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Microsoft has been named as Australia's most authentic brand in the second landmark Authentic Brand Index (ABI) study released today by Principals and Synovate.

The ABI is the only study to measure the authenticity of global and local brands among Australian consumers.

In the first ABI study, which was published in 2006, Qantas was Australia's most authentic brand but its perceived authenticity among consumers has nose-dived by 8.7 points, placing it at no. 14 on the index of 104 brands.

Microsoft was at no. 5 in the 2006 study and its authenticity has surged by 6.1 points. Microsoft, along with technology brand Google, which ranks no. 2 in the index, are emerging as more powerful brands than the fast moving consumer goods (FMCG) giants that have dominated Australian marketing for decades.

Microsoft is followed in the top five 2008 ABI by Google, Australia Post, Bunnings, Bonds and Cadbury.

Australia Post has emerged as the most authentic local brand in the study, while Bunnings has outstripped its new Coles Group stablemates as the most authentic retail brand in Australia.

Among the top 20 most authentic brands, Australia Post, Bunnings, Vegemite (no. 8), McDonald's (no.10), Colgate (no. 11), Coca-Cola (no. 12) and Nestle (no. 19) have made their debut in the ABI this year.

The Authentic Brand Index is a joint venture between brand consultancy Principals and market research company Synovate. The 2008 Authentic Brand Index (ABI) ranks more than 100 brands across a wide variety of industries and tracks their authentic delivery to consumers over time.

In an age of abundant brand choice, consumers are drawn toward brands with a distinctive story, an original edge and a sincere commitment to deliver what they promise.

"There is real evidence this year that consumers are holding brands more to account and are increasingly critical in their assessment of their authentic credentials. Overall, consumers were less likely to rate brands as authentic in 2008 than previously," Principals Planning Director Wayde Bull said.

"It's unlikely to get easier for brands in future, given the further growth of social media and the abundance of unfiltered third-party information available to the consumer."

More than 4,500 consumers participated in this year's study. The fieldwork was undertaken over a two-month period from mid-March through to mid-May and a total of 104 brands (up from 70 in 2006) were tracked for their authentic engagement with consumers.

The industries covered by the study include airlines, banking & finance, telecommunications, retail, grocery, fashion, automotive and personal technology. The study highlights the best and worst performers in each industry.

In 2006 the study discovered seven drivers that consistently differentiated between brands considered to be authentic and inauthentic, independent of category and industry. Those seven drivers are: personal utility, familiarity, originality, declared beliefs, sincerity, momentum and heritage.

"Authenticity is an important business concept today. It speaks to the need for businesses to truly align their products, services and channels to market and deliver experiences that customers value and are consistent with the brand promise," Synovate Director of Client Services Dean Harris said.

"Authentic brands have a clarity of purpose that is sincerely executed. Authenticity is the new battleground for the hearts and minds of customers and the extent to which brands are seen to be authentic will ultimately determine the success of a brand in its market."

This year, the study was able to identify the greatest increases and decreases in authenticity over the last two years - a measure of how quickly perceptions of companies can change in the minds of the consumer.

The top five brands that increased in authenticity were IGA, Samsung, BigPond, Microsoft and BankWest.

At the other end of the scale, the greatest decreases were recorded by ING Direct, Qantas, ANZ, Virgin Blue and LG.

As in 2006, four out of the top 10 authentic brands are in the personal technology category - Microsoft, Google, Nokia and Sony. This category actually improved its level of authenticity over 2006, as did the retail and automotive categories.

Grocery brands, airlines, financial services and telecommunications have all seen falls in levels of authenticity compared to 2006.

"The importance of sincerity simply can't be overstated; brands that think about the customer first are rewarded. The most sincere brands make straightforward promises and keep them. They don't over-hype, they don't over-reach, they're unapologetically simple in many ways," Bull said.

"There's an earnest and hard-working quality to brands such as Bunnings, IGA, Australia Post and McDonald's that's about serving customers with 'look-you-in-the-eye' sincerity."

Other key findings from the 2008 study over the 2006 study include the top five greatest increases and decreases in each of the seven drivers.