CASE STUDY

ebookers plc

Brief

ebookers required all the intangible assets gained as a result of acquiring Travelbag and Bridge the World to be identified and valued. The valuations were to be included in filings to be made with the Securities and Exchange Commission (SEC) in connection with ebookers' NASDAQ listing. Intangible Business was asked to carry out these valuations.

Approach

The position of both brands at the point of acquisition had to be analysed to determine brand strength. Qualitative research on all ebookers, and competitive, brands was evaluated to establish public perception of each of the brands in the ebookers group (customers and potential customers); attitudes towards product distribution and service delivery; perception of the competition; and to determine the core characteristics for each brand's customers.

The relationship to suppliers was also investigated and contracts with airlines analysed as these were critical in maintaining brand strength as well as being alternative intangibles to be considered for valuation.

The relief from royalty brand valuation methodology was used to value ebookers' brands as this method is directly aligned with the economic rights of the brands and how they would be exploited for value by a commercial buyer. This approach also included elements of the market based and cost based approaches. It also used information researched from comparable transactions.

Outcome

The Travelbag brand was given a value of £32m and Bridge the World, £2m. ebookers used this successfully in form 20F for filing with the SEC.

Service
Brand valuation

Territory
UK
US
Worldwide

Sector
Travel

INTANGIBLE BUSINESS