

KKR is the IPL's Most Valuable Brand, Despite Missing Out on Title

- **Kolkata Knight Riders is the IPL's most valuable brand, worth US\$58.6 million**
- **Mumbai Indians has the most powerful brand**
- **Royal Challengers Bangalore's is the only brand to fall in rank**
- **The business value of the IPL system grows 9% to US\$3.8 billion**

Since 2009, leading valuation and strategy consultancy [Brand Finance](#) has calculated both the business value of the Indian Premier League system and the brand values of each individual franchise team, providing a deep understanding of the opportunities and challenges facing the teams and the IPL system as a whole.

[View the ranking of the IPL's most valuable team brands here](#)

With a brand value of US\$58.6 million and the fastest growth year to year of 24%, Kolkata Knight Riders (KKR) top the Brand Finance IPL league table for the second year in a row. Despite missing out on the title, KKR has continued to consistently qualify for the playoff stages. The team has displayed strong leadership skills, team bonding, and a clear approach to composition and winning tactics. This year, however, surprising player choices in the playoffs did not pay off as KKR lost to Mumbai Indians in the second qualifier. KKR has its owner Shakh Rukh Khan to thank for a larger part of its popular appeal. The Bollywood superstar attracts incredible media attention and fan following, acting as an icon for the entire franchise. Depending heavily on Khan's personal brand equity and connections, KKR lands a host of local and national sponsorships and has been one of the first to introduce an effective merchandising strategy.

This year's champions, Mumbai Indians (MI) are the most powerful brand among all franchises, with a Brand Strength Index (BSI) score of 71. As part of Brand Finance's analysis, each brand's strength is assessed (based on factors such as marketing investment, familiarity, preference, sustainability and margins) to determine what proportion of a business's revenue is contributed by the brand. This proportion is projected into perpetuity and discounted to determine the brand's value. Despite creating the strongest brand, Mumbai Indians have been less adept at capitalising on this strength than KKR. At US\$54.1 million MI's brand value is over US\$4.5 million behind KKR. MI must do more to convert its unrivalled brand strength into maximum financial returns and brand value.

Impressive growth of 23% to a brand value of US\$46.5 million landed Sunrisers Hyderabad (SRH) in third place, up from the fourth position last year. In 2017, SRH continued to be the most balanced team in terms of the ratio between overseas stars and high-performing Indian players, investing especially in young, emerging talent.

With a brand value of US\$44.4 million, up only 4% year on year, Royal Challengers Bangalore (RCB) fall to 4th place. As a team, RCB had a forgettable year in 2017, which is reflected in the decrease of the BSI to 64 from 66 in 2016. RCB is the only franchise brand whose strength waned this season.

Delhi Daredevils (DD) hold to 5th place in the study with a brand value of US\$40.5 million, following growth of 13%. Zaheer Khan's charismatic leadership infused a newfound spirit into

the team and new talents such as Rishab Pant drove the team very close to playoffs, attracting praise from pundits and critics as well as a massive fan following far beyond Delhi.

Kings XI Punjab has a brand value of US\$36.2 million, putting it in last place. However, solid 18% growth hints at the brand's relative success this year. Under the leadership of Glen Maxwell, the team was a force to be reckoned with.

The IPL System – 10 years on, a US\$3.8 billion asset for India

After a troubled 2016 season, the business value of the IPL System grew 9% in 2017 to US\$3.8 billion. Celebrating 10 years of the IPL journey, opening ceremonies took place at all host stadiums this year, with a whole array of Bollywood entertainers and local cricketing celebrities. As the season progressed, fans without tickets could watch the competition in 'Fan Parks' in 36 cities across the country. Family-friendly and free to attend for all, Fan Parks offered music, entertainment, and a range of merchandise stalls, bringing stadium atmosphere to city centres on a scale larger than ever.

The quality of the game did not disappoint either, improving ticket sales and enabling the teams to build brand equity. The emergence of strong contenders such as the Delhi Daredevils and Kings XI Punjab, challenging the usually dominant Kolkata Knight Riders and Mumbai Indians, resulted in a seesaw in the points table throughout the season. The emergence of relatively unknown young Indian players created further interest. Young guns such as Nitesh Rana, Rahul Tripathi, Washington Sundar, Rishabh Pant, Basil Thampi, and Mohammed Siraj, all began to build powerful personal brands, whilst adding to the interest in and value of the competition as a whole.

Overall, stadium attendance increased 25% from 2016 even before the season was over, while last year's television viewership numbers were beaten by the time match 43 of this season had been played. Social media engagement reached an all-time high, with nearly 6 million tweets sent over the season's first five weeks.

Brand Finance India Managing Director Ajimon Francis comments, "The 10th anniversary year is an inflection point for the IPL. The upcoming tender procedure for television and digital broadcast rights, the disbanding of Gujarat Lions and Rising Pune Supergiant and the revival of Chennai Super Kings and Rajasthan Royals, as well as the unavoidable reshuffling of players all present challenges for the management of the IPL. However, this year's results show that the IPL is now operating from solid financial and reputational foundations, with increasing fan interest and engagement. The future looks bright."

[View the full Brand Finance IPL 2017 report here](#)

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Note to Editors

For more definitions of key terms, methodology and more stories, please consult the Brand Finance IPL 2017 report document.

Brand values are reported in USD. For conversions into INR, please hover over the 'i' button on the web version of the table and select INR.

Chennai Super Kings and Rajasthan Royals, banned for both the 2016 and 2017 seasons, have been excluded from the analysis. Gujarat Lions and Rising Pune Supergiant have also been excluded as they served as temporary substitutions for the former two teams.

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About Brand Finance

[Brand Finance](#) is the world's leading brand valuation and strategy consultancy, with offices in over 25 countries. We provide clarity to marketers, brand owners and investors by quantifying the financial value of brands. Drawing on expertise in strategy, branding, market research, visual identity, finance, tax and intellectual property, Brand Finance helps clients make the right decisions to maximise brand and business value and bridges the gap between marketing and finance.

Methodology

Definition of Brand

When looking at brands as business assets that can be bought, sold and licensed, a technical definition is required. Brand Finance helped to craft the internationally recognised standard on Brand Valuation, ISO 10668. That defines a brand as “a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos and designs, or a combination of these, intended to identify goods, services or entities, or a combination of these, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits/value.”

However, a brand makes a contribution to a company beyond that which can be sold to a third party. ‘Brand Contribution’ refers to the total economic benefit that a business derives from its brand, from volume and price premiums over generic products to cost savings over less well-branded competitors.

Brand Strength

Brand Strength is the part of our analysis most directly and easily influenced by those responsible for marketing and brand management. In order to determine the strength of a brand we have developed the Brand Strength Index (BSI). We analyse marketing investment, brand equity (the goodwill accumulated with customers, staff and other stakeholders) and finally the impact of those on business performance. Following this analysis, each brand is assigned a BSI score out of 100, which is fed into the brand value calculation. Based on the

score, each brand in the league table is assigned a rating between AAA+ and D in a format similar to a credit rating. AAA+ brands are exceptionally strong and well managed while a failing brand would be assigned a D grade.

Approach to 'IPL System' valuation

We have treated the IPL as a single commercial entity, the 'IPL System', calculating the combined business values of all parts of the IPL. We have aggregated the income that both the Board of Control for Cricket in India (BCCI) and the franchisees will achieve, and the expenditure that each will incur. All cross-charged income/expenditure has therefore been ignored. Our approach has been to forecast the profits expected to be made by the IPL System in total, using publicly available data, both in terms of income and expenditure, apply a common rate of tax to these profits, and then discount the cash flows back to their net present value (NPV).

Approach to the valuation of the teams' brands

Brand Finance calculates the values of the brands in its league tables using the 'Royalty Relief approach'. This approach involves estimating the likely future sales that are attributable to a brand and calculating a royalty rate that would be charged for the use of the brand, i.e. what the owner would have to pay for the use of the brand, assuming it were not already owned.

The steps in this process are as follows:

- 1 Calculate brand strength on a scale of 0 to 100 based on a number of attributes such as emotional connection, financial performance and sustainability, among others. This score is known as the Brand Strength Index, and is calculated using brand data from the BrandAsset® Valuator database, the world's largest database of brands, which measures brand equity, consideration and emotional imagery attributes to assess brand personality in a category agnostic manner.
- 2 Determine the royalty rate range for the respective brand sectors. This is done by reviewing comparable licensing agreements sourced from Brand Finance's extensive database of license agreements and other online databases.
- 3 Calculate royalty rate. The brand strength score is applied to the royalty rate range to arrive at a royalty rate. For example, if the royalty rate range in a brand's sector is 0-5% and a brand has a brand strength score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
- 4 Determine brand specific revenues estimating a proportion of parent company revenues attributable to a specific brand.
- 5 Determine forecast brand specific revenues using a function of historic revenues, equity analyst forecasts and economic growth rates.
- 6 Apply the royalty rate to the forecast revenues to derive brand revenues.
- 7 Brand revenues are discounted post tax to a net present value which equals the brand value.