

## Real Madrid Retake Crown as World's Most Valuable Football Brand

- Real Madrid knock Manchester United off the top spot of the Brand Finance Football 50 ranking to become 2019's most valuable club brand at €1.646 billion.
- Real Madrid also triumph as the strongest football brand, the club has the highest enterprise value in the world of football, and the Santiago Bernabéu tops the stadia performance ranking.
- The Premier League is the most widely followed national competition across key European markets, as English clubs dominate the ranking with 17 entrants and 43% of total brand value. Bundesliga follow closely with 13 clubs but rank behind LaLiga for combined brand value.

[View the Brand Finance Football 50 2019 report here](#)

Real Madrid have retaken the crown as the world's most valuable football brand, according to [the latest report by Brand Finance](#), the world's leading independent brand valuation consultancy. With a brand value of €1.646 billion, the club is ahead of a peer group of €1 billion-plus brands that includes Manchester United (€1.472bn), Barcelona (€1.393bn), Bayern Munich (€1.314bn), Manchester City (€1.255bn), and Liverpool (€1.191bn). The six clubs account for over 40% of the overall brand value in the Brand Finance Football 50 ranking of the sport's most valuable brands, underlining the concentration of wealth and the creation of a set of "super clubs".

[Real Madrid returned to the top of Brand Finance's ranking](#) after almost a decade since it last held the title in 2010. The club's brand value has grown 27% since last year, an increase partly attributable to the club winning a fourth UEFA Champions League in five years in 2018. The club became the first in the world to break the €750 million barrier in revenues in 2017-18. Their commercial monies totalled €356 million, close to 50% of overall revenues, making them the highest generator of cash from this income stream. Real Madrid also possesses the strongest football club brand, with a Brand Strength Index (BSI) score of 95.5 out of 100, marginally ahead of their fierce rivals Barcelona (BSI 95.4).

By recent standards, the club did not have a successful season in 2018-19, losing the UEFA Champions League title and failing to replace their talismanic forward, Cristiano Ronaldo, who moved to Italy's Juventus. On a positive note, they announced an ambitious redevelopment programme for their stadium. In addition, the Santiago Bernabéu is already ranked number #1 among the stadia of the world's top 50 football club brands as per BuroHappold's Venue Performance Rating which forms part of Brand Finance's Brand Strength Index (BSI) scorecard.

Bryn Anderson, Director at Brand Finance, commented:

*"Real Madrid have shown this year who truly reigns supreme in the world of football. They triumph not only as the most valuable and strongest brand but their enterprise value and stadium are also ranked second to none. The most successful club in the history of European football is finally reaping the benefits of decades of spectacular on- and off-pitch performance."*



# Brand Finance<sup>®</sup> Football 50



## TOP 10 MOST VALUABLE FOOTBALL BRANDS

 <b>1</b> ↑ 2  €1,646m +26.9%	 <b>6</b> ← 6  €1,191m +20.0%
 <b>2</b> ↓ 1  €1,472m -5.8%	 <b>7</b> ← 7  €968m -1.8%
 <b>3</b> ← 3  €1,393m +11.8%	 <b>8</b> ↑ 9  €914m +21.3%
 <b>4</b> ← 4  €1,314m +13.3%	 <b>9</b> ↓ 8  €885m -0.8%
 <b>5</b> ← 5  €1,255m +14.4%	 <b>10</b> ← 10  €758m +20.4%

Source: Brand Finance Football 50 2019

[brandirectory.com](http://brandirectory.com)

### Malaise in Manchester

Real Madrid's return to the top pushes Manchester United into second place, as the Red Devils' brand value declined for the first time since 2016, from €1.562 billion last year to €1.472 billion (a 6% drop) in 2019. Manchester United have disappointed in recent years on the playing field both in the Premier League and in the UEFA Champions League. Public perceptions of the brand have deteriorated as Manchester United ranks only 18<sup>th</sup> among the sample of the world's top clubs with regards to "playing exciting football", as revealed by Brand Finance's original fan research.

To a certain degree, Manchester United have been cast into the shadows in their domestic market by neighbours Manchester City, who won the Premier League in 2018 and 2019. Despite on-pitch success, however, Manchester City could be facing its own problems as they are being investigated for potential breach of UEFA's FFP regulations.

### Spurs race ahead

Liverpool and Tottenham Hotspur are flying the flag for English football this year having reached the final of the UEFA Champions League. Both clubs improved their brand value by 20% to €1.191 billion and €758 million respectively, the highest growth rates in the top 10

after Real Madrid's 27% and Paris Saint-Germain's 21%. Tottenham in particular continue to win plaudits for their commitment to a progressive style of football and youth development.

### **Premier appeal**

The strong presence of English clubs in the Brand Finance Football 50 – 17 clubs – highlights the enduring financial power of the Premier League. The Premier's TV broadcasting revenues outstrip all the other major European leagues - €2.9 billion versus LaLiga's €1.2 billion in 2017, while commercial revenues are more than double the income of Serie A or Ligue 1.

The Premier League is also the most widely followed league across Europe's main football markets, according to Brand Finance's original fan research. The Premier League is deemed to have a "superior atmosphere" and a "greater level of competitiveness" than other national competitions. However, the Premier did not score highest on all metrics as LaLiga is thought to have more "star players" and "world class clubs" than the Premier League.

It is noticeable, that while some English club brands were among the fastest-growing – Southampton was up by 32%, behind only Sevilla (up 49%) and Napoli (up 36%) – others declined. In the top 10, Manchester United (-6%), Chelsea (-2%), and Arsenal (-1%) all fell, while lower down the rankings, Burnley decreased by 15%, and Bournemouth and Crystal Palace each lost 10% of brand value.

### **European markets**

The Bundesliga is still the best supported league in terms of attendances, thanks to sensitive pricing, high levels of fan engagement, and strong community links. The German league has 13 clubs in the Brand Finance Football 50, with Bayern Munich in the top four with a brand value of €1.314 billion. The gap between Bayern Munich and its Bundesliga rivals explains why the Bavarians have been able to dominate domestic football since 2012 – their brand value is more than double Borussia Dortmund's, their nearest competitor. It is a similar story in Spain with Real Madrid and Barcelona compared to the other LaLiga clubs, and in France with Paris Saint-Germain.

### **New dimensions**

Brand Finance research suggests that in mature football markets like Germany, France, Spain, and the UK, TV and mainstream media provide the main source of engagement. But TV is no longer the sole channel of access, particularly in emerging football markets and in younger age groups. For example, in China and India, more than 50% of viewers aged 18-24 watched their favourite teams via online streaming.

Asian football fans, in general, have a strong affinity with Europe's major leagues such as the Premier League, Bundesliga, LaLiga, Serie A, and Ligue 1. Brand Finance's fan research indicated that around 50% use social media to connect and interact with their clubs, with Facebook, Twitter, Instagram, and YouTube the most popular channels. Clubs therefore have to produce a rich mixture of content to keep fans stimulated. The audiences are growing with Real Madrid (200 million), Barcelona (200 million), Manchester United (120 million), and Bayern Munich (80 million), among others, commanding huge following across social media platforms.

### **Role of stadia**

According to the Venue Performance Rating aggregated by BuroHappold, Real Madrid's stadium – with a score of 74.3 out of 100 – ranks #1 overall among all 50 stadia of the clubs listed in the Brand Finance Football 50 ranking. The Santiago Bernabéu also comes first for the Match Impact category; it is a high-capacity yet compact amphitheatre which helps the fans to encourage and intimidate in equal measure.

Borussia Dortmund ranked #1 for Matchday Experience. Key factors were strong view metrics, such as those relating to sightlines and the average distance to the pitch, and the way the form enhances the sound generated within the stands.

Bayern Munich ranked #1 for Broadcaster & Partner Appeal. Strong scores across the board, such as those relating to utilisation and UEFA rating, were enhanced by the iconic design and recognisability of the Allianz Arena.

### **Still growing?**

The growth of global football is also reflected in the enterprise value of the leading clubs. With clubs changing hands far more frequently than in the past, the industry has become dominated by billionaire owners who are willing to invest significant sums of money to acquire success. The enterprise value of a club is more relevant than ever. Just three clubs have an enterprise value of more than €4 billion, with Real Madrid the highest at €4.2 billion. Unsurprisingly, the other €4 billion clubs are Barcelona (€4.1 billion), and Manchester United (€4.0 billion).

**ENDS**

### **Note to Editors**

Every year, independent brand valuation consultancy [Brand Finance](#) values the world's biggest brands. The 50 most valuable football club brands are included in the [Brand Finance Football 50 2019](#) rankings.

Additional insights, more information about the methodology, as well as definitions of key terms are available in the [Brand Finance Football 50 2019 report](#).

**Watch [video prepared by Tifo Football](#) explaining Real Madrid's brand success.**

Brand value is understood as the net economic benefit that a brand owner would achieve by licensing the brand in the open market. Brand Strength is the efficacy of a brand's performance on intangible measures relative to its competitors.

Brand Finance helped craft the internationally recognised standard on Brand Valuation – ISO 10668, and the recently approved standard on Brand Evaluation – ISO 20671.

Brand Finance is a chartered accountancy firm regulated by ICAEW and also the first brand valuation consultancy to join the International Valuation Standards Council (IVSC).

Data compiled for the Brand Finance rankings and reports are provided for the benefit of the media and are not to be used for any commercial or technical purpose without written permission from Brand Finance.

### **Media Contacts**

Konrad Jagodzinski  
Communications Director  
T: +44 (0)2073 899 400  
M: +44 (0)7508 304 782  
[k.jagodzinski@brandfinance.com](mailto:k.jagodzinski@brandfinance.com)

Sehr Sarwar  
Senior Communications Manager  
T: +44 (0)2073 899 400  
M: +44 (0)7966 963 669  
[s.sarwar@brandfinance.com](mailto:s.sarwar@brandfinance.com)

Florina Cormack-Loyd  
Communications Manager  
T: +44 (0)2073 899 400  
M: +44 (0)7939 118 932  
[f.cormackloyd@brandfinance.com](mailto:f.cormackloyd@brandfinance.com)

Follow us on Twitter [@BrandFinance](#) and [LinkedIn](#).

## About Brand Finance

[Brand Finance](#) is the world's leading brand valuation and strategy consultancy, with offices in over 20 countries. Brand Finance bridges the gap between marketing and finance 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 brand owners and investors make the right decisions to maximise brand and business value.

## Methodology

### *Definition of Brand*

Brand Finance helped to craft the internationally recognised standard on Brand Valuation – ISO 10668. It defines a brand as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

### *Brand Strength*

Brand strength is the efficacy of a brand's performance on intangible measures, relative to its competitors. In order to determine the strength of a brand, we look at Brand Investment, Brand Equity, and the impact of those on Brand Performance.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

### *Brand Valuation Approach*

Brand Finance calculates the values of the brands in its league tables using the Royalty Relief approach – a brand valuation method compliant with the industry standards set in ISO 10668. It involves estimating the likely future revenues that are attributable to a brand by calculating a royalty rate that would be charged for its use, to arrive at a 'brand value' understood as a net economic benefit that a brand owner would achieve by licensing the brand in the open market.

The steps in this process are as follows:

- 1 Calculate brand strength using a balanced scorecard of football-related Brand Investment, Brand Equity, and Brand Performance metrics. Brand strength is expressed as a Brand Strength Index (BSI) score on a scale of 0 to 100.

- 2 As brand has differing effects on each source of income, revenues are split down into three streams: matchday, broadcasting, and commercial, each with a corresponding royalty range. For instance, due to the greater influence of the brand on sponsorship deals and

merchandising, commercial revenues enjoy a royalty range with a higher maximum percentage than broadcasting or matchday revenues.

3 Calculate royalty rate. The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI 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 applicable football-specific revenues, which can be categorised under matchday, broadcasting, and commercial revenue.

5 Determine forecast revenues using a function of historic revenues and expected future performance.

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.