

## Knowledge@Wharton Newsletter

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July 17 - July 30, 2002

### Marketing

#### **What's In a Name? Not Much Without a Branding Strategy**

As businesses struggle to differentiate themselves in an increasingly crowded marketplace, the challenge of choosing a company name looms large. How creative should a name be and what kind of image should it project? Knowledge@Wharton looked at some existing corporate names - old and new, effective and not so effective - and asked marketing professors for their views on the corporate name game.

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#### **What's In a Name? Not Much Without a Branding Strategy**

In suburban Philadelphia, not too many miles from Wharton's campus, is a retail establishment called Ed's Beer Store. It's a wonderfully prosaic name. Customers know what they can buy there, and if they have a complaint, they know whom to talk to.

But what about companies with names like Agere, Agilent, or Altria? Or Diageo, Monday and Verizon? Or Accenture, Cingular and Protiviti?

Except for Monday, which may be a strange thing to call a company but is nonetheless a real word, all these names are fabricated. What's more, none of them, even Monday, tells potential customers anything about the businesses they are in. Plus, they sound so contrived that you might conclude they will do nothing but elicit snickering and confusion in the marketplace.

According to marketing professors at Wharton, however, that is not necessarily the case. They say peculiar names, by themselves, may mean nothing to begin with. But if backed by a successful branding campaign, they will come to signify whatever the companies want them to mean.

"My general sense is the name doesn't make much difference," says professor [David J. Reibstein](#). "What companies end up doing is a significant amount of advertising and creating an image around the name."

He suggests that relatively new names like Diageo, which owns Pillsbury, Burger King, Guinness and major liquor brands, and Agere, a maker of communications components that was acquired, and later spun off, by Lucent Technologies, can seem strange. But they mean no more or less than Ford, Marriott, Coca-Cola and other venerable brands. Lucent, itself a spin-off from AT&T, means "marked by clarity" or "glowing with light," according to the company. Diageo is based on the Latin word for "day" and the Greek word for "world." Why was Diageo chosen? The company says that every day, all over the world, consumers buy its products.

"What does Pillsbury mean? Pillsbury means a lot because of the doughboy character in those ads," Reibstein says. "What are two of the biggest names that have emerged in the past decade? Amazon and Starbucks. Does Starbucks mean coffee? Absolutely not. For the most part, these names don't mean much of anything. But we get to know a company and that starts to create an image. General Motors tells us something about what the company does, but Ford communicates only the name of the founder of the company."

And how about AFLAC, a large international insurer but hardly a household name until the last few years? "It's amazing the amount of awareness people have of AFLAC because of some duck on television," Reibstein says.

"I don't think the name of a company is hugely important in the long run," agrees professor [David Schmittlein](#). He adds that even fabricated names are "real names" in the sense that "they are pronounceable words. I think of them as largely empty vessels - reliable and durable empty vessels that can be filled up with positive associations."

In the opinion of professor [Barbara Kahn](#), "a lot of these names are oddball." But, in the end, that does not matter, she says. "The success of a name is much more a function of the implementation of the branding strategy" than of the name itself.

Some of the unusual names companies give themselves nowadays are not really much different from the kinds of names that pharmaceutical firms have given drugs (Claritin, Celebrex, Lipitor) or car companies have given automobiles (Corvette, Celica) over the years.

When you think about it, pharmaceutical and technology firms have long had funky names, such as Xerox, Cephalon or ImClone. In his book, *A Random Walk Down Wall Street*, Princeton professor Burton G. Malkiel remembers the "tronics boom" of the 1960s when companies thought investors would be attracted to any name reminiscent of electronics and the space age.

Malkiel writes: "There were a host of 'trons' such as Astron, Dutron, Vulcatron, and Transitron, and a number of 'onics' such as Circuitronics, Supronics, Videotronics, and several Electrosonics companies. Leaving nothing to chance, one group put together the winning combination of Powertron Ultrasonics."

In choosing a name for itself or one of its products, Reibstein says, the three most important things for a company to do is make sure it has the legal rights to use the word, that the word does not translate into something embarrassing or negative in a foreign language, and that the word carries no other undesirable connotations. "For the most part, as long as you come up with a name that does not have negative connotations, you can create whatever image you want."

Schmittlein points out that many company names, by being a play on words, can be linked in customers' minds with positive attributes or benefits. Two successful examples, in his view, are Agilent, which invokes the word agility, and Cingular, which the company hopes will call to mind the idea of singularity or self-expression. Agilent, a communications, electronics and life sciences company, was spun off from Hewlett-Packard. Cingular, a joint venture between SBC Communications and BellSouth, is a wireless phone company.

In contrast, Schmittlein says, the name Accenture is not as successful as Agilent or Cingular in immediately conjuring up a positive association. Accenture, the former Andersen Consulting, has taken steps to disassociate itself from its previous name. Its website contains only a few references to Andersen Consulting, and all of its news releases issued prior to its name change have been rewritten to eliminate the words Andersen Consulting and replace them with Accenture.

Another company name that Schmittlein says is not as successful as others is Monday, the recently announced moniker for PwC Consulting, formerly part of PricewaterhouseCoopers, the accounting firm. With the negative associations related to Monday - the start of a grinding workweek in the minds of many - the firm should have chosen otherwise. "I wish them well with the new name but I wouldn't have picked it," Schmittlein says. "If I have to pick a name, I'm picking Friday."

Are some names - even those that have been invented by corporations and brand consultants - inherently better than others? "One thing that's important is its pronounceability," Schmittlein says. "Another is how culture-bound the name seems to be. Sometimes that's good and sometimes it's bad. If the name stands for a culture, that can be good." For instance, spring water sold by a company with a distinctively European name may be more exotic, and hence more appealing, to U.S. consumers than water bottled locally.

As strange as many company names can be, they are not pulled from thin air:

- Altria is the new name that Philip Morris, the cigarette and food company, has chosen for itself. The name is derived from the Latin word "altus," meaning to "reach higher", according to the company.
- Verizon, created by the merger of Bell Atlantic and GTE, is a telecommunications company. The name Verizon combines the Latin word veritas, meaning truth, with the word horizon. The company says its "veritas values" include integrity and respect, while its "horizon values" include imagination and passion.
- Protiviti, a recently created subsidiary of Robert Half International, provides internal audit and business and technology risk consulting services. The new firm is composed of people formerly employed by Arthur Andersen LLP's U.S. internal audit and business risk consulting practices, which operated separately from Andersen's external audit services. According to the company, the name Protiviti is intended to communicate "independence, professionalism, proactivity and integrity."
- Kahn says that as companies increasingly adapt global branding strategies, they seek names, for themselves and their brands, that have few or no existing associations. "With global branding now you definitely want to pick a name that does not have different meanings in different languages," Kahn says. "You can build brand names for anything that's pronounceable through imagery. If you want to build associations, if you have a simple consistent message, you can create the sense of associations you want for a brand. What you're looking for in a brand is something unique and identifiable that is differentiated from other brands. Think about what many brand names are: They're somebody's name, which is a made-up name, too."
- Clever names can help companies, but their benefits only go so far, especially if customers are unhappy with a product or service. Says Schmittlein: "Names don't seem to have any large impact that would override customers' experiences with the company."