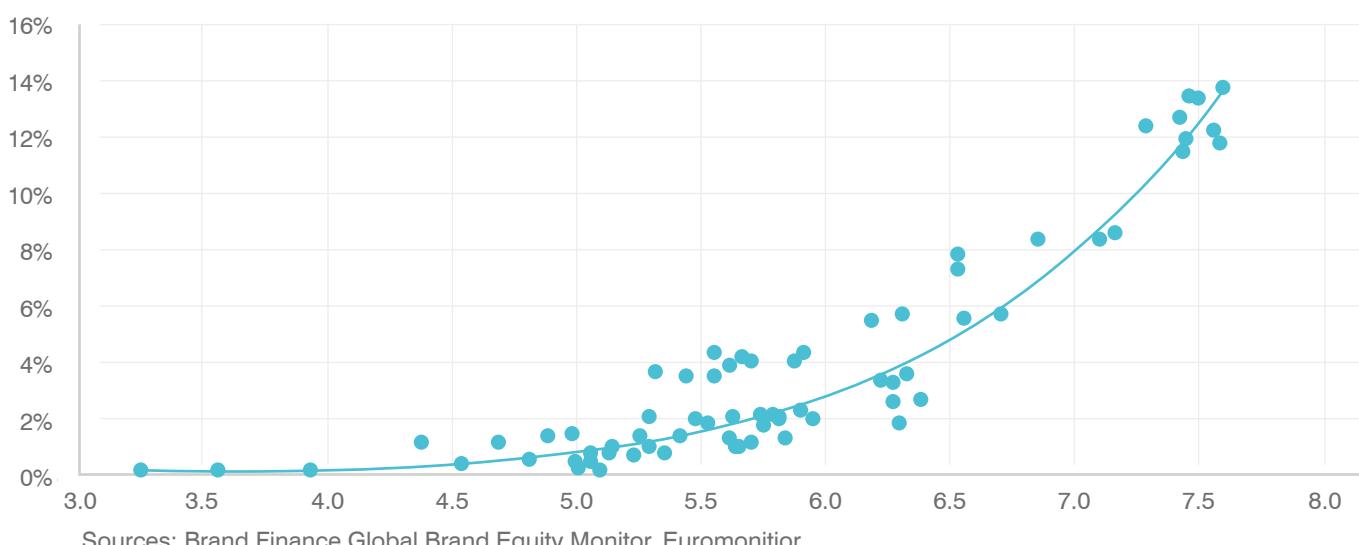
Those brands with higher general familiarity (encompassing knowing the brand "a little" up to knowing the brand "very well") have a much higher level of those respondents knowing the brand "very well". For these respondents, the brand is (one of) the first to mind and therefore a much likelier purchase choice.

This strength of relationship is, of course, driven by experience but promotion is also key and reducing marketing spend will make this relationship harder to maintain and improve.



### **BrandBeta to Market Share (US Car Market) 2018-2020**

© Brand Finance Plc 2023



## **But consumer interest and government support show potential for a turnaround.**

Despite this immediate gloom, there are reasons to be cheery. The passing of the USA's Inflation Reduction Act paves the way for significant support for the transition to electric vehicles. As do the measures taken by other countries, particularly in Europe.

Electric vehicle (EV) focussed OEMs are storming up Brand Finance's Top 100 Auto brands ranking: Tesla is now the most valuable automobile brand in the world for the first time; BYD was the fastest growing brand in the whole of Brand Finance's top 500 most valuable Global brands ranking across all sectors and countries; Polestar, Rivian and other EV brands have made their way into and rocketed up within our table over the last couple of years.

And we appear to be close to an inflection point where costs of EV's reach parity with traditional models as economies of scale work through.

As well as being pushed by governments, this trend is being pulled by consumers interested in buying more products that help them live more sustainable lives.

That needs to be borne in mind by OEMs. In the short run, the drive train is key, but in the longer-term there will be more comparison of the credentials of the full production process – from the use of rare minerals to the recycling of materials.

## **So, what does this mean for brands?**

Much of what we highlighted last year remains true.

Cleaning up the production process of EVs and communicating that as a benefit will be key for the brands that are able to differentiate on this attribute. Careful coordination needs to be taken to avoid overclaiming while maintaining a perceived advantage over competitors.

Brand Finance's sustainability strategy team has put together a series of approaches explaining how this can be done effectively.

From a branding point of view, models need to avoid becoming copy-cats of others. As cars become integrated digital products, there has been a tendency to use nomenclature which references the digital aspect of the product for example with the prefix "i". This approach could end up making it more difficult to make these models distinctive and differentiated compared to the other brands.

Finally, it is important to track both brand equity and brand value. The market for cars is changing in all markets quickly – from model types to sales channel and more. Keeping an eye on what attributes are important and where your brand stands from a brand equity point of view is key.

Tracking brand value over time is also vital because it helps to highlight the need for long-term and effective marketing spend to support long-term demand. As pressures on marketing spend mount in the sector, assessing both equity dimensions and value will be vital to meet evolving consumer demands and to sustainable growth.

### References:

1. "Driven away: Throughout the rich world, the young are falling out of love with cars", The Economist, February 2023
2. Tesla is about to experience the seven perils of discounting, Mark Ritson, 19 January 2023, Marketing Week, <https://www.marketingweek.com/tesla-seven-perils-of-discounting/>



# Methodology.

# Definitions.



## Brand Value

### + 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'.

**TATA MOTORS**

[Tata Motors]



[Land Rover]



[Land Rover]



[Land Rover]

### + 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.

### + 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.

### + 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 Valuation Methodology.

## Definition of Brand

Brand is defined as a bundle of trademarks and associated IP which can be used to take advantage of the perceptions of all stakeholders to provide a variety of economic benefits to the entity.

## Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the “real” value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the “Royalty Relief” methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people's perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

## 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.



## Brand Impact

We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue)

2



## Brand Strength

We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: “Inputs” which are activities supporting the future strength of the brand; “Equity” which are real current perceptions sourced from our market research and other data partners; “Output” which are brand-related performance measures such as market share.

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 Brand Rating up to AAA+ in a format similar to a credit rating.



## Brand Impact × Brand Strength

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



## Forecast Brand Value Calculation

We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.

We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

# Brand Strength.

## Brand Strength

Analytical rigour and transparency are at the heart of our approach to brand measurement at Brand Finance. Therefore, in order to adequately understand the strength of brands we conduct a structured, quantitative review of data that reflect the 'Brand Value Chain' of brand-building activities, leading to brand awareness, perceptions and onwards to brand-influenced customer behaviour.

To manage the 'Brand Value Chain' process effectively we create and use the "Brand Strength Index" (BSI). This index is essentially a modified Balanced Scorecard split between the three core pillars of the 'Brand Value Chain': **Brand Inputs**, **Brand Equity** and **Brand Performance**.



Widely recognised factors deployed by marketers to create brand loyalty and market share.

Perceptions of the brand among different stakeholder groups, with customers being the most important.

Quantitative market and financial measures representing the success of the brand in achieving price and volume premium.

## Attribute Selection and Weighting

1



Although we follow a general structure incorporating the three pillars (Brand Inputs, Brand Equity and Brand Performance), the attributes included are different depending on the sector. A brand strength index for a luxury apparel brand will differ in structure from an index designed for a telecommunications brand. An index for luxury apparel brand may emphasize the exclusiveness, word of mouth recommendation, and price premium, whereas an index for a telecommunications company may emphasize customer service and ARPU as important metrics.

These attributes are weighted according to their perceived importance in driving the following pillar: Brand Investment measures in driving Brand Equity; Brand Equity measures for Brand-Related Business Performance measures; and finally the relevance of Brand-Related Business Performance measures for driving business value.

## Data Collection

2



Brand's ability to influence purchase depends primarily on people's perceptions. Therefore, the majority of the Brand Strength Index is derived from Brand Finance's proprietary Global Brand Equity Research Monitor research, a quantitative study of a sample of over 100,000 people from the general public on their perceptions of over 4,000 brands in over 25 sectors and 37 countries.

However, at Brand Finance we also believe that there are other measures that can be used to fill gaps that survey research may not capture. These include total investment levels – for example in marketing, R&D, innovation expenditure, that can a better guide to future performance than surveys. They also include online measures – such as ratings by review sites and social media engagement that can give a more granular understanding of marketing effectiveness. Finally they also include real behaviour – for example net additions, customer churn and market share, to overcome the tendency for surveys to incorporate intended behaviour rather than real.

Over a period of 3 to 4 months each year, we collect all this data across all the brands in our study in order to accurately measure their comparative strength.

## Benchmarking and Final Scoring



3

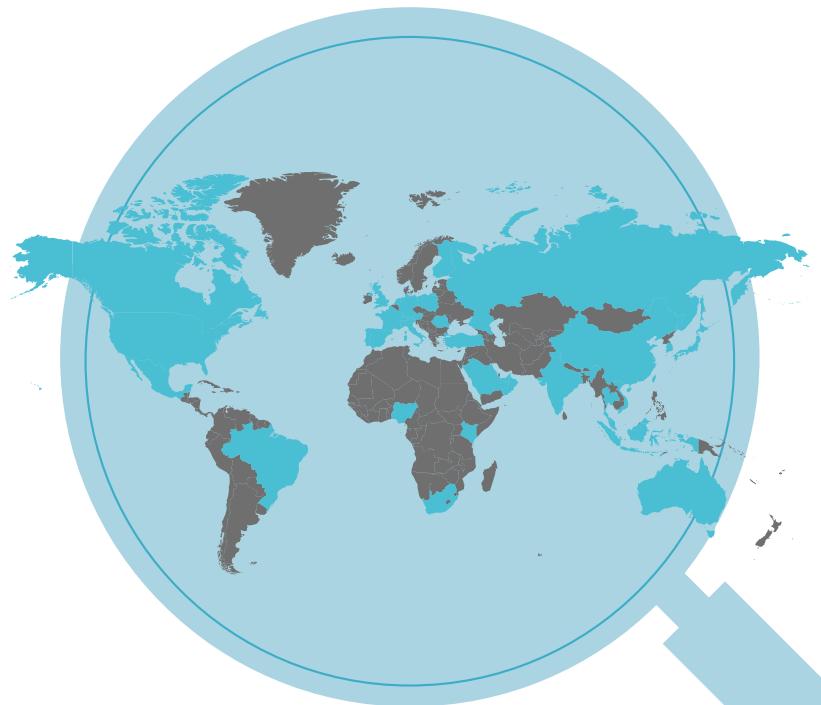
In order to convert raw data in to scores out of 10 that are comparable between attributes within the scorecard, we then have to benchmark each attribute. We do this by reviewing the distribution of the underlying data and creating a floor and ceiling based on that distribution.

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.

# Global Brand Equity Monitor.

Original market research in 38 countries and across more than 31 sectors with approximately 150,000 consumers rating over 5,000 brands.



## Brand KPIs and Diagnostics

### 1. Brand Funnel



#### Awareness

Have heard of your brand

#### Familiarity

Know something about your brand

#### Consideration

Would consider buying/using your brand

### 2. Brand Usage

### 3. Quality

### 4. Reputation

### 5. Loyalty

### 6. Closeness

### 7. Recommendation (NPS)

### 8. Word of Mouth

### 9. Brand Imagery

### 10. Advertising Awareness

### 11. Brand Momentum

# Highlights from the Global Brand Equity Monitor.

Brand Finance's proprietary market research provides a robust assessment of brand health on key equity measures, allowing comparison both within and across product and service categories. Benchmarking against brands outside your sector is especially helpful in assessing the real strength of brand – not just the 'best of a bad bunch' in a category where brands are generally weaker.

## What makes a brand great?

Amazon is undoubtedly one of the world's strongest brands, one of just a handful achieving the highest AAA+ rating. It has an extremely strong brand funnel, with near-universal familiarity, and consideration, and while its reputation score is not best-in-class, it is stronger than many of its critics might think.

Every strong brand has its own winning formula, and our research highlights Amazon's particular advantages. Top of that list is the outstanding value which shoppers believe Amazon delivers. Amazon ranks on this measure in big markets such as Brazil, USA, UK, and is #1 among retailers in many more. Value has always been a big driver of consumer behaviour, but Amazon also delivers a slick shopping experience ("excellent website/apps"), and this powerful combination is irresistible for many consumers, even those who question Amazon's values and broader corporate reputation.

## Does brand purpose deliver?

Argument rages among CMOs and marketing gurus over this issue. The jury is out – our data suggests that being seen to "care about the wider community" does correlate somewhat with higher Consideration levels, and is an asset particularly for local favourites such as **Jio** (India) or **Bunnings** (Australia). But brands like **McDonald's** and **Nike** (as well as Amazon) are liked and desired despite somewhat moderate reputations on sustainability and values.

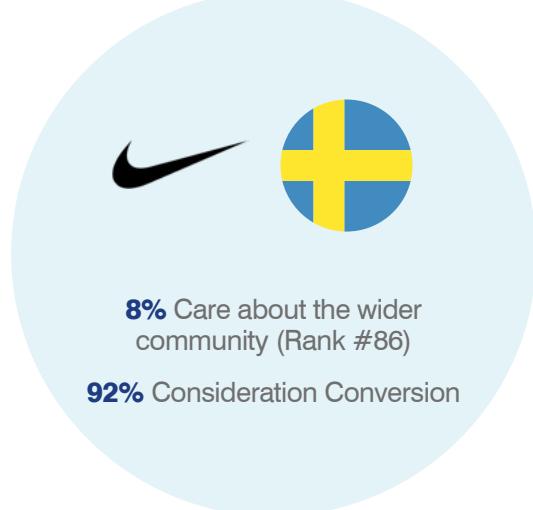
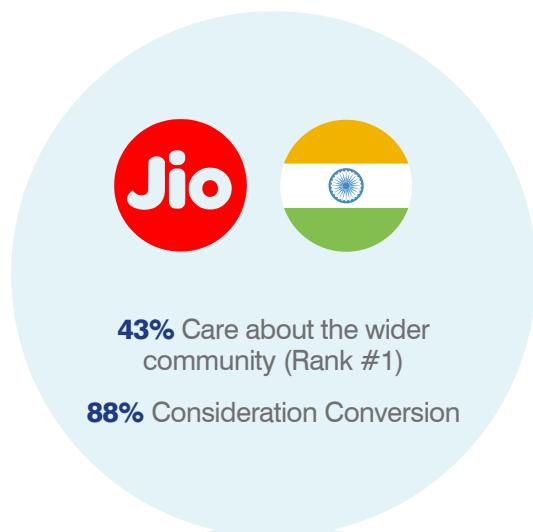
## Who's the coolest cat?

In categories like apparel, tech and automotive, sustainability can make you cool, but it's not the only way. **Porsche** wins relatively few plaudits for sustainability, but its übercoolness is very apparent.

## Selected Rankings for Amazon – All Non-Luxury Brands

	Great value for money	Excellent website/apps
	5	5
	1	1
	8	1
	6	1

© Brand Finance Plc 2023



Similarly in the apparel category (especially footwear), the correlation between coolness and sustainability is not especially high.

Meanwhile in France, the epitome of chic, the 2<sup>nd</sup>-highest scorer among non-luxury brands is.... **Burger King**.

## Get your brand talked-about

Cool brands get talked about, and word-of-mouth (WOM) is another key asset some brands possess. It has proven impact on brand growth, hence WOM's inclusion in our Brand Strength Index model.

In an absolute sense, big brands get talked about a lot more than small ones – their sheer mass presence and relevance ensures that. But deeper analysis reveals a number of challenger brands who look set to profit from above-expectation WOM levels and positive consumer sentiment. Keep an eye on **Tim Horton's** in Spain, **Peros Garment Factory** (Canada), **SAIC** in, yes, the USA and **iinet** in Singapore.



**Top-ranked brands for being “Cool” (Among Category Users)** © Brand Finance Plc 2023



# Our Services.



# Consulting Services.

## Make branding decisions using hard data

### Brand Research

#### *What gets measured*

Brand evaluations are essential for understanding the strength of your brand against your competitors. Brand Strength is a key indicator of future brand value growth whether identifying the drivers of value or avoiding the areas of weakness, measuring your brand is the only way to manage it effectively.

- + Brand Audits
- + Primary Research
- + Syndicated Studies
- + Brand Scorecards
- + Brand Drivers & Conjoint Analysis
- + Soft Power



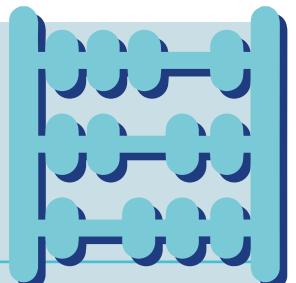
- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?

### Brand Valuation

#### *Make your brand's business case*

Brand valuations are used for a variety of purposes, including tax, finance, and marketing. Being the interpreter between the language of marketers and finance teams they provide structure for both to work together to maximise returns.

- + Brand Impact Analysis
- + Tax & Transfer Pricing
- + Litigation Support
- + M&A Due Diligence
- + Fair Value Exercises
- + Investor Reporting



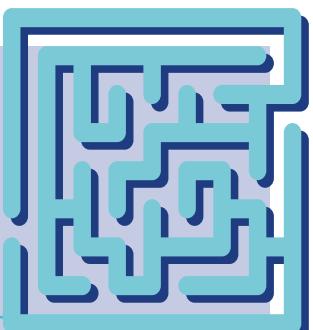
- + How much is my brand worth?
- + How much should I invest in marketing?
- + How much damage does brand misuse cause?
- + Am I tax compliant with the latest transfer pricing?
- + How do I unlock value in a brand acquisition?

### Brand Strategy

#### *Make branding decisions with your eyes wide open*

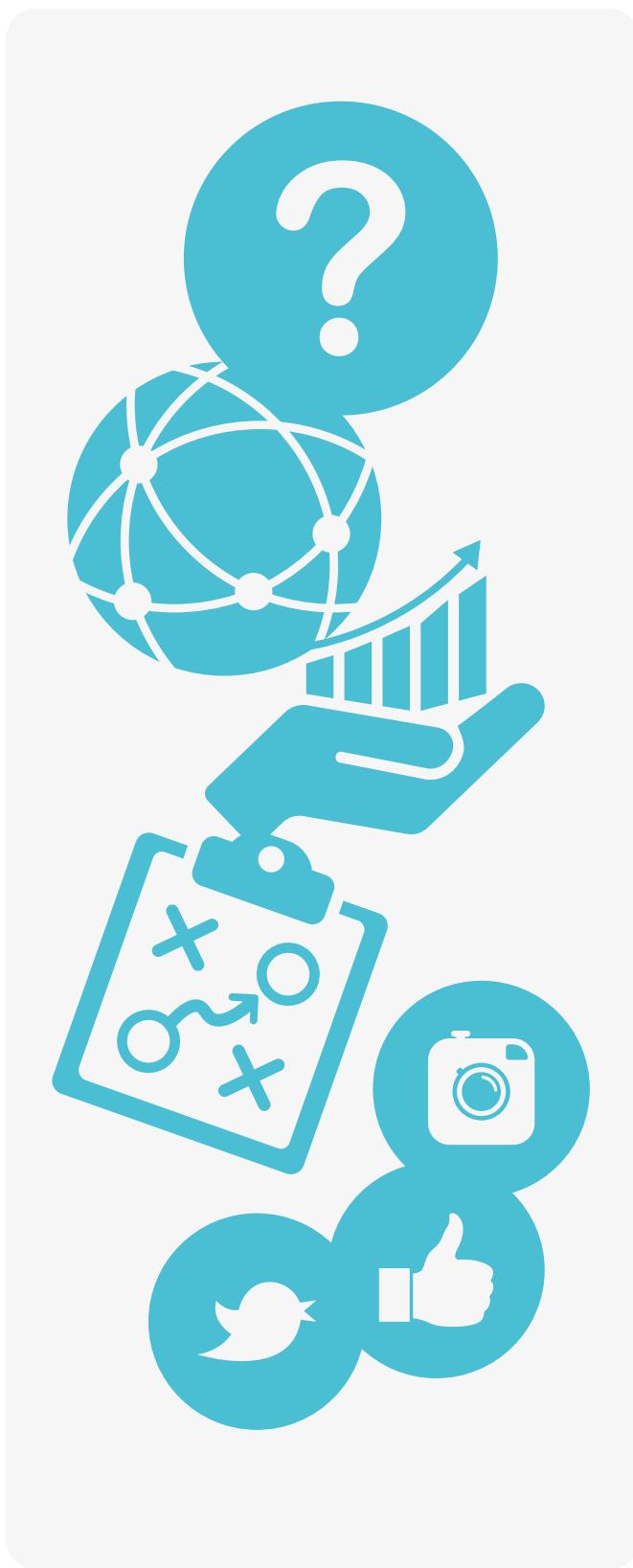
Once you understand the value of your brand, you can use it as tool to understand the business impacts of strategic branding decisions in terms of real financial returns.

- + Brand Positioning
- + Brand Architecture
- + Franchising & Licensing
- + Brand Transition
- + Marketing Mix Modelling
- + Sponsorship Strategy



- + Which brand positioning do customers value most?
- + What are our best brand extension opportunities in other categories and markets?
- + Am I licensing my brand effectively?
- + Have I fully optimised my brand portfolio?
- + Am I carrying dead weight?
- + Should I transfer my brand immediately?
- + Is a Masterbrand strategy the right choice for my business?

# Brand Evaluation Services.



## How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 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.

# Brand Dialogue®



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 and marketing activations, to deliver strategic campaigns, helping us to establish and sustain strong client relationships. We also have a specific focus on geographic branding, including supporting nation brands and brands with a geographical indication (GI).

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Brand Dialogue Limited is a member of the Brand Finance Plc Group



## Research, Strategy & Measurement

- Brand & Communications Strategy
- Campaign Planning
- Market Research & Insights
- Media Analysis



## Public Relations & Communications

- Media Relations
- Press Trips & Events
- Strategic Partnerships & Influencer Outreach
- Social Media Management



## Marketing & Events

- Promotional Events
- Conference Management
- Native Advertising
- Retail Marketing



## Content Creation

- Bespoke Publications, Blogs & Newsletters
- Press Releases
- Marketing Collateral Design
- Social Media Content



## Strategic Communications

- Crisis Communications
- Brand Positioning & Reputation
- Geographic Branding
- Corporate Social Responsibility (CSR)



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