

Is *brand strength* linked to *firm valuation*?

Evidence from consumer survey data

Prepared by Bella Private Markets, in partnership with WestCap and Tracksuit

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AUTHORS

Alex Billias | **Bella Private Markets**
Catalin Clougherty | **Bella Private Markets**
Sam Holt | **Bella Private Markets**
Josh Lerner | **Harvard Business School, Bella Private Markets**
Sarah Valentiner | **Bella Private Markets**
Cody Wilson | **Bella Private Markets**

Marketers have long recognized brand strength as a strategic asset, but its measurable impact on a company's value remains difficult to quantify. Using a novel dataset combining Tracksuit consumer survey data with valuation metrics, this study analyzes the relationship between *brand strength* and *firm value* among public companies.

RESEARCH FINDINGS

+17% TEV
+10 PP AWARENESS

A 10 pp increase in awareness leads to a 17 pp increase in TEV.

+20% TEV
+10 PP CONSIDERATION

A 10 pp increase in consideration leads to a 20 pp increase in TEV.

+17% TEV
+10 PP PREFERENCE

A 10pp increase in preference leads to a 17 pp increase in TEV.

01 — INTRODUCTION

Marketers have long recognized brand strength as a strategic asset, but its measurable impact on a company's value remains difficult to quantify. While previous research suggests that stronger consumer perception is associated with higher firm value, quantitative evidence linking brand strength to company valuation is limited, particularly at the frequency and granularity needed to support investment decision-making at the practitioner level. Through a research partnership between Bella Private Markets and Tracksuit facilitated by WestCap—whose thesis on the connection between brand and operational value creation motivated the study—this whitepaper takes steps towards addressing this research gap by analyzing a novel dataset of Tracksuit consumer survey data and valuation metrics to assess the relationship between brand strength and firm value among public companies.

02 — LITERATURE REVIEW

Brand equity as a driver of firm value

Past marketing and finance scholarship has considered the relationship between brand awareness and firm valuation. Keller (1993) establishes the theoretical foundation for the topic, decomposing brand equity into brand awareness and brand image, and arguing that equity accrues when consumers are familiar with a brand and hold favorable associations in memory.¹ Simon and Sullivan (1993) translates this consumer-level framework into capital market terms, defining brand equity as the cash flows accruing to branded over unbranded products.² Barth, Clement, Foster, and Kasznik (1998) finds that brand value estimates are positively associated with equity prices and returns, suggesting that brand awareness captures dimensions of firm performance not reflected in conventional financial metrics.³ Leite (2024) takes this analysis one step further and finds a strong association between brand equity measures and enterprise value.⁴ At the event level, Lane and Jacobson (1995) finds that stock market responses to new product announcements vary with awareness and attitude, supporting the idea that awareness influences investor expectations of future cash flows.⁵ While not the first study to examine brand equity and valuation, the present analysis builds on this foundation by measuring brand equity through brand awareness metrics and evaluating these metrics' relationship with firm value.

03 — DATA

A novel brand and valuation data panel

We source brand perception data from Tracksuit surveys of 23 public companies from December 2021 to April 2026, yielding a dataset of 675 company-month observations.⁶ Tracksuit measures brand strength across five

¹Kevin Lane Keller, "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity," *Journal of Marketing* 57, no. 1 (1993): 1-22, <https://doi.org/10.1177/002224299305700101>.

²Carol J. Simon and Mary W. Sullivan, "The Measurement and Determinants of Brand Equity: A Financial Approach," *Marketing Science* 12, no. 1 (1993): 28-52, <https://doi.org/10.1287/mksc.12.1.28>.

³Mary E. Barth, Michael B. Clement, George Foster, and Ron Kasznik, "Brand Values and Capital Market Valuation," *Review of Accounting Studies* 3 (1998): 41-68, <https://doi.org/10.1023/A:1009620132177>.

⁴Lindberg Leite, "Brand valuation: how convergent (or divergent) are global brand rankings and how correlated is brand value to enterprise value?," *Journal of Marketing Analytics* 12, no. 2 (2024): 375-389, <https://doi.org/10.1057/s41270-022-00201-7>.

⁵Vicki Lane and Robert Jacobson, "Stock Market Reactions to Brand Extension Announcements: The Effects of Brand Attitude and Familiarity," *Journal of Marketing* 59, no. 1 (1995): 63-77, <https://doi.org/10.1177/002224299505900106>.

⁶We focus on public companies, whose valuations are updated regularly. Private companies covered by Tracksuit are valued infrequently, making it difficult to assess the link between brand strength and value over this time period.

dimensions—awareness, consideration, investigation, usage, and preference—each expressed as a share of survey respondents.⁷ These five dimensions serve as the core brand strength metrics throughout the analysis.⁸

Company valuation—the outcome variable—is measured in terms of total enterprise value (TEV).⁹ While TEV offers a complete picture of firm value, data availability narrows our sample to 21 firms with 611 company-month observations.¹⁰ Thus, we perform additional analysis using market capitalization¹¹ as the outcome variable, which can be found in the Appendix.¹²

04 — METHODOLOGY

Regressing valuation on brand strength

We utilize regression analysis to estimate how changes in one variable (e.g., brand awareness) are associated with changes in the company value variables while holding other factors constant. We regress TEV on each of the five Tracksuit brand strength metrics individually to estimate their respective relationships with valuation.

Throughout this analysis we perform a log transformation on TEV.¹³ This transformation can be useful when the outcome is heavily skewed by outliers, as is the case here, given the large dispersion in company size across the sample. It also reframes the interpretation of coefficients as percentage changes rather than absolute unit changes, which is more natural in a valuation context.

For our simplest models, we estimate how each of the brand metrics relates to TEV using the following equation:

$$\text{Model 1: } \ln(\text{Value metric}_{it}) = \alpha + \beta(\text{Brand metric}_{it}) + \varepsilon_{it}$$

In **Model 1**, $\ln(\text{Value metric}_{it})$ is the logged TEV of company i at time t . Brand metric_{it} is the relevant brand strength measure for company i at time t , β is the coefficient of interest capturing the association between brand metric and firm value, and ε_{it} is the error term.

⁷ “Awareness” reflects the share of respondents who recognize a brand when prompted with its name or logo. “Consideration” reflects those who would consider purchasing or using the brand. “Investigation” reflects those who have actively researched or looked into it. “Usage” reflects those who have bought or used it. “Preference” reflects those who prefer it over alternatives.

Source: Dom Newman, “How to Measure Brand Awareness (and Prove It’s Working),” Tracksuit, April 10, 2026, <https://www.gotracksuit.com/blog/posts/how-to-measure-brand-awareness>.

⁸ Regressions using the investigation dimension draw on a reduced sample of 367 observations at the full-sample level (303 in the TEV models), as this survey question was only fielded for a subset of the companies covered.

⁹ TEV accounts for a company’s equity, debt, and cash.

¹⁰ Two financial companies are excluded from the TEV analysis, as TEV is not a meaningful metric for firms whose capital structure is driven by their operating model rather than financing decisions.

¹¹ Market cap reflects the total market value of a firm’s outstanding shares.

¹² Company-level TEV and market cap data were sourced from S&P Capital IQ Pro, accessed on June 8, 2026.

¹³ Note: In a subset of regressions on company TEV, we use a logged market-adjusted outcome variable, specifically company TEV scaled by S&P 500 TEV, to control for broader market movements that may otherwise confound individual company valuations. However, as we introduce time fixed effects to the model, this scaling becomes redundant: the fixed effects absorb the same market-wide variation that the adjustment was meant to capture. Thus, we forgo the use of the logged market-adjusted variable in the fixed effects variations of the model in favor of simply using logged company TEV.

Source: S&P 500 Index (SPX) total enterprise value was sourced from S&P Capital IQ Pro, accessed on June 8, 2026.

The coefficient in the company TEV model can be interpreted as the expected percent change in company TEV, given a one percentage point increase in the associated brand metric. For the market-adjusted TEV model,¹⁴ the coefficients represent the expected percent change in company TEV relative to the market benchmark, given a one percentage point increase in the brand metric.

In addition to our base case model, we perform a series of robustness checks using fixed effects specifications. These equations and interpretations are discussed in greater detail in the results section.

05 — REGRESSION RESULTS

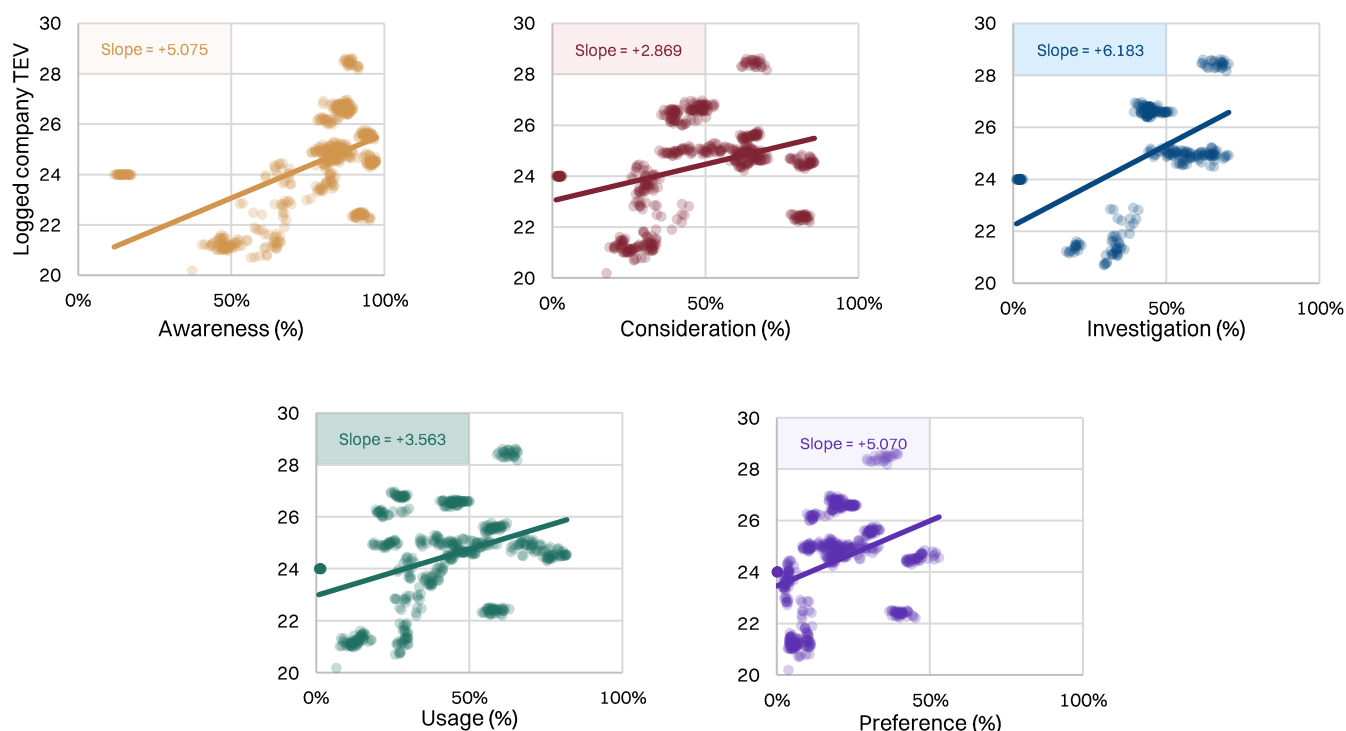
Consistent positive relationship between brand and value

We first apply our base case regression specification to company TEV as our outcome variable:

$$\text{Model 1: } \ln(\text{Value metric}_{it}) = \alpha + \beta(\text{Brand metric}_{it}) + \varepsilon_{it}$$

All brand metrics show positive and statistically significant relationships with company TEV, as shown in **Figure 1**, suggesting that stronger brand performance is consistently linked to higher company value. Results are robust to market adjustment, with coefficients remaining largely unchanged after substituting in market-adjusted TEV as the outcome variable. This suggests that the estimated relationships generally reflect firm-level brand dynamics rather than just broader movements in the market (see results in **Table 1** of the Appendix).

FIGURE 1. BASE CASE BRAND STRENGTH RESULTS



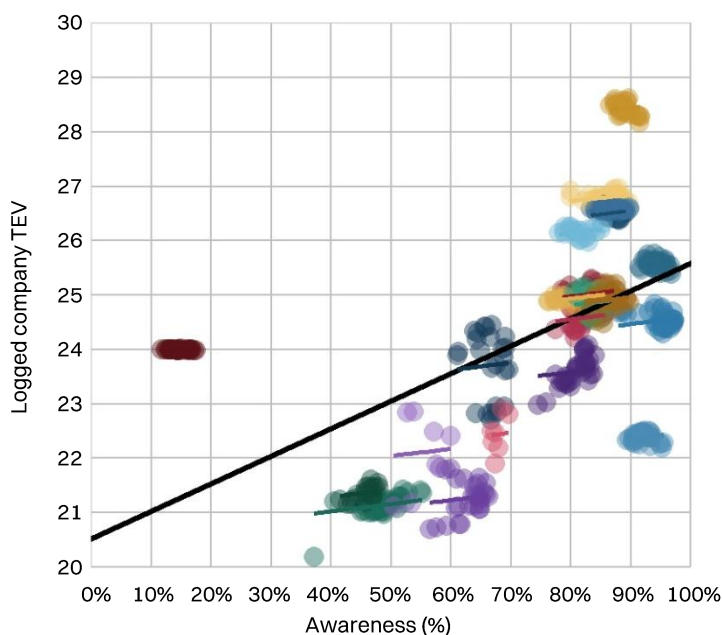
¹⁴ To compute the market-adjusted TEV we divide company TEV by S&P 500 (SPX) TEV, as explained in Footnote 13; this ratio serves as our outcome variable.

While these base case results are compelling, they represent preliminary estimates that do not account for confounding factors which may inflate or distort the apparent relationship between brand strength and TEV. Two categories of omitted variables are of particular concern. First, company-specific characteristics (such as firm age, market concentration, and geographic revenue mix) may independently drive valuation regardless of brand performance. Amazon, for instance, commands a structural valuation premium reflecting decades of infrastructure investment and diversification, meaning its TEV would likely remain elevated despite meaningful shifts in consumer awareness. Second, time-specific factors (including macroeconomic conditions, regulatory changes, and broader consumer trends) may move TEV across all firms simultaneously while leaving brand metrics unaffected, producing a spurious correlation between the two.

To address these concerns, we introduce company and time fixed effects specifications into our model, which absorb unobserved variation at both levels and isolate the within-firm, within-period relationship between brand strength and valuation. The importance of this correction is demonstrated by the differences between the aggregate awareness-TEV trend in **Figure 1** and company-specific trends in **Figure 2**,¹⁵ which illustrate that the base case trend line overstates the brand awareness-TEV relationship relative to the company-specific trends.

FIGURE 2. BASE CASE (AWARENESS VS. COMPANY TEV) AND INDIVIDUAL COMPANY TRENDS

Individual companies distort the main trend line, but their individual trend lines suggest that the true relationship between awareness and TEV is more modest in magnitude.



We use the following formulas to introduce company fixed effects and two-way (company and time) fixed effects to the model:

$$\text{Model 2: } \ln(\text{TEV}_{it}) = \alpha + \beta(\text{Brand metric}_{it}) + \gamma_i + \varepsilon_{it}$$

¹⁵ Figure includes only 21 companies, as the TEV analysis excludes two companies due to data limitations.

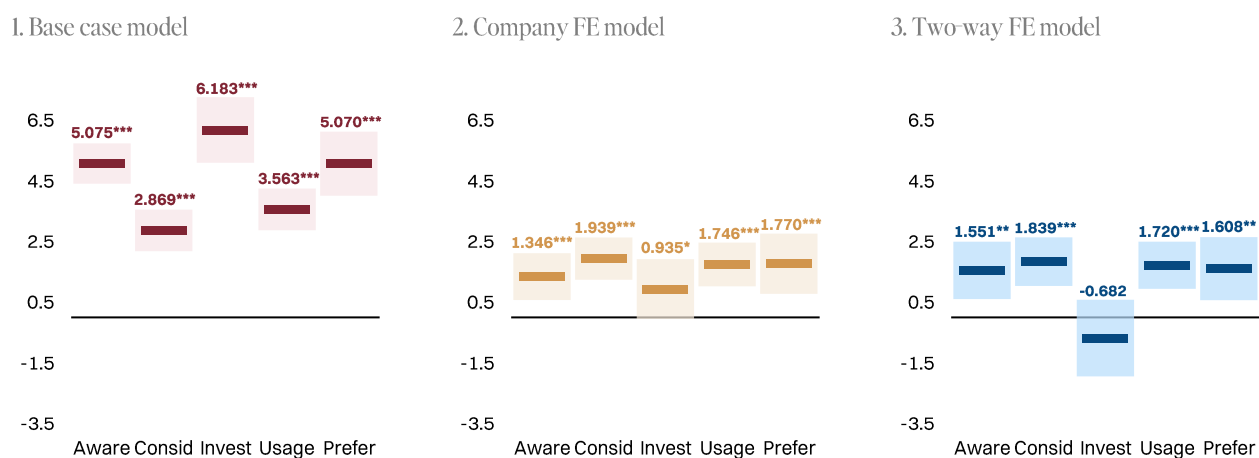
$$\text{Model 3: } \ln(\text{TEV}_{it}) = \alpha + \beta(\text{Brand metric}_{it}) + \gamma_i + \delta_t + \varepsilon_{it}$$

Model 2 introduces company fixed effects only, while Model 3 introduces the two-way fixed effects specification. The terms γ_i and δ_t denote company and time fixed effects, respectively, absorbing some of the unobserved variation that is constant within a firm or within a time period. This more closely isolates the within-firm, within-period relationship between brand strength and valuation that we observe in the data.

The coefficients of the three TEV models are illustrated in **Figure 3**. Introducing fixed effects reduces the magnitude of the brand strength coefficients, as expected, but across all specifications, the relationship with company TEV remains positive. Despite the decrease in coefficient size, awareness, consideration, usage, and preference remain positive and significant at the 1% level in both the company and two-way fixed effects models, with coefficients ranging from approximately 1.6 to 1.9 (**Table 2** in Appendix).

To put these magnitudes into more practical terms, a 10-percentage point increase in awareness is associated with a roughly 16.8% increase in TEV under the two-way fixed effects specification (Model 3).¹⁶ Investigation turns negative but insignificant in the two-way fixed effects model. Overall, the fixed effects results indicate that a meaningful positive relationship between brand strength and valuation persists even after controlling for both firm-level and macroeconomic effects.

FIGURE 3. TEV REGRESSION COEFFICIENTS WITH CONFIDENCE INTERVALS



¹⁶ Note that for log-linear regressions of the form $\log(Y) = \alpha + \beta X$, an increase in the independent variable of 10pp correlates with a decimal change of $e^{\beta \times 0.1} - 1$ in the dependent variable. In our case, a 10pp increase in awareness is associated with an increase of $e^{1.551 \times 0.1} - 1 = 0.168$, or 16.8% for company TEV.

06 — LIMITATIONS

Links established, but more data needed

Several limitations should be kept in mind when interpreting these results. First, the sample is restricted to 23 public companies for which both brand tracking and valuation data are consistently available. This substantially constrains statistical power and limits the generalizability of the findings.

Second, while our analysis relies on fixed effects as the primary form of firm-level control, our methodology does not account for time-varying firm factors—such as profitability, leverage, or competitive dynamics—that may independently influence valuation and correlate with brand strength.

Third, the sample is composed exclusively of large, established public firms, most of which enter the observation window with brand awareness already above 50%. This selection effect means the analysis captures relatively little variation in the early stages of brand building, where the relationship between awareness and valuation may be meaningfully different and potentially stronger. Startups and smaller firms that begin with low awareness and grow into recognized brands represent a distinct and underexplored context; the returns to brand investment at that stage of the awareness curve may differ substantially from what is observed here. As such, our estimates may not generalize to firms in the early, high-growth phase of brand building.

Finally, the regression designs establish association rather than causation, and reverse causality cannot be ruled out, as firms with higher valuations may have greater resources to invest in brand building, rather than brand strength itself driving valuation.

07 — CONCLUSIONS

Brand as a measurable financial asset

The results provide meaningful evidence that brand strength is positively linked to company valuation. This relationship holds across multiple dimensions of brand strength and persists after accounting for both company and time factors through fixed effects, suggesting that the association reflects within-firm, within-period brand dynamics rather than broader market movements alone. Taken together, these findings point to a brand's importance as a measurable financial asset.

Future research extending this framework to private companies, incorporating richer firm-level controls and larger sample sizes, and exploiting exogenous shocks to brand strength could help establish the causal mechanisms underlying the association documented here.

APPENDIX

TABLE 1: BASE CASE TEV REGRESSION RESULTS

This table reports coefficient estimates from our base-case specification (Model 1), in which logged firm value is regressed on each brand funnel metric individually. The dependent variable is either logged company TEV or logged market-adjusted TEV, the latter defined as the natural log of company TEV scaled by S&P 500. The independent variable in each regression is one of the five brand funnel dimensions—awareness, consideration, investigation, usage, and preference—entered separately rather than jointly. Standard errors are reported in parentheses and asterisks denote statistical significance at conventional levels. The final column reports the number of company-month observations underlying each estimate.

	Company TEV (base case)	Mkt-adjusted TEV (base case)	# of obs.
Awareness (%)	5.075*** (0.339)	5.148*** (0.336)	611
Consideration (%)	2.869*** (0.350)	3.006*** (0.347)	611
Investigation (%)	6.183*** (0.552)	6.241*** (0.552)	303
Usage (%)	3.563*** (0.351)	3.673*** (0.348)	611
Preference (%)	5.070*** (0.539)	5.256*** (0.534)	611

Note: Company TEV = $\ln(\text{company TEV})$; Mkt-adj TEV = $\ln(\text{Company TEV} / \text{SPX TEV})$.

Significance levels: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (more stars = greater statistical significance).

TABLE 2: FIXED EFFECTS TEV REGRESSION RESULTS

This table reports coefficient estimates from three specifications, each regressing logged company TEV on a single brand funnel dimension. Model 1 is the pooled OLS base case reported in Table 1. Model 2 adds company fixed effects and Model 3 adds two-way fixed effects. As before, the independent variable in each regression is one of the five brand funnel dimensions—awareness, consideration, investigation, usage, and preference—entered separately rather than jointly. Standard errors are reported in parentheses and asterisks denote statistical significance at conventional levels. The final column reports the number of company-month observations underlying each estimate.

	Model 1. Base case (company TEV)	Model 2. Company FE (company TEV)	Model 3. Two-way FE (company TEV)	# of obs.
Awareness (%)	5.075*** (0.339)	1.346*** (0.394)	1.551*** (0.483)	611
Consideration (%)	2.869*** (0.350)	1.939*** (0.356)	1.839*** (0.409)	611
Investigation (%)	6.183*** (0.552)	0.935* (0.503)	-0.682 (0.645)	303
Usage (%)	3.563*** (0.351)	1.746*** (0.368)	1.720*** (0.397)	611
Preference (%)	5.070*** (0.539)	1.770*** (0.507)	1.608*** (0.531)	611

Note: Company TEV = $\ln(\text{company TEV})$.

Significance levels: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (more stars = greater statistical significance).

To supplement the initial TEV findings with further analysis of brand strength and firm value, we recreate our regressions using market cap as the outcome variable.¹⁷ Our base case formula then becomes:

$$\text{Model 1: } \ln(\text{Market cap}_{it}) = \alpha + \beta(\text{Brand metric}_{it}) + \varepsilon_{it}^{18}$$

Replacing TEV with market capitalization as the outcome variable yields broadly consistent results, providing further support for a positive relationship between brand strength and company valuation. In the base case, all five brand metrics are positive and significant at the 1% level, with awareness and investigation producing the largest coefficients at 7.807 and 7.612 respectively (see regression results in **Table 3**).

For the fixed effects models, we apply the same regression equations from the TEV analysis, with the exception of a market cap outcome variable.

$$\text{Model 2: } \ln(\text{Market cap}_{it}) = \alpha + \beta(\text{Brand metric}_{it}) + \gamma_i + \varepsilon_{it}$$

$$\text{Model 3: } \ln(\text{Market cap}_{it}) = \alpha + \beta(\text{Brand metric}_{it}) + \gamma_i + \delta_t + \varepsilon_{it}^{19}$$

The regression coefficients of the three market cap models are illustrated in **Figure 4** below. As seen in the TEV analysis, introducing fixed effects lowers the coefficient magnitudes, while the directional findings remain unaffected. Under the two-way fixed effects specification, awareness, consideration, usage, and preference retain statistical significance, with a 10-percentage point increase in awareness associated with an approximately 25.1% increase in market cap.²⁰ Investigation turns negative and insignificant in Model 3, consistent with the TEV results and likely reflecting the same sample limitations (see full regression results in **Table 3**).

The market cap results are notable in that several coefficients are larger in magnitude than their TEV counterparts, which may reflect the greater sensitivity of equity markets to consumer sentiment relative to total firm value. Overall, the market cap analysis corroborates the core findings and strengthens the conclusion that brand strength is positively associated with company valuation across multiple measurement approaches.

¹⁷ Company-level market cap data was sourced from S&P Capital IQ Pro, accessed on June 8, 2026.

¹⁸ As with the base case model, $\ln(\text{Market cap}_{it})$ is the logged market cap of company i at time t , Brand metric_{it} is the relevant brand strength measure for company i at time t , β is the coefficient of interest capturing the association between brand strength and firm value, and ε_{it} is the error term.

¹⁹ As before, Model 2 introduces company fixed effects only, while Model 3 introduces the two-way (company and time) fixed effects specification. The terms γ_i and δ_t denote company and time fixed effects, respectively.

²⁰ Note that for log-linear regressions of the form $\log(Y) = \alpha + \beta X$, an increase in the independent variable of 10pp correlates with a decimal change of $e^{\beta \times 0.1} - 1$ in the dependent variable. In our case, a 10pp increase in awareness is associated with an increase of $e^{2.242 \times 0.1} - 1 = 0.251$, or 25.1% for company market cap.

FIGURE 4: MARKET CAP REGRESSION COEFFICIENTS WITH CONFIDENCE INTERVALS

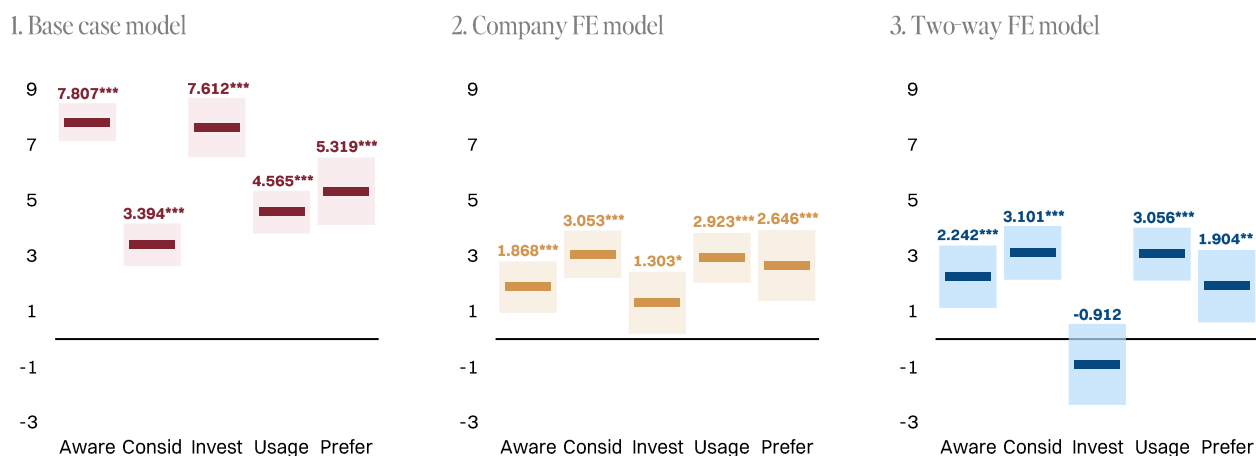


TABLE 3: FIXED EFFECTS MARKET-CAP REGRESSION RESULTS

This table repeats the three-specification structure of Table 2, replacing logged company TEV with logged company market capitalization as the dependent variable. Model 1 is the pooled OLS base case, Model 2 adds company fixed effects, and Model 3 adds two-way fixed effects. As before, the independent variable in each regression is one of the five brand funnel dimensions—awareness, consideration, investigation, usage, and preference—entered separately rather than jointly. Standard errors are reported in parentheses and asterisks denote statistical significance at conventional levels. The final column reports the number of company-month observations underlying each estimate.

	Model 1. Base case (company market cap)	Model 2. Company FE (company market cap)	Model 3. Two-way FE (company market cap)	# of obs.
Awareness (%)	7.807*** (0.349)	1.868*** (0.472)	2.242*** (0.574)	675
Consideration (%)	3.394*** (0.391)	3.053*** (0.436)	3.101*** (0.494)	675
Investigation (%)	7.612*** (0.545)	1.303* (0.572)	-0.912 (0.744)	367
Usage (%)	4.565*** (0.393)	2.923*** (0.458)	3.056*** (0.486)	675
Preference (%)	5.319*** (0.620)	2.646*** (0.652)	1.904** (0.665)	675

Note: Market cap = $\ln(\text{Market cap})$.

Significance levels: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ (more stars = greater statistical significance).



DISCLAIMER

Josh Lerner and Bella Private Markets (“Bella”) have received compensation for advising institutional investors in private capital funds, private capital groups, and governments designing policies relevant to private capital. Bella was engaged by WestCap to perform rigorous econometric analyses focusing on the impact of brand awareness on firm valuation. This report and the analyses contained herein were conducted independently and reflect the views of Bella only. This report is not meant to serve as an endorsement of WestCap or its services, nor of any other investment group or their services. This report is not meant to provide investment advice and should be viewed as educational in nature only. All errors and omissions are our own.

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About Tracksuit

Tracksuit is the modern brand tracking platform used by consumer brands worldwide to measure and prove the impact of brand-building. Built on rigorous data, Tracksuit gives brands a clear, ongoing picture of their health, tracking how they're perceived today and how that's shifting as the ways people discover and evaluate brands evolves. Founded in 2021, the company now operates in 25 markets including, the US, Canada, the UK, Europe, Australia, and New Zealand. www.tracksuit.com.

About Bella Private Markets

Bella Private Markets is a Boston-based research and advisory firm specializing in private capital markets and is led by Dr. Josh Lerner, Jacob H. Schiff Professor at Harvard Business School. Trusted by institutional investors and private capital firms globally, Bella delivers research-backed insights, sophisticated analytics, and strategic guidance to help clients successfully navigate the private market landscape. For more information, please visit www.bellapivatemarkets.com.