Research on brand evaluation for financial investment of an individual customer

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Introduction

In recent years, the difficulty of how brands are often described and measured has become more and more important in both academic and practical debates. The first intentions of identifying brand value dimensions weren't driven by marketing issues but appeared thanks to finance experts who needed how of monetarily expressing brands when either the brands themselves or the entire company that owned them was up for purchase or sale. Especially in recent years, consumer-based perspectives on brand value have featured more strongly, because it was hoped that an enhanced understanding of the determinants of brand name value from the customer's viewpoint would yield key indicators for efficient brand strategic marketing planning. The need for both quantitative and qualitative measures generated the increase of several composite brand valuation methods, which, by aggregating financial and consumer-based factors, overcame several drawbacks. In this research we will provide relevant information on how a brand should be evaluated so that the individual customers are satisfied. This research is necessary for outlining the need of global standardization of the principles regarding brand evaluation for financial investments purposes. The company value is today estimated not only consistent with the entire turnover, market participation or the ratio between the market value and therefore the net per stock, but according to intellectual capital like branding, customer loyalty, organizational culture, etc. Currently, brands are a symbol of status and prestige for people. Some people are addicted to a particular brand in the present scenario whether they are able to buy it or not.

Need of the study

The need of the study is to emphasize the importance and necessity of evaluating brands and to point out the main situation and contexts in which brand valuation is needed. The critical evaluation of a brand for investment purposes and scrutinize several popular existing methods of brand evaluation, in order to identify best brand evaluation practices. This research is necessary for outlining the need of global standardization of the principles regarding brand evaluation for financial investments purposes. The company value is today estimated not only consistent with the entire turnover, market participation or the ratio between the market value and therefore the net per stock, but according to intellectual capital like branding, customer loyalty, organizational culture, etc. Currently, brands are a symbol of status and prestige for people. Some people are addicted to a particular brand in the present scenario whether they are able to buy it or not. Investments are based on the brand value of a company's products. A customer will invest his funds on the brands retaining its equity in the market. By the end of this research, we are able to find out the brands sustaining its worth in the market and will definitely assist in the financial investments that will be beneficial to the customers. Consumer brand relationship is a new concept emerging in the market and ample of marketing strategies are adopted to cater the needs of an individual at by and large. Various concepts like self-brand connection, brand attachment, brand passion are originating these days. People are not only loyalists towards a brand but also switchers if they get better and more features for the same product in other established brand. If the evaluation of a brand is not done adequately, the financial investments will go in vain. As developing a financial measure of brand equity is crucial for effective brand management.

Abstract

This research is significant for the present and future researchers as they will get the overall scenario of consumer brand relationship research, its present status and research trends which will give them future research directions. Considering the very fact that brands are fundamental assets of any business, this paper analyses, during a conceptual and important manner, the existent methodologies want to measure the brand as a company asset. Special attention is devoted to branding products and services in the contemporary businesses, as a model for a long-term competitive market advantage acquisition and business financial improvement. Nowadays, financial investment is made in different brands or services by sitting at our residence.Policybazaar.com is providing a platform for online investments and insurance (vehicles, health and many others) for the customers. Bitcoin is also a major investment player these days. Dream11, one of the key players in the cricket industry is a fantasy sports platform for cricket lovers and hired M.S. Dhoni and Virat Kohli are its brand ambassadors to attract the target audience. We attempted to consider the appropriate analysis of the brands for investment purposes. Through this research we will be able to quantify which brands will do better in the upcoming future and in which the financial risk is minimal.

Background

The Brand – defined as the sum of the features and the experiences which make an object or an ensemble unique as related to the interested parties – has become one of the defining features of the way in which the products, services and institutions are promoted to the contemporary consumer .Therefore, private corporations all over the world enclose within their portfolio one up to a dozen of brands, as an example in this respect being Procter & Gamble, which owns 21 brands with slaves over a billion USD per brand (Procter & Gamble Annual report). Each of these brands has its own promoting policy and its own marketing budget, the company's global financial income, the jobs of its employees and, basically, the fate of the company depending on their success. The direct consequence of the increasing importance of brands for the economical evolution of the companies that own them consists in a growing attention for the management of these brands and especially for their values. Nowadays companies, financial analysts used to evaluate company performance based on tangible factors – production capacities, assets they owned, investments and profits. Introducing brand values in the companies' financial reports lead to the diversification in which brand evaluation is used. Consequently, brand evaluation is typically employed by companies for the subsequent purposes:

* Introducing brand values in the financial balances.
* The utilization of brand name value in commercial or legal litigations
* The use of brand value for establishing the brand strategy.
* The use of brand value for measuring the efficiency of the investments.
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Brands have three primary functions – **navigation, reassurance and engagement**. To explain this further – Navigation is when the brands help customers to pick from the bewildering array of alternatives while Reassurance ensures that they convey the intrinsic quality of the merchandise or service and assure consumers at the purpose of purchase while Engagement communicates a particular imagery and associations that encourage identification of the brand by customers. While doings investments in a particular brand the pros and cons are to be determined for maintaining the dominant market position.

Literature review

Responsible Investment, defined as "investing during a manner that takes under consideration the impact of investments on wider society and therefore the natural environment, both today and within the future" (World Economic Forum MRI, 7) is gaining momentum a minimum of within the academic sphere. Prudently advancing its agenda requires collaboration of academics, policy makers, and investors; both critics and proponents. This literature review may be a collection of current academic articles, books, and reports, representing both qualitative and quantitative in approach centered around topics associated with responsible investment. Key words included that are considered relevant to responsible investment are Socially Responsible Investing, Corporate Engagement, Community Investment, Ethical Investing, Corporate Social Responsibility, GRI, screening, etc. The criteria for choosing literature for inclusion is predicated on the relevancy to the subsequent main areas of interest: A historical context of Responsible Investing, the degree of effectiveness between different sorts of SRI (screening, divestment, active engagement), the intersection between SRI and RI (whether it exists and the way it are often facilitated through policy), international reporting standards like the GRI, differences between progress in environment, social, and governance issues, and eventually , the impact of the present depression on RI.

Keywords: brand equity, sustainability, competitors, tangible and intangible, covid impact on investments. Competitive advantage.

Methodology for the brand evaluation for financial investment for a private customer

The data and findings presented during this paper come from secondary sources of data. The knowledge was gathered from magazines, literature books and also journals. the web was also taken into consideration as a crucial source so as to update the knowledge for the findings. Firstly, brand evaluation methods were classified into three categories, considering their quantitative and qualitative approach. There are various method for the brand evaluation:

Cost based Method: One method to work out the worth of brands is to sum up all costs that are caused by the brand since its development, e. g. development, market, or advertising costs. Although this method seems to be relatively easy initially sight, there are several problems involved it. First of all, the period of time has got to be specified that the prices need to be summed up. If a brand has existed for several decades, like for instance Coca-Cola, it's hardly possible to work out all costs due to the brand. Furthermore, the matter of cost allocation to certain products is difficult, allocation of costs that have only been caused by a brand and not by the entire product is even harder to unravel. Using this method can therefore cause underestimation of brands that caused relatively low costs albeit they need a high brand power and good future prospects. Since this method is using data of the past, there's no evaluation of future prospects of the brand.

Licensing Method: The trade with brand licenses demonstrates that brands are valuable assets since firms are willing to buy their use. The licensing method determines brand value consistent with the license fee which will be achieved for a brand. Usually, it's rather difficult though to work out licensing fees of comparable brands. On the one hand because it's difficult to seek out comparable brands and on the opposite hand because it's difficult to seek out comparable license agreements concerning usage rights, period of time, region for usage, products that the licensed brand are often used, etc. Furthermore, licensing agreements often include contracts concerning quality, raw materials, design, packaging, marketing support, etc. Then the license fee isn't appropriate for determining internet value but rather the gross value of a brand.

Price Premium Method: A plausible thanks to determine brand value seems to be the comparison of costs of branded and unbranded products. the worth premium of a branded product can either be determined by a customer survey (additional willingness to buy branded goods) or by taking the typical of demanded prices at the retailers. to work out brand value, brand sales are calculated by multiplying the worth difference between a branded and a nonbranded product with the amount of products sold and subtracting brand induced cost. Besides, brand value determined with this method is merely valid for this product that carry the brand.

Market Value Method: According to the market price method, brand value is that the price usually purchased a brand. If there was a marketplace for brands, it might be possible to work out brand value consistent with the worth of comparable brand transactions within the market.76 However, this method fails when there are not any comparable transactions which certainly are going to be the case for many brands.

Brand Valuation consistent with Interbrand

1. **Market:** Since brands in markets like fast paced commodity are generally stronger than brands in markets that are more susceptible to fashion changes, the dimension "market" has got to be considered.

2. Stability: Long-established brands are considered to be more valuable than for instance recently launched brands.

3. Leadership: Dominant brands that are ready to influence the market are obviously more valuable than brands with an unimportant market share.

4. **Trend:** Evaluation of the expansion potential of the brand.

5. **Internationality**: Evaluation of the power of the brand to be successful abroad.

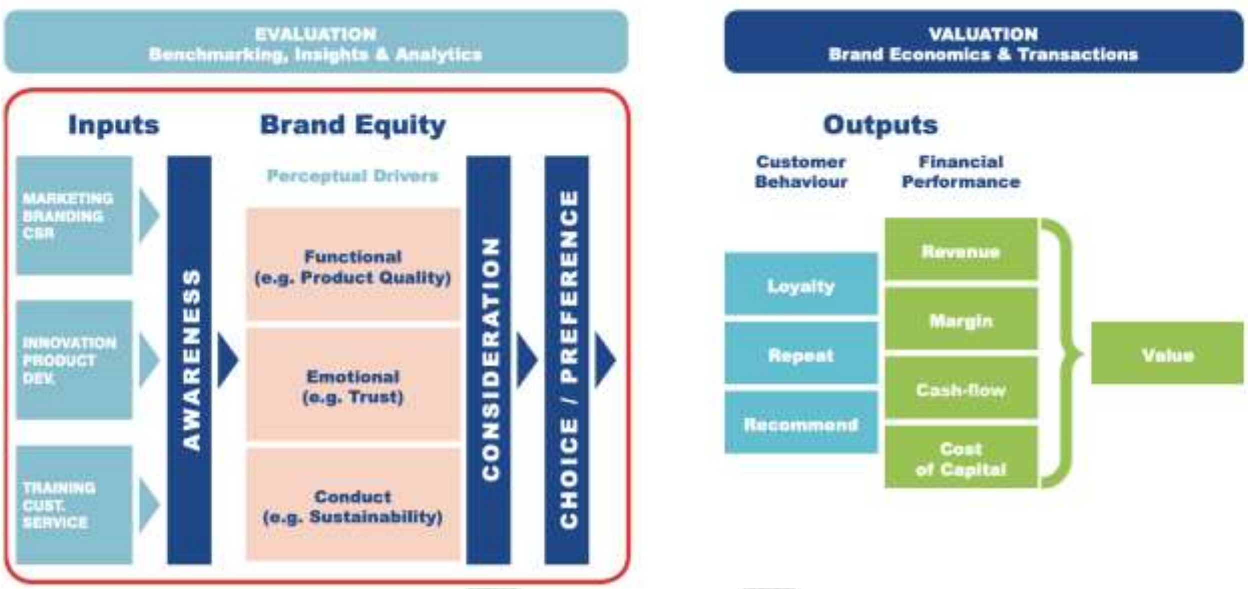
6Marketing support: Evaluation of selling activities, e. g. amount spent in supporting the brand, quality and consistency of that support.

7. Legal protection.

Brand Valuation with the Capital Market

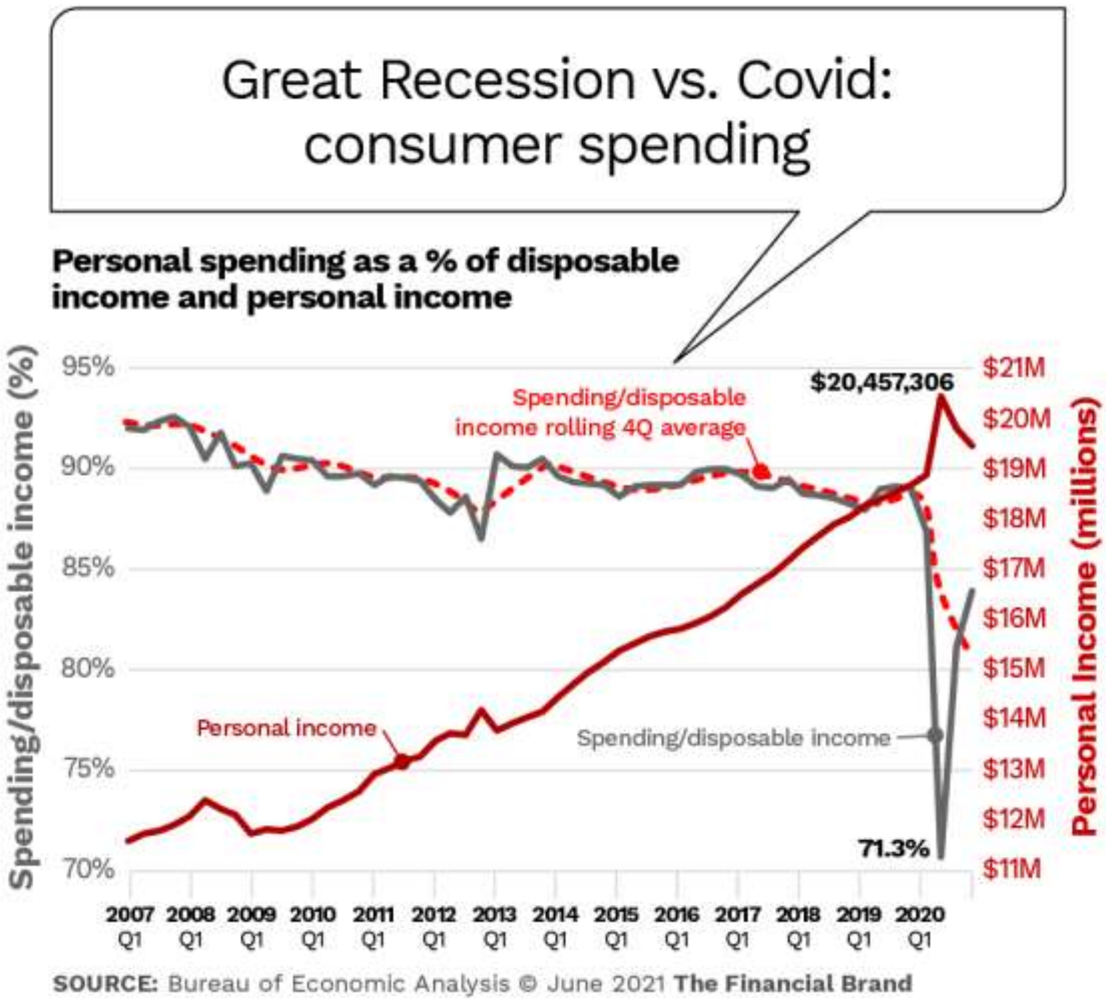
The method assumes that the financial market value of a corporation includes the market value of tangible and intangible assets and that capital markets are efficient. Consequently, the effects of marketing measures should influence the stock price. Using regression analysis, the aim of the method is to split up the whole market value of the firm into its tangible and intangible value and then to break down the intangible value in its further components. The value of intangible components includes the value of brands and the value of other factors such as advantages in technologies and know-how as well as industry-wide factors such as the structure of the industry and the current legislation. According to the method, the value of a brand is based on additional sales and price premiums because customers know a brand, find it attractive, and are loyal to it ("demand-enhancing component" which is measured by the advertising expenditures and the age of the brand). On the other hand, brand value is based on cost savings that result from established brands because they have a high market share and a good position in the market compared to their competitors (cost advantage in product introductions, marketing cost savings when promoting established brands, etc.). The value of communication expenditures and positioning advantages that lead to cost savings are measured by the advertising expenditures relative to those of the firm's competitors and the order of market entry.

Data analysis and interpretation



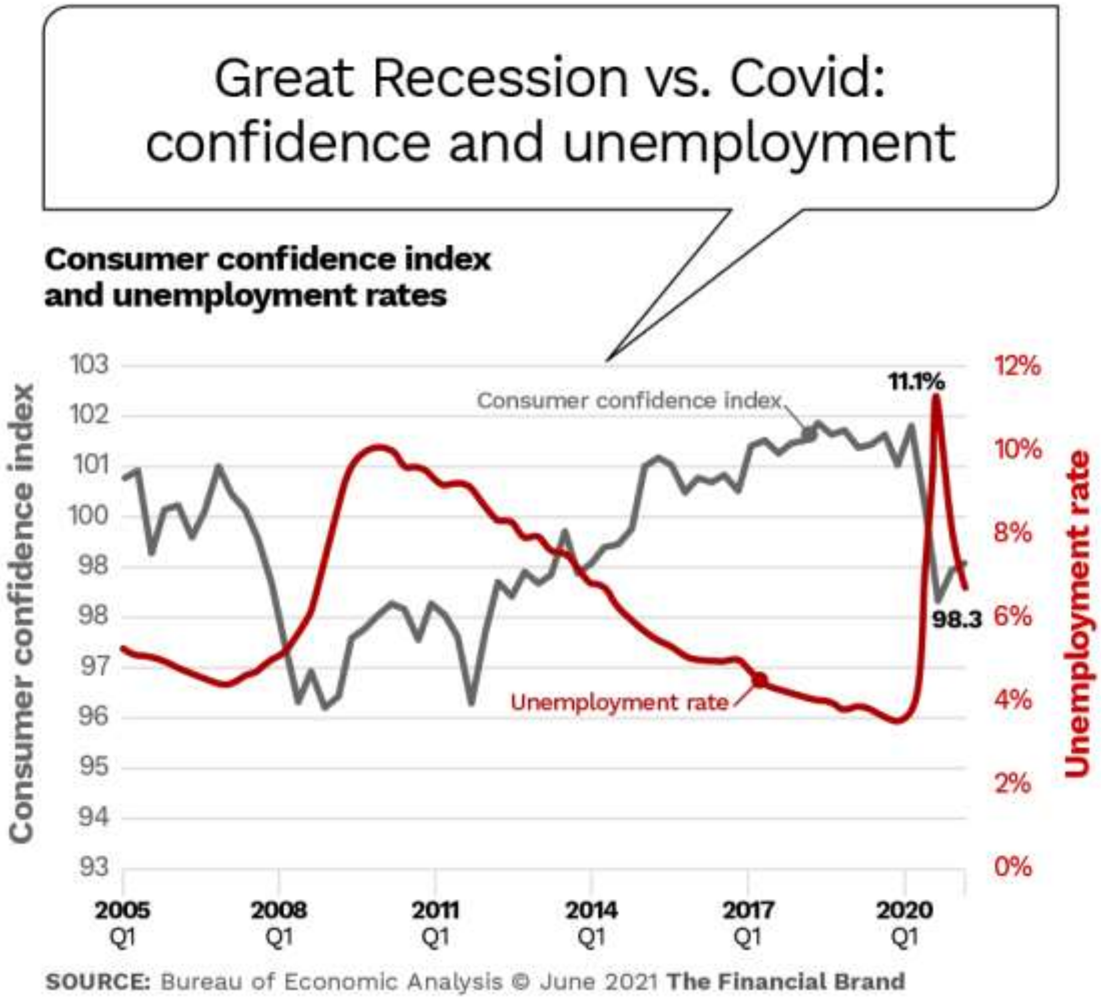
Comparing the pandemic to the good Recession reveals some surprising, and crucial, differences. It tells us tons about where the market is headed, and which approaches community financial institutions can use to grow sustainably over subsequent five to 10 years. From December 2019 to December 2020, spending fell from 89.2% of income to 81.1%, with a dip right down to 71.3% in June of 2020. Practically overnight, consumers reduced spending. Meanwhile, income rose 4% over an equivalent December 2019 to December 2020 timeframe. The Great Recession began with a way flatter income curve, only 1.3% growth from March 2007 to March 2009.

ASSET	PRIMARY	SECONDARY	TERTIARY
Patents	Income	Market	Cost
Technology	Income	Market	Cost
Copyrights	Income	Market	Cost
Assembled Workforce	Cost	Income	Market
Internally developed Software	Cost	Market	Income
Brand name	Income	Market	Cost
Customer relationships	Income	Cost	Market
Source: AICPA			



What the great recession recovery can teach us about post about the post covid economy

Both eras saw steep unemployment and falling consumer sentiment. In the Great Recession and therefore the Covid economy, the buyer Confidence Index dropped quickly from overflow 100 to below 99, and unemployment rose quickly from nearly 4% to just about 10%. The similarities hopefully end there. The Covid impact on the workforce and consumer psyche is primarily associated with personal safety guidelines. Stimulus helped to curb impact to nonpublic income and herd immunity holds the key to the return of normalcy.



2021 gives us strong signals what next

That brings us to the possibilities for 2021. Those same economic indicators that showed recovery for the good Recession are occupation the proper direction today. Employment is recovering and seems tied on to Covid precautions. Personal income is buoyed by stimulus. Consumer confidence is rebounding. With those signs, we will build out an opportunity matrix.

Possibilities of where consumer lending and deposits could go:

- Consumer lending expands and deposits expand (a scenario that's plausible and hopeful on the lending front).
- Consumer lending expands and deposits contracts (unlikely but would be beneficial for the balance sheets of financial institutions).
- Consumer lending contracts and deposits expand (a continuation of the present trend may be a realistic outcome).
- Consumer lending contracts and deposits contracts (relatively few indicators for this outcome).

Real life example: We can take the example of dream11 for the financial investment perspective and the marketing strategies they used for the better evaluation of the brands.

Dream11, India's first single match fantasy sports platform, was launched in 2008 by two sports enthusiasts Harsh Jain and Bhavik Seth. The best digital marketing company in Delhi NCR found that as a result of its varied features like fantasy cricket, football, kabaddi, and NBA basketball, the business has successfully been able to host over 10 crore users. In 2019, the leading fantasy sports platform signed up with 20+ celebrity cricketers, including former Indian captain Mahendra Singh Dhoni and one among the foremost loved Indian cricketers, Virat Kohli.

Competitors: With Dream11 being the industry leader, there are on the brink of 60 other online gaming platforms operating within the same genre. Some of them include Fan Mojo, Mobile Premier League, Ballebaaz, Hallway, Gaming Monk, etc.

Revenue: According to some experts, the gaming company distributes, on the average , 73% of the cash and earns 27% of cash per contest.

Marketing strategies:

- **Targeted Audience:** The audience for the brand lies between the age of 20 to 35 years, who are capable of creating their decisions. Also, consistent with a recent analysis, among the prevailing players, participants between the age of 2035 are known to possess the utmost transaction on the platform. The fantasy gaming business is undoubtedly making enormous efforts to succeed in bent the utmost audience for the expansion of the platform, and here are a number of the foremost inspiring marketing campaigns by Dream11.
- **Hijacked Highlights Campaign:** This campaign was a particularly successful effort and thus has been recognized because the official honoree at Webby Awards 2020. The campaign used one reroll advertisement on YouTube videos of cricket highlights from the ICC World Cup 2019. This strategy was implemented to eliminate expensive sponsorships and instead use a digital trick to grab the eye of many potential customers for Dream11.

- **Yeh Game Hai Mahan**: Last year, the fantasy gaming platform launched 6 video films to celebrate the eagerness of cricket fans, which makes them leave of their thanks to play the sport . Yes, Dream11 offers a spread of Fantasy sports, but the very fact that 85% of the platform users are playing fantasy cricket is reflected clearly in their marketing campaigns.
- **Customers as its Endorsers:** The brand's social media platforms are highly active and showcase their leading players who have won lakhs of rupees because the first prize. Also, they felicitate winners within the post-match presentation ceremony, which creates high aspirations and engagement among the purchasers .
- **Contests:** When it involves social media, contests are one among the simplest strategies to reinforce user engagement and attract new followers, and therefore the gaming business never misses to leverage the power of social media contests. Apart from dream11 , there are various brands sponsoring IPL 2021 for financial investment on the basis of the brands associated with it.

Title sponsor:

VIVO
TATA SAFARI

Media rights of vivo IPL 2021:

Star sports

Copresenting sponsors:

Dream11
Byju's
Phonepe
Justdial

Copowered sponsors:

Upstox
Vimal elaichi

Associate sponsors of IPL 2021:

Bingo
Cred
Havells fans
Garnier men

Association of mutual funds in India 2021:

AMFI was established in 1995. AMFI is one among the associate sponsors of Vivo IPL 2021. Frooti
Livspace
Swiggy
Parle agro
Unacademy
Disney Hotstar is the OTT platform presenter.

Findings and recommendations

The key findings of this research include:

- While lending and new customer acquisition are still important, COVID-19 increased the need for customer retention, brand value creation and content marketing.
- Improving the use of data and advanced analytics is both the greatest opportunity and the biggest challenge for financial institutions.
- The small business PPP program increased the focus on both lending and small business services since COVID-19. Digital services and savings also increased in importance.
- While more is being done internally in the marketing field, the need to leverage outside partners for data, analytics and marketing technology has also increased.
- Digital channels continue to increase in importance in financial services, with social media, SMS and content marketing having the greatest increases in use.
- The move to digital channels and customer expectations of greater personalization have created a paradox where there is knowledge of the need for improved data and analytics yet 75% of financial institutions consider themselves inept at basic applications of data and AI.
- Marketing technology in financial services continues to lag other industries.

Reasons to be hopeful lending will expand in 2021

- Vaccines, an open economy, and travel.
- Consumer confidence that continues to rise.
- A buildup in savings allows consumers more flexibility to spend/borrow.

Reasons to expect lending could be a challenge in 2021

- Covid restrictions aren't eased with enough time to impact 2021.
- While income and savings are high, consumption is still well below historic levels.

Without Adaptability and Resilience ,2021 is going to be painful.

Either scenario will present a challenge for almost everyone. Compressed margins revealed that many community banks and credit unions were overly reliant on interest revenue, and unprepared for the extreme change in consumer behavior consumer behavior is not going away. Community financial institutions must align with consumer expectations.

Challenges if lending expands in 2021.

- Competition for the consumer (big tech, neo banks).
- Consumer expectations (consumer experience, social responsibility).

5 strategies you need for 2021(and 2022,2023 and 2024……)

The best way to win is to attract, develop, and retain engaged consumers. These lead to deeper relationships, which lead to more profit.

1. Embrace digital transformation

2. Dive into the deep end of relationships

3. Employ lending strategies that offer transparency and control

4. Focus on "gateway" relationships

5. Engage in data-driven marketing.

Marketing's Strategic Role

As much as marketers try to justify expenditures with things like marketing mix and multi-attribution models, trying to determine financial returns is inherently difficult. It may be time to try another approach. Rather than treating marketing only as a set of functional activities to be justified separately, we should view some of these activities in terms of their strategic and financial contribution to the value of the business as a whole. The strategic role of marketing is to create brands that add value for consumers.

Finance should recognize that brand is about value creation. Brands exist in the minds of targeted customers. They aren't something a company owns. A brand is the value that a customer adds to the intrinsic value of a product. Any product will have some intrinsic value due to the quality of the product. This can be thought of as the product's objective or productive value. But the way consumers perceive the product and think about the product can add subjective value to this intrinsic value. Marketers often speak of brand value as "brand equity." This can be misleading, however, in that it might be taken to imply that the "equity" belongs to the company. But equity is the consumer's idea of the product, their associations with it, the story they tell themselves about the product, and their experience of engagement with it. Marketing helps the consumer create this equity, but it resides with the consumer. Although marketers can own things like a trademark, the trademark is only a legal protection; it isn't the brand.

Bringing Finance And Marketing Into Alignment

Although the company doesn't own the brand, it has substantial control over it. And having control of something as a result of past events that leads to the expectation of future economic benefits is the International Accounting Standards Board (IASB) accounting definition of a business asset.

To be sure, a brand is an intangible asset in that it has no physical substance, including not becoming cash in a year. Nonetheless, a strong brand has value to the
consumer and accordingly can be expected to generate financial value to the company over time. Thus, the brand is an intangible financial asset for the business that controls it.Once viewed in this way, finance and marketing can achieve strategic alignment. Yet determining the asset value of the brand is a knotty issue.

Conclusion

For financial marketers, the current environment is filled with potential communication and marketing deployment pitfalls, but also has exciting opportunities for reaching consumers who are still in a lockdown mode and will view media differently even when daily lives get more 'normal'. The covid-19 crisis is impacting the way people consume and respond to media. It not only changed the consuming patterns but also the investing part of their funds which none of us experienced in the past.This means that financial marketers must continually reassess previous perspectives on conventional and digital marketing use. Recommendations around how to manage money or change financial behavior are well received, and how to effectively use our funds in the brands for an individual customer.

There are dozen of successful strategies that financial marketers should review:-

1. **Reassess channel allocation**. Continue to shift away from channels that are less effective (TV, billboards, event marketing, newspapers) and more to channels that have increased in popularity since the pandemic (video, podcasts, SMS, email, digital).

2. **Increase personalization.** On every channel, with every interaction, it is more important than ever to personalize messages. The COVID crisis has elevated what consumers expect from every interaction in the marketplace. They understand that engagement with brands can (and should) get

more intelligent over time. Avoid 'mad men' segmentation that doesn't reflect every consumer's contextual situation.

3. **Update creative continuously**. With changes happening so quickly in the world around us, creativity can quickly become stale or irrelevant. Make sure your brand remains current and reflective of the communities you are in and the world around us. The good news is that there is technology that can make these changes easier across channels and messages.

4. **Be empathetic.** It is imperative to be acutely aware of what consumers and businesses are experiencing right now. Are there kids at home where the parents are involved with homeschooling? Are people in the household still working from home, or out of work altogether? Are customers still in a lockdown mode or is it closer to 'business as usual'? What financial stress still exists in the household? It is OK to ask since every household is experiencing new behaviors. Re-segment your database based on current needs.

5. **Put the consumer first.** The consumer is more aware than ever whether you are trying to help them or trying to help your organization. Move away from salesy messages to messages that provide viable solutions for today's environment.

6. **Support the local community.** The pandemic has made local neighborhoods much more important. Many community social-media pages and forums have been created to connect people with local businesses, support groups and needed services. Managing hyperlocal engagement will require marketers to rework the channels used and messages communicated – delivering at scale.

7**. Reset your metrics.** Comparing your results to what was achieved last year no longer provides an accurate picture of digital marketing performance given the current environment. Instead, reset your metrics to show what is happening over time since the beginning of March to quickly evaluate what's working and what's not.

8**. Monitor the cost of media.** The cost of paid social fell early in the pandemic as brands pulled advertising dollars and social media usage increased. However, costs continue to change as brands reinvest dollars in conversion-focused channels. Monitor all costs at the channel and placement level to make sure your programs are meeting goals. Adjust media allocation quickly as returns change.

9. **Increase transparency**. Fintech firms are notorious for being extremely transparent around products and pricing. If you haven't reviewed your product pages recently, do so. In addition, the availability of customer service channels are also changing as branches open and people go back to the office. Let your customers know what is happening with the locations and channels they use most.

10. **Become more socially aware**. Socially conscious values have increased in importance exponentially. Every brand should evaluate the commitments being made to the community and make these commitments public. Remember, it is also imperative to back up bold statements with real action.

11. **Provide educational options**. The pandemic has made the potential to educate digitally more accepted. The need to educate has also increased. From teaching consumers how to bank digitally to helping consumers with money management needs, there are opportunities to build trust with a partnering perspective.

12. **Don't take trust for granted.** The importance of trust has never been greater. Not just the trust in financial institutions protecting money in the bank, but trust in being able to provide a safe environment to visit, a healthy environment for employees, a secure place to store data and insights and a partner that will focus on privacy of financial information.

Not all of the above trends and changes will be permanent. While some may be diminished, others may increase in importance. The extent to which these trends stick will need to be systematically monitored.

As the pressure grows on public sector institutions to increase the value of their assets in order to extract better sale prices or be able to attract financing or to justify the way budgets are spent in front of their voters, it is only normal to assume that branding processes and brand evaluation methods will become much more common. Analyzing usage contexts, advantages and disadvantages of each method, it may be concluded that a valid method of brand valuation should create a balance between financial and behavioral indicators included in the analysis. It would also have to be adaptable to different situations and contexts, no matter if it is about establishing, implementing and evaluating marketing strategies (through providing information about elements that can diminish or increase brand value) or mergers, acquisitions, licensing etc. A valid brand valuation method should also clearly differentiate among tangible elements related to physical and functional features of the product and intangible aspects strictly related to the brand itself and to be adaptable to evaluating any type of brand (national brand vs. private label, product or corporate brand etc.) from any industry or product category.

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