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Supermarkets and big retailers most trusted brands in 2021: Woolworths, Coles, Bunnings, ALDI and Kmart

The Australian economy had a strong year in 2021, growing by <u>4.2% in the year to December 2021</u> and growing by a stunning 3.4% in the December quarter 2021 alone – the fastest quarterly growth for the economy for 45 years since March 1976.

This strong economic growth has powered a retail sales boom which began early in the pandemic and continues to this day. In the most recent month available <u>retail sales growth in February 2022 increased at an annual rate of 9.1% compared to February 2021</u> – this compares to pre-pandemic annual retail sales growth of 1.9% (January and February 2020).

The exceptional retail sales growth shows that Australians have been shopping at an unprecedented rate during the last two years and this has led to big gains in trust for Australia's leading retailers. Retailers comprised seven of the top ten **most trusted brands** in the year ending December 2021.

The top five **most trusted brands** in December 2021 were Woolworths, Coles, Bunnings Warehouse, ALDI and Kmart in fifth place and all unchanged from the prior quarter. Also in the top 10 are Myer improving into ninth place and Big W in tenth place.

Also filling out the top 10 were Australia's most widely sold automotive company Toyota and leading insurer NRMA. Big improvers in the December quarter included Australia Post, up six places to be just outside the top 10 in 11th, and Apple, up six places to be placed at 15th.

Roy Morgan CEO Michele Levine presented a webinar on the latest results of Australia's top 20 most trusted and distrusted brands available to view here:

Roy Morgan data scientists analysed nominations from more than 20,000 Australians to identify the nation's 20 most trusted brands, and 20 most distrusted brands.

According to Roy Morgan CEO Michele Levine, supermarkets and big retailers have been big winners over the last two years as Australians 'boosted' with pandemic stimulus, and prevented from holidaying overseas, have spent their money at home, increasing retail sales to record levels:

"Australia's big retailers have enjoyed a bumper pandemic, and the increases in retail sales have also provided a rocket to the level of trust Australians hold in these companies they've relied on during the last two years to keep their fridges, cupboards and wardrobes well-stocked.

"Big two supermarkets Woolworths and Coles have again held their spots as the **most trusted brands** in Australia in December 2021 with big hardware retailer Bunnings Warehouse, fellow supermarket ALDI, and department store Kmart all holding their positions in the top five.

"Other brands to improve their ratings included Myer, up one place to ninth, Australia Post, up six places to 11th and Apple, up six places to 15th overall. As Australia leaves the lockdown/closed borders stage of the pandemic behind it will be interesting to see whether retailers can hold their spots at the top of the rankings when Australians have other options to spend their hard-earned cash on.

"The growing threat of inflation in the economy also presents a challenge to retailers about whether to pass on costs to consumers or let the inflation in the supply chain eat into their profitability.

The Roy Morgan analysis also reveals the top 20 list of Australia's **most distrusted brands** with McDonald's re-entering the top 20 list while brands including Amazon, Harvey Norman, Uber, Twitter and Crown Resorts all experienced rising distrust rankings during the year ending December 2021.

Ms. Levine notes the big 'loser' in the latest <u>Roy Morgan Risk Report</u> is McDonald's: "Fast-food retailer McDonald's has been the biggest mover with increasing distrust, and also a decrease in trust, in the 'golden arches' leading to a big jump in the distrust rankings – up 12 places to 15th overall.

"Driving the big increase in distrust are people who say McDonald's is 'too motivated by profit and greedy' as well as 'lacking integrity' and 'Ultimately the food is mass-produced rubbish'.

"There were also many respondents who raised issues with the way they treat their largely young staff: 'McDonald's are a bad employer who exploit people in school for profit whilst not caring about the health or wellbeing of their employees' and 'McDonald's exploits their workers by not paying them a fair wage' and even that 'McDonald's is now using technology to replace staff'.

"McDonald's has had a long-standing reputation for having 'poor quality' and 'low standards' but the rising complaints about their exploitation of workers and their 'greedy' and 'profit driven' corporate structure are now seeing distrust in the company become a real issue to confront going forward."

The top 10 most trusted brands in Australia – December 2021

| 1 st | Woolworths | 6 th | QANTAS |
|-----------------|-----------------------|------------------|--------|
| 2 nd | coles | 7 th | TOYOTA |
| 3 rd | SUNNINGS warehouse | 8 th | NRMA |
| 4 th | MA ALDI | 9 th | MYER |
| 5 th | great | 10 th | BIGW |

Source: Roy Morgan Single Source (Australia). Risk Monitor, January – December 2021. Key commercial brands with 20+ mentions. **Base**: Australians 14+; n=21,487.

Roy Morgan Risk Monitor data is made available in a variety of formats, from snapshot overviews to detailed tracking of individual brands and their competitors.

To learn more call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

The Roy Morgan Risk Monitor surveys approximately 1,800 Australians every month to measure levels of trust and distrust in more than 900 brands across 26 industry sectors. Respondents are asked which brands and companies they trust, and why, and which brand and companies they distrust, and why. The survey is specially designed to be open-ended and context-free, i.e., unprompted.

The latest Risk Report ranking over 200 brands on Net Trust Scores or Net Distrust Scores is available here.

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About Roy Morgan

Roy Morgan is the source of the most comprehensive data on Australians' behaviour and attitudes, surveying 1,000 people in a continuous cycle that has been running for two decades. The company has more than 80 years' experience collecting objective, independent information.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

| Sample Size | Percentage Estimate | | | | |
|-------------|---------------------|------------|------------|-----------|--|
| | 40%-60% | 25% or 75% | 10% or 90% | 5% or 95% | |
| 1,000 | ±3.0 | ±2.7 | ±1.9 | ±1.3 | |
| 2,000 | ±2.2 | ±1.9 | ±1.3 | ±1.0 | |

