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In 1897, a young man named Ardeshir Godrej gave up law and turned to making locks. He went on to make safes and security equipment, and toilet soap from vegetable oil. He wouldn't have imagined that one day the business that started after his name would grow into a conglomerate with over Rs 7,000 crore in revenues, or that one of its top executives would wear long, red-streaked hair. Ashutosh Tiwari does that, and also ties it up in a ponytail.

The executive vice-president of strategic marketing at Godrej Industries is a vivid representation of the change that

the group is embracing. Last month, the Godrej group unveiled a new logo painted in a blend of three vibrant colours — citrus green, aqua blue and ruby red. In the past, even as recently as a decade or two back, such a change would be considered sacrilegious. There would be fears of dissociation with the age-old consumer base, which had embraced the brand and given it space in its household and heart. For instance, when the much larger, and more diversified Tata Group implemented umbrella branding a decade back, it opted for a more corporate and sober blue.

However, the spirit of the

**A rebranding initiative is not just a new visual and communication change. Companies need to match product and process delivery with the new promise. They claim to be moving in that direction**

rapidly changing world appears to have emboldened old corporate mindsets too. Godrej is not the only large family-owned business group that's gone under the scalpel. Last month, the Goenkas of RPG finally released the rhino into the wild by shap-

herding it out of Ceat, the tyre maker that R P Goenka, the takeover artist of the 1980s, had bought for Harsh, the elder of his two sons, to run.

Pharmaceutical company Nicholas Piramal, too, recently walked down the makeover aisle. It swapped the erstwhile initials for a pose of *gyaan mudra* from the Yoga. The firm's new logo shows the thumb and index finger in gentle contact as the remaining three fingers lean forward.

Apart from the connecting thread that the above three brands belong to business families of repute and have been around for decades, these

makeovers are primarily governed by the changing market conditions. As Tiwari points out, consumers are spoilt for choice with a plethora of brands vying for their attention across categories. What he doesn't say is that brands like Godrej, which have been in the consumer realm for more than a century, face the danger of being relegated to the background by newer and younger brands.

#### Perception audit

Godrej's effort at revamping its brand strategy began 18 months ago when it hired global brand valuation consultants Inter-

brand to revitalise its master brand strategy. The brand equity study done by Interbrand revealed that while a large number of consumers thought of Godrej as a trusted and reliable brand, it was not perceived to be in sync with the young. "The Indian consumer now has a more demanding and youthful mindset. We have always been at the helm of changing and redefining the marketplace and this will be reflected in the marketing and branding strategy," says Adi Godrej, chairman, The Godrej Group.

Demographically the Indian consumer is getting younger — by 2010, half of the country's

population will be below the age of 25. If the Godrej brand touches the lives of nearly 400 million consumers every day (more than 30 per cent of the population), it had to spruce up its youth appeal.

Ceat heard similar things from its market study. The results showed that while the saliency of the brand was high, consumers, especially young males, could not see the relevance. "The new logo is designed to reflect today's Ceat, with a vision to meet the demands of the next generation market," says Harsh V Goenka, chairman, RPG Group.

For Piramal Enterprises, the

stimulus to change was different. Having clinched 16 acquisitions in 20 years, it has come to house several companies with different personalities. "In the past we grew by mergers and acquisitions. In the bargain we became a little bit of all those companies," says Swati Piramal, director of strategic alliances and communication, Piramal Enterprises. Thus the firm needed a single unifying identity.

#### Landscape changes

Changing industry dynamics played a critical role in some of



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#### ASHUTOSH TIWARI

Executive vice-president, strategic marketing, Godrej Industries

the rebranding initiatives. Take Ceat as a case in point. Earlier the key expectations from tyres as a category was the ability to carry a huge load and withstand the impact while commuting on bad roads. The rhino, with its tough hide and "Born Tough" tagline, held out the promise of doing both.

In the current market conditions, the emphasis is on riding comfort, speed and performance. "In today's context of

new cars in the automobile sector and robust trucks carrying the correct load, the rhino and the "Born Tough" tagline are obsolete," says Arnav Banerjee, vice-president, sales and marketing, Ceat.

The other change is in the market composition itself. In India, commercial or cross ply tyres make up about 65 per cent of the entire market—a stark contrast from Europe or the US where passenger car tyres make up 60 per cent of the market. However, with a host of new vehicles entering the lucrative passenger car segment in India and consumers becoming more demanding, the company is now focusing on radial tyres, which currently make up just over 10 per cent of the domestic market. "With radials picking up, cross ply tyres will become obsolete. We are turning

a potential threat into an opportunity," says Banerjee.

In Godrej's case, the brand revitalisation was to build a strong link across its diversified businesses: personal grooming, foods, real estate, furniture, appliances and aerospace. In the consumer businesses, the company found that consumers were not strongly associating the Godrej brand with the company's products. Research even threw up surprises like the personal care brand Cinthol and insect repellent brand Good Knight not being strongly associated with the group. In other businesses like appliances there was a need to take the brand association beyond "trust" to "innovative". With the consumers' behavioural and attitudinal changes in mind, the Godrej Group's thrust was on placing progressive consumers at the centre of its product and brand development. Thus the firm repositioned itself around aspiration with the "Brighter Living" tagline.

On the other hand, the change at Piramal was triggered by a conscious decision to ac-

quire an Indian dimension that will help it break away from its former foreign associations, like Nicholas Piramal. The move is also about breaking myths like the lack of innovation in the Indian pharmaceutical industry. "Fifty per cent of our revenues come from global operations and we want to be a symbol that launches new, world-class products in other countries," explains Piramal. For example, the company's first cancer drug is being tested at the Dana-Farber Cancer Institute in the United States. "A drug from India being tested in the US is something almost unheard of," she adds.

#### Crack the code

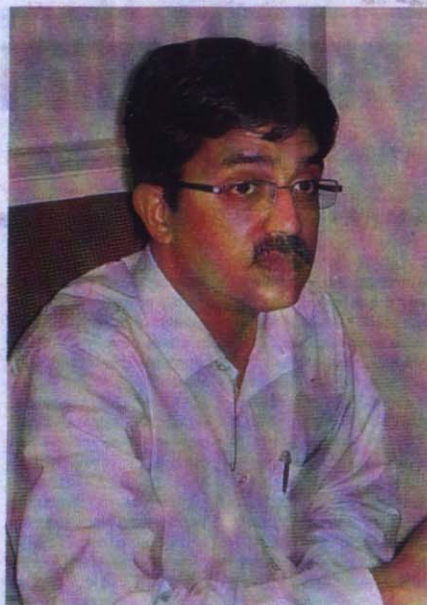
Rebranding need not be all sound and fury. If not executed properly, it is precious money down the drain. For instance, advertising industry professionals estimate that the three companies would have spent a combined amount of at least Rs 50 crore in rebranding opportunities in the launch campaign itself. Hence, it's important to get it right the first time.



Says Arvind Sharma, chairman, Leo Burnett, India and South Asia, "Rebranding offers companies the opportunity of owning or associating with the emerging codes of the category." For instance, in the case of Godrej where consumers are increasingly exhibiting a youthful mindset, the use of bright and vibrant colours could help project the brand's virtues. In pharma, where research and development plays a huge role, the usage of the *gyaan mudra* (knowledge posture) drives home the right perception. The orange £ in Ceat projects "raising the bar", while the deep blue connotes solidity, substance and a sense of machoism.

"The challenge was to bring home newer consumers without alienating the older ones," says Tiwari. Sharma adds, "Companies must be careful about keeping the brand DNA intact." Consultants feel continuity is one reason why Godrej retained its signature font.

While companies rebrand, communication professionals also prescribe some don'ts. "A makeover should never sound like an achievement. Both Ceat



and Godrej are projecting their rebranding like an achievement. Why must the audience rejoice?" asks Partha Sinha, chief strategy officer, South East Asia, with advertising agency Publicis. Adds Sharda Agarwal, director, Marketgate Consulting, a brand marketing consultancy: "A promise should not be too generic. For instance, change is good (Ceat's advertising pitch) is too generic."

But as experts add, a rebranding initiative is not just a new communication and vi-

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Director, strategic alliances & communication, Piramal Enterprises

sual change. Companies need to match product and process delivery with the new promise. They claim to be moving in that direction. For instance, if Piramal has the cancer drug to talk about, Ceat is investing Rs 880 crore in two factories, of which one will be solely dedicated to radial tyres.

By 2013, Ceat hopes to make Rs 6,000 crore a year as turnover, against the current Rs 2,500 crore. That, the company hopes, will push it up a rank or two from its fourth position in the industry in terms of market share and help it become the most profitable tyre company in the country.

Godrej on its part is aiming at a powerful link between brand investment and business results. Apart from the strategic marketing group that has been created on Interbrand's recommendation to manage the Godrej brand as one entity,



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Vice-president, sales and marketing, Ceat

the company has created divisions like the Pharma folio group to leverage business synergies.

The company has also created specific key performance indicators like a brand KPI that's measuring employee brand perception, market capitalisation and investor pride. Ceat has also developed a brand KPI to track the level of associating the brand with individuals in the company portfolio.

Godrej also plans to up its current television commercial, where the principal decides to and become more accessible to students, with "By then, the commercial have credible proof showcase the changes, too," says Tiwari. know, Adeshir did