

World's Top Hotel Brands Lose Nearly \$23 Billion in Brand Value

- Total value of world's top 50 most valuable hotel brands has declined by 33% (US\$22.8 billion) as sector negotiates fallout from COVID-19 pandemic
- Hilton retains title of world's most valuable hotel brand, despite recording 30% brand value decrease to US\$7.6 billion
- Hyatt is fastest growing brand in top 10 and one of only two brands to record brand value growth in top 50, up 4%
- New entrant Taj is sector's strongest, with AAA strength rating
- Leisure & tourism brands also take hit, cumulative brand value down 40%

[View the full Brand Finance Hotels 50 2021 report here](#)

[View the full Leisure & Tourism 10 2021 ranking here](#)

As holidays are cancelled and people are instructed to work from home, the hospitality sector has reached an almost complete standstill both from tourism, as well as corporate travel. As a result, the total value of the top 50 most valuable hotel brands has decreased 33% year-on-year, down from US\$70.2 billion in 2020 to US\$47.4 billion in 2021, according to the latest [Brand Finance Hotels 50 2021 report](#).

Savio D'Souza, Valuation Director, Brand Finance, commented:

"The hotels sector has completely ground to a halt over the previous year, the repercussions of which are demonstrated by the sharp brand value declines for almost all of the top 50 most valuable hotel brands. The sector is a resilient one, however. As the world begins to open back up again, we are already witnessing a strong improvement in bookings and occupancy levels across the board, showcasing the strength of brands despite the turmoil of the last year."

Hilton retains top spot

Hilton once again is the world's most valuable hotel brands, despite recording a 30% drop in brand value to US\$7.6 billion. While Hilton's revenue has taken a significant hit since the outbreak of the pandemic, the brand is showing confidence in its growth strategy, announcing a further 17,400 rooms to its pipeline, bringing the total to over 400,000 new rooms planned – an uplift of 8% on the previous year. Hilton also boasts the most valuable hotel portfolio, with its seven brands that feature in the ranking reaching a total brand value of US\$13.8 billion.

Hilton's rival, **Marriott** (down 60% to US\$2.4 billion), has dropped down to 5th spot from 2nd, after losing more than half of its brand value. Last year, the brand's worldwide revenue available per room was down 60% from 2019 and global occupancy was just 36% for the year.

Hyatt checks into 2nd spot

Bucking the sector trend as one of only two brands in the ranking to record brand value growth is **Hyatt** (up 4% to US\$4.7 billion). Despite the pandemic impacting its performance greatly, Hyatt's net rooms growth has been strong, opening 72 hotels and entering 27 new markets. Furthermore, the brand has continued to execute new signings to maintain its pipeline, which represent over 40% growth of existing hotel rooms in the future.



Taj is sector's strongest

In addition to measuring overall brand value, Brand Finance also evaluates the relative strength of brands, based on factors such as marketing investment, customer familiarity, staff satisfaction, and corporate reputation. According to these criteria, **Taj** (brand value US\$296 million) is the world's strongest hotel brand, with a Brand Strength Index (BSI) score of 89.3 out of 100 and a corresponding AAA brand strength rating.

Renowned for its world-class customer service, the luxury hotel chain scores very well in our Global Brand Equity Monitor for consideration, familiarity, recommendation, and reputation especially across its home market of India.

Taj's successful implementation of its 5-year plan - which focuses on selling non-core assets, becoming less ownership driven and reducing dependence on the luxury space – followed by the speedy adoption of its new R.E.S.E.T 2020 strategy, which provides a transformative framework to help the brand overcome the challenge of the pandemic, has contributed to the brand's re-entrance into the ranking for the first time since 2016 in 38th spot.

Brand Finance Leisure & Tourism 10 2021

Alongside analysing the world's most valuable hotel brands, Brand Finance also ranks the top 10 most valuable brands in the wider leisure & tourism industry. This year, the total value of the world's top 10 most valuable leisure & tourism brands has declined by 40%.

Despite **booking.com** recording a 19% brand value loss to US\$8.3 billion, it has overtaken **Airbnb** (down 67% to US\$3.4 billion) and **Trip.com Group** (down 38% to US\$3.5 billion) to become the most valuable leisure & tourism brand in the world. The fastest falling brand this year, Airbnb, cut a quarter of its workforce last year, and was forced to scale back on new initiatives that it had in the pipeline, including luxury resorts and flights.

Happy Valley (down 37% to US\$1.2 billion) is the sector’s strongest brand, with a BSI score of 84.1 out of 100 and a corresponding AAA- brand strength rating.

Three new entrants in ranking

There are three new entrants into the ranking this year, **AMC Theatres** (brand value US\$1.8 billion) in 7th, **Priceline** (brand value US\$1.5 billion) in 8th, and **Shenzhen Overseas Chinese Town** (brand value to US\$1.3 billion) in 9th.

The world’s largest cinema chain, AMC, has struggled as cinemas were shut amid global lockdowns. The brand will be hoping their fortunes will reverse as customers slowly start to return to the big screen and blockbusters that have been delayed are finally released.

The three new entrants have pushed out three cruise brands, which have dropped out the ranking this year: Royal Caribbean International, Norwegian Cruise, and Carnival Cruise Lines.



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Note to Editors

Every year, [Brand Finance](#) puts 5,000 of the biggest brands to the test, evaluating their strength and quantifying their value, and publishes nearly 100 reports, ranking brands across all sectors and countries. The world's top 50 most valuable hotel brands and the top 10 most valuable leisure & tourism brands included in the [Brand Finance Hotels 50 2021 report](#).

The full Brand Finance Hotels 50 2021 ranking and the Brand Finance Leisure & Tourism 10 2021 ranking, additional insights, charts, more information about the methodology, as well as definitions of key terms are available in the [Brand Finance Hotels 50 2021 report](#).

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. Please see below for a full explanation of our methodology.

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About Brand Finance

[Brand Finance](#) is the world's leading brand valuation consultancy. Bridging the gap between marketing and finance, Brand Finance evaluates the strength of brands and quantifies their financial value to help organisations of all kinds make strategic decisions.

Headquartered in London, Brand Finance has offices in over 20 countries, offering services on all continents. Every year, Brand Finance conducts more than 5,000 brand valuations, supported by original market research, and publishes nearly 100 reports which rank brands across all sectors and countries.

Brand Finance is a regulated accountancy firm, leading the standardisation of the brand valuation industry. Brand Finance was the first to be certified by independent auditors as compliant with both ISO 10668 and ISO 20671, and has received the official endorsement of the Marketing Accountability Standards Board (MASB) in the United States.

Methodology

Definition of Brand

Brand is defined 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 Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result, published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the “real” value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands **actually pay** for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is known as the “Royalty Relief” methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for our public rankings but we always augment it with a real understanding of people’s perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

Brand Valuation Methodology

For our rankings, Brand Finance uses the simplest method possible to help readers understand, gain trust in, and actively use brand valuations.

Brand Finance calculates the values of brands in its rankings using the Royalty Relief approach – a brand valuation method compliant with the industry standards set in ISO 10668.

Our Brand Strength Index assessment, a balanced scorecard of brand-related measures, is also compliant with international standards (ISO 20671) and operates as a predictive tool of future brand value changes and a control panel to help business improving marketing.

We do this in the following four steps:

1. Brand Impact

We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue).

2. Brand Strength

We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: “Investment” which are activities supporting the future strength of the brand; “Equity” which are real perceptions sourced from our original market research and other data partners; “Performance” which are brand-related measures of business results, such as market share.

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 Brand Rating up to AAA+, in a format similar to a credit rating.

3. Brand Impact x Brand Strength

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. Brand Value Calculation

We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.

We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions presented in this study are based on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the study are not to be construed as providing investment or business advice. Brand Finance does not intend the study to be relied upon for any reason and excludes all liability to any body, government, or organisation.

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