

Makeover Magic

by Piya Singh and Meghana Biwalkar

Old firms are changing their logos to create new markets

ADI GODREJ, CHAIRMAN OF THE RS 7,500-CRORE Godrej Group, runs his hair-colour-to-real-estate empire out of an old-fashioned office building with ancient marble floors, wide staircases and a wood-panelled conference room replete with lion-headed chairs that reflect the group's century-old heritage. Still, what stands out in the room is contemporary artist Anjolie Ela Menon's work, which covers an entire wall. The renowned artist's work is not the only evidence of Godrej's interest in the changing times. The opposite end of the room is dominated by a 42-

inch plasma screen displaying the new logo of the group in ruby, green and blue, representing energy, innovation and growth, respectively, an attempt to rejuvenate the 110-year-old brand.

"The business environment has changed tremendously," says Godrej who is investing over Rs 100 crore in the rebranding exercise, including Rs 18 crore worth of advertising over six weeks during the Indian Premier League cricket matches. "We thought it was time to refresh the brand and look for a fresh positioning that appeals to younger customers."

Godrej, however, is only one of many Indian corporate houses that is wooing the young by repositioning its brand. There have been a flurry of brand re-launches, change in logos and repositioning across product categories from automobile tyres to retail chains over the past five months.

Whether it's the demise of the 25-year-old Ceat Rhino, the spanking new boxy black-and-white Shoppers Stop signage or slimming clinic VLCC's lush green and aqua blue logo for its skin and hair care products, Indian consumers are being treated to a time-tested marketing strategy. "A brand is a bundle of associations just like a product is a bundle of features. And, just as it is imperative to upgrade the features in a product over time, it is important to upgrade brand associations. So, a change in logo, or the evolution of a brand's identity shouldn't really surprise us," says Piyush Kumar, associate professor of marketing at the University of Georgia, who also consults in the areas of brand strategy and teaches at ISB, Hyderabad.

Targeting The Youth

That may be true, but Indian brands that have been around for several decades seem to have suddenly discovered the elixir of youth. "Indian companies find that they are out of sync with their rapidly evolving consumers, and this is compelling them to change," says brand consultancy Ray+Keshavan's Director Meeta Malhotra. The consultancy has given a new look to over 20 logos since 2007, including Ceat, Shoppers Stop, Jammu & Kashmir Bank and Arvind Mills.

Market research commissioned by Shoppers Stop revealed that while customers aged 18-30 years shopped at the chain, they had problems associating with the brand. Similarly, in the case of Ceat, while in the 1980s and 1990s, tyres were expected to be tough enough to deal with bad roads, customers no longer consider this as key in a purchase decision. Ceat's own research indicated that, with several new automobile models in the market and an improvement in road conditions, younger customers are keener



ON A NEW PATH: Adi and Jamshyd Godrej have given their 110-year-old company an image makeover to attract the youth

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 <p>The new logo is more youthful with an emphasis on the letter 'E' to represent energy</p> <p>AMOUNT SPENT: Rs 40 crore</p>	 <p>In the re-designed logo, ruby represents energy, green stands for innovation and red for growth</p> <p>AMOUNT SPENT: Rs 100 crore</p>	 <p>While the core brand VLCC is intact, the new logo represents ayurveda and herbal remedies</p> <p>AMOUNT SPENT: Rs 4 crore</p>	 <p>The new logo is an attempt to associate luxury with the brand and giving it a global appeal</p> <p>AMOUNT SPENT: Rs 20 crore</p>	 <p>The brand communication is designed to narrate the mysticism of the Himalayas</p> <p>AMOUNT SPENT: NA</p>

on performance. The surveys also found that the consumers felt that the brand values were stagnant. "We don't want to lose brand relevance with the youth," says Arnab Banerjee, Ceat India's vice-president for sales and marketing. "If we didn't take action now, we may have faced some trouble in the future."

The Bottom Line

Eventually, it's all about the chase for the wallet, and younger customers have more money now to spend than ever before. "Brands are following the money as the younger population is getting wealthier and companies realise the need to take their brands to where the money is," says Kumar. Having said that, he believes that brands typically seek a new identity for three key reasons.

First, and probably the most obvious factor that encourages the change is that Indian brands have to now face more competition, especially from global players and, therefore, the legacy bundle of associations may not be appropriate any more. Ceat is a good example where the No. 4 brand in terms of market share (after JK Tyres, MRF and Apollo) is gearing up for international competition as there are talks of several new brands entering the sub-continent. As Ceat tries to capture the imagination of the 20-something Indian consumer, its new logo is more youthful in deep blue and orange, and with a simple and clutter-free design. There is an emphasis on the letter E, which represents raising the bar and signifies energy. However, the company's advertising campaign, which says "Change is inevitable", seems to lack a clear

positioning. "MRF and JK Tyres have a strong association with motor racing," says Rajiv Arvind, 29, a motoring aficionado, "This has helped them connect with the youth. Ceat, on the other hand, had built up its image with the Rhino and its tag line 'Born Tough'. However, the new logo has diluted that image. The new campaign doesn't tell me much either except that the brand is changing."

Repositioning

According to Piyush Kumar, the second reason why brands seek a new identity has to do with the need to upgrade the segment in which they operate. Take Shoppers Stop's recent attempt to move up the value chain, for instance. "We've been trying to re-position ourselves from being perceived as a premium brand to a luxury brand," says Managing Director B.S. Nagesh. "The process started three years ago as we started stocking merchandise from MAC, CK, GAP, Chanel and FCUK at our premium stores." The home-grown retail chain is also addressing the 18-25-year-old customer, which is more fickle and is familiar with global brands and benchmarks.

The chain has tried to make the shopping experience more contemporary with smartly-designed new uniforms for employees, special areas in the trials rooms for keeping mobiles and wallets, and a nine-hour radio channel that pelts out English music. Even the shop floor has new signage and improved access to stocks. The chain's loyalty cards look more upscale and so does the new hard-paper shopping bag that has images of international movie stars, such as