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Chair, Product of the Year

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The power of endorsement

Back in the 1960s, when Harold MacMillan was prime minister of the UK, a journalist asked him what he found most challenging about his job. His reply was: “Events, dear boy, events.”

That answer is just as valid today for Malcolm Turnbull, Theresa May and certainly for Donald Trump. Our politicians don't live in a world of the 'status quo' and neither do we.

We're all subject to events: some are political, some are economic, some are scientific or technological, and some are what insurers call 'acts of God', such as earthquakes or hurricanes. What they have in common is that they all stimulate change – and change stimulates innovation. This is what Product of the Year is all about.

Having attended Product of the Year shows around the globe – in London, New York, Paris, Johannesburg and Mumbai, all of which are amazing locations – I can say that none is quite as spectacular as Sydney's.

I've seen firsthand the innovation and passion of the people who work tirelessly to bring innovation to their countries.

And here in Australia, we congratulate and recognise those who have delivered new ideas and new products. In a rapidly changing world, it's sometimes difficult to spot the latest trends and forecast consumer needs.

Each market possesses different communication challenges in response to changing influences. For example, in my home country of the UK, we

now have Brexit; in the US, there is 'Trumpism'; and here, perhaps, we have the rise of One Nation.

Politics aside, the most significant change for FMCG, and retail generally – certainly in Europe – is the relentless march of technology. Its stimulus to 'online ordering and home delivery' has fostered such initiatives as 'click & collect' and mobile ordering apps.

Everywhere we see mobile devices becoming ever more agile and capable. It's a 24-hour world (order by 7pm for a 2pm delivery next day, or a delivery with even shorter lead times), which has brought large investments in logistics and fulfilment systems.

On the flipside, profitable shops in high streets and shopping centres are losing volume and are trending towards unprofitability, while online orders are more expensive to fulfil, again lowering margins. In short, it's a double whammy.

In my old business, John Lewis, more than 40 per cent of sales are now online, which leads to strain and uncertainty. There are big questions to address.

Where will the online movement stop? Where should we now invest? In a world of falling returns and trading uncertainty caused by events (dear boy), how do you protect your margins and make your new products stand out – whichever route to market you choose?

One way is certainly by endorsement, but to be effective that endorsement has to be trusted by and recognisable to the consumer.

The Product of the Year logo does just that: it's backed by one of the largest

consumer surveys in each market, and winners aren't chosen by the pals of an editor or an ad-hoc group of 'experts'. Instead, they're voted for 'by the people, for the people' – which is what gives the award its true value.

So in these uncertain times, I say to the winners of Product of the Year Australia 2017: don't treat Product of the Year like a trade competition, where we all congratulate each other with no effect on sales whatsoever.

Get out there and use the logo as much as you can. Put it online, on pack, on shelf and on screen, and let it help you boost sales and your reputation. Every category winner that advertises it reinforces the award for all the other winners as well.

I'd also encourage those companies who are thinking about entering Product of the Year seriously to consider doing so. There are countless stories of increased sales and brand awareness from companies that have leveraged their win through extensive and clever marketing campaigns.

This is shown by Product of the Year Australia's winner of Best Marketing Award, Mater Mothers. The small team executed a clever and thorough marketing strategy (on a very limited budget), which led to them lifting their sales by 60 per cent on the same period the year before, increasing their distribution, and building their brand awareness.

Wouldn't it be nice to boast about those sorts of statistics? Get into action now. ●

