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Order of merit

Winning the approval of a recognised body can raise your business profile. But with so many stamps and logos to choose from, how do you pick the right one for your company?

Royal Warrants, quality stamps and trade association logos are brandished by businesses as badges of merit. But securing the right to display them can incur huge costs and make enormous demands on directors' time. So, are they worth the effort? And do they bring added value to a business?

Charlotte Vicary, of brand consultancy Value Engineers, says it depends on how clearly a business can communicate what the quality stamp means, and whether that resonates with its customers. 'Food manufacturers, for example, have limited space on their packaging for consumer information. Given their target consumers, and the way these people make product choices, these businesses have to decide whether nutritional information is a labelling priority or whether a standard that reflects a commitment to sustainability [is more important].'

The sheer number of standards and seals of approval available make it even more difficult for a director to decide which one to strive for and which will deliver the biggest payback.

In consumer markets where customer recognition and trust are critical, many businesses have recognised for a long time that when it comes to communicating product quality and safety, the Kitemark is hard to beat. According to a 2006 survey carried out by research firm Gfk NOP, the Kitemark is recognised by 82 per cent of the UK adult population. Of those, a whopping 93 per cent thought Kitemark products were safer, while 91 per cent felt they would offer better quality.

The cost of the process of achieving Kitemark accreditation varies according to how much work an organisation must do to be deemed worthy of the standard, but it can run into thousands of pounds. Is it a good investment? For Jack Kyriacos, owner of automobile engineering and servicing business East London Garages, the value of its Kitemark lies in its impartiality. 'Thanks to the actions of rogue operators, everyone in this industry has been tarred with the same brush,' he says. 'As a reputable firm we have to find ways of communicating our standards of service. We carry the Bosch Service logo, which is hugely valuable to us, but like anyone who associates with that multimillion-pound brand, we have to work to their extremely stringent standards.'

'In terms of value to the business, the Kitemark comes a close second, because it is awarded by the British Standards Institute, which is independent of the motor industry, and is widely recognised by the general public as a symbol of quality and trust. It sets us apart from companies that don't have it,' he adds.

To date, the Kitemark has been applied to more than 2,500 products under licence and in recent years has been extended to cover services schemes such as automotive garage services, vehicle body repair, print services, electrical installers, window installers and fire alarm installers.

Claire Lynam, head of marketing at the BSI, which owns the Kitemark trademark, says: 'If you have a shoddy outfit, it will cost you more to reach the required standard. But as a symbol of quality or safety, the Kitemark clearly fosters a greater sense of trust in consumers and makes them feel safe. As the economy continues to slow down and things start to get tougher, personal budgets will get squeezed and people will look for value for money. But they will also want quality and products that will last.'

If the Kitemark is the most recognisable quality hallmark, then the Royal Warrant is perhaps the most prestigious. →

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The Warrant is issued to organisations that have supplied products or services on a regular basis to the Queen, the Duke of Edinburgh or The Prince of Wales for at least five years. Around 800 organisations currently hold a Royal Warrant. Ian Morrison, director of Donald Russell, an Aberdeenshire-based supplier of gourmet meat and poultry, is sure of the business benefits that his company's royal seal of approval has meant for the firm.

'It goes without saying that having the Royal Warrant is incredibly important to the brand's credibility, especially in new customer acquisition and our sales and marketing material,' he says. 'Essentially Donald Russell is asking people to make a change in their purchasing behaviour, buying meat online from Scotland, which is a big operational challenge. The Royal Warrant has been vital in helping to instil in consumers the confidence to purchase meat in a way they may not be accustomed to.'

As a mark of recognition, a Royal Warrant costs nothing. And it doesn't indicate that the products or services supplied are the best, only that they are the preferred product or service. Charlotte Vicary believes that, in recent years, a Royal Warrant has lost some of the influence it once had on consumers. 'Today's consumers are more likely to base their product choices on price comparisons and peer-to-peer recommendations than on what the Royal Family are doing,' she says.

Christopher Berry, managing director of Computers in Personnel, which supplies HR computer systems and has been a Royal Warrant holder since 1993, insists that it has brought benefits to the business that other quality stamps would not.

'As a member of the Royal Warrant Holders Association we have opportunities to meet and network with other members from across a range of trades and services that we may not otherwise come into contact with,' says Berry. 'There is also the immense sense of pride that our employees have in working for a company that holds a Royal Warrant.'

But he admits that other standards achieved by the company, such as Investors In People (IIP) and ISO 9001, an accreditation for quality management systems, have had a more direct impact on the business and its bottom line. In the case of both, a business must subject its processes and management systems to rigorous and independent scrutiny, and is then reassessed on a regular basis.

'If you want to work with government or public-sector organisations, you will often find that these quality standards are mandatory. Without them you simply won't get the business,' says Berry.

Membership of a professional or trade association can also be seen as an endorsement of the business, but the real value lies in choosing the right body. Names can be misleading. Some industry sectors are served by an array of umbrella organisations, bearing the words 'Guild', 'Institute', or 'British' in their title, which sound official, but frequently aren't.

Mark Brewerton, a consultant with business marketing agency Total Marketing Solutions, says: 'It is important that the logo of your trade association represents a quality mark that your customers will trust, and that can give you a competitive advantage. But association membership can be expensive, so you also need to consider what you will be getting for your money as a member.'

But if Royal Warrants, Kitemarks and membership of elite business clubs prove too elusive, badge-hungry directors can consider some of the newer endorsements and accreditation schemes, particularly those denoting their social responsibility and environmental performance. →

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Businesses in the hotel and catering industry are well accustomed to displaying AA Star and Rosette ratings to indicate the standards of their food and accommodation. However, the Novotel chain, part of the Accor Group, is seeking to add an environmental badge to its business by pledging commitment to achieving worldwide Green Globe certification.

Launched in 1994, Green Globe is an international organisation with certification programmes aimed at encouraging sustainable tourism. Certification takes place in two stages, with the hotel initially benchmarked in areas such as water consumption and waste management. In the second stage of assessment, an environmental management system is implemented. Six to 12 months later the hotel undergoes inspection by an independent external auditor and, if it meets set standards, it is then certified.

Roger Smith, director of marketing projects at Novotel, insists that care for the environment is core to the brand. 'It may have become more topical of late, but it has always made good commercial sense,' he says. 'If you look at the bigger picture and the issue of global warming, reducing your energy consumption saves you money. We have also been aware of the number of organisations and individuals who take environmental issues very seriously, and those numbers are growing.'

Novotel began its involvement with Green Globe certification in July 2007 and aims to have all Novotel hotels throughout the world committed to the programme by 2010. But will all this work increase profits? 'There will be significant cost savings,' says Smith. 'We have just opened the new Novotel Edinburgh, which has integrated geothermal heating. We expect this to save around a third of the regular energy costs.' What is harder to ascertain, he admits, is how consumers will respond. 'There are costs associated with achieving Green Globe certification,' says Smith. 'You pay to join, and you pay to put the policy and procedures in place. In truth, we could make the cost savings without Green Globe certification, but we want consumers to recognise our stance, and if they do have environmental concerns, hope that they choose to stay with us.'

Marks of sustainability and environmental quality are appearing in other sectors, with products featuring Fairtrade and Soil Association logos taking up more space on the supermarket shelves. For companies requiring recognition in the area of environmental protection and sustainable development, ISO 14000 is also an important stamp of quality.

As consumers become better informed and therefore more discerning about issues of quality and safety, companies able to identify those merit badges that best win customers' trust and loyalty will be the ones reaping the benefits in the years to come.

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