

## **The Power of a Name**

A brand's name is perhaps the most important factor affecting perceptions of it. In the past, before there was a wide range of brands available, a company could name a product just about anything. These days, however, it is necessary to have a memorable name that conjures up images that help to position the product.

Ries and Trout favor descriptive names rather than coined ones like Kodak or Xerox. Names like DieHard for a battery, Head & Shoulders for a shampoo, Close-Up for a toothpaste, People for a gossip magazine. While it is more difficult to protect a generic name under trademark law, Ries and Trout believe that in the long run it is worth the effort and risk. In their opinion, coined names may be appropriate for new products in which a company is first to market with a sought-after product, in which case the name is not so important.

Margarine is a name that does not very well position the product it is describing. The problem is that it sounds artificial and hides the true origin of the product. Ries and Trout propose that "soy butter" would have been a much better name for positioning the product as an alternative to the more common type of butter that is made from milk. While some people might see soy in a negative light, a promotional campaign could be developed to emphasize a sort of "pride of origin" for soy butter.

Another everyday example is that of corn syrup, which is viewed by consumers as an inferior alternative to sugar. To improve the perceptions of corn syrup, one supplier began calling it "corn sugar", positioning it as an alternative to cane sugar or beet sugar.

Ries and Trout propose that selecting the right name is important for positioning just about anything, not just products. For example, the Clean Air Act has a name that is difficult to oppose, as do "fair trade" laws. Even a person's name impacts his or her success in life. One study showed that on average, schoolteachers grade essays written by children with names like David and Michael a full letter grade higher than those written by children with names like Hubert and Elmer.

Eastern Airlines was an example of a company limited by its name. Air travel passengers always viewed it as a regional airline that served the eastern U.S., even though it served a much wider area, including the west coast. Airlines such as American and United did not have such a perception problem. (Eastern Airlines ceased operations in 1991.)

Another problem that some companies face is confusion with another company that has a similar name. Consumers frequently confused the tire manufacturer B.F. Goodrich with Goodyear. The Goodyear blimp had made Goodyear tires well-known, and Goodyear frequently received credit by consumers for tire products that B.F. Goodrich has pioneered. (B.F. Goodrich eventually sold its tire business to Uniroyal.)

Other companies have changed their names to something more general, and as a result create confusion with other similar-sounding companies. Take for instance The Continental Group, Inc. and The Continental Corporation. Few people confidently can say which makes cans and which sells insurance.

## **The No-Name Trap**

People tend use abbreviations when they have fewer syllables than the original term. GE is often used instead of General Electric. IBM is used instead of International Business Machines. In order to make their company names more general and easier to say, many corporations have changed their legal names to a series of two or three letters. Ries and Trout argue that such changes usually are unwise.

Companies having a broad recognition may be able to use the abbreviated names and consumers will make the translation in their minds. When they hear "GM", they think "General Motors". However, lesser known companies tend to lose their identity when they use such abbreviations. Most people don't know the types of business in which companies named USM or AMP are engaged.

The same applies to people's names as well. While some famous people are known by their initials (such as FDR and JFK), it is only after they become famous that they begin using their initials. Ries and Trout advise managers who aspire for name recognition to use an actual name rather than first and middle initials. The reason that initials do not lead to recognition is that the human mind works by sounds, not by spellings.

Most companies began selling a single product, and the name of the company usually reflected that product. As the successful firms grew in to conglomerates, their original names became limiting. Ries and Trout advise companies seeking more general names to select a shorter name made of words, not individual letters. For example, for Trans World Airlines, they favored truncating it simply to Trans World instead removing all words and using the letters TWA.