

Romania's most valuable brands revealed for the first time

- **Dacia is the most valuable Romanian brand, worth €1.2bn**
- **At €206m, Dedeman is the most valuable brand with 100% Romanian shareholding**
- **Retail generated the most brand value among sectors, with 10 brands worth €796m**
- **Success of new brands developed by entrepreneurs, neglect of state-owned brands**
- **Valued at €115m, Ursus Breweries has the most valuable local multi-brand portfolio**

Every year, leading valuation and strategy consultancy [Brand Finance](#) values the brands of thousands of the world's biggest companies. Romania's 50 most valuable brands and 10 most valuable brand portfolios are featured in the debut Brand Finance Romania 50 report.

[View the full Brand Finance Romania 50 report here](#)

The automotive brand **Dacia** is the most valuable Romanian brand of 2017, and the only one so far worth over €1bn. This comes hardly as a surprise – Dacia is an established, popular car brand – virtually the only car available for purchase in Romania until 1989. The takeover by Renault in 1999 prompted a revival of the brand. Nowadays, Dacia is Renault's second brand by sales with presence in 34 countries and over 90% of the local production sold abroad.

Looking at brands by industry, apart from the particular automotive category of one, the **retail sector** has generated the most brand value, with a total of 10 brands worth €796m. The most valuable among them are the e-commerce star eMAG and the leading DIY chain Dedeman.

Today Romania's second most valuable brand at €361m, eMAG was started up by three young entrepreneurs in 2001 in an apartment block - the local equivalent of the Silicon Valley's „garage”. Fuelled by investment from the global heavyweight Naspers, which bought a majority stake in the company in 2012, **eMAG** has grown exponentially, becoming by far the largest e-commerce retailer in the country. “Romania's Amazon” is staying truthful to its entrepreneurial spirit by expanding to other markets in Eastern Europe and offering new product categories in response to customer demand.

Third in the table, **Dedeman**, on the other hand, has excelled in the brick and mortar model. At €206m, it is also the most valuable brand with 100% Romanian shareholding. The brand has capitalised on the trends of DIY, home improvement, construction materials and cash & carry, and extended its national network relentlessly – even during the recession period – surpassing strong international players and ultimately reaching market leadership.

Digi (RCS&RDS) is 5th with a brand value of €150m. It is also the most valuable telecom brand – with significant market shares in fixed and mobile telephony, internet and data, pay and cable TV in Romania and Hungary, as well as in Italy and Spain, where it caters to large Romanian communities. The company has grown both organically and through M&A activity, and kept a relatively low profile until this year's IPO at the Bucharest Stock Exchange. It remains to be seen whether the new transparency requirements would strengthen or weaken the brand over the coming years.

Worth €112m and placing 7th in the league table, **Bitdefender** is Romania's most valuable technology brand. The antivirus software brand has gone from strength to strength, fuelled by the increasing need for data protection in the era of digital revolution. Regularly topping the

global antivirus software rankings, Bitdefender solutions cater to hundreds of millions of users worldwide – with a huge upswing potential in Europe and the US.

Putting one's name on a business is putting one's personal reputation at stake, but at the same time, it is a mark of trust for customers and partners. Named after the famous tennis player and coach, **Țiriac**, which Brand Finance analysed as a single brand across all its associated businesses, has a brand value of €52m, securing 15th place in the league table. The seasoned businessman has been active in various sectors ranging from financial services to automotive industries, gradually creating a business holding that promises to develop his name into a strong and enduring brand.

New brands like eMAG, Dedeman, Digi, Bitdefender or Țiriac – created and developed by **entrepreneurs** over the past 28 years – make up more than half of the Brand Finance Romania 50 league table, generating over €1.5bn in brand value. Some of Romania's most valuable brands, however, carry a long history, often spanning more than a century, and remain under **state-ownership**. Unfortunately, many of those brands, important from the point of view of public interest, like Tarom or CFR, are mostly neglected by the state, despite their considerable potential. However, there are notable exceptions, such as the successful **CEC Bank** brand, valued at €56m. It is a perfect example of how able leadership and management could turn around a declining state-owned business and place it amongst the strongest players.

Bank brands in general fare strongly in the Brand Finance Romania 50 study, generating €424m as a sector, and claiming three places among the top 10. Placing 6th, **Banca Transilvania** is the most valuable Romanian banking brand – valued at €130m, while BCR and BRD, worth €111m and €102m respectively, are ranked 8th and 9th. Founded by savvy entrepreneurs in the heart of Transylvania in 1993, the eponym bank pursued its more established competitors relentlessly, especially over the past decade, and today it is the second largest bank in the country in terms of assets. Its brand value success can be attributed to its convincing positioning that appeals to the most dynamic customer segments.

David Haigh, CEO of Brand Finance, commented: *“Valuing brands taps into the hidden value that lies within them. The Brand Finance Romania 50 report is a first step to understanding more about Romanian brands and using that knowledge to benefit businesses. As the importance of South-Eastern Europe to the global economy grows, it is high time to follow local brands more closely.”*

Mihai Bogdan, Managing Director of Brand Finance Romania, commented: *“Brands are sometimes neglected because, in line with current accounting rules, intangible assets are generally not reflected in financial statements. To overcome this, the most astute economic players track their intangible value by means of periodic valuations and assessments. The time has come for Romanian brands to follow suit”.*

Next to analysing individual brands, Brand Finance Romania 50 also lists the 10 most valuable **portfolios** of brands, calculated for those businesses that deploy more than one brand on the market. These portfolios encompass over 40 well-known local brands, most valuable of which are also ranked individually in the main top 50 league table.

Valued at €115m, **Ursus Breweries** has the most valuable local multi-brand portfolio on the Romanian market. Providing one out of every three beers enjoyed in Romania, it takes special pride in owning Ursus, the well-known 140-year old premium beer brand.

[View the league table of Romania's 50 most valuable brands here](#)

Notes to Editors

For more definitions of key terms, methodology and more stories, please consult the Brand Finance Romania 50 [report document](#).

Brand values in the [report](#) are given in EUR. Please consult the [league table](#) for brand values in USD and for conversions into RON by hovering over the ‘i’ button to select currency.

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About Brand Finance

[Brand Finance](#) is the world’s leading brand valuation and strategy consultancy, with offices in over 20 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

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.
- 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.