



MARKETING INSIGHTS

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THE DOS AND DONT'S OF BRANDING

Part 1—A Minefield of Names

A company's brand stands on three legs: Name, Logo and Tagline. None of them is easy to get right, yet all of them are keys to defining the company, building recognition in the marketplace and developing loyal customers. A brand can evoke emotions or perceptions that influence customers' purchasing decisions.

Advertising folks like to think that they make brands, but advertising is just one component of building a brand. The best campaign will not help a company that falls short on other counts, like the way the phones are answered, product quality, packaging and delivery. Even the look of the truck and its driver matter. A single dirty Woolworths truck can tarnish the image of the Fresh Food People.

The Benefits of a Strong Brand

- The brand reflects the special attributes of your company and its value proposition.
- Your brand gives your marketing and sales campaigns clear focus - on websites, newsletters, events, advertising, PR and even product packaging.
- A brand defines the product, its quality, characteristics and usability.
- A brand makes a promise to the customer, a promise that you and your employees must deliver on every day.
- The customer relies on your brand to deliver. If it does, loyalty and repeat business are guaranteed.
- The customer expects your brand to be responsive to the needs of a changing world (example: Nike's treatment of workers in poor countries bought the company a lot of bad PR).
- A brand confirms a customer's self-image and self-esteem. Proud customers are loyal customers.
- Strong brands command bigger profit margins and greater market share than weak ones (customers are prepared to pay a premium for a top brand).
- Strong brands are more attractive to investors.
- A strong brand is immune from product life cycles - companies can maintain the brand while altering the underlying product (example: Apple iTV, iPhone).
- Strong brands lend themselves to brand extension, i.e. spin-offs or new products.

The Minefield of Company Names

Company names are often historical, sometimes carrying the name of the founder (Siemens or Merck). That's not a drawback unless the name is awkward or common. Rolls Royce is neither – it sounds minted somehow. Ford is more workman-like.

These days most company names are 'designed' by naming or branding agencies. With so many mergers and acquisitions, new names are needed in large numbers. Coming up with new names tends to involve serious brainstorming, intensive research, carefully selected focus-groups, market testing in special clinics and more.

Often the results do not reflect the effort invested in the process, with names giving the distinct impression that they've been random-generated by a computer: Ciba-Geigy and Sandoz merged and became **Novartis**. The new name chosen for the merged Rhône-Poulenc and Hoechst companies was **Aventis**.

Rule 1: Clever is good, too clever is not

Aventail sounds very similar to **Aventis** but this is not a made up name, it turns out. An aventail is a curtain of chain mail on a helmet that extends to cover the neck and shoulders.



It's a clever name for a company promising secure internet access but, if the name means nothing to most people, it may be too clever.

We could say the same about VW's **Touareg**, which is the name of a Bedouin tribe. How many of us would know that, or how to pronounce the name?

Rule 2: Names that are awkward are more than obstacles.

They're a ravine many customers may not cross. Ssangyong sold quite a few **Mussos** in Australia but very few **Stavics**. You can see the average Aussie family male go into a showroom asking to test drive a macho Musso (with Rhino horns on the M – that is clever), but a Stavic? It's in the same class as the unloved Nissan Cedric and uglier to boot.

BENQ makes a laptop called Joybook. Perhaps it sounds better in Chinese but it's hard to see many English speakers going into a PC store asking for a Joybook without blushing.

Rule 3: Names that need explanation lead to obfuscation

When Anderson's reputation lay in shreds after its close association with Enron, the company's consulting arm changed its name to **Accenture**. The new website explains that 'Accenture is a coined word that connotes putting an accent or emphasis on the future, just as the firm focuses on helping its clients create their future.'

Perhaps the company hired the same consultants to coin the name **Avanade** for its joint venture with Microsoft. This one needed even more explaining: 'Avanade is derived from two words that collectively convey the company's future-oriented and proactive approach to driving customer value: avan-, advance, advantage, avenue + -ade, action, act.'

Whatever the rationale behind it, Avanade sounds like a name for a new lemonade concocted on 5th Avenue. Other consulting firms haven't done much better: KPMG Consulting changed its name to **BearingPoint**, which would suit a firm of structural engineers, but the grand prize goes to the Consulting arm of Price Waterhouse Coopers. It changed its name to **Monday**, which made people fall about with raucous laughter trying to guess what the PWC folks had been smoking that weekend.

The story goes that the company rang the branding consultants, asking if they'd come up with a name yet. The consultants answered: 'Probably Monday.' (The company was saved from ongoing ridicule when IBM bought it).

Rule 4: Names devoid of Meaning are devoid of Meaning

Vapid names are all the rage, it seems: **Scient**, **Viant**, **Navient**, **Sapient**, **Aquent**, **Cerent** and **Luminant**. They're easier forgotten than remembered. They make us hark back to strong names like Broken Hill.

Rule 5: Insist on a Reality Check

When HP spun off its \$ 8 billion instrument & measurements division, a new name was called for. According to an article in Salon.com - *The Name Game* – the search for a new name was 'a five-phase, cross-unit identity project' that involved senior executives and took 4 months.' The consultants' brief was to coin 'a tremendous name that really was magisterial and compelling, and had a certain amount of stature right away.'

Achieving that goal cost the client more than \$1 million and makes fascinating reading -<http://www.salon.com/media/col/shal/1999/11/30/naming/print.html>

At the end of an exhaustive 4-month process, a grand new name for the enterprise was born: **Agilent**. It may leave us scratching our heads but the agency (who also coined Lucent) assures us that 'On all the scalar measures of distinctiveness and appropriateness, [Agilent] tested right off the charts.'

Rule 6: Re-branding is an rare opportunity not to be squandered

An AT&T spin-off became **Lucent** Technologies and adopted an even more obscure tagline - *Creating value through true convergence*. Any copywriter worth her ink would tell you that 'through true' is a real stumble.

US carrier Sprint changed a punchy name that said 'we're fast' to **Embarq**. Yes, EMBARQ. It would make a great name for a ferry company or port authority.

A few years ago, the British Post Office changed its name to **Consignia**, following the lead of other British enterprises - National Power became **Innogy**, for example. A year later, following much ridicule, Consignia became **Royal Mail**.

ICI Australia had to change its name after its parent sold two thirds of the shares. After an exhaustive process involving management, staff and various agencies, the new name chosen for the company was **Orica**. Here's what the company said after it chose the new name:

'Our aim was to select a name that was short, sharp, memorable and progressive ... Research on the chosen name Orica indicated that people felt the name evoked words such as the future, knowledge, expertise and technology, all of which were considered positive attributes.'



Whatever the rationale, it sounds more like a woman's name, and the logo looks like a dummy. Worse, there is no tagline to enlighten us. The welcome page on the company's website says: 'Orica is an Australian-owned, publicly-listed global company. Orica products and services impact on every part of modern life. Our brands are market leaders that you trust and can depend on.' We still have no idea what the company does, and not a single clue what sets it apart.

Some name changes have worked wonders for their companies. Minnesota Manufacturing and Mining was a real mouthful until it changed its name to 3M, one of the shortest and most distinctive names in business.

Branding is an Art Form

Money can't buy us love or happiness. The same applies to great names and taglines. Creativity does not reach greater heights in proportion to the money spent on it. Like great novels, names and taglines aren't created by committees and focus groups. Some of the best ideas have come to a single mind thinking about the right idea at the right time, in the right way.

In the same way, the most effective names and taglines are created with individual skill. It comes down to word craft, and a knack for playing with words, meanings, humour and quirky angles. It can happen standing in the shower or walking along the street - something triggers something else and it 'clicks' into place.

In Part 2—[Logo Logic](#) we examine why some logos stand out and others don't.

In Part 3—[Taglines and Fault Lines](#) we look at why some are brilliant and others flop.

In Part 4—[Art versus Process](#) we explore the importance of branding to SMBs and look at cost-effective ways to achieve results.