

**_BRAND
CAP.**

Branding in the boardroom: Part 1

Brand opportunity in the FTSE 100

To build the highest performing, brand shaped business, you need the brand to be 'owned' and supported at board level. On reviewing the annual reports of the FTSE 100, evidence suggests that most boards are not reflecting the opportunity presented by fully maximising the role of brand in driving their business or indeed the positive

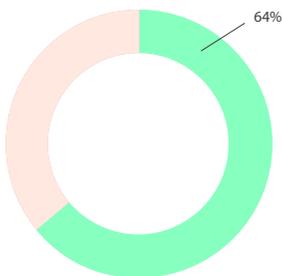
impact brand has on their financial performance. It seems that brand in the UK is still being seen as a communications and marketing tool and not utilised to its full potential – particularly by B2B businesses. Here are the highlights from our research.

A closer look at the FTSE insights

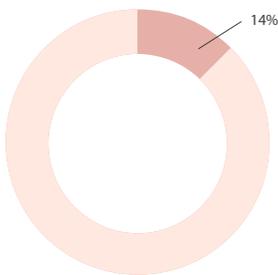
We took a look at the annual report of each company in the FTSE 100 to explore how influential brand is in driving business decisions, and how important they thought the management of their brand was for their shareholders. We looked at how the term 'brand' was used in the context of the overall business strategy and performance, which resulted in these findings.

Proven impact of brand

These results are particularly surprising when brand is proven to hold the key to sustainable value, influence and security. Research by McKinsey & Company showed that, in 2012, strong brands within the B2B sector outperformed weak brands by 20%. Over the past seven years, the S&P 500 increased 23% in market value. The BrandZ Portfolio of the strongest brands appreciated 58%, which means strong brands outperformed the stock market benchmark by 28%. When taking an average of brand value from leading consultancies' 2012 rankings, brand is estimated to contribute 20-30% of market capitalisation.



64% of CEOs and Chairmen made no reference to the word 'brand' in their opening statements within their annual report



14% of FTSE 100 companies made no mention of the word brand anywhere in their full report - all of these companies were B2B companies

8.5%

8.5% of FTSE 100 companies suggest that their business is aligned with their brand within the full annual report

8.0%

8% of FTSE 100 companies associate their brand with their customers' experience within the full annual report

4.0%

4% of FTSE 100 companies suggest that their brand gives them a competitive advantage within the full annual report



14% of FTSE 100 company senior management remuneration policies include performance of their brand within the remuneration report