

# Fifty most valuable South African brands led by MTN

Brand Finance has released the 2014 annual report on South Africa's 50 most valuable brands, with MTN leading the way.

Despite another year of difficult global trading conditions, the total brand value of these Top 50 brands increased 18% from R343bn from 2013's value of R291bn. All brand values in the report are for the year ending 30 June 2014.

Surprisingly, the Top 10 brands have only grown at 14% against the 22% of the bottom 40 brands, indicating the momentum is with the smaller players. These Top 10 brands account for 52% of total brand value amongst the Top 50, with MTN accounting for 16.5% of total brand value.



By sector, there are 13 financial services brands (banks and insurance) in the Top 50 generating R89bn (26%) of value, followed by 5 telecom brands generating 25% of value and 16 food and beverage brands generating 22.6%.

In the category of South Africa's Strongest Brand, MTN and FNB are both rated as this year's strongest brands - the third year running that FNB has achieved this ranking. In the year that South Africa lost its founding democratic President and most valuable icon, Nelson Mandela, it is interesting to note that the underlying core values of these brands closely follow those of Madiba's. It is no surprise then that these brands resonate with South African consumers where others battle.

## African presence

Among the Brand Africa 100 most valuable brands in Africa, South Africa leads Africa with a 72% share, compared to Nigeria at 26% and Kenya at 2%. MTN tops the table in Africa too.

More than half of the brands have a significant presence beyond South African borders. While Nigeria has the highest GDP in the continent, South Africa dominates the branding landscape across Africa, with 80% of the Top 50 all essential staples in a continent that is turning the corner from being a consumer to becoming a creator.

It is estimated that if intra-Africa trade is increased by 1%, it will generate \$50bn in revenues. With its experience in building and creating portfolios of world-class brands, South Africa is in a good position to play a leading role in that African renaissance.

## Value of brands correlates with GDP

The brands of a nation are not only a vector of its image but a catalyst of its wealth too. There is empirical evidence that the value of the brands with the top nations has an almost direct correlation with their GDP.

That South Africa is not among the six African nations in the Top 10 fastest growing economies globally (Economist) and not one of the three African frontier markets that are recognized to offer high returns and improving economic institution (Botswana (#2), Rwanda (#5) and Ghana (#10)) (Foreign Policy Magazine's Baseline Profitability Index) is a challenge that South Africa needs to address if it is to remain the most admired African nation and competitive with fellow African and BRICS nations.

## Continue building great brands

A thriving 'Made in South Africa' and entrepreneurship spirit are what built South Africa's wealth, reputation and competitiveness and the Brand Finance South Africa Top 50 brands. For Africa and certainly for South Africa to grow

independent, create jobs and reduce inequality, it will need to invest in the attributes that built these brands - on top of increasing intra-Africa trade - to challenge global brands in Africa.

The pan-African dominance, global reputation and success of the Top 50 shows that South Africa has the creativity, skill and experience to continue building great brands and a great, growing nation.

"The Top 50 brands are a catalyst of South Africa's growth and a winning nation and Africa," says Thebe Ikalafeng, chairman - Brand Finance Africa; founder, Brand Africa & Brand Leadership Group.



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