

A university's brand clearly contributes to its ability to attract the "right" kind of students and staff, and it affects the career prospects of its alumni and employees thereafter. But is it possible to put a figure on the value of branding to a particular higher education institution?

One man says it is – roughly. Pat Freeland-Small, chief marketing officer at the University of Melbourne, cites a 2002 study by Interbrand and J.P. Morgan that shows that branding accounts, on average, for a third of the market capitalisation of commercial companies; the rest of the value of the stock is in their reported tangible net assets.

For some companies, branding accounts for



significantly more. The McDonald's brand, the study concludes, accounts for more than 70 per cent of shareholder value; in 2002 this meant the brand was worth \$26.4 billion (£16.4 billion). For Disney, brand was worth 68 per cent, or \$29.3 billion. In addition, several studies, including research from Harvard University and the University of South Carolina, showed that companies with strong brands out-

performed the market.

As universities do not have stock, there is no value for market capitalisation. However, says Freeland-Small, if we understand from commercial companies that branding, on average, adds a value to their stock equal to roughly half the value of their tangible assets, it is possible to reach a crude approximation of university brand values.

Using this formula, based on net assets

in 2009-10, this gives Harvard's brand a value of \$15.85 billion, Stanford University \$10.69 billion, the Massachusetts Institute of Technology \$5.16 billion, the University of California, Berkeley \$2.32 billion, the University of Cambridge \$1.97 billion, and the University of Oxford \$1.47 million.

"Placing these universities in the context of commercial companies, this puts Harvard in the top 20 worldwide, ahead of Nike, Pepsi and Amex," says Freeland-Small.

"It also begs the question as to why university assets have not yet been considered as a factor for rankings. Their assets drive their capability, and this analysis shows [that it is possible to] use their net assets to give some proxy as to what their brand value might be."

WHO IS THE REAL THING? A SNAPSHOT OF HIGH-RATED BRANDS

This selection is not exhaustive and is intended only to give a picture of how the value of some elite universities' brands might compare with that of some large multinational companies.

The commercial companies' brand values are based on Interbrand's 100 best global brands, 2010; the universities' brand values are calculated as above.

Brand	Country of origin	Brand value (\$m)
Coca-Cola	US	70,452
HARVARD UNIVERSITY	US	15,851
pepsi	US	14,061
AMERICAN EXPRESS	US	13,944
NIKE	US	13,706
SONY	Japan	11,356
STANFORD UNIVERSITY	US	10,692
amazon.com	US	9,665
MIT Massachusetts Institute of Technology	US	5,156
YAHOO!	US	4,958
PORSCHE	Germany	4,404
Panasonic	Japan	4,351
Berkeley UNIVERSITY OF CALIFORNIA	US	2,315
UNIVERSITY OF CAMBRIDGE	UK	1,967
UNIVERSITY OF OXFORD	UK	1,467