

## **JB Hi-Fi has strongest corporate reputation in Australia; regains top spot**

**Sydney, May 4, 2016:** While many traditional retailers struggle to compete with their online-only counterparts, JB Hi-Fi has once again demonstrated it has gained the confidence of Australian consumers, with an annual report showing it has the strongest corporate reputation in the country.

Released this week, results of the 2016 Corporate Reputation Index show that JB Hi-Fi ranked highest amongst the 60 companies measured, climbing two places from 2015. It is the second time in three years it has taken line honours in the Index; it previously ranked 1<sup>st</sup> in 2014 and was 3<sup>rd</sup> overall last year.

The retailer ousted Toyota (which ranked 1<sup>st</sup> in 2015), and Samsung respectively to rank highest for its reputation according to the research, which is part of a global study conducted each year by leading research consultants AMR in conjunction with the Reputation Institute<sup>1</sup>. In addition to measuring overall reputation, the study also measures how Australians feel about each company on the seven individual drivers of reputation; Products & Services, Innovation, Workplace, Citizenship, Governance, Leadership and Financial Performance, and ranks them accordingly<sup>2</sup>.

Harvey Norman also saw an improvement increasing from 26<sup>th</sup> last year to rank 20<sup>th</sup> overall this year. However, not all retailers showed similar improvement in the 2016 Index; one of JB Hi-Fi's competitors, The Good Guys, slipped from 12<sup>th</sup> place in 2015 to rank 16<sup>th</sup> overall in 2016. It previously ranked 6<sup>th</sup> in 2014. Myer's reputation remained static ranking 21<sup>st</sup> overall for the second year running.

AMR's Managing Director Oliver Freedman said the research showed that Australian consumers not only rated JB Hi-Fi's products and services highly, but felt it was a good corporate citizen that treated its employees well.

"This research shows that respect for an organisation is developed well beyond the perception of getting a good deal in a retail environment," he said. "Being a responsibly-run company that is open and transparent, and treats its employees well is also vitally important to Australians when it comes to overall reputation."

Freedman said one of the companies to show strong improvement over recent years is Qantas, which jumped five places to rank 4<sup>th</sup> overall this year. This follows a steady improvement for the national carrier after several industrial disputes; it rose 17 places from 26<sup>th</sup> in 2014 to rank 9<sup>th</sup> overall in 2015. Its most recent result puts it well ahead of Virgin Australia, which ranked 11<sup>th</sup> overall (up four places from 2015).

"Qantas has clearly worked hard to regain trust following its shut-down and other industrial issues which saw the carrier face what we call a 'reputational crisis'. However, it has clearly taken successful measures to rebuild that reputation among Australians, who not only trust and admire the organisation, but have also recognised improvements in the individual dimensions of Innovation, Governance, Leadership and Performance," Freedman explained.

Woolworths showed the biggest fall in overall reputation in this year's Index; down from 17<sup>th</sup> overall in 2015 to rank 40<sup>th</sup> in 2016. Freedman said the change could be attributed to public awareness of financial issues,

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<sup>1</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.

<sup>2</sup> n=7,457, data was collected online between 22 February - 21 March 2016 with results weighted to be representative of the Australian population

including the future of the Masters brand, teamed with ongoing public discussion about whether it was losing the battle against Coles and Aldi. “Woolworths has really struggled in the individual measurements of Leadership and Financial Performance in particular this year,” he said. “In the past its overall financial performance helped maintain a strong reputation. But once this started to decline, there was not enough reputational capital to avoid a very large loss of trust among the Australian public.”

Another organisation to slip significantly in overall rankings this year is Australia Post. It fell from 6<sup>th</sup> overall to rank 19<sup>th</sup> overall, the first time it has fallen outside the top 10 since 2009. Similarly, it seen significant falls across all individual dimension measurements over the past seven years. For instance in 2009 it ranked first for Citizenship but fell to 26<sup>th</sup> for the same measurement this year. It ranked 2<sup>nd</sup> for Products in 2009 but fell to 42<sup>nd</sup> in 2016. “Australia Post is facing some serious issues with its reputation. In particular, our research shows they now rank very poorly in the specific areas of Leadership, Financial Performance and Products, where just three years ago they ranked well in those areas. The community gave them a substantial amount of time to future proof the business, show clear evidence of their innovation and vision, but the reputational capital Australia Post built over many years now appears to have diminished, and the increase of stamps to \$1 appears to have been a tipping point among some consumers polled.”

#### **Banks:**

Freedman said while the financial planning sector had been managing multiple issues with allegations of inappropriate advice, and calls from cross-party Senators for a public inquiry, the crisis did not seem to be affecting how Australians viewed our banking sector overall.

While some banks, including Bendigo & Adelaide Banks and CBA recorded a drop in their overall reputation rank, other banks saw rises, including NAB, Westpac, and Citibank. Several other banks saw their reputation either stay stable, or only move slightly from 2015, such as ANZ, ING, and Macquarie Bank.

“All four major banks now rank outside of the lowest Tier – that is they rank 45<sup>th</sup> or higher,” Freedman said. “While the allegations are of course of great concern, they do not seem to resonate with most Australians as issues likely to affect the banking sectors reputation overall.”

Freedman said that year on year tracking of the reputation of the Banking industry as whole also showed that it has remained relatively stable since October 2013, with little movement shown in the past six months.

#### **Other results:**

- While Apple’s reputational decline has stabilised – moving from 11<sup>th</sup> last year to 9<sup>th</sup> this year – concerns over its Governance and Citizenship continue to grow, with the company falling significantly on both individual measurements, which suggests their reputation remains at high risk
- 7-Eleven fell 20 places to rank 56<sup>th</sup> overall following its pay scandal. Freedman said given its reputation prior to the issue, a crisis of the magnitude faced recently is expected to have an immediate effect but also one that may be long lasting
- Hyundai Australia rose 13 places to rank 15<sup>th</sup> overall, demonstrating that it is starting to compete with Toyota and Mazda on reputation and trust. However, the automotive company still ranked quite low on the individual measurement of Citizenship, which Freedman said could present them with an opportunity for further improvement
- Nestle Australia fell out of the top 5 (ranked 4<sup>th</sup> overall in 2015) to rank 12<sup>th</sup> overall this year
- Vodafone continues to show a slow recovery in its reputation score, up only two places to rank 55<sup>th</sup> overall. In 2009, it ranked 24<sup>th</sup> and was well ahead of both Telstra and Optus.

AMR is part of WPP AUNZ.

**Ends.**

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

**About the Reputation Index:**

The 60 companies included in the Reputation Index are sourced from the IBIS World Top 2000 Company list, which ranks companies by revenue. 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 WPP AUNZ.

## 2016 Corporate Reputation Index – Overall Rankings:

		RANKING		
	COMPANY	2016	2015	CHANGE
	JB HI-FI	1	3	▲2
	Toyota	2	1	▼-1
	Samsung	3	2	▼-1
	Qantas Airways	4	9	▲5
	Mazda Australia	5	10	▲5
	Air New Zealand	6	5	▼-1
	ALDI Australia	7	8	▲1
	Devondale Murray Goulburn	8	-	NEW
	Apple Australia	9	11	▲2
	Hewlett-Packard	10	14	▲4
	Virgin Australia	11	15	▲4
	Nestle Australia	12	4	▼-8
	BlueScope Steel	13	22	▲9
	Flight Centre	14	20	▲6
	Hyundai Australia	15	28	▲13
	The Good Guys	16	12	▼-4
	ING Direct	17	16	▼-1
	Wesfarmers	18	13	▼-5
	Australia Post	19	6	▼-13
	Harvey Norman	20	26	▲6
	Myer	21	21	▶0
	Bendigo and Adelaide Bank	22	7	▼-15
	IBM Australia	23	23	▶0
	Suncorp Group	24	24	▶0
	Bupa	25	19	▼-6
	Lion	26	18	▼-8
	IAG	27	44	▲17
	Optus	28	43	▲15
	QBE Insurance Group	29	35	▲6
	Ford Australia	30	40	▲10
	ANZ	31	31	▶0
	NAB	32	41	▲9
	Scentre Group	33	-	NEW
	Caltex Australia	34	49	▲15
	GM Holden	35	27	▼-8
	Westpac	36	52	▲16
	Allianz Australia	37	38	▲1
	Visy Industries	38	25	▼-13
	Zurich Financial Services	39	34	▼-5
	Woolworths	40	17	▼-23
	Energy Australia	41	56	▲15
	CBA	42	33	▼-9
	Medibank Private	43	30	▼-13
	AMP	44	42	▼-2
	BHP Billiton	45	39	▼-6
	Coca-Cola Amatil	46	32	▼-14
	Shell Australia	47	46	▼-1
	Citigroup	48	55	▲7
	Macquarie Group	49	47	▼-2
	Telstra	50	54	▲4
	Origin Energy	51	51	▶0
	AGL Energy	52	53	▲1
	BP Australasia	53	50	▼-3
	Foxtel	54	48	▼-6
	Vodafone Hutchison Australia	55	57	▲2
	7-Eleven	56	36	▼-20
	RioTinto	57	45	▼-12
	ATO	58	58	▶0
	Fairfax Media	59	59	▶0
	News Corp Australia	60	60	▶0

