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# NATIONAL STANDARD OF THE PEOPLE'S REPUBLIC OF CHINA



**GB/T 29188-2022**

Replacing GB/T 29188-2012

## Brand valuation - Multi-cycle excess earnings method

品牌价值评价 多周期超额收益法

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**Standardization Administration of China**

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## Foreword

This document is in accordance with the provisions of GB/T 1.1-2020 "Guidelines for Standardization Work Part

1.Structure and Drafting Rules for Standardization Documents" drafting. This document replaces GB/T 29188-2012 "Multi-period Excess Return Method for Brand Value Evaluation", and is consistent with GB/T 29188-2012 In addition to editorial modifications, the main technical changes are as follows:

a) Change the scope of application of the standard (see Chapter 1, Chapter 1 of the.2012 edition);

b) Changed the definition of brand and brand value (see 3.1, 3.2, 2.1,

2.2 of the.2012 edition);

c) Added the definitions of brand revenue, brand equity, brand strength and elements (see 3.4, 3.5, 3.10, 3.11);

d) Delete the definition of brand cash flow (see

2.4 of the.2012 edition);

e) Deleted the "Brand Strength Index System" (Chapter 4 of the.2012 edition);

f) The measurement method is added (see Chapter 4);

g) Changed the name and content of each step in the measurement process (see Chapter 5, Chapter 5 of the.2012 edition). Please note that some contents of this document may refer to patents. The issuing agency of this document assumes no responsibility for identifying patents. This document is proposed and managed by the National Brand Evaluation Standardization Technical Committee (SAC/TC532). This document is drafted by: China National Institute of Standardization, China Brand Building Promotion Association, China Assets Appraisal Association, Zoomlion Assets Appraisal Group Co., Ltd., China Quality Certification Center, Shanghai Academy of Quality Management Sciences, Tianjin University, China Jiliang University, Zhejiang Yaxia Decoration Co., Ltd. Co., Ltd., Standardization Research Institute of Tibet Autonomous Region, Shandong Huifeng Petrochemical Group Co., Ltd. The main drafters of this document. Kang Jian, Wu Fang, Lu Anran, Duan Qi, Chen Minghai, Hu Zhi, Deng Yunfeng, Guo Zheng, Bai Yin, Zhao Suhua, An Haoliang, Tashi Yangzong, Feng Tao, Rong Cuiyun, Zhang Yu. This document was first published in.2012; this is the first revision.



In the era of economic globalization, brands have become the commanding heights of the global economy and technological competition, and an important indicator of the core competitiveness of enterprises. An important part of corporate philosophy and corporate value. Scientific evaluation of brand value can help companies enhance their influence, enhance investor confidence, and improve customer loyalty, and provide reference for corporate mergers and acquisitions and restructuring. Brand value evaluation has gradually become an important management tool, which is used in enterprise business strategic planning, marketing and financial management. Brand value can be evaluated through the income approach, the market approach or the cost approach, and the multi-period excess income method belongs to the income approach method one. The excess return method is to convert the cash flow brought by the brand in the future economic life cycle into the present value with an appropriate discount rate. As a method to measure brand value, the discount rate will be affected by brand strength; in view of the large uncertainty of future long-term earnings, it is difficult to In order to accurately predict, the future revenue cycle of the brand is divided into multiple cycles such as the short-term forecast period and the medium and long-term future, thus forming a multi-cycle super income method. With the continuous deepening of brand value evaluation research, brand value evaluation activities are increasingly widespread, and some limitations in the current standards Therefore, this revision will incorporate new research progress and brand value evaluation practices, calibrate terms and definitions, and revise technical methods. To improve the content of the clauses, to more effectively guide the brand value evaluation activities carried out by various organizations. Multi-period excess return method for brand value evaluation

## 1 Scope

China's national standard for brand valuation by the multi-cycle excess earnings method. It specifies the method by which a monetary value is assigned to a brand on the basis of the excess earnings attributable to it over multiple future periods. Where the element evaluation family measures what produces brand value, this document produces the number. The method is the one most widely used for intangible assets, and its logic is straightforward even though its application is not: identify the earnings of the business that uses the brand, remove the returns attributable to every other asset employed - the working capital, the fixed assets, the workforce, the other intangibles - and what remains is the excess earnings attributable to the brand. Project those over the periods for which the brand will generate them, discount them to the present, and the sum is the brand value. Each of those steps contains a decision that determines the answer. Which earnings are in scope, and over what business unit. What return the contributory assets require, which decides how much is left for the brand. How long the brand will continue to earn, which for a strong brand is a judgement about decades. What discount rate reflects the risk of those earnings, which for a brand is higher than for the business as a whole because brand earnings are the first to disappear. A method standard cannot remove those judgements, and this one does not try. What it does is fix where they occur, require each to be stated and justified, and prescribe the structure of the calculation and the report - so that two valuations of the same brand can be compared and a valuation can be reviewed by someone who did not prepare it. Issued and in force since 30 December 2022, it replaces GB/T 29188-2012.

This document describes the calculation method of brand value evaluation using the multi-period excess return method, and establishes the evaluation process. This document is applicable to the value evaluation of brands that can continue to generate excess returns within a certain period, and the brand value evaluation in other situations can be Refer to use.

## 2 Normative references

The contents of the following documents constitute the essential provisions of this document through normative references in the text. Among them, dated references For documents, only the version corresponding to the date is applicable to this document; for undated reference documents, the latest version (including all amendments) is applicable to this document. GB/T 29185 brand terms

GB/T 29186.1 Evaluation of Brand Value Elements Part

## 3 Terms and Definitions

GB/T 29185, GB/T 39654 and the following terms and definitions apply to this document.

3.1 brand brand Intangible assets, including but not limited to names, terms, symbols, images, logos, designs or combinations thereof, used to distinguish products, services and/or real estate Individuals, or both, can form unique impressions and associations in the awareness of stakeholders, thereby generating economic benefits (value). [Source: GB/T 39654-2020, 3.1]

3.2 brand value brandvaluation The value of a brand (3.1) as an asset of an entity.

Note. The brand value in this document is reflected in the form of currency by measuring the economic value of the brand. [Source: GB/T 39654-2020, 3.8]

3.3 A method to measure brand value by using the present value of the future residual income after deducting the income of all other assets needed for business operation method.

## 4 Innovation Elements

GB/T 29186.5 Evaluation of Brand Value Elements Part

## 5 Service Elements

GB/T 29186.6 Brand Value Elements Evaluation Part

## 6 Intangible Elements

GB/T 39654 Brand Evaluation Principles and Basis