

Article – Measuring & Improving Company's Brand Value – (Author -Dr Kanak Madrecha)

- A. **Introduction:** Every company, whether it has corporate customers or retail customers, wants to build its brand and improve its brand value in the long run. Some of them may also have on mind to encash this brand value in future due to various strategic reasons.
- B. **Measuring Brand Value:** Any company's brand value can be measured by: -
1. **Company's marketing division:** This can be done by using established formulas and comparing its brand value with publicly declared brand values of other local, regional or global competitors.
 2. **External Management Consultants:** This is more accurate and reliable than brand value measured by the company's marketing division but requires some investment of time & money.
 3. **External Market Research Consultants:** This is an accurate, time consuming but very expensive exercise. This will be more useful if company wants to include brand value in its balance sheet.
- Methods of Brand Valuation:** Company's Brand Value is determined by below factors: -
1. Number of total customers to whom company's products & services are sold for last 5 years.
 2. Number & % of total customers who have used & experienced company's products & services
 3. Number and % of total customers who are satisfied with the organization as a whole (may include – product & services quality & reliability, satisfaction with products & services, pricing, customer service, staff knowledge, product life, life cycle costing of the product & services etc.)
 4. Company's Market Share (%) during last 5 years
 5. Company's Annual Sales Revenue during last 5 years.
 6. Company's Annual Net Income (or Net Profit) during last 5 years.
- C. **Improving Brand Value:** Company's brand value can be improved by following 10 initiatives: -
1. Clarifying to customers its brand proposition i.e. product & service quality, price, reliability etc.
 2. Delivering its brand proposition on consistent basis in the short term i.e. 1 to 3 years.
 3. Delivering its brand proposition on consistent basis in the long term i.e. 5 to 10 years.
 4. Certifying its products & services to relevant international product standards using well known certifying bodies globally.
 5. Certifying company's management systems to various relevant international standards i.e. ISO 9001, 14001, 18001, 10002, 27001, 50001 etc. using well known certifying bodies globally.
 6. Winning prestigious local / regional /global excellence awards from Governments.
 7. Demonstrating to its customers that its brand promise has been met or exceeded.
 8. Regular advertisement of company's products & services amongst its existing and potential customers across the markets where it operates now or wants to operate in future.
 9. Regularly Communicating to its customers that its brand promise has been met or exceeded
 10. Receiving written appreciation letters from its customers on their letter heads (signed by its highest ranking officials)
- D. **Conclusion:** Many organizations have raised their brand value to 10 to 20% of their annual sales revenue and/or 1.5 to 2 times of their annual net income or profit.

Author: Dr Kanak Madrecha (Organizational Excellence Advisor /Management Consultant /Past Jury-DQA, DHDA & SKEA) consulted for 42 large & reputed organizations from 25 different industry sectors to win 93 Excellence Awards in UAE in last 20 years. He was instrumental in developing & implementing number of global best practices in private (including listed local & multinational companies with market leader position in their industry sector), public & government sector organizations and improve their financial & non-financial performance during last 39 years of his experience in UAE/GCC & India.