

CONSUMER ENDORSEMENT A POWERFUL MARKETING TOOL



CONSUMERS VOTE. SALES INCREASE.



FOREWORD

LISTENING TO THE CONSUMER



For a very long time, marketers have been focused on “collecting” instead of “connecting.” Brands are too occupied in garnering “Likes” and “Followers” instead of engaging with them. A hundred loyal consumers who love your brand are more effective than having thousands of inactive “fans”.

Marketers view consumers as mobile-enabled, web-savvy data sifters who are always looking out for the best deal and brand loyalty seems passé.

The truth is, for many consumers, the rising volume of information isn't empowering rather it's overwhelming. Then what can brands do to stand out from the clutter? They need to unleash the power of strong consumer endorsement. Companies like Product of the Year that offer consumers a shopper's recommendation – an independent and unbiased feedback on various products helps brands to steer clear from the mess and ever-soaring competition. As per a Nielsen study, over 91% shoppers believe that the “Product of the Year” logo helps them select a new product better.

In the effort to gain loyalty from buyers, brands have rather pushed them further away. It is time that brands go back to the basics. Today, marketers need to forget about the 4Ps of Marketing and rather focus on the 3E's: Engage, Equip, Empower. Read on for more insights. ■

Do you remember the famous commercials in the 90s that showed a woman who told two friends about the product and how in turn, they told their other two friends. Isn't it every marketers dream to see their consumers endorsing their products? If only one could master what has been identified as the most valuable form of marketing - WOM (word-of-mouth) or Consumer Endorsement.

As per a Nielsen study, over 90% of consumers believe in getting recommendations from friends and family before they buy anything. Even in the age of social media, brands have identified word-of-mouth as one the most influential tools in their marketing arsenal. In recent times, social media has remarkably changed consumers' buying habits thus, making it inevitable for marketers to strive harder for creating experiences which consumers endorse.

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IMPORTANCE OF CONSUMER RECOGNITION

A single post from a fan can be seen by hundreds of his/ her friends who trust them, and it can quickly travel out to thousands more – either making or breaking a brand’s reputation in the market.

Today technology has catalysed social connectivity, making it easier than ever for customers to share their opinions about a product and do marketing for you. A single post from a fan can be seen by hundreds of his/ her friends (and in turn their friends of friends) who trust them, and it can quickly travel out to thousands more – either making or breaking a brand’s reputation in the market. Also, marketers must consider the fact that those who read these posts could potentially have many more offline interactions with friends & families or acquaintances who might further get influenced by what they have heard about the product and this can certainly affect the sales both in positive or negative forms.

Brands have now realised that fuelling conversations and driving passion will certainly make a huge difference for products. Thus, marketers are now trying to figure out what can they do to get people talking about their products, POSITIVELY. Well, it is time for marketers to move over the tried and tested 4P formula and focus on the 3Es: **Engage, Equip, Empower.**

Engage— It is essential that you get involved in the conversations with your TG. Listen to what they have to tell you. Be a part of the conversations about your brand. Respond to your followers on Twitter, Facebook whether it’s about the product or after sales service. You will see them responding to something/ someone new.

Equip— Give your TG some good reasons to talk about your brand. It could be about the launch of new products, great service, incredible success stories and so on. It’s completely up to you. It really depends on what you want them to talk about and influence more and more people.

Empower— Give your consumers different ways to interact with you. Create different campaigns online and offline to let your audience/consumers know that they are important to you and that knowing their opinions about your products is essential to you. Help them in finding ways to share and interact among their circles and find ways to help move their conversations around.

Keep in mind that a good Word-of-Mouth strategy can be very credible, social and measurable.

It has been observed that a positive endorsements by regular consumers' has a potential to generate better attitude towards the endorsed product.

Keep in mind that a good **Word-of-Mouth** strategy can be very credible, social and measurable. Being talked about requires a strategy and a plan that goes beyond "RTs" & "likes". It requires deeper insights about your customers. Consumer endorsements, which employ regular consumers to recommend products and provide their opinion about the product to appear is responsible for pulling more audience/customers through persuasion by virtue of similarity in the audience profile. According to some recent studies it has been observed that audiences are particularly attracted to the information about products that efficiently conveys the utility of the products. Thus, customer testimonials can also be viewed as a cost-efficient guide to product quality, which can be referred by anyone who is interested in knowing more details. It has been observed that regular consumers' positive endorsements has a potential to generate better attitude towards the endorsed product than their negative endorsements.

Also, besides just earning loyal customers the other major benefit of engaging with your consumers is that they can become your guardian angels and can save you from brand damage. These days many MNCs are trying to become as involved as possible so that they can deploy their consumers as defense mechanism. For instance, recently when a Domino's customer took to social media and accused its staff (at Kolkata) outlet for behaving badly. Dominos' online 'fans' started talking(posting) about their "pleasant" experiences at the pizza chain. This in turn helped the brand to mitigate any damage and efficiently deal with the situation before it went out of their hands.

Perhaps the marketing guru, Philip Kotler said it best: "Old marketing that involved mass production, mass distribution, mass marketing and lots of 30-second commercials which would put everyone to sleep is now dead." The future of building successful brands relies on creating memorable user experiences and positive consumer endorsements. ■

WHAT THEY SAY



As a company and as a brand it feels great that we have won the trust of the consumers. I am sure that this will help us bolster our business as well as overall equity parameters for each of the brands. ”

VAISHALI KAPPAGANTULA
Group Product Manager, Johnson & Johnson India



WINNER
Clean & Clear
Fairness Cream
and Stayfree
Advanced

CATEGORY
Fairness/
Women's acewash/
Scrubs and
Feminine Hygiene



We had won the POY award for our Nutralite with Omega 3. It has had a fantastic effect on sales and has impacted momentum and has done a great job for strengthening the equity of the business. ”



ELKANA EZEKIEL
MD, Zydus Wellness



WINNER
Nutralite Yummy
Spread

CATEGORY
Table Spreads



This is a recognition from the consumers and they have recognised a product like TATA Photon Wi-Fi as an innovation. Product of the Year not only helps us in maintaining our position in the market, it also helps us to further grow our market leadership in the mobile internet devices category. ”

JAMSHED GILANI
Head- Data Marketing, TATA Teleservices



WINNER
TATA Docomo
Photon Wi-Fi

CATEGORY
Mobile Internet
Devices

AWARDS NIGHT SNAPSHOTS

PRODUCT OF THE YEAR

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PRODUCT
OF
THE YEAR

Consumer Survey of
Product Innovation





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It's a great testimony because it's a poll that's done across consumer segments and that's what finally matters as far as any brand or product goes. We believe that with the endorsement of the Product of the Year, it's just the beginning, we hope to use it in our marketing campaigns and our market activation programs to really endear ourselves to the consumers.”

RAJIV RAJGOPAL

Director- Decorative Paints, Akzo Nobel India

WINNER

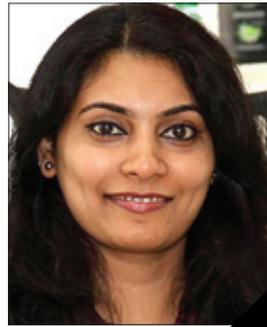
Dulux Super Clean

CATEGORY

Paints

“

Given the plethora of choices that consumers have today, recognition from consumers through a test of vote is one of the greatest achievements that a brand can get. Product of the Year is one such recognition that Henko can show as a differentiation.”

**M R JYOTHY**

Director, Jyothy Laboratories

WINNERHenko
LINTelligent Matic
Front load &
Top load**CATEGORY**

Detergents

“



It feels great and it means a lot because it just shows a lot of faith and confidence that the consumers have placed in us in both the categories of Hair Straighteners and Male Grooming. I think what it really counts for is the fact that the consumers of today really understand what standing by themselves means. They see that it's been voted as the Product of the Year. I think it will build a backward confidence in them too that they are making the right choice.”

ANURITA CHOPRA

Marketing Director, Personal Care, Philips India

WINNERPhilips Kerashine
Air Straightener,
Philips Pro
Skin Advanced
Trimmer**CATEGORY**Hair
Straighteners,
Men's
Grooming

INFLUENCING BRAND PERCEPTION

It's inevitable for Brand Managers to understand how customers perceive their brand and make purchase decisions in specific product categories and market segments. Brand perceptions go hand in hand with brand expectations.

Let's start with the basics! Our dear friend Google defines a brand as a name, term, design or any other feature that distinguishes a seller's products from that of others. The way in which something is regarded, understood and interpreted is perception. Putting it together, 'brand perception' refers to the way in which consumer's regard, understand and interpret your brand.

For ages, marketers have been trying to find innovative and creative ways to sway the consumers in their favour. The factors that shape perceptions about a particular brand include the functional aspects of the product like durability, quality, reliability, consistency, etc and the emotional experiences attached to it. Luxury brands cater to the self-esteem and actualisation needs of the consumers and are often used as status symbols. The emotional experiences derived from these brands are much higher than the functional aspects of the product.

Just like Rome, brand perception is not built in a day. They are shaped over time through various factors like past experiences with the brand, interaction with the sales team, recommendations, referrals, advertising, place of origin, etc. Source of information has also been

known to play a crucial role in shaping brand perceptions.

Despite its Japanese origin, consumers perceive Maruti Suzuki as an Indian brand, less modern than other brands but distinctly positioned as offering affordable and fuel-efficient cars. Similar to Maruti Suzuki, Tata is also seen as a brand primarily positioned on affordability and fuel efficiency.

It's inevitable for Brand Managers to understand how buyers perceive their brand and make purchase decisions in specific product categories and market segments. Brand perceptions go hand in hand with brand expectations. A brand that does not deliver what it promises is never favoured by the consumers.

Featuring as number one on the list of the Forbes World's Most Valuable Brands, Apple has a brand value of around \$145.3 billion. Needless to say, people at Apple have mastered the art of creating a favourable brand perception. Long queues outside Apple stores a night before the launch of its products bears testimony to consumer's love for the brand.

A favourable brand perception is the

Despite its Japanese origin, consumers view Maruti Suzuki as an Indian brand, less modern than other brands but distinctly positioned as offering affordable and fuel-efficient cars.

Consumer's perception of a brand is quite sensitive and can often be misinterpreted. The responsibility lies with the Brand Managers to ensure that they create a positive image and sustain it to ensure long term growth.

breeding ground for brand loyalty. The ultimate dream of every marketer, brand loyalty can be defined as a scenario in which the buyers favour a brand over others every time he/she goes out with an intention to purchase a particular product. Brand loyalty is the ultimate goal of every marketing campaign. In order to achieve it, marketers need to continuously make efforts to create a favourable brand perception that lasts long.

What takes years to build and shape, takes less than a few hours to fall apart. A brand that was once referred to as one of the most successful brands is under scrutiny and has become a Brand Manager's worst nightmare. Maggi is in the news for all the wrong reasons these days. Having found excess amount of lead in the product, the brand is facing bans in over 10 states of the country. The ban has led to a dip of 10% in sales of packaged fast food, noodles and pasta from June, 2015 as compared to May, 2015 (source- The Economic Times). The damage has been done, what is crucial now is the comeback strategy.

Another brand that had to redo its brand perception is Cadbury's Dairy Milk. In 2003, the much-loved chocolate brand made news headlines for all the wrong reasons when worms were found in its chocolates in Maharashtra. The brand perception took a massive hit and needed immediate action. In less than two weeks, the brand launched a full-fledged PR campaign. As a brand under fire, Cadbury launched Project 'Vishwas',

an educational initiative covering 1,90,000 retailers in key states.

The brand revamped the packaging of Dairy Milk by undertaking an investment of around Rs 15 crore (Rs 150 million) on imported machinery. The metallic poly-flow was costlier by 10-15 per cent but Cadbury decided not to hike the pack price. It also roped in Amitabh Bachchan as the brand ambassador in order to leverage his personal equity for the brand. Cadbury's strategy to take the crisis head-on worked wonders for the brand which now enjoys the status of a significant player in the confectionery market where purchase is largely impulse driven.

Consumer endorsement can be defined as consumer's feedback about your product and how you use that to your brand's advantage. Consumer's verdict on products has worked wonders for many brands. It can easily make or break a brand in a matter of few days. A favourable word of mouth not only motivates new users to try a product but also strengthens its existing buyer's belief in the brand. They tend to have more faith on what others have to say than on what you say about your product.

Consumer Recognitions such as Product of the Year are platforms for buyers to share their perception of various brands with other buyers. By being voted as the Product of the Year, a brand not only has an added advantage of being favoured over its competitors but enjoys a great deal of customer loyalty too. ■

IN-CONVERSATION

Satyaki has over 17 years of experience in FMCG, retail and consumer products sectors and has handled both consumer and industrial businesses during his stints across diverse geographies.

SATYAKI GHOSH

Director - Consumer Product Division at L'Oréal Paris India

Q How do you think getting a consumers' recognition like the Product of the Year helps a brand?

Product of the year is a prestigious award. Generally, the way we have dealt with it is the moment we get an award, we integrate that it in our communications. We put it on air, be it on digital space but more importantly on TV. We have put it in outdoor also in the past. It helps in sales traction. It's quite good actually.

Do you think consumer endorsement is important for establishing a market for the product? How much value do you assign to it ?

I think every marketer works only for the consumers' endorsement. You love to have the trade loving you and you love to have the sales team loving your products. But the biggest and the brightest is when the consumer loves it. When you win a Product of the Year Award, you know that the consumer is endorsing your product. It's super important, it's essentially the most important thing.



According to you, what sort of brand communication attracts more consumers?

I think the key in marketing is having a USP for your product and that is what every marketer strives for to have a unique selling proposition and be harping everything of your 360 mix around it and that's what we all try. That I think is the crux of the matter to me - Unique and Different.

Kindly share your thoughts about the concept of Product of the Year?

Product of the Year is an International platform. We have participated with POY right from UK to across a lot of other countries. In India, we have been participating for the last 8 years, since POY has launched here and we think it is a very good platform. ■

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INTERVIEW

IN-CONVERSATION

Product of the Year's CEO, Mike talks about how the POY awards help brands to stand out in the crowded market space.

MIKE NOLAN

Global CEO,
Product of the Year



POY was created to champion innovative products in the FMCG sector and give shoppers a shortcut to the very best new products in the market. It's not only a prestigious award, but a proven return-on-investment tool.

Why and how was Product of the Year started?

Product of the Year (POY) is the world's largest consumer-voted award for product innovation. Established 28 years ago in France, POY currently operates in 42 countries with the same purpose—to guide consumers to the best products in their market and reward manufacturers for quality and innovation. POY was created to champion innovative products in the FMCG sector and give shoppers a shortcut to the very best new products in the market. It's not only a prestigious award, but a proven return-on-investment

tool. Over the past 28 years, our winners have enjoyed an average sales increase of 10 to 15 per cent.

What has been the impact of POY in the way business is conducted?

It's perhaps a bit early in the Indian context to be able to say that this has changed the way business is conducted. We are getting increasingly relevant, but for the moment we are a credible marketing tool in the hands of the savvy marketer. If POY is pushing innovation further up the agenda and rewarding those who do it best (big or small), then it's on the right.

Can you share some international success stories of POY?

Internationally, one brand from British supermarket Asda/Walmart recorded an increase of 50 per cent in sales recently. After that jump in sales, Jim Viggars, head of Meat Quality, Asda/Walmart Stores Ltd, said, "We are immensely proud to have won our first ever Product of the Year Award for our Butchers Selection Pulled Pork, being recognised by over 12,000 consumers for both innovation and quality of our own brand products. There was a 50 per cent uplift following the win. ■"



INTERVIEW

IN-CONVERSATION

Product of the Year India's CEO talks about how POY is a reliable guide for consumers to recognise the best products available in the market and a reward for brands.

RAJ ARORA
CEO,
Product of the Year India



Q What does Product of the Year aim to do?

The main aim is to champion innovation in the FMCG sector. POY aims to add to the arsenal of marketers, a recognition that aids them to push sales and market shares by increasing differentiation in an often crowded market. Essentially, it is intended to improve profitability.

How does it work?

The process starts with companies nominating their products. We expect that products demonstrate innovation in one or more areas, including (but not limited to) design, function and packaging. Once all products have been submitted, a jury of distinguished industry professionals and eminent citizens are invited to review the products to ensure that the innovation criteria are met before they go on to the consumer research. Now it's time for consumers to have their say—and they make their voice heard through the largest consumer survey of its type in India. We commission Nielsen to do a pan-India survey with 7,000 consumers. The research is unique in its intention as well as its size. It is the

first consumer research exercise that specifically asks the consumer about the satisfaction and appeal of new products currently available to them. Products with the highest votes in each category become Product of the Year winners in their category. The winners are awarded a licence that allows them to use the Product of the Year logo on their product. This carries a fee of Rs. 18 lakhs—a small cost given the potential sales uplift our logo can deliver, as hundreds of previous winners have shown.

What are the aspects on which products are judged?

The categories are not fixed and get decided after all the entries have been received. They reflect what the dynamics of the market are, year to year.

It is the first consumer research exercise that specifically asks the consumer about the appeal and interest of new products currently available to them.

Consumers find it easier to identify the best and most innovative products very quickly. It aids decision-making rather significantly. There are tens of thousands of new products launched every year. POY gives shoppers free advice on what 7,000 Indian consumers think is the best.

How do you decide on the jury?

A jury of eminent citizens from business, the arts and professionals from various industries comprise the jury that decides which products go to the next stage of the process—research. Leading dermatologist Dr. Rekha Sheth, Kapil Dev, UBS India CEO Ashish Kamat, celebrity food writer Rashmi Uday Singh, advertising veteran Usha Bhandarkar, Mehmood Curmaaly, MD, Rhythm House, television presenter Shonali Nagrani, squash champion Ritwik Bhattacharya, actor, VJ and model Pia Trivedi, actor Madhoo Shah, ad film director Prahlad Kakar, actor Dino Morea, and Tarun Rai, CEO, World Wide Media have been some of our jury members. The process to decide who the winners will be has always been engaging and interesting. The jury members touch and feel the product and carefully weigh the innovation.

How does POY benefit consumers?

Consumers find it easier to identify the best and most innovative products very quickly. It aids decision-making rather significantly. There are tens of thousands of new products launched every year. POY gives shoppers free advice on what 7,000 Indian consumers think is the best.

How does it specifically work for the Indian consumer?

Like consumers all over the world, the

Indian consumer, too, is bombarded with loads of claims through advertising. Since this recognition comes from the consumer herself, the layman trusts the process.

How have winning brands used Product of the Year to their advantage?

A host of brands have used POY to their advantage both in India and internationally over the years. This includes heavyweights like Unilever, Procter and Gamble, Reckitt Benckiser, Johnson & Johnson as well as smaller companies. Nivea for Men used the POY logo during the IPL campaign, Fiamsa Di Wills used POY on front page ads in The Times of India and Whirlpool covered a whole building with a poster featuring their win. So there are some great examples of winners using the award to stand out.

A host of L'Oréal products have also won the recognition. Prominent amongst those are Maybelline Colossal Kajal & Baby Lips Lip Balm, L'Oréal Paris Total Repair 5 and Kajal Magique, Garnier Men Acne Fight Facewash, Garnier Color Naturals, Gamier Fructis Triple Nutrition Shampoo and Conditioner. Some other brands recently awarded are Philips KeraShine Hair Straightener, Toshiba Cricket TV, Henko Lintelligent, Colgate Slimsoft Charcoal Toothbrush, Gillette Venus Razor, Everyuth Naturals Walnut Apricot Scrub and so on. ■



VOTED
PRODUCT
OF
THE YEAR

Consumer Survey of
Product Innovation

SOME POY WINNERS IN INDIA



Hindustan Unilever Limited

P&G

Johnson & Johnson

L'ORÉAL
PARIS



GlaxoSmithKline

AC Smith.
Innovation has a name.



COLGATE-PALMOLIVE

airtel

HDFC
Life
Sar utha ke jiyo!

TOSHIBA

Jyothy LABORATORIES LIMITED

PHILIPS



VIDEOCON
Experience Change



WIPRO
Applying Thought

pepsi.

Zydus
dedicated to life

MONSTER



my:asset
Home Insurance
by
L&T Insurance

**VOTED[®]
PRODUCT
OF
THE YEAR**

Consumer Survey of
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CONSUMERS VOTE. SALES INCREASE.



ENTRIES FOR 2016
NOW OPEN
PRODUCT OF THE YEAR . IT'S PROFITABLE

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For all the women you are
FEMINA

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PROFIT**

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