

Brand Finance's *Global 500 2023* names Amazon the world's most valuable brand

By  Danette Breitenbach

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Tech remains the most valuable industry in Brand Finance's Report, *Global 500 2023*, rankings, accounting for around 15% of the total value of the rankings, with the retail sector once again the second most valuable sector and the banking sector the third most valuable sector.



The Report puts 5,000 of the world's biggest brands to the test, and publishes around 100 reports, ranking brands across all sectors and countries.

It found that the tech sector had an overall brand value of at least \$1.2tn, while the retail sector crossed the US\$1tn threshold last year for the first time. The banking continued to achieve growth in its overall brand value, seeing an increase of 4% year-on-year.

No. 1: Tech sector

The tech sector saw a six percent decrease in value in 2023, due to the "widespread difficulties faced by tech brands and concerns about their wider reputations and growth trajectories, resulting in broad decreases in valuations in the last year".

Despite this, it continues to be the largest sector in the ranking - with a number of other brands in other sectors such as Amazon (Retail), Google (Media), TikTok (Media), Facebook (Media), and WeChat (Media) having obvious connections to the broader technology industry space – with a total of 48 tech brands featured in the ranking.

However, this is two down from the 50 in 2022, after Snapchat and Twitter both dropped out. Its value is mostly attributed to the three big tech players Apple, Microsoft, and the Samsung Group. Combined the three's combined brand value makes up approximately half of the tech sector.

"Technology brands across the world have lost significant value in response to shifting demand patterns. Inflation has affected brands across many sectors, but as consumer habits partially revert to pre-pandemic patterns, demand for the services of tech brands has been hit particularly hard. Additionally, disrupted supply chains, labour shortages, and greater obstacles to financing have left their mark," says David Haigh, chairman and CEO of Brand Finance.



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No 2: Retail sector

The retail sector's surpassing of the \$1tn mark last year for the first time is a reflection of the effect of the pandemic that has seen a transfer in retail spending from small, offline, brands to large, online retail brands.

"The sector has managed to remain above this mark for the second year running, despite facing a 9% decrease in overall brand value from last year," states the Report.

Yet, as with the tech sector, the retail sector experienced a widespread reduction of brand value in retail brands in 2023. The Report attributes this to "difficult operating conditions, including high employee absenteeism, supply issues, and reduced consumer confidence."

So, despite becoming the world's most valuable brand in 2023, retail giant Amazon, for example, saw a 15% reduction in brand value. However, Amazon's still significant brand value of \$299.3bn makes up more than a quarter of the overall retail sector value in the Global 500 rankings, highlighting just how large Amazon's brand has become relative to other large brands.

No 3: Banking sector

Unlike the tech and retail sectors, the banking sector continues to achieve growth in its overall brand value, seeing an increase of 4% year-on-year.

The sector also has largest number of brands in the Brand Finance Global 500 2023 ranking, increasing from 64 last year to 72 in 2023.

"After the Covid-19 pandemic, the banking sector went through a digital transformation to serve its customers, businesses, and governments. "Banking brands have focused on branding that highlights innovative use of technology by creating super apps in which customers can use a wide range of banking services," says the Report.



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The World's Top 25 Most Valuable Brands

Valued at \$299.3bn and returning to the number one spot this year and overtaking Apple, Amazon is the world's most valuable brand. Apple is in second place and ranked third is Google.

1. Amazon

This is despite Amazon's brand value falling 15% this year from \$350.3bn to \$299.3bn. Amazon was previously the world's most valuable brand from 2018 to 2020.

The Report explains that its research has found that Amazon's brand value comes from its strong position in both B2C and B2B sectors of the economy, as it is a key global market leader in the massive markets of both online retail and online cloud computing services.

"Despite already having the world's most valuable brand, it is continuing to expand into new verticals such as bricks and mortar retailing, acquisition of film studios, and payment processing. Further, with Amazon's full online retail services available in just 18 nations, there remains further scope to expand its geographic reach," says Haigh.

2. Apple

Apple has fallen to be the world's second most valuable brand with its brand value falling 16% from \$355.1bn to \$297.5bn, to move from slightly above Amazon's brand value to now be slightly behind Amazon's brand value.

"This year's fall in brand value relates to a fall in forecast revenue as a disrupted goods supply chain and a constrained labour market are expected to limit supply of its marquee hardware products," says the Report.

Yet, it says that despite these challenges, Apple continues to innovate, invest in long-term growth plans, and expand its offering into a broader range of services.

"This extension of its brand further diversifies its suite of products beyond its most successful product, the iPhone. Powerful customer loyalty and a continued strong customer response to products and services such as the Apple Watch, AirTags and Apple Pay saw the installed base of active Apple devices hit an all-time high in 2022."

3. Google

Google, in third place, with its brand value up 7% to \$281.4bn, retains its position as the world's third most valuable brand. Google is valued at \$281.4bn as it continues to grow and expand into new products and services over the past year.



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The World's Top 25 strongest brands

The Report also gives the World's Top 25 strongest brands.

Google is the world's strongest brand and YouTube the second-strongest brand - both owned by Alphabet.

“In brand strength, Alphabet Inc, the parent company of both Google and YouTube achieved a rare one-two ranking with the world’s strongest brand Google earning a brand strength index score of just over 93, and YouTube (brand value up 24% to \$29.7bn) earning a brand strength index score of just under 93. Those two brands both earned the elite AAA+ brand rating, along with 10n other brands from across the world,” says the Report.

BYD (brand value up 57% to \$10.1bn) is the fastest growing brand in the Brand Finance Global 500 2023 rankings, followed closely by American oil and gas brand ConocoPhillips (brand value up 56% to \$8.9bn) Maersk (brand value up 53% to \$7.4bn), and LinkedIn (brand value up 49% to \$15.5bn).

The value of brand value

“Brand valuation helps companies understand the value of their brand and how it contributes to the overall value of the company,” states Haigh in the Report foreword.

This is important as such understanding can inform decision-making related to marketing and branding efforts as well as provide a benchmark for future performance.

“It can also be used to help attract investors and secure financing, as a strong brand can be a valuable asset. Additionally, brand valuation can be useful in the event of a merger or acquisition, as it can help determine the value of the brand being acquired,” he adds.

“Overall,” he states, “brand valuation helps organisations understand the worth of their brand and how it fits into their overall business strategy.”



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A strong brand equals improved business returns

Haigh says strong brand can lead to improved business returns in several ways:

1. A strong brand can help a company differentiate itself from its competitors and establish a unique identity in the market, which can lead to increased customer loyalty and retention. This, in turn, can lead to higher sales and revenue.
2. A strong brand can help a company command a higher price for its products or services, as consumers are willing to pay more for a brand they perceive as high-quality and trustworthy.
3. A strong brand can help a company attract top talent, as employees may be more attracted to work for a well-known and reputable brand.
4. A strong brand can provide a company with a competitive advantage and help it weather economic downturns or industry disruptions.

Methodology

This year, Brand Finance has invested more in researching and understanding customer perception of brands across the world than ever before, with original research taking place in dozens of jurisdictions globally. The report is based on this

extensive original research, with the findings representing a catalyst for further conversations.

See a complete list of the rankings [here](#).

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from VMts.

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