



What's In A Name?

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DO COMPANY NAMES MATTER?

It happens to all of us. We are introduced to someone and think we have remembered their name – but we get it wrong. Everyone is embarrassed. It is only a name that you got wrong and yet to the person you were addressing it is everything. Of course, we don't refer to our names as brands but in effect that is what they are. It is the label by which people recognise us and when they think of our name, some image or values will be conjured up which are special and unique.

It is no different in business, especially in industrial or business to business companies. The name of the company reflects what it stands for. Consider the Shell brand. If Shell had been named Husk when it was first created, would the company and its businesses be now smaller or larger or otherwise significantly different? Probably not. If Shell now changed its name to Husk the effect could be dramatic but this reflects that over the years, awareness and perceptions of the Shell brand have become a major part of the company.

So does it matter what a company calls itself? Rentokil is about as bad a name as you could devise for a company with a prominent position in the health care market. At the time of formation the name may have invoked real purpose as an exterminator of vermin. And, since this was well before the time of terrorism, there was no adverse association that led people to believe it was a bunch of assassins for hire. Today, the company believes that the name is bandied around without unravelling the cryptic meaning each time it is used. The high levels of recall and reputation are more than adequate compensation for any possible weaknesses in the name.

If a company has a poor name, it can still be successful but it is easier if the name is a good one. Think about people you know. Their names are their brands according to Al Ries & Jack Trout in their book *Positioning: The Battle For Your Mind*. Ries and Trout reported on a survey in American schools which showed that children with off-beat and not so popular names suffered worse in exam results than those with popular ones. When the marking of scripts was carried out blind, there appeared to be no differences which could be attributed to the names. I read recently in the Financial Times¹ that Brenda Cooper was unsuccessful for 25 years as a composer until she changed her name to BB Cooper and suddenly her career took off. There is a clear implication that the names we are saddled with from birth, act to shape us as does the name of any brand and company.

CHOOSING A COMPANY NAME

Choosing the name of a company is often unscientific. Since most companies start small with the emphasis on the idea for the product or service rather than the brand, the name arises as an afterthought. There is a strong likelihood that the name will be chosen on emotive grounds rather than because it has been well researched to ensure suitability for the target market. Since every company needs a name and because one name is just as good as another, why not pluck it out of the air? And often it is.

A name which projects positive values and has a good sound to it must be an advantage to a new company. In certain circumstances a wacky name, even an irreverent name can work too but there are limits. Perhaps in some fashion markets, a name which pokes fun at itself (e.g. FCUK) may work but not in sober industrial markets. Clearly you should not select a name that suggests deficiencies in the product (the Crumbling Brick Company would hardly do for a brick manufacturer but may be possible for a demolition business) or implies some negative values (the Inaccurate Bookkeeping Company) but generally these sort of pitfalls are fairly obvious. However, there are also names which although not outright disasters may have drawbacks which only become apparent in time.

¹ Financial Times – 25th April, 2006



There are also the potential translation dangers if the brand is to be used outside the domestic market. An innocuous English name may mean something very different written or spoken in French, German or some other language.

Choosing a name is a very personal thing. Anyone who has named their offspring will have gone through a questioning process which could just as reasonably be applied to that of a company:

- Is it a name which will last?
- Is it a name which is too fashionable?
- Will it fit their personality?
- Does it have 'the right' connotations? Are the brand values projected - young and vibrant, large and well established, localised or international, a specialist etc?
- Does it produce an acceptable acronym together with the other initials in the name?
- Is it a name which will be appropriate in all stages of life?
- Is it easy for everyone to pronounce?
- Will it be remembered?
- Will the name get shortened or altered to one that is acceptable?

Some criteria suggested by researchers as factors which affect the recall and recognition of names of companies are as follows:

- Brand names should be simple so that they are easy to understand, pronounce and spell. Two words in the name should be considered the maximum.
- Brand names should be vivid in imagery so that the mnemonics present strong memory cues. For example, it is said that names beginning with the letter K are easier to remember.
- Brand names should be familiar sounding so that much of the information to which the name relates is already stored in the mind.
- Brand names should be distinctive so that the word attracts attention and does not become confused with other brands.

These guidelines are not necessarily mutually compatible as it may be difficult to find names which are simple, vivid in imagery, familiar and distinctive. Also, there is some evidence to suggest that if the mind has to work harder to understand and recognise the name, it will be more likely to be retained in the longer lasting memory than a familiar name which fails to become lodged. Familiar words may facilitate brand recall but distinctive words work better at building brand recognition.

One or all of these bases of names may lead to a list of possible names for a new brand. Again a brainstorming session, but in this case not necessarily just made up of the management team, is likely to be a fruitful method – a good leader is needed, including to suggest the various basis for name suggestions. The outcome of such a session is likely to be a shortlist which will need legal checking and which may then be tested through market research.

DIFFERENT TYPES OF NAMES

Company names can be classified into one of seven broad categories:

1. **The names of their founders.** Here the emphasis is placed on the personalities in the firm and this can be of considerable marketing value if they are eminent in their field. Advertising agents, solicitors and consultants very often choose this route. There are few obvious drawbacks to this basis for the brand unless the founding fathers have unpleasant or unpronounceable names. Also the purpose of the name can be lost if one of the partners moves on or dies. In businesses based heavily on



personal service, there may be as well a practical problem that customers expect to be serviced by "Bill Jones" himself but in some respects this can be developed as a positive brand value – personal service.

2. **Descriptive names.** Names which say what companies do have the benefit of carrying a sales message with them, at least in communicating what is on offer. Tempered Spring, Parcel-Link, Ready Mixed Concrete, The Rustless Iron Company all say it like it is. A variant is to incorporate a product description with a proper name e.g. Manchester Waste Disposal. Such names may well communicate succinctly what the company does. However, the brand may outgrow the product description – Ready Mixed Concrete now offers a whole range of building products and The Rustless Iron Company has perhaps an archaic ring. When this happens, it is common to side-step into initials – RMC and TRICO respectively. Whether these initials would have ever been selected as the brand name in the first place is doubtful.
3. **Geographical locations.** Unless it is expected that the brand will be limited to a business serving the area, it is hard to think of much in favour of this approach. In consumer markets the place may suggest certain values of the brand (Buxton Mineral Water).
4. **Witty plays on words.** Puns may be the choice of nearly every hairdresser and optician and they can be fun and memorable. But they are also in danger of trivialising the serious purpose of an industrial firm.
5. **Brand value names.** In this case the brand name is chosen to communicate some positive values. This may be explicit and direct e.g. Speedy Hire or implicit and indirect – e.g. Virgin (cheeky, irreverent and prepared have a crack at something new). The link might be very obscure and apparent to initiates only, but if the name is felt to be attractive, there is probably no downside and it at least gives a basis for future advertising copy.
6. **Made up names.** Names can be specially constructed so that they carry connotations of the business and provide a distinguishing feature. Such a name could be chosen just because it has no or little meaning and, therefore, no "baggage" to taint the brand. Alternatively it may be felt that the name although abstract is likely to be memorable. However, there is a danger that a fabricated name will only have a meaning to some. Peculiar constructions can be hard to pronounce, difficult to recall or, their blandness can leave them devoid of personality.
7. **Initials.** Sets of initials can provide acceptable neutrality to a company wanting to operate across a number of borders and cultures but they can also be dull or difficult to remember. As previously mentioned, initials are often adopted defensively such as when the full name becomes no longer appropriate (e.g. Ready Mixed Concrete to RMC).

Many descriptive names which were appropriate 50 years ago have now been shortened to initials which are thought more appropriate for worldwide marketing. At one time the name International Business Machines was descriptive of the company's business but today no one refers to computers in this way and the descriptive powers were redundant even misleading. IBM seems like a better alternative. The title British Telecom could be too partisan for a company going global so BT was the preferred choice.

Initials may work for established companies, especially those of some size. However they are seldom suitable for a start-up. Not only have most combinations of two or three initials already been taken but it can be almost impossible to create a new identity around a meaningless jumble of letters.



A WORD OF CAUTION

Names can also get you into trouble. Steve Jobs, when he formed Apple, the computer company, is reputed to have chosen the name because he was a Beatles fan and loved the Apple recording label used by the four Liverpool lads. Since the two companies were in completely different markets, there was no conflict and both companies could trade happily under the same name. He was not to know that 30 years later he would see the recording company in court about the name. The original Apple computer company has become big in iPods and iTunes and potential confusion exists around the two companies' names.

So, what is there in a name? Absolutely everything. It is one of the most important assets we have, providing instant recognition and a shorthand for our brand values. If we don't understand the importance of our name, if we don't nurture and cultivate it, and if we don't manage it throughout the growth of the company, we are missing a very important trick and we could be in big trouble.



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