

## JB Hi-Fi has strongest reputation in Australia; annual rankings

**Sydney, April 14, 2014:** In stark contrast to predictions about the decline of traditional retailing in Australia, leading outlet JB Hi-Fi has captured the confidence of local consumers, with new research showing it has the strongest reputation of any company in the country<sup>1</sup>.

Results from the 2014 Corporate Reputation Index released this week show JB Hi-Fi has the highest ranking of all 60 companies measured in the annual report, which is part of a global study conducted each year by leading research consultants AMR in conjunction with the Reputation Institute<sup>2</sup>. It was closely followed (in order) by Australia Post, Mazda Australia, Toyota (which ranked first in 2013) and Nestle Australia.

One of JB Hi-Fi's major competitors, the Good Guys, also fared well in this year's results ranking 6<sup>th</sup> overall.

AMR's Managing Director Oliver Freedman said the research demonstrated that while many traditional retailers were struggling to compete with online competitors, models applied by JB Hi-Fi and the Good Guys clearly resonated with consumers.

"These results show that if you get your model and product offering right, and you are seen as transparent, the reputation follows," he said. "We know that a strong reputation is crucial for consumer advocacy, which puts JB Hi-Fi in a strong position to compete with many online alternatives in the future."

The research also shows that a number of large organisations are showing signs of difficulty in the area of reputation management; with both Ford Australia and Holden falling significantly in this year's rankings. Holden lost its place in the top 10 companies, dropping 25 places to rank 35<sup>th</sup> overall this year. Ford fell from 20<sup>th</sup> in 2013 to 49<sup>th</sup> in this year's list.

"It's clear that decisions taken by both Ford and Holden about the future of vehicle manufacturing in Australia have had a serious impact on their overall reputations," he said. "The fact that Holden also ranked poorly in the individual measurements of Governance, Leadership and Performance is further evidence that its overall reputation suffered seriously as a result of its decision to pull out of local manufacturing."

Freedman said other company reputations that have suffered as a result of decisions related to local manufacturing include Coca Cola Amatil; its overall ranking fell from 28<sup>th</sup> last year to 45<sup>th</sup> this year. While its financial performance was rated strongly by Australians, it was viewed as having poor levels of Leadership, Citizenship, Governance, and Workplace. "This fall can be directly traced back to the company's decision not to support SPC," he explained. "Australians clearly have a strong view on how and when companies should support local manufacturing, and any decision to take that manufacturing off-shore has serious consequences on reputation."

Freedman also said companies needed to ensure their reputation remains strong year on year to ensure that issues don't affect overall public perception.

"A strong reputation built and maintained over a long period of time means companies can 'weather the storm' of any issues that might arise," he said. "However, this does not mean that organisations can repeatedly use this goodwill over and over without some consequence."

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<sup>1</sup> N=7875. Data was collected from February 20 to March 21, 2014. Respondents aged 18-64 were interviewed as part of the study. Results were weighted to the general population using several demographic and socio-economic variables

<sup>2</sup> The Reputation Institute is the leading international organisation dedicated to advancing knowledge about corporate reputations. Founded in 1997, the Reputation Institute has been a pioneer and global leader in the development of measurement tools and counsel to leading corporations around the world.

Freedman cited Qantas as an example of this; the airline dropped from 13<sup>th</sup> in 2013 to 26<sup>th</sup> in 2014, linked directly to its decision to retrench local workers. It also ranked in the bottom five for the individual measurements of Workplace, Leadership, Performance and Innovation.

“The announcement of Qantas’ redundancies shouldn’t have had such a serious impact on the airline’s overall reputation, but the company used up a lot of goodwill when it shut the airline down several years ago,” he explained.

Freedman said companies in the media sector also suffered this year, as they battle to find relevance in an increasingly digital sector. News Corp Australia fell from 55<sup>th</sup> last year to take bottom place (60<sup>th</sup>) in the 2014 rankings. Similarly, Fairfax dropped from 49<sup>th</sup> last year to 57<sup>th</sup> this year. Both organisations now rank below the Australian Tax Office for overall reputation.

Most importantly, companies with strong reputations are more likely to have consumers and investors recommend them to other consumers and investors. This leads to more visibility, better employees, and more satisfied customers that trust the company they are interacting with. As the marketplace in Australia gets increasingly complex and globalised, reputation will become even more important,” Freedman continued.

AMR is part of STW Communications Group, Australia’s leading marketing content and communications services group.

**Ends.**

**Editors please note – a full list of rankings follows.**

#### **About the Reputation Index:**

Other major reputation or Corporate Responsibility studies conducted in Australia use a self-rating system; the companies being analysed voluntarily provide the data, which can then be audited. **However, the Reputation Index is different because it collates insight direct from consumers, and does not rely on any information provided by the companies being studied.**

In addition to collating overall reputation, the Reputation Index also measures how Australians feel about each of the 60 companies according to seven parameters; Products and Services, Innovation, Workplace, Citizenship, Governance, Leadership and Performance.

Adults aged 18-64 are surveyed as part of the Reputation Index in Australia, with results weighted to ensure they represent appropriate gender and age groups.

#### **About AMR:**

One of Australia’s leading research consultancies, AMR regularly conducts reputation studies on corporations, countries and cities. AMR gathers in-depth data and provides insight into reputation, and how it is measured and valued both in Australia and across the world. AMR is part of STW, Australasia’s leading marketing content and communications group.

Company	2014 ranking	Company	2014 ranking
JB HI-FI	1	Caltex Australia	31
Australia Post	2	ANZ	32
Mazda Australia	3	AMP	33
Toyota Motor Corporation	4	Allianz Australia	34
Nestle Australia	5	GM Holden	35
The Good Guys	6	Visy Industries	36
Air New Zealand	7	7-Eleven	37
Virgin Australia	8	Insurance Australia Group	38
ALDI Australia	9	Westpac	39
Apple Australia	10	National Australia Bank (NAB)	40
Hewlett-Packard	11	QBE Insurance Group	41
ING Direct	12	Shell Australia	42
Bendigo and Adelaide Bank	13	Optus	43
BlueScope Steel	14	Tatts Group	44
Westfield Group	15	Coca-Cola Amatil	45
Flight Centre	16	Macquarie Group	46
Wesfarmers	17	Foxtel	47
Woolworths	18	Citigroup	48
Harvey Norman	19	Ford Australia	49
Nissan Australia	20	Origin Energy	50
Myer	21	BP Australasia	51
Bupa	22	Telstra	52
IBM Australia	23	RioTinto	53
Suncorp Group	24	Energy Australia	54
Medibank Private	25	AGL Energy	55
Qantas Airways	26	Australian Taxation Office	56
BHP Billiton	27	Fairfax Media	57
Lion	28	Vodafone Hutchison Australia	58
Zurich Financial Services	29	Tabcorp	59
Commonwealth Bank of Australia (CBA)	30	News Corp Australia	60