

BrandZ™ Top 40 Most Valuable Australian Brands Ranking shows banks still strong

Globalisation and innovation gap highlight opportunities for growth

27 June 2018 – 09:00 Sydney – Australia's first-ever BrandZ™ Top 40 Most Valuable Oz Brands ranking has seen finance brands lead the way, coupled with a strong showing from select telecommunications providers and retailers.

The new annual study by WPP and Kantar Millward Brown tracks the performance of Australia's most valuable brands through the world's largest brand equity platform, using a brand valuation methodology that combines interviews with consumers and financial and business performance analysis.

Highlighting the continued critical role of the banking sector within Australia's economy¹, the Big Four banks have all made it into the Top 5, with Commonwealth Bank of Australia taking the lead (US\$16.4 billion). ANZ bank (US\$11.9 billion) and Telstra (US\$10.8 billion) were placed second and third respectively.

Retail was the second top performing sector (US\$19.6 billion), followed by telecom providers (US\$17.3 billion). Retail chains Woolworths and Coles came in at sixth and seventh position. Retailers had the highest number of brands represented in the BrandZ Top 40, with a total of 11 brands (including Westfield, Bunnings, BWS and Harvey Norman) across product subcategories. While retailers have always enjoyed a central role within the Australian economy, they now face a growing threat from disruptive foreign players offering personalised shopping experiences.

"Technology is reshaping the Australian business landscape. Digital transformation, artificial intelligence and the accelerating speed of change have significantly reduced barriers for competitors like Amazon to enter and disrupt markets with greater efficiencies and reduced costs, while offering consumers access to highly desired global brands," says David Roth of The Store, WPP.

Perceived innovation gap

Australia's geographic isolation has historically led to a lack of outside competition. Increasingly, this geographic isolation is being flattened by technology, and global brands are now a mere click away.

Unlike other countries, there is a distinct absence of technology brands within the BrandZ Australia Top 40, with consumers perceiving an innovation gap across local brands. They expect more and favour brands that are more "tech savvy" and offer greater convenience and efficiency.

"While retail platforms and technology make it easier for Aussie brands to expand, they also bring new players to our shores – and as such, the best defence is a strong brand," says Jon Foged, CEO of Kantar Australia. "Applying innovation across your product, business and customer experience in an agile environment are essential to survival in this global market."

¹ Australia's banking sector comprises a high proportion of the BrandZ Australia Top 40 total brand value versus other global BrandZ valuations markets, given the industry's unique role within the Australian economy. The results of the Royal Commission may affect their short and long-term valuations. Between April and mid-May this year, BrandZ has seen the overall brand value of the banking sector falling by US\$8.8 billion, driven principally by lower share prices due to ongoing industry scrutiny.

Globalisation presents opportunities for strong Australian brands

Australia's top 40 brands do not have a strong presence on the world stage. Only 13 of the ranked brands report any overseas revenue – with such contributions making up just 7 per cent of total revenue. Alcohol brands like Bundaberg, and Victoria Bitter and airlines like Qantas and Jetstar only derive a fraction of their revenues from global markets. In fact, only Fosters derives the bulk of its revenue from outside of Australia. Brands can defend their markets and accelerate growth through new market penetration, by focussing on improving capabilities across business areas from logistics and communication to customer care.

Building trust for the long-haul and achieving brand differentiation

Brands that differentiate themselves from their competitors by building Trust would be well placed to achieve rapid growth. On average, Australian brands that are trusted have a brand value of US\$2.8 billion higher than those that are not. Qantas was ranked as Australia's Most Trusted Brand with a score of 129, where 100 is an average brand, primarily related to Qantas being seen by consumers as a responsible brand.

In general, Australia's group of highly differentiated brands like Dan Murphy's and Foxtel are over 50 per cent more valuable than those that are poorly differentiated. Brand equity and brand health can be improved through better differentiation, innovation, and strong communication.

The BrandZ Top 10 Most Valuable Australian Brands 2018

Rank 2018	Brand	Category	Brand Value 2018 (\$M USD)
1	Commonwealth Bank of Australia	Banks	16,412
2	ANZ	Banks	11,907
3	Telstra	Telecom Providers	10,774
4	Westpac	Banks	9,306
5	National Australia Bank	Banks	8,781
6	Woolworths	Retail	7,105
7	Coles	Retail	5,207
8	Optus	Telecom Providers	3,503
9	St. George	Banks	2,658
10	Origin	Energy	2,236

The BrandZ™ Australia Top 40 report also includes new research from [Y&R's BAV Group](#) in partnership with U.S. News & World Report and the Wharton School, examining what it takes to build powerful nation brands. According to BAV Group's [2018 Best Countries report](#), Australia ranks 7th out of the 80 countries studied across all measures. The country's low cultural and integration barriers also makes it the No 3 country for "desirable headquarter location". Australia also scores highly for cultural influence and entrepreneurship which help to attract global talent, support entrepreneurs and draw investment.

The BrandZ Top 40 Most Valuable Australia Brands report and ranking and extensive analysis are available online [here](#). The reports, rankings, charts, articles and more can also be accessed through the BrandZ app, which is free to download for Apple IOS and all Android devices from <http://www.brandz.com/mobile> or by searching for BrandZ in the iTunes or Google Play app stores.

NOTES TO EDITORS:**About the BrandZ™ Top 40 Most Valuable Australia Brands Ranking**

Carried out by WPP's marketing and brand research agency Kantar Millward Brown, BrandZ™ is the world's largest and most definitive brand equity platform, reflecting the brands that are integrated into today's consumer lifestyles. It is the only brand valuation study to combine interviews with over three million consumers globally with analysis of the financial and business performance of each company (using data from Bloomberg and Kantar Worldpanel).

In order to identify the dollar amount a brand contributed to the overall value of a corporation, BrandZ combines measures of brand equity based on interviews with over three million consumers about thousands of brands, with rigorous analysis of the financial and business performance of each company (using data from Bloomberg and Kantar Worldpanel). The BrandZ rankings are the only brand valuations in the world that take into account what people think about the brands they buy.

For a brand to be included in the BrandZ Top 40 Most Valuable Australian Brands they have to have originated in Australia and be publicly listed on a stock exchange or publish their company financials.

About Kantar Millward Brown

Kantar Millward Brown is a leading global research agency specialising in advertising effectiveness, strategic communication, media and digital, and brand equity research. The company helps clients grow great brands through comprehensive research-based qualitative and quantitative solutions. Kantar Millward Brown operates in more than 55 countries and is part of WPP's Kantar group, one of the world's leading data, insight and consultancy companies. Learn more at www.millwardbrown.com.

About WPP AUNZ

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