MARKETING

Ferrari boasts strongest brand: Brand Finance

January 24, 2019

Ferrari is one of many auto brands that would be affected by the tariff. Image credit: Ferrari

By SARAH JONES

Italian automaker Ferrari has regained the title of the world's strongest brand, according to rankings from researcher Brand Finance.

Ferrari has managed to expand into other categories as varied as fashion and theme parks without losing its luxury positioning, and its brand value rose 27 percent year-over-year to $8.3 billion. Within the rankings of the top 500 brands, upscale automakers excelled, with Mercedes-Benz, BMW and Porsche included in the top 50.

"As the world's foremost luxury carmaker, Ferrari has an unparalleled level of brand recognition, upholding excellence for design and innovation," said David Haigh, CEO of Brand Finance. "The prancing horse logo is a perfect symbol of the brand's strength and vitality as it plans new models and reaches outside the auto industry."

Brand Finance's Global 500 Report is based on factors including marketing investment, stakeholder equity and business performance. The company also looks at royalty rate, or the amount that a brand makes a difference towards purchasing decisions.

Ranking review
Technology companies took the lead in the rankings, and represent almost a quarter of total brand value in the list. Amazon, Apple and Google held the top three slots.

Facebook ranked seventh for brand value, despite the many scandals surrounding the social network in the past year (see story). Also this year, Facebook-owned Instagram entered the rankings for the first time.

Along with Ferrari, Rolex was named as one of the top 10 strongest brands.

Chanel had one of the greatest increases in brand value, growing 95 percent to place 149th. Cartier and Louis Vuitton also made the top 150, coming in at 123 and 124, respectively.

Chanel's holiday 2018 make-up campaign starring Lily-Rose Depp. Image credit: Chanel

Chinese brands are also growing their brand value, with Tmall making the list for the first time and WeChat's brand value rising 126 percent year-over-year.

When looking at brand reputation, hotels, technology firms and automotive marques have the greatest standings. Hotels also rank the highest for trust and quality.

Brand Finance also looked at CEOs to track their brand guardianship. Among the leaders in the field are Amazon's Jeff Bezos, Toyota's Akio Toyoda, LVMH's Bernard Arnault and Apple's Tim Cook, who placed first through fourth, respectively.

Brand value
After a decade of seeing no profits, Brexit has helped Aston Martin become the fastest growing automotive brand, according to Brand Finance.

Weakened currency in the United Kingdom, where Aston Martin is based, has supported the automaker's $3.6 billion growth over the past year, reported in Brand Finance Auto & Tyres 2018 report. While Aston Martin was the fastest growing brand, Mercedes-Benz has surpassed BMW and Toyota as the most valuable manufacturer in the automotive sector with a year-over-year growth of 24 percent (see story).

Louis Vuitton and Herms dominated the top 10 most-valuable luxury brands in 2016, a difficult feat during a disappointing year for others, according to the global head of BrandZ.

During the session "Lessons Learned from the World's Most Valuable Luxury Brands," at Luxury FirstLook 2017: Time for Luxury 2.0 the executive explained that being a strong valuable brand brings back significantly more investment to shareholders. Luxury brands can make themselves strong and valuable through actionable strategies, such as through innovation (see story).

"A strong and valuable brand tends to deliver superior business performance," Brand Finance's Mr. Haigh said. "In periods of prosperity, strong brands serve as a launching pad for growth. Equally, in times of crisis, they provide buoyancy to the business."