

TURKISH BRANDS

Every
country
is as rich
as its
brands.

TM

Çanakkale Seramik
Kalebodur



FOUNDATION OF ADVERTISING

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Çanakkale Seramik
Kalebodur

Çanakkale Seramik & Kalebodur

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H. İbrahim Bodur with his brothers in the 1970s.
From left to right:
Süleyman Bodur,
Mehmet Bodur and
İbrahim Bodur.
[Kale Ailesi magazine,
Year 11, July 1988]



MY HOME TOWN

...

Its heroes: the Kazdağı scouts;
Its crown: the Asar heights;
Its streams, with waters healthy;
A garden of Eden in each valley;
The world's one and only.

....

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İbrahim Bodur

The Brand Ceramic Tiles Are Named After: Çanakkale Seramik & Kalebodur

The Brand in Brief

The foundation of Çanakkale Seramik was laid on July 27, 1957 in Çan, a town in Çanakkale province, under the leadership of Dr. H. İbrahim Bodur. The experimental production of ceramic tiles and electric insulators that started in February 1960 went on to regular production in September 1960. Over the following ten years, the initial capacity of 2,100 tons of white as well as color wall tiles and 300 tons of low voltage insulators had to be upgraded three times due to the accelerated increase in sales.

In 1956, when the company was still being established, machinery and other equipment were imported from Techoexport-Praha, a Czechoslovak firm. In that period, there was a shortage of foreign exchange, inputs, intermediate and finished goods in Turkey and the number of products manufactured was really limited.

A short while after the manufacturing of ceramic tiles and insulators, the manufacture of products like refractors, gas generators, electricity plants that are used in iron and steel, cement, metallurgy, glass, ceramics, porcelain, gas, boiler and heating industries began. Fuel, water, electricity and raw materials used in manufacturing, as well as in transport, warehousing and marketing, all start to be handled internally. When economic difficulties, the foreign exchange bottleneck and the shortage in raw materials and intermediate inputs during the period starting in 1975 are considered, it is easier to understand the reasoning behind the vertical and horizontal integration preferred by Çanakkale Seramik. Kale Group CEO Zeynep Bodur Okyay points out that Çanakkale Seramik began foreign trade as early as 1962 with sales of wall tiles to the USA, and that Kalebodur started as a separate brand, with a separate logo and company, in 1973.

Thus, as another pioneering step, Kalebodur Seramik Sanayi started to produce floor tiles. Growth in the construction sector continued with the companies Kalefleks, Kaleterasit and Kalekim, established in the 1960s, and the name Kale Group was taken. Kale Group started sanitaryware production in 1992 with Kalevit first, followed by a joint venture with Roca, which introduced the Roca Kale brand to the market. The Group has further investments in construction chemicals, isolation, paint, defense, aeronautics, electrical appliances, energy, informatics, robotic automation, transportation, tourism and even the food industry. Kale Group has partnerships with General Electric and Roca Spain in electrical appliances and sanitaryware respectively. Kale Group is among the largest business groups in Turkey, with 25 group companies and a workforce of over 5,000.

At 2008, Çanakkale Seramik & Kalebodur are known worldwide for their leadership positions based on innovative, creative designs. While the Group has successfully created the Kaleterasit, Kalekim, Roca Kale, Kalecolor, Kaledekor, Kaleplus, Mavikale brands, this case study will focus specifically on Çanakkale Seramik and Kalebodur.

The Founding of Çanakkale Seramik

İbrahim Bodur observed the fast growth of construction industry in Turkey and decided to produce ceramic tiles. As Bodur's competitor, Dr. Nejat F. Eczacıbaşı wrote the following about those days in his memoirs:

☛ The gradual increase in population and urbanization naturally led to the increase in demand for housing. The closest tie between the ceramics industry and construction was in tiles and sanitaryware. I knew that there was a new enterprise in the Çanakkale region for wall tiles. Therefore I thought that the new Eczacıbaşı plant we were going to build would be better off specializing in sanitaryware. Results proved this right. While Çanakkale Seramik continued developing successfully in tiles, Eczacıbaşı Seramik specialized in sanitaryware. ☛

(Dr. Nejat F. Eczacıbaşı, Kuşaktan Kuşağa, Dr. Nejat F. Eczacıbaşı Vakfı Yayınları, Toplumsal Belgeler Dizisi, November 1982, p. 101)

İbrahim Bodur (right) with Czechoslovak engineers



The opening of the Çanakkale Seramik factory was followed closely by newspapers. The Hürriyet daily published this model of the factory on July 27, 1957.

Ercan Erman joined the Group in November 1956 when Çanakkale Seramik was being established, and retired in 2000 after having served for 44 years as the General Secretary of the Group and General Coordinator of Sales and Marketing. Speaking about the foreign exchange bottleneck, shortage of qualified personnel and engineers in the early days, he mentioned:

☛ The equipment was obtained by barter from Czechoslovakia, the leading country in ceramics in those days. But there was nobody qualified to mount the ceramic kilns. So engineers from Czechoslovakia came. Unfortunately, Turkish engineers at that time were not knowledgeable about ceramics. We could only employ as technicians the graduates of chemistry departments of vocational high schools. Later on, seven or eight employees of ours went to Czechoslovakia for training. İbrahim Bodur also sent graduates of the local institute of art to Czechoslovakia to be trained. Hence, Çanakkale Seramik has always been a school for ceramics. ☛

A Member of the Board of Kale Group and General Manager of the Kaleseramik plant, the late Hilmi Bodur (who passed away in 2007) said in the documentary for the 50th Anniversary of Çanakkale Seramik in 2000 that although İbrahim Bodur was from Yenice, the factory was founded in the town of Çan, 25 kilometers from Yenice, because Çan was closer to the energy resources. The original project prepared by the Czechoslovaks was based on coal energy. Thus Çan, with its rich lignite mines, was selected. Furthermore, Çan had land available which was suitable for the factory and which would allow later investments for

The Shareholder Structure of Çanakkale Seramik

The shareholder structure of Çanakkale Seramik is interesting. At first it was established as a limited liability company with a capital of 750 Turkish liras. The shareholders were İbrahim Bodur, his close relatives, and small business owners from Çan, Biga and Yenice. Later on the number of shareholders quickly reached 300, and others from İstanbul, İzmir and Balıkesir joined. The company type was then changed to a corporation.

When the company was founded in 1957, 22% of the shares belonged to Etibank. (Etibank was the first electricity provider in Turkey, established by Law 2805 of 1935; it was later relieved of this duty on July 15, 1970 by Law 1312.)

Ercan Erman drew attention to another important problem at the time of establishment: the big devaluation of August 1958. After the devaluation, a capital increase became necessary for Çanakkale Seramik. Significant investments had been made until then, but additional capital was needed for the completion of the factory. At the time, electricity was provided by Etibank and Etibank needed insulators. Hence, Çanakkale Seramik was asked to produce these. Etibank became a 30% shareholder and increased its capital from 6 million TL to 9 million TL. Since the total investment needed for the factory was approximately 12 million TL, the additional capital was raised with a loan from Türkiye Sınai Kalkınma Bankası. The investment was thus saved from becoming idle.

Çanakkale Seramik products entered the market and enjoyed a fast demand because there was an overall shortage of goods. The total usage of wall tiles at that time was limited to the tiles imported for exhibition in trade fairs. As a result, wall tiles were almost impossible to find and whatever was available was very expensive. With Çanakkale Seramik products becoming available, the market pressure eased and the black market for tiles diminished.

İbrahim Bodur, Çanakkale Seramik and Contributions to Çan

Çanakkale Seramik became a very good example of the cooperation between private and state industries. Even at the beginning, the company was open to public ownership and had 1,100 shareholders. Workers and dealers were also shareholders. At the time, only 18% of shareholders were from Çan. İbrahim Bodur always believed in corporate social responsibility even in the 1950s, and continuously worked to contribute to the development of his home town Çan and Çanakkale. His youth ideal was to make the people of his country well-to-do because employment opportunities in Çan were limited. The shareholders of the company had modest savings. Some were housewives who sold their small personal jewelry. The population of Çan was 1,000 when Çanakkale Seramik was established. It is now 35,000.

Çanakkale Seramik always encouraged the people of the region to become shareholders. This became evident in 2005 during the IPO (initial public offering) of the Ereğli Demir Çelik iron and steel works, when a significant part of the demand for shares came from Çanakkale. Ercan Erman points out that later research suggested that this could have been due to the people of the region having been positively influenced by their Çanakkale Seramik experience.

Zeynep Bodur Okyay stresses that three points stand out in the business philosophy of her father, founder **İbrahim Bodur**:

- The first is finding out the innovations in production and following them to realize his dreams despite all difficulties. The second is to protect the reputation of the company and the family, believing that the two will affect each other in any case. The third is sharing the gains. ▶

As seen in his poem in the introduction, **İbrahim Bodur** always felt that he belonged to the region, to **Çanakkale** and **Kazdağı** (Mount Ida). As his resources grew, he increased his contributions to the region.

Ercan Erman stressed **İbrahim Bodur's** warm, easily befriending personality and added:

- He does not forget those who work with him and support him. He becomes friends with them. Those later became shareholders. Their children were employed by the company. He has authority, but is also joyful and jocular. What is important is to win his love and trust. Above all, **İbrahim Bey** is a person of the heart. ▶

The greatest example of **Erman's** point goes back to the days when **İbrahim Bodur** was on military service. His superiors gave him a leave on weekends because he was working on the establishment of **Çanakkale Seramik**. He never forgot this favor, and for years provided tiles free for military units.

Demirkan Barlas worked at Kale Group between 1960 and 1992 in the Marketing and Advertising departments, at Kaleflex in the 1970s, and at Kaleterasit in the 1980s first as Director of Trade and later as Assistant General Manager. He reminded us of **İbrahim Bodur's** ability to see the overall picture, and said:

- **İbrahim Bodur** frequently said: 'A company must spend if it makes money; you cannot manage by saving expenses. ▶

All impressions agree that all of these virtues of **İbrahim Bodur** are permanently consolidated in **Çanakkale Seramik** and in all the companies of Kale Group.

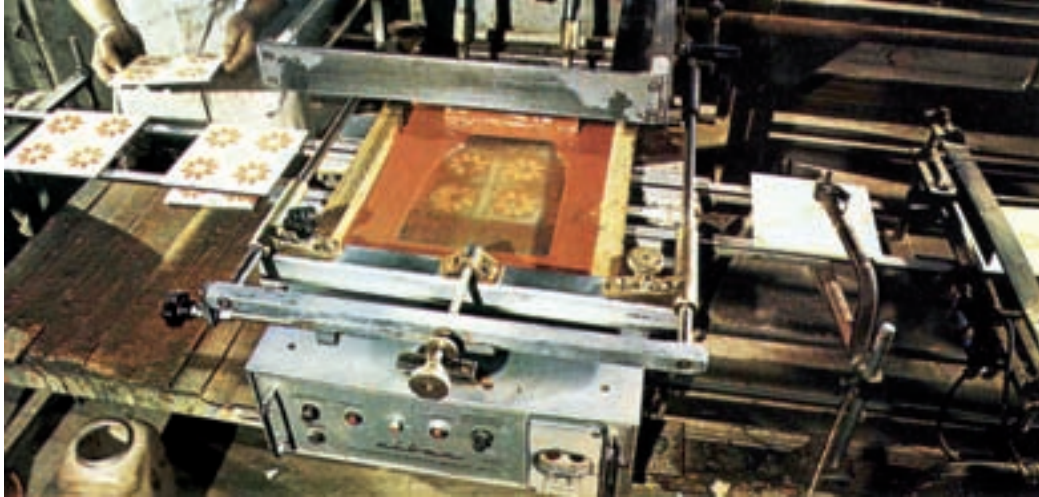
1972
Wall tile
production
line
(15. Yılında
Çanakkale
Seramik A.Ş.
brochure)



1972
Insulator
production
line
(15. Yılında
Çanakkale
Seramik A.Ş.
brochure)

Factors Affecting the Use of Ceramic Tiles

Ercan Erman told us that the passing of the 1965 law for residential flat ownership increased the construction of housing, and this naturally caused the demand for construction materials to increase. Çanakkale Seramik could not supply all the demand in those years and decided to expand its investments. New investments continued at full speed in the following years too, but even then demand could not be fully met as the market was continuously growing. For example, with the introduction of household LPG (liquid propylene gas) containers, houses in rural areas started to include interior kitchens with ranges. (Previously, cooking was mainly done outside the house over a fire.) The use of ceramic tiles became widespread in public buildings, schools and hospitals, but houses in the rest of Anatolia had yet to discover them. Ercan Erman records that Çanakkale Seramik's free supply of tiles to military units influenced young people on military service. After their service, they started to use tiles when building their houses back home. Similarly, Turkish guest workers who went to Germany in the 1960s to work saw ceramic tiles there. **Upon their return, ceramic tiles were accepted as standard material to be used in their houses. As a result, all the factors merged to develop the ceramic industry in Turkey and the growth continued at a fast rate for years.**



Production of printed tiles began in 1977

Rapid Growth

Çanakkale Seramik Fabrikaları A.Ş., which initially produced ceramic wall tiles, started to produce floor tiles in 1973 under the name Kalebodur Seramik Sanayi A.Ş. (These two companies were merged in 2000 as Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş.)

Çanakkale Seramik produced 1.5 million wall tiles in 1960. Production reached 130 million tiles in 1972, 270 million tiles in 1977, and 325 million tiles in 1982. A workforce that totaled a mere 300 in 1962 reached 1,700 in the 15th anniversary year.



The inauguration of Kaleporselen Elektroteknik Sanayi A.Ş. in August 1970. Director Ali Coşkun (later Minister of Industry and Commerce in the 59th Government of the Turkish Republic) imparts information about the factory.

Hilmi Bodur's memoirs record that Çanakkale Seramik continuously increased capacity until 1970. But in starting with 1970's, a near-revolution happened in Kaleseramik. Electrically heated, double-firing roller hearth kilns were purchased from Italy and a thorough modernization in production took place. Ercan Erman recalled that the 1970s saw a worldwide energy crisis, and as a result, German and Italian ceramic producers started to use higher torque presses to shorten the duration of firing ceramics in the kilns and thus achieve significant energy savings. Furthermore, with the older technology the ceramic biscuits were fired once, glazed and fired again. With the Italian kilns, a significant jump in efficiency was achieved and the 70-hour duration needed for the double firing in Czechoslovak technology was reduced to 20 hours with the Italian kilns.



General view of Çanakkale Seramik factory in 1977 [Kale Seramik 20th Anniversary brochure]

Kalebodur logos and stickers used in the 1970s and 1980s



Kalebodur

1973: The Founding of Kalebodur

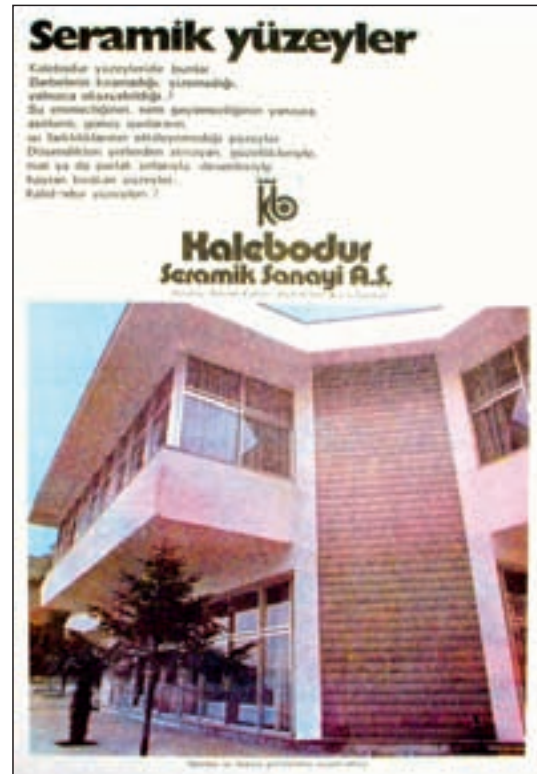
Ercan Erman related that in the 1970s Çanakkale Seramik started to produce floor tiles with the Kalebodur brand. Before this, floor tiles were not produced in Turkey but were imported. Therefore very quickly Kalebodur became synonymous with floor tiles. This continues to be so even in 2008. Zeynep Bodur Okyay stresses the efforts of her uncle Dr. Süleyman Bodur—the founding General Manager of Kalebodur, who continues to be Vice-Chair of Kale Group—for the brand Kalebodur, and points out that marketing and advertising activities gained momentum under his leadership and management.

Dr. Süleyman Bodur, who started to work at the Çanakkale Seramik factories in 1965, pointed out the importance of the fact that the Kalebodur brand contains their family name. He added that in the beginning he gave up all of his memberships in professional organizations so that he could devote all his time and efforts to Kalebodur.

In those years, Kalebodur started to work in a separate building in Karaköy in İstanbul. Teams independent of Çanakkale Seramik were formed and a very fast growth in sales was achieved. In a 1978 research study by Turkey's National Productivity Centre, Kalebodur ranked first in the ceramic sector for productivity and added value. It was also 31st in the overall ranking of all companies ("Kalebodur", Kale Ailesi, Year 12, Issue 35, April 1989, p.5). In our interview, Dr. Süleyman Bodur frequently pointed out that the success belonged to all members of the team and added:

Behind the success definitely there is working with love and passion. It is all a matter of love and loyalty. If this can be infused to all the team, real success then materializes. ▶

After years of operation as two separate brands and companies, Çanakkale Seramik & Kalebodur were merged as a result of a consolidation drive and given the name Kaleseramik. Marketing communications for Çanakkale Seramik & Kalebodur were run jointly. At the same time, consumers had less time and needed more advice from experts when buying material for wet surfaces, and so preferred to deal with one single solution partner. Therefore, the joint marketing communications were well received. People recall the names Çanakkale Seramik & Kalebodur jointly as providers of a common service.



Çanakkale Seramik & Kalebodur

11

1976-77
Product quality is stressed in communications for Kalebodur (Cenajans)

Kale Group Ceramic Division Chair and CEO **Tarık Özçelik** told us that he started as a trainee at Çanakkale Seramik in 1983 and has worked there ever since. He added:

Çanakkale Seramik has always been a pioneer. It has always claimed to create a new, previously non-existent market, and moved forward with such a claim. For example, the porcelain tile market did not exist in 1992. Kale Group has many such examples, like Kaleterasit, Kalekim and silicon insulators. Kale Group has always stood behind its claims. It has gained the habit to 'make the impossible possible' with the energy endowed by its founder. ▶

Tarık Özçelik points that in those years, Kale Group went beyond the needs of the day and aimed to establish in Turkey the most modern plant of the period:

Today the technology used in 90% of the capacity of our 67 million square meter plants in Çan and Yozgat is state-of-the-art, and our investments continue in order to retain this technological superiority. For example, while a maximum of two applications were made on a ceramic tile in the 1980s, today a product has to go through 15 to 20 different applications in order to meet the market demands. The demand for tiles reminiscent of nature has increased. And this necessitates additional applications. 20 to 25 years ago, presses had to be stopped every few minutes so that the molds could be cleaned by hand, and this took a long time. A press could take three different molds to produce three different sizes. The capacity per day was a mere 800,000 square meters of tiles. Today a single press produces 20,000 square meters of tiles. Fully automatic presses take six molds and can be cleaned automatically. ▶

All of these features have put the Kaleseramik production plant in an exclusive position against the competition in the world. Kaleseramik today is one of the very few of producers with such a large capacity and the only one with an integrated production process



December 1991 - Granite ceramic advertising in the construction supplement of Dünya newspaper

A Widespread Dealership Network and the Founding of Kale Pazarlama

Establishing dealerships started with Çanakkale Seramik and gained momentum with Kalebodur. Since both brands enjoyed high demand, long queues for dealerships built up. İbrahim Bodur was very selective in choosing dealers and took extreme care to work with only the most prominent, respected, honest and industrious people in each city. He stood by them for better or worse. In 1978, the dealership network of Çanakkale Seramik & Kalebodur comprised over 800 dealers and spanned the whole of Turkey (Kale Dergisi, 1978, Issue 17). To coordinate the expanding marketing activities of Kale Group brands and to serve the dealers from a single source, Kalepazarlama Ticaret A.Ş. was established. Facilities like purchasing the products immediately and exhibiting locally were extended to the dealers. At 2008, there are over 200 exclusive dealers and approximately 3,000 subdealer points of sale.

1976 -
Çanakkale
Seramik
advertising
by Cenajans
claiming
that the
brand is for
all persons
and purses
(budgets)



Çanakkale Seramik & Kalebodur and Trade Fairs

The Çanakkale Seramik advertising account was with Yeni Ajans between 1960 and 1974, and with Cenajans until the end of the 1980s. Demirkan Barlas said:

☛ In those years, we followed the new marketing and advertising techniques through Cenajans. They were a full-service agency in the 1970s. For example, there was a separate PR company within Cenajans. The agency always employed known copywriters, graphic designers and account directors. ▶

In those years, exhibiting products at the İzmir International Trade Fair was very important for brands because the İzmir Fair was almost the only window for Turkey that opened to the world. According to Demirkan Barlas, Çanakkale Seramik rented a gigantic 2,500-square-meter stand in the center of the Fair in 1960. For the first time, ceramic tiles that were typically found in hardware stores were exhibited in an extraordinary way.

When the permanent exhibition of Turkey's Building Information Centre (Yapı Endüstri Merkezi, or YEM for short) opened in Harbiye, İstanbul, Çanakkale Seramik & Kalebodur were among the first to exhibit. The Group also took part in YEM's traveling shows in many other cities. Kalebodur and Kaleterasit exhibited enthusiastically in other trade fairs that opened in the 1970s in the cities of Konya, Kayseri, Erzurum and Samsun. YEM's first ever construction fair in 1978 exhibited all the brands of Kale Group, and participation has continued with equal enthusiasm into the present day.



View of the Çanakkale Seramik & Kalebodur stand at a trade fair

Çanakkale Seramik & Kalebodur took international fairs seriously, too. Kale Eksport represented Turkey in Cersaie (Italy) in 1982. Since the 1990s, exhibitions at the Cevisama (Spain), Bau and Frankfurt ISH (Germany), Coverings (USA), Mosbuild (Russia), and Big 5 (Dubai) fairs continue regularly.

Süleyman Bodur also pointed out the importance of exhibitions in ceramic tile marketing and said that the principles of the free enterprise economy during Turgut Özal's premiership and presidency opened new horizons for both the producers and the consumers. On the one hand businessmen traveled freely in the world and tried to produce what they saw in the international trade fairs, and on the other consumers started to demand from local producers the goods they saw in foreign markets. These two factors improved the average product quality in the ceramic industry just as in others.

To support all these efforts, Çanakkale Seramik prepared product catalogues with utmost attention to detail, and worked with architects and built special locations for photo shoots, casting models as consumers. Even when the Group was working with advertising agencies after 1986, photos for the product catalogues were shot by Nuri Bilge Ceylan, a keen photographer who later directed internationally acclaimed feature films; the design and shots were produced between 1990 and 2002 by Nuri Bilge Ceylan and Ahmet Özyurt.

The Çanakkale Seramik Galleries

Çanakkale Seramik & Kalebodur did not contend with fairs only, and opened galleries where products meet professionals and end consumers. The first gallery opened in Karaköy, İstanbul in January 1976. Kızılay, Ankara followed in January 1977, and Lozan Meydanı, İzmir in May 1977. In his opening speech for the İzmir gallery, İbrahim Bodur said the galleries provided the opportunity to demonstrate usage of the products with all the right plumbing products and that the galleries were planned as centers to provide the professionals with assistance. The also set the exhibition example for the dealers (Kale Dergisi, July 27, 1977, Issue 14). At 2008, the number of galleries is six.

Kale Group and Pioneering New Media

Demirkan Barlas says that advertising media were limited in the 1970s. Hence, the outdoor advertising panels on train bridges, over or under passes; in stadiums were used. Likewise, in the Üsküdar, Kadıköy and Beşiktaş districts of İstanbul where traffic was heavy, the bus stops were covered and exclusively branded, providing passengers with a shelter and creating an advertising surface for Kaleseramik, Kalebodur, Kaleterasit, Kaleflex and Kalekim. Apart from these, Çanakkale Seramik and Kalebodur cinema advertising was run in normal and open-air theatres, because watching films was the main entertainment in the 1960s.

1972 - Bus stops in the busy Kadıköy, Üsküdar and Taksim districts of İstanbul were covered and branded by Kale Group to create advertising surface for the Group's brands



Çanakkale Seramik ve Kaleflex'e ait Kadıköy'deki Göztepe ve Suadiye dolmuş

Development of the Logotype

Zeynep Bodur Okyay records that the Çanakkale Seramik logotype was created by İsmet Tomaç, inspired by İbrahim Bodur's handwriting and coupled with the city walls of Çanakkale. As the years passed, Kale Group companies developed their own logotypes.

In 1992, standardization work for the identities of group companies started. As a result, the black and red city wall symbol on a white background was then used for all companies. This design was made by Ahmet Özyurt. Even if all typefaces of the company logos could not be standardized, the city wall was applied to as the common symbol. To facilitate the use of standard logotype in dealership signs and the setting up of sample exhibition stores, Meriç Yıldırım and Nova Tasarım (a design company) provided support. The first such exemplary store was Kaledekor Kozyatağı (İstanbul).

Tarık Özçelik says that based on the facts of 1970s, Kale Group put each new product under a different brand, but work started in 2008 to bring all Kale products under one brand because brand building has become very expensive and getting into consumer's mindset is very difficult. He says that consumers will be informed that all these brands are produced by the same group. The consolidation that started in 2000 requires that a common corporate identity be created, a synergy between all the brands of the Group achieved, and that all brands be brought under the same brand architecture. (The new corporate identity work by Landor that started in 2007 was continuing at June 2008.)

The Importance of Communications

Çanakkale Seramik & Kalebodur have always attributed importance to brand visibility. Starting with a widespread dealership network, Çanakkale Seramik & Kalebodur strove to make the brand seen and known by end users. Ercan Erman recalled that for years theirs was the only brand in the market, and that even though the demand was always much higher than the supply, they never stopped marketing communications. In fact, Çanakkale Seramik & Kalebodur advertising was much more then, compared to today. Erman recalled with appreciation the contributions of the admen Affan Başak (Repro agency) and Eli Acıman (Manajans).



Nazar Büyüm, one of the Ajans Ada founders, explained the applied communications strategy with Ajans Ada's point of view of advertising:

- When we worked in Manajans, we sat at our typewriters to write headlines. But in the 1970s, TV had already entered our lives and we had to write TV scripts. When we established Ajans Ada in 1975, we kept reminding each other that we had to do things differently. This was the main concern in all our work between 1975 and 1980. So even if we had a different approach for each client, we managed to make everybody say: 'Hey, that's Ajans Ada's work'. When Necmi Anadol of Kalebodur contacted us, we did not know much about the product. But once they became a client, we visited the plant in Çan frequently and asked everything we wanted to learn, from the sizes and the thickness of the tiles to the temperature in the kilns. ▶

He added:

- We never handled advertising with our bare hands. We always wore gloves. We devoted all our skills to our work. Because it was our main earner and honor. We thrust the shovel as deep as possible. ▶



January 1983 - The slogan "Kalebodur. This is the ceramic tile." was in use until 1983 (Ev ve Ofis magazine)

Haluk Mesci, who contributed to Kalebodur brand while he worked in Ajans Ada, explains the brand strategy as follows:

- Necmi Anadol and Müfit Sokullu of Kalebodur visited Ajans Ada in 1976-77 and had in mind positioning Çanakkale Seramik and Kalebodur as two totally separate brands. In those years, Çanakkale Seramik was mainly producing wall tiles used in kitchens and bathrooms. The account was at Cenajans and used the slogan 'The signature on wall tiles.' So, to differentiate Kalebodur from wall tiles and to impart the information that Kalebodur tiles could be used on exteriors too, as well as increasing the brand awareness, the slogan 'Kalebodur. Seramik budur,' was created. (The Turkish of the slogan rhymes and means, 'Kalebodur. This is the ceramic tile.' ▶)

Haluk Mesci also remembers that TV was in the black-and-white era when Kalebodur started to advertise, and that an early table-top commercial with dropping metal ball bearings was shot to prove that Kalebodur surfaces were non-scratchable.

Süleyman Bodur told us:

- We adopted this slogan with Anatolian people in mind. Nearly all marketing is designed with cities in mind, but we wanted to include Anatolia in our work. There were a number of slogan alternatives but we voted for and accepted 'Kalebodur. This is the ceramic tile,' and it served our brand for long years. We as a team invested our time and effort in marketing and advertising, of course. ▶

Ercan Erman and Demirkan Barlas stated that the slogans frequently used by the Group in those years were: "Çanakkale Seramik. The signature on wall tiles."; "While there is Kaleflex, Kaleflex is used."; "Kaleterasit: Wise choice."; "Kalebodur. This is the ceramic tile," and add that the main positioning was based on quality and speed of service.



July 1979 - "Ceramic tiles are bought for their front. (But make sure you check the back first.)" by Ajans Ada (Ev ve Ofis magazine)

1972 - "While there is Kaleflex, Kaleflex is used" by Radar agency



Likewise, the product descriptor "ceramic tiles" was used compulsorily with Kalebodur brand in international markets. The international ISO standard was yet to become a part of the lives of Turkish companies, but Kale Group was already aware that the consumer trust could be won by combining quality and service. Süleyman Bodur told us that the message "Don't buy ceramic tiles without first checking the back," was an approach that brought forward the quality of Çanakkale Seramik and Kalebodur brands, giving the consumers a brand assurance in those years. Furthermore, the tagline "on the floor, on the wall"-developed to explain where the ceramic tiles could be used-was quickly understood by consumers and effectively developed the ceramic tile market. For years, Çanakkale Seramik & Kalebodur utilized plain, easy-to-understand, benefit-driven advertising. The goal was to acquaint the consumers well with the ceramic tiles, to expand their use, and to grow the industry. All these contributed to Kalebodur brand becoming a generic name for tiles.

Ercan Erman related an interesting observation about the effectiveness of advertising:

- Whichever design we showed in the ads became very popular. The consumers demanded that particular design. Initially we did not check whether that design was in stock. Later, we selected the designs used in the ads more carefully. ▶



August 1968
Announcement
of Çanakkale
Seramik exports
to South Africa
[Yeni Ajans]

The 1980s and the Export Drive

With the export drive that Turkey embarked upon in the second half of the 1980s, Çanakkale Seramik headed for exports. In 1982, at the 25th anniversary of the company, the exports of floor and wall tiles to the 12 countries of the European Union (then called the European Economic Community then) surpassed 6 million USD. In 2007, exports involved 60 countries around the world and reached 90 million USD.

Kaleseramik has its own dealers in UK, USA, Germany and United Arab Emirates. The managers we interviewed indicated that the professionals in those countries know the Kale brand very well. For example, Kale has approximately a 10% market share in the UK. The market share is 8% in Israel, 5% in Sweden and 5% in the UAE. Kaleseramik alone is achieving 1% of the world's ceramic tile exports.

Target Group and Wide Range of Kale Products

Zeynep Bodur Okyay told us:

- Çanakkale Seramik and Kalebodur are brands that touch-without being elitist-consumers from middle- to high-income groups. This definition of target consumers reflects the life philosophy of our founder İbrahim Bodur. Infusing the design factor that is inherent in the nature of the product itself into the product and adding value is among the brand priorities of Kale Group. ▶

The high production capacity of Kale Group makes producing for the different needs of diverse segments possible.

One easily observes that Kaleseramik continues to produce pioneering innovations with the same excitement it has had since its establishment. For example, following the 1999 earthquake in İzmit, the company accelerated the R&D efforts for an earthquake-proof material and developed a flexible tile for exterior surfaces called Kalesinterflex, in cooperation with Italian partners. (Kalesinterflex is 3 mm thick, measures 1 x 3 m and weighs 7 kg/m². It is the largest and thinnest ceramic tile in the world.)

Zeynep Bodur Okyay said:

- We create opportunities to expand the uses of our products by this kind of innovations initiated by Kaleseramik. That is how we evolved from being a surface material into being a construction material. Naturally, the possibilities for use are larger in construction compared to surface covering. ▶



Kalesinterflex®
Yeninin heyecanı, metrekaresi sadece 7 kg ağırlığındaki
dünyanın en hafif porselen seramiğini
mekanlarınıza taşıyor. Yeni Kalesinterflex

50
KALE

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Kaleseramik
Seramik Bulur

Zeynep Bodur Okyay pointed out another competitive advantage of Kale Group: its ability to produce large tiles. Turkey's first ever 60 x 60 cm, 60 x 90 cm, 60 x 120 cm and 1 x 3 m tiles were produced by Çanakkale Seramik & Kalebodur. Generally, additional technical skills are needed as the size of the tile increases. "Cosmopolitan" for example, announced in 2007, is an innovative 33 x 90 cm tile that has the ability to make narrow spaces appear wider.

Instead of choosing the easy and obvious, or printing nature designs on the tiles, Kalebodur strives, with the help of technology, to obtain the visuals that are closest to the reality.

Magazine advertisement for 33 x 90 cm Cosmopolitan tiles (Medina Turgul DDB)



The Move to Collections

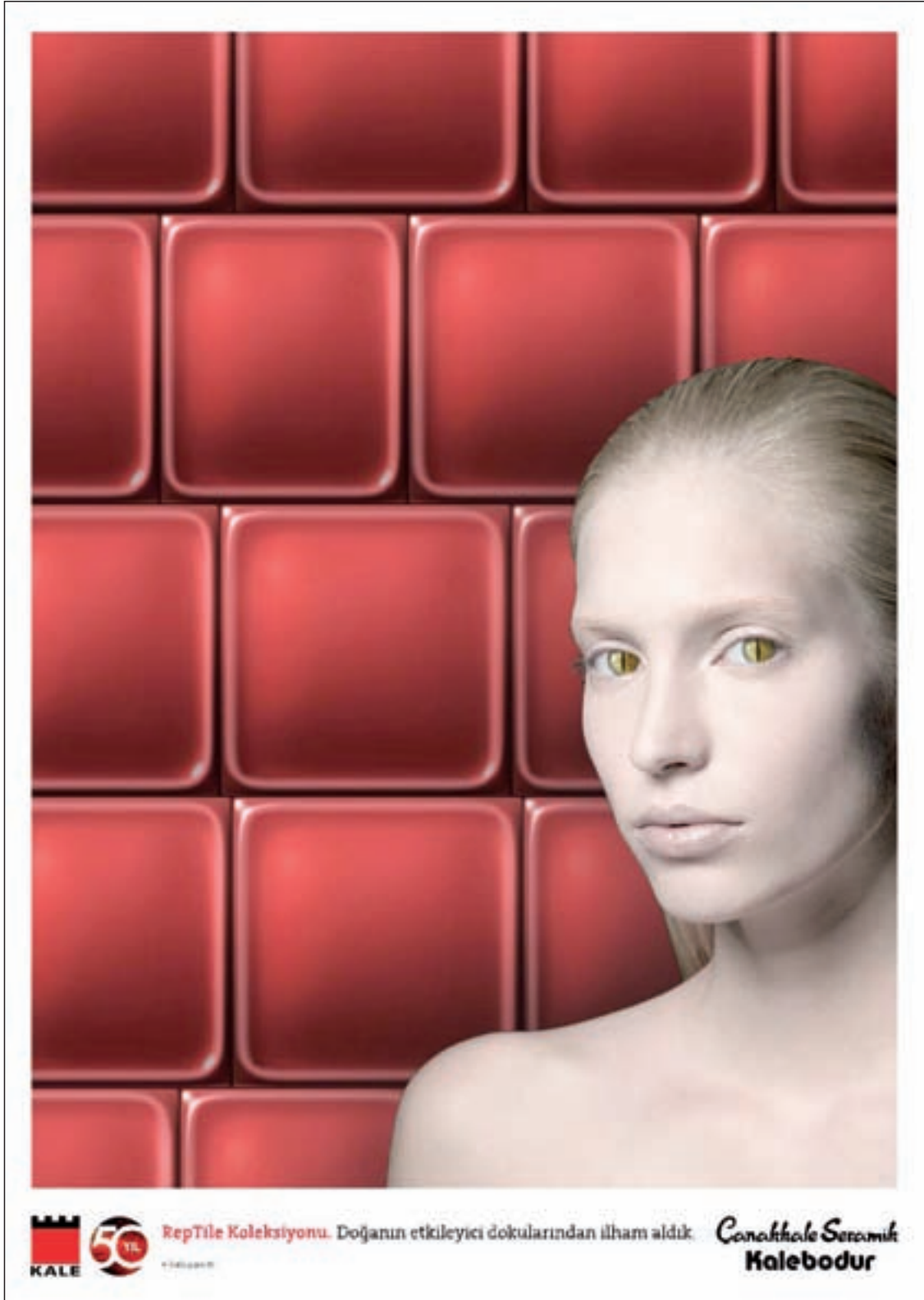
According to Zeynep Bodur Okyay, a 1996 project to create a "collection" concept in ceramic tiles bore fruit in 1998. The Selçuk collection, for example, was created with this approach. Thus, while the opportunity to buy all floor and wall tiles in harmony with sanitaryware is provided on one hand, the modernization and preservation of classic Turkish designs is made possible on the other. Okyay believes it was the right step for the ceramic industry to move towards a collection logic instead of producing ceramic tiles of individual designs. With the move, the importance of visual design has definitely increased.

The Ultimate in Ceramics: from Producer to "Solutions Partner"

Twenty to twenty-five years ago, the main agenda for the ceramic industry in Turkey was production very much like the rest of the world. As production-based problems were gradually solved, consumers started to find quality ceramics at the right prices more easily. As a result, design started to play a more important role in consumer preferences in ceramics, just as it had in other product categories.

For example, the RepTile series, designed by industrial designer Can Yalman and introduced in 2007, was inspired by the scales of reptiles.

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The molded RepTile gives a 3-D depth to the surfaces it is applied to. The design won a 2006 Tasarımla Kazananlar Ödülü (Winners with Design Award) from the Industrial Designers Society of Turkey. In 2007, it won two others: an Elle Decor International Design Award and an ID Design Review Award.

"Orientile"
advertisement
with the
slogan
"a modern
reflection of
history"
(Medina
Turgul DDB)



The Orientile line, introduced in June 2008, adapts loyally the Ottoman and Seljuk forms to current day.

Zeynep Bodur Okyay mentioned that the recently established Design Management Unit has put Kaleseramik into a much more competitive position. The unit is staffed by creative people with diverse educational backgrounds, and charged with creating diverse designs for daily products as well as creating such new products, even proposing location-specific solutions. The unit provides equal support to professionals and to the dealers in need of help with product displays and sales-generating issues. Hence, as the business volume grows, Kaleseramik is expanding its reach of business from "wet surfaces" to other areas.

Tarık Özçelik related an interesting example of Çanakkale Seramik adopting an increasingly "solutions partner" approach. Consumers expect systems solutions along with innovations in technology and design. In other words, the applications of new products are as important as the product itself. Kaleseramik, as a company that continuously introduces new products, has always been a pioneer of the right product application. As Özçelik told us, when granite tiles were introduced to the market in 1999-2000, a team of six was formed to show how granite tiles were to be used in exteriors. This team applied custom-produced blue granite tiles to the exterior of the office building of Dünya (a Turkish newspaper), thus providing application service along with sales.

The MedinaTurgul DDB Communications Era

Çanakkale Seramik and Kalebodur assigned their marketing communications account to Medina Turgul DDB between November 2006 and June 2008. Client Services Representative Gönç Selen told us that the brand has a 94% awareness in the ceramic sector, and a strong impression in the minds of the professionals and end users. The attributes "trustworthy" and "high quality" have created a very strong vista for the brand since its launch. Selen adds that Kale brand has yet to be associated with "innovation" and "design," despite all the pioneering steps taken. July 2008 Brand Asset Valuator (BAV) research by Y&R show that both Çanakkale Seramik and Kalebodur rate high in "recognition" but lag in "differentiation." BAV indicate that the brand energy coefficient—a product of vision, creativity and dynamism—could be increased for both Çanakkale Seramik and Kalebodur.



Magazine advertisement announcing New Textile tiles (Medina Turgul DDB)

Çanakkale Seramik & Kalebodur

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Sanayi güven, istikrar, sabır, paylaşım, gayret, yenilik ve çevre gereklilikleri.
U. N. Arslan Kardeş

KALE GRUBU 50 YIL BU İLKELERE BAĞLI KALARAK BUGÜNE ULAŞMANIN GURUR VE HEYECANINI YAŞIYOR.

Kale Grubu 50 yıldır bu yolda, 38 kuruluşla 5000'i aşkın çalışan, 100'i markaları, 2000'den fazla müşteri ve tedarikçisiyle Türkiye'nin en büyük seramik üreticisi olarak faaliyetlerini sürdürüyor. 50. Kuruluş Yılında kutlanılan bu önemli başarıya, başarılarına, emel ve hedefleriyle içtihatlarıyla yarılan ve gelecek için, bilgi ve tecrübeyle ilerleyen, emir ve müdahaleleriyle, Kale Ailesi mensuplarına, katkıları bugüne güven ve teselli eden değerli hollere ulaştıran ve başarılarıyla ilerleyen...

©Nükhet Vardar

July 27, 2007 - 50th anniversary advertisement in Hürriyet newspaper (Modiki)

Gönç Selen thinks that the RepTile line will therefore be effective in associating innovation and design with the brand. An image campaign, "The Excitement of the New," that started in June 2007 stemmed from these thoughts and aims to add excitement to the brand. Selen added that new corporate identity work started in 2007, the 50th anniversary of Kale, and may continue throughout 2008. With the Kale Group brands coming under one umbrella, the campaign strategy may introduce a new creative solution to sustain the consistency in communications. Kale Group products enter the lives of end users when they buy, rent or renovate homes, in other words, at new beginnings. Therefore, the slogan "The excitement of the new" resonates with consumers.

The 54" commercial relates the excitement of the new and reflects the differences one lives with the new. The voice-over goes:

"How beautiful is the new.
New, meaning everything new.
For one thing, new surprises.
Makes one happy.
Gives hope.
Gives pleasure.
Makes one smile each time.
Makes one helpless sometimes.
But, ever wondered what's best about the new?
Every new thing in one's life, renovates one a bit.
Probably that's why the new is liked so much.
The excitement it brings.
The excitement of the new. In Çanakkale Seramik
Kalebodur."



Çanakkale Seramik and Social Responsibility

Since its very establishment, Çanakkale Seramik has spent the utmost effort to develop its region and to achieve for it a different position. Each July 27 is celebrated not only as the anniversary of Çanakkale Seramik, but also as the region's main development and industrialization day. This tradition continues with all its liveliness. Every five years, an international symposium is organized in Çan, where local and international scientists discuss the latest developments in ceramics. Çan also has a Ceramic Museum, founded by Çanakkale Seramik in 1996.

On July 27, 1991, İbrahim Bodur founded the Kaleseramik Education Foundation in order to systematize his contributions to education, health and social life. The Foundation changed its name to the Dr. H. İbrahim Bodur Kaleseramik Education, Health and Social Support Foundation after 2001. Courses which opened all over Turkey in 1974 to train personnel in laying ceramic floor and wall tiles and give young people a craft have been managed by the Foundation since 1991. To the present day, over 5,000 young people have attended these courses and learned the craft. Also, over 7,000 master craftsmen have attended the Foundation's Master Training Seminars and Compatibility Courses all over Turkey.



At the
Zeynep
Bodur Art
Gallery

"From China to Çan," a gigantic project supported by UNESCO Turkey and carried out under the auspices of ninth President of Turkey, Süleyman Demirel, was sponsored by Çanakkale Seramik & Kalebodur. The project was mainly a caravan journey that started in Xian, China and passed through six countries along the Silk Road, ending in Çan in 1996. Photographs from the journey were later published in the book "The Last Caravan on the Silk Road," and a documentary film was produced by Arif Aşçı, with Çanakkale Seramik & Kalebodur's main sponsorship.



Çanakkale Seramik & Kalebodur have been supporting architecture for many years. For example, in 2005, they sponsored the XXII World Congress of Architecture (UIA), welcoming more than 10,000 architects to İstanbul. Similarly, in cooperation with Bilgi University in 2007, they started the Kale Design Center in order to establish a new platform in design and architecture, so that the energy of the young people demonstrating their creativity in these workshops would be reflected in Çanakkale Seramik & Kalebodur and in the Kalekim brand.

Kale Group has similarly supported numerous projects over time in ceramics, design, architecture, and in archeological and historical studies involving Çanakkale, Troy and Gallipoli. For example, the Group has been key in making the work of many ceramic artists reach masses. Published works include "Bahtabakan"-a collection of photography by Arif Aşçı)-and "Daha Çok Ateş" ("Much More Fire") and "Toprağın ve Güneşin Ozanı Atilla Galatalı" ("The Bard of Earth and Sun: Atilla Galatalı"), both books of ceramics by Beril Anılanmert. Other books of work by Mustafa Tunçalp, Hamiye Çolakoğlu and Alev Ebuzziya Siesbye were also sponsored by Kaleseramik.

İbrahim Bodur's gift for poetry and music paved the way to two CDs with lyrics by him and music by Hasan Şanlıtürk and H. Amir Ateş. Together with this work, a book titled "Heritage: Turkish Music Today through the Past" and a 5-CD box set were published as a souvenir of İbrahim Bodur's 55th year in the industry and 50th year in ceramics. Numerous other projects like these have been helped by Kale Group.



2008 - "Tiles, Treasures of Anatolian Soil: Tiles of the Seljuk and Beylik Periods," published in Turkish and English

Kaleseramik is the largest ceramic producer in the world in one single area, with its annual production capacity of 63.4 million square meters. (The Çan and Yozgat plant capacities together reach 67 million square meters.) Kaleseramik's Çan plant has an annual production capacity of 25.5 million square meters of wall tiles, 30.5 million square meters of floor tiles and 6.5 million square meters of granite tiles. The Yozgat plant, which started operation in June 2007, has an annual production capacity of 3.6 million square meters of floor and wall tiles. Fifty different sizes of 1,900 types of floor tile and 60 different sizes of 2,200 types of wall tile are produced annually by the Group, with approximately 200 new products introduced to the market every year. Çanakkale Seramik has increased its initial capacity of 700-800,000 square meters to 67 million square meters of floor tiles. Half of these are being sold to the local market and the other half are being exported.

Zeynep Bodur Okyay says Kaleseramik has a 25% share of value and 20% share of units sold in the market, and that these have been stable in the last four or five years. Çanakkale Seramik & Kalebodur holds the leadership in the market and has a larger share than the total shares of second and third ranking brands. The prices of ceramic tiles have fallen significantly in the last years due to heavy competition. Despite this, Kale Group sustains investments in technology and design in order to strengthen its brand.

According to a "Corporate Image and Brand Image" research study by BAREM Research International done for Kale Group in 2007, Çanakkale Seramik enjoys being the most preferred brand by consumers with a recall rate of 38%, and Kalebodur ranks second with 14%. Among professionals, Çanakkale Seramik ranks first with 39%, and Kalebodur second with 13%. The total of those who prefer this brand is 76-77% for Çanakkale Seramik and 33-46% for Kalebodur. About half of these have used both brands, while for the competitor brands this rate is only one third. The Çanakkale Seramik brand stands out with the attributes of "tie", "heritage", "prestige", "old", "established", "classic" and "targets all groups", while Kalebodur is associated with the attributes "nostalgic brand", "This is the ceramic tile" and "generic brand".

One of the short-term objectives of the Group is to clarify the positioning in the consumers' minds and to introduce products for the needs of different segments. In this direction, Kaleseramik has already started to market a new line called "Ida"-a brand name reminiscent of the Kazdağı region-targeting the middle segment without compromising its footprints. Tarık Özçelik told us in our interview that in the next four to five years, the Çanakkale Seramik & Kalebodur brands will be used only for products marketed to the upper segments. Therefore, these brands will be differentiated more easily by consumers.

The 2007 gross sales of the Group in USD terms increased 17% over the previous year, reaching a total of 940.2 million USD. Investments in 2007 were 44.8 million USD, while exports reached 227.7 million USD. The growth target for 2008 is again 17-18%, with over 1 billion USD of gross sales. Investments planned for 2008 will reach 38.8 million USD, and exports are expected to be 277.4 million USD. It is learned that Kale Group will increase its effectiveness in the short term in Germany, Scandinavian and Benelux countries, where it currently has representatives. In the mid term a 5% market share is targeted in each European country. All of these indicate that the brand will continue to assume an important role in Turkish industry.

June 2008

Updated September 2008

PRODUCT LIST

TILES

- Ceramic Wall Tiles
- Ceramic Floor Tiles
- Porcelain Tiles
- Glazed Porcelain Tiles
- Mosaics
- Pool Tiles
- Kalesinterflex
- Clinker
- Decorative Products and Accessories
- Twin Press Porcelain Tiles

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- Gönç Selen

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