

# ISO TC289 – BRAND EVALUATION & VALUATION

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of the Marketing Accountability Foundation

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# Lack of Global Brand Standards Disadvantages Marketing

- **Every other corporate discipline has evaluation standards they can draw upon for management support**
  - **Finance – IASB International Financial Reporting Standards**
  - **Operations – ISO 9001 Family of Quality Measurement Standards**
  - **IT – ISO/IEC 20000 Information Technology, ISO/IEC 27000 Information/Network Security**
  - **HR - ISO 30400 Human Resource Management Family of Standards**
- **Compliance with these standards ‘lock in’ resource commitments for measurement/maintenance of assets while marketing budgets face constant threat of being cut**

# Lack of Global Brand Standards Disadvantages Marketing

- **What is needed is a legitimate family of Global Brand Evaluation/Valuation Standards for Marketing**
- **And we are creating them....**
  - **ISO/DIS 20671 - Brand Evaluation Meta-standard**
  - **ISO/AWI 23353 Brand Evaluation - Geographical indication**
  - **ISO 10668 Brand Valuation - Requirements for monetary brand valuation**

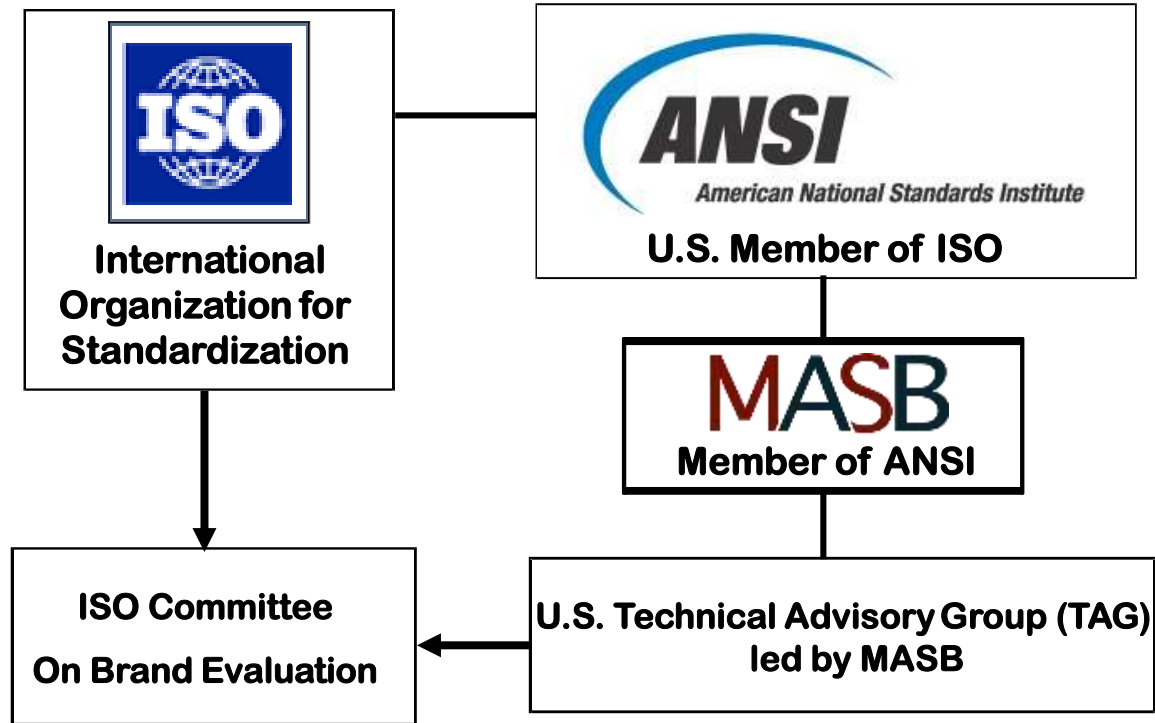
# ISO Background



## International Organization for Standardization

- **Founded in 1947, ISO's scope covers any and all possible standardization subjects not addressed by IEC or ITU**
- **The ISO is a non-government organization and network of the national standards institutes of countries, one member per country, with the ISO Central Secretariat located in Geneva, Switzerland**
- **ISO has 164 member countries. The ISO member organization from each country is the organization that best represents that country's national standards system. In many cases, especially with developing countries, the ISO member is a government agency**

# Summary of Organizational Relationships



# ISO Technical Committee 289 Brand Evaluation Participants

## Secretariat

- China (SAC)

## Participating Countries (12)

- Austria (ASI)
- Barbados (BNSI)
- Canada (SCC)
- China (SAC)
- Finland (SFS)
- France (AFNOR)
- Italy (UNI)
- Iran, Islamic Republic of
- Mexico (DGN)
- Russian Federation (GOST R)
- United Kingdom (BSI)
- **United States (ANSI/MASB)**

## Observing Countries (23)

- Bahrain (BSMD)
- Belgium (NBN)
- Colombia (ICONTEC)
- Costa Rica (INTECO)

- Czech Republic (UNMZ)
- Germany
- India (BIS)
- Israel (SII)
- Japan (JISC)
- Korea, Republic of (KATS)
- Malaysia (DSM)
- Malta (MCCAA)
- Netherlands (NEN)
- New Zealand (SNZ)
- Poland (PKN)
- Portugal (IPQ)
- Romania
- Saudi Arabia (SASO)
- Singapore (SPRING SG)
- Slovakia (SOSMT)
- Spain (AENOR)
- Switzerland (SNV)
- Thailand (TISI)
- United Arab Emirates (ESMA)



# Brand Evaluation Definition

Brand evaluation refers to the **measurement of the value of a brand** using relevant indicators that assess the **impact of the brand on customers/users**. Brand evaluation **includes both non-monetary and monetary considerations**.

Brand evaluation and brand valuation are related concepts and synergistic with each other. Brand valuation is narrower and includes only monetary considerations. While brand valuation is defined from the brand owning entity's point of view, brand evaluation is defined from the point-of-view of all stakeholders.

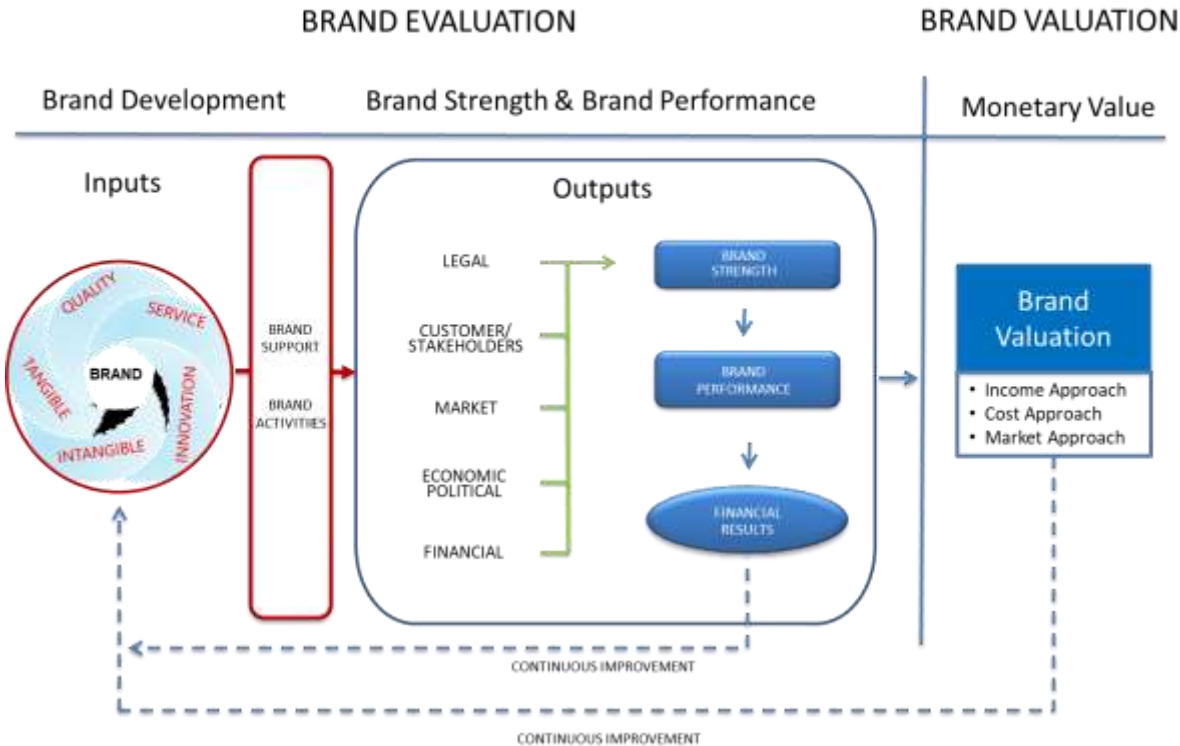
# What is ISO 20671 – Brand Evaluation?

- **New meta-standard which sets the framework and set of principles for rigorous, regular brand evaluations (valuations)**
- **Covers all brand types**
- **Systemic review of marketing metrics, internal financials, environmental factors, and processes**
- **Referred to as marketing's 'Golden Ticket' – opens dialog with corporate leadership on the contribution of branding to enterprise value**
- **Global in reach – created through participation of national standard boards coordinated by ISO Technical Committee 289**
- **Works in parallel with ISO 10668 – Brand Valuation**



# 'Meta-Standard' Framework

## ISO DIS:20671 BRAND EVALUATION FRAMEWORK



# What are Recommended Dimensions/Attributes

## Consumer/Other Stakeholder Dimension

- Brand Awareness
- Brand Loyalty
- Brand Perceived Value
- Brand Purchase Intent/Consideration
- Brand Relevance
- Willingness to Recommend the Brand
- Brand Preference
- Category specific drivers of consumer choice

## Market Dimension

- Share of Mind
- Share of Unit Volume
- Share of Dollar Volume
- Share of Requirements
- % ACV Distribution of offline retail outlets carrying branded products/services
- % ACV Distribution of online retail outlets carrying branded products/services
- Price Premium vs Category/Competition

## Financial Dimension

- Net Margin
- Unit Velocity
- Revenues
- Net Brand Related Cash Flow
- Profit/EBITDA

## Legal Dimension

- Ownership and Stewardship of Intellectual Property
- Regulatory Compliance

## Economic and political dimension

- Interest Rates
- Supports and Barriers to Trade
- Cultural Congruence

# What Type of Brand Valuation Should be Done?

1. **Fair (Market) Value** is an estimate of the market value of a property, based on what a knowledgeable, willing, and unpressured buyer would likely pay to a knowledgeable, willing, and unpressured seller in the market
2. **Enterprise Contribution Value** is an estimate of the present value of future net cash flows which an entity would receive from owning and using the brand
3. **Real Options Value** is an estimate of the present value of costs that may be avoided in launching new products and services under the existing brand versus creating a new brand
4. **Book/Transaction Value** is the value of the brand carried on financial statements from an acquisition and is typically periodically checked for impairment. This generally undervalues the brand and is typically not useful for brand management purposes

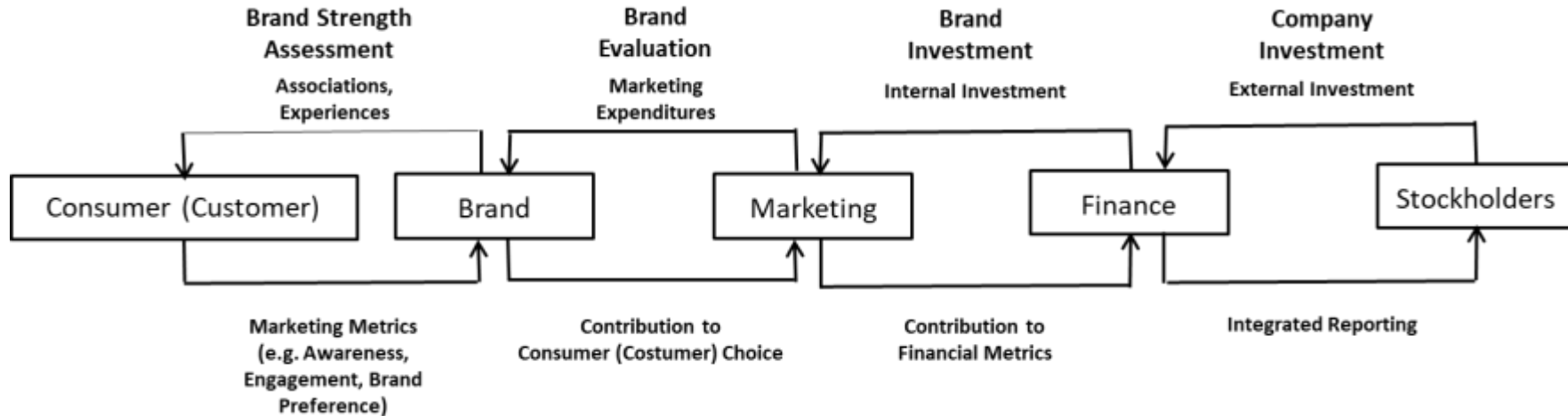
# Launch of Global Standard - ISO 20671



# Next step is Implementation of ‘Guidelines’

- **MASB/ANSI proposed a new working item**
- **Complements ISO 20671 framework through “publicly available specifications”**
- **Akin to the MASB Brand Investment and Valuation principles, it will provide practical, detailed guidelines for conducting the reviews**
- **Creation of the guidelines will be will be primary working group item in the next session**

# Systems View of Marketing Accountability



# Systems View of Marketing Accountability

**June 24-26, 2019  
Forbes on Fifth  
New York**



# Thank-you!



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