Naming Conventions for Companies and Products

I often get questions regarding naming conventions, both for companies and for products. Following are some basic guidelines that I use. I would appreciate any comments or suggestions.

Company Naming

I have had little personal experience with start-up company naming, since I have kept every name at every company I have worked at. However, I have been involved in the process of renaming existing companies and have been very involved in *re-positioning* numerous companies.

There are two naming conventions that I have considered when evaluating a company name. One is to call the company after it's primary product, and the other is a stand-alone name (of which there are multiple approaches). There are also isolated company names (IBM), names with tag line/positioning statements (Sun, we're the dot in com (they leveraged the Internet when it was hot, and re-positioned and distanced themselves when it was dying)), and names with affiliations (Tivoli, an IBM company).

Name After A Primary Product

Three examples of company names reflecting the primary products include Coca-Cola, WordPerfect, and GoldMine. I don't know the history for Coca-Cola, but I know that WordPerfect used to be called something like Satellite Systems (I remember the old gray box) and GoldMine Software used to be called Elan Software. Both software companies realized that they had to do compound branding with both their company name (institutional branding) and their product name (product branding). Since they both made almost all of their money off of single products, and the single products had positive brand equity and easy category recognition, they made their company name the same as their product name.

This approach has worked well for GoldMine as a single product company. However, WordPerfect had problems being identified as a single product company when they tried to diversify to fight the "office" battles. They had an excellent spreadsheet product called PlanPerfect and a so-so database called DataPerfect—but they couldn't seem to get over the hurdle of being a one product company—and their name reinforced it.

At Metrowerks, which sells CodeWarrior, there were discussions to change the company name to the dominant product name. If the strategy was for the company to continue producing just CodeWarrior branded products, then it had merit. However, the company already had several diverse products and it was possible that they would create many more and further diversify. In this case, it would be wise to hold off changing the name to match the primary product until the strategy was cemented.

Regarding .dot coms, it appears obvious that the ownership of a category name could jumpstart and position the company—essential in a market which is often delineated only by land grabs and rapid market and mindshare. Examples include: Shop.com, Drugstore.com, Salesforce.com, Ubid.com, eBooks.com, etc. Each of these examples uses the company and product name and category synonymously.

A similar approach, without pigeonholing the company entirely into a market that may or may not be too narrow, includes gathering category names along with other associated markets. An example would be MyFamily.com, Ancestry.com and FamilyHistory.com. MyFamily, Inc owns all these three businesses. It is as though one is both the company and the product name, and the other two are line extensions of the company's primary product. However, because the business is on-line, with unique URLs, there is less of an appearance of being a "WordPerfect" when they were trying to diversify with PlanPerfect, etc. As a side note, it is interesting that many of the founders of the MyFamily brand are from Orem, UT—the original home of WordPerfect.

Other .dot com company names do not represent the category, but are the name of a holding company that creates the core identity. This approach allows the company to create equity for a specific category, but doesn't pigeonhole them into just that specific market. The primary example is Amazon.com. Amazon does not say on-line books. However, on-line book sales are what they have become known for and the book category was one they used to "cross the chasm"—since on-line book buying appeared to be in the innovator and early adopter stages. Now they have diversified into multiple forms of e-commerce ranging from videos, to furniture to garden tools.

Naming As A Stand Alone

Most companies are not named after their primary product. Some have the names of their founders or family members (Dell, Ford, Holt, Rinehart & Winston, Mercedes). Other company names are completely made up—often trying to play off of existing words that already represent the value proposition they are attempting to represent (Firestone (durability), Thrifty Car Rental, Dollar Car Rental—both obvious). Additional names that are obvious include a combination of a founders name with what the business is or does (Ted's Bike Shop), or names that represent the category (Midisoft, Microsoft, etc.).

My preference is to create a name that is obvious, with built-in positive equity within the category you represent. I think Microsoft is a good company name for making (micro) PC software, Stephen R. Covey & Associates is a good name if the founder is a celebrity, IBM (International Business Machines) was obvious when it was spelled out. However, I always stay away from initials to begin with, steering more toward tangible, visual objects (Red Hat, Apple)—since they are easier to remember and brand.

Positioning

Today, as the value of branding is becoming more popular (helping to fight price erosion as items become commodities, reducing marketing expense, allowing time for more evident brand names to catch a competitor (i.e., Movies.com versus Fandango, etc.), there has been more attention placed on the positioning of a company. This positioning is often reflected directly in the company name. There are three company-naming conventions that we have all observed: the stand-alone name, the name with a positioning tag line and the company name associated with its parent company.

The company name as a stand-alone. When a brand already has a clear, consistent and accurate position in the mind of the customer, then a stand-alone name is often sufficient. However, as is being realized all too often by today's marketers, this is seldom the case. As such, it is typically a weak approach to use a stand-alone name in ALL cases.

The name with a tag-line or positioning statement. As the value of the institutional brand (the "wrapper" brand) is becoming more apparent, more companies are starting to add tag lines to position their company. For example, Sun add, "we're the dot in com" to position themselves into the mainstream of the Internet (which perception has the capability to increase stock value). Microsoft added, "Where do you want to go today?" which was intended to give the "all encompassing" impression Unfortunately, it worked too well and supports the current interpreted lately as monopolistic. Their brand of the day has since changed numerous times and is currently "Your Potential. Our Passion."

Frankly, unconsciously, I believe that Microsoft owns "the safe bet" position in the minds of the public, since they are so competitive (even if it isn't #1 today, it will be—if not the best, it may be the only one left standing), although that isn't a very sexy positioning statement for a promotional campaign.

Metrowerks came up with a positioning statement, "Software Starts Here," which conveyed that it was at the start of all the great software development—internet and other (it made software development tools used to develop products from Netscape, Adobe, Autodesk, etc.).

I often recommend the use of a tag line to help to position a company within the space where they expect to succeed. As a rule of thumb, in creating this, I typically use a statement that is 7-9 words in length, since this is the typical number of words that can be read in a single glance and retained easily (billboard marketing).

The name tied to an association with a parent company. The attempt of this type of naming convention is to create built-in equity by association. For example, Tivoli--An IBM Company, or Metrowerks—A Motorola Company. The acid test I apply for this type of naming is, "Is there more *positive* equity within the company's desired space that is created by the association than without it?" If the answer is yes, then this should be the approach. In the case of both Tivoli and Metrowerks, they were each known in their own rights in their respective multi-million dollar markets. However, the association with

their holding companies gave them each billions in immediate name recognition, credibility and equity—much greater than they would have on their own, even with a positioning statement.

When a company uses this type of "association" naming, they should keep tabs on their own developing equity. When the subsidiary becomes large and credible enough in their own right, and the connection to their parent company is cemented, they should drop the affiliated label and go with a company positioning tagline to retain and define their own unique value proposition. For example, Tivoli is now over $1 billion in revenue and has their own strong reputation—they may now wish to use a positioning tagline, especially since they also sell into some of IBM's competitors).

On the contrary, I have seen a publishing company that had strong equity in its own market. The holding company wanted to attach its name to the subsidiary—yet the holding company had no equity in the subsidiary's market. In this case, there would be more value and it would be better for the subsidiary to use a positioning statement, than to include the holding company's name--unless the holding company first developed equity in the subsidiary's space.

Company Logos

There is a rule of thumb priority I follow when creating company logos.

1) First, make the company name the logo—if at all possible. Examples include Coca Cola, and IBM. Each of these logos use the company name with a unique graphical style (Coca Cola uses a unique cursive, IBM has lines through the text, etc.). By unique, I mean that you cannot recreate their logo with a typical word processor but it has to be a graphic. Secondary examples include Microsoft, GoldMine, WordPerfect and Xerox. These all use the name as the logo, but they use a fairly common font— which makes the initial impression less striking and therefore requires more impressions, costing more money to brand.
2) A second choice is to have the name integrated with a unique graphic. Examples include Kmart (with the word "mart" inside the K), GoodYear (with the winged foot in between the word good and year), McDonalds (with the text intersecting the golden arches), and American Online—always shown with the name and graphic integrated.
3) The third choice is to have a mark that can identify the company on it's own. The most powerful and easy to remember logo marks combine the company name with a tangible object that you can be visualized, is unique, and is large enough to see at a distance (no fine or subliminal detail). This type of logo that stands on its own takes only a few impressions to make the equity connection. Examples include Apple (with a bite taken out of the apple) and Red Hat (with the physical felt red hat), for Red Hat Linux.
4) The worst choice is to have a standalone mark that cannot stand on its own originally but instead *requires* text to make the association. An example of this is the NIKE

swoosh. Originally, the swoosh did not mean anything. It could show movement, but if you had never seen it on a popular shoe—it would have no standalone equity. This mark was often shown with the word NIKE below it (which also didn't mean anything—at first). This is an example of a unique name and logo that "works"--if you have the money to create the equity. Which brings up a Chanimal adage, "You can brand anything—if you have enough money." If you do not have a standalone mark, then you should consider at least having the attached name in a unique type face. In addition, any mark should be legible—not so busy as to be unrecognizable at an acceptable distance. In addition, if anything, it should be 100% consistent (I've seen companies where the text under the brand identity constantly change).

Other things to consider:

A) How will it look in pure black and white? (i.e., some uses do not allow gray scale or color—the design should translate well into pure black and white line art).
B) Should it be vertical or horizontal. Often there is a version made for both—since there may be both uses (a book cover may require vertical logo placement, most other uses require horizontal). Unless a primary use is a small spine of a book or package, then I highly recommend a horizontal treatment as a default—it is the most common usage and will be much easier to use for most occasions.

Following is an example of an ineffective brand logo:

I worked for a 100 year old publisher. To reduce price erosion, they needed to leverage their brand (everything else being similar, better (positive) brands typically command better pricing). Part of their brand identity was their logo. Their logo fell in category four—in fact, it was at the bottom of the category. Their logo was vertical, it was an animal in a tree—but the line point for everything was almost identical, so you couldn't necessarily identify the animal. The animal logo did not stand alone, since it didn't represent the company. Their name was not descriptive and sounded like a law firm, so it could easily represent a different industry. It was also very long, was sometimes spelled out, while at other times it was a three letter initial, and the font type was typically common (Ariel or Times Roman) but there was little consistency--it varied from designer to designer and product to product. They broke every rule but one (it had no grayscale).

Having a 15 person research department in my marketing department, I requested a brand identity survey. Only 3% of the respondents could identify the standalone logo as ours (they knew our name, but not our logo)—and this was after 100 years of use (or misuse). This was a travesty. Considering that we had so little equity in the logo, I recommended that we replace it (why not, it wasn't helping us), and try to move up the preferred logo hierarchy in the process as we initiated a new, positive branding initiative.

As I mentioned, almost any logo and brand can develop equity, either positive or negative—with enough money and attention. The design priorities listed above, however, explain how to create a logo with the most equity for the *lowest budget*—

essential for both a startup and a large company that needs to re-boot their brand identity and wants the greatest ROI from the start.

Product Naming

Regarding product names, the first rule of naming is one I learned from a President and mentor that I reported to 22 years ago. He always said, "Call it either what it is, or what it does." He explained that he never went wrong with this common sense approach. It makes sense since it is obviously easier to brand a name (create identity and value) if it is self-evident. We had an animated new and old testament series in our religious line (in my earlier pre-hi-tech consumer/publishing days). Competitors called their series, "Hallowed Journey," etc. We called our product, "The Animated New Testament." There was no confusion--which is critical since a "confused prospect never buys." Also, we "owned" the category word(s).

Whenever I have named a product I have used the following acid test:

Call the reseller buyer (your first customer), or your first-line constituents (consumer or corporate), tell them the name of the product. Stop and then ask, "What is it." If they can't guess correctly (either the product, or *at least the category*) over 90% of the time then **stop** right there and try a different name.

You can still create equity for a name that doesn't pass the acid test, but it is much more expensive to do so since it will require many more "impressions" from PR and ads to connect your product/value to the name.

Even still, sometimes the name may identify the category, but may not identify the "exact" product area—which may be the best you can get. For example, when we came up with the name, "3D Website Builder" for a new Internet software application, we heard during our acid tests that, "it makes 3D Websites." That was terrific—since it at least put us in the 3D and Website category. However, the buyers didn't know that it made 3D VRML (of course this was difficult, since it was an entirely new category). In this case, we used a tag line or positioning statement in tandem with the name to both clarify and position, "Everything you need to create 3D VRML worlds on the Internet." This suggested that the product was comprehensive (everything), had 3D, created VRML (Virtual Reality Modeling Language--a new buzzword) and used the word Internet (so prospects didn't think it was a 3D desktop application.). With this tagline we had 100% identification of what the product did. Our competitors called theirs "3-D HomeSpace Builder," (which was fine--but it didn't mention the hot word "website" or Internet and didn't have a tag line)), and another called theirs, "Pioneer," which stunk and had nothing to do with the category--in fact it was too close to the consumer electronics name and was unrecognizable as a VRML product.

Examples of product names that are obvious include: Street Atlas USA, Norton Utilities, Microsoft Word, Corel Draw, Microsoft Publisher, Easy Off, PhotoShop, WinFax,

Dbase, etc. Names that have no immediate equity (some have worked but cost money (PR or advertising) include:

- Ascend (the Franklin dayplanner—now called, "Franklin/Covey Planning Software")
- HP NewWave (HP's extension to MS Windows). Even the mighty HP couldn't build this brand
- Eudora (only extensive PR created recognition)
- Ami Pro (the friendly word processor (in French…is this America?)
- Nova (the "no go" car)

Important: When selecting either product or company names, it is critical that you test the name on its own—before looking at design. Many a name and logo (standalone, instead of part of the name) has been selected because you have been swayed by how good it looks, even if it really doesn't pass the acid tests. It is the job of the designer to take the name that works best and make it look good—or find a new designer who can.

Even still, every name can work (including abstract names)—if they can get enough mindshare (very common among consumer products (Comet, Ajax), etc.. Unfortunately, this process takes time and money—which is not as common within vertical applications or non-consumer products.

As mentioned earlier, the word NIKE and the swoosh logo don't mean anything and would have no equity as a start-up. However, with enough time and money, they now mean "prestige" and "popular." If you have the cash then go for it--your name will have a unique meaning that you have defined from scratch. However, I usually prefer to have some equity going into the process, especially if I can own the word that defines the category (like Microsoft Word, Microsoft Publisher, Microsoft Publisher, etc.). Kleenex created a new word that defined the category (it did have the word "clean" and "necks" misspelled, which helped, but it was also launched with a big budget to create equity)--it certainly cost more to brand a "unique" un-associated name such as Ami Pro (an early Windows word processor) than PhotoShop, which is obvious.

I also do not believe in subliminal names. AmiPro was a terrible product name with an even worse company name (from Samna (which company name sounded middle east (which is not re-known at the time for world-class software), yet it was an Atlanta, GA, 100% made in the USA company). The "professionals" who came up with both names wanted something unique enough that the name would have to be spelled. Ami stood for "friendly" in French and hence it was the "friendly" word processor (how you get word processor out of it is unknown). Also, don't we speak English in the US. Samna was a made up name just "to be unique." The "professionals" who recommended these names should be figuratively shot. Lotus bought the company and immediately changed the name to Lotus WordPro--at least this suggested professional word processing and it cost much less to make the association to the product category--since it was obvious.

Within the books I've read on branding, which often discuss naming, one book is called, "Naming for Power, 'Creating successful names for the business world.' by Naseem

Javed. He analyzes the Intel Pentium name, and numerous other naming items. There is also a complete naming area that deals with International interpretation, i.e., the snafu of the Chevy Nova meaning "No Go" in another language. There are also specialized "naming" professionals, but watch out for those that are more "creative" than practical--it cost money to create positive name equity using a creative, but abstract name.

Taglines – Positioning Statements

In most cases, a product name should also have a product positioning statement. The are two components to a tag line (although I prefer to call it a positioning statement—so you don't miss the critical positioning component). First, it must be descriptive (so everyone knows EXACTLY what it is), and then it must have positioning ("to position: set apart").

For example, let's take a look at the #1 Best-Selling Contact Manager. The "#1 best-selling" is the positioning and the "contact manager" is the description. It both positions and describes the product.

Positioning words might include the #1 best-selling, #1 rated, #1 anything, or best, fastest, next generation, top rated, best seller, highest ranked, easiest, etc. There is a positioning continuum: the more objective the positioning, the stronger the value since it is more credible and easier to prove. The more subjective the positioning, the harder it is to prove, so it has less value. For example:

- # 1 best-selling is the best pole position. It can be proved and denotes "best" because it is the most popular.
- #1 rated is the best counter to the #1 best-seller—since it can also be proved and "is" the best—even if it has not yet sold the most. Of course, I prefer #1 most award winning…since the redundancy completely separates itself from the "New York's Best Seller" syndrome ("the" not "a").
- Easy to use is very common, but it is entirely subjective and contains little unique differentiation.
- In contrast, "Easiest," is more objective (the "est"), but still hard to prove because "easy" is often based on personal experience. The "easy" positioning has value, but you have to prove it with testimonials or, better yet, with counting key strokes (two clicks, instead of 22 clicks (that ought to prove it)).

Notice that the #1 pole position is used whenever possible--except when it is 100% self evident (i.e., Blackberry, Word (now that it owns almost all the market), Explorer, etc.). However, it is a *travesty* for a company not to leverage their pole position once they've won it (and it is not known throughout the market).

For example, Goldmine was the undisputed "#1 Most Award Winning" Contact Manager (having won more awards than all competitor's combined (including 10 consecutive PC Magazine Editor's Choice Awards). When the company was acquired (now called FrontRange Solutions), they dropped the positioning statement and went with an abstract

description that neither positioned or described the product. Stupid, STUPID mistake. Now nobody knows the strength of the products position—critical to their retail "self sell" product (which has finally been pulled (I wonder why?)).

With taglines I typically keep the word count between 7-9 words since that is the most words that can be read at one glance (billboard marketing). In addition, like I explained-- if I have earned the top spot in any category that has value, I try to use the words, #1 since it is the coveted pole position and increases credibility as "the best."

This brings up a point; sometimes the product may have the #1 spot—but it may be in an area where the majority of customers don't value. For example, if a product has the most security, or is the fastest, or is easy for the users (but hard for administrators), or connects to the most devices, *but the market space doesn't value this feature*, then it is of little value to grab this pole position—period. Instead, the positioning should reflect what the product delivers…*that the market values most* whenever possible. Now there may be exceptions, when you can introduce a positioning and build the value—but it is beyond the scope of this material.

I typically stick with the basics I mentioned above. Most of my opinions come from initial reading of everything I could find, and then the experience of launching so many products (over 400 and counting--some blessed with good names, and others saddled with horrible names) and noticing which were easier to sell. A common sense approach of "naming it what it does" seems to create immediate recognition (with built-in equity) every time.

I could go on with pages of additional comments and examples, but this should help for starters. Feel free to e-mail me at ted@chanimal.com for specific questions.

See the Chanimal presentation, "How to Position Your Products, De-Position Your Competitors, and Generate a Ton of Leads," for more on positioning.

Also, check out the Logo Samples and the Product Naming Meeting PowerPoint presentation templates.