

BRAND AFRICA 100 METHODOLOGY – AFRICAN BUSINESS MAGAZINE

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In the research phase, Brand Africa insight partners, Kantar TNS, the world's largest insight information research firm, and Geopoll, the leading mobile survey platform with a database of nearly 200m users in emerging markets, set out to identify the most admired local and global brands in Africa.

In 2016/7 a mobile survey was conducted in 19 countries covering all African economic regions and a representative group of the major countries. Mobile interviewing has proven to be the most effective way to reach African consumers because of the high penetration of mobile telephony as a primary mode of communication and, increasingly, for consumer transactions across Africa.

Collectively, these countries represent 74% of the African population (907m). These countries' brands are also often the dominant brands within their regions. Using Geopoll's sophisticated mobile SMS technology for data collection, individuals aged 18 and older in these countries were asked to report on their top three most admired non-African and local/African brands in order of first to third.

The survey yielded 11,000+ brand mentions covering over 2,500 most admired brands. With the final coded data, Kantar TNS calculated a score for each brand and created an index that takes into account the sample and population sizes of each country.

Where the brands operate under similar but different names in different markets, such as Standard Bank/Stambic and Vodacom/Vodafone and where a sub-brand is

part of a dominant primary or alternate brand, such as Safaricom/Mpesa or DStv/GOtv/Multichoice, the results were consolidated under one score for the group. Finally, to make the list of the Top 100 most admired brands in Africa, the brands had to be available in at least one other country beyond their domicile market in Africa.

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Finally, to make the list of the Top 100 most admired brands in Africa, the brands had to be available in at least one other country beyond their domicile market in Africa. The Brand Africa 100 thus represents the top 100 most admired brands in Africa, irrespective of country or origin.

BRAND VALUATION PHASE

In the valuation phase, Brand Africa partner Brand Finance, the world's leading brand valuation and strategy firm, determines the value of each of the top 100 most admired brands. Annually, Brand Finance researches and values brands globally and publishes the most comprehensive range of valuation tables.

The results for each brand in each market are tracked on Brand Finance's www.brandirectory.com. Thus the value of each brand in the top 100 is the most up-to-date valuation sourced from the directory. Where a brand does not exist in the directory, Brand Finance values it and updates the directory for future tracking.

Brand Finance uses the "royalty relief" methodology to value brands. This consists of determining the amount a business would have to pay the brand owner in licence fees (royalties) in order to use the brand.

The royalty relief method is the most accepted in the accounting and legal fields for three main reasons. First, it uses real-life existing agreements and transactions as a reference.

Second, it is based on publicly available financial and economic data. Third, it complies with the requirements of the International Valuation Standards Authority for determining the fair market value of brands.

Overall, the Brand Africa 100 methodology produces a table which uses a rigorous consumer-led methodology consistent with global best practice and a unique consumer-led valuation ranking. In essence, the Brand Africa 100 list represents the top 100 brands Africans admire and their contribution to shareholder wealth.

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