

## South Africa's most valuable brands revealed

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Brand South Africa and Brand Finance Africa announced the country's top 50 corporate brands. Photo: Flickr

Woolworths and Capitec are the top value gainers of the year in brand value, according to a study by Brand South Africa and Brand Finance Africa where they revealed the country's top 50 corporate brands.

Capitec grew by 63 per cent, placed at 30 and Woolworths climbed 53 per cent as the 6<sup>th</sup> most valuable brand for 2014/15.

The study suggests that Capitec can attribute its new found value on the understanding of its target market's needs, to the extent that it changed the top 4 South African banks to the Top 5 with its addition.

The bank's use of simple affordable products and the small unsecured loans encouraged customers to migrate to its brand.

The report states that in 2015, the bank's 2.8 million full banking clients represented 18.3 per cent of the 15.3 million employed South Africans and its earnings stood at 2,563 million rand.

This is the third year Brand Finance Africa has conducted this study, these top 50 corporates are valued at approximately 1.5 trillion rand.

Rank 2015	Rank 2014	Brand	Parent Company	Industry Group	BV 2015 (ZAR m)	Change in BV % (2014-15)	Brand Rating 2015	EV 2015 (ZAR m)	BV/ EV	BV 2014 (ZAR m)	Brand Rating 2014	EV 2014 (ZAR m)	BV/ EV
<b>BIGGEST GAINERS</b>													
30		Capitec	Capitec Bank Holdings Ltd	Banks	3 845	63%	AA+	6 123	6%	2 366	AA	23 705	10%
6	10	Woolworths	Woolworths Holdings Ltd	Retail	14 396	53%	AAA-	62 721	23%	9 436	AA+	36 795	26%
42		Media24	Naspers Ltd-NShe	Media	2 309	38%	A+	69 223	3%	1 671	AA	31 428	5%
12	16	Castle	SABMiller Plc	Beverages	9 315	33%	AA+	126 914	7%	6 965	AA+	71 639	10%
5	7	FNB	FirstRand Ltd	Banks	14 496	31%	AAA-	152 756	9%	11 060	AAA-	117 405	9%
25	34	Liberty	Liberty Holdings Ltd	Insurance	5 521	31%	A	46 362	12%	4 219	AA-	31 851	13%
40	48	Santam	Santam Ltd	Insurance	2 356	30%	A+	26 674	9%	1 812	AA-	21 235	9%
22	23	Mr Price	Mr Price Group Ltd	Retail	6 370	28%	AA+	52 016	12%	4 961	AA	28 038	18%
21	24	Discovery	Discovery Ltd	Insurance	6 530	25%	AA	80 281	8%	5 223	AA	42 556	12%
35	41	Steinhoff	Steinhoff Intl Holdings Ltd	Diversified	3 105	24%	AA-	310 333	1%	2 504	AA-	186 200	1%

"Brands have therefore become more than just a logo or slogan. They are now seen as corporate assets which are amongst the most valuable that an organisation can have," said Thebe Ikalafeng, CEO of Brand Africa Finance.

He added: "By extension, national corporate brands also contribute to a nation's assets in terms of the value they add to the country – both in terms of GDP as well as reputational impact".

Retailer Woolworths thrives on its reputation as a brand for the middle class that sells good quality for reasonable value and the brand most South Africans aspire to.

A “confident” company that has 80 years of history and strategy, not to mention the entity’s innovation with bringing international musician Pharrell Williams to South Africa, but the company is also known for its promotion of local designers and charitable efforts.

The retailer recently bought Australian department store chain David Jones for 21.4 billion rand, making it one of the “leading retailers in the southern hemisphere with 1151 stores across 16 countries” so far.

Telecommunication companies MTN maintained its position at the top despite a 4 per cent decline and Vodacom followed in second place. Oil and gas company Sasol sat in third place.

Banks dominated four of the top 10 spots led by Standard Bank and FNB.

On the flipside Cell C, despite an evidently innovative marketing team, sits at 48 out of 50 companies in brand value, above retailer Foschini and food group Sasko.

BIGGEST LOSERS													
44	25	Grindrod	Grindrod Ltd	Transportation	2,235	-48%	A	8,574	28%	4,109	A+	18,198	23%
3	2	Sasol	Sasol Ltd	Oil&Gas	18,232	-12%	AA	291,057	6%	20,808	AA	344,067	6%
24	20	Sappi	Sappi Ltd	Forest Products&Paper	5,645	-10%	A-	47,832	12%	6,260	A+	42,199	15%
1	1	MTN	MTN Group Ltd	Telecommunications	54,027	-4%	AA+	382,718	14%	56,338	AAA-	410,612	14%
7	6	Nedbank	Nedbank Group Ltd	Banks	12,235	-2%	AA-	103,020	12%	12,518	AA	100,511	12%
41	44	RMB	Firstrand Ltd	Banks	2,311	1%	AA	32,829	7%	2,296	AA	25,232	9%
45	40	Nampak	Nampak Ltd	Packaging&Containers	2,231	1%	A+	34,536	6%	2,205	AA-	25,788	9%
37	35	Hulettis	Tongaat Hulett Ltd	Diversified	2,921	2%	AA	24,809	12%	2,876	AA	20,420	14%
26	19	Telkom	Telkom Sa Ltd	Telecommunications	5,832	2%	AA	33,971	17%	5,739	AA	19,165	30%
47	46	Game	Massmart Holdings Ltd	Retail	2,101	3%	A	6,961	30%	2,035	A	5,601	36%

With a decline of 46 per cent, Grindrod lost the most brand value; the logistics company was at 25 in 2014 but has sits at position 44.

“While developing, strengthening and maintaining a nation’s brand is a multifaceted task, there are a range of factors which can assist in positioning the nation positively. These factors, if based on a solid foundation, can help the nation brand weather the storms posed by the global political and economic environment,” said Kingsley Makhubela, CEO at Brand South Africa.

Brand value is calculated using the Royalty Relief approach, which estimates “the likely future sales that are attributable to a brand and calculating a royalty rate that would be charged for the use of the brand”.

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