

abc  
THE  
WORLD  
OF  
MOBILITY

COMMUNICATING  
AWARDS

The successful exploitation of awards  
in strategic communications



**Rat für Formgebung**  
German Design Council

Whether it's a case of design or brand awards, whether industry-specific or cross-sectoral – not all awards are equal and there are many of them to choose between.

But one thing is true of all of them: to achieve positive benefits for your company, the fact that you have won the award must be communicated effectively.

This guide, published by the German Design Council – the organiser of a number of international awards – explains how to exploit this potential. While the focus is on design-oriented awards, the communication strategies can also be applied to awards given in other fields entirely.

- P. 3 The value of design – increasing your brand value through design
- P. 4 Why take part in a Design Award?
- P. 7 Using your award in strategic communications – how it works
- P. 12 The German Design Council – an authority in the field of design, branding and innovation
- P. 13 Sources and contact



## The value of design Increasing your brand value through design

McKinsey & Company recently investigated the contribution that design makes to value, as part of an extensive study<sup>1</sup>. The study found a clear link between the targeted use of design and financial performance:

- > Companies that methodically integrate design into their corporate practice significantly increase their annual revenues and returns compared to their competitors.
- > Over a period of five years, sales growth for the companies analysed exceeded the competition by 32%.

<sup>1</sup> Sheppard, Benedict; Kouyoumjian, Garen; Sarrazin, Hugo; Dore, Fabricio: The business Value of Design, McKinsey Quarterly (2018)

The companies selected for the study were drawn from all of the different industries, which proves that the positive financial contribution of design to business success applies to companies of all kinds.

And there are several reasons for this: Design is more than just »nice to look at«. Design represents an analytical achievement. Design works at an interdisciplinary level. And: Design communicates. In the digital world, usability and user experience have never been as important as they are today.

Other studies and surveys also come to the conclusion that design is increasingly being used as a means of brand differentiation and of increasing profits.

*»A survey conducted by Aberdeen Group (2004) shows that many consumer product firms are increasingly relying on product design to differentiate their brands and boost market shares and profits. Product design has been recognized as an important factor that helps firms achieve sustainable competitive advantages (Brunner et al. 2008).«<sup>2</sup>*

Design is now recognised as an important factor for becoming more competitive and, serves as a means of communicating the functions and innovative value of a given product. Therefore, more and more companies are coming to understand design as an essential factor for product differentiation and brand positioning.

Those who create successful designs must also communicate this fact to the outside world, as it is important to make your products stand out from the crowd – especially in these times of global markets, broad product ranges and high-pressure competition. One suitable way of doing this is to receive a high-profile award.

In conjunction with a successful communication strategy, receiving an award in a prestigious competition is an effective marketing instrument, be it in terms of brand perception among potential customers, within the industry or with business partners.

<sup>2</sup> Xia, Yusen; Singhal, Vinod R.; Zhang, G. Peter: Product Design Awards and the Market Value of the Firm. In: Product and Operations Management Vol. 25, No. 6, June 2016 Product and Operations Management Society (2016)



Why take part in a design  
competition? Communicating  
successful design.

*»Winning awards may not only result in direct economic gains, such as better sales and higher profit margins. Awards may also lead to indirect economic gains, such as enhancing a firm's corporate reputation in the marketplace.«*

The economic significance of industrial design awards. A conceptual framework / Design Management Journal

## Good design makes a company more competitive

The »Product Design Awards and the Market Value of the Firm« study showed that publicising prizes won in design competitions can increase a company's market value – whether the company in question has received an award for the first time or has already received several is irrelevant according to the study.

However, the type of award is relevant: »The highest mean market reaction in the studies we reviewed is 0.71% for quality awards. In contrast the mean market reaction to winning product design awards in our study is 1.02%«.<sup>3</sup> The announcement of an award also has a more positive effect on average than the announcement of a new product. The study attributes this to the fact that awards are given to products that have already proven themselves in the market, and therefore demonstrate the competence of the company in question. Product announcements, on the other hand, do not give any indication of the final quality of the product and its eventual success in the market.<sup>4</sup>

A study entitled »The economic significance of industrial design awards: A conceptual framework« not only establishes a positive relationship between awards and increasing economic profit, but also highlights the reputation-promoting effect of awards:

*»Winning awards may not only result in direct economic gains, such better sales and higher profit margins. Awards may also lead to indirect economic gains, such as enhancing a firm's corporate reputation in the marketplace. A corporate reputation has been described by Kosnik (1991) as »the position a company holds in the minds of its customers, employees, investors, and other stakeholders.« A firm's reputation has been identified as an important determinant of demand, especially when product quality is unobservable at the time of purchase.«<sup>5</sup>*

<sup>3</sup> Xia, Yusen; Singhal, Vinod R.; Zhang, G. Peter: Product Design Awards and the Market Value of the Firm. In: Product and Operations Management Vol. 25, No. 6, June 2016 Product and Operations Management Society (2016)

<sup>4</sup> ebd.

<sup>5</sup> Gemser, Gerda; Wijnberg, Nachoem M.: The economic significance of industrial design awards. A conceptual framework. In: Design Management Journal, Design Management Institute (2003)

## Good design increases brand popularity.

Purchasing decisions can actually be influenced by awards. Design awards for products are perceived as positive image factors across all age groups. The claim that products that have won design awards have some special quality also seems to be well received by consumers. Awards are recognised as a seal of quality among consumers, which can be attributed to the fact they give customers new information about a product, which can have a positive influence on the purchase decision.

From the customer's point of view, an award proves the company's design competence and can have an impact on expectations with regard to the quality and attractiveness of the products.<sup>6</sup> In the eyes of consumers, an excellent product stands out in comparison to a similar product that has not been recognised by an award.

## Good design promotes internal and employer branding.

But the positive impact of awards can also be seen in ways other than immediate sales successes: for example, they can enhance a company's brand as an employer. Companies use awards internally to boost the motivation of their existing employees, and externally to recruit new employees.



*»Other benefits that have been identified as resulting from a strong reputation include the ability to recruit talented staff, attract and retain clients, lower the transaction costs of an exchange relationship (Klein, et al., 1978; Klein and Leffler, 1981; Sobol, 1985), and heighten mobility barriers (for a review of the benefits of a strong reputation, see Boyd, Carroll, and Dess, 1995).«<sup>7</sup>*

In times when skilled workers are in short supply, the increase to a company's visibility and reputation after receiving an award make this a good basis for recruiting new employees.

<sup>6</sup> ebd.

<sup>7</sup> Gemser, Gerda; Wijnberg, Nachoem M.: The economic significance of industrial design awards. A conceptual framework. In: Design Management Journal, Design Management Institute (2003)



Using the award for  
strategic communications  
Here's how it works

Use the awards label in all your marketing channels.

With most awards, you will also receive a label that visualizes the award for use in your digital and analogue communications. This label should be used in a variety of ways. Consumers will perceive it positively and associate it with quality, which can increase their confidence in your product and brand.

- > Place the label on your award-winning product and packaging or on the sales presentation for the product.
- > Place the label on your website.
- > Integrate the label into your trade fair presentation to attract more attention to your stand.
- > Integrate your label into your online and offline B2B and B2C communications via newsletters, social media, articles in customer magazines, advertisements, etc.
- > In addition, certificates or prize sculptures are sometimes offered. These can be used to advantage in your company foyer or in other places that are similarly frequented.

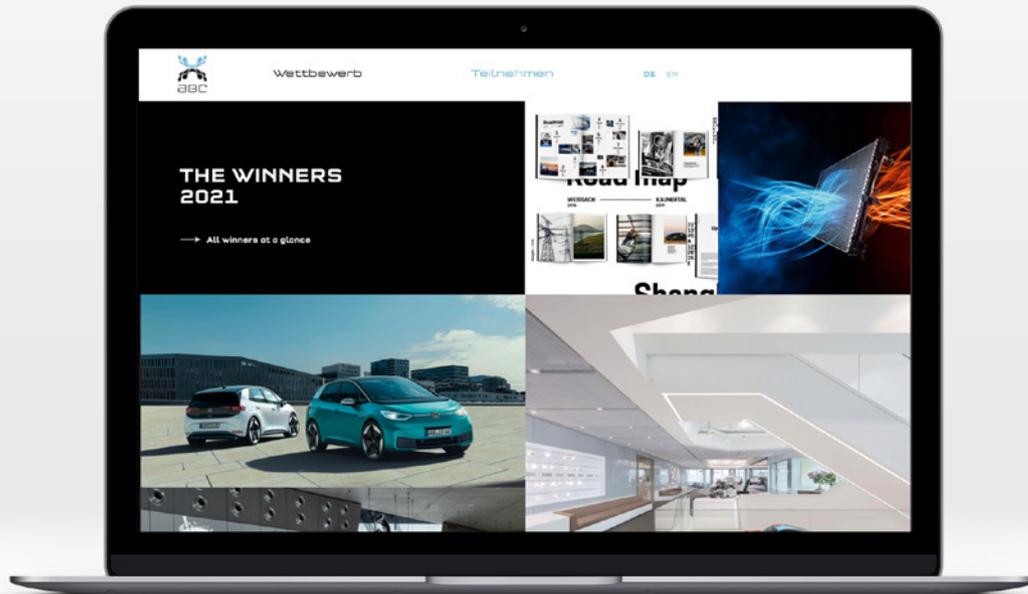


## Storytelling – recount your story of success.

Take your award as an opportunity to tell your customers and business partners about your expertise – via social media, blogs, websites, corporate magazines etc. – and communicate your company’s successes.

- > Present yourself and your company at the international awards ceremony as a member of an exclusive circle.
- > Send mailshots outlining your success story to customers, trade magazines and the press. Make use of any images and text material that you receive from the competition organisers as part of your award.
- > Use certificates, trophies etc. to demonstrate your expertise.
- > Communicate your success story internally as well: being a team member and participating in the company’s success can increase your employees’ motivation and help them identify better with the company.





## SEO: Linkbuilding & Traffic

- > Having an entry in the online winners gallery for a competition will increase the visibility of your product.
- > The linked placement in the online winners gallery will ensure that you receive additional traffic on your own company website.
- > SEO: the backlinks to your website from prestigious competitions with a well-ranked online presence will improve your own Google ranking.

## Costs

Awards are often criticized for their associated costs. But if you consider the benefits in detail as well as the potential for communicating your award as outlined above, this soon puts this point of criticism in perspective.

The service fees are used to finance communications, organisation, public relations and the awards ceremony. The uniform presentation and publication of all winners, at the awards ceremony, online, in print media and, in the case of some organisers, also in an exhibition, provide excellent communication opportunities for your own PR and brand promotion across all your marketing channels.

The winners receive extensive benefits that contribute to their image and reach, similar to an advertising campaign, such as an ad placement, and at a similar cost.

## Conclusion

With an award you gain an important and versatile instrument for communicating your success, be it externally to your end customers, business partners and the industry or internally to employees, colleagues and superiors – making your achievements visible within your organisation's internal competitive environment, as well as online on your corporate website or offline in magazines, at trade fairs and other events.

In short: An award can increase consumer awareness of your brand and confidence in your product brand, thus increasing your economic success.



## The German Design Council

An authority in the field of  
design, brand and innovation

The German Design Council is one of the world's leading centres of expertise in communication and knowledge transfer within the design, branding and innovation sectors.

It was founded in 1953, at the initiative of the German Federal Parliament, to support and enhance design expertise within the German economy. It pursues a wide range of activities – today on a global scale – with a single goal: to raise awareness of how to increase brand value on a sustained basis through the strategic use of design.

The German Design Council pursues this goal by organising awards, exhibitions and conferences, as well as through its activities relating to the promotion of emerging talent and research work. Each year, cross-sectoral awards are presented for design, brand and innovation excellence: these are the German Design Awards, the German Brand Awards and the German Innovation Awards.

## Sources

- > Gemser, Gerda; Wijnberg, Nachoem M.: The economic significance of industrial design awards. A conceptual framework. In: Design Management Journal, Design Management Institute (2003)
- > Sheppard, Benedict; Kouyoumjian, Garen; Sarrazin, Hugo; Dore, Fabricio: The Business Value of Design, McKinsey Quarterly (2018): <https://www.mckinsey.de/publikationen/2018-10-design-studie> (besucht: 18.04.2019)
- > Xia, Yusen; Singhal, Vinod R.; Zhang, G. Peter: Product Design Awards and the Market Value of The Firm. In: Product and Operations Management Vol. 25, No. 6, June 2016 Product and Operations Management Society (2016)

## Contact

Rat für Formgebung / German Design Council  
Friedrich-Ebert-Anlage 49  
60327 Frankfurt/Germany

[www.gdc.de](http://www.gdc.de)  
[presse@gdc.de](mailto:presse@gdc.de)  
+49 (0) 69 24 74 48-699