

A COMPARATIVE ANALYSIS OF BRAND VALUATION: THE HIROSE METHOD VS. BRAND FINANCE

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Abstract: Brands are not only assets that offer benefits and privileges to consumers but also among the most valuable financial assets of companies and even nations. Therefore, brand valuation has become an increasingly important concern, prompting companies across various industries to adopt different valuation methods to assess and manage their brand equity. In the literature, brand valuation methods are categorized into three groups: financial, consumer-based, and mixed approaches. Since each method follows distinct valuation principles and criteria, brand valuations may vary significantly for the same brand. This study primarily aims to evaluate the brand values of retail companies in Turkey using the Hirose method, which belongs to the financial valuation category. Additionally, the brand values calculated using the Hirose method are compared with those obtained from Brand Finance, a firm that employs a mixed-method approach to brand valuation both in Turkey and globally. According to the findings, the brand values of retail companies differ significantly between the Hirose and Brand Finance methods. The underlying reasons for these discrepancies are discussed in detail in the conclusion section.

Keywords: Brand valuation, Brand value, Hirose method, Brand Finance, Turkey

JEL Classification: M10

INTRODUCTION

Establishing and managing a strong brand is essential for companies seeking to enhance their market position and financial performance. The American Marketing Association (2025) defines a brand as “any distinctive feature, such as a name, term, design, or symbol, that identifies goods or services.” Accordingly, companies strive to cultivate a strong, positive, and unique brand image by leveraging these branding elements (Kotler & Keller, 2012)

A company's branding strategy involves both the development of a strong brand image and the enhancement of brand awareness. A brand also serves as a critical differentiator from competitors, making it an essential component of marketing strategies (Tasci, Gartner, & Cavusgil, 2007). Moreover, a strong brand reduces business risk, increases a company's borrowing capacity, and enables it to operate with lower cash reserves (Larkin, 2013).

A significant portion of a company's market value consists of intangible assets, particularly brands (Kotler & Keller, 2012). Consequently, brand management seeks to create mental associations in consumers' minds regarding goods and services. This process not only facilitates purchasing decisions but also enhances corporate value. As a result, defining the relationship between consumers and brands has led to the emergence of brand valuation as a research area (Wood, 2000).

Brand management also aims to maximize the value of a company's brand portfolio by designing, managing, and directing it (Budac & Baltador, 2013). Since brands are among the most valuable intangible assets, effective brand management can generate substantial financial and strategic benefits (Sinclair & Keller, 2014).

The value of a brand is assessed from different perspectives, either from a financial standpoint or a consumer-oriented marketing approach. Accordingly, various methods have been developed to calculate brand value, including financial, behavioural, and mixed-method approaches.

Financial methods such as cost-based, market value-based, income-based, and capital market-based brand valuation techniques focus on determining the monetary value of a brand. In contrast, behavioural methods, developed by Aaker (1991), Kapferer (1992) and Keller (1993), take a consumer-oriented approach, analysing the factors that constitute brand value without assigning a monetary figure. Mixed methods integrate both financial and consumer-based perspectives, with consulting firms such as Brand Finance and Interbrand employing hybrid valuation techniques.

However, the proprietary nature of these valuation models limits their transparency, as consulting firms often provide only partial disclosures of their methodologies. This lack of transparency can lead to trust issues among investors and stakeholders. Nevertheless, integrating financial and behavioural approaches allows for a more comprehensive and balanced brand valuation framework. Given its interdisciplinary nature, brand valuation requires collaboration between finance and marketing disciplines (Budac & Baltador, 2013).

Brand valuation is particularly crucial in the retail sector, where companies rely on strong brands to maintain market share and withstand competitive pressures. A high brand value strengthens a company's strategic positioning by increasing its resilience against competitive threats, thereby enhancing its market presence (Lynch & de Chernatony, 2004).

From this perspective, this study aims to calculate the brand values of retail companies operating in Turkey using the Hirose method, a widely recognised financial brand valuation approach. Additionally, the study analyses brand values reported by Brand Finance, which incorporates consumer perceptions into its assessment. By comparing these two methodologies, the study seeks to evaluate their implications for brand valuation in the retail sector.

LITERATURE OVERVIEW

Brand management has been a prominent research area for years, attracting considerable attention in the literature. Numerous studies have examined fundamental questions, such as how a brand is developed, how it is perceived, how it is valued, and ultimately, how it can be effectively managed.

Moreover, brand valuation is a crucial factor for businesses aiming to gain a competitive advantage, enhance customer loyalty, and assess financial performance. In the finance literature, various methods have been developed to determine brand value, with the Hirose method being one of the most frequently used approaches in this context. Several studies have explored the application of the Hirose method in brand valuation and its relationship with financial variables. A review of key studies is provided below.

Chen & Wang (2024) applied the Hirose method to calculate the brand value of X-step, a sports brand in China. They found that X-step's brand value was 9.47 billion yuan, closely aligning with estimates from leading brand research institutions such as WBL and GYBRAND. These results suggest that the Hirose model demonstrates a certain level of reliability and accuracy. Similarly, Ma (2024) highlighted that with the continuous expansion of China's market economy and increasing competition among brands, brand value has become an essential determinant of corporate success. He proposed the Hirose model as a more appropriate tool for assessing the value of China's national brands.

Kılıçarslan & Sucu (2022) applied the Hirose method to calculate the brand values of capital market intermediary institutions traded on Borsa İstanbul (BIST) and examined its relationship with financial performance. Using the Grey Relational Analysis (GRA) method, they analysed the correlation between brand values and financial performance indicators. Their findings revealed a negative relationship between borrowing ratio, liquidity ratio, and brand value, suggesting that brand value decreases as the net working capital ratio increases. Furthermore, the study concluded that financial performance has only a limited impact on brand value and that no significant relationship exists between brand value and market capitalisation.

Demirtaş & Orçun (2022) assessed the brand values of ten companies in the Paper, Paper Products, Printing, and Publishing sector in Turkey using the Hirose method. Their findings indicated that these companies' brand values were lower than their market values. They attributed this result to the companies' inability to fully reflect their brand values in the markets where they operate. Consequently, they emphasised the importance of brand-oriented investments and urged companies to adopt strategic initiatives to strengthen their brand equity.

Kaval (2021) applied the Hirose method to evaluate the brand values of beverage sector companies listed on BIST. The study examined the applicability of the Hirose method in sector-specific brand valuation and reported that beverage sector brand values were calculated in Turkish Lira.

In another study, Can & Sağlam (2021) calculated the brand values of Arçelik, Vestel, Ford Otosan, and Tofaş using the Hirose method and analysed their relationship with company value. In their calculations, they utilised Price/Earnings (P/E), Price/EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortisation), Price/Net Sales, and Market Value/Book Value ratios. Their findings indicated that while the

brand values of Arçelik, Ford Otosan, and Tofaş declined over the years, the brand value of Vestel increased. Additionally, they observed that the brand values of Arçelik and Vestel exceeded their respective company values, whereas the brand values of Ford Otosan and Tofaş were lower than their company values. Regression analysis further revealed that brand value had no statistically significant effect on company value for Arçelik, while it had a significant impact on the other three companies.

Avşarlıgil (2021) applied the Hirose method to calculate brand values for nine companies in the BIST Technology Index. Specifically, the study compared the Hirose-calculated brand values of Aselsan with those determined by Brand Finance. The results demonstrated substantial differences between the two valuation methods.

Similarly, in a study conducted by İşseveroğlu (2020), the Hirose method was used to estimate the brand values of pension insurance companies in Turkey. Using financial data from 16 pension companies between 2014 and 2018, the study analysed trends in brand valuation and discussed the implications of the findings.

Ceylan (2019) investigated the causality relationship between brand value and return on assets (ROA) based on financial data. The study applied the Hirose method to evaluate food sector companies listed among Turkey's 100 most valuable brands according to Brand Finance. The panel causality analysis revealed a unidirectional relationship, indicating that brand value influences return on assets rather than the reverse.

Hsiao & Hsieh (2019) explored the relationship between brand value, management performance, and firm value, employing the Hirose method to quantify brand value.

Divanoğlu et al. (2019) conducted a comparative analysis of brand values in the BIST banking sector, using both the Hirose method and Brand Finance reports. Their findings revealed that different valuation approaches can yield varying brand value estimates.

Gerekan & Koçan (2018) examined fluctuations in brand values for food companies over time, applying the Hirose method and comparing their results with Brand Finance valuations. The study highlighted that the rate of brand value change was not always consistent across the two methods.

Alsul & Palta (2017) evaluated the brand values of food manufacturers in Turkey using the Hirose method. Analysing 10 companies from 2008 to 2016, they compared Brand Finance values with Hirose-based estimates. The findings indicated that the top three brands ranked differently depending on the valuation approach, suggesting that the Hirose method focuses solely on quantitative metrics, whereas the Brand Finance method incorporates both quantitative and qualitative factors.

Uygurtürk et al. (2017) calculated brand values for ceramic sector companies listed on BIST using the Hirose method. Their study confirmed that brand value serves as an essential long-term performance indicator for companies.

Majerova & Klietstik (2015) evaluated various brand valuation methods in the context of Slovak companies, concluding that the Hirose method was the most suitable approach for brand valuation in Slovakia.

Finally, Zengin & Güngördü (2015) calculated the financial brand values of food retailers in Turkey using the Hirose method and compared their results with consumer-based brand valuations. Their findings revealed significant differences between financial and consumer-based brand value estimates.

In summary, a single valuation method may not always be sufficient for accurately assessing brand value. Instead, integrating multiple valuation techniques can provide a more comprehensive perspective, capturing both financial and consumer-driven brand equity components.

METHODOLOGY

Hirose Method

The Hirose brand valuation method is a model developed by a committee chaired by Dr Yoshikuni Hirose and introduced in the “Brand Valuation Committee Report”, published by the Ministry of Economy, Trade and Industry (METI) of Japan in 2002. This method utilises three key variables to determine the financial value of a brand. Accordingly, brand value (BV) is expressed as follows:

$$BV = f(PD, LD, ED, r) \quad (1)$$

The above function illustrates that brand value (BV) is a function of four variables:

- **Prestige Driver (PD):** Measures the price advantage of the brand relative to its competitors.
- **Loyalty Driver (LD):** Evaluates consumer loyalty to the brand and their tendency to repurchase.
- **Expansion Driver (ED):** Reflects the brand’s capacity to expand into new markets.
- **Discount rate (r):** Represents the reference interest rate.

Using these variables and applying an appropriate discount rate (r), the net present value (NPV) of the brand is calculated. The Hirose method offers a comprehensive valuation approach, incorporating both financial performance and market dynamics (Chen & Wang, 2024; Ma, 2024; Hsiao & Hsieh, 2019; Majerova & Klietnik, 2015).

The method for calculating each variable and the respective formulas for brand valuation are explained below.

$$PD = \frac{1}{5} \sum_{t=4}^0 \left\{ \left(\frac{S_t}{C_t} - \frac{S^*_t}{C^*_t} \right) \times \frac{A_t}{OE_t} \right\} \times C_c \quad (2)$$

The explanations for the variables used in the above equation are provided in Table 1.

Table 1. Explanation of Prestige Driver Variables

Variable	Explanation
S (Sales)	It represents the total sales generated by the company within a specific period. It is a key financial metric that indicates the company’s revenue-generating capacity.
C (Cost of sales)	It represents the cost of goods sold. This value includes the production or procurement costs incurred by a company to generate sales.

S* (Sales of a benchmark company)	It represents the sales of the compared company, enabling the assessment of its performance relative to other firms in the industry.
C* (Cost of sales of a benchmark company)	It represents the cost of goods sold of the compared company and is used to analyze its cost structure within the industry.
A (Advertising and promotion cost)	It refers to the expenditures incurred by the company for advertising and promotional activities.
OE (Operating cost)	It refers to the operating expenses incurred by the company to sustain its activities.

Source: Hirose et al., 2002.

The Loyalty Driver (LD) is calculated as follows:

$$LD = \frac{\mu_c - \sigma_c}{\mu_c} \quad (3)$$

where:

- μ_c represents the arithmetic mean of the cost of sales for the previous five periods.
- σ_c represents the standard deviation of cost of sales, reflecting fluctuations in costs over time.

The Expansion Driver (ED) is calculated using the following formula:

$$ED = \frac{1}{2} \left\{ \frac{1}{2} \sum_{i=-1}^0 \left(\frac{SO_i - SO_{i-1}}{SO_{i-1}} + 1 \right) + \frac{1}{2} \sum_{i=-1}^0 \left(\frac{SX_i - SX_{i-1}}{SX_{i-1}} + 1 \right) \right\} \quad (4)$$

where:

- SO refers to overseas sales, representing international market penetration.
- SX represents non-core business segment sales, capturing revenues outside the company's primary operations.

Finally, brand value (BV) is computed as follows:

$$BV = \frac{PD}{r} \times LD \times ED \quad (5)$$

In the Brand Valuation Committee Report (2002), it is stated that different government bond yields can be used as reference points when determining the risk-free interest rate, depending on the time to maturity. In Japan, 20-year bond yields are typically used as a benchmark (Hirose et al., 2002).

For this study, the interest rate on 20-year USD-denominated Eurobonds for Turkey was considered, and this rate was determined to be 7.56% as of 29 December 2023.

Data Set

This study aims to calculate the brand values of retail companies operating in Turkey using the Hirose method. Given that the Hirose method is a financial valuation approach that excludes consumer perception, the brand values calculated using Brand Finance, which incorporates consumer insights, were also analysed.

To ensure a consistent comparison, only companies included in Brand Finance Turkey's Top 100 Brands list were considered. The list of retail companies analysed in

this study is provided in Table 2.

Table 2. Companies Operating in the BIST Retail Trade Sector

	Stock code	Company (short name)	Company (full name)
1*	BIMAS	BİM	Bim Birleşik Mağazalar A.Ş.
2	BİZİM	Bizim	Bizim Tiptan Satış Mağazaları A.Ş.
3*	CRFSA	CarrefourSA	Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.
4	CASA	Casa	Casa Emtia Petrol Kimyevi ve Türevleri Sanayi Ticaret A.Ş.
5	EBEBK	Ebebek	Ebebek Mağazacılık A.Ş.
6	KIMMR	Ersan	Ersan Alışveriş Hizmetleri ve Gıda Sanayi Ticaret A.Ş.
7	GMTAS	Gimat	Gimat Mağazacılık Sanayi ve Ticaret A.Ş.
8	KOTON	Koton	Koton Mağazacılık Tekstil Sanayi ve Ticaret A.Ş.
9*	MAVI	Mavi	Mavi Giyim Sanayi ve Ticaret A.Ş.
10	MEPET	Mepet	Mepet Metro Petrol ve Tesisleri Sanayi Ticaret A.Ş.
11*	MGROS	Migros	Migros Ticaret A.Ş.
12	MOPAS	Mopaş	Mopaş Marketçilik Gıda Sanayi ve Ticaret A.Ş.
13	SUWEN	Suwen	Suwen Tekstil Sanayi Pazarlama A.Ş.
14*	SOKM	Şok	Şok Marketler Ticaret A.Ş.
15*	TKNSA	TeknoSA	Teknosa İç ve Dış Ticaret A.Ş.
16*	VAKKO	Vakko	Vakko Tekstil ve Hazır Giyim Sanayi İşletmeleri A.Ş.

* Companies marked in bold were included in the research sample

Source: www.kap.org.tr/tr/Sektorler

Data Collection and Processing

To calculate brand values and compare valuation methods, financial data were collected from the year-end consolidated financial statements of the selected companies for the period 2019-2023.

- Amounts from annual reports were converted into USD using the Central Bank of Turkey's indicative USD/TRY buying rate.
- Financial data, including revenue, cost of sales, marketing expenses, and general administrative expenses, were gathered to determine non-core business segment sales.
- Advertising expenses were sourced from financial footnotes.

Due to missing financial reports for Koton in 2020, its brand value was not calculated. Additionally, TeknoSA was designated as the benchmark firm in the Prestige Driver (PD) calculation, as it consistently had the lowest sales-to-cost ratio.

Furthermore, Table 3 outlines the variables used in the Hirose method and their corresponding financial report items.

Table 3. Variables Used in Hirose Method Calculation

Variable Name	Financial Report Item
Sales (S)	Revenue
Cost of Sales (CS)	Cost of Sales
Non-Core Business Segment Sales (SX)	Income from Investing Activities & Financing Income
Advertising and Promotion Cost (A)	Advertising Expenses
Operating Cost (OE)	Cost of Sales, Marketing & Sales Expenses, General Administrative Expenses
Overseas Sales (SO)	Not Provided Directly

Source: authors'

Variables such as sales, cost of goods sold, advertising and promotion expenses, and operating expenses were matched with the relevant annual report items. In addition, non-core business segment sales were derived from the total of investment and financing income. There is no direct reporting of overseas sales, as annual reports do not provide information on this. Accordingly, the expansion variable (ED) was calculated as follows. Divanoğlu et al. (2019) applied the expansion variable in a similar manner.

$$ED = \frac{1}{2} \sum_{i=-1}^0 \left(\frac{SX_i - SX_{i-1}}{SX_{i-1}} + 1 \right) \quad (6)$$

FINDINGS

The steps for calculating brand value using the Hirose method were applied in the following sequence, and the corresponding findings were obtained.

Calculation of the Prestige Driver (PD)

The first step in calculating brand value is determining the Prestige Driver (PD). In this process, a reference company is selected based on the lowest sales-to-cost of goods sold (S/COGS) ratio. The reference company used in this study was TeknoSA, which had the lowest S/COGS ratio in all years analysed. The ratios for each year are provided in Table 4.

Table 4. The Lowest Sales/Cost of Sales Ratios in the Research Scope

Company	Year	Si*/Ci*
TeknoSA	2023	1,1193
TeknoSA	2022	1,1998
TeknoSA	2021	1,2026
TeknoSA	2020	1,1990
TeknoSA	2019	1,2088

Source: authors' calculation

Given that TeknoSA consistently had the lowest ratio, it was selected as the benchmark for PD calculations. The Prestige Driver (PD) calculations for each year are presented in Table 5.

$$PD = \frac{1}{5} \sum_{i=4}^0 \left\{ \left(\frac{S_i}{C_i} - \frac{S^*}{C^*} \right) \times \frac{A_i}{OE_i} \right\} \times C_0 \quad (7)$$

Table 5. Calculation of the Prestige Driver (PD)

Companies	Year	S_i/C_i	S_i^*/C_i^*	Advertising expenses (A)	Operating cost (OE)	C_0	Prestige driver for years
		1	2	3	4	5	(1-2)*(3/4)*5
BİM	2023	1.1867	1.1193	29.078.286	11.027.697.932	9.389.117.775	1.669.204
BİM	2022	1.1774	1.0954	29.495.460	14.643.232.653	9.389.117.775	1.550.831
BİM	2021	1.2352	1.2026	13.441.098	4.952.672.395	9.389.117.775	829.931
BİM	2020	1.2231	1.1990	16.902.449	6.969.323.216	9.389.117.775	546.979
BİM	2019	1.2102	1.2088	18.131.441	6.412.908.484	9.389.117.775	38.123
CarrefourSA	2023	1.2602	1.1193	12.620.502	1.543.908.227	1.193.653.406	1.374.994
CarrefourSA	2022	1.2382	1.0954	6.113.709	2.003.526.882	1.193.653.406	520.394
CarrefourSA	2021	1.3791	1.2026	4.327.029	668.975.559	1.193.653.406	1.363.093
CarrefourSA	2020	1.3628	1.1990	5.924.841	1.024.974.064	1.193.653.406	1.129.763
CarrefourSA	2019	1.3740	1.2088	6.849.548	1.038.737.835	1.193.653.406	1.300.423
Mavi	2023	1.9305	1.1193	10.569.155	837.717.621	449.270.858	4.598.188
Mavi	2022	1.9698	1.0954	15.480.528	1.061.068.209	449.270.858	5.731.808
Mavi	2021	2.0552	1.2026	5.803.538	282.487.304	449.270.858	7.869.367
Mavi	2020	1.9343	1.1990	6.073.407	343.969.561	449.270.858	5.832.456
Mavi	2019	1.9632	1.2088	7.051.261	401.989.150	449.270.858	5.945.187
Migros	2023	1.2303	1.1193	46.016.026	6.363.920.133	5.009.784.168	4.018.769
Migros	2022	1.2300	1.0954	38.761.257	7.481.261.747	5.009.784.168	3.494.669
Migros	2021	1.3181	1.2026	17.757.602	2.546.290.265	5.009.784.168	4.037.188
Migros	2020	1.3459	1.1990	18.723.224	3.651.283.086	5.009.784.168	3.772.251
Migros	2019	1.3654	1.2088	19.601.540	3.683.901.403	5.009.784.168	4.174.778
Şok	2023	1.2450	1.1193	17.050.251	4.535.766.841	3.623.454.052	1.711.978
Şok	2022	1.2538	1.0954	21.463.935	5.954.484.928	3.623.454.052	2.069.618
Şok	2021	1.3052	1.2026	9.275.625	1.998.338.338	3.623.454.052	1.726.338
Şok	2020	1.3086	1.1990	12.349.699	2.684.570.711	3.623.454.052	1.825.954
Şok	2019	1.3038	1.2088	9.687.238	2.944.322.089	3.623.454.052	1.132.790

Vakko	2023	2.3173	1.1193	4.671.020	285.406.333	144.385.233	2.830.920
Vakko	2022	2.0165	1.0954	4.664.902	376.119.629	144.385.233	1.649.591
Vakko	2021	2.3538	1.2026	2.440.011	103.307.159	144.385.233	3.925.870
Vakko	2023	2.0408	1.1990	2.957.866	126.794.986	144.385.233	2.835.374
Vakko	2022	2.0959	1.2088	4.302.349	182.916.959	144.385.233	3.012.569

Source: authors' calculation

After calculating the Prestige Driver (PD) for each year, the average value was taken to determine the final PD values for each company. The results are provided in Table 6.

Table 6. Prestige Drivers of the Companies

Companies	Prestige drive (PD)
BIM	927.014
CarrefourSA	1.137.733
Mavi	5.995.401
Migros	3.899.531
Şok	1.693.336
Vakko	2.850.865

Source: authors' calculation

Calculation of the Loyalty Driver (LD)

Following the PD calculation, the Loyalty Driver (LD) was determined using the following formula:

$$LD = \frac{\mu_c - \sigma_c}{\mu_c} \quad (8)$$

The results for LD are provided in Table 7.

Table 7. Calculation of the Loyalty Drivers

Companies	μ_c	σ_c	Loyalty drive (LD)
	1	2	(1-2)/1
BIM	7.614.108.150	3.402.681.809	0,5531
CarrefourSA	966.815.239	415.216.444	0,5705
Mavi	319.948.452	179.818.032	0,4380
Migros	3.776.254.503	1.704.923.659	0,5485
Şok	2.863.986.521	1.313.273.340	0,5415
Vakko	115.324.574	63.989.598	0,4451

Source: authors' calculation

Calculation of the Expansion Driver (ED)

The Expansion Driver (ED) was computed using non-core business revenues (SX factors). The formula for ED is:

$$ED = \frac{1}{2} \sum_{i=-1}^0 \left(\frac{SX_i - SX_{i-1}}{SX_{i-1}} + 1 \right) \quad (9)$$

The results for ED calculations are displayed in Table 8.

Table 8. Calculation of the Loyalty Drivers

Companies	Year	SX	SX Factor	Expansion driver (ED)
BİM	2023	52.652.410	1,605	1,081
BİM	2022	32.814.810	0,557	
BİM	2021	58.924.810		
CarrefourSA	2023	1.622.380	0,487	6,961
CarrefourSA	2022	3.333.940	13,436	
CarrefourSA	2021	248.130		
Mavi	2023	38.381.790	2,252	1,823
Mavi	2022	17.041.530	1,394	
Mavi	2021	12.228.710		
Migros	2023	146.808.380	3,557	2,338
Migros	2022	41.274.080	1,120	
Migros	2021	36.861.980		
Şok	2023	11.329.970	3,144	1,750
Şok	2022	3.603.290	0,356	
Şok	2021	10.135.330		
Vakko	2023	9.049.560	2,689	1,801
Vakko	2022	3.365.830	0,914	
Vakko	2021	3.684.270		

Source: authors' calculation

Calculation of Brand Values Using the Hirose Method

After calculating PD, LD, and ED, the final brand values were determined using the Hirose method formula:

$$BV = \frac{PD}{r} \times LD \times ED \quad (10)$$

The results are shown in Table 9.

Table 9. Hirose Method Brand Valuation

Companies	Prestige driver (PD)	Loyalty driver (LD)	Expansion driver (ED)	Discount rate (r)	Hirose brand value (\$)
BIM	927.014	0,5531	1,0807	0,0756	7.329.673
CarrefourSA	1.137.733	0,5705	6,9614	0,0756	59.772.016
Mavi	5.995.401	0,4380	1,8229	0,0756	63.316.047
Migros	3.899.531	0,5485	2,3383	0,0756	66.157.592
Şok	1.693.336	0,5415	1,7499	0,0756	21.222.777
Vakko	2.850.865	0,4451	1,8011	0,0756	30.233.404

Source: authors' calculation

Comparison of Hirose and Brand Finance Valuations

A comparison of brand values from the Hirose method and Brand Finance is presented in Table 10.

Table 10. Comparison of Brand Valuations

Companies	Hirose method brand value 2023 (Million \$)	Brand Finance 2023 brand value (Million \$)
BIM	7,3	589
CarrefourSA	59,8	15
Mavi	63,3	175
Migros	66,2	345
Şok	21,2	117
Vakko	30,2	15

Source: Hirose method brand value 2023, authors' calculation

Source: Brand Finance 2023 brand value, Brand Finance

There are significant differences between the Hirose and Brand Finance brand valuations of the companies examined in this study. For instance, according to the Hirose method, BIM has a brand value of \$7.3 million, whereas the Brand Finance method values it at \$589 million. This substantial disparity can be attributed to BIM's strong brand perception among consumers while having a relatively lower value when assessed using financial methods. Similarly, Migros' brand value is estimated at \$66.2 million using the Hirose method, whereas it is valued at \$345 million by Brand Finance. This finding suggests that, like BIM, Migros is perceived as a strong brand by consumers but is assigned a relatively lower value in financial terms.

In contrast, while CarrefourSA's brand value is calculated as \$59.8 million using the Hirose method, it is valued at only \$15 million according to the Brand Finance method. This discrepancy may suggest that, despite its financial strength, CarrefourSA holds a lower-than-expected position in consumer perception. A similar situation

applies to Vakko, whose brand value is estimated at \$30.2 million under the Hirose method but only \$15 million according to Brand Finance. The evaluation conducted in the context of comparing brand values across the two methods aligns with the findings of Avşarlıgil (2021), Divanoğlu et al. (2019), Alsu & Palta (2017), Zengin & Güngördü (2015).

RESULTS AND DISCUSSION

Brands represent critical financial assets and a strategic priority for companies across various sectors. Effective brand management enhances customer loyalty, fostering a consumer base that is less sensitive to price fluctuations and more willing to pay premium prices, ultimately boosting long-term corporate value.

Moreover, brand value plays a pivotal role in shaping a company's financial strength and competitive advantage. However, significant discrepancies can emerge due to the varying methodologies employed in brand valuation. Therefore, it is essential not to rely solely on a single valuation method but instead to integrate multiple approaches for a more comprehensive assessment. In this context, the present study compared brand values derived from the Hirose method and Brand Finance.

The Hirose method primarily emphasises financial performance metrics, such as revenue, profitability, and related financial indicators. In contrast, the Brand Finance method takes a holistic approach, incorporating consumer perception into the valuation process. This broader perspective captures intangible brand strength elements that cannot be measured solely through financial data. This distinction was evident in the brands analysed in this study, including BIM, Mavi, Migros, and Şok Market.

Initially, it was anticipated that Brand Finance valuations would be consistently higher, given its inclusion of subjective, non-financial elements like consumer perception. However, this expectation was not met in the cases of CarrefourSA and Vakko. The Hirose method's exclusive reliance on financial performance indicators likely highlighted strong financial metrics for these brands, which did not fully align with consumer perception, leading to lower Brand Finance valuations.

Specifically, CarrefourSA exhibited substantial volatility in non-core revenues, declining approximately 15-fold in 2021, followed by a sharp rebound of around 13.5-fold the following year. These fluctuations significantly influenced the expansion variable (ED) in the Hirose calculation, potentially inflating CarrefourSA's brand valuation beyond realistic levels.

Future research applying the Hirose method to firms in different countries for international comparisons could yield more comprehensive insights into the method's applicability.

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