

# Australia's Top 20 Trusted & Distrusted Brands

## September 2021 Quarter

### Webinar Report



Trust Builds

Distrust Destroys



ROY  
MORGAN

**Australia's Top 20 Trusted & Distrusted Brands**  
September 2021 Quarter  
Webinar Report  
Released November 2021

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# 1 Introduction

**This report summarises a webinar conducted by Roy Morgan in November 2021, examining the trust and distrust rankings for the year to September 2021.**

Roy Morgan has been monitoring trust and especially distrust, since 2018. CEOs and directors sometimes ask why it matters if Australians distrust their brand or company if they keep buying. In other words, they're asking, is there a material impact from distrust?

In this webinar we explore critical markets or sub-populations that are incredibly important – such as investors, voters on different sides of politics, and big-spending premium consumers. Key questions will be answered including:

- Have investors finally forgiven AMP?
- Do ALP voters distrust Rio Tinto more than Coalition voters?
- Who is behind the increasing levels of distrust for Harvey Norman?

Everybody understands what trust means. We hear it mentioned every day by corporate leaders and by governments and politicians. CEOs often talk in terms of rebuilding trust, and politicians talk about the importance of trust, particularly around election time. We are going to be bombarded by the word 'trust' in the run-up to the federal election – probably in May.

Trust is important - without it, society wouldn't be able to operate. Trust is the glue that holds society together. Distrust, however, is a very different beast. It is the blowtorch that melts the ties that bind us.

Distrust is not simply the absence of trust; it is much more dangerous. The 'freedom' marches over the past few months are a good example. These were not people with low or no trust, these were Australians for whom trust was no longer relevant. They had moved up the arc of distrust.



It started when they began to doubt – doubt the rules and doubt those making the rules. Doubt quickly turned into suspicion – they became suspicious of what they were hearing and being told. That made them open to alternative narratives, to theories that were not part of the mainstream. They then became anxious about what they were hearing and thinking, and afraid that their way of life was under threat. From this point it was a short step to action, to move from a passive lack of trust to a very dangerous level of *distrust*; from reluctant acceptance to active self-protection, taking to the streets to win back their freedom. It is unimportant whether or not they were right or just gullible victims of right-wing conspiracy theories. What they were experiencing was distrust and its activism in full flight.

This example demonstrates how trust is passive and distrust is active. So when trust turns to distrust, customers are likely to become active, or even activists. Company directors of the big-four banks will often say things like ‘Management tells us we have high trust, a high Net Promoter Score, and high customer satisfaction, but we know there’s a problem with the way Australians see us.’ Their senior management teams are only looking at one side of the coin – the passive one. They’re only measuring trust; the other side of the coin is distrust – and it’s active. Customers either actively desert them, or worse, actively call for interventions, like a Royal Commission.

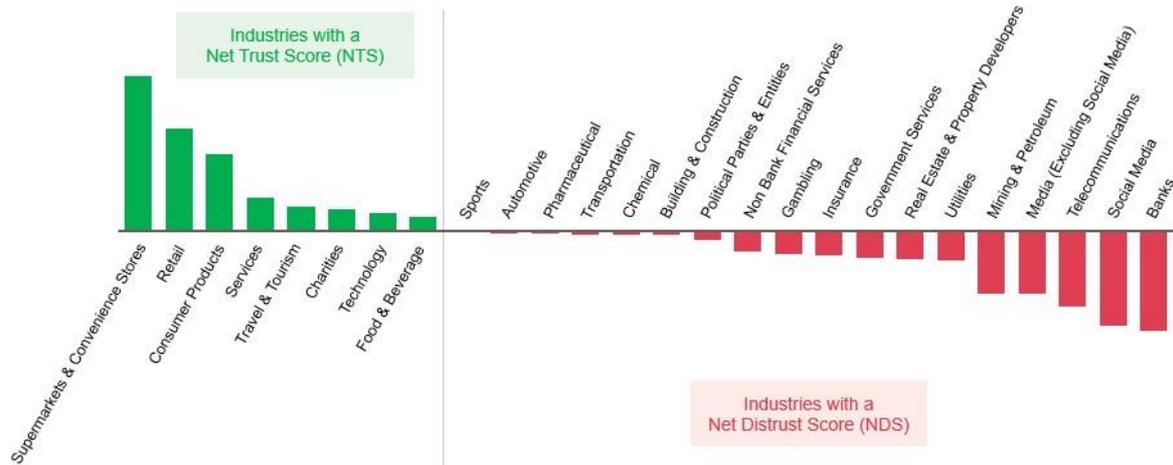
AMP is a real-life example. Corporate scandals turned trust, not into some kind of passive absence of trust, but into active distrust, and billions of investment dollars and thousands of customers flooded out the doors.

That’s the difference between passive trust and active distrust. That is the material impact of distrust.

## 2 Industry Analysis

### 2.1 Most Trusted and Distrusted Industries

Figure 1 – Supermarkets remain the most trusted sector followed by retail



Source: Roy Morgan Single Source (Australia), Risk Monitor, Oct 20-Sep 21.

According to Roy Morgan Single Source data from the past 12 months, Supermarkets remain the single most trusted sector in Australia.

The industries represented on the left in Figure 1, coloured green, have a net trust score, meaning their trust score is higher than their distrust score. Net trust scores are calculated by subtracting an industry's distrust score from its trust score – the industries in green are in positive territory in this respect. The sectors shown in red, to the right in Figure 1, have net distrust scores, meaning their distrust score is higher than their trust score.

The Banking sector has the highest net distrust score in the year ending September 2021. This is particularly noteworthy given that it is a change from June 2021, when Social Media was the most distrusted sector. Interestingly, banking is now four times more distrusted than the gambling sector and ten times more distrusted than politicians.

## 3 Trust

### 3.1 Most Trusted Brands

Figure 2 – Woolworths, Coles and Bunnings continue to hold the top 3 places. ABC has improved, Apple fell out of the top 20 and David Jones moved in

1 <sup>st</sup>	 Woolworths (1 <sup>st</sup> )	6 <sup>th</sup>	 QANTAS (6 <sup>th</sup> )	11 <sup>th</sup>	 SAMSUNG (11 <sup>th</sup> )	16 <sup>th</sup>	 Bendigo Bank (17 <sup>th</sup> )
2 <sup>nd</sup>	 coles (2 <sup>nd</sup> )	7 <sup>th</sup>	 TOYOTA (8 <sup>th</sup> )	12 <sup>th</sup>	 (13 <sup>th</sup> )	17 <sup>th</sup>	 Australia Post (15 <sup>th</sup> )
3 <sup>rd</sup>	 BUNNINGS warehouse (3 <sup>rd</sup> )	8 <sup>th</sup>	 NRMA (9 <sup>th</sup> )	13 <sup>th</sup>	 IGA (12 <sup>th</sup> )	18 <sup>th</sup>	 JB HI-FI (20 <sup>th</sup> )
4 <sup>th</sup>	 ALDI (4 <sup>th</sup> )	9 <sup>th</sup>	 BIGW (10 <sup>th</sup> )	14 <sup>th</sup>	 ABC (19 <sup>th</sup> )	19 <sup>th</sup>	 SONY (18 <sup>th</sup> )
5 <sup>th</sup>	 Kmart (5 <sup>th</sup> )	10 <sup>th</sup>	 MYER (7 <sup>th</sup> )	15 <sup>th</sup>	 ING (14 <sup>th</sup> )	20 <sup>th</sup>	DAVID JONES (22 <sup>nd</sup> ) New to top-20

Source: Roy Morgan Single Source (Australia). Risk Monitor, Oct20-Sep21. Ranking in brackets refer to rank in previous quarter (12 months to June 2021) – Green font indicates higher rank and red font indicates lower rank compared to previous quarter.

Woolworths and Coles remain the most trusted brands in Australia. They've remained in this position ever since the beginning of the COVID-19 pandemic. Both of these chains stepped up during the pandemic and pushed hardware retailer Bunnings into 3<sup>rd</sup> position.

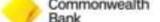
Interestingly, there has been a change in the ranking for the ABC. Over the past 18 months the ABC has been suffering a dramatic loss of trust – however this now appears to be changing. The ABC has increased its ranking this quarter from 19<sup>th</sup> position to 14<sup>th</sup> position. Although this is still outside the ABC's traditional place in the top 10 most trusted brands, it is an improvement on recent quarters.

Additionally, David Jones has improved its ranking, and now ranks in the top 20 most trusted brands, while competitor Myer has dropped 3 places to 10<sup>th</sup> position. Apple has also dropped in ranking and is no longer in the top 20 most trusted brands.

## 4 Distrust

### 4.1 Most Distrusted Brands

Figure 3 – Facebook remains the most distrusted brand followed by Telstra

1 <sup>st</sup>  (1 <sup>st</sup> )	6 <sup>th</sup>  (6 <sup>th</sup> )	11 <sup>th</sup>  (12 <sup>th</sup> )	16 <sup>th</sup>  (14 <sup>th</sup> )
2 <sup>nd</sup>  (2 <sup>nd</sup> )	7 <sup>th</sup>  (8 <sup>th</sup> )	12 <sup>th</sup>  (13 <sup>th</sup> )	17 <sup>th</sup>  (18 <sup>th</sup> )
3 <sup>rd</sup>  (5 <sup>th</sup> )	8 <sup>th</sup>  (7 <sup>th</sup> )	13 <sup>th</sup>  (9 <sup>th</sup> )	18 <sup>th</sup>  (17 <sup>th</sup> )
4 <sup>th</sup>  (3 <sup>rd</sup> )	9 <sup>th</sup>  (18 <sup>th</sup> ) New to top-10	14 <sup>th</sup>  (15 <sup>th</sup> )	19 <sup>th</sup>  (20 <sup>th</sup> )
5 <sup>th</sup>  (4 <sup>th</sup> )	10 <sup>th</sup>  (10 <sup>th</sup> )	15 <sup>th</sup>  (11 <sup>th</sup> )	20 <sup>th</sup>  (22 <sup>nd</sup> )

Source: Roy Morgan Single Source (Australia). Risk Monitor, Oct20-Sep21. Ranking in brackets refers to rank in previous quarter (12 months to June 2021) – Green font indicates higher rank and red font indicates lower rank compared to previous quarter.

Among the most distrusted brands, Harvey Norman stands out as the biggest mover. The retail giant has jumped nine places in the distrust rankings and now finds itself in the top 10 most distrusted brands for the first time.

Social media heavyweight Facebook and telecommunications giant Telstra still hold the top two places as Australia's most distrusted brands. Google has continued to deteriorate and is now the third most distrusted brand.

Some distrusted brands have fared better in the rankings this quarter compared to last, with Twitter and Rio Tinto slightly improving. Twitter has lifted from the 11<sup>th</sup> most distrusted brand to the 15<sup>th</sup>, whilst Rio Tinto has improved slightly from 7<sup>th</sup> to 8<sup>th</sup>.

## 5 Investors

### 5.1 Brands most trusted by investors

The investment community is a broad church comprising many different individuals. For this report, the trust and distrust levels of more than 5,000 Australians who own shares, as well as those who have managed investments, were analysed. Figure 4, below, shows the top ten brands trusted by investors (right side) compared to the top ten brands trusted by the general population (left side).

Figure 4 – Investors have slightly different rankings for trusted brands

AUSTRALIANS OCT20 – SEP21		INVESTORS OCT20 – SEP21	
Rank	Trusted Brands	Rank	Trusted Brands
1	Woolworths	1	Woolworths
2	Coles	2	Coles
3	Bunnings	3	Bunnings
4	ALDI	4	<b>QANTAS</b>
5	Kmart	5	ALDI
6	<b>QANTAS</b>	6	Kmart
7	Toyota	7	<b>Myer</b>
8	NRMA	8	NRMA
9	Big W	9	Toyota
10	<b>Myer</b>	10	Samsung

Source: Roy Morgan Single Source (Australia). Risk Monitor.  
 Base: Australians 14+: Oct20-Sep21 (n=21,622).  
 Base: Australians 14+ who own shares or managed investments: Oct20-Sep21 (n=5,738).

In terms of trust, investors rank Qantas higher than the general population, and interestingly, investors also rank Myer higher than the average Australian. This is good news for the current board of Myer as the more trusted Myer is, the stronger the potential market capitalisation, and the more likely investors are to buy Myer shares.

## 5.2 Brands most distrusted by investors

Figure 5 – AMP, Crown & Rio Tinto are all more distrusted by investors

AUSTRALIANS OCT20 – SEP21		INVESTORS OCT20 – SEP21	
Rank	Distrusted Brands	Rank	Distrusted Brands
1	Facebook	1	Facebook
2	Telstra	2	Telstra
3	Google	3	Google
4	Amazon	4	NewsCorp / News Ltd
5	NewsCorp / News Ltd	5	<b>AMP</b>
6	<b>AMP</b>	6	Amazon
7	Westpac	7	<b>Rio Tinto</b>
8	<b>Rio Tinto</b>	8	Westpac
9	Harvey Norman	9	<b>Crown Casinos</b>
10	CBA	10	Harvey Norman

Source: Roy Morgan Single Source (Australia). Risk Monitor.  
 Base: Australians 14+: Oct20-Sep21 (n=21,622).  
 Base: Australians 14+ who own shares or managed investments: Oct20-Sep21 (n=5,738).

In terms of distrust, investors distrust AMP, Rio Tinto, and Crown Casinos even more than the population as a whole does. This reveals a real sensitivity by investors to any corporate wrongdoing. It doesn't necessarily mean that investors are better, or more moral people; rather it means they may be more attuned to the powerful economic link between distrust and material risk to market capitalisation.

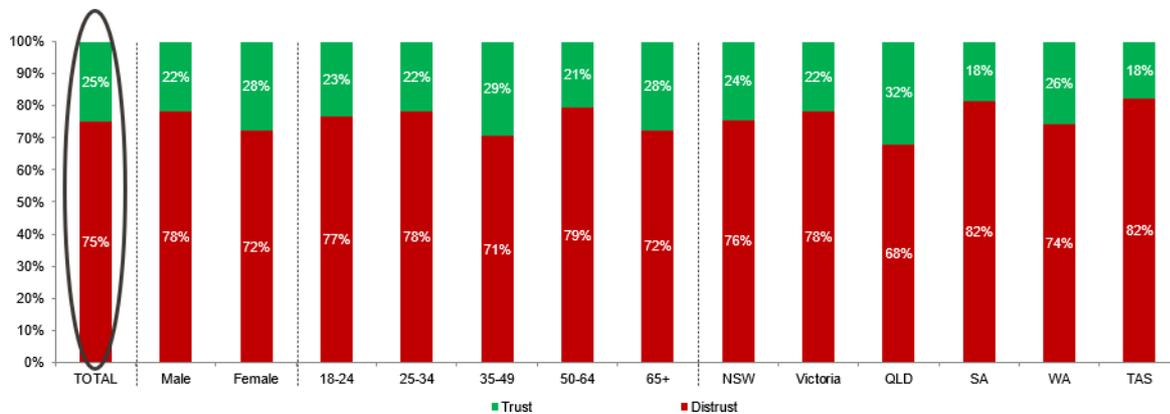
For example, AMP, Rio Tinto and Crown all experienced corporate wrongdoings and exhibited a profound moral blindness – the consequence of which was very public board and executive-level dismissals. It also resulted in a critical loss of social licence, as Australians disapproved of their actions. Soaring levels of distrust also caused a significant hit to their share prices and market capitalisation.

### 5.3 AMP Analysis

Prior to the Financial Services Royal Commission, AMP had very little distrust. In fact, it had been a trusted household name for generations. Then, due to revelations during the Royal Commission that AMP had charged customers \$1 billion in fees for no service, AMP became the most distrusted brand in Australia, even surpassing Facebook.

Subsequent sexual allegations against executives further fuelled the levels of distrust Australians felt towards AMP. In FY18, profits plummeted by 97% and the share price crashed. Whilst AMP is still distrusted by many Australians, as seen in Figure 6, different demographics have varying levels of distrust towards the company.

Figure 6 – Remarkably, 75% of Australians distrust AMP



Source: Snap Risk SMS Poll 5th & 6th August 2021, Question: Do you trust or distrust AMP?  
 Base: Total respondents. Weighted results. n =1,054, Male n= 617, Female n= 437, 18-24 n= 33, 25-34 n= 137, 35-49 n= 198, 50-64 n= 367, 65+ n= 319, NSW n= 285, Victoria n= 262, QLD n= 184, SA n= 117, WA n= 122, TAS n= 31.

In August 2021, shortly after new CEO Alexis George took over at AMP, Roy Morgan commissioned a snap survey of more than one thousand Australians and asked them whether or not they trusted AMP. The results of this survey, shown in Figure 6, reveals that three quarters (75%) of Australians distrust AMP. This is not just investors, this is the total population across all demographics including men, women, older Australians, younger Australians and every state in Australia.

Among investors, it is clear they have not entirely forgiven AMP for its past misdemeanours. Since the lows experienced in the aftermath of the Royal Commission, AMP's distrust ranking has slowly improved. Figure 7 below shows investor rankings of distrusted brands over time.

Figure 7 – Investors have not entirely forgiven AMP, but they distrust them a little less each year

OCT18 – SEP19		OCT19 – SEP20		OCT20 – SEP21	
Rank	Distrusted Brands	Rank	Distrusted Brands	Rank	Distrusted Brands
1	<b>AMP</b>	1	Facebook	1	Facebook
2	Facebook	2	<b>AMP</b>	2	Telstra
3	Telstra	3	NAB	3	Google
4	CBA	4	CBA	4	NewsCorp / News Ltd
5	Westpac	5	Westpac	5	<b>AMP</b>
6	NewsCorp / News Ltd	6	Telstra	6	Amazon
7	NAB	7	ANZ	7	Rio Tinto
8	Bravus / Adani	8	NewsCorp / News Ltd	8	Westpac
9	Google	9	Google	9	Crown Casinos
10	ANZ	10	Amazon	10	Harvey Norman

Source: Roy Morgan Single Source (Australia). Risk Monitor.  
 Base: Australians 14+ who own shares or managed investments. Oct18-Sep19 (n=3,415), Oct19-Sep20 (n=4,127), Oct20-Sep21 (n=5,738).

In 2018/19, AMP was the most distrusted brand among investors. In the following 12 months, Facebook retook the title of the most distrusted brand by investors. By September 2021, investors had moved AMP to their 5<sup>th</sup> most distrusted brand.

One of the respondents said of AMP, ‘*They seem to be on shaky ground. I took all my money out a while back. I thought they were going to tank. It’s not that I don’t trust them, I just think they’re finished.*’. This verbatim comment demonstrates the powerful economic link between distrust and the material risk to market capitalisation.

In October 2021, new AMP CEO, Alexis George, launched a new national advertising and marketing campaign. The impacts of this are too recent to be measured in this report, but if there is any more forgiveness to be given to AMP, it will be reflected in the trust rankings over the next couple of quarters.

## 6 Voting Intention

Roy Morgan has a long, proud history of political polling. This section analyses what and why voters for the key political parties trust and distrust companies.

### 6.1 Most trusted brands by voting intention

Figure 8 – Coalition voters look like Investors, Greens voters look very different to everyone else

AUSTRALIANS OCT20 – SEP21		ALP VOTERS OCT20 – SEP21		COALITION VOTERS OCT20 – SEP21		GREENS VOTERS OCT20 – SEP21	
Rank	Trusted Brands	Rank	Trusted Brands	Rank	Trusted Brands	Rank	Trusted Brands
1	Woolworths	1	Woolworths	1	Woolworths	1	Bunnings
2	Coles	2	Coles	2	Coles	2	<b>ABC</b>
3	Bunnings	3	Bunnings	3	Bunnings	3	Woolworths
4	ALDI	4	ALDI	4	<b>QANTAS</b>	4	ALDI
5	Kmart	5	Kmart	5	ALDI	5	Kmart
6	QANTAS	6	QANTAS	6	Kmart	6	QANTAS
7	Toyota	7	<b>Toyota</b>	7	<b>Apple</b>	7	<b>Coles</b>
8	NRMA	8	NRMA	8	NRMA	8	<b>Australia Post</b>
9	Big W	9	Big W	9	<b>Myer</b>	9	ING
10	Myer	10	Myer	10	<b>BHP (up from #85)</b>	10	Toyota

Source: Roy Morgan Single Source (Australia). Risk Mon

Base: Australians 14+: Oct-Sep 21 (n=21,622)

Base: Australians 14+ (Oct20-Sep21): ALP voters (n=6,456), Coalition voters (n=7,450), Greens voters (n=2,216)

Figure 8, above, outlines the ten most trusted brands by voters for the ALP, Coalition and the Greens. The first noteworthy finding is the similarity of the brands Coalition voters trust and the brands investors trust.

There is one stark difference between Coalition voters and the general population: for the population at large, BHP is ranked the 85<sup>th</sup> most trusted brand, but this soars to 10<sup>th</sup> for Coalition voters – an incredible differential in rankings.

In section 4 of this report, the ABC's recent improvement was discussed, including the fact that it was improving, but yet to re-enter the top ten most trusted brands. This is also true for both ALP and Coalition voters, with the ABC not appearing in their top 10. This may not be surprising for Coalition voters, but it may surprise some that the ABC is not in the top 10 brands trusted by ALP voters. This is in stark contrast to Greens voters for whom the ABC not only appears in their top ten brands, but it ranks in second position. Greens voters also trust Australia Post more than other voters.

## 6.2 Most distrusted brands by voting intention

Figure 9 – Coalitions voters really distrust AMP; Green voters really distrust BHP

AUSTRALIANS OCT20 – SEP21		ALP VOTERS OCT20 – SEP21		COALITION VOTERS OCT20 – SEP21		GREENS VOTERS OCT20 – SEP21	
Rank	Distrusted Brands	Rank	Distrusted Brands	Rank	Distrusted Brands	Rank	Distrusted Brands
1	Facebook	1	Facebook	1	Facebook	1	Facebook
2	Telstra	2	Telstra	2	Telstra	2	Amazon
3	Google	3	NewsCorp / News Ltd	3	AMP	3	Google
4	Amazon	4	Amazon	4	Google	4	Telstra
5	NewsCorp / News Ltd	5	CBA	5	NewsCorp / News Ltd	5	NewsCorp / News Ltd
6	AMP	6	Google	6	Crown Casinos	6	CBA
7	Westpac	7	Westpac	7	Westpac	7	Rio Tinto
8	Rio Tinto	8	Rio Tinto	8	Huawei	8	Westpac
9	Harvey Norman	9	AMP	9	Rio Tinto	9	BHP (trusted by Coalition)
10	CBA	10	Harvey Norman	10	Amazon	10	Apple

Source: Roy Morgan Single Source (Australia). Risk Monitor.

Base: Australians 14+: Oct20-Sep21 (n=21,622)

Base: Australians 14+ (Oct20-Sep21): ALP voters (n=6,456), Coalition voters (n=7,450), Greens voters (n=2,216)

In terms of distrust, it can be seen in Figure 9 that Coalition voters really distrust AMP – even more so than investors. It is clear that many of these Coalition voters were AMP investors and customers and were burnt during the AMP meltdown. It is possible that they felt foolish they trusted AMP too much.

ALP voters distrust Rio Tinto more than Coalition voters, however this is only a marginal difference, with Rio Tinto ranked the 8<sup>th</sup> most distrusted brand among ALP voters and 9<sup>th</sup> among Coalition voters. It is surprising that Rio Tinto is as low as 7<sup>th</sup> position for Greens voters, despite Rio's conscious decision to destroy the 46,000-year-old Juukan Caves indigenous heritage site in Western Australia – an act that cost both its chairman and CEO their jobs. More material impact from distrust.

Returning to BHP, it was revealed earlier in this report that Coalition voters had BHP in their top 10 most *trusted* brands. This is in sharp contrast to Greens voters who have BHP as their 9<sup>th</sup> most *distrusted* brand. That is an extraordinary political divide. Given BHP's announced environmental reforms this year it will be very interesting to see how that tracks with Greens voters over the coming quarters. It is also of interest that Coalition voters have Huawei on their most distrusted list, but is not seen on the Greens voters' distrust list.

## 7 New Economic Order consumers (NEOs)

### 7.1 Who Are NEOs?

For more than two decades, Dr Ross Honeywill has held the belief that the consumer economy is largely split into two very different types of consumers. He developed an evidence-based algorithm that confirmed the population is indeed bifurcated into two fundamentally different consumer mindsets: Premium or *NEOs* and Price-based or *Traditionals*. *NEO* is an acronym for New Economic Order.

Former marketing director of JB Hi-Fi, Scott Browning, said, 'After 5 years of running a *NEO* strategy, 80% of our revenue was directly generated by the *NEOs* in our customer base.'

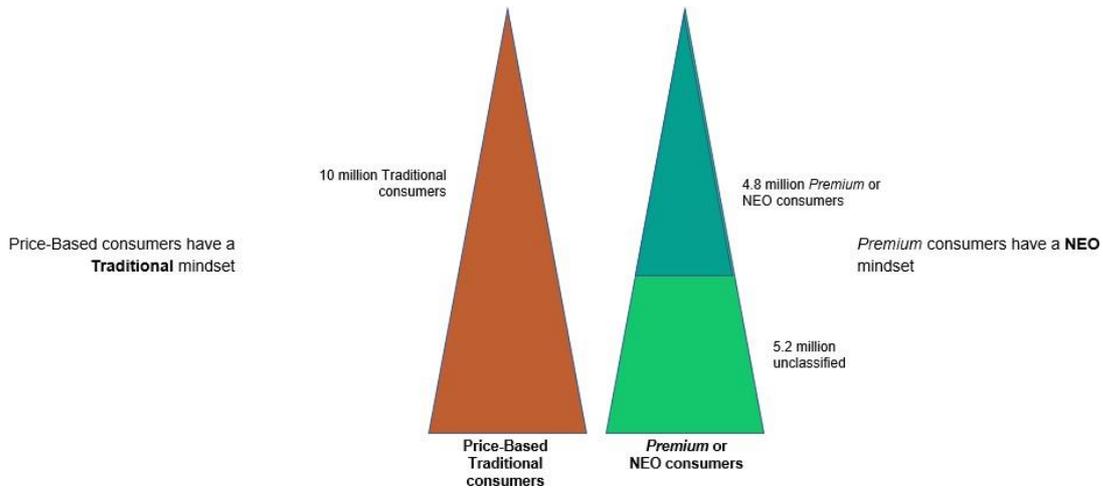
Figure 10 – Premium consumers are the New Economic Order (NEOs)



Source: Roy Morgan Single Source consumer database + The Honeywill Trust: Apr2016-Mar2021 n=262,852

There are almost 5 million high-spending NEOs in Australia and 10 million price-based 'Traditional' consumers. Despite all the discussion of price and spending, it is important to explain that everybody wants the best price. However, for a 'Traditional' consumer, everything starts and ends with price, while for NEOs, price is just the cost of falling in love.

Figure 11 – The economy is split into high and low value



Source: Roy Morgan Single Source consumer database + The Honeywill Trust: Apr 2016-Mar 2021. N=262,852

## 7.2 NEO trust patterns

Figure 12 – NEOs are more trusting and at the same time more distrusting



Source: Roy Morgan Single Source (Australia): Risk Monitor Jul-20-Jun-21  
 Base: Australians 14+, Premium n=5,055, Non-Premium n=16,669

Interestingly, from Figure 12, we can see that these high-value NEOs are more trusting than everyone else, but they're simultaneously more distrusting.

What this reveals is that NEOs have higher trust for brands that align with their values, but they are constantly alert to breaches of their social contract with brands that don't. For example, as seen on the right-hand side of Figure 12, NEOs have a higher distrust of Social Media and Mining/Petroleum than anyone else. On the left-hand side of Figure 12, it can be seen that NEOs trust consumer products

and technology companies more than everybody else. This is likely because they are discerning consumers who trust their favourite consumer products and are early adopters of new technology and trust their most loved tech companies, such as Apple.

### 7.3 Most trusted brands by NEOs

Figure 13 – NEOs have different trust rankings to the whole population

AUSTRALIANS OCT20 – SEP21		NEOs OCT20 – SEP21	
Rank	Trusted Brands	Rank	Trusted Brands
1	Woolworths	1	Woolworths
2	Coles	2	Coles
3	Bunnings	3	Bunnings
4	ALDI	4	QANTAS
5	Kmart	5	ALDI
6	QANTAS	6	Kmart
7	Toyota	7	ABC
8	NRMA	8	Apple
9	Big W	9	Samsung
10	Myer	10	ING

Source: Roy Morgan Single Source (Australia). Risk Monitor.  
 Base: Australians 14+: Oct20-Sep21 (n=21,622).  
 Base: Australians 14+ NEOs Oct20-Sep21 (n=5,098)

Figure 13, above, shows the top ten most trusted brands for NEOs. Apple is a notable addition to the list – it does not appear in the top ten most trusted brands for the population as a whole. The ABC, although not as high as among Green voters, also ranks higher for NEOs than for the general population.

## 7.4 Most distrusted brands by NEOs

Figure 14 – NEOs have different distrust rankings to the whole population

AUSTRALIANS OCT20 – SEP21		NEOs OCT20 – SEP21	
Rank	Distrusted Brands	Rank	Distrusted Brands
1	Facebook	1	Facebook
2	Telstra	2	Telstra
3	Google	3	NewsCorp / News Ltd
4	Amazon	4	Google
5	NewsCorp / News Ltd	5	Amazon
6	AMP	<b>6</b>	<b>Rio Tinto</b>
7	Westpac	7	AMP
<b>8</b>	<b>Rio Tinto</b>	<b>8</b>	<b>Harvey Norman</b>
<b>9</b>	<b>Harvey Norman</b>	9	Westpac
10	CBA	<b>10</b>	<b>Crown Casinos</b>

Source: Roy Morgan Single Source (Australia). Risk Monitor.  
 Base: Australians 14+: Oct20-Sep21 (n=21,622)  
 Base: Australians 14+ NEOs Oct20-Sep21 (n=5,098)

From the distrust rankings in Figure 14, above, it can be seen that NEOs are largely responsible for Harvey Norman's high level of distrust. This was discussed in section 5 of the report, where it was reported that Harvey Norman had recently jumped from the 18<sup>th</sup> to the 9<sup>th</sup> most distrusted brand in Australia.

Harvey Norman is the 8<sup>th</sup> most distrusted brand for NEOs, which doesn't seem to be substantially higher than the 9<sup>th</sup> ranking among the general population. However, this table doesn't show that Harvey Norman's distrust by NEOs is four times higher than 'Traditional' consumers. This highlights that NEOs are the major contributor to Harvey Norman's increasing levels of distrust. Harvey Norman needs to understand this New Economic Order as they move into higher-value and higher-margin, more premium merchandise.

# Appendix 1 – Roy Morgan’s Trust and Distrust Research

The Roy Morgan Risk Monitor provides continuous tracking of Trust, Distrust, and Net Trust Score or Net Distrust Score of all brands relevant to Australian consumers. Currently, the Risk Monitor surveys approximately 1,800 Australians every month. These respondents are part of Roy Morgan’s vast Single Source consumer database. To ensure the most accurate representation of Australians, results are weighted in line with ABS data to reflect the Australian population. Recruitment of Single Source respondents is via the gold standard address-based random sampling approach using interviewer-administered face-to-face, telephone or online contact. Due to COVID restrictions, Single Source respondents have been recruited via telephone and online since April 2020, with Risk Monitor surveys conducted online rather than via hardcopy surveys.

## Stage 1

Before commencing the Risk Monitor, Roy Morgan conducted comprehensive desk analysis of previous Roy Morgan surveys and of external models to establish a base of learning.

This analysis included a complete review of Fred Reichheld’s Net Promoter Score (NPS), the Edelman Trust Barometer, and various Roy Morgan research variables, including honesty, image, customer satisfaction, enterprise-specific NPS – all within an industry category context that encompassed financial services, food, automotive, FMCG, travel, telecommunications, media and technology. Long term trends of over 10 years were analysed to identify the strengths and weaknesses of each approach.

## Stage 2

Following Stage 1, Roy Morgan applied learnings to the design of primary research that would optimally deliver a measure which addressed the gaps identified in earlier research. The resulting program has undergone further refinements to deliver the Roy Morgan Risk Monitor with a Net Trust Score (NTS) or Net Distrust Score (NDS) with precision, integrity, and accuracy.

The Net Trust Score or Net Distrust Score provides an overall benchmark to quantify brand risk, via the simple calculation of positive sentiment (trust) minus negative sentiment (distrust):

Net Trust Score (NTS) or Net Distrust Score (NDS) = % Trust - % Distrust

## Roy Morgan Risk Monitor Questions

Risk Monitor questions were designed specifically to measure brand trust at its highest level of mindfulness, and the question wording has no specific context beyond ‘companies’. Why? Context leads a respondent towards a particular response – for example, the question ‘Which health funds do you trust to provide great service?’ has ‘service’ as its context and ‘great’ as a conditional superlative. Accordingly, the survey format was deliberately designed to capture unprompted responses. This enables freedom of response which not only captures which brands are ‘top of mind’ for an individual

but also helps understand consumer sentiment to brands with detailed responses in the consumer's own words.

Thinking about the trustworthiness of companies:

Q1: Which companies do you trust?

Q2: Reasons why you trust them:

Q3: Which companies do you distrust?

Q4: Reasons why you distrust them:

In this report, brands have been allocated to Net Trust Score, Net Distrust Score and Net Neutral Score tables based on calculations to one decimal place. In some cases, brand rankings within tables may be based on differences of less than 0.1%.

Only key brands with 20 or more mentions for trust or distrust in the 12 month periods shown have been included in rankings.

But what of multiple divisions of a brand?

Reasons for Trust and Distrust

Detailed reasons for trust and distrust for each brand is collected, with respondents free to provide any reason for trust or distrust in their own words. These qualitative responses are comprehensively analysed and thematically organised, to provide stated and top of mind drivers of trust and distrust for each brand, with results aggregated to industry, sub-industry, and corporation as relevant. The qualitative analysis and insights allow us to understand beyond raw numbers, why each brand is trusted or distrusted, and importantly, comparison to competitors and industry benchmarks, as well as changes over time.

This report includes general examples of just some of the insights available from the Risk Monitor. Detailed reports are available for all brands with sufficient data in the survey. Reports include comprehensive analysis of how many Australians trust and distrust the brand and key competitors, thematic analysis and verbatim comments about reasons for trust and distrust, analysis by age, gender and state, and trend analysis.

For further information, subscribe to the comprehensive Roy Morgan Risk Monitor.

## Further Risk Insights

If you would like to understand trust and particularly distrust for your organisation we have a range of options available to suit your needs, including but not limited to the options below. Please contact us on +61 (3) 9629 6888 for more information or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com).

## Risk Monitor Insights Reports

Insights from surveys with over 20,000 Australians each year, including deep insights into trust and distrust of your brand, key competitors and your industry, including:

- Benchmarking your industry against 25 other industries.
- Analysis of the latest Trust, Distrust and Net Trust Score or Net Distrust Score results.
- Thematic analysis of trust and distrust reasons for your industry, brand and key competitors.
- Actual verbatim comments from Australians explaining reasons for trust and distrust in your brand and key competitors.
- Analysis overall and by key demographics (e.g. Age, Gender, State).
- 1-hour executive briefing with key findings.

## Industry and Brand Risk Surveys

With the Roy Morgan Risk Monitor providing an ongoing, trended picture of trust and distrust for all brands mentioned by Australians, Roy Morgan also regularly shines a spotlight on key industries or custom surveys for specific brands, to gain a more detailed picture of trust and distrust sentiment.

These surveys ask a cross-section of Australians to nominate brands in a specific industry that they trust and brands that they distrust. They are also asked why they trust or distrust their nominated brand(s). Lists of key brands are also included providing insights into prompted trust and distrust of brands. Each survey comprises approximately 1,000 interviews.

Surveys source respondents from Roy Morgan's Panel, a proprietary panel of over 700,000 respondents from Roy Morgan's vast Single Source consumer database. Respondents' original Single Source recruitment was via the gold standard address-based random sampling approach using interviewer-administered face-to-face and telephone contact. As a result, the panel is of the highest quality. Crucially, it is not self-selecting, a criticism frequently levelled at online panels. In addition, the Panel is also more representative of the Australian population than other online panels, particularly in relation to lower socio-economic sectors.

**RRP \$990 + GST**

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Data in this report are estimates derived from sample surveys carried out in accordance with accepted market research methods and as such are subject to the limitations of such methods. Roy Morgan uses its best and all reasonable endeavours to ensure the accuracy of data and reports but does not warrant or represent the accuracy of any item.