

Resilient brands defy macroeconomic challenges in the 2019 BrandZ Top 30 Most Valuable SA Brands

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The combined value of the brands in the BrandZ™ Top 30 Most Valuable South African Brands ranking, released today by [WPP](#) and [Kantar](#) and now in its second year, is \$37.14bn.



The challenging macroeconomic and political environment resulted in a 13% drop in value from 2018, but brand resilience saw the country's Top 30 brands outperform the Johannesburg Stock Exchange (JSE) Top40 Index which fell 20% in dollar terms during the valuation period. Furthermore, analysing the total brand value of the ranking in relation to the South African economy (GDP) shows the top brands to be in relatively good health, with a ratio on a par with or stronger than many other countries with larger GDPs.

The BrandZ study, which is the only brand valuation ranking to combine company financial data with consumer insight and opinion, reinforces the importance of strong brands. While not immune to difficult circumstances, strong brands are protected from the worst macroeconomic effects and are positioned for a fast return to growth when conditions improve. This is key as South Africa adopts an increasingly more positive outlook following the 2018 change in government.

Standard Bank remains at No. 1 with a brand value of \$3.55bn but No. 2 brand, **First National Bank (FNB)**, closes the gap with a value of \$3.46bn, having continued to invest in customer-focused digital innovation and strong communications. Meanwhile, an 11% increase in value to \$846m saw **Capitec Bank** (one of only three brands whose value went up) rise three places to No. 17. From its origins as a micro-lender to offering banking services to those unable to bank elsewhere, it now attracts customers across the wider socio-economic strata and continues to innovate, including launching a credit card. With an overall value of \$11.83bn, the banking sector retains its pole position in the ranking.

The fastest riser in the BrandZ 2019 ranking is entertainment brand **DStv** which increased its value by 38% to \$1.07bn (in part due to DStv's parent company Multichoice now being listed on the JSE) to rise six places up the ranking to No. 18. By carefully curating content for local audiences, alongside initiatives such as working with South African filmmakers – many of whom are from under-privileged backgrounds, DStv has established itself as a key contributor in creating an exciting, meaningful and sustainable video entertainment industry.

The expanded scope of the research covering life insurance for the second year saw two newcomers to the Top 30. **Sanlam**, valued at \$1.04bn, is No. 15 and **Liberty** is No. 27 with a value of \$406m.

“While we can’t control the winds of change, we can control the sails. So while SA has faced a tough macroeconomic climate, we see that brands that differentiate, innovate and communicate while offering superior customer experience, tend to ride the headwinds better than those that don’t. Companies that don’t invest in developing a strong brand can easily be replaced by those that are more effective in meeting consumer needs. Strong brands are the key building blocks of resilient business. They tend to emerge from economic downturns more quickly, returning to pre-recession growth levels faster than weak brands,” said Ivan Moroke, CEO South Africa, Insights Division, Kantar.

Difference has proven to be an important factor for South African consumers. As demonstrated by the banks category, innovative brands that were able to demonstrate their uniqueness were more robust; brands seen to have distinct attributes were 13% better off than those that did not.

With its ability to encapsulate the national psyche, fast food brand **Nando’s** celebrates its difference. The third brand to make the fastest risers category, it increased 2% to \$2.21bn, to keep it in the No. 6 slot for the second year.

The BrandZ Top 30 Most Valuable South African Brands 2019

| Rank 2019 | Rank Change | Brand | Category | Brand Value 2019 (USD mil) |
|-----------|-------------|---------------------|-------------------|----------------------------|
| 1 | - | Standard Bank | Banks | 3,553 |
| 2 | - | First National Bank | Banks | 3,464 |
| 3 | 1 | Castle | Beer | 2,995 |
| 4 | -1 | Vodacom | Telecom Providers | 2,748 |
| 5 | - | MTN | Telecom Providers | 2,308 |
| 6 | - | Nando's | Fast Food | 2,211 |
| 7 | 2 | Discovery | Insurance | 1,635 |
| 8 | -1 | Absa | Banks | 1,504 |
| 9 | -1 | Nedbank | Banks | 1,478 |
| 10 | - | Old Mutual | Insurance | 1,17 |
| 11 | - | Woolworths | Retail | 1,13 |
| 12 | 6 | DStv | Entertainment | 1,072 |
| 13 | -1 | Sasol | Energy | 1,058 |
| 14 | 1 | Hansa Pilsener | Beer | 1,047 |
| 15 | NEW | Sanlam | Insurance | 1,037 |
| 16 | -3 | Investec | Banks | 986 |
| 17 | 3 | Capitec Bank | Banks | 846 |
| 18 | -4 | Shoprite | Retail | 779 |
| 19 | -3 | Cell C | Telecom Providers | 710 |
| 20 | -1 | Pick n Pay | Retail | 700 |
| 21 | -4 | Mr Price | Retail | 686 |
| 22 | -1 | NetCare | Hospitals | 598 |
| 23 | 1 | Life Healthcare | Hospitals | 544 |
| 24 | 1 | Mediclinic | Hospitals | 491 |
| 25 | -2 | Checkers | Retail | 459 |
| 26 | - | Edgars | Retail | 451 |
| 27 | NEW | Liberty | Insurance | 406 |
| 28 | -1 | Santam | Insurance | 385 |
| 29 | -1 | Clicks | Retail | 371 |
| 30 | -1 | Dis-Chem Pharmacy | Retail | 319 |

Commenting on the ranking, David Roth, CEO of The Store WPP EMEA and Asia and Chairman of BrandZ, says: “Brands can’t control their external environment, but they can strengthen their business and prepare for the future through investment that allows them to respond to the market and consumers’ evolving needs. This is very clear in South Africa where the success stories are brands demonstrating significant resilience in the face of extreme economic pressure.”

Key trends

- **Expanding ecosystems: Discovery**, which started life as a medical aid company, continues to grow its brand ecosystem. Rising two places to No. 7 with a brand value of \$1.64bn, it shook up the banking sector with the launch of its 'behavioural banking' service that encourages consumers to adopt a healthier approach to their finances. Further disruption to the sector is evident outside the Top 30 with the opening of four new digital-only banks.
- **Differentiation:** South African beer brands held their own in the ranking despite several premium global offerings with significant advertising budgets entering the market as a result of the change of ownership of South African Breweries. Overall the category value is \$4.04bn (a drop of only 6% from 2018) as beers successfully differentiated themselves from the competition and cultivated loyalty, while Castle rose one place to the No. 3 slot with a value of \$3.00bn (a figure that includes its Castle Lite and Castle Milk Stout products).
- **Standing for something:** South Africa ranks highly on being socially aware and using this to make a difference, with only four other countries scoring higher in this respect. In contrast to other regions where there can be a disconnect between what brands say and what they do, a lot of South African brands adopt the local philosophy of 'ubuntu' – an emphasis on helping others, and take part in various calls for social and economic justice.
- **Beyond the country borders:** Only a few South African brands have a presence outside the country and this is potentially a missed opportunity; South Africa itself scores highly on measures of difference in WPP's BAV Group's Best Countries report, indicating that people around the world are open to brands from the region.
- **Beyond the ranking:** Several brands fall outside the Top 30, but are highly regarded by consumers and recognised in BrandZ South Africa's awards. These include food brand KOO, which is the most loved by consumers (scoring 136 on this index, where the average is 100), mobile data provider, Rain, which scored 120 for innovation (against an average of 100) and ecommerce company Takealot, which wins on brand experience with a score of 121 against the average of 100.

The BrandZ Top 30 Most Valuable South African Brands report and ranking and extensive analysis are available online [here](#). 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 14th year.

The ranking combines rigorously analysed market data from Bloomberg with extensive consumer insights from over 3.7 million consumers around the world, covering more than 166,000 different brands in over 50 markets – including opinions from over 25,000 South African consumers on over 550 brands on 40 categories.

The ability of any brand to power business growth relies on how it is perceived by customers. As the only brand valuation ranking grounded in consumer opinion, the BrandZ analysis enables South African brands to identify their strength in the market and provides clear strategic guidance on how to boost value for the long-term.

The BrandZ™ Top 30 Most Valuable South African Brands is the most definitive and robust ranking of the country's brands available, and the brands ranked must meet at least one of these two eligibility criteria:

- The brand is originally 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 financial statements are available in public domain.

The suite of BrandZ brand valuations and reports also includes Australia, China, France, Germany, India, Indonesia, Italy, Latin America, Argentina, Brazil, Chile, Colombia, Mexico, Peru, The Netherlands, South Africa, Spain, UK and US, with new Canada and Japan rankings launching in 2019.

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