

MTN sounds ring of truth for Africa's pure brands

Google at the forefront, but Coke loses its fizz in Global 500 ranking

STAFF REPORTER

MTN HAS emerged as the only African brand to appear in the 2011 BrandFinance Global 500, ranked at 199th. Google overtakes Microsoft and Coke goes flat, according to the Global 500.

The BrandFinance Global 500 is the world's most comprehensive brand value league table. It ranks the most valuable brands across all major markets.

● Google is the most valuable brand in the world (\$44.3bn), edging Microsoft (\$42.8bn) into second place.

● MTN (\$4.92bn) is the only African brand in the 2011 BrandFinance Global 500; and

● Coca-Cola drops out of the top 10 for the first time (\$25.8bn).

The US continues to dominate the index - US brands constitute 13 of the top 20.

MTN's vision is to be the leader in telecommunications in emerging markets and, as the only African brand in the 2011 BrandFinance Global 500, it has cause to celebrate.

The MTN brand enjoys iconic status both in South Africa and the other 20 countries in which the group has a presence, partly because the company has long highlighted the need to understand the underlying drivers of brand equity held by consumers.

The brand has increased its mar-

ket share as a result of leveraging its strong brand, rated AAA by Brand Finance, marginally below Vodafone and Apple (who both receive AAA+ rating), and improved positions across key audiences.

The brand perception was greatly supported by MTN's affiliation to the World Cup and the Ayoba campaign.

The brand scooped a series of accolades for its Ayoba campaign last year.

Today MTN's enterprise value stands at more than \$35bn. This demonstrates a growth in excess of 3 000 percent in the past 10 years.

Oliver Schmitz, MD of Brand Finance South Africa, said: "It is great to see a brand created in Africa competing in our table of the world's 500 most valuable brands."

"MTN's brand team should be applauded for their efforts in building such a valuable asset and should see themselves as trailblazers for other African brands."

While SABMiller and Old Mutual have long established themselves as global businesses, African brands have rarely been established among the world's valuable and admired brands.

Thebe Ikalfeng, founder and chairman of Brand Africa and the Brand Leadership Group, said: "The 2010 FIFA World Cup South Africa was a great stage for Africa and African brands such as MTN and



AFRICAN BRAND: MTN is the only African brand to appear in the 2011 BrandFinance Global 500 ranked at 199th.

PICTURE: JOHN WOODROOF

brand South Africa to showcase Africa's capability to build businesses and brands that are able to deliver world class services.

"MTN's performance among the Brand Finance Global 500 is an affirmation of the emergence of African brands on the global stage and an inspiration for building global brands of African origin," Ikalfeng said.

"In many ways it will build confidence that Africans are capable of building businesses and brands that will help drive Africa's reputation and competitiveness."

"In the long run, the global performance of African businesses and brands will help to reposition Africa as a brand that's not built on aid and famine, but a resourceful and self-reliant emerging giant."

Juan Scott, creative director of Shine, said: "MTN have remained

consistent and focused with their marketing message across the African continent.

"They create well-liked, accessible communication that always taps in to their consumer's emotional needs," Scott said.

"Like any confident, well-managed brand, MTN's communication can employ humour, scale or empathy to carry its message."

"The work has garnered numerous Lorie advertising awards in recent years - testament to the brand's ability to morph from local, on-the-ground hero to cutting-edge creative leader, without straying too far from its core values."

"Its recent sponsorship of the FIFA World Cup will have done much to increase the brand's grass-roots support over the entire continent, and reinforce its perception as a brand powerful enough to speak to

every African on the continent."

Despite appearing at number 70 within the BrandFinance Banking 500, Standard Bank falls marginally outside the Global 500 ranking to position 510.

However, given its rapid progress in the past couple of years, it may well enter the top 500 next year.

Vodacom, previously ranked 399th, is no longer included in the BrandFinance analysis of the world's most valuable brands.

Vodacom's transition to Vodafone - expected this year - sees the brand now valued with a short-term useful economic life.

Therefore it falls out of the range of the world's most valuable brands.

The question is whether Vodafone will manage the rebrand to transfer existing equity held by Vodacom's customers to the Vodafone brand.

Although the top end of the Global 500 contains many household names that have existed for decades - IBM, Bank of America, HSBC - the world's increasing dependence on the internet is reflected by Google's position at number 1.

Apple's success continues as it moves up 12 places.

However, Coca-Cola's drop is partly due to revised methodology - where the analysis has delved further into brand-specific sales - but is also underpinned by the consumer trend in developed markets to move towards healthier drinks.

David Haigh, CEO of Brand Finance, said: "Five of the top 10 largest growers are technology-related companies."

"This reinforces the importance of embracing technological innovation to give a seamless, value-enhancing brand experience."