



Brand Finance Kenya Forum 2023

Date: 11/04/2023

<https://brandirectory.com/rankings/kenya>

Download report here:



Brand Finance, since 1996

A truly global presence with African representation in Kenya, Nigeria and South Africa

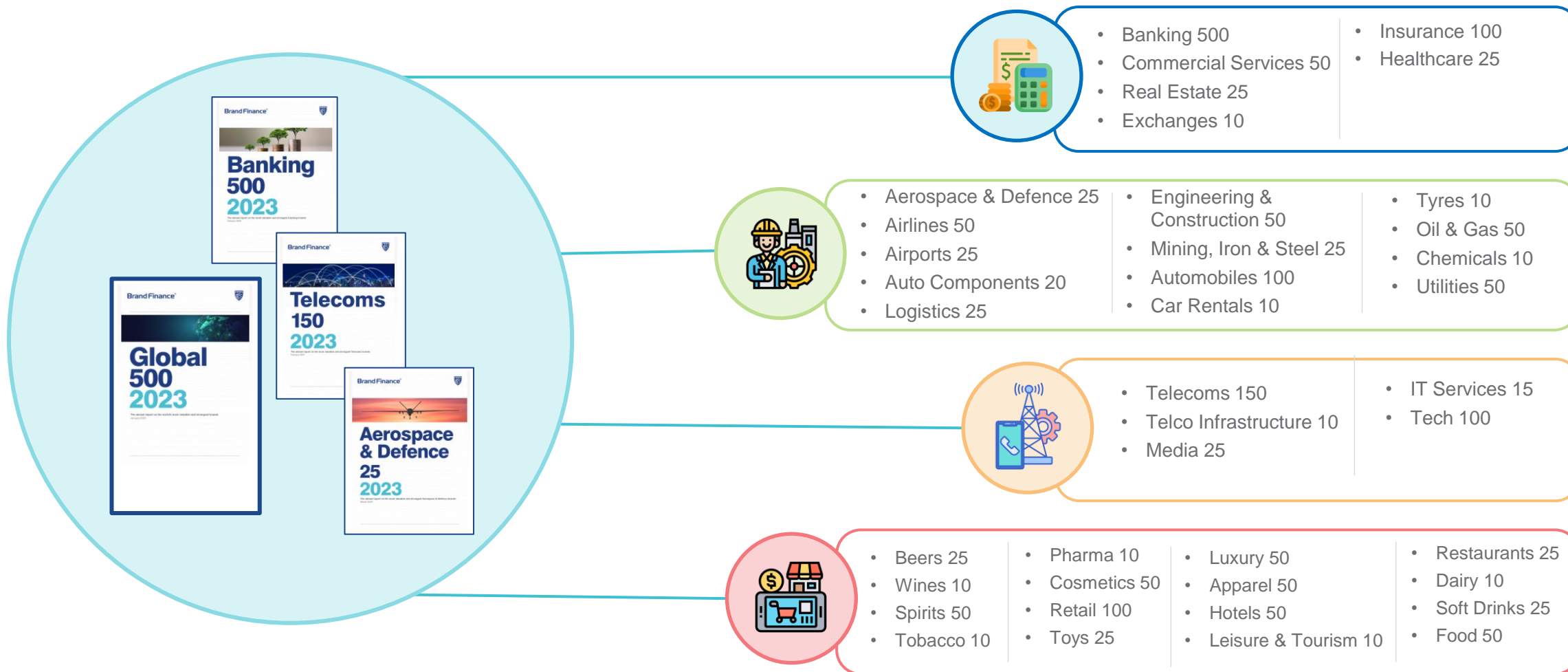


ISO



Our Annual Industry Publications

We launch more than 50 sector tables regarding different industries every year



Our Annual Regional Publications

We publish 52 country tables ranking brands in different regions every year



Our Framework for Value-based Brand Management

1.



Research and Evaluate the strength of the brand and how it improves business value

*We conduct **bespoke research** or use **existing research** provided by our clients*



2.



Value the brand and identify its impact on day-to-day business performance

Industry leader in Brand Valuation conducting over 5000 valuations each year



3.



Embed the valuation system as a tool to evaluate the best strategic options.

Understand the monetary value behind decisions and how best to create future brand and business value

APPLICATIONS

- ✓ Brand Audits
- ✓ Brand Strength Scorecards
- ✓ Detailed competitor review
- ✓ Brand Drivers & Conjoint Analysis
- ✓ Marketing Performance Assessment
- ✓ Customer Journey Mapping

- ✓ Improved Marketing Budget Allocation & Investment
- ✓ Licensing / Transfer Pricing
- ✓ Performance Tracking
- ✓ Value creation opportunities
- ✓ Scenario testing and ROI analysis
- ✓ Project/Sponsorship appraisal

- ✓ Brand Positioning
- ✓ Brand Architecture
- ✓ Franchising and Licensing
- ✓ Marketing Mix Modelling
- ✓ Brand Transition Approaches
- ✓ Brand Extensions/Market Entry
- ✓ Stakeholder relations

Global Clients

Technical experience

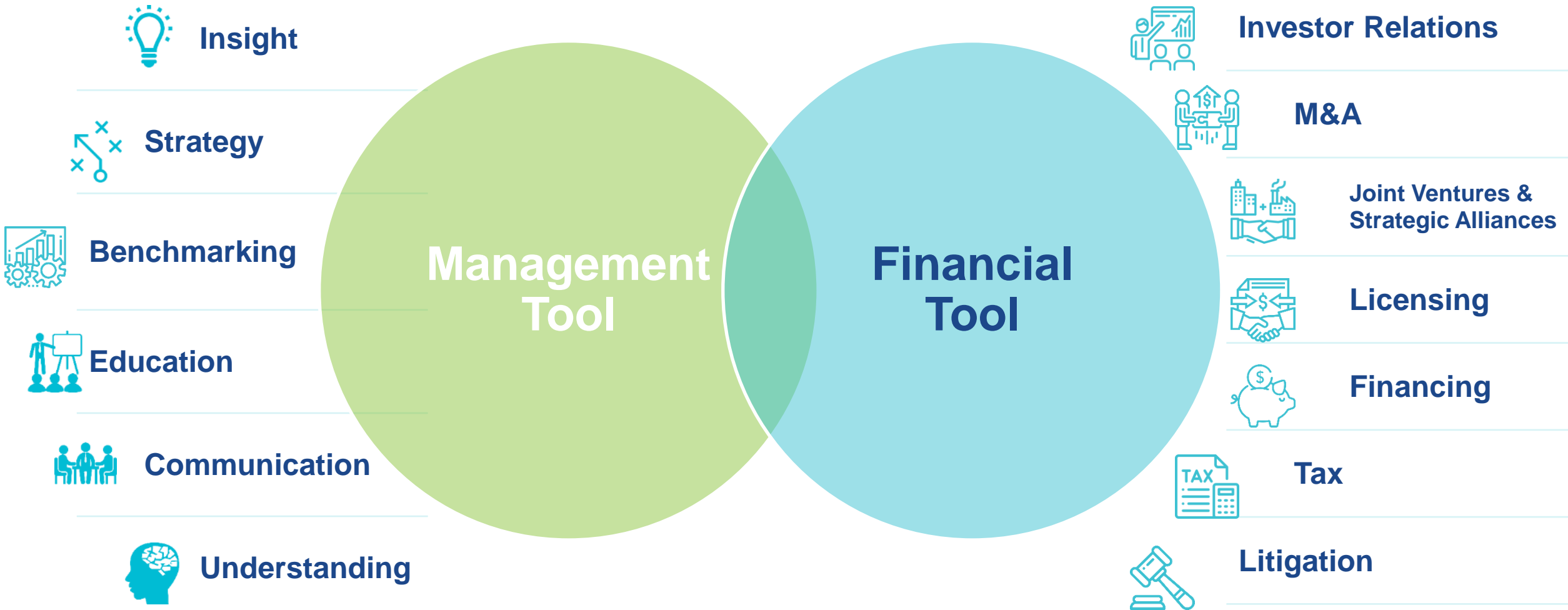


We work with some of the best brands from all over the world – this is a small selection

Our work is frequently peer-reviewed by independent audit practices and our approach has been accepted by regulatory bodies worldwide.

Benefits of Brand Valuation

Brand Value can be used as a management tool and an indicator of financial performance



Brand affects a wide range of Stakeholders

Each can have a direct or indirect impact on the bottom line

● Customers *Buying decisions, brand advocates... or not*

Brand Perceptions affect

- Price
- Volume
- Repeat
- Share of wallet
- Cross sell

○ External Audiences *Willingness to do business*

Brand Perceptions affect

- Distribution terms
- Channel access
- Strategic alliances
- Deal completion
- Licensing
- CSR



○ Staff *Positive organizational 'glue', want to belong, be brand ambassadors*

Brand Perceptions affect

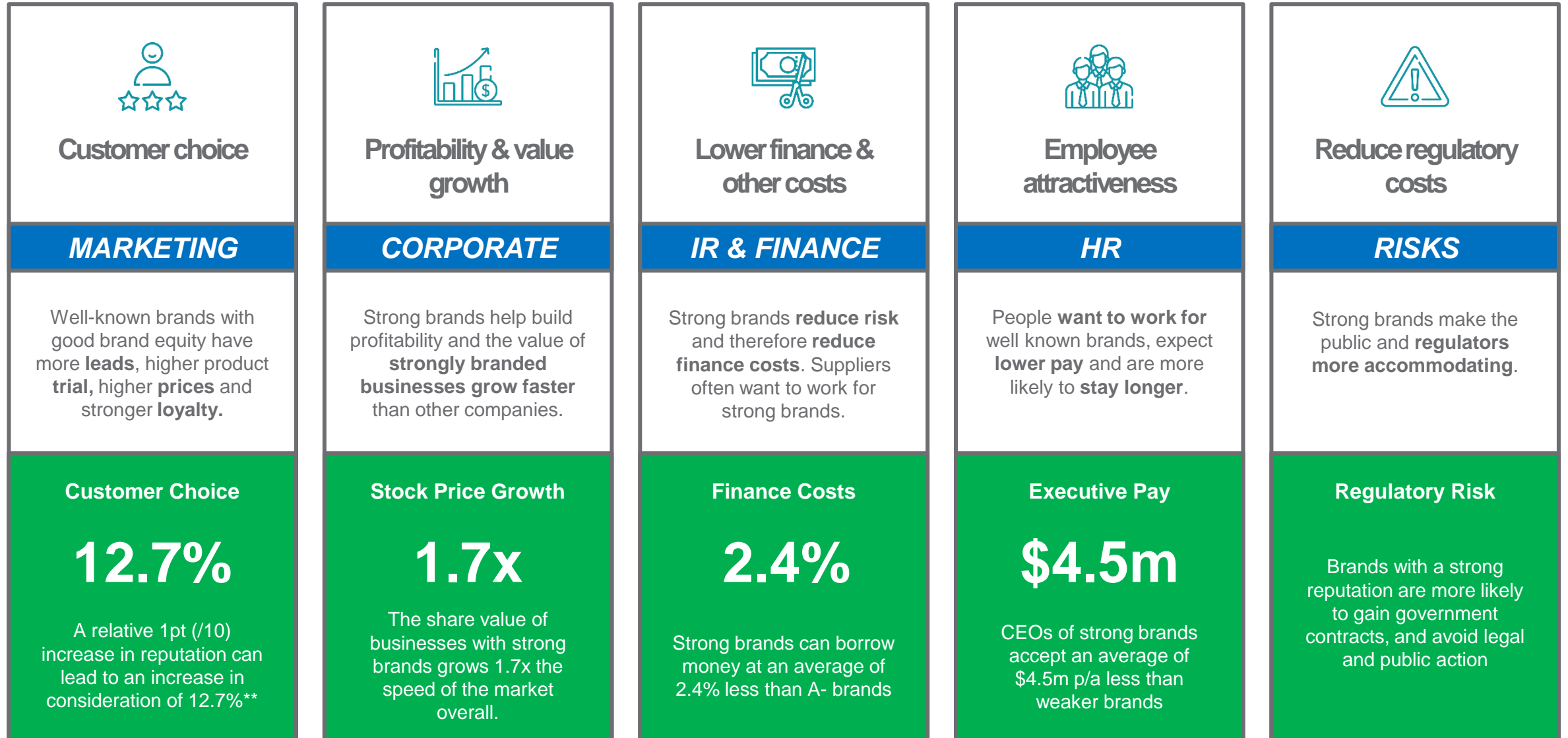
- Recruitment
- Retention
- Recommendation
- Morale
- Staff costs

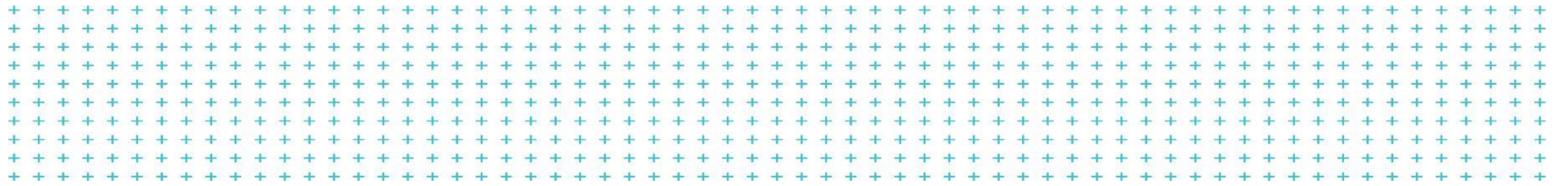
● Financial Audiences *Interest in investing and lending*

Brand Perceptions affect

- Interest spread
- Share price
- Debt/ Equity ratio
- Risk appetite
- Cost of borrowing

The Business Impact of Brand

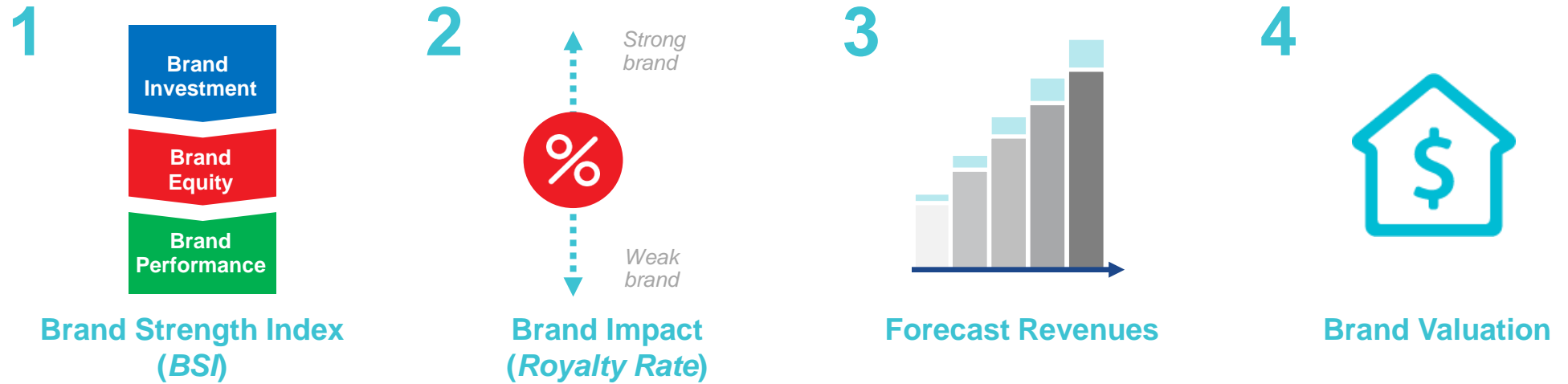




Brand Valuation Methodology

Calculating Brand Value – Royalty Relief Methodology

The Royalty Relief method is used – the preferred methodology of courts and tax authorities



Explanation:

The index is a score out of 100, which reflects the strength of the brand.

The brand's BSI score is applied to a product-specific royalty range to identify that brand's royalty rate.

The royalty rate is applied to forecast revenues to derive *brand earnings*.

Post-tax brand revenues are discounted to a net present value.

Implication:

Maintain and improve brand attributes relative to competitors.

Maximise the impact of brand strength within the core business, and where it influences most.

Use your brand to help build revenue growth, and understand where brand drives income.

Identify value created, value potential and value at risk from changes to brand strategy.

Industry Standard:

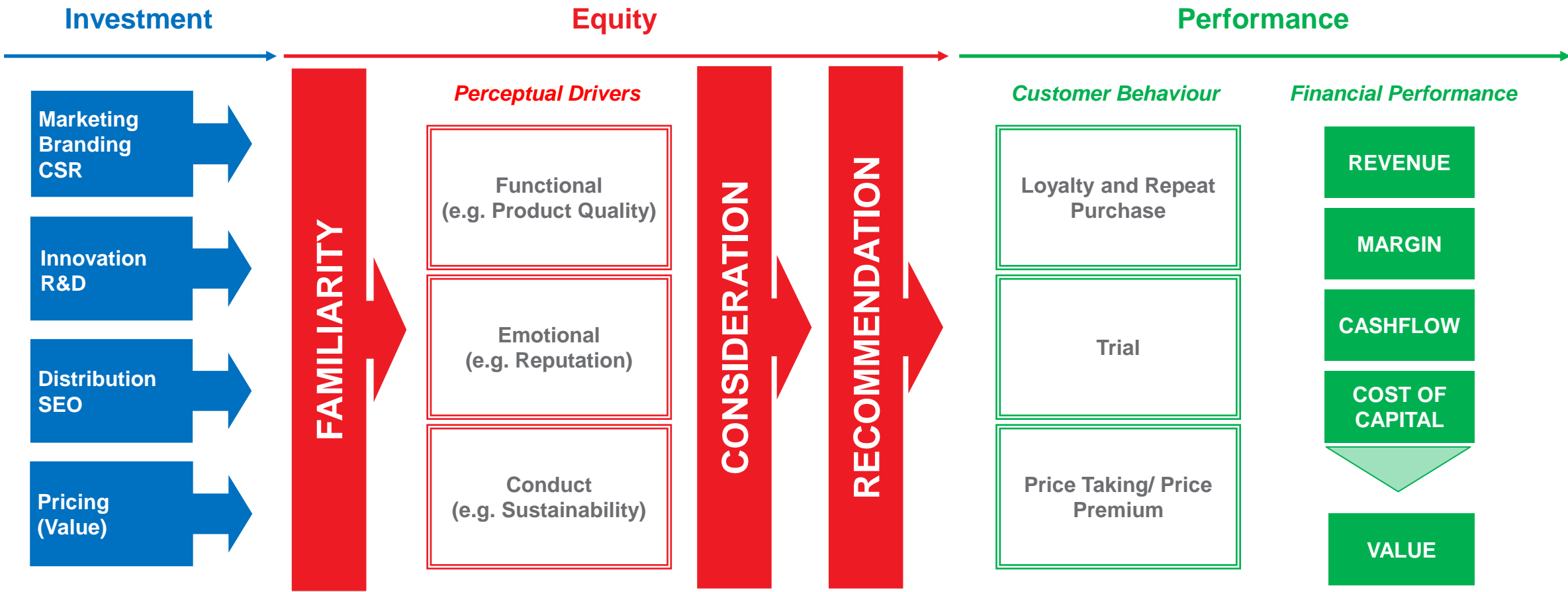
ISO 20671 : 2019

ISO 10668 : 2010

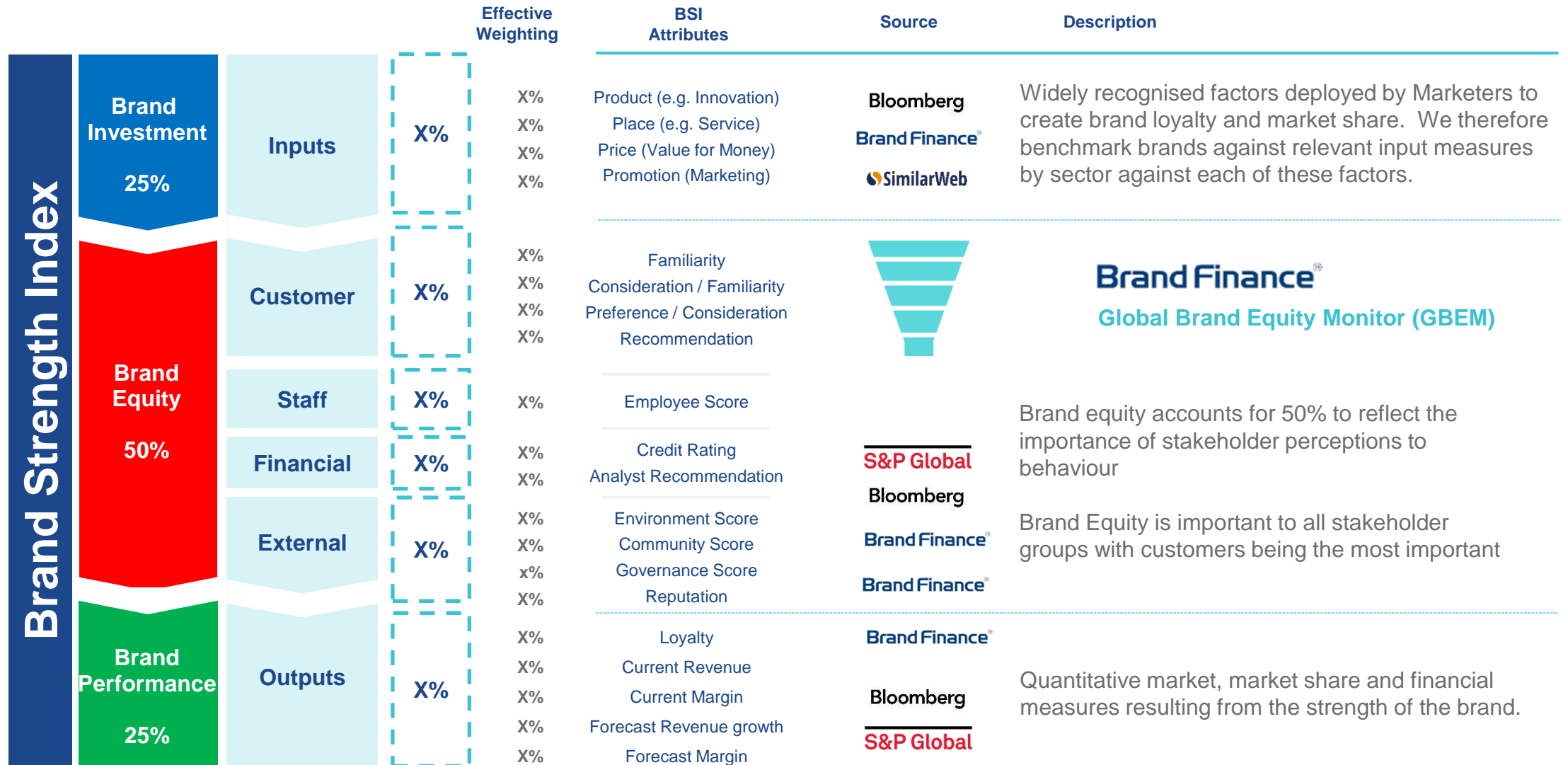
ISO 10668 : 2010

ISO 10668 : 2010

Our brand evaluation methodology stems from our modelling which directly links marketing activities to business value



Brand Strength Index (BSI)

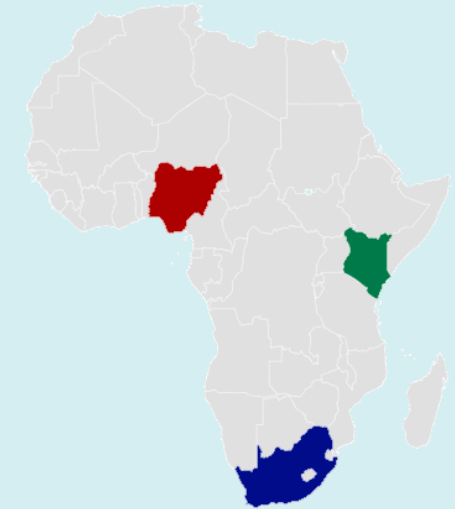


Brand Equity Research Coverage 2022-23



- **110,000+ respondents**
- **38 countries**
- **30 sectors**
- **4,500+ brands**
- **7 years of data**

Current Africa coverage



To be expanded in 2023...

Metrics tracked and sectors covered

Research is divided into two tiers based on sector classification

Questions		Covered in	
Category	Metric	Tier 1 Research	Tier 2 Research

Brand Funnel	Awareness	✓	✓
	Familiarity	✓	✓
	Consideration	✓	✓
	Usage	✓	

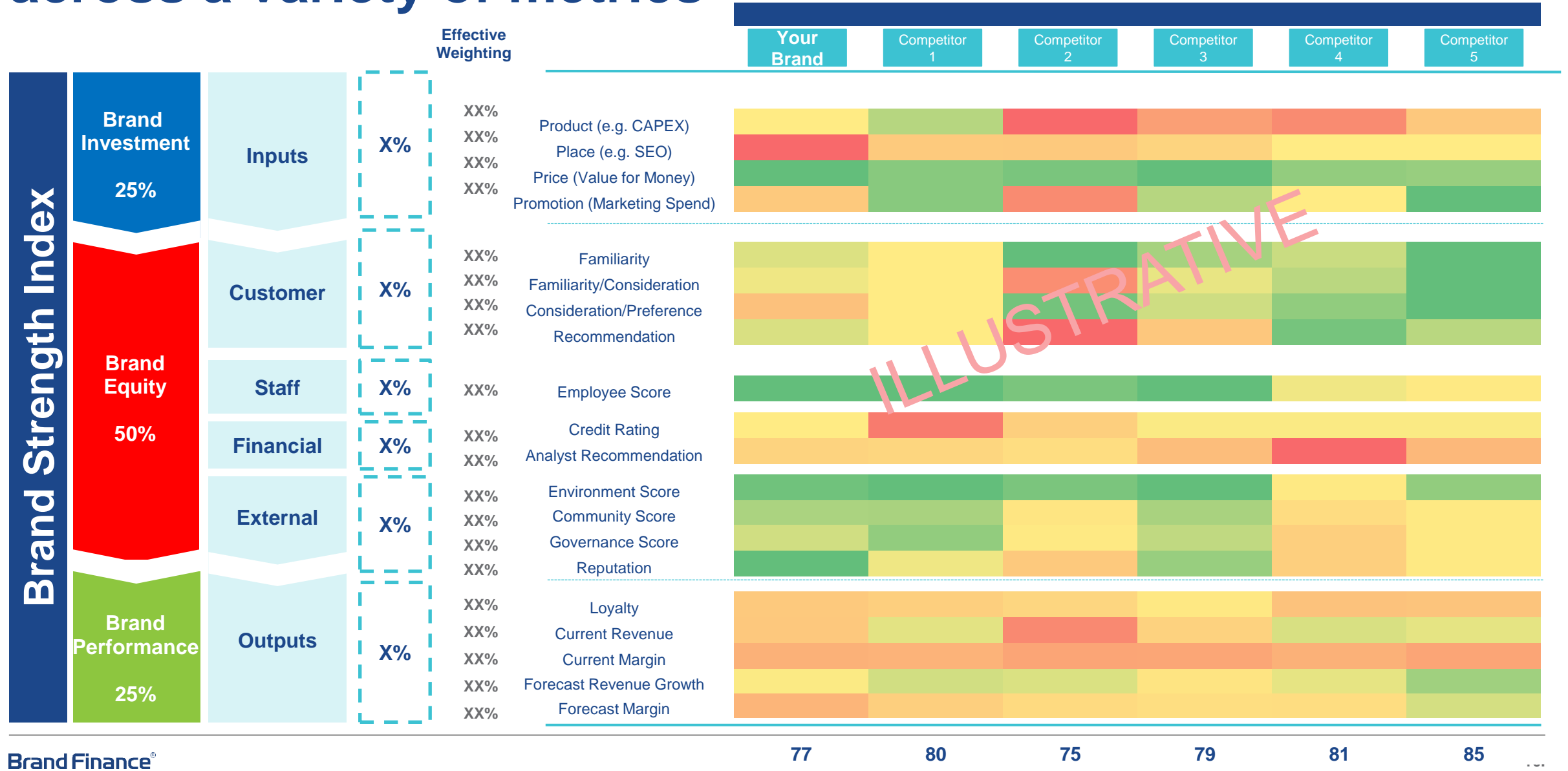
Brand KPI's	Advertising recall	✓	
	Likeability (affinity)	✓	
	Loyalty	✓	
	Momentum	✓	
	Price Premium	✓	
	Quality	✓	
	Reputation/NPS	✓	✓
	Sustainability (New)	✓	✓
	Word of Mouth	✓	

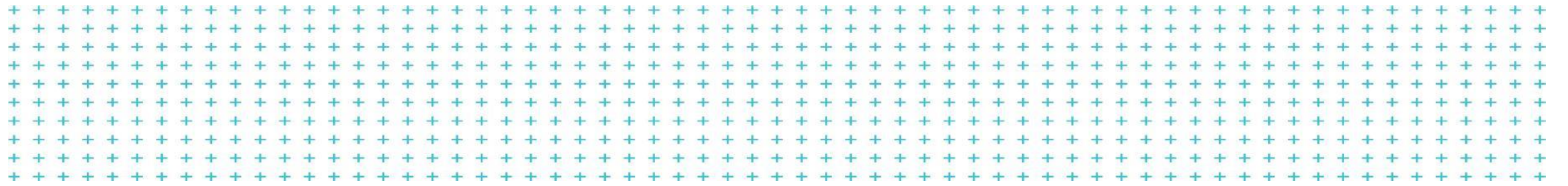
Brand Attributes	24 unique image statements asked across sectors (e.g. value for money, innovation)	✓	
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Sector Coverage and Allocation	
Tier 1 (20)	Tier 2 (10)

Airlines	Apparel
Appliances	Car Rental Services
Banks	Cosmetics/ Personal Care
Beer	Healthcare Services
Cars	Leisure & Tourism
Food	Logistics
General retail & e-Commerce	Luxury Apparel
Hotels	Luxury Cosmetics
Household Products	Real Estate
Insurance	Tyres
Luxury Cars	
Media	
Oil & Gas	
Restaurants	
Soft Drinks	
Supermarkets	
Technology	
Telecoms	
Utilities	
Wines & Spirits	

We benchmark our results to find the strongest performer across a variety of metrics





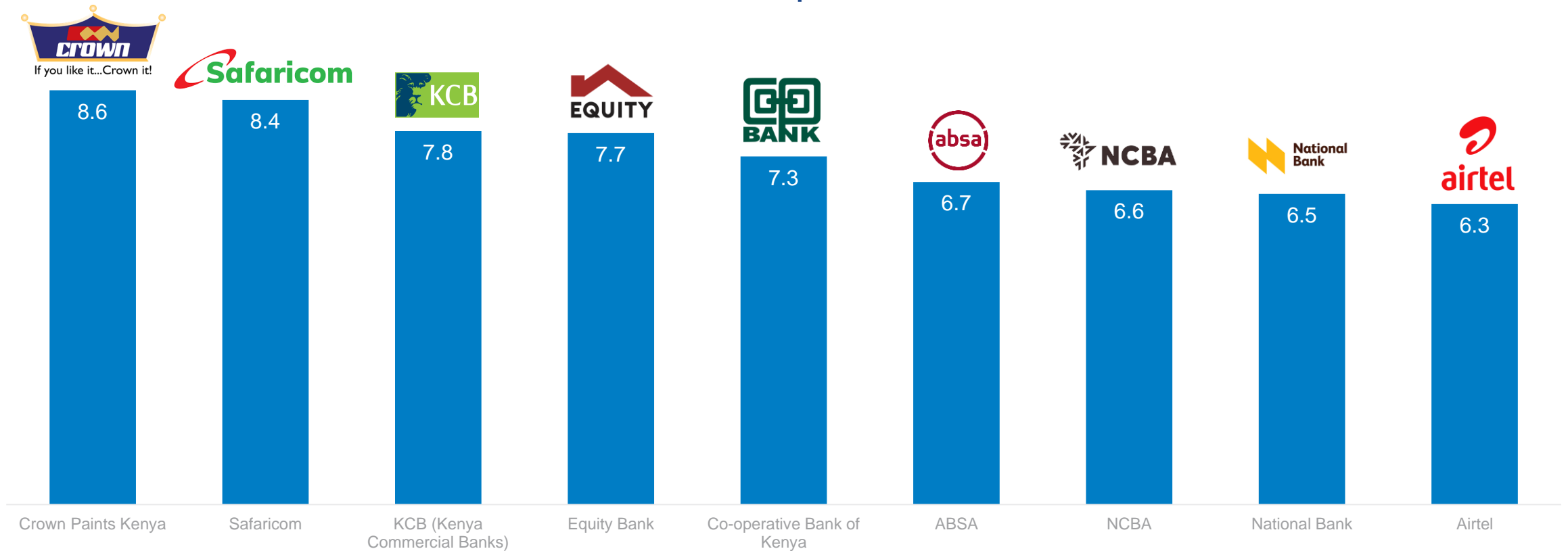
Market Research Overview

Global Brand Equity Monitor Highlights

Most Reputable Brands in Kenya

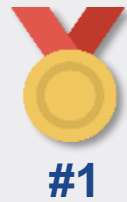
Brand Finance Global Brand Equity Monitor Results

Overall Reputation



Highest Performer on Brand Touchpoints

Banking and telecom market research



**Customer
Service**



**Widely
Available**



**Good range of
products to
choose from**



Sustainability Perceptions

Banking and telecom market research



 #1



The Safaricom logo features a red swoosh above the word "Safaricom" in green.

 #2



The Equity logo consists of a red upward-pointing arrow shape above the word "EQUITY" in bold black capital letters.

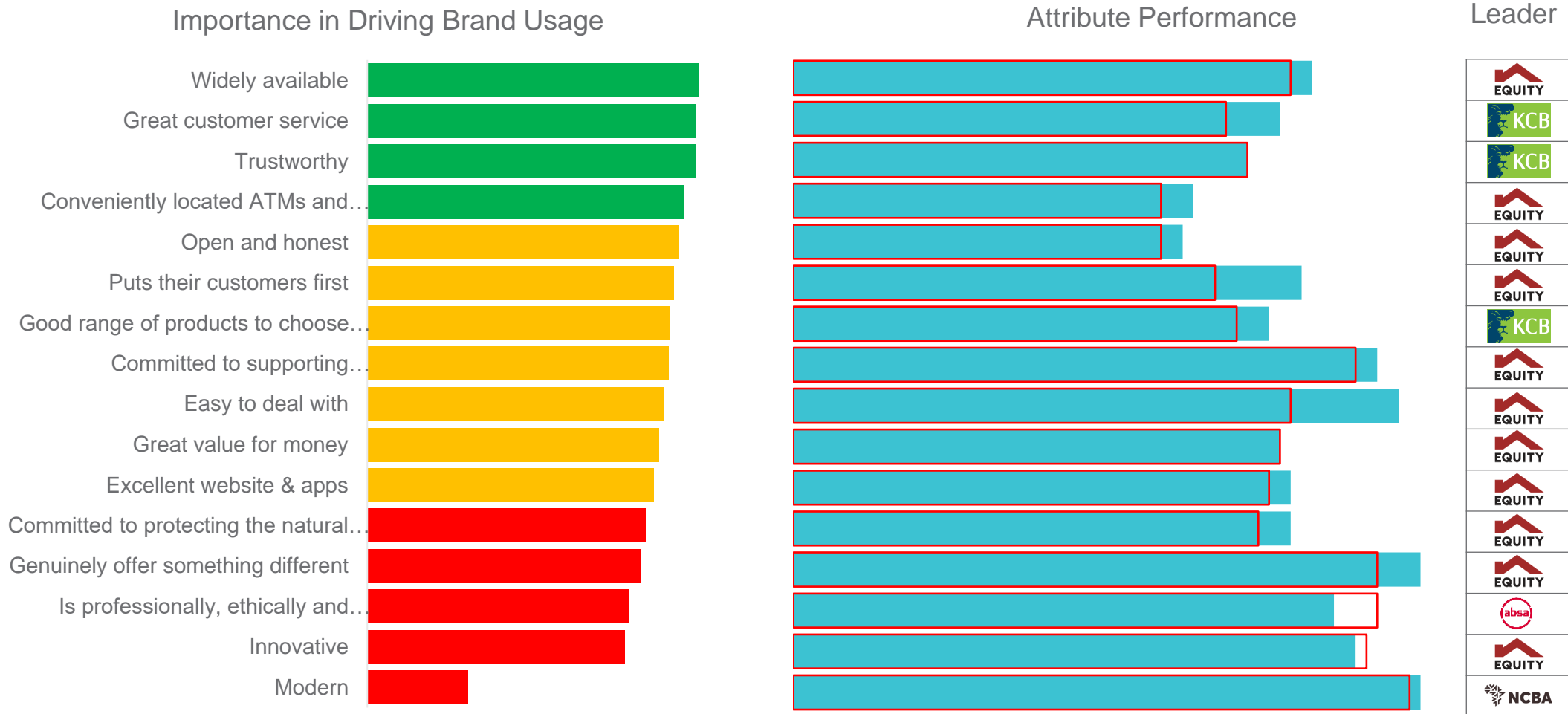
 #3

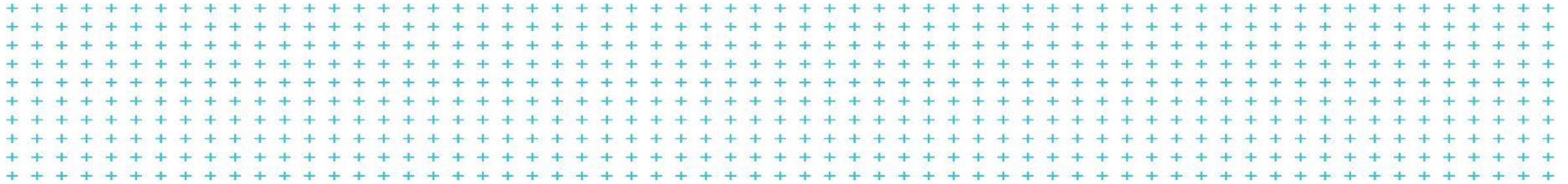


The KCB logo features a blue lion's head silhouette on the left and the letters "KCB" in white on a green rectangular background to the right.

Drivers of Usage – Kenyan Banking Industry

Perceptions of wide availability, customer service levels, trust, and convenience of ATM's and branches are the most important attributes for driving brand usage.





Top 3 most valuable Kenyan brands

2023

Top 10 most valuable brands

3



KES 46.6bn

24%



Brand Finance® 

Top 10 most Valuable Brands

2



EQUITY

KES 65.2bn

51%



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Top 10 most valuable brands

1 ←



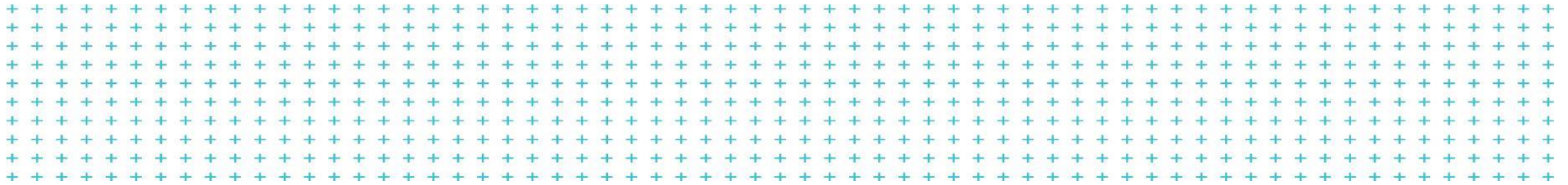
 **Safaricom**

KES 87.0bn

14%



Brand Finance® 



Top 3 strongest Kenyan brands

2023

Top 3 strongest brands

3 ←



84.9

-0.9

AAA



Brand Finance®



Top 3 strongest brands

2



90.4

+2.7

AAA+



Brand Finance® 

Top 3 strongest brands

1



EQUITY

92.4

+1.6

AAA+

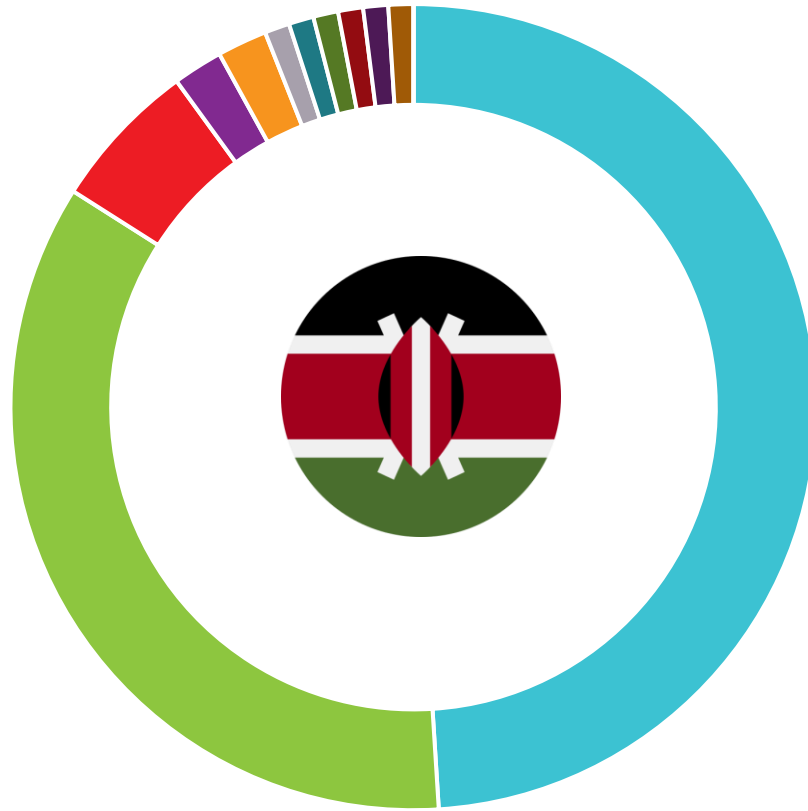


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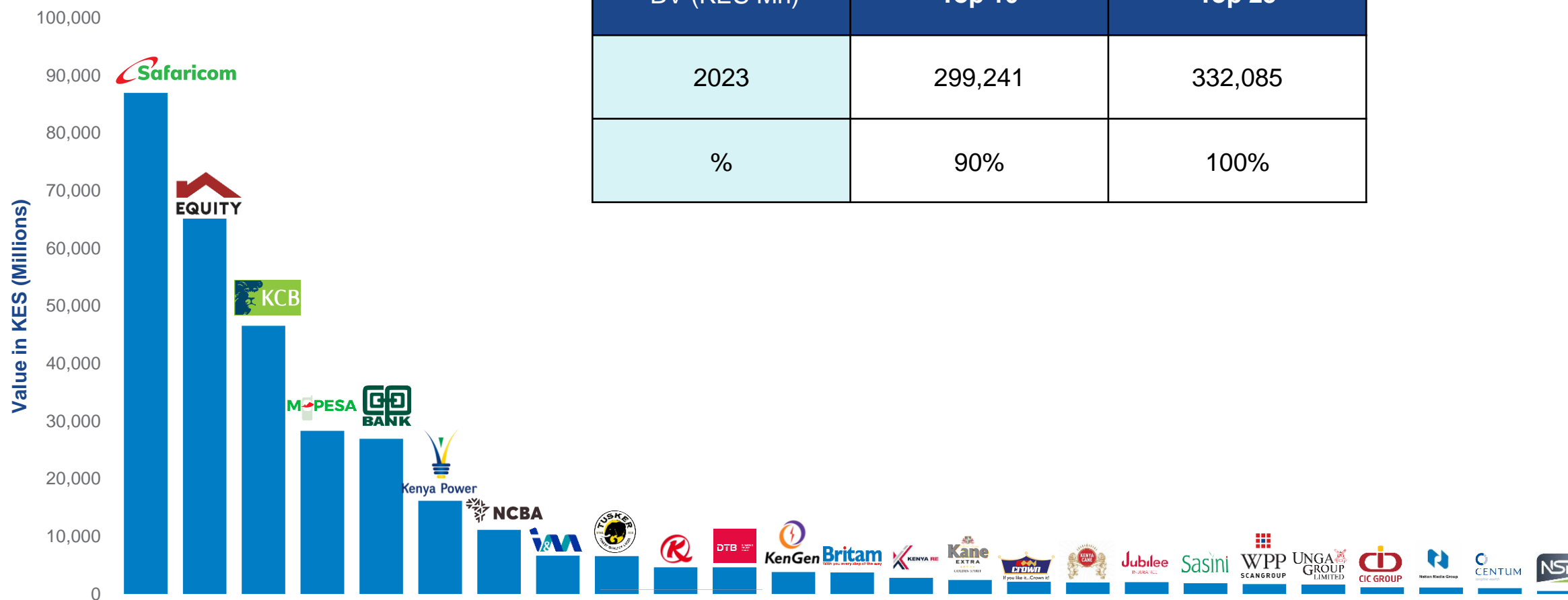
Brand Value by Sector

Banks & Telecoms makes up 84% of brand value within the top 25 brands



Sector	Brand Value (KES Billion)	% of share	No. of Brands
Total	332	100%	25
Banking	162	49%	7
Telecoms	115	35%	2
Utilities	20	6%	2
Insurance	8	2%	4
Beers	7	2%	1
Airlines	5	1%	1
Spirits	4	1%	2
Engineering & Construction	4	1%	1
Chemicals	2	1%	1
Commercial Services	2	1%	1
Soft Drinks	2	1%	1
Food	1	0%	1
Media	1	0%	1

Kenya top 25 – Brand Value Distribution 2023



BV (KES Mn)	Top 10	Top 25
2023	299,241	332,085
%	90%	100%

To access the full report, please visit:

<https://brandirectory.com/rankings/kenya/>

Brand Finance[®]
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