

Global Top 100 Brands by Value: an Excel 2007 case study

Introduction

This page is based on the table of the values of the world's top 100 brands by value. The aim of the page is to introduce that table and for you to apply some of Excel 2007's techniques and functions to it. This page is essentially an Excel 2007 Table case study for you to work through.

You should work through this case study alongside the section in chapter 13 in the book entitled **Excel 2007 Tables**.

The Table

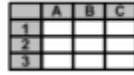
Here is a screenshot of part of the table of the global top 100 brands by value: this is the table as it should be after you have worked your way through this page.

	A	B	C	D	E	F	G	H
1	Global Top 100 Brands by Value							
2	http://media.ft.com/cms/e5a01ad8-30d5-11de-bc38-00144feabdc0.pdf							
3								
4	Rank	Ranking change	Brand	Brand value 2009 (\$m)	Brand value 2008 (\$m)	Brand value 2007 (\$m)	Brand contribution	Brand momentum
5	1	=	Google	100,039	86,057	66,434	3	3
6	2	1	Microsoft	76,249	70,887	54,951	3	8
7	3	1	Coca-Cola1	67,625	58,208	49,612	4	8
8	4	2	IBM	66,622	55,335	33,572	3	5
9	5	3	McDonald's	66,575	49,499	33,138	4	6
10	6	1	Apple	63,113	55,206	24,728	3	9
11	7	-2	China Mobile	61,283	57,225	41,214	3	8
12	8	-6	GE (General Electric)	59,793	71,379	61,880	2	3
13	9	2	Vodafone	53,727	36,962	21,107	3	2
14	10	=	Marlboro	49,460	37,324	39,166	4	9
15	11	2	Wal-Mart	41,083	34,547	36,880	2	9

When we found that table from its PDF file source it looked like this:

Rank	Ranking change	Brand	Brand value 09 (\$m)	Brand value 08 (\$m)	Brand value 07 (\$m)	Brand contribution	Brand momentum	% Brand value change 09 vs. 08
1	=	Google	100,039	86,057	66,434	3	3	16
2	1	Microsoft	76,249	70,887	54,951	3	8	8
3	1	Coca-Cola ¹	67,625	58,208	49,612	4	8	16
4	2	IBM	66,622	55,335	33,572	3	5	20
5	3	McDonald's	66,575	49,499	33,138	4	6	34
6	1	Apple	63,113	55,206	24,728	3	9	14
7	-2	China Mobile	61,283	57,225	41,214	3	8	7
8	-6	GE (General Electric)	59,793	71,379	61,880	2	3	-16
9	2	Vodafone	53,727	36,962	21,107	3	2	45
10	=	Marlboro	49,460	37,324	39,166	4	9	33
11	2	Wal-Mart	41,083	34,547	36,880	2	9	18

<http://media.ft.com/cms/e5a01ad8-30d5-11de-bc38-00144feabdc0.pdf>



We used Windows copy and paste utilities to copy this table over from the PDF file to Excel 2007 and this is what it gave us:

	A	B	C	D	E
1	Rank				
2	Ranking change				
3	Brand				
4	Brand value 09 (\$m)				
5	Brand value 08 (\$m)				
6	Brand value 07 (\$m)				
7	Brand contribution				
8	Brand momentum				
9	% Brand value change 09 vs. 08				
10	1 = Google	100,039	86,057	66,434	3 3 16
11	2 1 Microsoft	76,249	70,887	54,951	3 8 8
12	3 1 Coca-Cola	67,625	58,208	49,612	4 8 16
13	4 2 IBM	66,622	55,335	33,572	3 5 20
14	5 3 McDonald's	66,575	49,499	33,138	4 6 34
15	6 1 Apple	63,113	55,206	24,728	3 9 14
16	7 -2 China Mobile	61,283	57,225	41,214	3 8 7
17	8 -6 GE (General Electric)	59,793	71,379	61,880	2 3 -16
18	9 2 Vodafone	53,727	36,962	21,107	3 2 45
19	10 = Marlboro	49,460	37,324	39,166	4 9 33
20	11 2 Wal-Mart	41,083	34,547	36,880	2 9 19
21	12 6 ICBC	38,056	28,004	16,460	2 N/A 36
22	13 -4 Nokia	35,163	43,975	31,670	3 4 -20
23	14 -2 Toyota	29,907	35,134	33,427	4 6 -15
24	15 * UPS	27,842	30,492	* N/A	3 5 -9
25	16 35 BlackBerry	27,478	13,734	2,802	2 6 100
26	17 -1 HP	26,579	278,24	987,3 5 -9	

The Excel 2007 that accompanies this page provides you with the above table, in full. Of course, this is not very useful until we use the **Text to Columns** utility to separate out the various columns from what you see here: where every row of the table has been condensed into one cell in Excel 2007. This is the result of having used Text to Columns:

	A	B	C	D	E	F	G	H	I	J	K
1	Rank										
2	Ranking	change									
3	Brand										
4	Brand	value		9 (\$m)							
5	Brand	value		8 (\$m)							
6	Brand	value		7 (\$m)							
7	Brand	contribution									
8	Brand	momentum									
9	%	Brand	value	change		9 vs.		8			
10		1 =	Google	100,039	86,057	66,434	3	3	16		
11		2	1 Microsoft	76,249	70,887	54,951	3	8	8		
12		3	1 Coca-Cola	67,625	58,208	49,612	4	8	16		
13		4	2 IBM	66,622	55,335	33,572	3	5	20		
14		5	3 McDonald	66,575	49,499	33,138	4	6	34		
15		6	1 Apple	63,113	55,206	24,728	3	9	14		
16		7	-2 China Mobile	61,283	57,225	41,214	3	8	7		
17		8	-6 GE (General Electric)	59,793	71,379	61,880	2	3	-16		
18		9	2 Vodafone	53,727	36,962	21,107	3	2	45		

Excel Master

	A	B	C
1			
2			
3			

Again, not the finished product: we felt that **delimiting by space** was the best option in the Text to Columns utility to get us here. We then used the concatenate utility to provide use with:

	A	B	C	D	E	F	G	H
1	Global Top 100 Brands by Value							
2	http://media.ft.com/cms/e5a01ad8-30d5-11de-bc38-00144feabdc0.pdf							
3								
4	Rank	Ranking change	Brand	Brand value 2009 (\$m)	Brand value 2008 (\$m)	Brand value 2007 (\$m)	Brand contribution	Brand momentum
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10	6	1	Apple	63,113	55,206	24,728	3	9
11	7	2	China Mobile	61,283	57,225	41,214	3	8

Finally we converted the range to a table and removed the filters that are automatically set in the column headings: that gives us the finished table we began this page with:

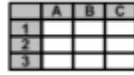
	A	B	C	D	E	F	G	H
1	Global Top 100 Brands by Value							
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This is what you have to do ... transform the initial range of data to this polished table. Feel free to use different colours and different row and column bandings. The aim, is to transform the raw data into useful information.

Adding a Calculation Column to a Table

One of the benefits of transforming the range of data into a table is that it allows us to prepare calculations columns. Try this: in cell 5I, enter this, =D5/E5-1 and press [Enter]. See what happens?

You will probably have to change the column heading that Excel 2007 has chosen for you to give you this, with the final column formatted as percentages:



	A	B	C	D	E	F	G	H	I
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2	http://media.ft.com/cms/e5a01ad8-30d5-11de-bc38-00144feabdc0.pdf								
3									
4	Rank	Ranking change	Brand	Brand value 2009 (\$m)	Brand value 2008 (\$m)	Brand value 2007 (\$m)	Brand contribution	Brand momentum	% Brand value change 09 v 08
5	1	=	Google	100,039	86,057	66,434	3	3	16.25%
6	2	1	Microsoft	76,249	70,887	54,951	3	8	7.56%
7	3	1	Coca-Cola1	67,625	58,208	49,612	4	8	16.18%
8	4	2	IBM	66,622	55,335	33,572	3	5	20.40%
9	5	3	McDonald's	66,575	49,499	33,138	4	6	34.50%
10	6	1	Apple	63,113	55,206	24,728	3	9	14.32%

Take a look in cell I5 and you will see this **structured reference**:

=Table1[[#This Row],[Brand value 2009 (\$m)]]/Table1[[#This Row],[Brand value 2008 (\$m)]]-1

Scroll down to cell I35 and you will see the error #VALUE!: to tidy that up we used the **IFERROR(...)** function, new to Excel 2007 as you know, in cell I5 and when we pressed [Enter] Excel 2007 updated every cell in that column for us.

You should create a new column, J, for the changes in Brand Value from 2007 to 2008 and rename the column accordingly. Use the IFERROR(...) function to eliminate any #VALUE! error you will find. What do you find in cell J5?

How about this? Enter =D18/E18-1 in cell K18 and press [Enter]. What happens and what should the column heading be? Do you need to use the IFERROR(...) function? If no, OK; if yes, do it!

Definitions (for Marketing people!)

The definitions used in the table being discussed here are:

Branded Earnings *What proportion of a company's earnings is generated "under the banner of the brand"?*

First, the branded earnings are identified. For example, in the case of Coca-Cola some earnings are not branded Coca-Cola, but come from Fanta, Sprite or Minute Maid. Once identified capital charges are subtracted. This ensures only value above and beyond what investors would require any investment in the brand to earn is captured: The value the brand adds to the business. This provides a bottom-up view of the earnings of the branded business.

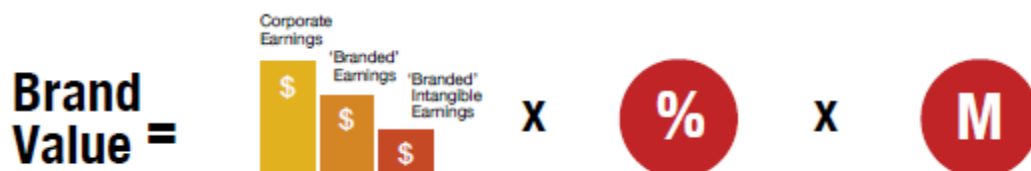
Brand Contribution *How much of these branded earnings are generated due to the brand's close bond with its customers?*

The portion of these earnings driven by brand equity is called "Brand Contribution": The degree to which brand plays a role in generating earnings. This is established through analysis of country-, market-, and brand-specific consumer research from the BrandZ database. This guarantees that the Brand Contribution is rooted in real-life customer perceptions and behaviour, not spurious 'expert opinion': in some categories, brand is important — luxury, cars, or beer, for instance. In categories like motor fuel, on the other hand, price and location play a very strong role. Furthermore, as markets develop, consumer priorities and the role of brand may change. And even in strongly branded categories, some successful brands that compete heavily on price.

Brand Multiple *What is the growth potential of the branddriven earnings?*

	A	B	C
1			
2			
3			

In the final step, the growth potential of these branded earnings is taken into account. Both financial projections and consumer data is analyzed. This provides an earnings multiple aligned with the methods used by the analyst community. It also takes into account brand specific growth opportunities and barriers. To capture the weaker economic outlook, all projections have been validated using IMF economic growth forecasts.



Brand Momentum The Brand Momentum™ indicator that indicates each brand's growth is based on this evaluation. It is presented as an indexed figure that ranges from 1 to 10 (10 being high). You can find these definitions in this fascinating document:

<http://www.millwardbrown.com/Sites/Optimor/Media/Pdfs/en/BrandZ/BrandZ-2009-Report.pdf>

The following definition expands on that rather elusive definition of brand momentum and it contradicts it: Millward Brown's definition (above) shows momentum ranging from 1 to 10 whilst the FT (below) shows it ranging from 0 to 10.

Brand Momentum is an index of a brand's short-term growth rate relative to the average short-term growth rate of our pool of brands

- A brand with a growth rate in the top 10% gets a momentum of 10
- Below 10, the index is linear to the short term growth rate, so that a brand with an average growth rate would get a momentum of 5
- Brands with above-average growth rates get a momentum ranging between 5 and 10, while brands with below-average growth rates get a momentum ranging between 0 and 5.

<http://www.ft.com/cms/48fe984a-c0a7-11da-9419-0000779e2340.pdf>

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