

Banks and beer top the 2020 BrandZ™ Most Valuable South African Brands

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- Macroeconomic conditions and Covid-19 lead to 20% drop in total value of the top 30 brands
- Pandemic highlights need for brands to be responsible and contribute to society
- First National Bank rises to No. 1 with a brand value of \$2.8bn



First National Bank (FNB) has been named as South Africa's most valuable brand for the first time, in the BrandZ™ Top 30 Most Valuable South African Brands ranking, released today by [WPP](#) and [Kantar](#).

In difficult global and local conditions, **First National Bank** outperformed its rivals with a brand value of \$2.8bn in the third BrandZ ranking of South African born most valuable brands. Its commitment to innovation to make it easy for customers to manage their lives drives a broad remit that includes a multi-feature banking app, as well as facilities to book flights, buy insurance and manage car registrations and ownership. **Standard Bank** took the No.2 spot with a brand value of \$2.75bn, with beer brand **Castle** coming in at No.3, at \$2.72bn.

Flavoured beer brand **Flying Fish**, is the highest new entry in the ranking at No.28 with a brand value of \$333m. Insurance group **Hollard**, with a brand value of \$285m, is the other newcomer, making it into the ranking at No.30.

The cumulative value of the Top 30 brands in 2020 is \$29.7bn, down 20% from 2019. As in other regions, South African brands have been heavily impacted by the coronavirus pandemic. This global crisis came on the back of the ongoing macroeconomic challenges faced by the country as its government debt was downgraded to junk status.

These external factors have compounded the pre-pandemic tendency for many major South African brands to grow through business expansion rather than innovation to enhance the brand experience. This has led to low brand equity, especially in comparison with leading brands in other countries where BrandZ undertakes valuation rankings. As a result they are vulnerable in the currently difficult climate, which has highlighted that brand building will be key to recovery.

BrandZ analysis reinforces this; the world's largest brand equity platform shows that, over 16 years, strong brands have

continued to recover faster following economic shocks. Globally, the BrandZ strong brands portfolio has consistently outperformed the market, including the S&P 500 and MSCI World Index. These findings validate the vital role of marketing and brand-building investment to support business recovery.

Brands bucking the trend in South Africa include retail and pharmacy chain **Clicks** (up five places to No.24), which is the best performer in the 2020 ranking having increased its value by 10% to \$407m. It expanded both its overall retail network and the number of in-store outlets to increase accessibility and convenience for consumers, which also helped to drive a 31.2% rise in pharmacy sales in the weeks prior to lockdown.

BrandZ analysis also shows that consumer expectations of brands to act more responsibly have tripled in the last 10 years, and that 9% of a brand's equity (a key element in the calculation of brand value) is now driven by corporate reputation. Brands with a clearly defined purpose to benefit communities and society are becoming increasingly important to consumers as a result of the coronavirus pandemic; 90% of South Africans believe that brands should talk about how they can be helpful in the new everyday life^[1]. Meeting this consumer need has the potential to drive long-term growth for brands in South Africa; brands in the Global Top 100 Most Valuable Brands ranking with a high purpose score grew 175% in value between 2006 and 2018, compared to 70% for those with a low score.

In South Africa, premium retailer **Woolworths** (no. 9, \$959m) was identified as the country's most responsible brand. Its 'good business journey', in which it commits to caring for the environment, people and communities with activities such as responsible and sustainable sourcing initiatives, has contributed to **Woolworths** being recognised in the Dow Jones Sustainability Index and the FTSE4Good Emerging Index Series.

Capitec Bank (No.12, up from No.17 in 2019 at \$840m) performed best against the 'purpose' measure in the ranking, indexing 128 (against an average of 100). The brand has focused on meeting consumers' needs with initiatives such as using WhatsApp for easy communication, Sunday opening, and the practical, 'human-centric' financial advice available on its website.

Supermarket chain **Pick n Pay**, which rose three places in the ranking to No.17 with a brand value of \$672m, is another company that has actively demonstrated social responsibility, uniting with other partners on the Feed the Nation campaign to provide meals for vulnerable people. During the pandemic it has partnered with an on-demand beverage delivery service to provide grocery essentials via a contactless system.

David Roth, CEO of The Store WPP, EMEA and Asia and Chairman of BrandZ, said: "The importance of being a strong brand has been tested to the limit by the global pandemic and proved an imperative company asset. As brands around the world shoulder their responsibility to continue to meet consumer need, however much that has changed, it is a timely reminder of how and why to invest in brand building for the short and long-term. With South Africa's additional challenges thrown in to the mix, South African brands that do this will be in the best position for recovery – and will also be our headline stars in the next few years."

The BrandZ Top 30 Most Valuable South African Brands 2020

 #1 \$2 795	 #2 \$2 745	 #3 \$2 724	 #4 \$2 552	 #5 \$1 997	 #6 \$1 882	 #7 \$1 123	 #8 \$1 091	 #9 \$959	 #10 \$892
 #11 \$846	 #12 \$840	 #13 \$830	 #14 \$810	 #15 \$776	 #16 \$678	 #17 \$672	 #18 \$595	 #19 \$571	 #20 \$535
 #21 \$455	 #22 \$433	 #23 \$430	 #24 \$407	 #25 \$376	 #26 \$374	 #27 \$340	 #28 \$333 New!	 #29 \$316	 #30 \$285 New!

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View the full report [here](#) and catch up on the virtual #BrandZSA [launch](#) where we share key takeouts and insights from the report and what this means for brands in South Africa. Hear from industry experts how to build strong brands and engineer for growth in times of business as unusual.

Charles Foster, CEO, Africa and Middle East, Insights Division, Kantar said: “On a macro level, this has been a difficult year for South Africa, with a global pandemic being only one of the headwinds brands have had to contend with. But in a country with a history of resilience and an ability to look to the future, we are seeing great examples of brands – driven by consumer expectations – redefining themselves, in recognition that the current climate calls for them to clearly determine their contribution to society. This investment in brand building is critical to address the equity deficit that many brands currently face, and it will pay dividends in a world where brands are increasingly expected to deliver social benefits that go above and beyond product functionality.”

Other key findings of the BrandZ Top 30 Most Valuable South African Brands 2020 include:

- **Fair pricing: Clicks** is also seen by consumers to price fairly, indexing 131 on this scale (where 100 is the average). This is increasingly critical for most South Africans, who have become more price and promotion conscious as the direct impact of economic uncertainty on household income grows. Seventy-six percent of consumers now say they pay more attention to prices and 42% will visit multiple stores to ensure they get best value^[2]
- **Difference pays:** In a market where price and value are very important, difference is a critical component that enables brands to charge a premium. Difference provides consumers with a reason to choose a given brand, justifies the price asked and reinforces the buying decision post purchase. **Woolworths**, which indexes 207 for ‘difference’, takes top spot on this measure and also scores highest for ‘worth more than it costs’ where it scores 130. **Woolworths** was also No. 1 and No. 8 respectively for retail and fashion in the recent global Kantar CX+ retail study that evaluates exceptional customer experience
- **BrandZ 2020 Special Awards:** Brands awarded for high-performing scores against the other critical factors that underpin their brand value include: Capitec Bank for Brand Purpose, Nando’s for Communications, Woolworths for Brand Experience, Clicks for Brand Love, and Woolworths for Responsibility
- **Financial services dominate: Banks and Insurance companies take nearly half the Top 30, accounting for 42.9% of the total value of the Top 30, with the Banks contributing 30.3% and the Insurance giants 12.6%. Telecom Providers at 16.9% and Beer brands at 12.9% sit between the two financial sectors**

The BrandZ Top 30 Most Valuable South African Brands 2020 at a glance



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The BrandZ Top 30 Most Valuable South African Brands report and ranking and extensive analysis are available online [here](#) and via [BrandZ.com](#). The reports, rankings, charts, articles and more can also be accessed through the BrandZ app, which is free to download for Apple IOS and all Android devices from <http://www.brandz.com/mobile> or by searching for BrandZ in the iTunes or Google Play app stores.

About the BrandZ™ Top 30 Most Valuable South African Brands Ranking

Commissioned by WPP, the valuation behind the BrandZ™ Top 30 Most Valuable South African Brands was conducted by brand equity research experts Kantar. The methodology mirrors that used to calculate the annual BrandZ Top 100 Most Valuable Global Brands ranking, which is now in its 15th year.

The ranking combines rigorously analysed market data from Bloomberg with extensive consumer insights from over 3.8 million consumers around the world, covering 17,801 different brands in 51 markets – including opinions from over 28,440 South African consumers on over 601 brands in 44 categories.

The ability of any brand to power business growth relies on how it is perceived by customers. Grounded in consumer opinion, BrandZ™ analysis enables businesses to identify their brand's strength in the market and provides clear strategic guidance on how to boost value for the long-term. The eligibility criteria are:

- The brand must originally have been created in South Africa, and is owned by an enterprise listed on JSE or a credible stock exchange.
- For private brands originated in South Africa, their complete financial statements must be available in the public domain

The suite of BrandZ™ brand valuation rankings and reports currently includes Australia, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Latin America (Argentina, Brazil, Chile, Colombia, Mexico, Peru), The Netherlands, South Africa, Spain, the UK and the US; with Saudi Arabia and the United Arab Emirates launching in October 2020. Access a suite of customised reports and data packages from BrandZ via <https://www.kantar.com/marketplace/solutions/brand-insights>.

About Kantar

Kantar is the world's leading evidence-based insights and consulting company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks, our innovative analytics and technology, we help our clients understand people and inspire growth. For more information, visit www.kantar.com.

About WPP

WPP is a creative transformation company. We use the power of creativity to build better futures for our people, clients and communities. For more information, visit www.wpp.com.

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[\[1\]](#) Kantar's South Africa Barometer Study

[\[2\]](#) Source: Kantar SA Barometer Study Wave 5, May 2020

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