METHODS OF BRAND VALUE VALUATION

Introduction

A brand is the name which makes a given product or manufacturer individual from among those products or manufacturers which can all be the same or similar.¹

A well-known brand guarantees that the goods will be recognized, sold quickly, and that less money will have to be spent on advertising. A brand guarantees that needs are fulfilled with the expected quality and for an acceptable price. One may know what to expect from the company without knowing its offer well.

A commercial brand, although it does not have any material form, it does have a value which can be expressed by means of money. It constitutes one of the most effective ways to obtain and strengthen a competitive advantage, which consists in obtaining a higher rate of return on the capital invested than in the case of the competitors. This in turn leads to the fulfillment of the basic goal of the company’s activity: maximization of the value for the owners².

The literature frequently uses the following terms interchangeably: the brand and the trademark³. However, other terms are also connected with the brand, which can be considered to be types of brands. These can be the following: the commercial name, the certificate mark, collective brands, the utility model, the industrial model, the geographical designation⁴.