The Multiplier Effect: Proving Brand's Impact on Business

New York, September 2026

BERA

What You Need to Know

- Don’t make marketing an “expense”
- Don’t make brand an “intangible asset”
- Unlocking the Multiplier Effect starts with having “a number”
- Proving “your number” requires a defensible framework and analytical rigor
- Everything else follows

Your Number

$191 M

Value created through Brand
per $100M of media investment

Framework and Approach

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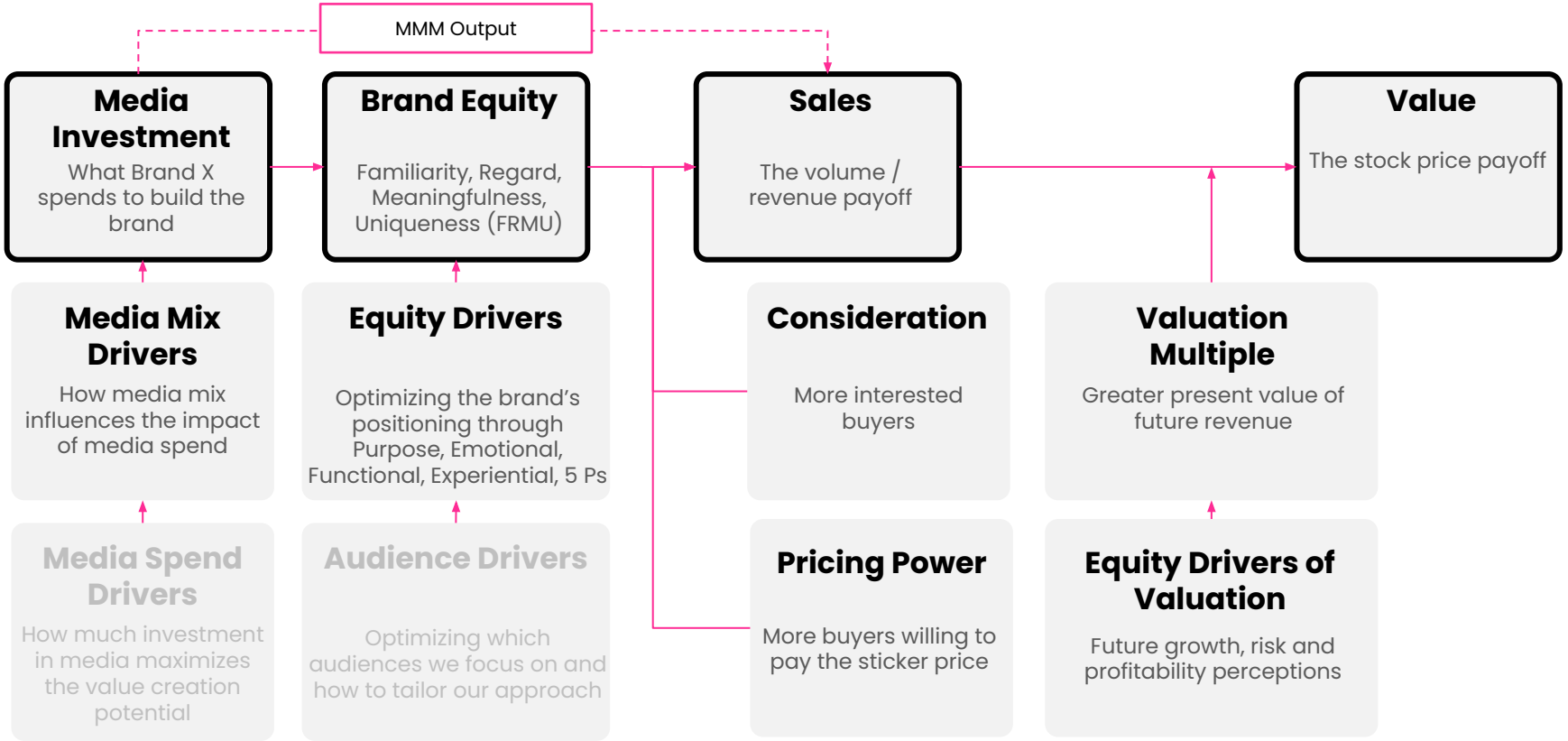

Brand X Marketing Contributes 1.9x to Value THROUGH BRAND

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MMM Output

Media Investment
$100M of media spend...

Brand Equity
...drives **1.32** Equity points annually...

Sales
...drives **2,898** incremental units sold (**$128.7M**)

Value
Incremental revenue and expanded multiple drives **$190.7M** in corporate value

Media Mix Drivers
Shifting budgets **up-funnel** and leaning into **social** drives equity more efficiently

Equity Drivers
Meaning & **Uniqueness** leading equity declines through **Emotional** perceptions

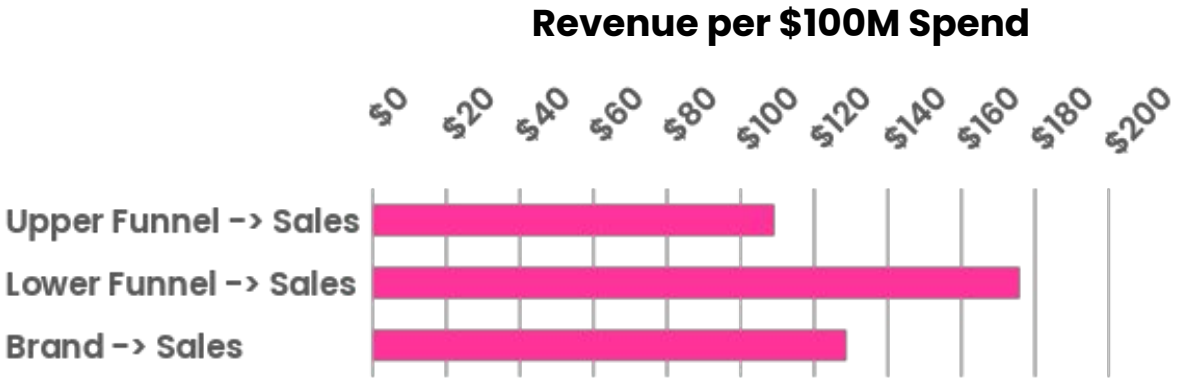
Consideration
1.32 points of Equity drives a **0.65pp** change in Consideration

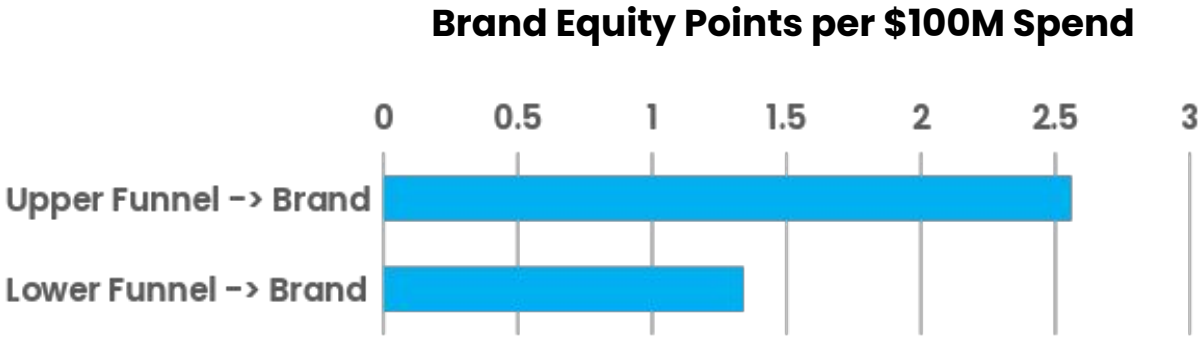
Valuation Multiple
Brand X's current Value / Revenue ratio = 0.72, of which 73% is due to Brand Equity

Pricing Power
1 point of **Meaning** & **Uniqueness** reduces consumer price elasticity by **0.03%**

Equity Drivers of Valuation
+1.32 points of Equity (through M&U) expands Brand X's multiple by 0.01 (0.72 → 0.73)

The Multiplier Effect: “Both do Both”





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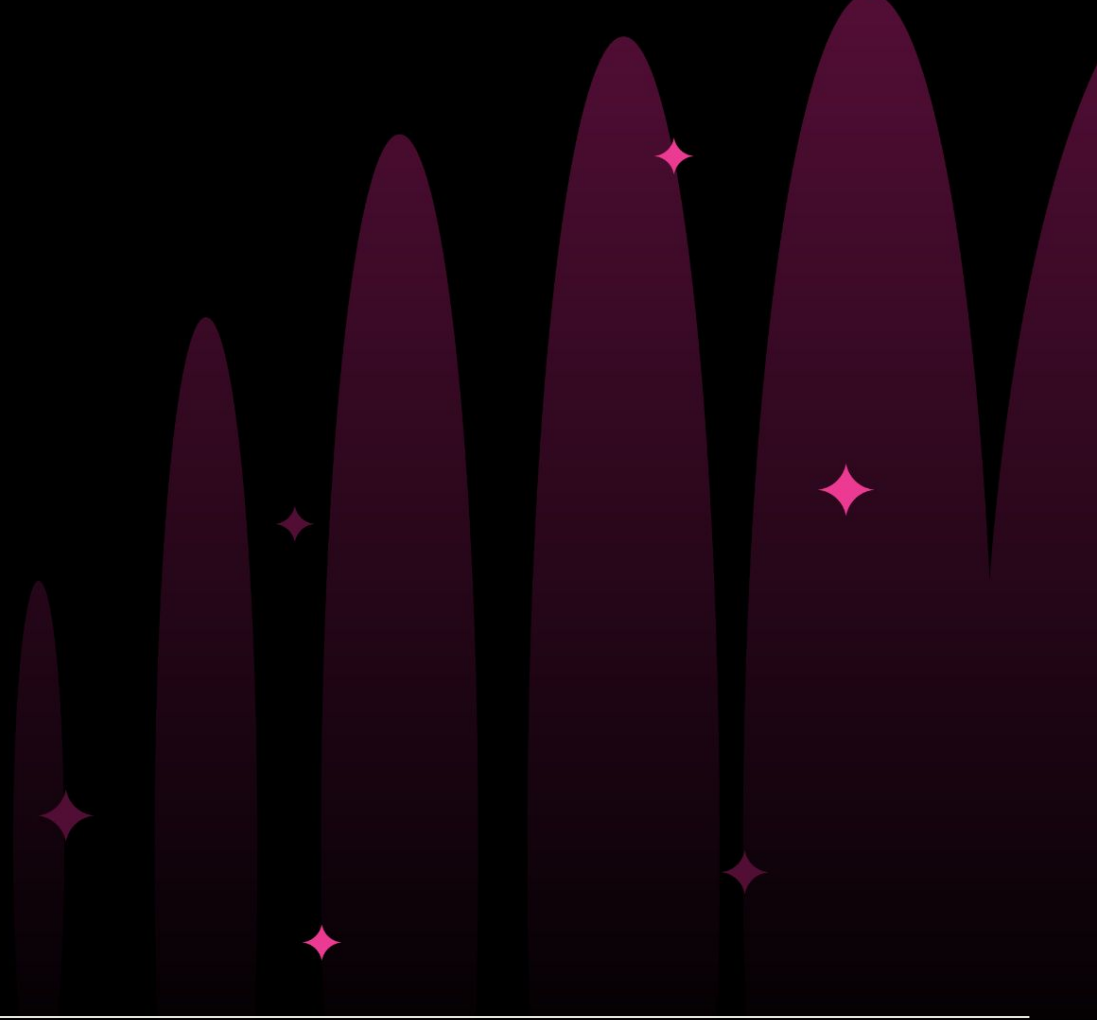
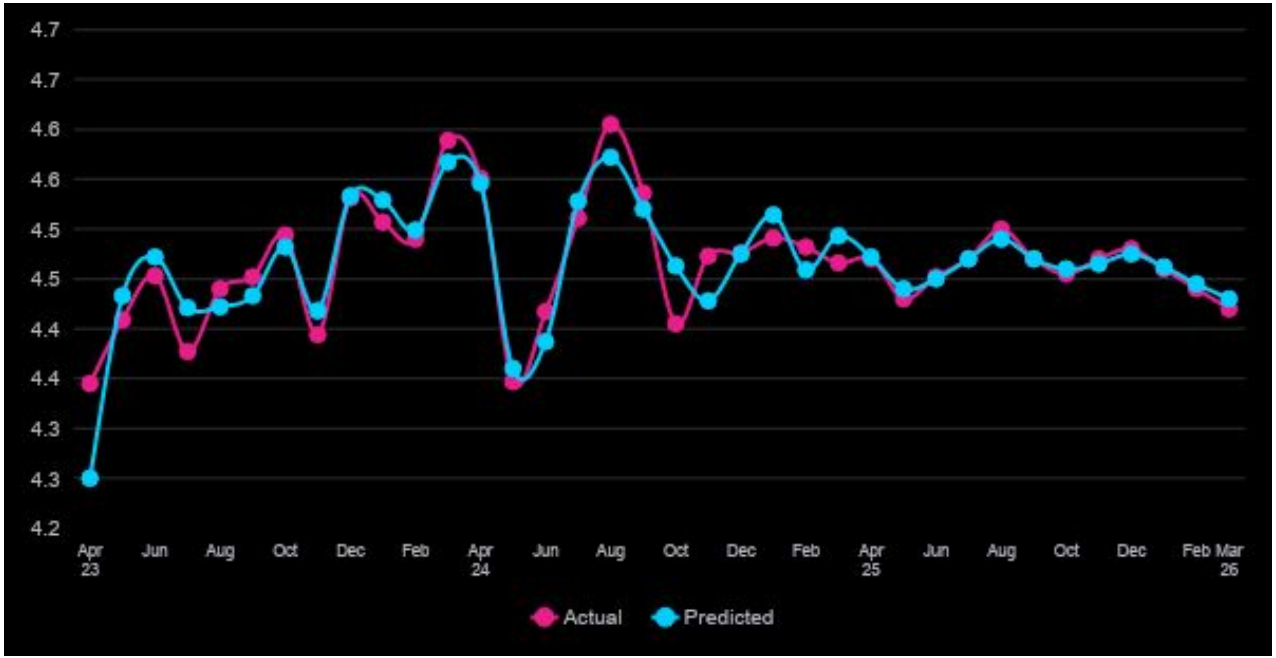


Media to Brand Model Fit

The model tracks Brand X's brand equity closely, and holds up on held-out samples.

BERA SCORE — ACTUAL vs PREDICTED



R² 83%
In-sample

R² 65%
Out-of-sample

No unit sales data enters here
This model predicts the BERA Score from media spend and the non-media baseline. Nothing else.

The unit sales link comes later
Connecting equity to unit sales is a separate model with its own fit, shown in the next section.

BERA Score on the model's working scale. Out-of-sample fit from held-out validation set.

What $100M Buys In Equity

Averaged across all strategy levels and channels, $100M of media spend is worth 1.32 BERA Score points annually.

$100M
Media Spend

=

1.32
Equity Points Annually

KEEP IN MIND

1. **This differs by Strategy**
   Activities targeted at the Upper Funnel are more effective in building brand equity.

2. **This differs by Channel**
   Even within a strategy, some channels may be drastically more effective than others in building equity.

3. **This is a function of:**
   messaging quality, your current levels of spend, and how much equity headroom the brand has.

One Point of BERA Score Is Worth 2,195 Cars

The two models together give Brand X a simple conversion it can apply to any brand target.

1 point of BERA Score = **2,195** cars sold = **$97.5M** revenue

WHAT TO DO WITH IT

1. **Size a brand target in cars**
   Winning back the 4.7 points lost in FY26 is worth roughly 10,300 cars and $1.0B of revenue.

2. **Price any media plan**
   Multiply a plan's expected equity contribution by 2,195 to size it in cars.

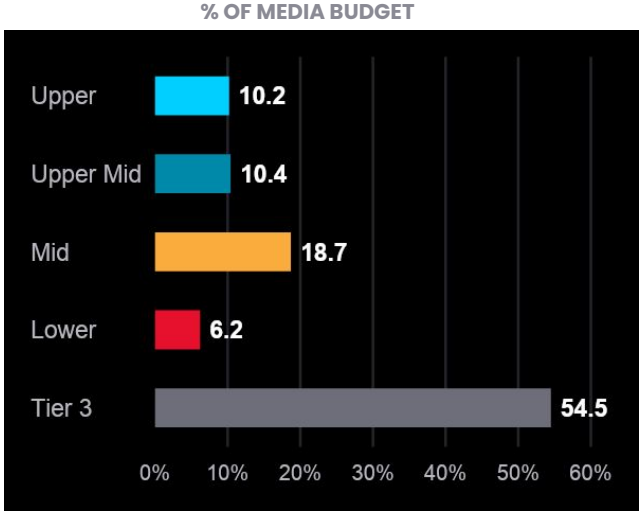
3. **Set a floor for brand defense**
   Media holds 10.1 points of the Score in place. Removing it would remove roughly 22,100 cars.

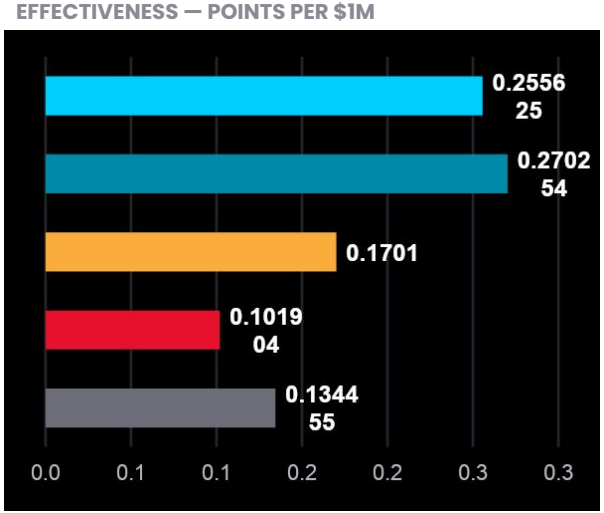
From FY26 modeled media contribution of 10.07 BERA Score points, 22,108 units and $981.7M revenue. Applies at current spend levels.

Between Strategies: Upper Funnel Leads Lower by 2.6x

Per dollar, Upper and Upper Mid build about two and a half times what Lower builds. Brand X has already been shifting money their way.

Effectiveness: how many BERA Score points $1M of monthly spend builds.





The direction is already in motion

Upper and Upper Mid build the most per dollar, and Brand X has grown them from 13.9% to 20.6% of budget.

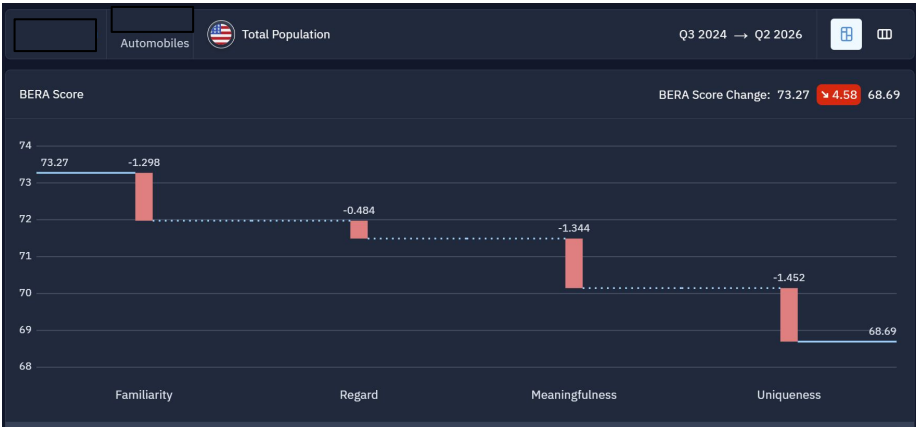
They are still a small share

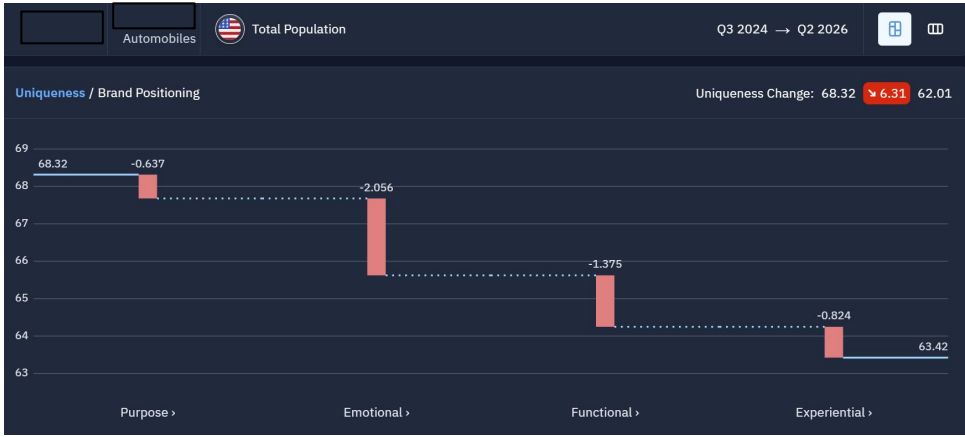
Tier 3 and Lower hold 60.7% of the budget and build 7.4 of the 15.3 points media contributes.

Effectiveness estimated across April 2023 – March 2026; all media averages 0.158. Left bar is share of total FY26 budget.

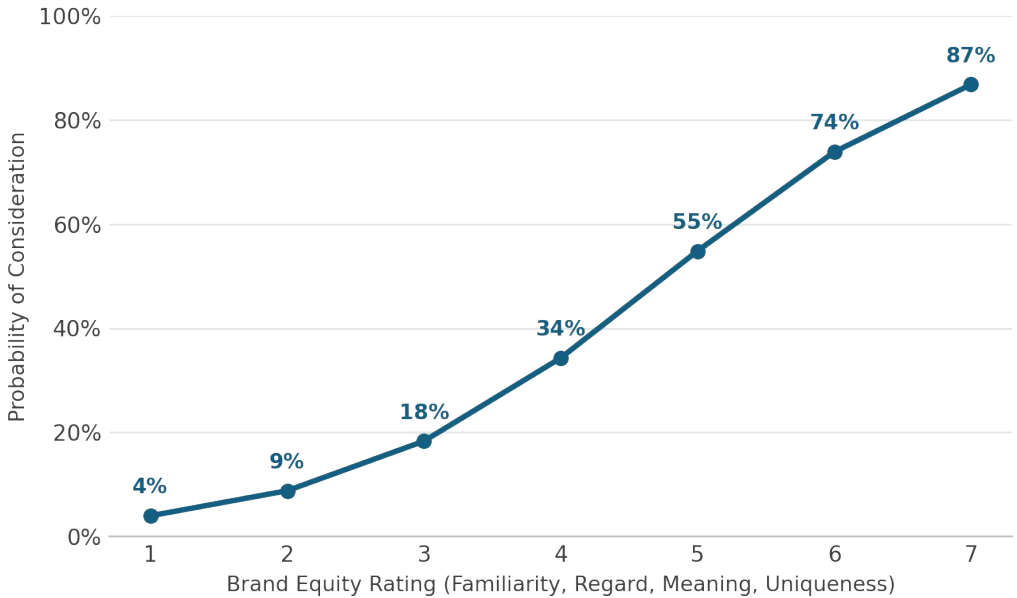
Drivers of the change in Brand X's Brand Equity

Declines in Meaningfulness and Uniqueness contribute the most to Brand X's drop in Brand Equity, underpinned by losses in Emotional ties to the brand.





Brand X's Brand Equity Fuels the Funnel



12.6x lift: Top 2 Box brand equity ratings are 12.6x more likely to convert Aware consumers to Consideration than Bottom 2 Box ratings (80% vs. 6%)

The lift compounds: 6.0x at Consideration→Usage and 3.1x at Usage→Preference (n=4,720 aware respondents, FY'26)

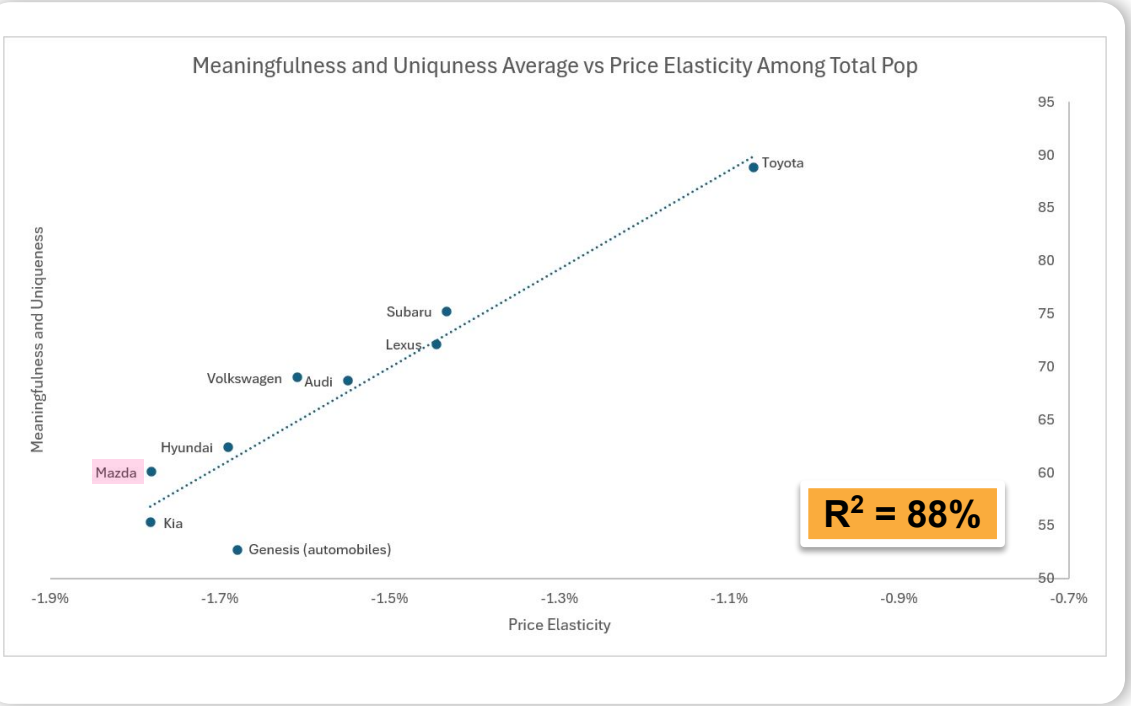
Results

Brand X sits to the left of the “fair value” line, alongside VW & Subaru indicating the brand is more price elastic than one would expect given its level of brand equity.

Every point gain in M&U decreases price elasticity by 0.02%

If you got back to the fair value line, that is worth **$11.8M**

Every one point change in M&U is worth $2.8M



MORE PRICE ELASTIC (very price sensitive)

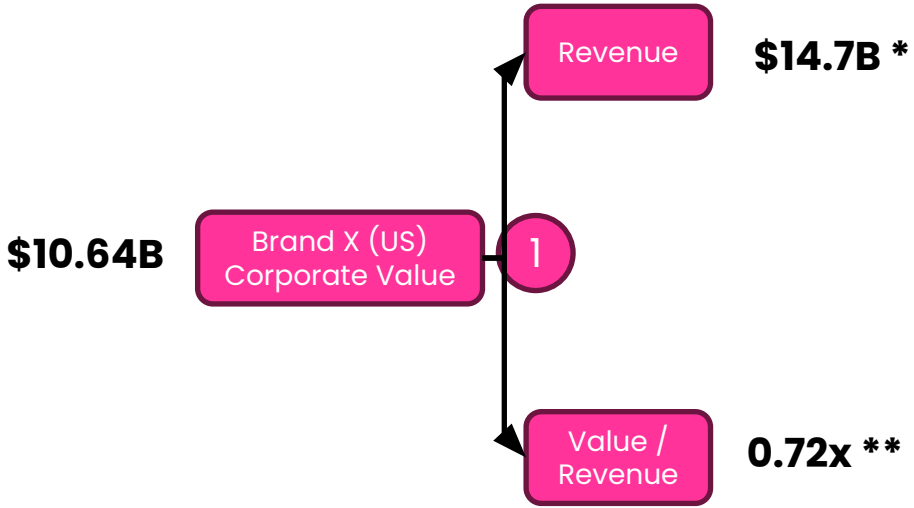
Will see higher changes in quantity when price is changed

LESS PRICE ELASTIC (less price sensitive)

Changes in price will result in minimal impacts on quantity

Step 1 – Brand X US Corporate Value

In Step 1 we use the Brand X US revenue provided to us and a calculated Value/Revenue ratio based on our proprietary algorithm to estimate the total corporate value of the Brand X US business.



* Brand X FY'26 Revenue data provided to BERA by Brand X and confirmed by VML.
** Brand X is mapped to the Consumer Discretionary Sector and Automobiles Industry. The median EV to Revenue ratio for this sector and industry today are 0.5x and 0.8x respectively according to finbox.com.

Step 1 – Estimate Brand X (US) Value/Revenue Ratio

Using Brand X's sector V/R ratio (0.5x) and brand ratings scores, we can estimate its V/R ratio (0.7x) for the US region.

	All Mono-Brand Companies*	Brand X (US)
Sector Norm V/R Ratio	2.8x	0.5x**
Brand Balance Ratio (M&U vs. F&R)	1.2	0.87→0.91
Pricing Power Ratio (Uniqueness vs. Meaning)	0.9	0.9
Customer Tenure Ratio (Current/Former Customers)	1.0	1.0
Customer Quality Ratio (Loyal/Switcher Customers)	1.7	2.2
Brand X (US) V/R Ratio		0.72x →0.73x*

- The V/R ratio for Brand X's sector is below the average of other sectors (0.5x vs. 2.8x) because its sector is perceived to be ***relatively*** more challenged in terms of profitability, risk and growth.
- The brand's strength in retaining Loyal Customers is an asset that produces a positive impact on the value of its US revenue. An imbalance of its brand equity is holding it back from a higher value multiple.

* The BERA estimated V/R ratio for the US region of ~0.7 is much higher than the corporate average of 0.1. This is considerably higher due to both the amount of volume and profit generated by this region. North America alone generates about 60% of the total operating income for the company.
** Brand X is mapped to the Consumer Discretionary Sector and Automobiles Industry. The median EV to Revenue ratio for this sector is 0.5x according to finbox.com.
NOTE: all brand data is sourced from BERA's US B2C consumer survey: April 2025 – March 2026

Increased Brand Equity Increases Value

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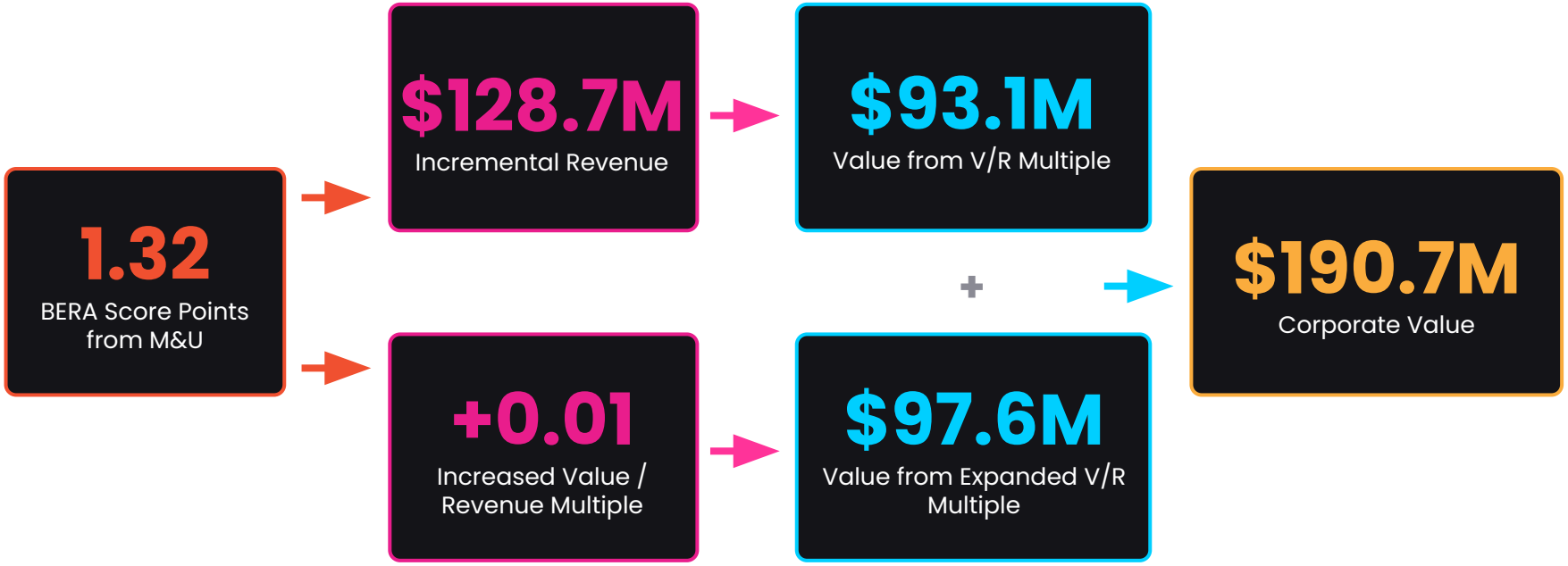
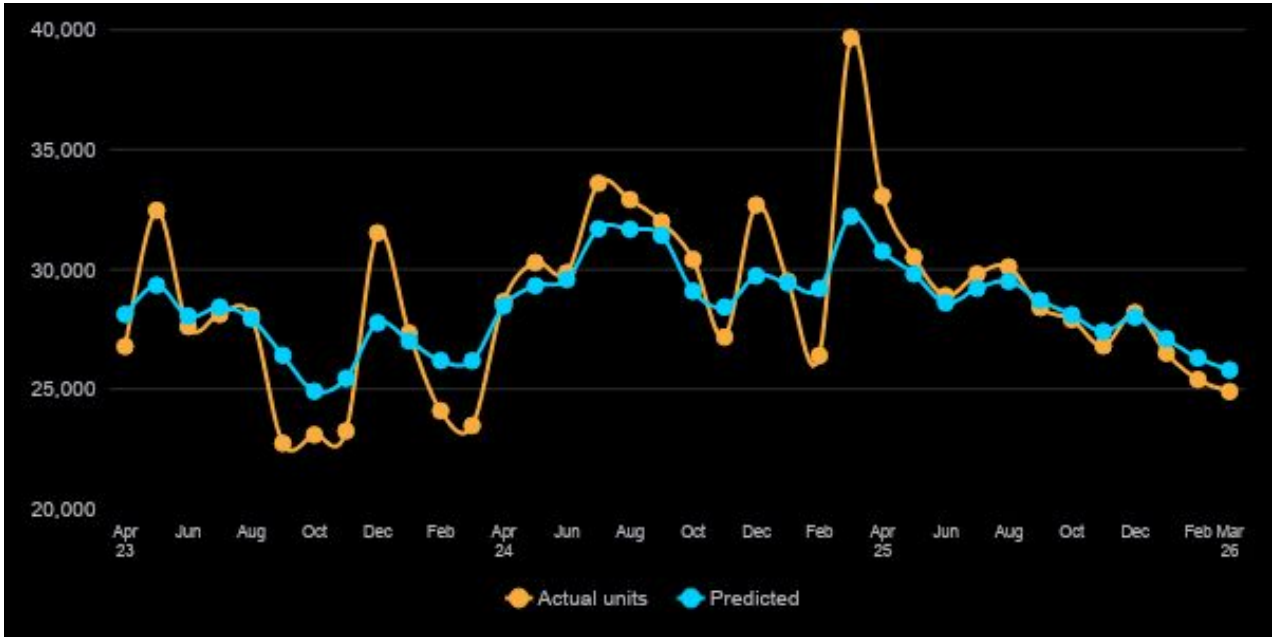
Increasing Equity through M&U improves Brand X's Brand Balance ratio which increases the value of its total revenue, in addition to the incremental sales from the brand equity. This contributes an additional $190.7M of value.



Brand to Business Model Fit

The model reproduces monthly unit sales within 6.9%, and finds that a 1% move in the BERA Score moves unit sales about 0.44%.

Brand X US UNIT SALES — ACTUAL vs PREDICTED



Units sold per month

R² 79%
Unit sales

6.9%
MAPE

Reading the rate

A 1% move in the BERA Score is associated with about a 0.44% move in unit sales.

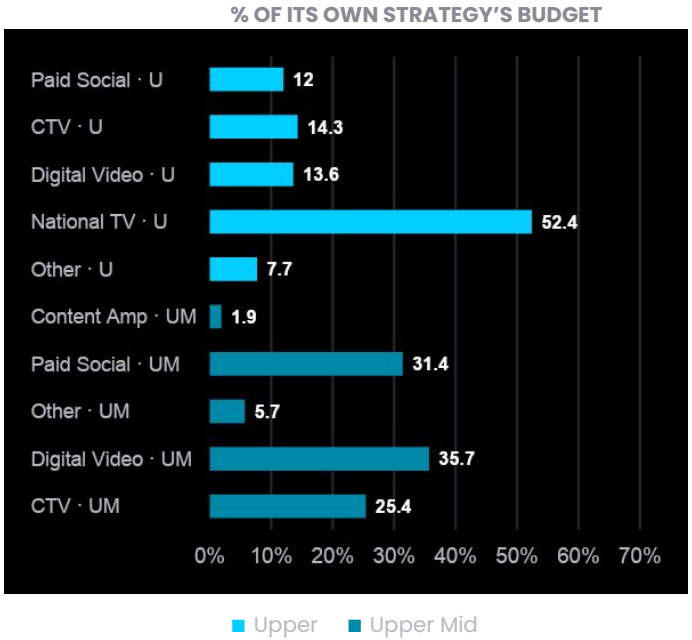
Building on Previous Results

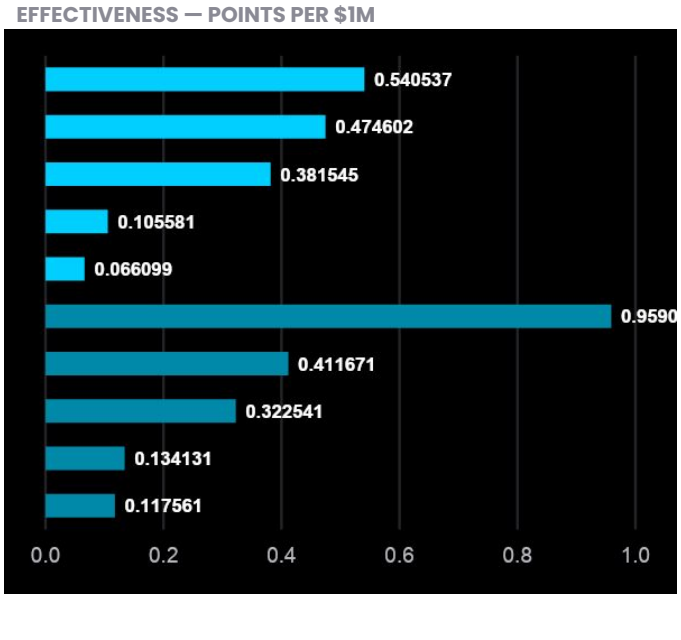
We found the BERA Score leads unit sales by six to seven months. The lag weighting carries the same structure.

Brand X US monthly unit sales, April 2023 – March 2026. Fit shown in original units; the model is estimated on a scaled series. MAPE is the average percentage error. Unit sales data supplied by Brand X.

Within Upper Funnel: Budget and Effectiveness Diverge

Inside Upper, the most funded channel reads lowest on effectiveness. National TV is over half the strategy and builds the least of the four.





Upper Upper Mid

National TV
52% of the Upper budget, and the lowest of its four main channels on brand equity per dollar.

Paid Social, CTV, Digital Video
The three that build the most brand equity per dollar, on about $10M each today.

Worth exploring: how the brand equity read would change with more weight on Paid Social, CTV and Digital Video.

Both scales are shared with the next slide, so the two can be compared directly. Left bar is each channel's share of its own strategy's budget.

Can Brand X create value by shifting budget from Incentives to Brand spend? Yes.

Scenario

Incentives: -25% (-$245M)

Media Spend: +39% (+$245M)

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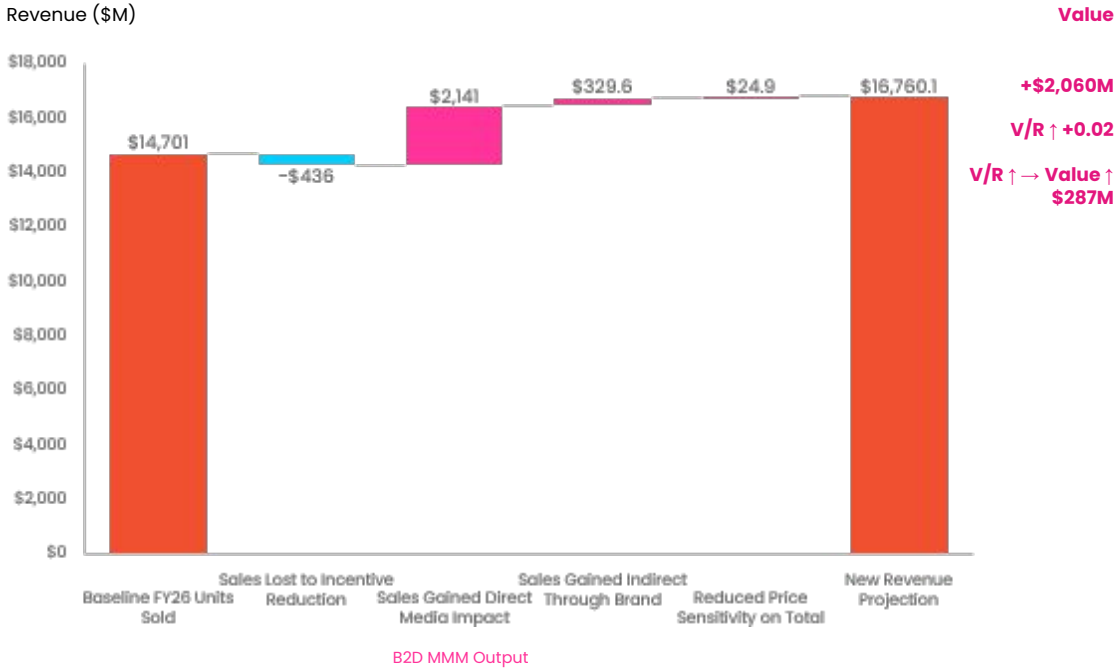
- While the impact of reducing incentive spend is likely to be seen quickly, the impact of building brand (sales, pricing power, multiple expansion) is likely to take more time (~12 months)
- The investment in brand can be thought of as an "insurance policy" against reducing incentives as they largely offset each other; the positive impact of media directly on sales (of almost any amount) makes the tradeoff positive
- The amount of budget shifted should also consider potential media "saturation"
- The majority of the impact is realized through volume gains, not pricing power