



# Press Release

8th December 2008

## First report of its kind reveals the enormous value of everyday brands to the UK economy

Some of Britain's most well known brands help the UK's economy to the tune of some **£16 billion** a year according to a new study from the University of Westminster and the British Brands Group.

Companies like GlaxoSmithKline, Diageo and AG Barr support around **one million jobs** across the country in high skilled fields such as research and development, design, marketing and advertising. This represents 4% of the total UK workforce is the same as all those employed in the financial management and accounting sector.

**John Noble, Director, British Brands Group said:** "The brands consumers know and love are trusted to provide quality and value for money and branding already contributes significantly to the UK economy. However the enormous value created is not being measured and is not integrated in Government policy. Yet brands can help drive the economy out of difficult times and deliver significant wealth in the future."

The Value of Brands report finds that some £16 billion is invested in the economy in creating and building brands, representing 12% of all intangible investment, but Government statistics only recognise this investment as "intermediate consumption", the same way it accounts for expenditure on such inputs as electricity.

**John Noble, Director, British Brands Group commented:** "At present the economic value of brands is not measured by Government, meaning that this significant sector is poorly understood by policy makers. When considering the drivers of the future UK economy and its competitiveness, the Government should recognise that the branding sector has a significant role to play."

This is also despite the Prime Minister recently telling the CBI that the future for Britain will ever more strongly depend on our ability to develop and compete internationally in "intangible and knowledge assets...ideas, brands, and research and development".

The Value of Brands report, while published in challenging economic times, demonstrates that the UK branding sector is in a strong position to support the UK economy and help drive it out of recession. It can be a significant wealth contributor for the future with the right Government recognition and policies.

**Andrew Morgan, President, Diageo Europe, said:** "The report demonstrates that UK brands make a sustainable and responsible contribution to the UK economy and play an important role in building a positive perception of this country overseas. The way people view countries is influenced by the quality of the goods and services that come from them. The UK is ranked second amongst 50 nations for being positively perceived by overseas consumers, thanks in part to the significant, positive contribution of branding."

**Robin Barr Chairman Barr Soft Drinks commented:** "There's a strong feeling that the contribution of branding to the economy has long been overlooked. This report shows that companies such as ours that build successful brands that people love, already make a sizable contribution and have a stronger role to play in the UK's economy."

The Branding sector promotes creativity and innovation, resulting in highly valued and trusted consumer products and services. This report finds that investment in branding delivers important **returns** to the economy, including:

- reassurance to consumers of a guaranteed level of quality;
- quicker adoption of new technologies and new ways of living and working;
- a closer alignment between companies and the expectations of society;
- a spur to innovation as companies strive to maintain and build their reputational assets;
- enhancing the reputation of the UK and its products and services abroad, supporting exports.

The British Brands Group calls on Government to look more closely at the contribution of branding to our economy and to integrate branding more closely into policymaking to ensure the country derives the most wealth and competitiveness from an area of business where there is already significant investment and world class skills.

The full Value of Brands report can be read at: [www.britishbrandsgroup.org.uk/brands/brands-in-action/value](http://www.britishbrandsgroup.org.uk/brands/brands-in-action/value)

## NOTES TO EDITORS

### **British Brands Group**

The British Brands Group was founded in 1994 as a non-profit-making membership organisation. It speaks on behalf of brand manufacturers and seeks to deepen understanding of how brands benefit consumers, society and the economy through the provision of choice, value for money and innovation.

It represents its members collectively when commercial and regulatory issues threaten the ability of brands to deliver value and to be a positive force in society. It also provides the prime forum for its members on brand-related issues.

The British Brands Group is part of a global network of similar brand associations, and is the UK representative of AIM, the European Brands Association, based in Brussels.

For more information and further background briefings on this subject please visit the British Brands Group website: [www.britishbrandsgroup.org.uk](http://www.britishbrandsgroup.org.uk).

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