

## 8 <u>CEAT – "Raising the Bar" with the New Logo</u>

On April 15, 2008, CEAT Ltd (Ceat), part of the RPG Group and a major tire manufacturing company, unveiled a new wordmark for the CEAT brand, doing away with its 25 year – old mascot, the rhino and the tagline, 'Born tough'. The rebranding exercise was carried out as part of brand repositioning effort.



## **18MBAMM404**

The old CEAT logo and the tagline had been in use since 1983, while this tagline seemed to work quite well when strength and durability were the only aspects that customers looked for in tires, it seemed to have lost its relevance with the needs of both the primary customers (automobile companies), and the end – customer changing. The fact that the condition of Indian roads was improving, and that vehicles were becoming more sophisticated, had led to customers demanding tires that would allow for greater speed increased manuceverability. Recognizing this, the company repositioned CEAT from a brand that conveyed toughness to one that was associated more with performance , style and comfort. Therefore, they decided to drop the 'Born tough' logo as well as rhino.

There was another reason for dropping the age - old rhino logo, even though it had high recall. This was the general perception associated with the rhinoceros - that of endangered species and the company did not want this perception to be extended to the brand as well. It wanted a more modern and contemporary logo which would go with its new positioning in the market.

By repositioning, the company wanted to ensure that the brand connected with the youth segment. Arnab Banerjee, Vice President for Sales and Marketing, Ceat, explained that after an exhaustive brand equity study, it was found that the CEAT brand was no longer relevant to people aged 25 and lower. This made the company go in for a new branding strategy. The new logo, which was introduced at the Golden Jubilee celebration of the company, was developed after an extensive survey, which involved asking customers, partners and employees about their perceptions of the company and its logo.

On the occasion of the new logo being unveiled, Harsh V Goenka, Chairman RPG Groups said, "The new logo is designed to reflect today's CEAT with a vision to meet the demands of tomorrow's next generation market. CEAT is a customer focused, employee friendly, socially responsible corporate. The company has been built on [an] enduring history of pioneering symbolizes not just our foundations but reveals an accent on the future".

The company planned to invest Rs 400 million on the entire campaign with Rs 100 million allocated for the first year.

## **Question** :

- a. What was the reason for the CEAT Ltd to come up with a new word mark? (05 Marks)
- b. Why was 25 year old mascot lost its relevance?

c. Why was Logo repositioned during Golden Jublee Celebration of the company?

(05 Marks)

(05 Marks)

d. According to the Chairman, why is the new logo more contemporary than old logo? (05 Marks)

2 of 2

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