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## Singapore brand values hit by recession

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**SINGAPORE - Singaporean companies are failing to invest in their brands, according to a study by Brand Finance, with the city-state's top firms losing up to US\$203 billion in intangible assets and brand value in the past year.**

The Brand Finance Global Intangible Finance Tracker 2009 gauges the percentage of company value that is based on intangible assets. For the top 50 brands in Singapore, the survey concluded that 11 per cent of their combined 'enterprise value' of US\$25 billion was vested in intangible assets, compared with 52 per cent in last year's study.

That compares with 49 per cent in China, 40 per cent in Australia, 39 per cent in India and 21 per cent in Hong Kong.

Joseph Baladi, CEO of brandAsian Singapore, agreed that the findings were not surprising given how "CEOs in this country have demonstrated remarkable resistance to all efforts, from both the private as well as Government sectors, to educate themselves and adopt more brand-centric practices."

He added that "part of the problem lies in the absence of real understanding of the value, role and process of brand-building by local heads. Most Singaporean CEOs think that branding is interchangeable with advertising. This fundamental misconception, that effectively sacrifices the strategic for the tactical, has monumental implications on the relative strength Singaporean brands are able to muster. Sustainable and strong brands are not being built and economic downturns will inevitably take a harsher toll on overall valuations."

"A recession sometimes separates the winners from losers," said Lucy Gwee, MD of Brand Finance Singapore. "It's about the best use of available scarce resources to generate value. A company that is focused on a constant pursuit for innovation will have a clear lead amongst its peers."

[http://www.brandrepublic.asia/Media/Researcharticle/2009\\_06/Singapore-brand-values-hit-by-recession/36083](http://www.brandrepublic.asia/Media/Researcharticle/2009_06/Singapore-brand-values-hit-by-recession/36083)