

Goodwill hunting - Building the value of your brand

 By [Hilton Rose](#)

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A company is more than just the sum of its physical assets. For instance, if you're thinking of selling your business, you'd add up your properties, vehicles, computers, furniture and, yes, even that collector's artwork in reception. That would give you a fair idea of physical value, but wouldn't you expect more from a prospective buyer?

What about your customer list? Supplier relationships? Intellectual capital? And, the subject of my blog, the value of your brand?



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Your brand's worth

Measuring the worth of a brand is more difficult than, let's say, the worth of your intellectual capital (which is no Grade 1 math either). So how do you do it? How much is your brand worth?

Over the years, research houses have carried out studies trying to answer just that. How much would people pay for your brand over the physical base line? This is tricky because it is not what we do in the real world. Most people, when asked to place a monetary value on brands, are in denial about paying a premium just for the name.

Me pay more just for a label? Not a chance! That is patent nonsense though. Everyone pays more (and expects to pay more) for the D&G handbag, not just because it may be made of superior material but because it's labelled D&G. And, thus, so are you labelled - a discerning person at that.

Holistic branding

In one study, focus groups were asked to place a price tag on a car. The researchers used pictures of an identical car but super-imposed different badges on its grille.

Not surprisingly, Volkswagen was valued higher than Ford and Mercedes trumped both. They extrapolated that brand was worth 10% of the retail value of the car. In the real world, this is to a large extent why, in the latest Forbes Survey, Apple's brand value is double its closest competitor, Microsoft.

Interestingly, Apple's advertising spend in 2013 was half that of Microsoft. That doesn't mean advertising less raises the value of your brand. It means paying attention to end-to-end branding, from internal factors like R&D and pricing to external factors like customer service and marketing, all play a huge role in the value of a brand. The key to raising the value of your brand, and ultimately its market value, is just that: holistic branding.

If customers like every part of your brand, potential business purchases will pay more for it. If not, you may have to rely on the value of that painting in reception.

Let's hope it's a Van Gogh!

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